

# PROSPECTUS SUMMARY



وفاسلاف  
Wafasalaf  
Wafasalaf

## SUBORDINATED BONDS ISSUED FOR A MAXIMUM TOTAL AMOUNT OF MAD 200,000,000

The AMMC-approved prospectus consists of:

- The Securities Note;
- Wafasalaf Reference Document relating to the 2023 financial year and the first half of 2024, registered by the AMMC on December 13, 2024, under the reference EN/EM/030/2024.

	Tranche A, unlisted	Tranche B, unlisted
<b>Ceiling</b>	MAD 200,000,000	MAD 200,000,000
<b>Maximum number of securities</b>	2,000 subordinated bonds	2,000 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 13, 2024, i.e., 3.14%, plus a risk premium of 70 bps, i.e., 3.84%.	<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 13, 2024, i.e., 2.78%, plus a risk premium of 60 bps, i.e., 3.38% the first year
<b>Principal repayment</b>	Bullet	Bullet
<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 20 to 24, 2024, inclusive**

**Issue reserved for qualified investors under Moroccan law 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 13, 2024, under reference no. VI/EM/038/2024.

The 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 2023 financial year and the first half of 2024, registered by the AMMC on December 13, 2024, under the reference EN/EM/030/2024.



## **DISCLAIMER**

On December 13, 2024, The Moroccan Capital Markets Authority (AMMC) approved the prospectus bearing reference number VI/EM/038/2024 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 2023 financial year and the first half of 2024, registered by the AMMC on December 13, 2024, under the reference EN/EM/030/2024.

A subordinated bond differs from a classical 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, and on its website:  
<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 objectives of this issue are:

- 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 OFFER**

Wafasalaf plans to issue two thousand (2,000) unlisted subordinated bonds with a 7-year maturity and a nominal value of MAD 100,000. The maximum amount of the operation covered by the prospectus is two hundred million (200,000,000) dirhams, broken down as follows:

- a tranche “A” with a 7-year maturity, at a fixed rate, unlisted on the Casablanca Stock Exchange, with a ceiling of MAD 200,000,000 and a nominal value of MAD 100,000 each (bullet principal repayment);
- a tranche “B” with a 7-year maturity, at an annually revisable rate, unlisted on the Casablanca Stock Exchange, with a ceiling of MAD 200,000,000 and a nominal value of MAD 100,000 each (bullet principal repayment);

The total amount allocated to the two tranches may under no circumstances exceed the sum of two hundred million (200,000,000) dirhams.

In the event of the bond issue not being 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 classical 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.*

#### **Characteristics of Tranche A (fixed-rate, 7-year maturity, bullet principal repayment, 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 200,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>2,000 subordinated bonds</b>

<b>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 20 to 24, 2024, inclusive
<b>Dividend date</b>	December 26, 2024
<b>Maturity date</b>	December 26, 2031
<b>Allocation method</b>	On a pro-rata basis
<b>Face interest rate</b>	<p><b>Fixed rate</b></p> <p>The face interest rate is 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 13, 2024, i.e., 3.14%, plus a risk premium of 70 bps, i.e., 3.84%.</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>
<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 26 of each year. Payment will be made on the same day, or on the first business day following December 26 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 Face interest rate].</p>
<b>Principal redemption</b>	<p>Tranche A is subject to bullet principal repayment.</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 repayment</b>	<p>Wafasalaf undertakes to refrain from early repayment 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 repayments have no impact on subscribers wishing to hold their bonds until maturity, and have no effect on the normal repayment schedule. Bonds bought back will be cancelled and may not be put back into circulation.</p> <p>In the event of repayment, 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 9, 2024 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 2023.</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, bullet principal repayment, 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 200,000,000</b>
<b>Maximum number of securities to be issued</b>	<b>2,000 subordinated bonds</b>
<b>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 20 to 24, 2024, inclusive
<b>Dividend date</b>	December 26, 2024
<b>Maturity date</b>	December 26, 2031
<b>Allocation method</b>	On a pro-rata basis
<b>Face interest rate</b>	<b>Annually revisable rate</b>  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 13, 2024, i.e., 2.78%, plus a risk premium of 60 basis points, i.e., 3.38% the first year.  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.  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.
<b>Reference rate calculation method</b>	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).  This linear interpolation is performed after converting the rate immediately above the 52-week maturity (actuarial basis) into the equivalent monetary rate.  The calculation formula is: $(((\text{Actuarial rate} + 1) ^ {k / \text{exact number of days}^*}) - 1) \times 360/k;$ where k: maturity of the actuarial rate immediately above 52 weeks.  *Exact number of days: 365 or 366 days.
<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 26 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 26 of each year. Payment will be made on the same day, or on the first business day following December 26 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 Face interest rate x Exact number of days / 360].</p>
<b>Principal repayment</b>	<p>Tranche B is subject to bullet principal repayment.</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 repayment</b>	<p>Wafasalaf undertakes to refrain from early repayment 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 repayments have no impact on subscribers wishing to hold their bonds until maturity, and have no effect on the normal repayment schedule. Bonds bought back will be cancelled and may not be put back into circulation.</p> <p>In the event of repayment, 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 9, 2024 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 2023.</p>
<b>Applicable law</b>	<p>Moroccan law.</p>
<b>Competent jurisdiction</b>	<p>Commercial Court of Casablanca</p>

#### IV. EVENT OF DEFAULT

An Event of Default (an “Event of Default”) 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.

In case of occurrence of an Event of Default, 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 (tranches A), calculated on the basis of the reference Treasury Bonds yield curve for the secondary market as published by Bank Al Maghrib on December 13, 2024. 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 13, 2024
2	Publication of the prospectus extract on the issuer's website	December 13, 2024
3	Publication by the issuer of the press release in a legal announcement journal	December 16, 2024
4	Opening of the subscription period	December 20, 2024
5	Closing of the subscription period	December 24, 2024
6	Allocation of securities	December 24, 2024
7	Payment / Delivery	December 26, 2024
8	Publication by the issuer of the operation results and the used rates in a legal announcement journal and on its website	December 26, 2024

## PART II: ABOUT WAFASALAF

### I. GENERAL INFORMATION

<b>Corporate 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>	Casablanca 48 409
<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, 2024</b>	MAD 113,179,500 i.e., 1,131,795 shares
<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>	Wafasalaf's tax regime is governed by current commercial and tax legislation applicable to finance companies. It is subject to corporate income tax (37%)



in 2022, 37.75% in 2023 and 38.50% in 2024) and VAT (10% for consumer loans and 20% for LOAs).

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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, 2024, 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*

## III. WAFASALAF'S ORGANIZATION CHART

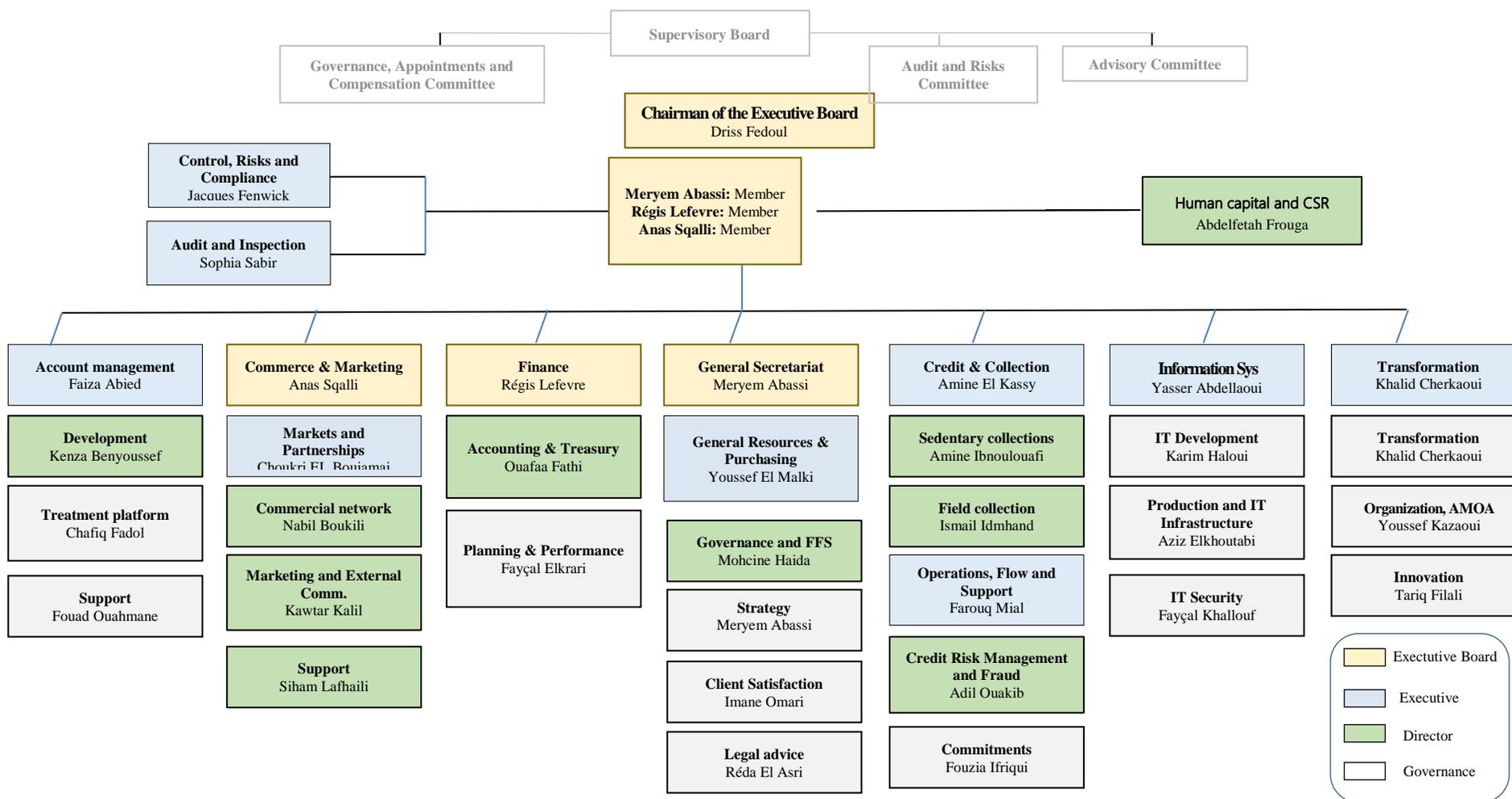
Wafasalaf's functional organization chart as of September 30, 2024 is as follows:

<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, 2024



## IV. ACTIVITY OVERVIEW

### Production structure

Wafasalaf's production trend over the period 2021 - 2023 and H1 2024 is as follows:

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2023	H1 2024	Var. H1 24/H1 23
<b>Net production output</b>	<b>6 046</b>	<b>5 725</b>	<b>6 437</b>	<b>-5.31%</b>	<b>12.43%</b>	<b>3 316</b>	<b>3 702</b>	<b>11.65%</b>
Personal Loans	2 959	2 793	2 705	-5.62%	-3.17%	1 379	1 414	2.55%
Revolving	41	32	31	-21.54%	-2.33%	16	12	-24.72%
Car	2 535	2 335	3 153	-7.87%	35.03%	1 632	1 964	20.33%
<i>o/w credit sales</i>	663	612	1 023	-7.77%	67.11%	554	650	17.29%
<i>o/w LOA</i>	1 872	1 724	2 130	-7.91%	23.57%	896	1 314	46.66%
Household equipment	511	565	548	10.50%	-3.00%	289	312	8.02%
<i>Assigned production</i>	<i>50.40%</i>	<i>50.66%</i>	<i>57.50%</i>	<i>0.2 pts</i>	<i>6.84 pts</i>	<i>57.93%</i>	<i>61.48%</i>	<i>3.55 pts</i>
<i>Unassigned production</i>	<i>49.60%</i>	<i>49.34%</i>	<i>42.50%</i>	<i>-0.3 pts</i>	<i>-6.84 pts</i>	<i>42.07%</i>	<i>38.52%</i>	<i>-3.55 pts</i>
<b>Gross managed production</b>	<b>9 107</b>	<b>9 592</b>	<b>9 232</b>	<b>5.33%</b>	<b>-4%</b>	<b>5 007</b>	<b>5 445</b>	<b>8.76%</b>
AWB	5 871	5 739	5 076	-2.24%	-11.55%	2 722	2 768	1.70%
CDM	1 224	1 210	1 499	-1.18%	23.88%	839	1 088	29.72%
CAM	537	591	590	10.05%	-0.17%	321	344	7.04%
RCI Finance Morocco	1 475	2 053	2 068	39.16%	0.73%	1 125	1 245	10.68%
<b>Total</b>	<b>15 153</b>	<b>15 317</b>	<b>15 669</b>	<b>1.08%</b>	<b>2.30%</b>	<b>8 324</b>	<b>9 148</b>	<b>9.90%</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)

#### 2021- 2022 analytical review

During 2022, Wafasalaf's production output will amount to MAD 5,725 million, down 5.31% compared with 2021. By category, this trend is explained by:

- A 5.62% decline in the personal loan segment;
- The 7.87% decline in the Automobile segment, which totaled MAD 2,335 million;
- A 10.5% rise in the household equipment segment, to MAD 565 million.

In 2022, AWB's overall gross production amounts to MAD 5,739 million, down 2.24% compared with 2021.

#### 2022 –2023 analytical review

During 2023, Wafasalaf's production output totaled MAD 6,437 million, up 12.4% compared with 2022. By category, this evolution is explained by:

- A 3.17% decline in the personal loan segment, due to aggressive competition and higher rates charged by Wafasalaf;
- A 35.05% rise in the automobile segment, to MAD 3,153 million, due to higher prices, which had an impact on the average amount of car financing, and the higher volume of consumer credit applications in the automobile segment;



- A 3% decline in the Household Equipment segment, to MAD 548 million, due to a less favorable market context than in 2022.

In 2023, total gross production stands at MAD 9,232 million, down 4% compared with 2022.

### **H1 2023 – H1 2024 analytical review**

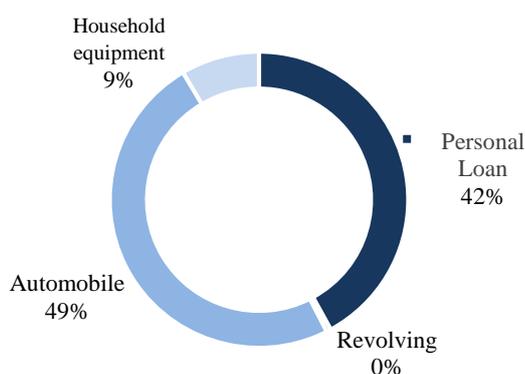
During H1 2024, Wafasalaf's production reached MAD 3,702 million, up 11.65% compared with H1 2023. By category, this evolution is explained by:

- A 2.55% increase in the personal loan segment;
- A 20.33% rise in the automotive segment, to MAD 1,964 million;
- An 8.02% rise in the household equipment segment, to MAD 312 million.

In the first half of 2024, overall gross production amounted to MAD 5,445 million, up 8.76% compared with the first half of 2023.

The chart below shows the breakdown of production by product type for the 2023 financial year:

**Breakdown of production by product (2023)**



*Source: Wafasalaf*

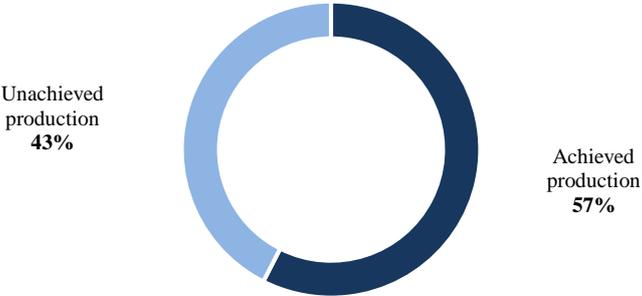
In terms of product portfolio, Wafasalaf achieved, in 2023, (49%) of its production in the Automobile segment, followed by the Personal Loans segment (42%) and the Household Equipment segment (9%).

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As shown in the graph below, unachieved production accounted for around 43% of Wafasalaf's total achieved production in 2023.

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**Breakdown of production between achieved and unachieved production (2023)**



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).

**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 increase is mainly due to the improvement in 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 rose 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

**2022-2023 analytical review**

In 2023, Wafasalaf's managed production fell by 4.3%. This change is mainly due to the decline in activity managed on behalf of:

- AWB, whose managed production fell from MAD 5,739 million in 2022 to MAD 5,076 million in 2023, down 11.55% over the period;
- CDM, whose managed production rises from MAD 1,210 million in 2022 to MAD 1,499 million in 2023, an increase of 23.88% over the period;
- CAM, whose managed production rises from MAD 591 million in 2022 to MAD 590 million in 2023, down 0.17% over the period.

**H1 2023-H1 2024 analytical review**



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In H1 2024, Wafasalaf's managed production rose by 8.8%. This change is mainly due to the growth in activity managed on behalf of:

- AWB, whose managed production rose from MAD 2,722 million in H1 2023 to MAD 2,768 million in H1 2024, up 1.70% over the period in a context of stabilization of the acceptance framework and closure of AWB branches;
- CDM, whose managed production rose from MAD 839 million in H1 2023 to MAD 1,088 million in H1 2024, up 29.72% over the period in line with the easing of acceptance conditions and the new dynamic following the change of shareholders;
- CAM, whose managed production rose from MAD 321 million in H1 2023 to MAD 344 million in H1 2024, up 7.04% 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	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2023	H1 2024	Var. H1 24/H1 23
Individuals	4 479	4 035	4 051	-9.91%	0.41%	2 075	2082	0.36%
Retailers	700	725	879	3.57%	21.24%	456	499	9.34%
Rental companies	11	137	363	>100%	>100%	213	373	75.15%
Non-rental companies	857	827	1 144	-3.50%	38.30%	572	749	30.87%
<b>Total</b>	<b>6 047</b>	<b>5 724</b>	<b>6 437</b>	<b>-5.34%</b>	<b>12.46%</b>	<b>3 316</b>	<b>3 703</b>	<b>11.66%</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.

### **H 2023-H1 2024 analytical review**

In H1 2024, loans granted amounted to MAD 3,703 million compared with MAD 3,316 million in H1 2023, i.e. an increase of 12.46%, due to:

- stagnation in loans to individuals at MAD 2,082 million;
- a 21.24% increase in loans to retailers, to MAD 499 million;
- a 75.15% increase in loans to rental companies to MAD 373 million, following the resumption of financing in the rental segment after a period of interruption due to the health crisis.

### **2022-2023 analytical review**

In 2023, loans granted will amount to MAD 6,437 million, compared with MAD 5,724 million in 2022, i.e., an increase of 12.46%, due to:

- stagnation in loans to individuals at MAD 4,051 million;
- a 21.24% increase in loans to retailers, to MAD 879 million;
- an increase of over 100% in loans to rental companies, to MAD 363 million, due to the resumption of lending in the rental segment after the health crisis;
- a 38.30% increase in loans to companies other than rental companies, to MAD 1,144 million.

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

In 2022, loans granted will amount to MAD 5,724 million compared with MAD 6,047 million in 2021, i.e., a 5.34% decline, due to:

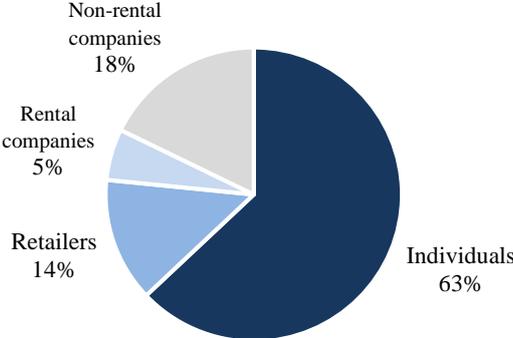
- a 9.9% drop in loans to individuals to MAD 4,035 million;
- a 3.6% increase in loans to retailers, to MAD 725 million;
- an increase of over 100% in loans to rental companies, to MAD 137 million;
- a 3.5% fall in loans to companies excluding rental companies, to MAD 827 million.

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The following graph shows the breakdown of production by CSP in 2023:

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**Breakdown of production by CSP (2023)**



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*Source: Wafasalaf*

The proportion of credit allocated to individuals stood at 63% of credit allocated to other categories.



➤ **Production by distribution network**

The breakdown of production carried by the distribution network over the period 2021-H1 2024 is as follows:

In MMAD	2021	2022	2023	Var. 22/21	Var. 22/21	H1 2023	H1 2024	Var. H1 24/H1 23
Own network	5 624	5 388	6 016	-4.20%	11.65%	3 106	3 419	10.09%
External network	422	336	421	-20.38%	25.29%	210	283	34.91%
<b>Total</b>	<b>6 046</b>	<b>5 724</b>	<b>6 437</b>	<b>-5.33%</b>	<b>12.46%</b>	<b>3 316</b>	<b>3 703</b>	<b>11.66%</b>

Source: Wafasalaf

\* External network does not include automotive partners

**H1 2023 – H1 2024 analytical review**

In H1 2024, production from the Group's own network rose by 10.09% to MAD 3,419 million, compared with MAD 3,106 million the previous year. External network production rose from 210 million dirhams in H1 2023 to 283 million dirhams in H1 2024, i.e. an increase of 34.91%.

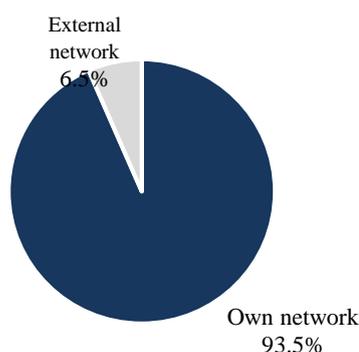
**2022 – 2023 analytical review**

In 2023, production from the Group's own network will rise by 11.65% to MAD 6,016 million, compared with MAD 5,388 million the previous year. External network production will rise from 336 million dirhams in 2022 to 421 million dirhams in 2023, i.e. an increase of 25.29%.

**2021-2022 analytical review**

In 2022, production by 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 will fall from 422 in 2021 to 336 in 2022, i.e. by 20.4%.

**Breakdown of production by distribution network (2023)**



Source: Wafasalaf

The majority of Wafasalaf's production comes from the company's own network, which will account for 93.5% of Wafasalaf's total production by the end of 2023.

➤ **Average amount financed**

Products marketed by Wafasalaf over the period 2021-H1 2024 show the following trend:

In MMAD	2021	2022	2023	Var. 22/21	Var. 22/21	H1 2023	H1 2024	Var. H1 24/H1 23
Production output (in MAD million)	6 048	5 724	6 437	-5.4%	12.5%	3 316	3 702	11.65%
Number of projects financed	155 053	145 899	148 728	-5.90%	1.94%	74 920	78 000	4.11%
<b>Average amount financed (in MAD)</b>	<b>39 006</b>	<b>39 234</b>	<b>43 280</b>	<b>0.59%</b>	<b>10.31%</b>	<b>44 267</b>	<b>47 465</b>	<b>7.22%</b>

Source: Wafasalaf

**H1 2024-H1 2023 analytical review**

In H1 2024, the number of files financed fell by 4.11% to 78,000, compared with 74,920 in H1 2023. The average amount financed rose by 7.22% to MAD 47,465 from MAD 44,267 in H1 2023. This increase was mainly due to the higher average automobile amount, which was boosted by the rise in vehicle prices, in addition to the increase in the weight of the automobile product in production.

**2022-2023 analytical review**

In 2023, production will amount to MAD 6,437 million versus MAD 5,724 million, i.e. an increase of 12.5%. The number of files financed will fall by 1.94% to 148,728, compared with 145,899 in 2022. The average amount financed rose by 10.3% to MAD 43,280 from MAD 39,234 in 2022. This increase is explained by the rise in LOA production during the period and the increase in consumer loans.

**2021-2022 analytical review**

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

➤ **Structure of Wafasalaf's gross outstandings**

Changes in Wafasalaf's gross outstandings over the period 2021 - H1 2024 are as follows:

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2023	H1 2024	Var. H1 23/24
Personal Loans	7 652	8 768	9 098	14.59%	3.76%	8 959	9 317	4.00%
Revolving	211	158	144	-25.31%	-8.73%	151	138	-8.85%
Auto	2 989	2 574	2 683	-13.90%	4.22%	2 691	2 886	7.23%
LOA	5 976	3 708	7 277	-37.95%	96.25%	6 977	8 066	15.60%
Household Equipment	382	437	448	14.44%	2.56%	462	480	3.90%
<b>Total</b>	<b>17 210</b>	<b>15 645</b>	<b>19 650</b>	<b>-9.09%</b>	<b>25.60%</b>	<b>19 239</b>	<b>20 886</b>	<b>8.56%</b>

Source: Wafasalaf

**H1 2024-H1 2023 analytical review**

In H1 2024, Wafasalaf's gross consumer loans outstanding rose 8.56% to MAD 20,886 million, compared with MAD 19,239 million in H1 2023. This trend resulted from:

- A 4.0% rise in personal loans to MAD 9,317 million;
- An increase in Auto outstandings to MAD 2,886 million from MAD 2,691 million in H1 2023, up 7.23% compared with H1 2023. This increase is linked in particular to higher unit vehicle prices and the development of automotive partnerships;



- An increase in LOA outstandings of 15.60% to MAD 8,066 million in H1 2024, also correlated with the rise in unit vehicle prices and the development of automobile partnerships.

### **2022-2023 analytical review**

In 2023, Wafasalaf's gross consumer loans outstanding are set to rise by 25.60% to MAD 19,560 million, compared with MAD 15,645 million in 2022. This trend is the result of:

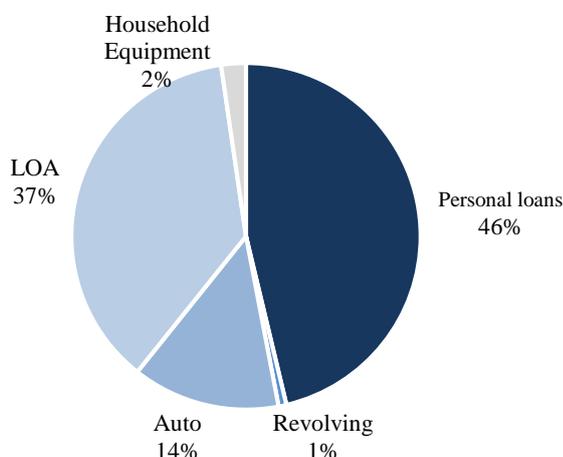
- A 3.76% increase in personal loans to MAD 9,098 million;
- An increase in auto outstandings to MAD 2,683 million from MAD 2,574 million in 2022, up 4.22% compared with 2022;
- An increase in LOA outstandings to MAD 7,277 million in 2023, versus MAD 3,708 million in 2022.

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

In 2022, Wafasalaf's gross consumer loans outstanding are set to fall by 9.09% to MAD 15,645 million, compared with MAD 17,210 million in 2021. This trend results from:

- 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% compared with 2021;
- A 38.0% drop in LOA outstandings to MAD 3,708 million in 2022.

### **Breakdown of gross outstandings (2023)**



Source: Wafasalaf

### **➤ Outstandings by socio-professional category**

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

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2023	H1 2024	Var. H1 24/H1 23
Retailers	2 360	2 607	2 315	10.47%	-11.21%	2 791	3 248	16.36%
Rental companies	573	471	621	-17.80%	31.84%	602	1 692	>100%
Non-rental companies	2 711	2 896	2 580	6.82%	-10.91%	3 255	3 682	13.12%
Individuals	12 141	12 394	11 210	2.08%	-9.55%	12 591	12 264	-2.60%
<b>Total</b>	<b>17 785</b>	<b>18 368</b>	<b>16 726</b>	<b>3.28%</b>	<b>-8.94%</b>	<b>19 239</b>	<b>20 886</b>	<b>8.56%</b>

### **H1 2023-H1 2024 analytical review**

In H1 2024, Wafasalaf's gross outstandings amounted to MAD 20,886 million compared with MAD 19,239 million in H1 2023, up 8.56% over the period due to:

- a 16.36% rise in Merchants' outstandings to MAD 3,248 million;
- an increase of over 100% in rental outstandings to MAD 1,692 million in H1 2024, due to the reopening of lending to this category after a tightening of risk policy during the health crisis;
- a 2.60% fall in outstandings for individuals to MAD 12,264 million in H1 2024, in line with the economic situation;
- a 13.12% increase in non-rental company outstandings to MAD 3,682 million in H1 2024.

### **2022-2023 analytical review**

In 2023, Wafasalaf's gross outstandings will amount to MAD 16,726 million, compared with MAD 18,368 million in 2022, down 8.94% over the period due to:

- an 11.21% drop in Merchants' outstandings to MAD 2,315 million;
- a 31.84% rise in rental outstandings to MAD 621 million in 2023, due to the resumption of lending following the stoppage caused by the health crisis;
- a 9.55% drop in retail outstandings to MAD 11,210 million in 2023;
- a 10.91% drop in corporate outstandings, excluding leasing companies, to MAD 2,580 million in 2023.

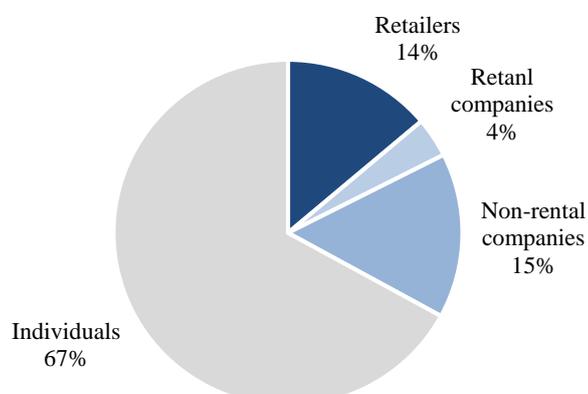
### **2021-2022 analytical review**

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

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

Outstanding loans to individuals represent the majority of total outstandings, with a share of 67% in 2023:

**Breakdown of gross outstandings by client type (2023)**



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

In KMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2024	Var. H1.2024/23
Pre-doubtful receivables	251 434	186 861	171 956	-25.7%	-8.0%	176 112	2.4%
Doubtful receivables	93 686	59 287	51 788	-36.7%	-12.6%	46 591	-10.0%
Impaired receivables	75 376	5 162	2 047	-93.2%	-60.3%	18 107	>100%
<b>Overdue receivables</b>	<b>420 496</b>	<b>251 309</b>	<b>225 792</b>	<b>-40.2%</b>	<b>-10.2%</b>	<b>240 810</b>	<b>6.7%</b>

**H1 2023 - 2024 analytical review**

At the end of H1 2024, Wafasalaf's outstanding receivables stood at MAD 240,810 thousand compared with MAD 225,792 thousand in 2023, i.e. an increase of 6.7% over the period. This increase is explained by the rise in compromised receivables from MAD 2,047,000 to MAD 18,107,000 in H1 2024 as a result of the transfer of certain sensitive files to litigation.

**2022-2023 analytical review**

At the end of the 2023 financial year, Wafasalaf's outstanding receivables stood at MAD 225,792 thousand compared with MAD 251,309 thousand in 2022, i.e. a 10.2% decrease over the period. This is due to a 60.3% drop in impaired receivables, from MAD 5,162 thousand to MAD 2,047 thousand in 2023.

**2021-2022 analytical review**

At the end of the 2022 financial year, Wafasalaf's outstanding receivables stood at MAD 251,309 thousand compared with MAD 420,496 thousand in 2021, i.e. a 40.2% decrease over the period. This decline is explained by the drop in impaired receivables from MAD 75,376 thousand to MAD 5,162 thousand in 2022, i.e. a decrease of 93.2%.

➤ **Gross overdue receivables by socio-professional category**

The breakdown of overdue receivables<sup>2</sup> by CSP, over the last 3 years and to the first half of 2024, is as follows:

In MMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2023	H1 2024	Var. H1 24/H123
Individuals	938	1 058	1 151	12.75%	8.76%	1 124	1 194	6.23%
Retailers	709	630	658	-11.09%	4.51%	646	647	0.11%
Rental companies	268	231	209	-13.78%	-9.47%	222	207	-6.64%
Non-rental companies	492	420	436	-14.56%	3.78%	431	439	1.77%
<b>Total overdue receivables</b>	<b>2 407</b>	<b>2 339</b>	<b>2 454</b>	<b>-2.81%</b>	<b>4.92%</b>	<b>2 424</b>	<b>2 487</b>	<b>2.58%</b>
% of outstandings	13.60%	12.74%	14.67%	-0.9 pts	1.93%	12.60%	11.91%	-0.69%
<b>Total overdue sector receivables</b>	<b>8 453</b>	<b>8 938</b>	<b>9 563</b>	<b>5.74%</b>	<b>6.99%</b>	<b>9 373</b>	<b>9 770</b>	<b>4.24%</b>
Wafasalaf share	28.50%	26.17%	25.66%	-2.33 pts	-0.51%	25.86%	25.58%	-0.0028071

Source: Wafasalaf

**H1 2023-H1 2024 analytical review**

At the end of H1 2024, Wafasalaf's past-due receivables stood at MAD 2,487 million, compared with MAD 2,424 million in H1 2023, i.e. an increase of 2.58% over the period. This increase is explained by the rise in overdue receivables in most categories (individuals, merchants and companies excluding lessors).

Among individuals, the increase was 6.23%, from MAD 1,124 million to MAD 1,194 million as of June 2024.

**2022-2023 analytical review**

At the end of the 2023 financial year, Wafasalaf's overdue receivables stood at MAD 2,454 million, compared with MAD 2,339 million in 2022, i.e. an increase of 4.92% over the period. This increase is explained by the rise in overdue receivables in most categories (individuals, merchants and companies excluding lessors).

For individuals, the increase was 8.76%, from MAD 1,058 million to MAD 1,151 million in 2023.

**2021-2022 analytical review**

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, i.e. a 2.8% decrease over the period. This decline was due to lower overdue receivables in all categories (individuals, merchants, lessors and companies excluding lessors).

Wafasalaf's overdue receivables represented 26.2% of the sector's total overdue receivables in 2022, down 2.3 points compared with 2021.

The following chart shows the breakdown of overdue receivables by CSP for 2023:

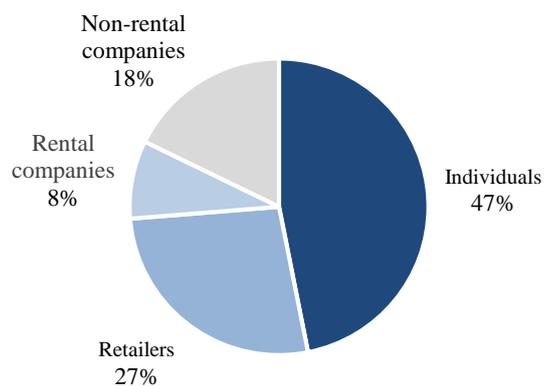
<sup>2</sup>The discrepancy observed between the business and financial analysis sections for overdue receivables is due to side effects between accounting and management data.



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**Breakdown of overdue receivables by client type (2023)**



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*Source: Wafasalaf*

Individuals and retailers account for 73.7% 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 %	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2024	Var. H1 24/23
Production	28.90%	27.18%	27.80%	-1.7 pts	0.62 pt	27.33%	-0.47 pt
Outstanding	28.10%	28.12%	28.16%	0.02 pts	0.04 pt	28.16%	0.00 pt

Source: Wafasalaf

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

## 2021-2022 analytical review

By 2022, Wafasalaf's position in new business stands at 27.2% and in outstandings at 28.1%.

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

## 2022-2023 analytical review

In 2023, Wafasalaf's position in production stands at 27.80% versus 27.18%.

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

## H1 2023 – 2024 analytical review

V. In H1 2024, Wafasalaf's position in terms of new business stands at 27.33% versus 27.80%.

## **VI. 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 CONSOLIDATED FINANCIAL STATEMENTS UNDER IFRS

#### VI.1. Consolidated balance sheet

In KMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2024	Var. H1 24/23
<b>Cash, Central Bank, Public Treasury, Post Check Service</b>	45 959	47 350	1 113	3.03%	-97.65%	<b>2 035</b>	<b>82.90%</b>
<b>Financial assets at fair value through profit or loss</b>	151	151	151	-0.05%	0.00%	<b>74 764</b>	<b>&gt;100%</b>
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>	38 801	26 301	26 301	-32.22%	0.00%	<b>26 301</b>	<b>0.00%</b>
<b>Loans and advances to banks and similar institutions, at amortized cost</b>	416 536	431 300	166 590	3.54%	-61.37%	<b>71 897</b>	<b>-56.84%</b>
<b>Loans and advances to clients, at amortized cost</b>	15 074 693	15 701 962	16 864 962	4.16%	7.41%	<b>18 091 773</b>	<b>7.27%</b>
<b>Fair value adjustments to portfolios hedged against interest rate risks</b>	-	-	-	-	-	-	-
<b>Insurance business investments</b>	-	-	-	-	-	-	-
<b>Investment securities, participating interests and similar assets</b>	-	-	-	-	-	-	-
<b>Leasing and rental operations</b>	-	-	-	-	-	-	-
<b>Current tax assets</b>	-	-	-	-	-	-	-
<b>Deferred tax assets</b>	260 786	263 134	271 028	0.90%	3.00%	<b>284 694</b>	<b>5.04%</b>
<b>Accruals and other assets</b>	577 776	512 055	577 969	-11.37%	12.87%	<b>818 110</b>	<b>41.55%</b>
<b>Non-current assets held for sale</b>	-	-	-	-	-	-	-
<b>Investments in associates</b>	-	-	-	-	-	-	-
<b>Investment property</b>	3 287	3 334	3 422	1.42%	2.64%	<b>3 699</b>	<b>8.10%</b>
<b>Tangible fixed assets</b>	201 370	179 613	178 398	-10.80%	-0.68%	<b>168 831</b>	<b>-5.36%</b>
<b>Intangible fixed assets</b>	218 790	228 110	242 556	4.26%	6.33%	<b>243 160</b>	<b>0.25%</b>
<b>Other assets</b>	-	-	-	-	-	-	-
<b>Goodwill</b>	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>16 838 147</b>	<b>17 393 309</b>	<b>18 332 490</b>	<b>3.30%</b>	<b>5.40%</b>	<b>19 785 264</b>	<b>7.92%</b>

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MMAD - Source: Wafasalaf - Consolidated financial statements



In KMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2024	Var. H1 24/23
<b>Cash, Central Bank, Public Treasury, Post Check Service</b>							
<b>Financial liabilities at fair value through profit or loss</b>							
Financial liabilities held for trading							
Financial liabilities at fair value through profit or loss under option							
<b>Derivative hedging instruments</b>							
<b>Amounts owed to credit institutions and similar entities</b>	<b>3 615 104</b>	<b>4 938 268</b>	<b>4 890 041</b>	<b>36.60%</b>	<b>-0.98%</b>	<b>5 451 032</b>	<b>11.47%</b>
<b>Client deposits</b>	<b>3 069 252</b>	<b>3 269 655</b>	<b>3 523 254</b>	<b>6.53%</b>	<b>7.76%</b>	<b>3 904 828</b>	<b>10.83%</b>
<b>Debt securities in issue</b>	<b>6 247 451</b>	<b>5 266 355</b>	<b>5 660 939</b>	<b>-15.70%</b>	<b>7.49%</b>	<b>5 905 577</b>	<b>4.32%</b>
<b>Fair value adjustments to portfolios hedged against interest rate risks</b>							
<b>Current tax liabilities</b>	<b>52 180</b>	<b>22 459</b>	<b>14 928</b>	<b>-56.96%</b>	<b>-33.53%</b>	<b>90 033</b>	<b>&gt;100%</b>
<b>Deferred tax liabilities</b>	<b>187 080</b>	<b>271 628</b>	<b>295 532</b>	<b>45.19%</b>	<b>8.80%</b>	<b>303 190</b>	<b>2.59%</b>
<b>Accruals and other liabilities</b>	<b>1 390 168</b>	<b>1 276 947</b>	<b>1 343 192</b>	<b>-8.14%</b>	<b>5.19%</b>	<b>1 603 791</b>	<b>19.40%</b>
<b>Liabilities related to non-current assets held for sale</b>							
<b>Liabilities relating to insurance contracts</b>							
<b>Provisions</b>	<b>77 343</b>	<b>71 423</b>	<b>68 464</b>	<b>-7.65%</b>	<b>-4.14%</b>	<b>70 084</b>	<b>2.37%</b>
<b>Grants and similar funds</b>							
<b>Subordinated debts and special guarantee funds</b>	<b>506 042</b>	<b>506 242</b>	<b>757 330</b>	<b>0.04%</b>	<b>49.60%</b>	<b>763 008</b>	<b>0.75%</b>
<b>Other liabilities</b>							
<b>Capital-linked premiums</b>							
<b>Equity</b>							
<b>Equity (Group share)</b>	<b>1 693 525</b>	<b>1 770 332</b>	<b>1 778 808</b>			<b>1 693 722</b>	<b>-4.78%</b>
Capital and related reserves	113 180	113 180	113 180	0.00%	0.00%	<b>113 180</b>	0.00%
Retained earnings	1 249 432	1 283 995	1 361 128	2.77%	6.01%	<b>1 435 484</b>	5.46%
Gains and losses recognized directly in equity	-3 013	-4 848	-2 832	60.90%	41.58%	<b>-2 832</b>	-0.01%
Net income for the year	333 926	378 005	307 333	13.20%	-18.70%	<b>147 890</b>	-51.88%
<b>Minority interests</b>							
<b>TOTAL LIABILITIES</b>	<b>16 838 147</b>	<b>17 393 309</b>	<b>18 332 490</b>	<b>3.30%</b>	<b>5.40%</b>	<b>19 785 264</b>	<b>7.92%</b>

MMAD - Source: Wafasalaf - Consolidated financial statements



## VI.2. Consolidated income statement

In KMAD	2021	2022	2023	Var. 22/21	Var. 23/22	H1 2023	H1 2024	Var. H1 24/H1 23
+ Interest and similar income	1 256 959	1 263 783	1 307 243	0.54%	3.44%	638 208	694 538	8.83%
- Interest and similar expense	-396 408	-406 027	-449 249	2.43%	10.65%	-215 764	-254 739	18.06%
<b>Interest Margin</b>	<b>860 551</b>	<b>857 756</b>	<b>857 994</b>	<b>-0.32%</b>	<b>0.03%</b>	<b>422 444</b>	<b>439 799</b>	<b>4.11%</b>
+ Commissions (income)	27 960	26 117	27 236	-6.59%	4.28%	13 616	5 190	-61.88%
- Commissions (expenses)	-24 726	-31 883	-9 417	28.90%	-70.46%	-14 935	-4 317	-71.09%
<b>Commission Margin</b>	<b>3 235</b>	<b>-5 766</b>	<b>17 818</b>	<b>&gt;-100%</b>	<b>&gt;100%</b>	<b>-1 319</b>	<b>873</b>	<b>&gt;-100%</b>
<b>Commission Margin</b>	932	572	3 417	-38.59%	>100%	738	425	-42.41%
+/- Net gains or losses on instruments measured at fair value through equity	0	0	0	-	-	0	0	-
+ Income from other activities	292 867	330 579	337 901	12.88%	2.21%	164 307	178 838	8.84%
- Expenses from other activities	0	0	0	-	-	0		-
<b>NET BANKING INCOME</b>	<b>1 157 584</b>	<b>1 183 141</b>	<b>1 217 130</b>	<b>2.20%</b>	<b>2.87%</b>	<b>586 169</b>	<b>619 935</b>	<b>5.76%</b>
Non-banking operating income	-362 933	-356 722	-383 794	1.71%	7.59%	-174 171	-183 847	5.56%
Non-banking operating expenses	-47 997	-52 195	-58 301	8.75%	11.70%	-28 098	-30 529	8.65%
- General operating expenses	<b>746 655</b>	<b>774 224</b>	<b>775 035</b>	<b>3.69%</b>	<b>0.10%</b>	<b>383 901</b>	<b>405 558</b>	<b>5.64%</b>
- Amortization and impairment of intangible assets and property, plant and equipment	-212 126	-144 674	-266 562	-31.80%	84.25%	-134 704	-153 700	14.10%
<b>GROSS OPERATING INCOME</b>	<b>534 528</b>	<b>629 550</b>	<b>508 473</b>	<b>17.78%</b>	<b>-19.23%</b>	<b>249 197</b>	<b>251 858</b>	<b>1.07%</b>
+/- Share of net income of companies accounted for by the equity method	-	-	-	-	-	0	0	-
+/- Net gains or losses on other assets	26 456	-1 091	-1 203	>-100%	10%	0	-2500	>-100%
+/- Changes in value of goodwill	0	0	0	-	-	0	0	-
<b>PRE-TAX INCOME</b>	<b>560 984</b>	<b>628 459</b>	<b>507 270</b>	<b>12.03%</b>	<b>-19.28%</b>	<b>249 197</b>	<b>249 358</b>	<b>0.06%</b>
- Income tax expense	-227 058	-250 454	-199 936	10.30%	-20.17%	-101 733	-101 468	-0.26%
+/- Net income from discontinued operations	-	-	-	-	-	-	-	-
<b>NET INCOME</b>	<b>333 926</b>	<b>378 005</b>	<b>307 333</b>	<b>13.20%</b>	<b>-18.70%</b>	<b>147 464</b>	<b>147 890</b>	<b>0.29%</b>
Minority interests	-	-	-	-	-	-	-	-

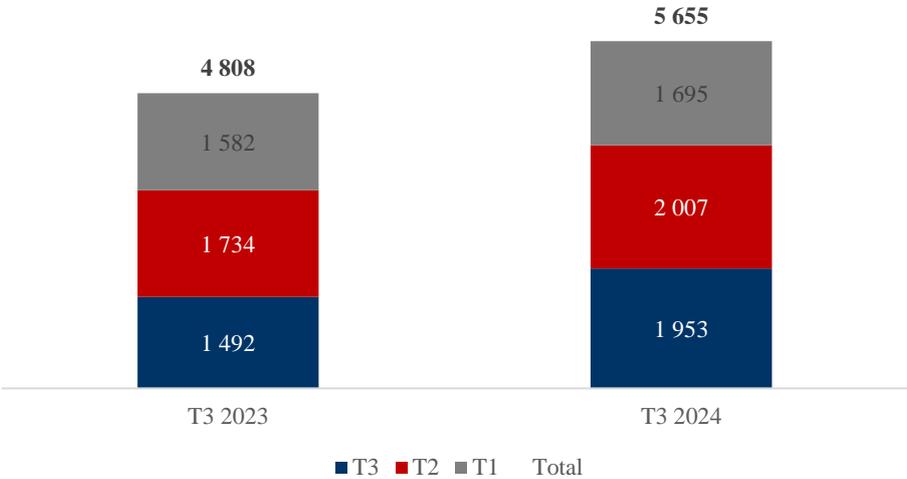
<b>NET INCOME - GROUP SHARE</b>	<b>333 926</b>	<b>378 005</b>	<b>307 333</b>	<b>13.20%</b>	<b>-18.70%</b>	<b>147 464</b>	<b>147 890</b>	<b>0.29%</b>
Basic earnings per share (in MAD)	295	334	271	13.22%	-18.86%	130	131	0.77%
Diluted earnings per share (in MAD)	295	334	271	13.22%	-18.86%	130	131	0.77%

MAD million - Source: Wafasalaf - consolidated financial statements

**VII. PRESS RELEASE ON QUARTERLY INDICATORS AS OF SEPTEMBER 30, 2024 – NON-AUDITED INDICATORS**

In the third quarter of 2024, Wafasalaf recorded a 17.62% increase in net new loans compared with the same period in 2023. This growth is attributed to an increase in loan demand and a successful commercial strategy. Gross outstandings rose by 8.51% to MAD 18,150 million, thanks to the expansion of the personal and automobile loan segments. Through these results, Wafasalaf is determined to maintain its position by diversifying its activities and adapting to market developments, while developing various partnerships aimed at improving the services offered to its clients.

**Net production:**

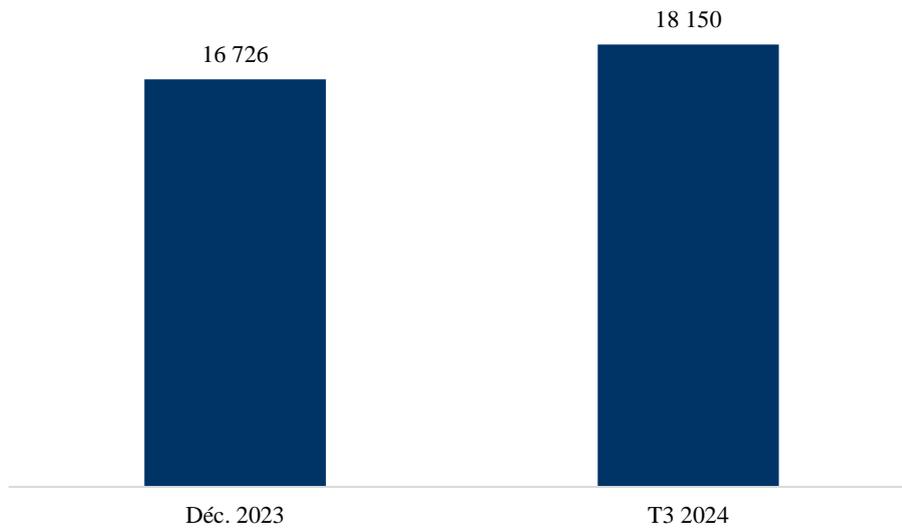


At the end of the 3rd quarter, credit distribution was up significantly by 30.90% compared with the same period of the previous year, mainly due to the back-to-school period. Cumulative production was also up by a significant 17.62% compared with the same period of the previous year, reaching MAD 5,655 million.

**Gross outstandings:**

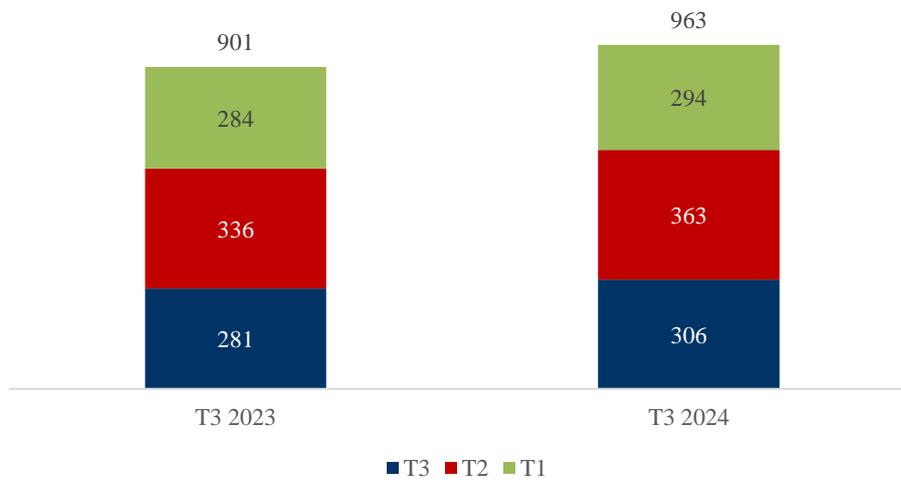
Gross outstandings reached MAD 18,150 million at Q3 2024, i.e. an 8.51% increase since the beginning of the year, thanks to business development driven mainly by personal and automobile loans.





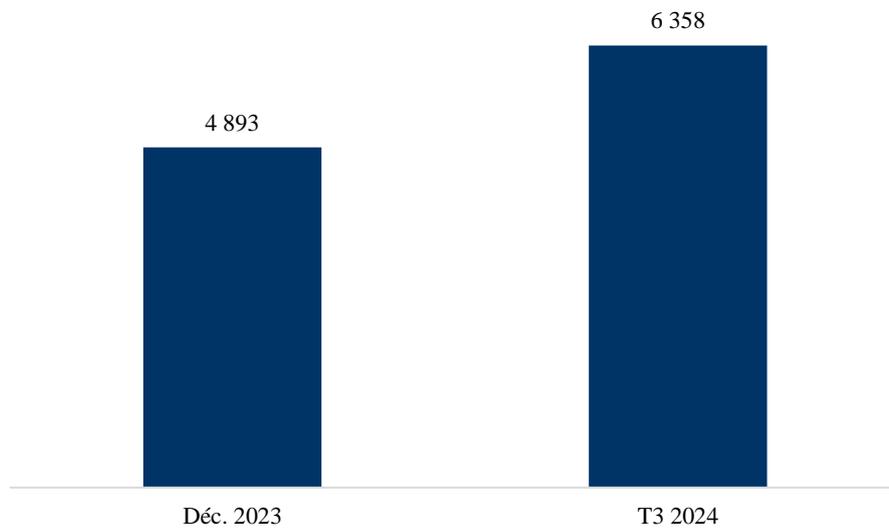
**Net banking income:**

NBI amounted to MAD 963 million, versus MAD 901 million in Q3 2023, thanks to efforts to improve interest margin and commission margin.



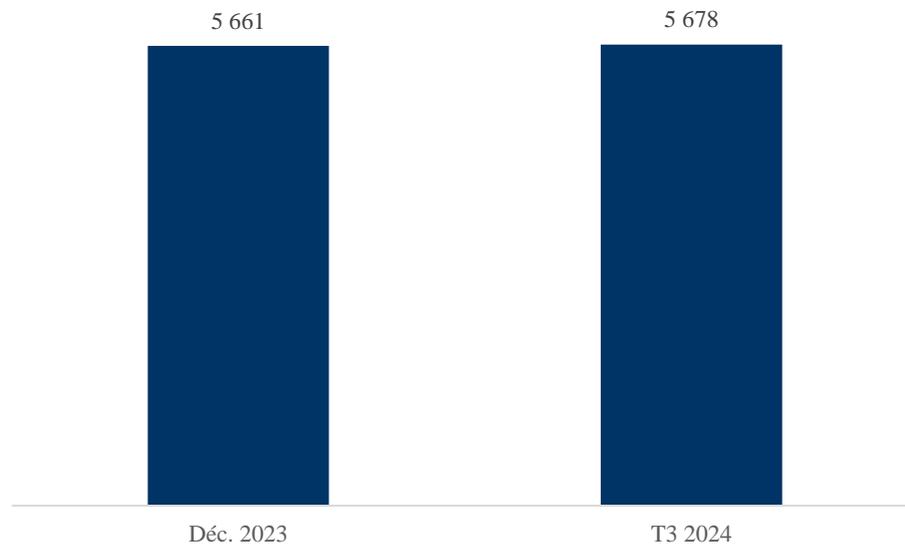
**Amounts owed to similar credit institutions:**

Debts rose by 29.94% in Q3 2024 to MAD 6,358 million.



**Debt securities issued:**

Debt securities issued recorded a limited increase of 0.30%, reaching MAD 5,678 million at the end of Q3 2024.



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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 Wafasalaf's business remains limited, given that in the first half of 2024, the contribution of all partners to NBI stood at just 18%.

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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 application of current regulations, as of September 30, 2024, no risks linked 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 13, 2024, under the reference VI/EM/038/2024. The AMMC recommends that the entire prospectus, which is available to the public in French, be read in its entirety.**