



Transparency Report

Year 2017

Update: March 2018

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1. Message of the Chief Executive Officer

In accordance with article 18 of the Instruction No. 37/2009 relating to the conditions for performing the business of credit rating in the Regional Financial Market of the WAMU, Bloomfield Investment Corporation publishes this transparency report, which provides all required information.

Moreover, this report includes the expected publications, especially articles 17.1, 17.2.2 of Title III of the Instruction No.37/2009 as well as those expected from Item 2 of section II of the terms of reference for the same instruction.

Article 17.1, Title III of the Instruction	Article 17.2.2 Title III of the Instruction	Item 2, section II of the terms of reference of the Instruction
<p>Rating Agencies promptly publish and update all following information:</p> <ol style="list-style-type: none"> 1.actual and potential conflicts of interest referred to in section II, Item 1 of the Terms of Reference (Annex to the Instruction); 2.a definition of what they consider as ancillary services to their core business, namely the rating activity; 3.their policy on the publication of their credit ratings and other related communications the general nature of their compensation plan; the methods, models and main assumption of notation that they use, as well as any significant changes that they have made; 4.any major change to their practices, procedures and processes 	<p>Rating Agencies periodically publish and send to the Regional Council the following information: <u>Annually the following information:</u></p> <ol style="list-style-type: none"> A) a list of their ten largest customers, classified by percentage of turnover generated by each agency; B) a list of customers whose contribution to turnover growth during the previous fiscal year has exceeded the growth rate of the whole turnover by a factor higher than one and a half times 	<p>Any Rating Agency publishes the name of the Rated Entity or related Third Parties generating more than 5% of its annual turnover</p>

Abidjan, 28 March 2018



Stanislas ZEZE
Chief Executive Officer

2. Legal form, management structure and shareholding structure

Bloomfield Investment Corporation is an Ivorian public limited company.

It established in 2007 and began its credit rating operations in 2009.

Its current capital of CFA 100,000,000 is held exclusively by Ivorian nationals.

It has a Board of Directors and a Management, as required by the Uniform Act on commercial companies and economic interest groups.

It is a credit rating agency approved by the Regional Council for Public Savings and Financial Markets of the WAMU, since 2011.

The company is also approved to operate on the financial market of Rwanda since July 2015.

3. Activities and income

3.1 Main activity, credit rating

In accordance with article 17.1 of the Instruction No. 37/2009 relating to the conditions for performing the business of credit rating in the Regional Financial Market of the WAMU, we provide a definition of the activities of the Rating Agency.

Various types of services are delivered:

- Targeted and routine corporate credit risk assessment for companies, financial institutions, public organizations, sovereign borrowers, and securities issued as part of structured finance (securitization);
- Training seminars open to the public;
- Training Seminars in companies (*in-situ*);
- Publication of research reports

Core business, by Bloomfield Ratings	Ancillary activities	
<p>Credit rating is the assessment of an entity's credit quality</p> <p>The assessment takes into account both the <u>ability</u> and the <u>willingness</u> of the entity to meet its commitments in the short, medium and long term.</p> <p>It is an opinion issued on:</p> <ul style="list-style-type: none"> • the solvency and credibility of the rated entity; • the likeliness of timely performance of a financial obligation in accordance with contractual requirements; • the operating environment of the rated entity. 	<p>Economic and market studies and analyses, by <u>Bloomfield Intelligence</u></p>	<p>Under the responsibility and leadership of the Economic Studies and Analysis Department, income-generating activities include the following:</p> <ul style="list-style-type: none"> • country or regional risk analysis; • sectoral risk analysis and studies; • customer-specific studies; • establishment and management of index; • weekly stock market analyses; • management of subscriptions to the documentary database.
	<p>Other services</p>	<ul style="list-style-type: none"> • Seminars/Conferences; • Commercial credit risk assessment; • Training sessions

During the last five (5) years, these activities have generated income

Activity	2013	2014	2015	2016	2017
Credit rating	93.68%	94.75%	73.90%	88.70%	86.34%
Stock Market Analyses and Studies	0 %	0.45%	26.06%	7.74%	1.24%
Other services	6.32%	4.80%	0.04%	3.56%	12.42%
Total turnover	100%	100%	100%	100%	100%

A list of the entities in the regional financial market having contributed to income-generation for the year 2017 is presented in annex 1.

The rating agency has developed a credit risk assessment methodology adapted to the five major categories of issuers: industrial and commercial businesses, financial and insurance institutions, governmental entities, sovereigns and structured finance (securitization).

The methodologies used are published on the website of the credit rating agency.

They are updated when necessary.

Technical procedures for the implementation of these methodologies are contained in a technical procedure manual, updated as major changes are made to practices, procedures and processes.

The duration of a credit rating mission depends on the rated entity or instrument.

3.2 Remuneration, publication of rating activities

The remuneration of rating work is established through discussions with the rated entity.

All rating missions are carried out within a duly established contractual framework specifying the rights and obligations of the parties.

The economic model put in place by Bloomfield Investment is based on the preservation of the independence of the Agency, by not subjecting the remuneration to the prior production of ratings.

It is also based on conflict-of-interest management measures laid down in its Code of Conduct.

The Agency's fees are fully paid by the rated entity before the production of the ratings.

Compulsory rating under the regulation of the financial market result in the systematic production of a credit rating note in the official bulletin of the Regional Stock Market (BRVM).

As for requested rating, publication is made in accordance with the provisions of credit rating agreements.

Bloomfield refrains from unsolicited rating, in the current context of the public information environment in the areas of intervention

Credit rating reports and all reports of economic and stock market studies and analyses can be obtained through subscription with the Agency.

4. Quality management

4.1 Quality of the service delivered and the opinions issued by the teams

The agency places an emphasis on ensuring the quality of missions and opinions issued by implementing several described in a technical procedure manual.

Thus, the competence (or the ability to carry out the mission) of the staff is taken into account by the Operations Management in the planning of missions and selection of the staff at the beginning of the year and throughout the fiscal year.

This planning necessarily takes into account the rule of staff rotation as it integrates the principle of rotation after a minimum period of two years, in order to refresh the skills base.

Missions are generally carried out by two analysts and are formally reviewed by the chief of mission, the Mission Manager and the Operations Manager, depending on the nature of deliverables.

The methodologies and specific instructions of the Operations Management provide assurance about the consistency of the process followed by the teams.

Several other quality factors are maintained within the Agency by the selection of recruits, internal training and regular assessments of the staff.

4.2 Organization of missions

Credit rating missions involve two separate "entities":

- The team in charge of the mission reports to the Operations Department. Its role is to conduct analysis and to recommend ratings.

- The Rating Committee does not participate in the rating work. It decides on the final ratings to be assigned.

This organizational structure ensures an adequate level of quality; any opinion expressed by the rating team must be strongly justified before it is accepted by the Rating Committee.

4.3 Specific control measures

The Instruction No. 37/2009 requires the implementation of specific control measures by:

- A Monitoring Committee
- The Independent Administrator

5. Independence and management of conflicts of interest

5.1 Independence

Independence is one of the conditions for the credibility of the rating agency. The agency must be independent from the requesters of the rating and also from any financial influence group.

In fact, the capital of the company is held by private individuals.

The economic model put in place and the mode of remuneration of the core business reinforce this independence.

These two measures strengthen the agency's legal and financial independence. Access to external financing is through traditional banking resources.

In the provision of professional services, the expression of opinion is always based on the essential separation between the *Rating Team* and the *Rating Committee*, which helps to maintain the appropriate level of independence in the conduct of assignments.

As regards the assignment of rating missions, the composition of teams takes into account any known relations of staff members with the main leaders and/or owners of the rated entities.

Staff rotation is also considered both in the technical procedure manual and during the planning of mission. This mitigates the risk of non-independence of the teams.

5.2 Conflict management and prevention

In its code of conduct, Bloomfield Investment Corporation establishes the rules for the prevention of conflicts, which state that:

- ⇒ no analyst directly involved in the assessment process shall be engaged in a negotiation of a contract and fees.
- ⇒ no analyst shall participate in or influence a rating where he/she:
 - is the owner of bonds or shares in the rated entity.
 - is the owner of shares or bonds in a body related to the rated entity.
 - has been recently employed by the rated entity.
- ⇒ has a close relative employed by the rated entity no analyst or a person directly linked to him/her shall buy any shares or bonds of an entity that is part of the portfolio of such analyst.
- ⇒ no analyst or staff member shall take (or accept) money (or gifts) from an entity having a business relationship with Bloomfield investment.
- ⇒ Any analyst of **Bloomfield Investment Corporation** entering in a personal relation with a staff member of an entity rated by the Agency shall inform the Management or any individual designated by the Management to manage conflicts of interest.
- ⇒ **Bloomfield Investment Corporation** shall conduct investigations on any analyst who leaves the Agency to join an entity rated by the Agency, where such analyst was among the analysts engaged in the rating process for such entity, in order to determine whether there has been some favoritism.

Furthermore, analysts are prohibited to make recommendations or proposals regarding the structuring of a financial product rated or to be rated by the Agency.

These measures are fully made known to all the staff by the Management.

Each of the employees, the members of the Rating Committee and the Chief Executive Officer (on behalf of the rating agency) sign a declaration of independence and absence of conflict of interest, which particularly includes these items.

6. Business Continuity Plan

The activity of the Agency is organized around administrative and operational systems and procedures, to preserve the activities and their continuity

While the organization put in place for missions helps to ensure continuity, it is important that information systems in place are continuously maintained.

Moreover, the Board of Directors is considering a plan for the relocation of activities and people in the event of a crisis.

6.1 IT Safety

Several levels of (physical and logical) security are implemented to guarantee the integrity, reliability and availability of data made available to the agency and/or produced as part of the activities.

Procedures manuals and regular notes are issued to inform, educate and sensitize the staff on IT security risk management.

All these measures are in regularly improved in line with technological developments.

6.2 Archiving and Backup

Daily operational measures are taken to ensure data backup, restoration and archiving.

The recovery plan must enable Bloomfield Investment Corporation to operate even in the event of a disaster with limited impact on the data, including that of teams in charge of major activities.

These measures are also key to preserve the confidentiality of information placed at the disposal of Bloomfield investment.

Compliance with an IT charter and archiving and backup procedures by the entire staff remains capital.

Annexes

Annex 1	List of rating operations on companies or entities whose financial securities are admitted for trading on the regional financial market of the West African Monetary Union (WAMU)
Annex 2	List of rated entities whose financial securities are admitted for negotiations on the regional financial market of the West African Monetary Union (WAMU), and their contribution to the overall turnover
Annex 3	Statements of the Management on independence and management of conflicts of interest

Annex 1

List of rating operations on companies or entities whose financial securities are admitted for trading on the regional financial market of the West African Monetary Union (WAMU) - In the course of the year 2017

Rated entities	Sector/Activities
Listed Companies	
ALIOS FINANCE (SAFCA CI)	Lease financing
BERNABE	Distribution of hardware, metallurgical products and household equipment
BOA Benin	Commercial bank
BOA Burkina Faso	Commercial bank
BOA Cote d'Ivoire	Commercial bank
BOA Mali	Commercial bank
BOA Niger	Commercial bank
BOA Senegal	Commercial bank
CIE	Power transmission and distribution
CROWN SIEM CI	Production of metal packaging
ECOBANK Côte d'Ivoire	Commercial bank
NESTLE	Manufacture and marketing of food products
NSIA Banque	Commercial bank
PALMCI SA	Palm nut and oil products
SODECI	Water distribution
Société Ivoirienne de Banque (SIB)	Commercial bank
Other players in the market	
CRRH-UEMOA	Mortgage refinancing
State of Cote d'Ivoire	Sovereign
GuarantCo	Institutional guarantee
OMNIUM MALI SA	Manufacture and distribution of batteries
Autonomous Port of Abidjan	Public service of port operations
PETRO IVOIRE	Distribution of Petroleum Products
SHELTER AFRIQUE	Development Bank

Annex 2

List of rated entities whose financial securities are admitted for negotiations on the regional financial market of the West African Monetary Union (WAMU), and their contribution to the overall turnover

Article 17.2.2.a: list of the ten (10) largest customers, classified by percentage of turnover (in alphabetical order)

2013*	2014*	2015*	2016*	2017*
CIE	CIE	CIE	CIE	CIE
GuarantCo	PALMCI	PALMCI	State of Cote d'Ivoire	State of Cote d'Ivoire
PALMCI	Port Authority of Abidjan	Port Authority of Abidjan	PALMCI	PALMCI
Petro Ivoire	SODECI	SODECI	Port Authority of Abidjan	Port Authority of Abidjan
Port Authority of Abidjan			SODECI	SODECI
SHELTER Afrique				
SODECI				

* Update of the last publication made for the year, to only take into account rated entities, capital market participants and the top ten (10) largest clients of Bloomfield Investment

Article 17.2.2.b: list of customers whose contribution to turnover growth during the previous fiscal year has exceeded the growth rate of the whole turnover by a factor higher than one and a half times (2013 - 2017)

Not applicable

Item 2, Section II of the terms of reference - List of rated entities or related third parties generating more than 5% of the annual turnover (2013 - 2017) - in alphabetical order

2013	2014	2 015	2 016	2017
CIE	CIE	Port Authority of Abidjan	State of Cote d'Ivoire	State of Cote d'Ivoire
GuarantCo	Port Authority of Abidjan			
PALMCI	SODECI			
Petro Ivoire				
Port Authority of Abidjan				
SODECI				
SHELTER Afrique				

Annex 3

Statements of the Management on independence and management of conflicts of interest

Pursuant to the provisions of:

- article 17.1.1 of Title III of the Instruction No. 27/2009 of 23 November 2009 relating to the conditions for exercising the credit rating business in the Regional Financial Market of the WAMU;
- article 18.5 of Title III of the same Instruction,

We confirm, that:

- ⇒ we believe we have taken reasonable measures to manage actual and potential conflicts of interest referred to in section II, item 1 of the terms of reference of rating agencies
- ⇒ controls are in place to ensure compliance with the of independence of the Agency and the entire staff assigned to credit rating missions during the past year.

Abidjan, 28 March 2018



Stanislas ZEZE
Chief Executive Officer