

# PRPSECTUS SUMMARY

## MANDATORY PUBLIC BUYOUT OF SOFAC SHARES ON THE CASABLANCA STOCK EXCHANGE



### ON THE INITIATIVE OF CREDIT IMMOBILIER ET HOTELLIER



**NUMBER OF SHARES TARGETED: 12 326 SHARES**

**PRICE PER SHARE: 350 DH**

**OFFER PERIOD: FROM 22/03/2013 TO 19/04/2013 INCLUDED**

**MAXIMUM AMOUNT OF OFFER: 4 314 100 DH**

### ADVISORY BODY AND GLOBAL COORDINATOR



### INDEPENDANT EVALUATOR

Advisory & Finance Group  
*Investment Bank*

### BODY RESPONSIBLE FOR THE RECORDING AND THE REGISTERING OF THE TRANSACTION



### VISA OF THE CONSEIL DEONTOLOGIQUE DES VALEURS MOBILIERES

In accordance with the CDVM Circular taken pursuant to Article 14 of the Dahir No. 1-93-212 of September 21st 1993 relative to the Conseil Déontologique des Valeurs Mobilières (CDVM) and the information required by legal persons with public offering as amended and supplemented, the original of this present prospectus has been Approved by the CDVM on March 14th 2013 under the reference VI/EM/003/2013.

## Warning

The CDVM visa does not imply the approval of the appropriateness of the transaction nor the authentication of the information presented. It was granted after review of the relevance and consistency of the information given in the context of the proposed transaction to investors.

The Conseil Déontologique des Valeurs Mobilières (CDVM) approved the prospectus of the mandatory public buyout offer of SOFAC launched on the initiative of CIH.

The prospectus approved by the CDVM is available at any time at the headquarters of CIH and at the financial advisor CDG Capital offices. It is also made available within 48 hours at order taking institutions.

The prospectus is available to the public at the Casablanca Stock Exchange headquarter. It is also available on the CDVM website: [www.cdvm.gov.ma](http://www.cdvm.gov.ma).

## Part I. Presentation of the transaction

### I. Characteristics of the Operation

#### I.1 Number of shares targeted

The mandatory public buyout offer will concern the totally non held shares by the CIH and BARID AL MAGHRIB which represent 12 326 shares corresponding to 0, 87% of the capital and the voting rights of SOFAC.

#### I.2 Offer price

The unit price offered by the bidder is 350 MAD per share

#### I.3 Operation global amount

The maximum overall amount of the transaction would be 4,314,100 MAD in the case of a total contribution SOFAC securities covered by the mandatory public buyout.

#### I.4 Waiver threshold

As part of the transaction, no waiver threshold supply is expecting by the issuer. He also agrees to acquire firmly and irrevocably all the shares tendered by the shareholders SOFAC under the mandatory public buyout and will be fully served.

#### I.5 The vesting date of the concerned shares

The SOFAC's shares carry dividend rights to 01/01/2012

#### I.6 The offer duration

Opening date of the mandatory public buyout: 22/03/2013

Closing date of the mandatory public buyout: 19/04/2013 included or 21 trading days.

## I.7 Settlement date

The delivery date occurs on 06/05/2013

## I.8 Body responsible of recording and registering the transaction

The body responsible of the recording and the registering of the transaction: CDG Capital Bourse.

## II. Goal of the operation

Following the results of the take-over bid initiated by the CIH on SOFAC's shares, the level of the floating SOFAC's capital on the Casablanca Stock Exchange is only 12,236 shares out of a total of 1, 416,664 shares (0, 87% of the share capital).

Thus, in order to provide opportunities for minority shareholders to sell their SOFAC's shares, and prior to the radiation of Title of the Casablanca Stock Exchange, CIH initiated this delisting tender offer.

## III. Timeline for the operation

The time schedule for this operation is as follows:

Stage	Latest date
Reception by the Stock Exchange of the approved prospectus	14/03/2013
Publishing of a summary of the prospectus in a newspaper	18/03/2013
Opening of the mandatory public buyout offer	22/03/2013
Closing of the mandatory public buyout offer	19/04/2013
Follow up by the CDVM of the delisting transaction (approved or dismissed)	25/04/2013
Announcement in the Stock Exchange official bulletin if the CDVM dismisses the transaction	25/04/2013
Recording of the operations related to the delisting transaction and announcement of the buyout results	30/04/2013
Settlement of the shares concerned by the delisting operation	06/05/2013
Delisting of SOFAC's shares	10/07/2013

## Part II. Presentation of Crédit Immobilier et Hôtelier

### I.1. Information on CIH's Shareholders

CIH's shareholding structure as at December 31<sup>st</sup> 2012 is as follows:

Shareholders	31/12/2012		
	Numbers of shares held	% of capital	% of voting rights
Massira Capital Management	18 860 825	70,88%	70,88%

RMA Watanya	767 571	2,88%	2,88%
Sanad	707 064	2,66%	2,66%
Atlanta	882 244	3,32%	3,32%
RCAR	980 380	3,68%	3,68%
Divers	4 410 001	16,57%	16,57%
<b>Total</b>	<b>26 608 085</b>	<b>100,00%</b>	<b>100,00%</b>

Source : CIH

## I.2. Board of directors

CIH's Board of Directors composition as at March 31<sup>st</sup> 2012 is as follows:

Function	Name and function	Date of Appointment	End of term
<b>President</b>	M. Ahmed RAHOU CIH Chief Executive Officer	07/10/2009	AGM approving the 2014 financial statements
<b>Directors</b>	M. Anass HOUIR ALAMI CDG Chief Executive Officer	07/10/2009	AGM approving the 2014 financial statements
	M. Said LAFTIT – CDG General Secretary and MCM representative	28/05/2009	AGM approving the 2014 financial statements
	M. Mohamed Amine BENHALIMA CDG Deputy Chief Executive Officer	28/05/2009	AGM approving the 2014 financial statements
	M. Mohamed Hassan BENSALAH HOLMARCOM Chief Executive Officer	28/05/2009	AGM approving the 2014 financial statements
	M. Mustapha LAHBOUBI CDG Risk Management Department Director	25/11/2010	AGM approving the 2014 financial statements
	M. Khalid CHEDDADI CIMR Chief Executive Officer	20/05/2011	AGM approving the 2016 financial statements

## Part III. Presentation of SOFAC

### I.1. Information on SOFAC's Shareholders

SOFAC's shareholding structure as at December 31<sup>st</sup> 2012 is as follows:

Hareholders	Number of shares held	% of capital and voting rights
CIH	847 731	59,8%
BARID AL MAGHRIB	556 607	39,3%
Floating	12 326	0,9%
<b>TOTAL</b>	<b>1 416 664</b>	<b>100,0%</b>

Source : SOFAC

## I.2. Board of directors

CIH's Board of Directors composition as at March 31<sup>st</sup> 2012 is as follows:

Membres	Function	Date of Appointment	End of term
<b>Monsieur Ahmed RAHOU</b> CIH Chief Executive Officer	President	22/05/2009	AGM approving the 2014 financial statements
<b>Monsieur Lotfi SEKKAT</b> CIH Chief Executive Officer delegate	Director	05/01/2012*	AGM approving the 2015 financial statements
<b>Monsieur Ahmed Amin BEN DJELLOUN TOUMI</b> BARID AL MAGHRIB Chief Executive Officer	Director	24/05/2010	AGM approving the 2015 financial statements
<b>Monsieur Redouane NAJM-EDDINE</b> BARID BANK chairman of the board	Director	22/05/2009	AGM approving the 2015 financial statements
<b>Monsieur Abdelkarim FARAH</b> BARID AL MAGHRIB Chief financial officer	Director	05/05/2011	AGM approving the 2016 financial statements
<b>Monsieur Younes ZOUBIR</b> CIH Chief financial officer	Director	05/01/2012*	AGM approving the 2015 financial statements
<b>Monsieur Mourad MIMOUNI</b> CIH Director cover	Director	05/01/2012*	AGM approving the 2014 financial statements
<b>Monsieur Larbi BELARBI</b> SOMACA Chief Executive Officer	Director	22/02/2012*	AGM approving the 2017 financial statements

Source: SOFAC

\*ratified by the Ordinary General Meeting on the 29/05/2012

## Part IV. CIH's financial data

### I. IFRS income statement

KDH	2010	2011	2012
Interest and related income	1 942 793	1 956 923	2 244 627
Interest and related charges	773 850	777 562	905 595
<b>Interest Margin</b>	<b>1 168 943</b>	<b>1 179 361</b>	<b>1 339 031</b>
Commissions (Income)	161 952	146 068	188 954
Commissions (expenses)	16 432	15 211	21 041
<b>Commissions Margin</b>	<b>145 520</b>	<b>130 857</b>	<b>167 913</b>
Gains or losses on trading portfolio transactions			12

Gains or losses on placement portfolio and related transactions	170 262	21 158	5 233
Other banking incomes	96 988	86 120	99 448
Other banking expenses	76 060	99 195	60 397
<b>Net banking income</b>	<b>1 505 653</b>	<b>1 318 301</b>	<b>1 551 240</b>
General operating expenses	969 693	707 408	831 255
Allocation to amortization and depreciation	69 688	50 796	95 814
<b>Gross operating profit</b>	<b>466 272</b>	<b>560 098</b>	<b>624 171</b>
Cost of risk	461 919	83 045	126 587
<b>Operating profit</b>	<b>4 353</b>	<b>477 052</b>	<b>497 584</b>
Income from equity affiliate	1 419	29 831	32 599
Gains or losses on fixed assets	265 493	57 541	148 577
<b>Pre-tax operating result</b>	<b>271 266</b>	<b>564 424</b>	<b>678 760</b>
Corporate income tax	38 424	196 083	187 105
<b>Net profit</b>	<b>232 842</b>	<b>368 341</b>	<b>491 655</b>
Minority interests			4 296
<b>Net income – group share</b>	<b>232 842</b>	<b>368 341</b>	<b>487 358</b>

## II. Balance sheet

### II.1 asset

KDH	2010	2011	2012
Cash and balance with central bank	1 157 078	1 654 804	1 065 298
Financial assets	1 053 759	2 276 818	3 471 880
Hedging instruments (derivatives)	1 444 521	300 281	139 449
Financial assets at fair value through profit or loss	25 164 036	26 950 702	31 513 969
Loans and advances to banks	65 572	75 658	253 198
Loans and advances to customers	7	5	18 631
Current tax asset	383 814	470 769	546 991
Deferred tax assets	3 157	471 937	549 375
Equalization account and other assets	489 614	518 163	502 165
Non-current assets	626 687	659 620	779 163
Shares held in equity accounted companies	29 441	79 041	120 528
Investment property	10 000	299 917	184 884
Fixed Assets	<b>30 427 685</b>	<b>33 757 714</b>	<b>39 145 559</b>

### II.2 liabilities

KDH	2010	2011	2012
Debt with credit institutions	1 387 108	1 389 829	3 617 812

Customer transactions	19 124 905	18 722 261	20 429 528
Securities loaned	5 329 796	7 739 003	9 100 111
Liabilities for current tax	11 958	176 976	217 006
Deferred tax liabilities	154 439	93 212	58 756
Other liabilities	876 989	1 066 732	821 756
Provisions	210 223	177 269	243 420
Company equity	3 332 268	4 392 432	4 570 461
Subscribed capital and reserves	2 280 693	2 660 809	2 660 809
Consolidated reserves	812 715	1 357 836	1 421 866
Gains & losses	6 018	5 447	428
Net profit for the year	232 842	368 341	487 358
Minority interests	0	0	86 521
<b>Total liabilities</b>	<b>30 427 685</b>	<b>33 757 714</b>	<b>39 145 559</b>

## Part V: SOFAC's financial Data

### I. Income statement

KDH	2009	2010	2011	2012
Interest and related income	135 390	125 899	135 280	185 711
Interest and related charges	70 495	65 131	68 713	92 294
<b>Interest Margin</b>	<b>64 895</b>	<b>60 768</b>	<b>66 566</b>	<b>93 416</b>
Gains on leasing operation	474 879	351 966	257 458	289 141
Expenses on leasing operation	419 731	308 707	223 568	259 055
<b>Result on leasing operation</b>	<b>55 148</b>	<b>43 259</b>	<b>33 890</b>	<b>30 086</b>
Commissions (Income)	9 337	11 202	22 341	29 303
Commissions (expenses)	10 921	11 962	18 781	14 881
<b>Commissions Margin</b>	<b>-1 584</b>	<b>-760</b>	<b>3 560</b>	<b>14 422</b>
Gains or losses on trading portfolio transactions	177	34	122	247
Gains or losses on FX operations	-340	39	-43	12
<b>Result on market operation</b>	<b>-163</b>	<b>73</b>	<b>79</b>	<b>259</b>
Other banking incomes	3 054	706	1371	480
Other banking expenses	520	213	16	5
<b>Net banking income</b>	<b>120 830</b>	<b>103 834</b>	<b>105 449</b>	<b>138 658</b>
Other non-banking incomes	100	681	4	542
Other non-banking expenses	0	362	13	40
General operating expenses	82 789	82 149	97 704	112 876

<b>Gross operating profit</b>	<b>38 141</b>	<b>22 003</b>	<b>7 735</b>	<b>26 284</b>
Depreciation of reversals of provisions for claims and liabilities by signature	47 875	51 623	-995	10 804
Other depreciation and net provisions for contingent liabilities	-598	51 610	-6 306	-933
<b>Current result</b>	<b>-9 136</b>	<b>-81 230</b>	<b>15 037</b>	<b>16 412</b>
<b>Non-current result</b>	<b>755</b>	<b>724</b>	<b>-416</b>	<b>-3 229</b>
Corporate income taxes	3 114	2 453	3 583	2 527
<b>Net income</b>	<b>-11 495</b>	<b>-82 958</b>	<b>11 038</b>	<b>10 656</b>

## II. Balance sheet

### II.1 asset

En KDH	2009	2010	2011	2012
<b>Cash and balance with central bank</b>	<b>7 836</b>	<b>2 377</b>	<b>10 296</b>	<b>6 027</b>
<b>Loans and advances to banks</b>	<b>724</b>	<b>2 852</b>	<b>5 385</b>	<b>8 285</b>
<b>Loans and advances to customers</b>	<b>1 146 362</b>	<b>1 143 051</b>	<b>1 297 244</b>	<b>1 698 511</b>
Cash loans and consumer	1 072 998	1 087 806	1 272 122	1 659 745
Equipment loans	8	0	0	0
Other loans	73 356	55 245	25 122	38 766
<b>Shares held in equity accounted companies</b>	<b>88</b>	<b>102</b>	<b>88</b>	<b>86</b>
Propriety securities	88	102	88	86
<b>Other asset</b>	<b>144 218</b>	<b>148 413</b>	<b>239 479</b>	<b>292 628</b>
<b>Investment securities</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
Other debt security	26	26	26	26
<b>Equity securities and similar assets</b>	<b>381</b>	<b>782</b>	<b>782</b>	<b>346</b>
Leasing and rental assets	599 635	528 052	889 942	1 384 149
<b>Intangible asset</b>	<b>23 683</b>	<b>19 872</b>	<b>13 996</b>	<b>10 236</b>
<b>Tangible asset</b>	<b>10 804</b>	<b>10 895</b>	<b>15 452</b>	<b>16 410</b>
<b>Total asset</b>	<b>1 933 757</b>	<b>1 856 422</b>	<b>2 472 690</b>	<b>3 416 705</b>

## II.2 Liabilities

En KDH	2009	2010	2011	2012
<b>Cash and balance with central bank</b>	<b>336</b>	<b>230</b>	<b>75</b>	<b>163</b>
<b>Debt loans and advances to banks</b>	<b>1 389 299</b>	<b>1 307 365</b>	<b>1 593 851</b>	<b>1 637 608</b>
Demand	51 942	4 377	295 541	108 641
Term	1 337 357	1 302 988	1 298 310	1 528 967
<b>Debt loans and advances to customers</b>	<b>227 192</b>	<b>221 716</b>	<b>471 215</b>	<b>835 239</b>
Other creditor account	227 192	221 716	471 215	835 239
<b>Debt securities issued</b>	<b>493</b>	<b>0</b>	<b>0</b>	<b>562 836</b>
<b>Other liabilities</b>	<b>50 113</b>	<b>87 795</b>	<b>163 514</b>	<b>127 240</b>
<b>Provision for liabilities and charges</b>	<b>9 913</b>	<b>65 863</b>	<b>59 543</b>	<b>58 473</b>
<b>Subscribed capital and reserves</b>	<b>36 561</b>	<b>36 561</b>	<b>36 561</b>	<b>36 561</b>
<b>Capital</b>	<b>141 666</b>	<b>141 666</b>	<b>141 666</b>	<b>141 666</b>
<b>Retained earnings</b>	<b>89 680</b>	<b>78 184</b>	<b>-4 774</b>	<b>6 264</b>
<b>Net result for the year</b>	<b>-11 496</b>	<b>-82 958</b>	<b>11 038</b>	<b>10 656</b>
<b>Total liabilities</b>	<b>1 933 757</b>	<b>1 856 422</b>	<b>2 472 690</b>	<b>3 416 705</b>

## Part VI. SOFAC's risk factors

### I. Customer failure risk

SOFAC's customers can be segmented into three categories:

- Employees of companies under agreement,
- Officials,
- Direct clients.

Each category has the following specific risks:

#### I.1. Clients under agreement contracts

The Companies under agreement engages to deduct each month from the salary of their employee the monthly amount accruing to SOFAC. The event can cause a situation of default at this segment are:

- The bankruptcy of the company: To minimize this risk, SOFAC shall ensure, before signing the agreement, the company's solvency and carefully selects eligible sectors.
- The dismissal of the employee: This is the most serious risk in this segment. The company consumer credit can hardly recover its debt by the fact that the client is no longer able to meet its obligations due to job loss.
- Failure to repay by the employer the monthly payment: This part concern the employers who, for various reasons, including cash, collect the monthly payment but do not remit to

SOFAC. The employer exposes himself under the terms of the agreement signed with SOFAC to prosecution.

## **I.2. Officials segment**

The risk of dismissal or termination of the officials remains relatively stable. This risk may be increased by the early retirement of officials. Continuous sampling of officials who contract a credit is not guaranteed.

SOFAC took preventive measures by not distributing credit that the maturity date is beyond the 55th anniversary of the debtor.

A Memorandum of Understanding was signed on 15 April 2005 between la Caisse Marocaine des Retraites and five finance companies, members of the Professional Association of Finance.

Such protocol is to establish the conditions and modalities of withholding tax on pension funding Companies profit on loans that they grant to pensioners affiliated to the CMR.

## **I.3. Direct customer segment (non-contracted and non-officials)**

This category presents a high risk due to:

The monthly payments are not deducted at source, as opposed to contracted customers and employees;

The establishment of a debit irrevocable from customer's bank account is not a guarantee of payment deadlines, especially in the case where the bank account is insufficiently funded.

SOFAC management has as main objective to ensure better control of counterparty risk through continuous optimization of scoring grids.

Meanwhile, management has reorganized the collection and litigation that aims to improve the recovery rate of the company.

These actions are intended to minimize the default rate on future productions and to lower the rate of nonperforming loans in the portfolio.

## **II. Risk of a profitability decrease due to a lower MCIR**

The MCIR (maximum conventional interest rate) is revising at the 1st April of each year by the change in bank deposit rates at 6 months and 1 year registered during the previous calendar year.

The maximum rate that can be applied today by the profession is 14.19% for the period of the 1st April 2012 to 31 March 2013, against 20.42% in 1997. This drop over the last year had a significant impact on the sector profitability.

In this context, SOFAC has the means to adapt to MCIR drop, particularly through:

- A diversification and lower TMP its sources of funding, including through the issuance program of BSF;
- The development of commercial activity by both the launch of new products and continuous improvement of team productivity.
- A controlled operating costs.

### III. Liquidity risk and interest rate

The sector consumer credit is highly competitive. Sector operators are companies' consumer credit and retail banks, which are positioned in recent years in this segment.

In this context, SOFAC, thanks to its different actions according to its strategic plan, has the means to strengthen its market share.

Moreover, the downward trend of companies' consumer credit margins could lead some operators to search for the volume effect by an uncontrolled growth of production which is inevitably accompanied by an increase of risk.

SOFAC chose the controlled progression of outstanding by emphasizing optimal management of risks and searching for new products and market segments that will allow it to insure a sustained growth.

#### **Warning**

*The above information only represents a part of the prospectus approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) on March 14<sup>th</sup> 2013 under the reference number VI/EM/003/2013*

*The CDVM advises reading the full prospectus available in French.*