



## PROSPECTUS SUMMARY ISSUE OF A NON LISTED BOND LOAN

### MAXIMUM AMOUNT OF THE ISSUE: MAD 300 000 000

	Tranche A non listed	Tranche B non listed	Tranche C non listed
Ceiling	MAD 300 000 000		
Maximum number of securities	3 000 bonds		
Nominal value	MAD 100 000		
Vesting date	22 November 2017		
Maturity	3 years	5 years	
Maturity date	22 November 2020	22 November 2022	
Nominal interest rate	Fixed, by reference to the 3 years rate calculated from the secondary government bonds yield curve as published by Bank Al-Maghrib on 26 October 2017, i.e. 2,52%, This rate shall be increased by a risk premium between 70 and 85bps, i.e a rate between 3,22% and 3,37%.	Fixed, by reference to the 5 years rate calculated from the secondary government bonds yield curve as published by Bank Al-Maghrib on 26 October 2017, i.e. 2,74%, This rate shall be increased by a risk premium between 75 and 95bps, i.e a rate between 3,49% and 3,69%.	Fixed, <b>calculated</b> based on the secondary curve rate of government bonds yield published by Bank Al-Maghrib on 26 October 2017, i.e 2,59% increased by a risk premium between 70 and 85bps, i.e a rate between 3,29% and 3,44% .
Redemption	in fine	in fine	Constant linear amortising redemption
Risk premium (basis points)	between 70 and 85 bps	between 75 and 95 bps	between 70 and 85 bps
Allocation method	French auction without priority between tranches		
Tradability of bonds	Over-the-Counter (non listed)		

**SUBSCRIPTION PERIOD: FROM 15TH TO 17TH OF NOVEMBER 2017, BOTH DATES INCLUDED**

**Subscription is reserved to qualified investors under the Moroccan law as detailed in this prospectus**

Advising body and global coordinator



Placement agent



#### Approval of the Moroccan Capital Market Authority

In accordance with the provisions of the circular of the Autorité du Marché des Capitaux (AMMC), delivered in application of Article 14 of the Dahir n° 1-93-212 of 21 September 1993, as amended and extended, the original of the present prospectus has been approved by the AMMC on October 31, 2017 under the reference n° VI/EM/030/2017.

## DISCLAIMER

The AMMC approved, on October 31, 2017, a prospectus related to the issue of bonds by JAIDA.

The prospectus approved by the AMMC is available at any time at the headquarters of JAIDA and at the its financial advisor. It is also made available within 48 hours at the placement agent.

The prospectus is at the disposal of public on the website of the AMMC: [www.ammc.ma](http://www.ammc.ma)

## I. PRESENTATION OF THE OPERATION

### I.1. OBJECTIFS DE L'OPERATION

The Ordinary General assembly of JAIDA held on November 26, 2015, having considered the Board's recommendations, authorizes bonds issue with or without a public offering with a maximum amount of Million MAD 300 achievable in one or more times, within a deadline of 2 years pursuant to the provisions of articles 292 to 315 of Law number 17-95 related to public limited companies as amended and supplemented by law 20-05.

The ordinary general assembly has delegated, pursuant to article 294 of Law 17-95, to the Board, within the legal and regulatory limits, with the power to sub-delegate, the necessary powers to proceed with the bond issues and develop propositions, conditions and terms or bond issues authorized within the limits of Million MAD 300.

The bond issue subject of this prospectus is part of JAIDA development strategy that enables the company to expand its presence in the capital market and to diversify its financial resources.

The current issue targets the following main objectives:

- Finance the development and the growth of the company;
- Strengthen its stable resources and align the average maturity of its financial resources with the average period of stock of credit;
- Diversity and increase funding sources and optimize funding costs.

### I.2. OPERATION CHARACTERISTICS

As part of the delegation of authority granted to the management by the Board of Directors dated February 7, 2017, the Director General decided to proceed with a the issuance of bond loan with a nominal amount of MAD 300.000.000 (three hundred million of Dirhams) with the following characteristics:

- ✓ Amount of the issue: MAD 300.000.000 (three hundred million of Dirhams);
- ✓ Maturity: 3 or 5 years
- ✓ Maximum number of bonds: 3.000 bonds;
- ✓ Bonds nature: ordinary bonds
- ✓ Nominal value: MAD 100.000

And is divided into three tranches

- Interest rate:
  - ✓ Tranche « A » non listed at the Casablanca stock market with a fixed rate, with reference to sovereign rate of the equivalent maturity of 3 years, calculated from the secondary government bonds yield curve as published by Bank Al Maghrib on October 26, 2017, which is 2,52%, plus a risk premium of 70 to 85 basis points ;
  - ✓ Tranche « A » non listed at the Casablanca stock market with a fixed rate, with reference to sovereign rate of the equivalent maturity of 5 years, calculated from the secondary government bonds yield curve as published by Bank Al Maghrib October 26, 2017, which is 2,74%, plus a risk premium of 75 to 95 basis points ;
  - ✓ Tranche « C » non listed at the Casablanca stock market amortising annually, with fixed interest rate calculated from the the secondary government bonds yield curve, as published by Bank Al-Maghrib on October 26, 2017, i.e 2,59%, increased by a risk premium of 70 to 85 basis points.
- Vesting Date: 22 November 2017.

The total amount allotted for these three tranches shall not exceed the sum of three hundred

million dirhams (MAD 300.000.000).

The characteristics of each tranche are detailed below :

**Characteristics of tranche « A » (3years, fixed rate, non listed at the Casablanca stockmarket)**

<b>Nature of Securities</b>	Non-listed bonds dematerialized by registration at the Central Depository (Maroclear) and entered into accounts of the authorized affiliates.
<b>Legal form</b>	To the bearer
<b>Tranche ceiling</b>	MAD 300 000 000
<b>Maximum number of securities to be issued</b>	<b>3 000</b>
<b>Nominal value</b>	MAD 100 000
<b>Issue price</b>	par, 100% of the nominal value
<b>Maturity date</b>	3 years
<b>Subscription period</b>	From 15th to 17th November 2017, both dates included
<b>Issuance and entitlement date</b>	<b>Coupon</b> 22 November 2017
<b>Maturity</b>	22 November 2020
<b>Allocation method</b>	French auction without priority between tranches
<b>Nominal interest rate</b>	<p><b>Fixed rate:</b>            The nominal interest rate is determined by reference to the 3 years rate calculated from the secondary government bonds yield curve as published by Bank Al-Maghrib on 26 October 2017, i.e. 2,52%, This rate shall be increased by a risk premium between 70 and 85 bps, or a rate between 3,22% and 3,37%. The determination of the reference rate is achieved by the method of linear interpolation using the two points bordering the full 3 years maturity (actuarial basis).</p>
<b>Risk premium</b>	70 to 85 basis points (bps)
<b>Interests</b>	<p>The interests shall be served annually at the anniversary dates of the coupon entitlement date of the loan, i.e. 22nd November of each year. Their payment shall take place on the very same day or the first business day following 22nd November if this day is not a business day.</p> <p>Interest on the bonds shall cease to accrue as of the day when the capital shall be proposed for redemption by JAIDA. No postponement of the interest shall be possible under this operation.</p> <p>Interest shall be calculated as per the following formula: [Nominal x nominal interest rate].</p>
<b>Amortisation/ Redemption of the principle</b>	<p>Tranche A securities of the loan bond shall be subject of a redemption <i>in fine</i> of the principal amount.</p> <p>In the event of a merger, demerger or partial contribution of assets of JAIDA taking place during the term of the loan and resulting in the universal transfer of the assets in favour of a distinct legal entity, the rights and obligations in connection with the bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of JAIDA.</p>

<b>Early redemption</b>	<p>JAIDA is not allowed, during the entire loan period, to proceed to any early redemption of the bonds, subject of the present issue.</p> <p>However, the Issuer (JAIDA) keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities till due date and without any <b>incident</b> on the regular amortization schedule. The bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
<b>Tradability of securities</b>	<p>Tradable by joint agreement.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the bonds.</p>
<b>Assimilation clause</b>	<p>There is no assimilation of the bonds, subject of this Prospectus, to securities of a previous issue. If JAIDA subsequently issues new securities having in all respects rights identical to those of the present issue, it may, without the consent of holders of old bonds, provided that the bonds so permit, make the assimilation of all securities with successive issues, thus unifying all the operations relating to their management and their trading.</p>
<b>Rank of the loan</b>	<p>Bonds issued by JAIDA and the interest thereon constitute direct, general, unconditional and unsubordinated commitments by the Issuer, which are on equal footing among themselves and all other liabilities, present and future of the Issuer.</p>
<b>Guarantee of repayment</b>	<p>This issue has not been subject to a special guarantee.</p>
<b>Rating</b>	<p>This issue has not been subject to any rating request.</p>
<b>Representation of the bondholders body</b>	<p>In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, bondholders of the same issue are grouped in their own interest in a body with legal entity.</p> <p>Pending the holding of the General Meeting of Bondholders, on September 12, 2017, the Board of Directors of JAIDA appointed M. Mohamed HDID expert accountant, as a temporary representative. This decision shall take effect from at the opening of the subscription period. It is hereby noted that this appointed temporary agent is the same for tranches A, B and C of this issue, which are grouped together under a single body.</p> <p>In addition, the Board is committed to proceed with the convening of the general meeting of bondholders to appoint the permanent representative of the bondholders body within a period of one year from the opening of the subscription period and no later than 30 days before the first amortisation date of the tranche C.</p>
<b>Applicable law</b>	<p>Moroccan law</p>
<b>Court of competent jurisdiction</b>	<p>Trade Court of Rabat.</p>

### Characteristics of Tranche « B » (5 years, fixed rate, non listed at the Casablanca stockmarket)

<b>Nature of Securities</b>	Non listed bonds dematerialized by registration at the Central Depository (Maroclear) and entered into accounts of the authorized affiliates.
<b>Legal form</b>	To the bearer
<b>Tranche ceiling</b>	MAD 300 000 000
<b>Maximum number of securities to be issued</b>	<b>3 000</b>
<b>Nominal value</b>	MAD 100 000
<b>Issue price</b>	par, 100% of the nominal value
<b>Maturity</b>	5 years
<b>Subscription period</b>	From 15th to 17th November 2017, both dates included
<b>Issuance and entitlement date</b>	<b>Coupon</b> 22 November 2017
<b>Expiry date</b>	22 November 2022
<b>Allocation method</b>	On a prorata basis
<b>Nominal interest rate</b>	<p><b>Fixed rate:</b></p> <p>The nominal interest rate is determined by reference to the 5 years rate calculated from the secondary government bonds yield curve as published by Bank Al-Maghrib on 26 October 2017, i.e. 2,74%, This rate shall be increased by a risk premium between 75 and 95 pbs, or a rate between 3,49% and 3,69%. The determination of the reference rate is achieved by the method of linear interpolation using the two points bordering the full 5 years maturity (actuarial basis).</p>
<b>Risk premium</b>	75 to 95 basis points (bps)
<b>Interests</b>	<p>The interests shall be served annually at the anniversary dates of the possession date of the loan, i.e. 22nd November of each year. Their payment shall take place on the very same day or the first business day following 22nd November if this day is not a business day.</p> <p>Interest on the bonds shall cease to accrue as of the day when the capital shall be proposed for redemption by JAIDA. No postponement of the interest shall be possible under this operation.</p> <p>Interest shall be calculated as per the following formula: [Nominal x nominal interest rate].</p>
<b>Amortisation/Redemption of the principle</b>	<p>Tranche B securities of the loan bond shall be subject of a redemptio <i>in fine</i> of the principal amount.</p> <p>In the event of a merger, demerger or partial contribution of assets of JAIDA taking place during the term of the loan and resulting in the universal transfer of the assets in favour of a distinct legal entity, the rights and obligations in connection with the bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of JAIDA.</p>
<b>Early redemption</b>	<p>JAIDA is not allowed, during the entire loan period, to proceed to any early redemption of the bonds, subject of the present issue.</p> <p>However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities till due date and without any <b>incident</b> on the regular amortization schedule. The</p>

	bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.
<b>Tradability of securities</b>	Tradable by joint agreement. There is no restriction imposed by the conditions of the issue to the free tradability of the bonds.
<b>Assimilation clause</b>	There is no assimilation of the bonds, subject of this Prospectus, to securities of a previous issue. If JAIDA subsequently issues new securities having in all respects rights identical to those of the present issue, it may, without the consent of holders of old bonds, provided that the bonds so permit, make the assimilation of all securities with successive issues, thus unifying all the operations relating to their management and their trading.
<b>Rank of the loan</b>	Bonds issued by JAIDA and the interest thereon constitute direct, general, unconditional and unsubordinated commitments by the Issuer, which are on equal footing among themselves and all other liabilities, present and future of the Issuer.
<b>Guarantee of repayment</b>	This issue has not been subject to a special guarantee.
<b>Rating</b>	This issue has not been subject to any rating request.
<b>Representation of the bondholders body</b>	In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, bondholders of the same issue are grouped in their own interest in a body with legal entity. Pending the holding of the General Meeting of Bondholders, on September 12, 2017, the Board of Directors of JAIDA appointed M. Mohamed HDID expert accountant, as a temporary representative. This decision shall take effect from at the opening of the subscription period. It is hereby noted that this appointed temporary agent is the same for tranches A, B and C of this issue, which are grouped together under a single body. In addition, the Board is committed to proceed with the convening of the general meeting of bondholders to appoint the permanent representative of the bondholders body within a period of one year from the opening of the subscription period and no later than 30 days before the first amortisation date of the tranche C.
<b>Applicable law</b>	Moroccan law
<b>Court of competent jurisdiction</b>	Trade Court of Rabat.

**Characteristics of Tranche « C » (5 years, fixed rate, annually amortising in a linear manner, non listed at the Casablanca stockmarket)**

<b>Nature of Securities</b>	Non listed bonds dematerialized by registration at the Central Depository (Maroclear) and entered into accounts of the authorized affiliates.
<b>Legal form</b>	To the bearer
<b>Tranche ceiling</b>	MAD 300 000 000
<b>Maximum number of securities to be issued</b>	<b>3 000</b>
<b>Nominal value</b>	MAD 100 000
<b>Issue price</b>	par, 100% of the nominal value
<b>Maturity date</b>	5 years
<b>Subscription period</b>	From 15th to 17th November 2017, both dates included
<b>Issuance and entitlement date</b>	<b>Coupon</b> 22 November 2017
<b>Maturity</b>	22 November 2022
<b>Allocation method</b>	French auction without priority between tranches
<b>Nominal interest rate</b>	The Nominal interest rate is obtained by adding to the sovereign rate calculated based on the secondary curve rate of government bonds yield published by Bank Al-Maghrib on 26 October 2017, i.e 2,59%, a premium of between 70 and 85 bps, that is a rate between 3,29% and 3,44%. The sovereign rate being that of the government bonds of the same nature (with a fixed rate, amortising over 5 years). The formula for calculating the yields of the amortising government bonds from the government bonds yield curve is presented in the annex of the Prospectus
<b>Risk premium</b>	70 to 85 basis points (bps)
<b>Interests</b>	<p>The interests shall be served annually at the anniversary dates of the coupon entitlement date of the loan, i.e. 22nd November of each year. Their payment shall take place on the very same day or the first business day following 22nd November if this day is not a business day.</p> <p>Interest on the bonds shall cease to accrue as of the day when the capital shall be proposed for repayment by JAIDA. No postponement of the interest shall be possible under this operation.</p> <p>Interest shall be calculated as per the following formula: [Outstanding capital x nominal interest rate].</p>
<b>Amortisation/ redemption of the principle</b>	<p>The redemption of the principle of Tranche C bonds shall be served annually in a linear manner at the anniversary dates of the coupon entitlement date of the loan, or the first business day following this date, if this day is not a business day.</p> <p>In the event of a merger, demerger or partial contribution of assets of JAIDA taking place during the term of the loan and resulting in the universal transfer of the assets in favour of a distinct legal entity, the rights and obligations in connection with the bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of JAIDA.</p>

	<p>JAIDA is not allowed, during the entire loan period, to proceed to any early redemption of the bonds, subject of the present issue.</p> <p>However, the bank keeps the right to carry out, with the prior consent of Bank Al Maghrib, the buyback of bonds in the secondary market, provided the conditions established by the legal and regulatory provisions. This repurchase is any inconsequential to the subscriber who wishes to keep its securities till due date and without any <b>incident</b> on the regular amortization schedule. The bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
<b>Early redemption</b>	
<b>Tradability of securities</b>	<p>Tradable by joint agreement.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the bonds.</p>
<b>Assimilation clause</b>	<p>There is no assimilation of the bonds, subject of this Prospectus, to securities of a previous issue. If JAIDA subsequently issues new securities having in all respects rights identical to those of the present issue, it may, without the consent of holders of old bonds, provided that the bonds so permit, make the assimilation of all securities with successive issues, thus unifying all the operations relating to their management and their trading.</p>
<b>Rank of the loan</b>	<p>Bonds issued by JAIDA and the interest thereon constitute direct, general, unconditional and unsubordinated commitments by the Issuer, which are on equal footing among themselves and all other liabilities, present and future of the Issuer.</p>
<b>Guarantee of repayment</b>	<p>This issue has not been subject to a special guarantee.</p>
<b>Rating</b>	<p>This issue has not been subject to any rating request.</p>
<b>Representation of the bondholders body</b>	<p>In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, bondholders of the same issue are grouped in their own interest in a body with legal entity.</p> <p>Pending the holding of the General Meeting of Bondholders, on September 12, 2017, the Board of Directors of JAIDA appointed M. Mohamed HDID expert accountant, as a temporary representative. This decision shall take effect from at the opening of the subscription period. It is hereby noted that this appointed temporary agent is the same for tranches A, B and C of this issue, which are grouped together under a single body.</p> <p>In addition, the Board is committed to proceed with the convening of the general meeting of bondholders to appoint the permanent representative of the bondholders body within a period of one year from the opening of the subscription period and no later than 30 days before the first amortization Date of the tranche C.</p>
<b>Applicable law</b>	<p>Moroccan law</p>
<b>Court of competent jurisdiction</b>	<p>Trade Court of Rabat.</p>

### I.3. OPERATION SCHEDULE

Order	steps	Date
1	AMMC's approval of the prospectus	31 October 2017
2	Publication of the Prospectus extract by the issuer in a legal gazette	02 November 2017
3	Opening of the subscription period	15 November 2017
4	Closing of the subscription period	17 November 2017
5	Receipt of subscriptions by the centralized body and the allocation of bonds	17 November 2017
6	Announcement of results to investors by the centralized body	20 November 2017
7	Payment - Delivery	22 November 2017
8	Publication of the results of the operation by JAIDA in a legal gazette	22 November 2017

## II. INFORMATION ABOUT THE ISSUER

### II.1. JAIDA ACTIVITIES

#### II.1.1 WORK OF JAIDA

JAIDA is a financing Fund of micro finance institution (IMF) in Morocco, established as a public limited company under the Moroccan law, and it is approved by the Central Bank of Morocco (Bank Al-Maghrib) as a financing company

JAIDA has worked, since its establishment in 2007, to fulfill its mission to combat financial and social exclusion and to promote the development of micro and small enterprises that create jobs by providing financial and technical support to microfinance associations. The company has acquired a well-known expertise and know-how in financing the micro-credit sector.

Pursuant to its statutory missions, JAIDA inherently carries the mission of financial inclusion and responsible development, particularly by allowing, through the financing of Micro-Credit Associations (MCA), households in precarious situations, with limited resources, to undertake an income generating activity, a socially responsible role supported by an active presence of its shareholders in this area.

JAIDA serves as a platform to attract new private capital to the microcredit sector, and improve donor coordination and strengthen public-private partnership as part of a strategy for social development and protection of the economy and the environment.

Furthermore, JAIDA wishes to offer MCA a support service and a socio-economic development program based on technical assistance to strengthen their solvency so as to financially sustain their activities, and increase their economic and social impacts.

JAIDA has set itself some objectives that are major axes of its strategy, namely:

- Strengthen the positioning of a reference player in the microfinance sector;
- Actively contribute to ensuring optimal financing for institutions in the sector;
- Enhance product and service offering and build successful partnerships for the sector;
- Further strengthen the public-private partnership and ensure its sustainability;
- Contribute to the development of the cooperation South-South.

In addition to financing micro-credit associations, JAIDA offers a variety of services marketed by JAIDA, including:

- non-financial services intended for micro-credit associations related to technical assistance including:
  - Capacity building for business process improvement through portfolio audit and comprehensive data analysis and confirmation through on site survey;
  - Financial advice in refinancing;
  - The development of expertise in the field of financial management;
- non-financial services intended for financial providers (mainly management services, namely the management of funds for Moroccan and foreign institutions and international technical assistance, the management of facilities offered by financial providers to micro-credit associations profits, in the form of program management or subcontracting);
- and a reporting platform intended for public and private partners. This platform allows the monitoring the activities of the various institutions and developing a data center available to public and private partners).

Regarding this reporting platform, the data center can serve as an observatory of micro-credit and can only be operational if all partners (AMC, FNAM, Bank Al Magrib etc.) adhere to this project, especially in agreeing to feed this database with their data, and designate an operator (MBS or other) to manage the said data center.

In its traditional business of financing MCA, JAIDA is competing mainly with international donors and Moroccan banks.

The first ones are generally major international actors (development agencies of developed countries, multilateral agencies) and are generally open to partnerships with local actors like JAIDA, although they prefer sometimes, as their charters impose, to be directly in relation with the MCA or the actors of the microcredit they finance. Thus, JAIDA targets its foreign competitors, considers them as potential customers, by offering management services on behalf of third parties, or subcontracting (technical assistance).

Local Moroccan banks are also competitors of JAIDA, the decisions of most of them being dictated exclusively by profitability objectives.

Thus, aware of the narrowness of the micro-credit market (limited number of MCAs and limited growth rate of the sector), and as part of its strategic development, JAIDA is exploring all possibilities to expand its actions both on the quantitative and qualitative plan in order to continue to better serve the microfinance sector, whether in Morocco or in Africa in general, and consequently to serve the largest number of populations in need of quality microfinance services.

## II.1.2. DESCRIPTION OF JAIDA PRODUCTS

JAIDA offers an evolving range of financial products adapted to the specific needs of micro-credit associations.

The minimum and maximum loan amount is defined depends on several factors, including:

- 1) The size of the micro-credit association client;
- 2) Regulatory credit limits per beneficiary;
- 3) Internal limits in JAIDA, defines internal credit ratio and equity of Micro-credit associations, and the JAIDA credit and equity ratio, etc.
- 4) The limits that may be required by the sponsor or the entity financing the loan in the case of a special loan.

This range of loans currently available in three types:

### a. Senior Loan

The senior loan is offered to all microcredit associations and is particularly intended for intermediate-sized Micro-credit associations wishing to finance their growth and strengthen their capacity; it is of maturity between 3 months and 10 years.

### b. Subordinated loan

The subordinated loan is intended for large Micro-credit associations that need to strengthen their balance sheet structure in order to improve their ability to finance directly through the private sector.

The maturity of a subordinated loan granted by JAIDA is generally between 3 years and 10 years.

### c. The special loan

The special loan relates to the financing of specific activities, and set up as part of a local or regional development program; it is both rich and adapted and is in line with the policy of targeted social impact. JAIDA currently offers thematic loans, financed by the Silatech Foundation based in Qatar, and loans financed by "Italian Cooperation" (Italian Ministry of Foreign Affairs).

Special loans can be financed by JAIDA or managed by JAIDA for third parties.

## II.2. SHAREHOLDING OF JAIDA

As of June 30th, 2017, share capital of JAIDA amounts to MAD 328 027 900 and is fully disbursed. It consists of MAD 3 280 279 (Three million two hundred eighty thousand two hundred seventy nine dirhams), a share with a nominal value of MAD 100 each, all of the same class.

On June 30th, 2017, the shareholding of JAIDA is as follows:

Name of main shareholders on 31/06/2007	Number of shares	% capital and voting right
Caisse de Dépôt de Gestion (CDG)	1 049 999	32,0%
Kreditanstalt für Wiederaufbau (KfW)	1 030 279	31,4%
Caisse de Dépôt et de Consignation (CDC)	600 000	18,3%
Barid Al Maghrib	300 000	9,1%
Agence Française de Développement (Afd)	300 000	9,1%
Divers	1	0,0%
<b>Total</b>	<b>3 280 279</b>	<b>100%</b>

## II.3 LEGAL FLOWCHART

JAIDA is a public limited company with a board of directors, governed by the law of Morocco.

### II.3.1. Board of directors

As of June 30<sup>th</sup>, 2017, the board of directors composition is as follows:

Name and position	Function	Date of last appointment	End of term
Mr. Ali Bensouda Board chairman	CEO of Finéa	02/07/2017	OGM approving the 2018 financial statements
Mr. Alexander Kap Herr representative of KfW	Chairman of KfW office in Rabat	04/08/2016	OGM approving the 2018 financial statements
Mrs. Anne-Sophie Kervella representative of AFD	Chargée de mission	04/08/2016	OGM approving the 2018 financial statements
Mr. Mohammed Belmaachi representative of CDG	Director of asset management department, CDG	04/08/2016	OGM approving the 2018 financial statements
Mr. Mohamed Ali Mzali representative of CDC	Méditerranée-Afrique consultant, CDG	04/08/2016	OGM approving the 2018 financial statements
Mr. Redouane Najmeddine representative of Barid Al Maghrib	Chair of Al Barid Bank board	04/08/2016	OGM approving the 2018 financial statements
Mr. Komi Koutche independent director	Former minister	12/15/2016	OGM approving the 2017 financial statements
M. Michel Gonnet independent director	Chairman of Eudexia Conseil	12/15/2016	OGM approving the 2017 financial statements

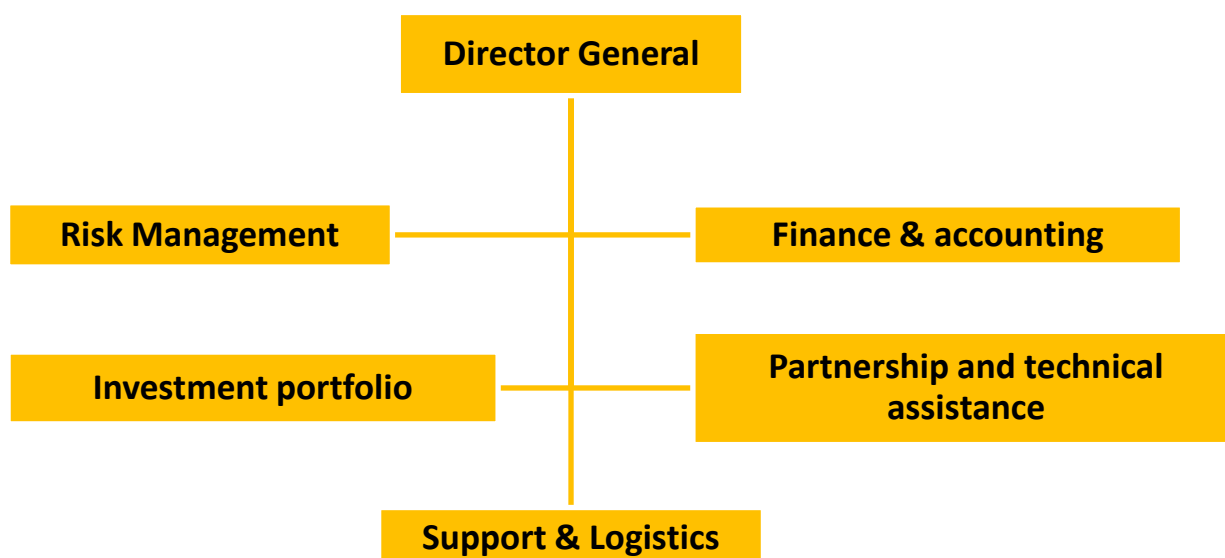
### II.3.2. DIRECTION GENERALE DE JAIDA

As of June 2017, the Directorate General of JAIDA is carried out by:

Member	Function	Date of entry to JAIDA
M. Abdelkarim Farah	Director General	July 2012

### II.3.3 Legal organization chart of JAIDA

As of June 30th, 2017, the functional organization of JAIDA is as follows



### III. FINANCIAL DATA

#### III.1. Balance sheet

Assets (In MAD)	12/31/2014	12/31/2015	12/31/2016	06/30/2017
<b>1.Cash, central bank, Public Treasury, services of postal checks</b>				
	15 511	29 909	31 420	18 843
<b>2.loans to credit and similar institutions</b>	<b>1 250 574 988</b>	<b>1 566 534 254</b>	<b>1 631 982 077</b>	<b>1 322 640 674</b>
. Sight	9 600 960	61 444 162	57 431 867	74 825 567
. Agreed maturity	1 240 974 028	1 505 090 092	1 574 550 210	1 247 815 107
<b>3.Customer loans</b>	<b>260 669</b>	<b>288 552</b>	<b>400 763</b>	<b>365 930</b>
.Liquidity and consumption loan	260 669	288 552	400 763	365 930
.Equipment loan				0
.Property loan				0
.Other loans				0
<b>4.loans acquired by factoring</b>				0
<b>5.transaction and investment securities</b>	<b>55 288 282</b>	<b>34 453 537</b>	<b>1 457 387</b>	<b>8 007 790</b>
.Treasury bonds and similar assets				0
. Other debt securities				0
.Property titles	55 288 282	34 453 537	1 457 387	8 007 790
<b>6.Other assets</b>	<b>9 902 163</b>	<b>14 480 279</b>	<b>20 875 839</b>	<b>15 104 982</b>
<b>7.investment securities</b>				0
.Treasury bonds and similar values				0
.Other debt securities				0
<b>8. Equity securities and similar works</b>			299 600	4 457 600
<b>9.Subordinated debts</b>				0
<b>10.Assets given in leasing and rent</b>				0
<b>11.intangible assets</b>	<b>1 138 038</b>	<b>3 902 856</b>	<b>4 876 929</b>	<b>5 132 416</b>
<b>12.tangible assets</b>	<b>1 395 895</b>	<b>1 386 992</b>	<b>4 429 387</b>	<b>4 261 606</b>
<b>Total assets</b>	<b>1 318 575 546</b>	<b>1 621 076 378</b>	<b>1 664 353 402</b>	<b>1 359 989 841</b>

Liabilities (In MAD)	12/31/2014	12/31/2015	12/31/2016	06/30/2017
<b>1.cash, central bank, Public Treasury, services of postal checks</b>	-	-	-	-
<b>2.loans to credit and similar institutions</b>	<b>543 584 303</b>	<b>748 076 786</b>	<b>830 578 138</b>	<b>321 709 170</b>
.Sight	2 207 149	137 979 986	206 969 979	0
. Agreed maturity	541 377 154	610 096 801	623 608 160	321 709 170
<b>3.Customer deposits</b>	-	-	-	0
.Creditors sight deposit				0
.Savings accounts				0
.deposits with agreed maturity				0
.Other creditors deposits				0
<b>4.debt securities issued</b>	-	<b>207 364 384</b>	<b>207 386 301</b>	<b>203 331 507</b>
.Eligible debt securities issued				0
.Bond issues issued		207 364 384	207 386 301	203 331 507
.Other debt securities issued				0
<b>5.Other liabilities</b>	<b>12 269 435</b>	<b>15 196 539</b>	<b>20 419 842</b>	<b>10 224 756</b>
<b>6.Provisions for risks and expenditures</b>	<b>14 269 784</b>	<b>16 469 784</b>	<b>19 469 784</b>	<b>19 469 784</b>
<b>7.Regulated provisions</b>				0
<b>8.subsidies, assigned public moneys and special guarantee Fund</b>				0
<b>9.Subordinated debts</b>	<b>355 159 774</b>	<b>222 170 960</b>	<b>154 819 535</b>	<b>362 549 338</b>
<b>10.Revaluation reserves</b>				0
<b>11.Reserves and premium related to capital</b>	<b>5 166 141</b>	<b>5 925 900</b>	<b>6 851 184</b>	<b>7 845 278</b>
<b>12.Capital</b>	<b>328 027 900</b>	<b>328 027 900</b>	<b>328 027 900</b>	<b>328 027 900</b>
<b>13.Shareholders. Paid up capital (-)</b>				0
<b>14.Carry forward again (+/-)</b>	<b>44 903 019</b>	<b>59 338 449</b>	<b>76 918 842</b>	<b>95 806 624</b>
<b>15.Net income pending allocation (+/-)</b>				0
<b>16.Net income of the period (+/-)</b>	<b>15 195 190</b>	<b>18 505 676</b>	<b>19 881 876</b>	<b>11 025 485</b>
<b>Total du Passif</b>	<b>1 318 575 546</b>	<b>1 621 076 378</b>	<b>1 664 353 402</b>	<b>1 359 989 841</b>

### III.2. COMPTE DES PRODUITS ET CHARGES

In MAD	12/31/2014	12/31/2015	12/31/2016	06/30/2016	06/30/2016
<b>I. INCOME FROM BANKING OPERATIONS</b>	<b>57 163 090</b>	<b>83 466 584</b>	<b>84 189 765</b>	<b>43 053 690</b>	<b>38 449 820</b>
1. Interest and related income on operations with lending institutions	55 344 344	80 881 152	83 230 717	42 156 739	38 154 984
2. Interest and related income on operations with customers	3 538	611	-	0	0
3. Interest and related income on debt securities	1 078 618	2 226 776	934 725	874 029	323 721
4. Income on property title	-	-	-	0	0
5. Income on leasing and rental assets	-	-	-	0	0
6. Commissions on services provided	736 260	357 083	22 917	22 917	-28 885
7. Other banking income	330	962	1 407	6	0
<b>II. EXPENSES FROM BANKING OPERATIONS</b>	<b>23 032 823</b>	<b>40 850 223</b>	<b>36 498 060</b>	<b>19 618 691</b>	<b>15 421 832</b>
8. Interest and related expenses on operations with lending institutions	23 016 860	33 485 526	28 374 903	15 626 330	11 476 285
9. Interest and related expenses on operations with customers	-	-	-	0	0
10. Interest and related expenses on debt securities	-	7 364 384	8 021 918	3 989 041	3 945 205
11. Expenses on leasing and rental assets	-	-	-	0	0
12. Other banking expenses	15 963	313	101 239	3 320	342
<b>III. NET BANKING INCOME</b>	<b>34 130 267</b>	<b>42 616 362</b>	<b>47 691 706</b>	<b>23 434 999</b>	<b>23 027 988</b>
13. Non banking operating income	6 433	-	2 359 961		
14. Non banking operating expenses	-	-	2 786 429		
<b>IV. GENERAL OPERATING EXPENSES</b>	<b>7 426 893</b>	<b>9 638 269</b>	<b>10 724 326</b>	<b>5 379 019</b>	<b>5 478 407</b>
15. Charges de personnel staff expenses	3 273 683	3 933 030	3 672 983	1 755 986	2 271 963
16. Taxes	50 271	55 893	59 473	34 760	32 525
17. External expenses	3 497 487	4 692 854	5 972 051	3 058 230	2 655 268
18. Other general operating expenses	268 350	448 987	463 412	226 285	242 358
19. Appropriation of provision and depreciation of tangible and intangible assets	337 102	507 505	556 408	303 759	276 294
<b>V. Appropriation of provision and payment loss</b>	<b>1 500 000</b>	<b>2 200 000</b>	<b>3 000 000</b>		
20. Appropriation of provision for loans and commitments by defaulted signature	-	-	-		
21. Payment loss	-	-	-		
22. Other appropriation of provision	1 500 000	2 200 000	3 000 000		
<b>VI. Provision write-off and reversal of depreciated loans</b>					
23. Provision write-off for loans and commitments by defaulted signature	-	-	-		
24. Recoveries of debts written-off	-	-	-	-	-
25. Other reversals of provisions	-	-	-	-	-
<b>VII. CURRENT INCOME</b>	<b>25 209 807</b>	<b>30 778 092</b>	<b>33 540 911</b>	<b>18 055 980</b>	<b>17 549 581</b>
26. Non current income	111 378	18 529	100	99	3616
27. Non current expenses	140 738	96 369	2 129	1 481	1 302
<b>VIII. INCOME BEFORE TAXES</b>	<b>25 180 448</b>	<b>30 700 252</b>	<b>33 538 883</b>	<b>18 054 598</b>	<b>17 551 895</b>
28. TAXES ON INCOME	9 985 258	12 194 576	13 657 007	6 739 018	6 526 410
<b>IX. NET INCOME OF THE YEAR</b>	<b>15 195 190</b>	<b>18 505 676</b>	<b>19 881 876</b>	<b>11 315 580</b>	<b>11 025 485</b>

## IV. RISK FACTORS

### IV.1. CREDIT RISKS

This risk refers to the risk that counterparty will default on any type of commitment to the institution. To respond to this risk, JAIDA adopts certain measures to conduct due diligence, gathering all the information necessary to examine the current and future financial and institutional situation of Micro-credit association client, and on the possible impact of the loan on its operations and capital. This information allows a precise and rigorous assessment of the credit risk that represents the Micro-credit associations and deduces the appropriate pricing.

The Due Diligence (DD) team holds a series of meetings with Executive Management, Micro-credit associations' executives, and the President or another member of the Board of Directors with the aim of:

- Validate the collected information;
- Obtain further information;
- Obtaining answers to lingering problems;
- Crosschecking to verify the truth and relevance of the information and explanations received.

Field visits to agencies are also planned to verify the practical application of policies and procedures and to have an external view of the organization's culture.

Finally, the Credit Committee or the Major Risks Committee, depending on the amount of credit, meets to decide on any credit file

### IV.2. RISK OF INTEREST RATE

Generally, interest rate risk is linked to banking intermediation activities through transforming short-term resources into medium- and long-term jobs. Thus, any negative development in interest rates may deteriorate the profitability of a credit institution, or even constitute a substantial threat to its own funds when its amplitude exceeds certain limits.

To minimize this risk, JAIDA proceeds to:

- ✓ Estimate the impact of negative development in interest rates on its financial position, simulating crisis scenarios, including extreme fluctuations in interest rates and sensitive exposures to rate, and impact on earnings and equity;
- ✓ Analyze the refinancing structure and the possible risk of interest rates;
- ✓ Monitor and analyze the ratio of employment coverage by loans.

### IV.3. Liquidity risk

Liquidity risk is defined as the risk of the institution not able to meet its commitments on a regular basis.

JAIDA's Financial Officer in charge of ALM (Asset Liability Management) manages liquidity risk.

JAIDA follows up on this risk by drawing up regularly (at least once a month) a statement of refinancing requirements followed on a daily basis by the Chief Executive Officer.

### IV.4. RISQUE OPERATIONNEL

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition includes legal risk, but it excludes strategic and reputation risks. The main sources for operational risks might be related to:

- Internal and external fraud;
- Inappropriate practices in the field of employment and safety in the workplace;

- Inappropriate practices regarding customers, products and the business activity;
- Damage to physical property;
- Business interruptions and system breakdowns and problems in executing operations;
- Process.

For this purpose, JAIDA has put in place a control structure, an internal control, to identify these risks and develop their mapping so as to be able to draw up action plans to overcome them. The year 2016 was marked by the launching of several projects by internal control, particularly following the recommendations of the audit mission of the CDG group. The report of this audit issued recommendations, we quote some that concern the internal control and the Information System (IS):

- Speeding up the reform of the procedures manual;
- Finalization of the update of risk mapping and the internal control manual;
- Implementation of risk monitoring indicators;
- Expansion of IS procedures to business processes;
- Formalization of saving and backup procedures.

#### IV.5. COMPUTING RISK

The use of the information system by JAIDA users is done in a procedural framework where each user is governed by a profile defining the access rights to the resources.

JAIDA has a multi-level Computer security infrastructure (firewalls, intruder probes and active supervision, etc.) and the company has a Business Continuity Plan as recommended by Bank Al Maghrib, with a backup solution that integrates key features such as regular backup verification and failover, and a high and secure storage capacity.

Regularly tested procedures make it possible to resort to a degraded mode of operation yet sufficient for the good continuity of the activity of the institution.

#### VI.6. EARLY REPAYMENT RISK

The lower level in interest rates favors the early repayment of loans, which would allow customers to benefit from a new loan at a favorable (lower) interest rate. This in turn, leads to an automatic drop in the average exit rate for JAIDA and possibly a shift in backing jobs and resources (as a result of early repayment) that generate liquidity and interest rate risk.

#### IV.7. COMPETITIVE RISK

Financing activity of micro-credit associations in Morocco is relatively competitive, particularly because of:

- Strong competition and commercial aggressiveness of banks following the downturn in bank loans in recent years;
- The competitive advantages of these same banks with wide networks and low resource costs.
- Refinancing deals from international funding agencies.

The emergence of "Crowd funding", or "collaborative funding", aimed at linking young project-holders with a large public for the purpose of financing the young company via the Internet, could eventually constitute a significant competitive risk for JAIDA, particularly once the legal framework governing collaborative funding activities is put in place by the authorities in Morocco.

In order to address these competitive risks, JAIDA capitalizes on its proximity and knowledge of its customers (Micro-credit associations), its support and partnerships with both the Micro-credit associations and donors and international organizations.

#### IV.8. PARTNERSHIP TERMINATION RISK

Failure to comply with the terms of contracts concluded between JAIDA and its partners by either of the contracting parties, or the occurrence of a force majeure event that may result in the termination of one of these contracts.

JAIDA faces this risk thanks to its policy of:

- Diversifying its income and balancing its activity;
- Proximity with its partners.

#### IV.9. REGULATORY RISK

JAIDA must continuously follow the evolution of the legislative and regulatory framework:

- i) of financing activities (Bank Al-Maghrib measures, tax measures of the Finance law, etc.);
- ii) of the micro-credit sector, particularly concerning its stakeholders (currently the Micro-Credit Associations);

and must adapt and comply with these legislative and regulatory frameworks.

For instance, any changes in the regulations to give Micro-credit Associations the right to receive deposits from customers or depositors (individuals) would constitute a threat to MCA funding agencies (especially for JAIDA), as the new source of funding (deposits) may be less costly for MCA than their current funding resources; the gravity of this threat is obviously linked to the size of the said deposits.

#### IV.10. SECTOR SPECIFIC RISK

The characteristic of the market in which JAIDA operates, namely the financing of actors operating in the microfinance sector, and the limited number of these actors (about fifteen MCAs, of which three account for 93% of the micro-credit activity) could pose a risk to the company, especially a risk of high market share and/or a risk of concentration (risk of concentrated loan on a very small number of beneficiaries).

This risk is being mitigated by a number of factors, including government support for the micro-credit sector and support to JAIDA and the sector by international fund agencies, particularly with respect to improving industry practices (organization, risk monitoring, information systems, etc.), and the strength and sustainability of MCAs.

### DISCLAIMER

The aforementioned information constitute only a part of the prospectus approved by the Autorité Marocaine du Marché des Capitaux (AMMC) under reference N° VI/EM/030/2017 on October 31, 2017.

The AMMC recommends reading of the entire prospectus available to the public in French.