

# PROSPECTUS SUMMARY



## SUBORDINATED BONDS ISSUED FOR A MAXIMUM AGGREGATE AMOUNT OF MAD 250,000,000

The AMMC-approved prospectus consists of:

- The Securities Note
- Wafasalaf Reference Document relating to the 2022 financial year, registered by the AMMC on December 15, 2023, under the reference EN/EM/035/2023

	Tranche A, unlisted	Tranche B, unlisted
<b>Ceiling</b>	MAD 250,000,000	MAD 250,000,000
<b>Maximum number of securities</b>	2,500 subordinated bonds	2,500 subordinated bonds
<b>Nominal value</b>	MAD 100,000	MAD 100,000
<b>Maturity</b>	7 years	7 years
<b>Face interest rate</b>	<u>Fixed</u> , determined in reference to the 7-year rate calculated on the secondary yield curve of Treasury bonds, as published by Bank Al-Maghrib on December 21, 2023, plus a risk premium of 70 basis points	<u>Annually revisable</u> : For the first year, the facial interest rate is the full 52-week rate (money market rate) determined using the reference Treasury bill secondary market yield curve as published by Bank Al-Maghrib on December 21, 2023, plus a risk premium of 60 basis points.
<b>Principal repayment</b>	In fine	In fine
<b>Risk premium</b>	70 bps	60 bps
<b>Repayment guarantee</b>	None	None
<b>Allocation method</b>	On a pro-rata basis	On a pro-rata basis
<b>Tradability of securities</b>	Over-the-counter (off-market)	Over-the-counter (off-market)

**Subscription period: from December 22 to 26, 2023, inclusive**

**Issue reserved for qualified Moroccan investors as listed in the Securities Note**

### Advisory Body

Attijari Finances Corp.



### Placement Agent



### APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of Law No. 44-12 on public offerings and information required of legal entities and savings organizations, this prospectus was approved by the AMMC on December 15, 2023, under reference no. VI/EM/038/2023.

This Securities Note forms only part of the AMMC-approved prospectus. The latter consists of the following documents:

- The Securities Note;
- Wafasalaf Reference Document relating to the 2022 financial year, registered by the AMMC on December 15, 2023, under the reference EN/EM/035/2023.

## **DISCLAIMER**

The Moroccan Capital Markets Authority (AMMC) approved on December 15, 2023 the prospectus bearing reference number VI/EM/038/2023 relating to Wafasalaf's subordinated bond issue.

The approval of the Moroccan Capital Market Authority (AMMC) concerns the prospectus composed of:

- The Securities Note;
- Wafasalaf Reference Document relating to the 2022 financial year, registered by the AMMC on December 15, 2023, under the reference EN/EM/035/2023.

A subordinated bond differs from a conventional bond in that the subordination clause defines the contractual ranking of the debt. In the event of liquidation of the issuer, the subordination clause makes repayment of the bond conditional on satisfaction of all other conventional, preferred or unsecured debts.

The AMMC-approved prospectus is available at any time at the following places:

- Wafasalaf's Registered Office: 72 Angle Bd Abdelmoumen et Rue RamAllah, Casablanca.  
Phone: 05.22.54.51.51, et sur son site internet:  
<https://www.wafasalaf.ma/fr/espace-institutionnel/publications?page=0>;
- Attijari Finances Corp.: 163, avenue Hassan II - Casablanca.  
Phone: 05.22.47.64.35.

The prospectus is available to the public on AMMC website ([www.ammc.ma](http://www.ammc.ma)).

This summary has been translated by LISSANIAT under the joint responsibility of the said translator and Wafasalaf. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

## **PART I: PRESENTATION OF THE OPERATION**

### **I. OBJECTIVES OF THE OPERATION**

The subordinated bond issue, covered by the securities note, will enable Wafasalaf to maintain its presence on the capital market and diversify its financing sources.

The main objective of this issue is to:

- Strengthening the current regulatory capital and, therefore, strengthening the solvency ratio of Wafasalaf;
- Strengthening its stable resources and harmonizing the average maturity of its funding sources with the average duration of outstanding loans;
- Diversifying the sources of funding and optimizing its financing costs;
- Funding the development and growth of the company.

### **II. STRUCTURE OF THE OPERATION**

Wafasalaf is issuing two thousand five hundred (2,500) subordinated unlisted bonds with a 7-year maturity and a nominal value of one hundred thousand (100,000) MAD. The maximum amount of the Operation, object of the present prospectus, is two hundred and fifty million (250,000,000) MAD, divided as follows:

- Tranche "A" with a 7-year maturity, at a fixed rate, unlisted on the Casablanca Stock Exchange, with a ceiling of MAD 250,000,000 and a nominal value of MAD 100,000 each (principal repayment in fine);
- Tranche "B" with a 7-year maturity, at an annually revisable rate, unlisted on the Casablanca Stock Exchange, with a ceiling of MAD 250,000,000 and a nominal value of MAD 100,000 each (principal repayment in fine).

The total amount allocated to the two tranches may under no circumstances exceed the sum of two hundred and fifty million (250,000,000) dirhams.

If the bond issue is not fully subscribed, the amount of the issue will be limited to the amount actually subscribed.

This issue is reserved for the qualified investors under Moroccan law listed in the securities note.

The purpose of limiting subscriptions to qualified investors under Moroccan law is to facilitate the management of subscriptions on the primary market. It is understood that any investor wishing to purchase the bonds may do so on the secondary market.

### **III. INFORMATION ON WAFASALAF'S SUBORDINATED BONDS**

***Disclaimer:*** *A subordinated bond differs from a conventional bond in that the subordination clause defines the contractual ranking of claims. In the event of the issuer's liquidation, the subordination clause makes repayment of the loan conditional on all preferred and unsecured creditors being paid in full.*

#### **Characteristics of Tranche A (fixed-rate, 7-year maturity, principal repayment in fine, and unlisted on the Casablanca Stock Exchange)**

<b>Nature of securities</b>	Subordinated bonds not listed on the Casablanca Stock Exchange, fully dematerialized by book entry with authorized financial intermediaries and admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds
<b>Tranche ceiling</b>	<b>MAD 250,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>2,500 subordinated bonds</b>

<b>Initial nominal value</b>	<b>MAD 100,000</b>
<b>Issue price</b>	<b>100%, i.e., MAD 100,000</b>
<b>Repayment price</b>	<b>100%, i.e., MAD 100,000</b>
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 22 to 26, 2023, inclusive
<b>Dividend date</b>	December 28, 2023
<b>Maturity date</b>	December 28, 2030
<b>Allocation method</b>	On a pro-rata basis
<b>Facial interest rate</b>	<p><b>Fixed rate</b></p> <p>The nominal interest rate is determined by reference to the 7-year maturity rate calculated using the reference Treasury bill secondary market yield curve as published by Bank Al-Maghrib on December 21, 2023. This rate will be increased by a risk premium of 70 basis points.</p> <p>If the 7-year maturity rate is not directly observable, the reference rate is determined by the linear interpolation method, using the two points surrounding the full 7-year maturity (actuarial basis).</p> <p>The reference rate and facial interest rates will be published by Wafasalaf on its website and in a legal announcement journal on December 21, 2023.</p>
<b>Risk premium</b>	<b>70 basis points</b>
<b>Interests</b>	<p>Interests will be paid annually on the anniversary of the loan's vesting date, i.e., December 28 of each year. Payment will be made on the same day, or on the first business day following December 28 if this is not a business day. Interest on the subordinated bonds will cease to accrue from the date on which the principal is redeemed by Wafasalaf. No deferral of interest will be possible in connection with this operation.</p> <p>Interest will be calculated in accordance with the following formula:</p> <p>[Nominal x Facial interest rate].</p>
<b>Principal redemption</b>	<p>Tranche A is subject to principal repayment in fine.</p> <p>In the event of a merger, demerger or partial transfer of assets of Wafasalaf occurring during the term of the loan and resulting in the universal transfer of assets and liabilities to a separate legal entity, the rights and obligations under the subordinated bonds will automatically be transferred to the legal entity substituted for the rights and obligations of Wafasalaf.</p> <p>In the event of Wafasalaf going into liquidation, repayment of the principal is subordinated to all conventional, preferential and unsecured debts.</p>

<b>Early redemption</b>	<p>Wafasalaf undertakes to refrain from early redemption of the bonds covered by the securities note.</p> <p>However, Wafasalaf reserves the right to proceed, with the prior consent of Bank Al-Maghrib, to repurchase subordinated bonds on the secondary market, provided this is permitted by legal and regulatory provisions.</p> <p>Wafasalaf must offer the same prices in writing to all bondholders by means of a notice published in a legal gazette, and repurchase in proportion to those who accept, while respecting the quantities held by each. In this case, the issuer will inform the AMMC, the bondholders' representative, of the repurchase operation 5 trading days before the said operation.</p> <p>Such redemptions have no impact on subscribers wishing to hold their bonds until maturity, and have no effect on the normal redemption schedule. Bonds bought back will be cancelled and may not be put back into circulation.</p> <p>In the event of redemption, the issuer must inform the AMMC and the bondholders' representative of the bonds cancelled.</p>
<b>Tradability of securities</b>	<p>Tradable over-the-counter.</p> <p>There are no restrictions imposed by the terms of the issue on the free tradability of the subordinated bonds.</p>
<b>Assimilation clauses</b>	<p>There is no assimilation of the subordinated bonds, covered by the securities note, with the securities of a previous issue.</p> <p>In the event that Wafasalaf subsequently issues new securities with rights identical in all respects to those of the present issue, it may, without requiring the consent of the holders and provided that the issue contracts so provide, assimilate all the securities of successive issues, thereby unifying all operations relating to their management and trading.</p>
<b>Loan rank / Subordination</b>	<p>Capital and interest are subject to a subordination clause.</p> <p>The application of this clause in no way affects the rules of law concerning accounting principles for the allocation of losses, the obligations of shareholders and the rights of subscribers to obtain payment of their securities in principal and interest.</p> <p>In the event of the liquidation of Wafasalaf, the repayment of the capital and interest of the subordinated securities of the present issue will take place only after all traditional, preferential or unsecured creditors have been paid. The present subordinated notes will rank pari passu with all other subordinated loans that may subsequently be issued by Wafasalaf, both in Morocco and internationally, in proportion to their amount, if any.</p>
<b>Maintaining loan's rank</b>	<p>Wafasalaf undertakes, until the effective repayment of all the securities of this loan, not to grant any other subordinated securities that it may subsequently issue any priority as regards their repayment ranking in the event of liquidation, without granting the same rights to the subordinated securities of this loan.</p>
<b>Repayment guarantee</b>	<p>This issue is not subject to any specific guarantee.</p>
<b>Rating</b>	<p>No rating has been requested for this issue.</p>

<b>Representation of the bondholders' body</b>	<p>The Supervisory Board meeting held on December 11, 2023 appointed HDID Consultants, represented by Mr. Mohamed Hdid, as provisional representative. It should be noted that the provisional representative appointed is identical for tranches A and B, which are grouped together in a single group.</p> <p>Within 6 months from the closing date of subscriptions, the provisional representative shall convene the ordinary general meeting of bondholders to elect the representative of the bondholders' group in accordance with the provisions of articles 301 and 301 bis of law 17-95 relating to public limited companies, as amended and supplemented.</p> <p>In accordance with article 301 bis of law 17-95 relating to public limited companies, as amended and supplemented, it was decided to set the remuneration of the provisional representative and the representative of the bondholders' group at MAD 30,000 (excl. VAT) per year for the group.</p> <p>In accordance with article 302 of the aforementioned law, the bondholders' representative has the power to carry out, in the name of the bondholders' group, all acts of management necessary to safeguard the common interests of the bondholders, unless restricted by the general meeting of bondholders.</p> <p>Wafasalaf has no capital or business ties with HDID Consultants represented by Mr. Mohamed Hdid.</p> <p>In addition, HDID Consultants represented by Mr. Mohamed Hdid is the bondholders' representative for the issues carried out by Wafasalaf between 2017 and 2019.</p>
<b>Applicable law</b>	Moroccan law.
<b>Competent jurisdiction</b>	Commercial Court of Casablanca

## Characteristics of Tranche B (Annually revisable rate, 7-year maturity, principal repayment in fine, not listed on the Casablanca Stock Exchange)

<b>Nature of securities</b>	Subordinated bonds not listed on the Casablanca Stock Exchange, fully dematerialized by book entry with authorized financial intermediaries and admitted to the operations of the central depository (Maroclear).
<b>Legal form</b>	Bearer bonds
<b>Tranche ceiling</b>	<b>MAD 250,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>2,500 subordinated bonds</b>
<b>Initial nominal value</b>	<b>MAD 100,000</b>
<b>Issue price</b>	<b>100%, i.e., MAD 100,000</b>
<b>Repayment price</b>	<b>100%, i.e., MAD 100,000</b>
<b>Loan maturity</b>	7 years
<b>Subscription period</b>	From December 22 to 26, 2023, inclusive
<b>Dividend date</b>	December 28, 2023
<b>Maturity date</b>	December 28, 2030
<b>Allocation method</b>	On a pro-rata basis
<b>Facial interest rate</b>	<p><b>Annually revisable rate</b></p> <p>For the first year, the face interest rate is the full 52-week rate (money market rate) determined using the reference Treasury bill secondary market yield curve as published by Bank Al-Maghrib on December 21, 2023. This rate will be increased by a risk premium of 60 basis points.</p> <p>The reference rate and the face interest rates will be published by Wafasalaf on its website in a legal announcements journal on December 21, 2023.</p> <p>On each anniversary date, the reference rate is the full 52-week rate (money market rate) determined using the reference Treasury bill secondary market yield curve published by Bank Al-Maghrib, preceding the coupon anniversary date by 5 business days.</p> <p>The reference rate thus obtained will be increased by a risk premium of 60 basis points and will be communicated by Wafasalaf, via its website, to bondholders 5 working days before the anniversary date.</p>
<b>Reference rate calculation method</b>	<p>If the 52-week rate is not directly observable, Wafasalaf will determine the reference rate by linear interpolation using the two points surrounding the full 52-week maturity (monetary basis).</p> <p>This linear interpolation is performed after converting the rate immediately above the 52-week maturity (actuarial basis) into the equivalent monetary rate.</p> <p>The calculation formula is:</p> $(((\text{Actuarial rate} + 1) ^ {k / \text{exact number of days}^*}) - 1) \times 360/k;$ <p>where k: maturity of the actuarial rate immediately above 52 weeks.</p> <p>*Exact number of days: 365 or 366 days.</p>

<b>Risk premium</b>	<b>60 basis points</b>
<b>Interest rate determination date</b>	<p>The coupon will be revised annually on the anniversary dates of the loan's vesting date, i.e., December 28 of each year.</p> <p>The new rate will be communicated by the issuer to bondholders, via its website, 5 business days before the anniversary date.</p>
<b>Interests</b>	<p>Interests will be paid annually on the anniversary of the loan's vesting date, i.e. December 28 of each year. Payment will be made on the same day, or on the first business day following December 28 if this is not a business day. Interests on the subordinated bonds will cease to accrue from the date on which the principal is redeemed by Wafasalaf. No deferral of interest will be possible in connection with this transaction.</p> <p>Interest will be calculated in accordance with the following formula:</p> <p>[Nominal x Facial interest rate x Exact number of days / 360].</p>
<b>Principal redemption</b>	<p>Tranche B is subject to principal repayment in fine.</p> <p>In the event of a merger, demerger or partial transfer of assets of Wafasalaf occurring during the term of the loan and resulting in the universal transfer of assets and liabilities to a separate legal entity, the rights and obligations under the subordinated bonds will automatically be transferred to the legal entity substituted for the rights and obligations of Wafasalaf.</p> <p>In the event of Wafasalaf going into liquidation, repayment of the principal is subordinated to all conventional, preferential and unsecured debts.</p>
<b>Early redemption</b>	<p>Wafasalaf undertakes to refrain from early redemption of the bonds covered by the securities note.</p> <p>However, Wafasalaf reserves the right to proceed, with the prior consent of Bank Al-Maghrib, to repurchase subordinated bonds on the secondary market, provided this is permitted by legal and regulatory provisions.</p> <p>Wafasalaf must offer the same prices in writing to all bondholders by means of a notice published in a legal gazette, and repurchase in proportion to those who accept, while respecting the quantities held by each. In this case, the issuer will inform the AMMC, the bondholders' representative, of the repurchase operation 5 trading days before the said operation.</p> <p>Such redemptions have no impact on subscribers wishing to hold their bonds until maturity, and have no effect on the normal redemption schedule. Bonds bought back will be cancelled and may not be put back into circulation.</p> <p>In the event of redemption, the issuer must inform the AMMC and the bondholders' representative of the bonds cancelled.</p>
<b>Tradability of securities</b>	<p>Tradable over-the-counter.</p> <p>There are no restrictions imposed by the terms of the issue on the free tradability of the subordinated bonds.</p>



<b>Assimilation clauses</b>	<p>There is no assimilation of the subordinated bonds, covered by the securities note, with the securities of a previous issue.</p> <p>In the event that Wafasalaf subsequently issues new securities with rights identical in all respects to those of the present issue, it may, without requiring the consent of the holders and provided that the issue contracts so provide, assimilate all the securities of successive issues, thereby unifying all operations relating to their management and trading.</p>
<b>Loan rank / Subordination</b>	<p>Capital and interest are subject to a subordination clause.</p> <p>The application of this clause in no way affects the rules of law concerning accounting principles for the allocation of losses, the obligations of shareholders and the rights of subscribers to obtain payment of their securities in principal and interest.</p> <p>In the event of the liquidation of Wafasalaf, the repayment of the capital and interest of the subordinated securities of the present issue will take place only after all traditional, preferential or unsecured creditors have been paid. The present subordinated notes will rank pari passu with all other subordinated loans that may subsequently be issued by Wafasalaf, both in Morocco and internationally, in proportion to their amount, if any.</p>
<b>Maintaining loan's rank</b>	<p>Wafasalaf undertakes, until the effective repayment of all the securities of this loan, not to grant any other subordinated securities that it may subsequently issue any priority as regards their repayment ranking in the event of liquidation, without granting the same rights to the subordinated securities of this loan.</p>
<b>Repayment guarantee</b>	<p>This issue is not subject to any specific guarantee.</p>
<b>Rating</b>	<p>No rating has been requested for this issue.</p>
<b>Representation of the bondholders' body</b>	<p>The Supervisory Board meeting held on December 11, 2023 appointed HDID Consultants, represented by Mr. Mohamed Hdid, as provisional representative. It should be noted that the provisional representative appointed is identical for tranches A and B, which are grouped together in a single group.</p> <p>Within 6 months from the closing date of subscriptions, the provisional representative shall convene the ordinary general meeting of bondholders to elect the representative of the bondholders' group in accordance with the provisions of articles 301 and 301 bis of law 17-95 relating to public limited companies, as amended and supplemented.</p> <p>In accordance with article 301 bis of law 17-95 relating to public limited companies, as amended and supplemented, it was decided to set the remuneration of the provisional representative and the representative of the bondholders' group at MAD 30,000 (excl. VAT) per year for the group.</p> <p>In accordance with article 302 of the aforementioned law, the bondholders' representative has the power to carry out, in the name of the bondholders' group, all acts of management necessary to safeguard the common interests of the bondholders, unless restricted by the general meeting of bondholders.</p> <p>Wafasalaf has no capital or business ties with HDID Consultants represented by Mr. Mohamed Hdid.</p> <p>In addition, HDID Consultants represented by Mr. Mohamed Hdid is the bondholders' representative for the issues carried out by Wafasalaf between 2017 and 2019.</p>
<b>Applicable law</b>	<p>Moroccan law.</p>



#### IV. DEFAULT EVENT

A Default Event means the failure to pay all or part of the interest amount due by the Company on any Bond unless the payment is made within 14 business days following the due date and unless the Company has decided, with the consent of Bank Al-Maghrib, to cancel (in whole or in part) the payment of interest in accordance with the provisions set forth in the characteristics of the perpetual subordinated bonds presented above in Part II - Section II - Information relating to Attijariwafa bank perpetual subordinated bonds.

In case of occurrence of a Default Event, the representative of the Bondholders' body must send without delay a formal notice to the Company to remedy the Default Event with an injunction to pay any amount in interest due by the Company within 14 working days following the formal notice.

If the Company has not cured the Event of Default within 14 business days following the date of receipt of the notice of default, the Representative of the Bondholders' body may, after convening the general meeting of bondholders and upon a decision of the latter ruling in accordance with the conditions of quorum and majority provided for by law and upon simple written notification to the Issuer with a copy to the Issuer and to the AMMC, render the entire issue payable, entailing ipso jure the obligation for the Company to redeem the said Bonds up to the principal amount plus the interest accrued since the last interest payment date and increased by the accrued interest not yet paid. The principal amount being the initial principal amount (initial nominal value x number of securities), or in the event of early redemption, the outstanding principal amount.

#### V. RISKS RELATED TO SUBORDINATED BONDS

- **Liquidity risk:** Subscribers to Wafasalaf's subordinated bonds may be subject to a liquidity risk on the secondary market for private debt. Depending on market conditions (liquidity, changes in the yield curve, etc.), the liquidity of Wafasalaf's subordinated bonds may be temporarily affected;
- **Interest rate risk:** The bond issue covered by the securities note includes a fixed-rate tranche (A tranches), calculated on the basis of the reference Treasury Bonds yield curve for the secondary market as published by Bank Al Maghrib on December 21, 2023. As a result, the value of the fixed-rate bonds may vary upwards or downwards, depending on changes in the benchmark yield curve for the secondary market in Treasury Bonds as published by Bank Al Maghrib;
- **Subordination risk:** The bond issue is subject to a subordination clause, under which, in the event of liquidation of the issuer, repayment of the principal and interest on the subordinated securities of this issue will be made only after all traditional, preferred and unsecured creditors have been paid in full.
- **Payment default risk:** The bonds covered by the securities note may present a risk that the issuer will not be able to honor its contractual commitments to bondholders, with this risk resulting in the non-payment of coupons and/or the non-repayment of principal.

#### IV. SCHEDULE OF THE OPERATION

This operation schedule is as follows:

Orders	Stages	Timeline
1	Receipt of the AMMC approval	December 15, 2023
2	Publication of the prospectus extract on the issuer's website	December 15, 2023
3	Publication by the issuer of the press release in a legal announcement journal	December 15, 2023
4	Observation of reference rates	December 21, 2023
5	Publication of the reference and face interest rates on the issuer's website	December 21, 2023
6	Publication of the reference and face interest rates in a legal announcement journal	December 21, 2023
7	Opening of the subscription period	December 22, 2023
8	Closing of the subscription period	December 26, 2023
9	Allocation of securities	December 26, 2023
10	Payment / Delivery	December 28, 2023
11	Publication by the issuer of the operation results and the used rates in a legal announcement journal and on its website	December 28, 2023

## **PART II: OVERVIEW OF WAFASALAF**

### **I. GENERAL INFORMATION**

<b>Company name</b>	Wafasalaf
<b>Registered office</b>	72 Angle Bd Abdelmoumen et Rue RamAllah - Casablanca
<b>Phone / Fax</b>	05.22.54.51.00 / 05.22.27.35.35
<b>Website</b>	www.wafasalaf.ma
<b>Legal form</b>	Public limited company with an Executive Board and Supervisory Board
<b>Incorporation date</b>	June 18, 1986
<b>Company lifetime</b>	99 years
<b>Trade Register</b>	48 409, Casablanca
<b>Financial Year</b>	January 1 <sup>st</sup> to December 31 <sup>st</sup>
<b>Corporate purpose</b>	<p>Article 3 of Wafasalaf's articles of association stipulates that the company's purpose is:</p> <ul style="list-style-type: none"><li>▪ all financing and consumer credit operations with a view to enabling or facilitating the acquisition of any object, article or manufactured product, any industrial, commercial or agricultural equipment, any motor vehicle and, in general, any consumer good for household, collective, agricultural, commercial or industrial use, any real estate asset, as well as any service;</li><li>▪ all personal and commercial vehicle leasing operations, either long-term or with purchase option;</li><li>▪ receipt from the public of funds with a term of more than 2 years;</li><li>▪ all operations involving the purchase or sale, import or export, spot or forward, arbitration, premiums, premiums or discounts on goods or securities;</li><li>▪ creation, acquisition, leasing and operation of any building, premises, goodwill, store or workshop necessary or simply useful for the company's operations;</li><li>▪ more generally, all financial, commercial, industrial, securities and real estate transactions directly or indirectly related to the above-mentioned activities and likely to promote the company's development.</li></ul>
<b>Share capital as of September 30, 2023</b>	MAD 113,179,500.
<b>Legal documents</b>	<p>Legal documents relating to Wafasalaf, in particular the Articles of Association, minutes of General Meetings and auditors' reports, may be consulted at the company's head office.</p> <p>Due to its legal form, Wafasalaf is governed by the following texts:</p> <ul style="list-style-type: none"><li>▪ law no. 17-95 on public limited companies, as amended and supplemented;</li><li>▪ law 103-12 relating to credit institutions and similar bodies.</li></ul> <p>Due to its public offering, Wafasalaf is subject to the following laws and regulations:</p> <ul style="list-style-type: none"><li>▪ decree no. 2560-95 of 9/11/95 issued by the Minister of Finance and Foreign Investment concerning certain negotiable debt securities, as amended and supplemented;</li><li>▪ law 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings, as amended and supplemented;</li><li>▪ law 35-94 relating to certain negotiable debt securities, as amended and supplemented;</li><li>▪ law no. 35-96 relating to the creation of a central depository and the institution of a general regime for the book-entry of certain securities, as amended and supplemented;</li><li>▪ AMMC general regulation no. 2169/16 of July 14, 2016;</li><li>▪ general regulations of the central depository approved by order of the Minister of the Economy and Finance n°932-98 of April 16, 1998 and amended by order of the Minister of the Economy, Finance, Privatization and Tourism no. 19601 of October 30, 2001 and order no. 1077-05 of March 17, 2005;</li><li>▪ law no. 4312 of March 13, 2013 relating to the Moroccan capital markets authority;</li><li>▪ AMMC circulars.</li></ul>
<b>List of the applicable laws</b>	
<b>Tax system</b>	<p>Before the finance law for the 2023 budget year, Wafasalaf was subject, as a credit institution, to a corporate tax rate of 37%. As part of the continued implementation of the provisions of framework law No. 69.19 relating to tax</p>

reform, the 2023 FL instituted a global reform of corporate tax rates according to a progressive methodology over four (4) years. For credit institutions, 40% is the target corporate tax rate for 2026. Thus, the corporate tax rate applied to Wafasalaf initially is 37.75%.

Wafasalaf is subject, as a credit institution, to VAT of 10%.

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**Competent court**

Commercial Court of Casablanca

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## II. INFORMATION ON THE ISSUER'S CAPITAL<sup>1</sup>

As of September 30, 2023, Wafasalaf's shareholder structure was as follows:

	Number of shares	% of capital and voting rights
<b>Attijariwafa bank</b>	<b>576 186</b>	<b>50.9%</b>
<b>CACF (formerly Sofinco)</b>	<b>554 579</b>	<b>49.0%</b>
Supervisory Board members	43	0.0%
Various small shareholders (formerly Crédor)	987	0.1%
<b>Total</b>	<b>1 131 795</b>	<b>100.0%</b>

*Source: Wafasalaf*

## I. WAFASALAF'S ORGANIZATION CHART

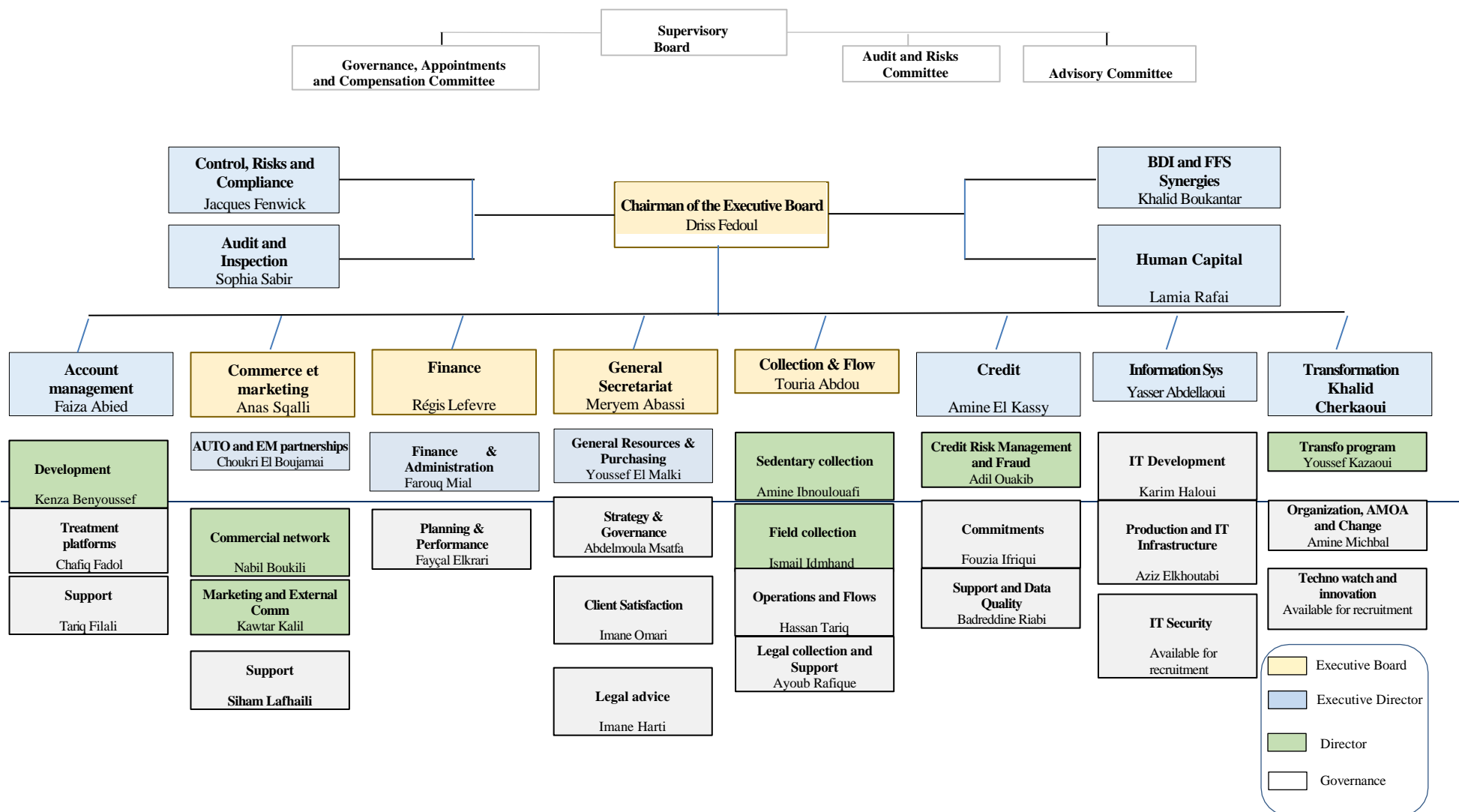
At the date of approval of the prospectus, Wafasalaf's organization chart was as follows:

<sup>1</sup> Al Mada became Attijariwafa bank's reference shareholder with a 46.43% stake, mainly following the merger of ONA into Al Mada on 31, December 2010.

## Wafasalaf's organization chart

Wafasalaf's functional organization chart is as follows:

Wafasalaf's functional organization chart as of September 30, 2023





## II. ACTIVITY OVERVIEW

### Production structure

Wafasalaf's production trend over the period 2020 - 2022 and H1 2023 is as follows:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. H1 23/H1 22
<b>Net production output</b>	<b>4 414</b>	<b>6 046</b>	<b>5 725</b>	<b>37.00%</b>	<b>-5.31%</b>	<b>2 783</b>	<b>3 316</b>	<b>19.15%</b>
Personal Loans	1 898	2 959	2 793	55.90%	-5.62%	1 359	1 379	1.47%
Revolving	47	41	32	-13.00%	-21.54%	17	16	-5.88%
Car	2 025	2 535	2 335	25.20%	-7.87%	1 151	1 632	41.79%
<i>o/w credit sales</i>	893	663	612	-25.80%	-7.77%	237	554	>100%
<i>o/w LOA</i>	1 132	1 872	1 724	65.40%	-7.91%	913	896	-1.86%
Household equipment	444	511	565	15.00%	10.50%	256	289	12.89%
<i>Assigned production</i>	<i>55.90%</i>	<i>50.40%</i>	<i>50.66%</i>	<i>-0.1 pts</i>	<i>0.2 pts</i>	<i>50.56%</i>	<i>57.93%</i>	<i>7.9 pts</i>
<i>Unassigned production</i>	<i>44.10%</i>	<i>49.60%</i>	<i>49.34%</i>	<i>0.1 pts</i>	<i>-0.3 pts</i>	<i>49.44%</i>	<i>42.07%</i>	<i>-7.37 pts</i>
<b>Gross managed production</b>	<b>7 377</b>	<b>9 107</b>	<b>9 592</b>	<b>23.50%</b>	<b>5.33%</b>	<b>5 041</b>	<b>5 007</b>	<b>-0.67%</b>
AWB	4 446	5 871	5 739	32.10%	-2.24%	3 002	2 722	-9.33%
CDM	1 006	1 224	1 210	21.70%	-1.18%	697	839	20.37%
CAM	504	537	591	6.50%	10.05%	324	321	-0.93%
RCI Finance Morocco	1 421	1 475	2 053	3.80%	39.16%	1 018	1 125	10.51%
<b>Total</b>	<b>11 791</b>	<b>15 153</b>	<b>15 317</b>	<b>28.50%</b>	<b>1.08%</b>	<b>7 824</b>	<b>8 324</b>	<b>6.39%</b>

Source: Wafasalaf

N.B.: Production includes the amount of security deposits for LOA with security deposit

It should be noted that, from an accounting point of view, only the production carried is recorded as Wafasalaf's own production.

### Production output (achieved by Wafasalaf)

#### 2020-2021 analytical review

For the 2021 financial year, Wafasalaf's production reached MAD 6,046 million, up 37% compared with 2020. By category, this trend is explained by:

- A 55.9% increase in the personal loan segment;
- A 25.2% increase in the automobile segment, to MAD 2,535 million;
- A 15.0% rise in the Household Equipment segment, to MAD 511 million.

For the 2021 financial year, Wafasalaf's overall gross production amounts to MAD 5,871 million, up 32.1% compared with 2020.

#### 2021-2022 analytical review

In 2022, Wafasalaf's production output amounts to MAD 5,725 million, down 5.31% compared with 2021. By category, this evolution is explained by:

- A 5.62% decline in the personal loan segment;

- A 7.87% decline in the automobile segment, to MAD 2,335 million;
- A 10.5% rise in the Household Equipment segment, to MAD 565 million.

In 2022, Wafasalaf's overall gross production stood at MAD 5,739 million, down 2.24% compared with 2021.

### H1 2022 – H1 2023 analytical review

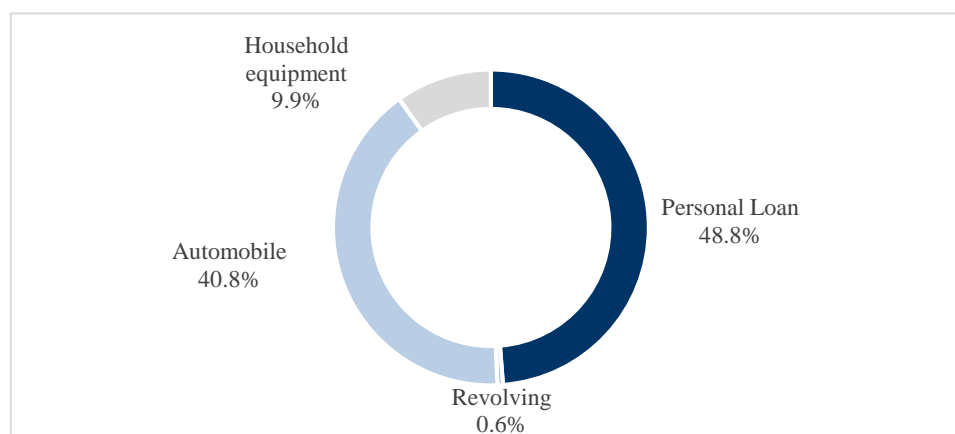
Over H1 2023, Wafasalaf's production reached MAD 3,316 million, up 19.1% compared with H1 2022. By category, this trend was driven by:

- A 1.47% increase in the personal loan segment;
- A 41.8% rise in the automotive segment, to MAD 1,632 million;
- A 12.9% rise in the Household Equipment segment, to MAD 289 million.

In 2022, Wafasalaf's overall gross production amounted to MAD 2,722 million, down 9.3% compared with H1 2022.

The graph below shows the breakdown of production by product type for the 2022 financial year:

#### **Breakdown of production by product (2022)**



*Source: Wafasalaf*

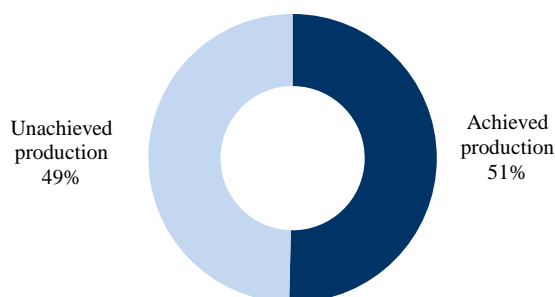
In terms of product portfolio, in 2022 Wafasalaf achieved 48.8% of its achieved production in the Personal Loan segment, followed by the Automotive segment (40.8%) and the Household Equipment segment (9.9%).

As shown in the graph below, unachieved production accounted for around 49% of Wafasalaf's total achieved production in 2022.

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### Breakdown of production between achieved and unachieved production (2022)



Source: Wafasalaf

### **Gross managed production**

It should be noted that the gross production managed by Wafasalaf gives rise to the invoicing of commissions recorded under "Commissions on services rendered" (see Income and expense account analysis).

### **2020-2021 analytical review**

In 2021, Wafasalaf's managed production rose by 23.5% to MAD 9,107 million, compared with MAD 7,377 million in 2020. This evolution is mainly due to the growth of the activity managed on behalf of:

- AWB, whose managed production rose from MAD 4,446 million in 2020 to MAD 5,871 million, up 32.1% over the period;
- CDM, whose managed production rose from MAD 1,006 million in 2020 to MAD 1,224 million in 2021, an increase of 21.7% over the period;
- CAM, whose managed production increased from MAD 504 million in 2020 to MAD 537 million in 2021, up 6.5% over the period.

### **2021-2022 analytical review**

In 2022, Wafasalaf's managed production rose by 5.3% to MAD 9,592 million, compared with MAD 9,107 million in 2021. This evolution is mainly due to the growth of the activity managed on behalf of:

- AWB, whose managed production rose from MAD 5,871 million in 2021 to MAD 5,739 million in 2022, down 2.2% over the period;
- CDM, whose managed production rises from MAD 1,224 million in 2021 to MAD 1,210 million in 2022, down 1.2% over the period;
- CAM, whose managed production rises from MAD 537 million in 2021 to MAD 591 million in 2022, up 10.1% over the period.

## H1 2022-2023 analytical review

In H1 2023, Wafasalaf's managed production fell by 0.7% to MAD 5,007 million from MAD 5,041 million in H1 2022. This evolution is mainly due to the growth of the activity managed on behalf of:

- AWB, whose managed production fell from MAD 3,002 million in H1 2022 to MAD 2,722 million in H1 2023, down 9.3% over the period;
- CDM, whose managed production rose from MAD 697 million in H1 2022 to MAD 839 million in 2022, up 20.4% over the period;
- CAM, whose managed production rose from MAD 324 million in H1 2022 to MAD 321 million in H1 2023, down 0.9% over the period.

### ➤ Production output by socio-professional category

The breakdown of production by socio-professional category over the last three years is as follows:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. 22/21
Individuals	2 632	4 479	4 035	70.17%	-9.91%	2 027	2 075	2.37%
Retailers	883	700	725	-20.72%	3.57%	347	456	31.41%
Rental companies	167	11	137	-93.40%	>100%	20	213	>100%
Non-rental companies	733	857	827	16.90%	-3.50%	389	572	47.04%
<b>Total</b>	<b>4 415</b>	<b>6 047</b>	<b>5 724</b>	<b>36.96%</b>	<b>-5.34%</b>	<b>2 783</b>	<b>3 316</b>	<b>19.15%</b>

Source: Wafasalaf

As can be seen from the table above, the majority of production carried out is made up of loans granted to individuals.

## H1 2022-H1 2023 analytical review

In H1 2023, loans granted amounted to MAD 3,316 million, compared with MAD 2,783 million in H1 2022, an increase of 19.15%:

- a 2.4% rise in loans to individuals to MAD 2,075 million;
- a 31.4% increase in loans to retailers, to MAD 456 million;
- an increase of over 100% in loans to rental companies, to MAD 213 million;
- a 47.0% increase in loans to companies, excluding rental companies, to MAD 572 million.

## 2021-2022 analytical review

In 2022, loans granted amounts to MAD 5,724 million, compared with MAD 6,047 million in 2021, a decline of 5.34%:

- a 9.9% drop in loans to individuals to MAD 4,035 million;
- a 3.6% increase in loans to retailers, to MAD 725 million;
- an increase of over 100% in loans to rental companies, to MAD 137 million;
- a 3.5% fall in loans to companies excluding rental companies, to MAD 827 million.

## 2020-2021 analytical review



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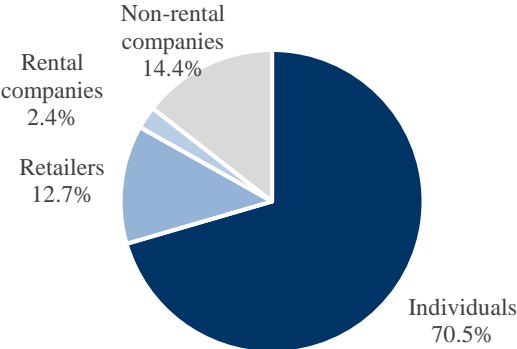
In 2021, loans granted amounted to MAD 6,047 million, compared with MAD 4,415 million in 2020, representing an increase of 36.96% due to:

- a 70.2% increase in loans to individuals to MAD 4,479 million;
- a 20.7% drop in loans to retailers, to MAD 700 million;
- a 93.4% decrease in loans to rental companies, to MAD 11 million;
- a 16.9% increase in loans to companies excluding rental companies, to MAD 857 million.

The following graph shows the breakdown of production by CSP in 2022:

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**Breakdown of production by CSP (2022)**



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*Source: Wafasalaf*

The proportion of credit allocated to individuals stood at 70.5% of credit allocated to other categories.

➤ **Production by distribution network**

The breakdown of production carried by the distribution network over the period 2020-2022 and H1 2023 is as follows:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. H1 23/H1 22
Own network	4 140	5 624	5 388	35.80%	-4.20%	2 570	3 106	20.86%
External network	274	422	336	54.00%	-20.38%	213	210	-1.41%
<b>Total</b>	<b>4 414</b>	<b>6 046</b>	<b>5 724</b>	<b>37.00%</b>	<b>-5.33%</b>	<b>2 783</b>	<b>3 316</b>	<b>19.15%</b>

Source: Wafasalaf

\* External network does not include automotive partners

**H1 2022 – H1 2023 analytical review**

In H1 2023, production from the Group's own network fell by 20.9% to MAD 3,106 million, compared with MAD 2,570 million in the previous year. External network production fell by 1.4%, from 213 in H1 2022 to 210 in H1 2023.

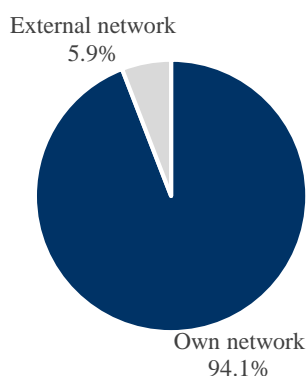
**2021-2022 analytical review**

In 2022, production from the Group's own network fell by 4.2% to MAD 5,388 million, compared with MAD 5,624 million in the previous year. External network production fell from 422 in 2021 to 336 in 2022, a decline of 20.4%.

**2020-2021 analytical review**

In 2021, production from the company's own network rose by 35.8% to MAD 5,624 million, compared with MAD 4,140 million in 2020. The external network recorded an increase of 54.0%, with production rising from MAD 274 million in 2020 to MAD 422 million in 2021.

**Breakdown of production by distribution network (2022)**



Source: Wafasalaf

The majority of Wafasalaf's production comes from the company's own network, which accounts for 94.1% of Wafasalaf's total production by the end of 2022.

➤ **Average amount financed**

Products marketed by Wafasalaf over the period 2020-2022 and H1 2023 show the following trend:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. H1 23/H1 22
Production output (in MAD million)	4 414	6 048	5 724	37%	-5%	2 783	3 316	19.15%
Number of projects financed	127 755	155 053	145 899	21.36%	-5.90%	71 031	74 920	5.48%
<b>Average amount financed (in MAD)</b>	<b>34 553</b>	<b>39 006</b>	<b>39 234</b>	<b>12.88%</b>	<b>0.59%</b>	<b>39 181</b>	<b>44 267</b>	<b>12.98%</b>

Source: Wafasalaf

**H1 2022-H1 2023 analytical review**

In H1 2023, the number of files financed rose by 5.5% to 74,920, compared with 71,031 in H1 2022. The average amount financed rose by 13.0% to MAD 44,267, compared with MAD 39,181 in H1 2022.

**2021-2022 analytical review**

In 2022, the number of files financed fell by 5.9% to 145,899, compared with 155,053 in 2021. The average amount financed rose by 0.6% to MAD 39,234 from MAD 39,006 in H1 2022.

**2020-2021 analytical review**

During the 2021 financial year, the number of files financed rose by 21.36% to 155,053, compared with 127,755 in 2020. The average amount financed rose by 12.88% to MAD 39,006, compared with MAD 34,553 in 2020.

**Structure of Wafasalaf's gross outstandings**

The trend in Wafasalaf's gross outstandings over the period 2020 - 2022 and as of H1 2023 is as follows:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. 22/21
Personal Loans	7 350	7 652	8 768	4.10%	14.59%	8 456	8 959	5.95%
Revolving	194	211	158	8.80%	-25.31%	166	151	-9.04%
Auto	3 332	2 989	2 574	-10.30%	-13.90%	2 708	2 691	-0.63%
LOA	5 675	5 976	6 433	5.30%	7.65%	6 336	6 977	10.12%
Household Equipment	361	382	437	5.80%	14.44%	388	462	19.07%
<b>Total</b>	<b>16 912</b>	<b>17 210</b>	<b>18 370</b>	<b>1.80%</b>	<b>6.74%</b>	<b>18 055</b>	<b>19 239</b>	<b>6.56%</b>

Source: Wafasalaf

**H1 2022-H1 2023 analytical review**

In H1 2023, Wafasalaf's gross consumer loans outstanding rose by 6.6% to MAD 19,239 million, compared with MAD 18,055 million in H1 2022. This development resulted from:

- A 6.0% increase in personal loans to MAD 8,959 million;
- A fall in auto outstandings to MAD 2,691 million from MAD 2,708 million in H1 2022, down 0.6% on H1 2022;
- A 10.1% rise in LOA outstandings to MAD 6,977 million in H1 2023.

**2021-2022 analytical review**

In 2022, Wafasalaf's gross consumer loans outstanding rose by 6.74% to MAD 18,370 million, compared with MAD 17,210 million in 2021. This trend is the result of

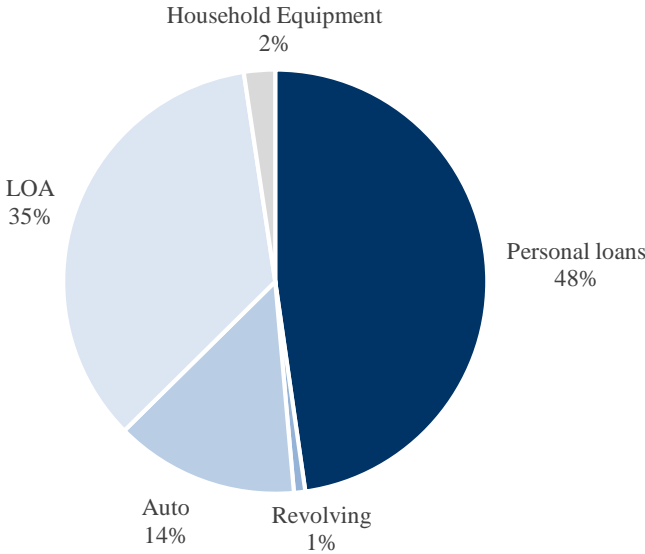
- A 14.6% increase in personal loans to MAD 8,768 million;
- A fall in auto outstandings to MAD 2,574 million from MAD 2,989 million in 2021, down 13.9% on 2021;
- A 7.7% increase in LOA outstandings to MAD 6,433 million in 2022.

**2020-2021 analytical review**

In 2021, Wafasalaf's gross consumer loans outstanding increased by 1.8% to MAD 17,210 million, compared with MAD 16,912 million in 2020. This trend results from:

- An increase in outstanding personal loans to MAD 7,652 million from MAD 7,350 million in 2020 (a +4.1% change);
- An increase in household equipment outstandings to MAD 382 million from MAD 361 million in 2020.

**Breakdown of gross outstandings (2022)**



Source: Wafasalaf



➤ **Outstandings by socio-professional category**

The breakdown of outstandings by CSP for the period under review is as follows:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. H1 23/H1 22
Retailers	3 810	2 360	2 607	-38.06%	3 810	2 574	2 791	8.43%
Rental companies	915	573	471	-37.38%	915	501	602	20.16%
Non-rental companies	2 708	2 711	2 896	0.11%	2 708	2 960	3 255	9.97%
Individuals	9 473	12 141	12 394	28.16%	9 473	12 020	12 591	4.75%
<b>Total</b>	<b>16 906</b>	<b>17 785</b>	<b>18 368</b>	<b>5.20%</b>	<b>16 910</b>	<b>18 055</b>	<b>19 239</b>	<b>6.56%</b>

Source: Wafasalaf

**H1 2022-H1 2023 analytical review**

In H1 2023, Wafasalaf's gross outstandings amounted to MAD 19,239 million, compared with MAD 18,055 million in H1 2022, up 6.6% over the period due to:

- the 8.4% rise in Merchant outstandings to MAD 2,791 million;
- the 20.2% increase in rental outstandings to MAD 602 million in H1 2023;
- the 10.0% rise in retail outstandings to MAD 3,255 million in H1 2023;
- the 4.75% increase in non-rental company outstandings to MAD 12,591 million in H1 2023.

**2021-2022 analytical review**

In 2022, Wafasalaf's gross outstandings amounts to MAD 18,368 million, compared with MAD 17,785 million in 2021, up 3.3% over the period:

- the 10.5% increase in Merchant outstandings to MAD 2,607 million;
- the 17.8% drop in rental outstandings to MAD 471 million in 2022;
- the 6.8% rise in retail outstandings to MAD 2,896 million in 2022;
- the 2.1% increase in non-rental company outstandings to MAD 12,394 million in 2022.

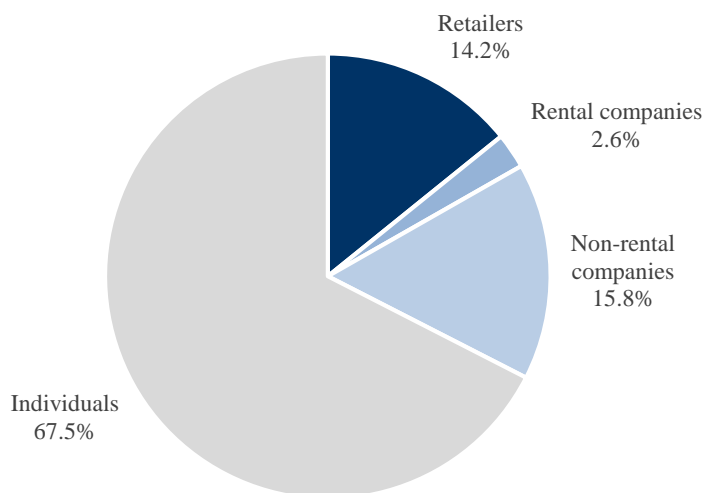
**2020-2021 analytical review**

In 2021, Wafasalaf's gross outstandings amounts to MAD 17,785 million, compared with MAD 16,906 million in 2020, up 5.2% over the period due to:

- the 38.1% drop in Merchant outstandings to MAD 2,360 million;
- the 37.4% drop in rental outstandings to MAD 573 million in 2021;
- the 28.2% increase in retail outstandings to MAD 12,141 million in 2021;
- the 0.1% increase in outstandings for companies other than rental companies, to MAD 2,711 million in 2021.

Outstanding loans to individuals accounts for the majority of total outstandings, with a share of 67.5% in 2022:

**Breakdown of gross outstandings by client type (2022)**



Source: Wafasalaf

➤ **Overdue receivables by socio-professional category**

The breakdown of overdue receivables<sup>2</sup> by CSP, over the last 3 years and for the 2022 financial year, is as follows:

In MMAD	2020	2021	2022	Var. 21/20	Var. 22/21	H1 2022	H1 2023	Var. 22/21
Individuals	943	938	1 058	-0.50%	12.75%	1 048	1 124	7.25%
Retailers	673	709	630	5.30%	-11.09%	621	646	4.03%
Rental companies	279	268	231	-4.00%	-13.78%	265	222	-16.23%
Non-rental companies	461	492	420	6.80%	-14.56%	458	431	-5.90%
<b>Total overdue receivables</b>	<b>2 356</b>	<b>2 407</b>	<b>2 339</b>	<b>2.20%</b>	<b>-2.81%</b>	<b>2 391</b>	<b>2 424</b>	<b>1.38%</b>
<i>% of outstandings</i>	<i>13.90%</i>	<i>13.60%</i>	<i>12.74%</i>	<i>-0.3 pts</i>	<i>-0.9 pts</i>	<i>13.25%</i>	<i>12.60%</i>	<i>-0.65 pts</i>
<b>Total overdue sector receivables</b>	<b>7 426</b>	<b>8 453</b>	<b>8 938</b>	<b>13.80%</b>	<b>5.74%</b>	<b>8 810</b>	<b>9 373</b>	<b>6.39%</b>
Wafasalaf share	31.70%	28.50%	26.17%	-3.22 pts	-2.33 pts	27.14%	25.86%	-1.28 pts

Source: Wafasalaf

**H1 2022-H1 2023 analytical review**

At the end of H1 2023, Wafasalaf's overdue receivables stood at MAD 2,424 million, compared with MAD 2,391 million in H1 2022, representing an increase of 1.4% over the period. This increase was due to higher overdue receivables in all categories (individuals, retailers, rental companies and non-rental companies whose overdue receivables fell by 16.2% in H1 2023).

Wafasalaf's overdue receivables represented 25.9% of the sector's total overdue receivables in H1 2023, down 1.3 points on H1 2022.

**2021-2022 analytical review**

<sup>2</sup> The discrepancy observed between the business and financial analysis sections for overdue receivables is due to side effects between accounting and management data.

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At the end of the 2022 financial year, Wafasalaf's overdue receivables stood at MAD 2,339 million, compared with MAD 2,407 million in 2021, down 2.8% over the period. This decline was due to lower overdue receivables in all categories (individuals, retailers, rental companies and non-rental companies).

As a proportion of the sector's total overdue receivables, Wafasalaf's overdue receivables represent 26.2% in 2022, down 2.3 points on 2021.

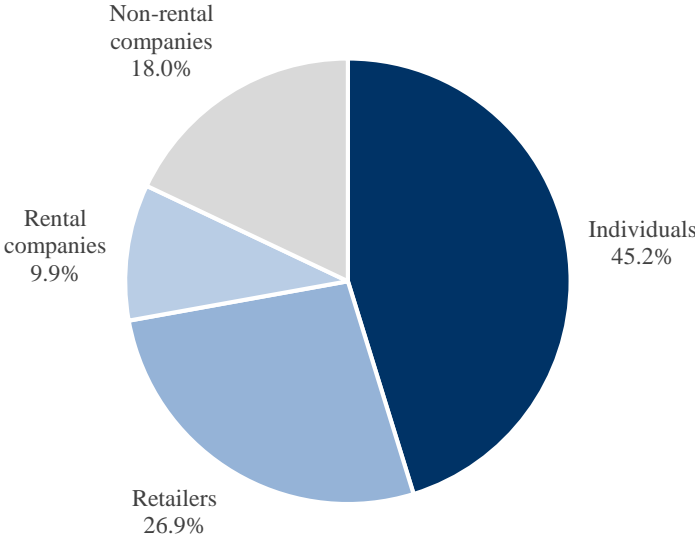
**2020-2021 analytical review**

In 2021, Wafasalaf's overdue receivables stood at 2,407 million dirhams, compared with MAD 2,356 million in 2020, an increase of 2.2%. Overdue receivables represent 13.6% of the total. Wafasalaf's overdue receivables represent 28.5% of the sector's total overdue receivables, down 3.22 points on 2020.

The following chart shows the breakdown of outstanding receivables by CSP for the 2021 financial year:

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**Breakdown of overdue receivables by client type (2022)**



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*Source: Wafasalaf*

Individuals and retailers account for 72.1% of Wafasalaf's outstanding receivables.

## Collection procedure

With a view to optimizing credit risk management, Wafasalaf has set up a collection's organization structured into three entities:

- **Phoning processing department:** comprising a telephone platform of remote collectors specialized by product, this department handles files with 1 to 3 overdue payments;
- **Pre-litigation processing department:** in charge of processing files with 4 to 6 unpaid debts. This department comprises a telephone platform and external collectors specialized by type of direct debit;
- **Litigation department:** in charge of handling litigation files (from the 7<sup>th</sup> non-payment). This department comprises a telephone platform and external collectors specialized by region and product.

## **Wafasalaf's positioning**

Wafasalaf's positioning<sup>3</sup> over the last 3 years is shown in the table below:

In %	2020	2021	2022	Var. 20/19	Var. 21/20	H1 2022	H1 2023	Var. 22/21
Production	29.80%	28.90%	27.18%	-0.9 pts	-1.7 pts	25.60%	27.40%	1.8 pts
Outstanding	29.60%	28.10%	28.12%	- 1.5 pts	0.02 pts	28.00%	28.00%	0.0 pt

Source: Wafasalaf

Figures given are gross of security deposit / Production is net of early redemption and top-up loans

## 2020-2021 analytical review

For the 2021 financial year, Wafasalaf stands at 28.9% in new loans and 29.8% in outstandings.

Wafasalaf maintains its leading position in the consumer credit market in terms of both production and outstandings.

## 2021-2022 analytical review

In 2022, Wafasalaf is positioned at 27.2% in new loans and 28.1% in outstandings.

Wafasalaf maintains its leading position in the consumer credit market in terms of both production and outstandings.

## H1 2022-H1 2023 analytical review

In H1 2023, Wafasalaf's position in new loans is 27.4% and in outstandings 28.0%.

Wafasalaf maintains its leading position in the consumer credit market in terms of both production and outstandings.

<sup>3</sup> Calculation formula: Wafasalaf positioning Production: Wafasalaf production/market production  
Calculation formula: Wafasalaf positioning Outstanding: Wafasalaf Outstanding/Market Outstanding

### III. SUMMARY OF IFRS CONSOLIDATED FINANCIAL STATEMENTS

#### III.1. Consolidated balance sheet

In KMAD	2020 (IFRS restated)	2021	2022	Var. 21/20	Var. 22/21	H1 2023	Var. H1 23/22
<b>Cash, Central Bank, Public Treasury, Post Check Service</b>	17 615	45 959	47 350	> 100%	3.03%	67 687	43,00%
<b>Financial assets at fair value through profit or loss</b>	29 553	151	151	-99.50%	-0.05%	151	0,00%
Financial assets held for trading	-	-	-	-	-	-	-
Other financial assets at fair value through profit or loss	-	-	-	-	-	-	-
<b>Hedging instruments</b>	-	-	-	-	-	-	-
<b>Financial assets at fair value through equity</b>	-	-	-	-	-	-	-
Debt instruments carried at fair value through equity - recyclable	-	-	-	-	-	-	-
Equity instruments recognized at fair value through equity (non-recyclable)	-	-	-	-	-	-	-
<b>Securities at amortized cost</b>	12 500	38 801	26 301	> 100%	-32.22%	26 301	0,0%
<b>Loans and advances to banks and similar institutions, at amortized cost</b>	508 006	416 536	431 300	-18.00%	3.54%	347 145	-19,51%
<b>Loans and advances to clients, at amortized cost</b>	14 976 945	15 074 693	15 701 962	0.70%	4.16%	16 571 670	5,54%
<b>Fair value adjustments to portfolios hedged against interest rate risks</b>	-	-	-	-	-	-	-
<b>Insurance business investments</b>	-	-	-	-	-	-	-

Investment securities, participating interests and similar assets	-	-	-	-	-	-	-
Leasing and rental operations	-	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-	-
Deferred tax assets	258 991	260 786	263 134	0.70%	0.90%	264 533	0,53%
Accruals and other assets	593 232	577 776	512 055	-2.60%	-11.37%	725 001	41,59%
Non-current assets held for sale	-	-	-	-	-	-	-
Investments in associates	-	-	-	-	-	-	-
Investment property	3 287	3 287	3 334	0.00%	1.42%	3 422	2,64%
Tangible fixed assets	221 560	201 370	179 613	-9.10%	-10.80%	191 892	6,84%
Intangible fixed assets	194 459	218 790	228 110	12.50%	4.26%	224 279	-1,68%
Other assets	-	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>16 816 148</b>	<b>16 838 147</b>	<b>17 393 309</b>	<b>0.10%</b>	<b>3.30%</b>	<b>18 422 082</b>	<b>5,91%</b>

MMAD - Source: Wafasalaf - Consolidated financial statements

In KMAD	2020 (IFRS restated)	2021	2022	Var. 21/20	Var. 22/21	H1 2023	Var. H1 23/22
Cash, Central Bank, Public Treasury, Post Check Service							
Financial liabilities at fair value through profit or loss							
Financial liabilities held for trading							
Financial liabilities at fair value through profit or loss under option							
Derivative hedging instruments							
Amounts owed to credit institutions and similar entities	4 725 129	3 615 104	4 938 268	-23.50%	36.60%	5 568 955	12.77%
Client deposits	3 340 157	3 069 252	3 269 655	-8.10%	6.53%	3 468 117	6.07%
Debt securities in issue	5 489 551	6 247 451	5 266 355	13.80%	-15.70%	4 962 458	-5.77%
Fair value adjustments to portfolios hedged against interest rate risks							
Current tax liabilities	2 006	52 180	22 459	> 100%	-56.96%	61 682	174.60%
Deferred tax liabilities	82 465	187 080	271 628	> 100%	45.19%	289 840	6.70%
Accruals and other liabilities	1 067 299	1 390 168	1 276 947	30.30%	-8.14%	1 875 436	46.90%
Liabilities related to non-current assets held for sale							
Liabilities relating to insurance contracts							
Provisions	42 295	77 343	71 423	82.90%	-7.65%	71 095	-0.46%
Grants and similar funds							
Subordinated debts and special guarantee funds	506 327	506 042	506 242	-0.10%	0.04%	506 863	0.12%
Other liabilities							

<b>Capital-linked premiums</b>							
<b>Equity</b>							
<b>Equity (Group share)</b>							
Capital and related reserves	113 180	113 180	113 180	0.00%	0.00%	113 180	0.00%
Retained earnings	1 568 887	1 249 432	1 283 995	-20.40%	2.77%	1 361 864	6.06%
Gains and losses recognized directly in equity	-1 039	-3 013	-4 848	<-100%	60.90%	-4 871	0.50%
Net income for the year	-120 109	333 926	378 005	<-100%	13.20%	147 464	-61.00%
<b>Minority interests</b>							
<b>TOTAL LIABILITIES</b>	<b>16 816 148</b>	<b>16 838 147</b>	<b>17 393 309</b>	<b>0.10%</b>	<b>3.30%</b>	<b>18 422 082</b>	<b>5.91%</b>

MMAD - Source: Wafasalaf - Consolidated financial statements



### III.2. Consolidated income statement

In KMAD	2020 (IFRS restated)	2021	2022	Var. 21/20 (IFRS)	Var. 22/21	H1 2022	H1 2023	Var. H1 22/H1 23
+ Interest and similar income	1 258 820	1 256 959	1 263 783	-0.15%	0.54%	637 050	638 208	0.18%
- Interest and similar expense	-418 008	-396 408	-406 027	-5.17%	2.43%	-192 984	-215 764	11.80%
<b>Interest Margin</b>	<b>840 812</b>	<b>860 551</b>	<b>857 756</b>	<b>2.35%</b>	<b>-0.32%</b>	<b>444 066</b>	<b>422 444</b>	<b>-4.87%</b>
+ Commissions (income)	23 483	27 960	26 117	19.06%	-6.59%	13 042	13 616	4.40%
- Commissions (expenses)	-24 193	-24 726	-31 883	2.20%	-28.90%	-19 286	-14 935	-22.60%
<b>Commission Margin</b>	<b>-710</b>	<b>3 235</b>	<b>-5 766</b>	<b>&gt;100%</b>	<b>&gt;-100%</b>	<b>-6 244</b>	<b>-1 319</b>	<b>-78.90%</b>
<b>Commission Margin</b>	<b>8 052</b>	<b>932</b>	<b>572</b>	<b>-88.43%</b>	<b>-38.59%</b>	<b>379</b>	<b>738</b>	<b>94.71%</b>
+/- Net gains or losses on instruments measured at fair value through equity	0	0	0	-	-	0	0	NA
+ Income from other activities	269 418	292 867	330 579	8.70%	12.88%	158 795	164 307	3.47%
- Expenses from other activities	0	0	0	-	-	0	0	-
<b>NET BANKING INCOME</b>	<b>1 117 572</b>	<b>1 157 584</b>	<b>1 183 141</b>	<b>3.58%</b>	<b>2.2%</b>	<b>596 997</b>	<b>586 169</b>	<b>-1.81%</b>
Non-banking operating income	NA	NA	NA	-	-	ND	ND	-
Non-banking operating expenses	NA	NA	NA	-	-	ND	ND	-
- General operating expenses	-354 683	-362 933	-356 722	2.33%	1.71%	-168 644	-174 171	3.28%

- Amortization and impairment of intangible assets and property, plant and equipment	-51 403	-47 997	-52 195	-6.63%	-8.75%	-24 874	-28 098	12.96%
<b>GROSS OPERATING INCOME</b>	<b>711 487</b>	<b>746 655</b>	<b>774 224</b>	<b>4.94%</b>	<b>3.69%</b>	<b>403 479</b>	<b>383 901</b>	<b>-4.85%</b>
Cost of risk	-884 602	-212 126	-144 674	-76.02%	-31.80%	-35 804	-134 704	>100%
<b>OPERATING INCOME</b>	<b>-173 115</b>	<b>534 528</b>	<b>629 550</b>	<b>&gt;100%</b>	<b>17.78%</b>	<b>367 675</b>	<b>249 197</b>	<b>-32.22%</b>
+/- Share of net income of companies accounted for by the equity method		-	-	-	-	0	0	-1
+/- Net gains or losses on other assets	3	26 456	-1 091	>100%	>>100%	0	0	NA
+/- Changes in value of goodwill	0	0	0	-	-	0	0	NA
<b>PRE-TAX INCOME</b>	<b>-173 112</b>	<b>560 984</b>	<b>628 459</b>	<b>&gt;100%</b>	<b>12.03%</b>	<b>367 676</b>	<b>249 197</b>	<b>-32.22%</b>
- Income tax expense	53 006	-227 058	-250 454	>>100%	10.30%	-146 354	-101 733	-30.49%
+/- Net income from discontinued operations	-	-	-	-	-	-	-	NA
<b>NET INCOME</b>	<b>-120 106</b>	<b>333 926</b>	<b>378 005</b>	<b>&gt;100%</b>	<b>13.20%</b>	<b>221 321</b>	<b>147 464</b>	<b>-33.37%</b>
Minority interests	-	-	-	-	-	-	-	NA
<b>NET INCOME - GROUP SHARE</b>	<b>-120 106</b>	<b>333 926</b>	<b>378 005</b>	<b>&gt;100%</b>	<b>13.20%</b>	<b>221 321</b>	<b>147 464</b>	<b>-33.37%</b>
Basic earnings per share (in MAD)	-106	295	334	>100%	13.22%	196	130	-33.37%
Diluted earnings per share (in MAD)	-106	295	334	>100%	13.22%	196	130	-33.37%

MMAD - Source: Wafasalaf - Consolidated financial statements

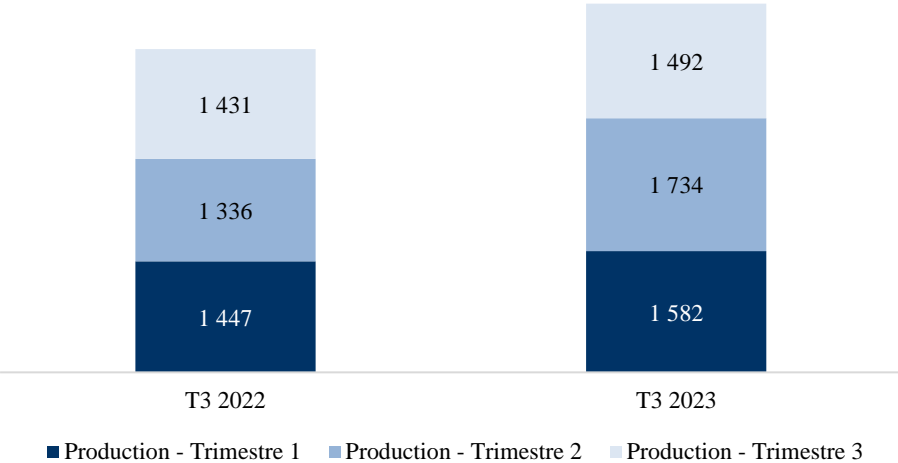
**IV. PRESS RELEASE ON QUARTERLY INDICATORS AS OF SEPTEMBER 30, 2023**

During the 3<sup>rd</sup> quarter of the 2023 financial year, WAFASALAF achieved sustained sales momentum to support household and business demand. Net new loans at the end of September 2023 were up 13.37% to MAD 4,808 million, thanks to the strong performance of the business carried out.

This performance consolidated the improvement in gross outstandings, which stood at MAD 1,463 million, up 5.23% compared with the end of 2022.

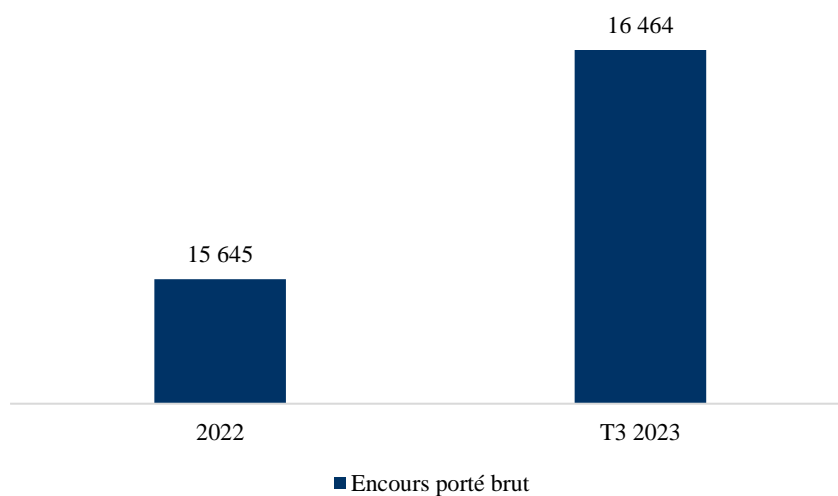
These achievements confirm WAFASALAF's commitment to maintaining the growth momentum of its financial indicators and improving its profitability.

**Net production (in MMAD)**



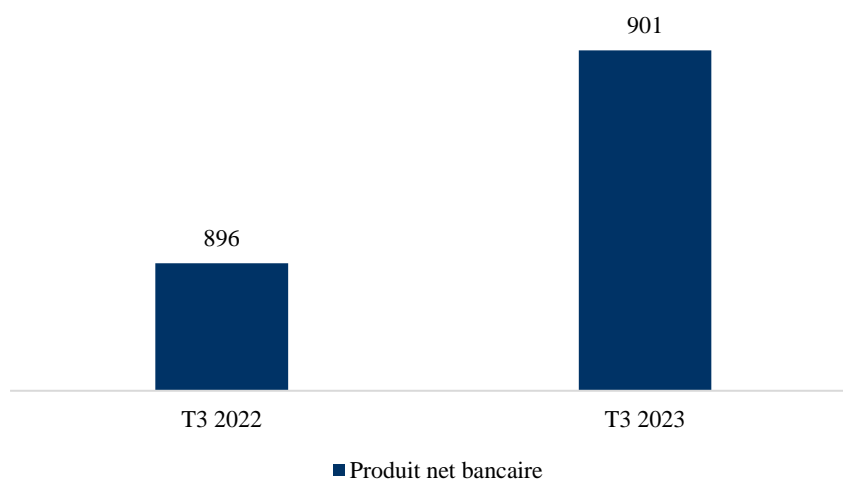
At the end of the 3<sup>rd</sup> quarter, credit distribution was up 4.26% on the same period last year. This increase is due to the performance of sales activity, mainly in the automobile financing and personal loan segments. As of end-September 2023, overall production was up by a representative 13.37% to MAD 4,808 million.

**Gross outstandings (in MMAD)**



Gross outstandings reached MAD 16,463 million at the end of September 2023, an increase of 5.23% compared with the end of 2022, thanks to business development driven mainly by personal loans.

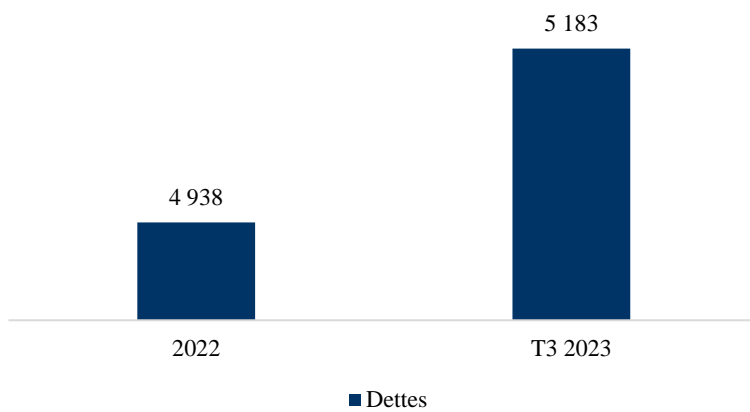
**Net banking income (in MMAD)**



Net banking income amounted to MAD 901 million, an improvement of 0.56% compared with the end of September 2022, achieved thanks to efforts to improve interest margin and commission margin.

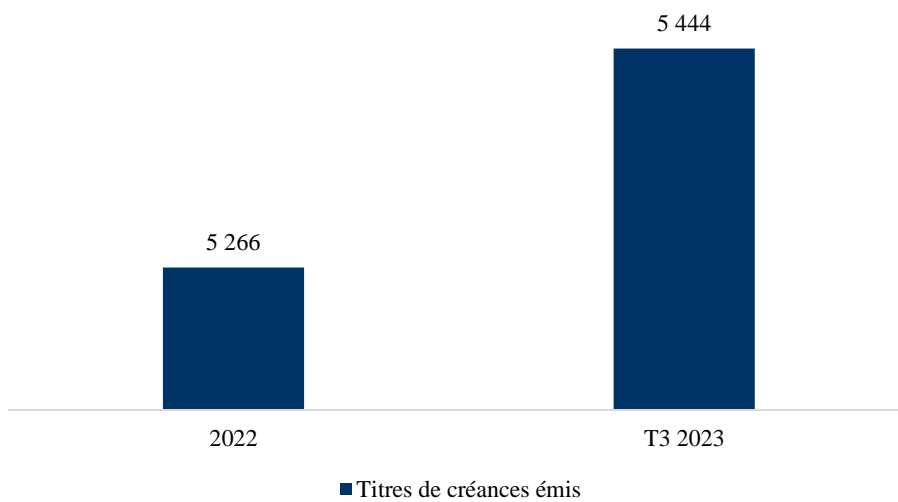
**Amounts owed to credit institutions & debt securities issued**

**Amounts owed to credit institutions (in MMAD)**



Debts rose by 4.96% to MAD 5,183 million as of end September 2023.

**Debt securities issued (in MMAD)**



Debt securities issued rose by 3.38% to MAD 5,444 million as of end September 2023.

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## **PART III: RISK FACTORS**

### **CREDIT RISK**

This risk corresponds to the risk of a counterparty not being able to honor their commitments towards the company.

To deal with this risk, Wafasalaf has adopted the following measures:

- securing the credit request file processing using the credit management software “EKIP”;
- assessing the quality of clients’ commitments (based on their behavior history);
- providing grounds for the approval or rejection of credit requests based on client information;
- constant monitoring of risk changes through a number of indicators in records of unpaid debts.

### **INTEREST RATE RISK**

The risk of interest rate is tied to banking intermediation activities by the transformation of short term resources to medium and long-term ones. Thus, any adverse changes in interest rates could damage the profitability of a credit institution, or even constitute a substantial threat to its own funds when its amplitude exceeds certain limits.

In order to mitigate this risk, the company undertakes devices consisting in:

- assessing the impact of an unfavorable change in interest rates on its financial position;
- analyzing the refinancing structure of the Company and the possible risk of interest rates;
- considering crisis scenarios such as extreme changes in interest rates and rate sensitive positions, and measure their impact on income and capital;
- monitoring and analyzing the surface ratio (job coverage through borrowing).

### **LIQUIDITY RISK**

It is defined as being the risk of the Company not being able to pay, under normal conditions, its commitments at maturity dates.

The Company monitors this risk through the following measures:

- a statement of refinancing requirements is established on the basis of the projection of the work in progress;
- a monthly refinancing statement.

### **OPERATIONAL RISK**

Operational risk is the risk of losses resulting from inadequate or failed internal processes, personnel, internal systems or external events. This definition includes legal risk, but excludes strategic and reputational risks. Major sources of operational risk may be related to:

- internal and external fraud;
- inappropriate practices in employment and safety in the workplace;
- inadequate practices regarding clients, products and business;
- damage caused to physical assets;
- business interruptions and breakdowns of systems and processing of operations;
- deliveries and processes.

To address this situation, the company has set up a control division to identify these risks and develop their mapping in order to develop action plans to overcome them.

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## IT RISK

In order to improve its computer security, Wafasalaf established two strategic projects: a plan for business continuity (being deployed) and an IT contingency plan.

Wafasalaf has also developed a security policy to sensitize and train its staff on safety rules. The Company has also set up a tool for permanent access and authorization control systems which involve verification of the relevance of the rights granted with condition anomalies (inaccurate accounts, inadequate, ...) as well as the formalization of security policies and access management passwords.

## EARLY REPAYMENT RISK

The decrease in interest rates fosters the early repayment of pending files which enables clients and contracted organizations to benefit from a new debt file at a more favorable interest rate. This practice has led on the one hand to an automatic decrease in the average exit rate for Wafasalaf, and on the other hand, it has led to a shift in the backing of jobs and resources causing liquidity risk and interest rates.

## COMPETITIVE RISK

The sector of consumer loans is highly competitive, particularly because of:

- the strong competition from banks, mainly through:
  - ✓ their policy of proactive development activities in the sector of client loans;
  - ✓ intensification of aggressive sales approach benefiting from significant competitive advantages: density of the sales network, large client bases with low access to consumer loans, lower cost of funds.
- the capital and industrial concentration of existing service providers through:
  - ✓ the development of distribution synergies between market operators;
  - ✓ potential mergers and acquisitions serving the consolidation of existing market shares of existing service providers.

To address this risk, Wafasalaf has implemented a strategy that aims at:

- strengthening its position in the consumer loan market through offering a wide and original products and services in a distributed multi-channel logic (the Company's own branches network, business providers, brokers, Internet channel, etc.);
- developing the service providing in the field of client service through the commercialization of its expertise to other fellow service providers or other business sectors.

## RISK OF PARTNERSHIP TERMINATION

The non-compliance with the terms of the contracts signed by Wafasalaf and its partners, by either of the contracting parties, or the occurrence of an event of force majeure, can result in a breach of one of these contracts.

Wafasalaf deals with this risk through its implemented policy of:

- revenue diversification and balancing of its business activities;
- strengthening existing partnerships and developing additional partnerships for assets management services.

Moreover, the impact of this risk on the activity of Wafasalaf remains limited, given the fact that in 2015, the contribution of all partners in the GDP has only reached 18.7%.

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## **REGULATORY RISK**

Wafasalaf is allowed to continue to adapt to changes in the legislative and regulatory framework for financing businesses (fiscal measures of the Finance Law, measures taken by Bank Al-Maghrib, etc.).



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## **RISK RELATED TO DIGITAL ACTIVITIES (UNCONTROLLED DIGITAL FRAUD)**

Wafasalaf has implemented a risk analysis approach linked to the digital component, enabling us to apprehend all technical risks upstream, such as the risks of intrusion, data leakage and regulatory non-compliance (data protection, fraud, etc.). In this way, any digital transformation project impacting a sales, after-sales service or collection process is analyzed according to this approach with the various professions before deployment.

Wafasalaf regularly commissions external audits by expert firms on the security risks of its information systems.

## **RISK OF CASH HANDLING**

Over the past few years, Wafasalaf has taken steps to significantly reduce the risk of cash handling. In fact, cash payments account for only a small proportion of debt settlements within its branch network (unpaid debts, early repayments, etc.). The majority of payments are made by bank cheque.

In addition, Wafasalaf has gradually outsourced this payment activity to a specialized external partner (wafacash).

Over the past year, Wafasalaf has also developed a digital application for the payment of receivables, hosted on its website.

As a result, the risk associated with this cash handling process has been greatly reduced.

## **FRAUD RISK**

Measures have been taken to cover the risk of fraud, including:

- The creation of a fraud detection function within the credit division, which centralizes and processes all cases of fraud reported by the network and acceptance platforms;
- The creation of a fraud prevention steering function, which works in conjunction with the other control and support functions concerned: Risk Management and Control, Permanent Control, Compliance, Inspection/Audit, Legal and Information Systems Security, and the credit fraud prevention function.

Its mission is to:

- Coordinate and lead the fight against fraud.
- Identify the sources and possible failures and malfunctions at the root of internal or external fraud: falsification of documents, non-compliance with internal procedures, identity and password theft, etc.
- Ensure that corrective action plans are put in place: review of the process, reinforcement of the control plan and of the fraud risk management system, etc.
- Disseminate information to the entities concerned, in particular on the preventive or vigilance measures to be observed, and present an anti-fraud training plan.
- Share proven and avoided cases of fraud: typical profile, distribution channel, modus operandi, amounts, etc.

### Example of fraud:

Following the "cab" fraud, measures were put in place to cover this risk:

- Revision of the cab acceptance framework and its prerequisites;
- Centralization of cab processing at commitment level;
- Reinforcement of 1st level control and hot monitoring;
- Second-level control of TAXI production completeness;
- Compliance and audit validation of business resumption.

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## **FINANCIAL RISK RELATED TO THE ENVIRONMENT AND CLIMATE CHANGE**

In accordance with current regulations, as of September 30, 2023, no risks related to climate change have been identified that could impact Wafasalaf's systems and procedures.

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## **DISCLAIMER**

**The aforementioned information constitutes only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) on December 15, 2023, under the reference VI/EM/038/2023. The AMMC recommends that the entire prospectus, which is available to the public in French, be read in its entirety.**