WAFASALAF

PROSPECTUS SUMMARY

ISSUANCE OF UNLISTED SUBORDINATED BOND

Total issue amount: MAD 200,000,000
Maturity: 5 years

	Tranche « A » (non-listed)	Tranche « B » (non-listed)
Maximum amount	MAD 200,000,000	
Maximum number of bonds	2,000 subordinated bonds	
Nominal value	MAD 100,000	
Nominal interest rate	**Fixed**, determined in reference to the secondary yield curve on October 15th, 2014 as published by Bank Al-Maghrib, i.e. 3.50%, plus a 150 basis-point risk premium, i.e. **5.00%**	**Revisable on an annual basis**: for the first year, the nominal interest rate is the 52-week rate (monetary rate) determined in reference to the secondary yield curve on October 15th, 2014, as published by Bank Al-Maghrib, i.e. 2.93%, plus a 140 basis-point risk premium, i.e. **4.33%**
Principle repayment	In fine	
Risk premium	150 basis points	140 basis points
Allocation method	On a pro rata basis	
Tradability	Over-the-counter	

Subscription period: from October 29th to October 31st, 2014, included

Subscription reserved for qualified Moroccan investors as listed in the prospectus

FINANCIAL ADVISORY AND GLOBAL COORDINATOR

AGENT IN CHARGE OF THE PLACEMENT

APPROVAL OF THE CDVM (FINANCIAL AUTHORITY)

In accordance with the CDVM circular, delivered in application of Section 14 of the Dahir n° 1-93-212 of September 21st, 1993 relating to the Conseil Déontologique des Valeurs Mobilières (CDVM) and to the information required by legal making public offering as amended and extended, the original copy of the present prospectus has been approved by the CDVM on October 21st, 2014 under reference VI/EM/032/ 2014

WARNING

The CDVM approved on October 21st, 2014, a prospectus related to the issue of subordinated bonds by Wafasalaf.

The prospectus summary approved by the CDVM is available at any time at the headquarters of Wafasalaf and at its financial advisor's. It is also available from the order collecting entities.

The prospectus is publicly available on the CDVM website: www.cdvm.gov.ma.

PARTIE I. PRESENTATION OF THE OPERATION

I. OBJECTIVES OF THE OPERATION

By issuing the subordinated bond object of the present prospectus, Wafasalaf aims at maintaining its presence in the capital markets and at diversifying its funding sources.

The present issue at hand aims at:

- 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 is issuing two thousand (2,000) subordinated non-listed bonds with a 5-year maturity and a nominal value of one hundred thousand (100,000) MAD. The maximum amount of the transaction, object of the present prospectus, is two hundred million (200,000,000) MAD, divided as follows:

- Tranche "A" with a fixed rate, non-listed on the Casablanca Stock Exchange, with a maximum amount of MAD 200 million and a nominal value of MAD 100,000;
- Tranche "B" with an annually revisable rate, non-listed on the Casablanca Stock Exchange, with a maximum amount of MAD 200 million and a nominal value of MAD 100,000.

III. INFORMATION RELATING TO THE SUBORDINATED BONDS OF WAFASALAF

The subordinated bonds are different from conventional bonds because of their status contractually defined by the subordination clause, the effect of which is to condition the repayment of the funds borrowed to all secured or unsecured creditors in case of liquidation of the issuer.

Characteristics of Tranche "A" (Fixed rate, non-listed on the Casablanca stock exchange)

Nature of securities	Subordinated bonds, non-listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depositary (Maroclear), and with book-entry with the chartered affiliates.
Legal form	Bearer bonds
Tranche ceiling	**MAD 200,000,000**
Maximum number of bonds to be issued	**2,000 subordinated bonds**
Nominal value	**MAD 100,000**
Issue price	100% of the nominal value
Maturity	5 years
Subscription period	From October 29th to October 31st 2014 included
Vesting date	November 7th, 2014
Maturity Date	November 7th, 2019
Allocation method	On a pro rata basis

Nominal interest rate	**<u>Fixed rate</u>** The nominal interest rate is determined in reference to the secondary yield curve on October 15th, 2014 as published by Bank Al-Maghrib, i.e. 3.50%, plus a 150 basis-point risk premium, i.e. **5.00%**. The rate is determined though linear interpolation using the two points framing the full 5-year maturity period (on a yield-to-maturity basis).
Risk premium	**150 basis points**
Interests	Interests shall be served annually on the anniversary date of the loan vesting date, i.e. November 7th of each year. Their payment shall occur on the same day or on the business day following November 7th if the latter is not a business day. Interests on the subordinated bonds will cease to accrue on the day that the principal is repaid by Wafasalaf. No deferral of interest is possible under the present operation. Interests are computed as per the following formula: [Nominal value x Facial rate].
Amortization / Repayment of principal	The subordinated bond loan, object of the present prospectus, shall be subject to a repayment *in fine* of the principal amount. In case of merger, demerger or partial contribution of assets of Wafasalaf during the term of the loan and resulting in the transfer of assets in favor of a distinct legal entity, the rights and obligations relating to the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of Wafasalaf.
Early Redemption	Wafasalaf is not allowed, during the period of the loan, to proceed to any early repayment of the subordinated bonds, object of the present issue. However, Wafasalaf reserves the right to proceed, with the prior consent of Bank Al-Maghrib, to buy back the subordinated bonds on the secondary market, provided that regulatory and laws provisions allow such buybacks. These repurchases have no consequences for subscribers who wish to hold their securities until maturity, and do not affect the regular amortization schedule. Redeemed subordinated bonds can only be canceled upon approval of Bank Al-Maghrib.
Tradability	Over the counter. There are no restrictions imposed by the terms of the issue on the free tradability of the subordinated bonds.
Assimilation clause	There is no assimilation of subordinated bonds, object of the present prospectus, to securities from a previous issue. If Wafasalaf subsequently issues new securities identical in every aspect to those relating to the present prospectus, it may proceed, without the consent of the holders, to the assimilation of all successive securities issuances, thus unifying all their management and trading operations.

Rank of subordinated debt	The capital and interests of this loan are subject to a subordination clause. The application of this clause shall not affect whatsoever the legal provisions relating to the accounting principles of loss allocation, the obligations of shareholders and the rights of underwriters, in accordance with the conditions set out in the contract, to obtain the payment of their securities in capital and interests. In case of liquidation of Wafasalaf, the repayment of the capital and interests on the subordinated securities of this issue shall occur only after the compensation of all secured and unsecured creditors. The repayment of the present subordinated securities shall take place on the same ranking basis as all the other subordinated loans that have been and that may be issued subsequently by Wafasalaf both in Morocco and abroad, proportionally to their amount, if applicable.
Maintaining of the rank of the loan	Wafasalaf commits, until the effective repayment of all the securities of this loan, not to institute on behalf of other subordinated securities that it could issue at a later stage, any priority as to their rank of repayment in case of liquidation, without granting the same rights to the subordinated securities of this loan.
Repayment guarantee	This issue is subject to no particular guarantee.
Rating	This issue has not been subject of any rating request.
Representation of bondholders	In accordance with Article 299, paragraph 1 and Article 300, paragraphs 1 and 2 of the above-mentioned Law No. 17-95, bondholders of the same issue are grouped together automatically for the defense of their common interests under an incorporated body. Until the holding of the General Assembly of Bondholders, the Management Board meeting held on October 15th, 2014, has decided to appoint Mr Mohamed HDID, chartered accountant, as a temporary representative of the bondholders. This decision will take effect from the start of the subscription period, provided that the interim representative is identical for Tranches A and B, which are grouped into a single body. Furthermore, the Management Board undertakes to convene the General Assembly of Bondholders in order to appoint the final representative of the bondholders, within one year from the opening of the subscription period.
Governing law	Moroccan law
Competent jurisdiction	Commercial court of Casablanca.

Characteristics of Tranche "B" (annually revisable rate, non-listed on the Casablanca Stock Exchange)

Nature of securities	Subordinated bonds non-listed on the Casablanca Stock Exchange, dematerialized by registration with the central securities depositary (Maroclear), and with book-entry with the chartered affiliates.
Legal form	Bearer bonds
Tranche ceiling	**MAD 200,000,000**
Maximum number of bonds to be issued	**2,000 subordinated bonds**
Nominal value	**MAD 100,000**
Issue price	100% of the nominal value
Maturity	5 years
Subscription period	From October 29th to October 31st, 2014, included
Vesting date	November 7th, 2014
Maturity date	November 7th, 2019
Allocation method	On a pro rata basis
Nominal interest rate	**Annually revisable rate** For the first year, the nominal interest rate is the full 52-week rate (monetary rate) determined in reference to the secondary yield curve of October 15th, 2014, as published by Bank Al-Maghrib, i.e. 2.93%, plus a 140 basis-point risk premium, i.e. **4.33%**. At each anniversary date, the reference rate is the full 52-week rate (monetary rate), in reference to the secondary yield curve published by the Bank Al-Maghrib 5 business days before the annual coupon date. This reference rate will be increased by a risk premium of 140 basis points.
Calculation method of the reference rate	The determination of the reference rate will be done using the method of linear interpolation using the two points framing the full 5-year maturity (monetary basis). This linear interpolation will be done after the conversion of the rate immediately superior to the 52-week maturity period (actuarially) in equivalent monetary rates. The calculation formula is : (((Actuarial rate + 1) ^ (k / exact number of days *)) - 1) × 360 / k; Where “k” is the number of days between the anniversary date and the date of payment of the next coupon. *Exact number of days: 365 or 366 days.
Risk premium	**140 basis points**
Date of interest rate calculation	The coupons shall be revised on an annual basis at the loan vesting anniversary dates, i.e. on November 7th of each year. The new rate will be communicated by the issuer to bondholders 5 business days before the anniversary date.

Interests	Interests shall be served annually on the anniversary date of the loan vesting date, i.e. November 7th of each year. Their payment shall occur on the same day or on the business day following November 7th if the latter is not a business day. Interests on the subordinated bonds will cease to accrue on the day that the principal is repaid by Wafasalaf. No deferral of interest is possible under the present operation. Interests are computed as per the following formula: [Nominal value x Nominal rate x Exact number of days / 360].
Amortization / Repayment of principal	The subordinated bond loan, object of the present prospectus, shall be subject to a repayment *in fine* of the principal amount. In case of merger, demerger or partial contribution of assets of Wafasalaf during the term of the loan and resulting in the transfer of assets in favor of a distinct legal entity, the rights and obligations relating to the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of Wafasalaf.
Early Redemption	Wafasalaf is not allowed, during the period of the loan, to proceed to any early repayment of the subordinated bonds, object of the present issue. However, Wafasalaf reserves the right to proceed, with the prior consent of Bank Al-Maghrib, to buy back the subordinated bonds on the secondary market, provided that regulatory and laws provisions allow such buybacks. These repurchases have no consequences for subscribers who wish to hold their securities until maturity, and do not affect the regular amortization schedule. Redeemed subordinated bonds can only be canceled upon approval of Bank Al-Maghrib.
Tradability	Over the counter. There are no restrictions imposed by the terms of the issue on the free tradability of the subordinated bonds.
Assimilation clause	There is no assimilation of subordinated bonds, object of the present prospectus, to securities from a previous issue. If Wafasalaf subsequently issues new securities identical in every aspect to those relating to the present prospectus, it may proceed, without the consent of the holders, to the assimilation of all successive securities issuances, thus unifying all their management and trading operations.
Rank of subordinated debt	The capital and interests of this loan are subject to a subordination clause. The application of this clause shall not affect whatsoever the legal provisions relating to the accounting principles of loss allocation, the obligations of shareholders and the rights of underwriters, in accordance with the conditions set out in the contract, to obtain the payment of their securities in capital and interests. In case of liquidation of Wafasalaf, the repayment of the capital and interests on the subordinated securities of this issue shall occur only after the compensation of all secured and unsecured creditors. The repayment of the present subordinated securities shall take place on the same ranking basis as all the other subordinated loans that have been and that may be issued subsequently by Wafasalaf both in Morocco and abroad, proportionally to their amount, if applicable.

Maintaining of the rank of the loan	Wafasalaf commits, until the actual redemption of all shares of this loan, to have no priority for other subordinated securities, which may be issued subsequently, regarding their repayment range in case of liquidation without granting the same rights to the subordinated bonds of the loan at hand.
Repayment garantee	This issue is subject to no particular guarantee.
Rating	This issue has not been the subject of a rating request.
Representation of bondholders	In accordance with Article 299, paragraph 1 and Article 300, paragraphs 1 and 2 of the above-mentioned Law No. 17-95, bondholders of the same issue are grouped together automatically for the defense of their common interests under an incorporated body. Until the holding of the General Assembly of Bondholders, the Management Board meeting held on October 15th, 2014, has decided to appoint Mr Mohamed HDID, chartered accountant, as a temporary representative of the bondholders. This decision will take effect from the start of the subscription period, provided that the interim representative is identical for Tranches A and B, which are grouped into a single body. Furthermore, the Management Board undertakes to convene the General Assembly of Bondholders in order to appoint the final representative of the bondholders, within one year from the opening of the subscription period.
Governing law	Moroccan law
Competent jurisdiction	The Commercial Court of Casablanca

IV. OPERATION SCHEDULE

Order	Steps	Dates
1	Approval of the CDVM	October 21st, 2014
2	Publication of the prospectus abstract	October 24th, 2014
3	Opening of the subscription period	October 29th, 2014
4	Closing of the subscription period	October 31st, 2014
5	Compilation and synthesis of results	November 3rd, 2014
6	Communication of operation results to investors	November 4th, 2014
7	Payment / Delivery	November 7th, 2014
8	Publication of the results of the operation in a journal of legal notices	November 7th, 2014

V. SYNDICATE OF UNDERWRITERS AND FINANCIAL INTERMEDIARIES

Type of financial intermediary	Name	Adress
Financial Advisor and global coordinator	Attijari Finances Corp.	163, Avenue Hassan II Casablanca
Agent in charge of the placement and centralization	Attijariwafa bank	2, Boulevard Moulay Youssef Casablanca
Entity in charge of the Finance Department of the Securities and domiciliation	Attijariwafa bank	2, Boulevard Moulay Youssef Casablanca

PARTIE II.PRESENTATION OF THE ISSUER WAFASALAF

I. OVERVIEW OF THE ACTIVITY

Wafasalaf has acquired a 25-year expertise in the area of consumer credit in Morocco, allowing it to adapt to the habits and needs of customers and to offer a wide range of products in terms of funding solutions.

With a market strategy focusing on diversification and differentiation allowing for the company to be closer to its customers and partners, the company specializes in:

- The sale of consumer credit through its own network of agencies and partners on direct markets and prescriber markets (cars, home furnishings, licensed intermediaries ...);
- Management on behalf of third party partners given its expertise in the area of consumer credit, with banks and other service companies under their own brands.

In terms of managed production on behalf of third parties, the main clients of Wafasalaf are:

- Attijariwafa bank (AWB) ;
- Crédit du Maroc (CDM) ;
- Renault Crédit International (RCI) ;
- Crédit Agricole du Maroc (CAM).

II. INFORMATION ON THE CAPITAL AND THE SHAREHOLDING OF WAFASALAF

As of June 30th, 2014, the share capital of Wafasalaf amounts to MAD 113,179,500 fully paid. It consists of 1,131,795 shares with a nominal value of MAD 100 per share.

The evolution of Wafasalaf shareholding is as follows:

	31/12/2011		31/12/2012		31/12/2013		30/06/2014	
	Number of shares	% of the capital and of voting rights	Number of shares	% of the capital and of voting rights	Number of shares	% of the capital and of voting rights	Number of shares	% of the capital and of voting rights
Attijariwafa bank	**576,186**	**50.9%**	**576,186**	**50.9%**	**576,186**	**50.9%**	**576,186**	**50.9%**
CACF (*formerly* **Sofinco**)	**554,579**	**49.0%**	**554,579**	**49.0%**	**554,579**	**49.0%**	**554,579**	**49.0%**
Administrators	43	0.0%	43	0.0%	43	0.0%	43	0.0%
Various small carriers (*formerly* **Crédor**)	987	0.1%	987	0.1%	987	0.1%	987	0.1%
Total	**1,131,795**	**100.0%**	**1,131,795**	**100.0%**	**1,131,795**	**100.0%**	**1,131,795**	**100.0%**

Source : Wafasalaf

III. SUPERVISORY BODIES AND MANAGEMENT

III.1. SUPERVISORY BOARD

The composition of the Supervisory Board of Wafasalaf as of June 30th, 2014 is as follows:

Members	Function	Last nomination date	Expiry date of current mandate
Mr. Boubker JAÏ **President of the supervisory board**	**General director of Attijariwafa bank**	**May 2013**	**OGM of 2019 to approve the accounts of financial year 2018**
Attijariwafa bank represented by Mr. Mohamed EL KETTANI	CEO of Attijariwafa bank	May 2013	OGM of 2019 to approve the accounts of financial year 2018
Mr. Mohamed EL KETTANI	CEO of Attijariwafa bank	May 2014	OGM of 2020 to approve the accounts of financial year 2019
Mr. Omar BOUNJOU	General director of Attijariwafa bank	May 2013	OGM of 2019 to approve the accounts of financial year 2018
Mr. Ismail DOUIRI	General director of Attijariwafa bank	May 2013	OGM of 2019 to approve the accounts of financial year 2018
CACF represented by Mr. Amir DJOURABTCHI	Executive Vice President of CACF	May 2013	OGM of 2019 to approve the accounts of financial year 2018
Mr. Stéphane GABALDA	Director of Crédit International et Corporate	May 2013	OGM of 2019 to approve the accounts of financial year 2018
Mr. Jean François DERRIEN	Country coordinator of CACF	May 2013	OGM of 2019 to approve the accounts of financial year 2018
Mr. Claude GRANDFILS	Financial director	May 2013	OGM of 2019 to approve the accounts of financial year 2018

Source: Wafasalaf

III.2. THE BOARD OF MANAGEMENT

As of June 30th, 2014, the board of management of Wafasalaf is composed as follows:

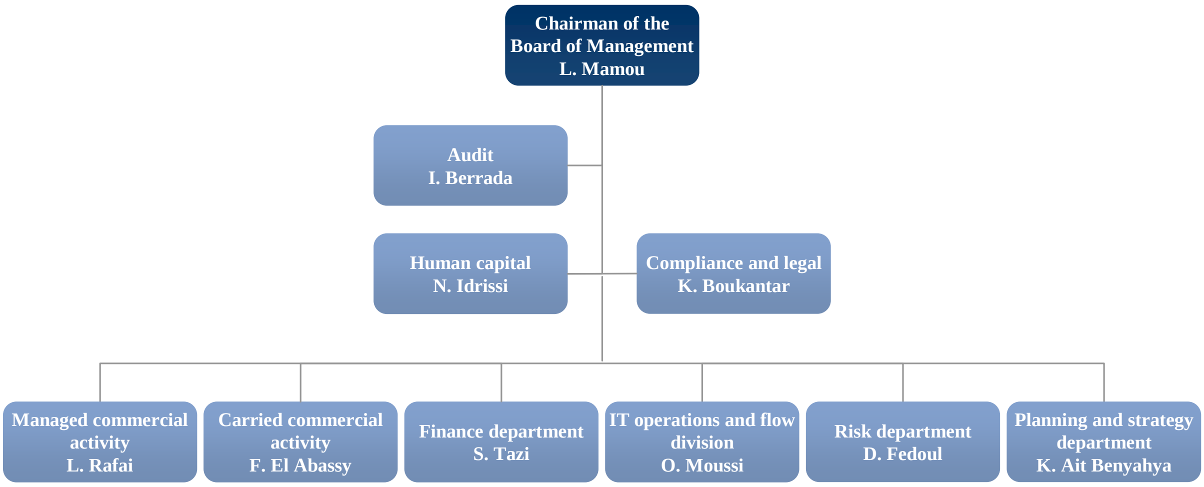
Members of the board of management	Function	Appointment/ reappointment date	Expiry date of current mandate
Ms. Laïla MAMOU	Chairman of the board of management	May 2014	OGM of 2018 to approve the accounts of financial year 2017
Mr. Khalid AIT BENYAHYA	Director of planning and strategy	May 2014	OGM of 2018 to approve the accounts of financial year 2017
Mr. Driss FEDOUL	Director of risk management division	May 2014	OGM of 2018 to approve the accounts of financial year 2017

Source: Wafasalaf

IV. ORGANIZATION CHART OF WAFASALAF

As of June 30th, 2014, the functional organization chart of Wafasalaf Company is as follows:

Functional organization chart of Wafasalaf as of June 30th, 2014



Source : Wafasalaf

PARTIE III. FINANCIAL STATEMENT OF WAFASALAF

I. COMPANY ACCOUNTS

I.1. INCOME STATEMENT

The operating account of Wafasalaf, during the financial years of 2011, 2012 and 2013 as well as the first half ("S1") of the years 2013 and 2014 is as follows:

In thousands of MAD	2011	2012	2013	Var. 12/11	Var. 13/12	S1 2013	S1 2014	Var. S1 14/13
Banking revenues	2,091,880	2,133,887	2,128,038	2.0%	-0.3%	1,072,876	1,116,828	4.1%
Banking expenses	1,058,284	1,068,572	1,131,316	1.0%	5.9%	556,233	601,669	8.2%
Net Banking Income (NBI)	**1,033,596**	**1,065,315**	**996,722**	**3.1%**	**-6.4%**	**516,643**	**515,159**	**-0.3%**
Net non-banking income	36,022	34,813	33,294	-3.4%	-4.4%	16,864	16,170	-4.1%
General operating expenses	333,443	349,938	331,697	4.9%	-5.2%	160,122	174,546	9.0%
Gross operating income	**736,175**	**750,190**	**698,319**	**1.9%**	**-6.9%**	**373,386**	**356,783**	**-4.4%**
Allocation for provisions and losses on bad debts	479,875	532,084	404,458	10.9%	-24.0%	252,742	194,470	-23.1%
Writebacks of provisions and recoveries on amortized loans	271,687	357,582	230,114	31.6%	-35.6%	162,045	119,126	-26.5%
Current income	**527,987**	**575,687**	**523,974**	**9.0%**	**-9.0%**	**282,688**	**281,440**	**-0.4%**
Non-operating income	**2,215**	**-3,365**	**-7,508**	**Ns**	**Ns**	**-3,489**	**-3,963**	**Ns**
Income before tax	**530,201**	**572,322**	**516,467**	**7.9%**	**-9.8%**	**279,200**	**277,477**	**-0.6%**
Corporate income tax	193,831	201,701	183,450	4.1%	-9.0%	93,651	92,424	-1.3%
Net income	**336,370**	**370,621**	**333,017**	**10.2%**	**-10.1%**	**185,549**	**185,052**	**-0.3%**

Source : Wafasalaf

I.2. SOCIAL BALANCE SHEET

The social balance of Wafasalaf over the period 2011-S1 2014 is presented ad follows:

In thousands of MAD	2011	2012	2013	Var. 12/11	Var. 13/12	TCAM 13/11	S1 2014	Var. S1 14/ 2013
Cash, Central Bank, Public Treasury, Post Check Service	99,564	11,532	28,229	-88.4%	> 100%	-46.8%	5,353	-81.0%
Receivables from credit institutions and the like	192,566	365,391	313,722	89.7%	-14.1%	27.6%	270,953	-13.6%
Receivables from customers	9,547,157	9,165,231	8,736,469	-4.0%	-4.7%	-4.3%	8,627,492	-1.2%
Equities	251	451	451	79.7%	0.0%	34.0%	451	0.0%
Other assets	392,589	453,444	382,077	15.5%	-15.7%	-1.3%	517,074	35.3%
Assets held under leasing and rental assets	1,887,938	2,873,250	2,916,983	52.2%	1.5%	24.3%	2,955,438	1.3%
Intangible assets	226,436	227,203	230,000	0.3%	1.2%	0.8%	228,490	-0.7%
Tangible assets	94,775	97,237	84,947	2.6%	-12.6%	-5.3%	78,508	-7.6%
Assets	**12,441,276**	**13,193,740**	**12,692,878**	**6.0%**	**-3.8%**	**1.0%**	**12,683,759**	**-0.1%**
Liabilities to credit institutions and the like	6,462,166	4,987,382	7,056,494	-22.8%	41.5%	4.5%	6,306,572	-10.6%
Deposits from customers	631,966	1,287,358	1,290,043	> 100%	0.2%	42.9%	1,257,585	-2.5%
Debt securities issued	2,848,323	4,321,296	1,821,793	51.7%	-57.8%	-20.0%	2,124,730	16.6%
Other liabilities	807,267	852,438	925,430	5.6%	8.6%	7.1%	1,334,068	44.2%
Allowances for liabilities and charges	46,697	29,789	29,789	-36.2%	0.0%	-20.1%	29,789	0.0%
Tax regulated provisions	0	0	0	Ns	Ns	Ns	0	Ns
Subordinated debt	100,014	100,014	0	0.0%	-100.0%	-100.0%	0	Ns
Reserves and paid-in capital	1,085,612	1,122,612	1,122,612	3.4%	0.0%	1.7%	1,122,612	0.0%
Capital	113,180	113,180	113,180	0.0%	0.0%	0.0%	113,180	0.0%
Retained earnings (+/-)	9,681	9,051	521	-6.5%	-94.2%	-76.8%	210,172	> 100%
Net income of the financial year (+/-)	336,370	370,621	333,017	10.2%	-10.1%	-0.5%	185,052	-44.4%
Liabilities	**12,441,276**	**13,193,740**	**12,692,878**	**6.0%**	**-3.8%**	**1.0%**	**12,683,759**	**-0.1%**

Source : Wafasalaf

II. Consolidated accounts

II.1. Consolidated income statement

The consolidated income statement of Wafasalaf over the period 2011-S1 2014 is as follows:

In thousand MAD	2011	2012	2013	Var. 12/11	Var. 13/12	S1 2013	S1 2014	Var. S1 14/13
Income from banking operations	1,417,740	1,429,220	1,379,527	0.8%	-3.5%	686,094	676,418	-1.4%
Expenses on banking activities	412,754	425,275	419,971	3.0%	-1.2%	206,885	202,983	-1.9%
Net banking revenue	**1,004,985**	**1,003,944**	**959,556**	**-0.1%**	**-4.4%**	**479,209**	**473,435**	**-1.2%**
Net nonbank revenue	70,004	73,575	80,662	5.1%	9.6%	38,055	37,613	-1.2%
Operating expenses	334,690	351,433	333,330	5.0%	-5.2%	160,817	175,173	8.9%
Gross operating income	**740,299**	**726,087**	**706,887**	**-1.9%**	**-2.6%**	**356,446**	**335,875**	**-5.8%**
Allowances net of reversals of provisions for claims and liabilities through signature loans	209,760	191,411	174,344	-8.7%	-8.9%	90,697	75,343	-16.9%
Other allowances net of reversals of provisions	-1,571	-16,908	0	Ns	Ns	0	0	Ns
Current income	**532,111**	**551,584**	**532,543**	**3.7%**	**-3.5%**	**265,749**	**260,531**	**-2.0%**
Income before tax	**534,325**	**548,220**	**524,708**	**2.6%**	**-4.3%**	**262,260**	**256,422**	**-2.2%**
Corporate income tax	198,616	197,888	194,448	-0.4%	-1.7%	97,052	95,065	-2.0%
Net income	**335,709**	**350,333**	**330,261**	**4.4%**	**-5.7%**	**165,208**	**161,357**	**-2.3%**
Net profit group share	**335,709**	**350,333**	**330,261**	**4.4%**	**-5.7%**	**165,208**	**161,357**	**-2.3%**

Source : Wafasalaf

II.2. CONSOLIDATED BALANCE SHEET

The consolidated balance sheet of Wafasalaf for the last three financial years until June 30th, 2014 is as follows:

In thousands of MAD	2011	2012	2013	Var. 12/11	Var. 13/12	S1 2014	Var. S1 14/ 2013
Cash, Central Bank, Public Treasury, Post Check Service	99,566	11,534	28,231	-88.4%	> 100%	5,355	-81.0%
Receivables from credit institutions and the like	200,107	367,370	326,807	83.6%	-11.0%	283,229	-13.3%
Receivables from customers	9,547,157	9,165,231	8,736,911	-4.0%	-4.7%	8,627,934	-1.2%
Leasing and rental operations	1,144,909	1,404,180	1,307,398	22.6%	-6.9%	1,333,377	2.0%
Trading and investment securities	15,000	0	0	-100.0%	Ns	32,999	Ns
Other assets	397,751	459,632	392,582	15.6%	-14.6%	499,878	27.3%
Equity securities and debt securities	151	151	151	0.0%	0.0%	151	0.0%
Intangible assets	226,436	227,203	230,000	0.3%	1.2%	228,490	-0.7%
Tangible assets	94,775	97,237	84,947	2.6%	-12.6%	78,508	-7.6%
Assets	**11,725,852**	**11,732,538**	**11,107,027**	**0.1%**	**-5.3%**	**11,089,921**	**-0.2%**
Liabilities to credit institutions and the like	6,462,166	4,987,382	7,056,494	-22.8%	41.5%	6,306,572	-10.6%
Debt securities issued	2,848,323	4,298,116	1,808,656	50.9%	-57.9%	2,124,730	17.5%
Other liabilities	599,037	597,291	541,032	-0.3%	-9.4%	919,783	70.0%
Allowances for liabilities and charges	46,697	29,789	29,789	-36.2%	0.0%	29,789	0.0%
Subordinated debts	100,014	100,014	0	0.0%	-100.0%	0	Ns
Paid-in capital	37,143	37,143	37,143	0.0%	0.0%	37,143	0.0%
Capital	113,180	113,180	113,180	0.0%	0.0%	113,180	0.0%
Consolidated retained earnings, revaluation surplus, translation adjustment, equity method adjustments	1,183,583	1,219,292	1,190,473	3.0%	-2.4%	1,397,368	17.4%
Net income of the financial year (+/-)	335,709	350,333	330,261	4.4%	-5.7%	161,357	-51.1%
Liabilities	**11,725,852**	**11,732,538**	**11,107,027**	**0.1%**	**-5.3%**	**11,089,921**	**-0.2%**

Source : Wafasalaf

PARTIE IV. RISK FACTORS

I. CREDIT RISK

It is 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 customers' 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.

II. 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.

The Company mitigates this risk by:

- 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).

III. 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.

IV. 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 customers, 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.

V. 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 sat 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.

VI. RISK OF EARLY REDEMPTION

The decrease in interest rates fosters the early repayment of pending files which enables customers and contracted organizations to benefit from a new debt file at a more favorable interest rate. This practice has led on the one hand 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.

VII. RISK LINKED TO COMPETITION

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

- Strong competition from banks, mainly through :
  - ✓ their policy of proactive development activities in the sector of consumer loans;
  - ✓ intensification of aggressive sales approach benefiting from significant competitive advantages: density of the sales network, large customer bases with low access to consumer loans, lower cost of funds.
- 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.);
- developping the service providing in the field of customer service through the commercialization of its expertise to other fellow service providers or other business sectors.

VIII. RISK OF PARTNERSHIP BREACHING

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

Wafasalaf deals with this risk through its implemented policy of:

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

Moreover, the impact of this risk on the activity of Wafasalaf remains limited, given the fact that in 2013, the contribution of all partners in the GDP has only reached 17.6%.

IX. 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.).

WARNING

The abovementioned information only represents a part of the Information Note approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) under the reference n°VI/EM/032/2014 on October 21st; 2014. The CDVM advises for the reading of the full Information Record available for the public in French.