

Pursuant to the provisions of Article 31 of Law No. 26-03 relating to public offers on the stock market as amended and supplemented, the AMMC examined the Mandatory Takeover Bid project on Taslif shares filed on October the 12th 2018, under article 18 of the said Law, by Sanlam Emerging Markets Ireland (SEM Ireland), Saham Finances, Saham Insurance (Saham SA), Saham Finances Participations, Saham Assurance, Sanam Holding and M. Said ALJ (designated as “the initiators”).

Following this filing, the AMMC has requested, according to the provisions of article 30 of the aforementioned Law, the Casablanca Stock Exchange to proceed with the suspension of trading on Taslif shares.

1- The general framework of the operation

On the 8th of march 2018, Saham Group and Sanlam Group, partners in the insurance business in Africa, announced the conclusion of an agreement by which Sanlam Group will increase its stake in the capital of insurance subsidiaries of Saham Group, to go from 46,6% to 100%.

Pursuant to the said agreement, and following the realization of all the suspensive conditions, Saham and Sanlam Groups have made, on the 9th of October 2018, a transaction by which SEM Ireland have acquired 100% of the capital and voting rights of Saham Insurance which holds 53,4% of the capital and voting rights of Saham Finances.

Following this acquisition, SEM Ireland has indirectly crossed upwards the threshold of 40% of the capital and voting rights of Taslif, which triggers the obligation to file a takeover bid on the latter in accordance with the provisions of article 18 of the law No 26-03.

Taslif equity and voting rights distribution before the takeover offer filing is as follows:

Shareholder	Number of shares	Share of equity and voting rights in %
Saham Assurance	14 876 394	69,28%
Sanam Holding	5 028 845	23,42%
M. Said Alj	10 350	0,05%
Public float	1 556 911	7,25%
Total	21 472 500	100%

Source : Taslif

2- Terms of the offer

The mandatory Takeover Bid targets the acquisition of Taslif shares that are not held by the initiators, that is 1 556 911 shares. In addition, the offer also targets the outstanding 348 attribution rights related to the capital increase by reserves incorporation realized in 2004.

The initiators offer other shareholders of Taslif to acquire their shares at a price of 24 MAD per share and their attribution rights at a price of 200 MAD per right.

In agreement between the initiators, Saham Assurance is committed to acquire all shares tendered to the offer, being understood that all the initiators remain jointly responsible for their obligations under the law No 26-03.

No waiver threshold is provided as part of this mandatory takeover bid.



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3- Intentions of the initiators :

On the 25th of January 2018, Taslif and Salafin have announced a merger project. Given their development strategies, the shareholders of Salafin and Taslif, respectively BMCE BoA and Saham Assurance, have agreed to a partnership in the field of consumer credit via a merger of Taslif and Salafin.

The Boards of Salafin (absorbing company) and Taslif (Absorbed company), held on the 15th of August 2018, have agreed on the terms of the merger project. The merger parity has been set to 1 Salafin share for 39 Taslif shares. Taslif has been valued at 24 MAD per share.

4- Examination of admissibility :

With reference to the provisions of Articles 13 and 32 of the aforementioned Law, the AMMC has assessed the proposed mandatory Takeover Bid in terms of the following:

☛ The characteristics of the proposed offer

The AMMC has examined the characteristics of the proposed offer with regards to the principles set out in the aforementioned article 13 and in particular the principles of transparency and equal treatment of shareholders. As such, the AMMC noted that the equal treatment requirement is met to the extent that the offer targets all shares and attribution rights of Taslif that are not held by the initiators.

In addition, the valuation of Taslif in the framework of the takeover bid is the same valuation that has been used to determine the terms of the aforementioned merger. The multi-criteria analysis used for pricing has been reviewed by the AMMC and assessed as follows:

- **Stock prices approach:** this method consists of analyzing the volume weighted average stock price of Taslif shares over a 6 months period before the 25th of January 2018, the merger announcement date. The value of Taslif share which results from this method is **24,8 MAD** ;
- **Discounted cash flows method:** This valuation is performed on the basis of the excess equity flows arising from Taslif business plan, discounted at cost of equity of 9,5%. The perpetual growth rate used is 2%. The value of Taslif shares resulting from the application of this method is **23,4 MAD**;

A summary of the valuation is included in the following table:

Method	Value per share (dhs)	Offered Premium / Discount
Stock prices Approach	25	-3%
Discounted cash flows method	23	3%
Valuation methods average	24	0%

Source : Capital Trust Finance

The price per share set in the framework of this Takeover bid is **24 MAD per share** and **200 MAD per attribution right**.

Given the foregoing, the AMMC considers the methods used as relevant and commonly used and based on objective, significant and multiple criteria. Also, the AMMC deems the characteristics of the offer to be consistent with the principles set out in the aforementioned article 13.

