



**Company release**  
Result as of december 31, 2013

Company's name	: <b>SALAFIN SA</b>
Industry	: <b>Financial services</b>
Category	: <b>Consumer Finance</b>
Country	: <b>Morocco</b>

## Industry Outlook as of December 2013

- 18 players / High concentration level : 6 out of 18 represent 85% of market shares
- Outstanding loans : MAD 43,4 Billions, +1% (\*)
- New volumes : MAD 13,7 Billions, +0,05% (\*)
- Personal Loans :
  - » New volumes : MAD 7,4 Billions, -0,7% (\*)
  - » Risk deterioration since 2009 → Higher client selectivity
  - » Aggressive Bank's competition since few years.
  - » Since 2013, Bank's start reducing Personal loans because of risk deterioration
- Car financing :
  - » New volumes : MAD 5,6 Billions, +1% (\*)
  - » New entrants and aggressive competition

(\*) source : APSF

## SALAFIN : 2013's Relevant Facts and Strategy

- New volumes : MAD 1 190 Millions : -1% in a stable market (+0,05%)
  - » Personal Loans : +14% (vs -0,7% Market's trend) thanks to portfolio's quality improvement following a 3 years period of portfolio cleaning
- Thanks to higher clients selectivity crossed with high standard of debt collection platform, cost of risk decreased to 1,5% :
  - » Loan loss provision : down 11% to MAD 35 Millions in 2013 vs MAD 39 Millions in 2012
  - » Doubtful debt coverage ratio : 92%
  - » Outstanding loans : MAD 2 279 Millions, -3%, as a result of this risk policy
- Over the last few years, SALAFIN diversified its sources of revenues with the launch of financing services activities, in order to compensate the financing activity slowdown
  - » 2013's Fee Business activity income : grew by 34% to MAD 71 Millions, which represents 25% of total operating Income in 2013
  - » Fee Business activities : collection and back-office operation to banks, financial services provided to African Banks, ...
- Consequently, 2013's Net Income grew up 3,2% to MAD 95 Millions
- Thanks to its equity level (MAD 617 Millions) SALAFIN shows a high solvency ratio (23,4%), proof of the company financial strength



### Stock Overview

As of December,31	2013	2012
Stock price	545	580
Company float (%)	19%	19%
Market capitalization (Millions MAD)	1 305	1 389
Net income (Millions MAD)	95	92
Equity (Millions MAD)	617	612
Price Earning ratio (P/E)	13,7	15,1
Price to Book ratio (P/B)	2,1	2,3
Dividend Yield (D/Y)	7,1%	6,8%
Payout Ratio	97%	102%

### Financial Strength

As of December,31	2013	2012
Return on Asset (ROA)	2,8%	2,7%
Return on Equity (ROE)	15,5%	15,0%
Solvency Ratio	23,4%	23,4%
Debt/Capital Ratio	45,8%	52,3%
Cost income Ratio	33%	31%

Fiscal year ending December, 31	Income statement analysis (Million MAD)							
	2013	2012 (N°)	2012	2011	2010	2009	2008	
	Net Interest Income	97,3	111,2	111,2	144,9	154,4	134,6	76,0
	Net Profit From Leasing Operation	92,1	91,9	91,9	122,8	132,8	142,2	185,5
	Net Non Interest Income	85,9	56,9	16,8	6,7	0,6	-7,6	-0,8
	Net Fees on financing services activities	66,3	40,1	0,0	0,0	0,0	0,0	0,0
	<b>Net Banking Income</b>	<b>275,3</b>	<b>260,1</b>	<b>220,0</b>	<b>274,4</b>	<b>287,8</b>	<b>269,2</b>	<b>260,7</b>
	Fee Business / Non Banking Net Income	5,0	13,3	53,4	8,2	3,6	2,5	0,6
	<b>Net Operating Income</b>	<b>280,4</b>	<b>273,3</b>	<b>273,3</b>	<b>282,6</b>	<b>291,4</b>	<b>271,7</b>	<b>261,3</b>
	Loan loss provision	34,8	39,0	39,0	54,6	-70,2	-50,4	21,9
	Pretax Income	150,4	145,6	145,6	145,7	154,1	156,0	160,6
	Effective Tax Rate	37%	37%	37%	36%	35%	35%	37%
	<b>Net Income</b>	<b>95,1</b>	<b>92,1</b>	<b>92,1</b>	<b>93,1</b>	<b>100,4</b>	<b>101,0</b>	<b>101,5</b>
	Cost income ratio (**)	33%	31%	31%	30%	26%	26%	31%
	Balance Sheet (Million MAD)							
	2013	2012 (N°)	2012	2011	2010	2009	2008	
	Total Assets	3 341	3 481	3 481	3 272	3 281	3 251	3 180
	Loans to customers	1 326	1 488	1 488	1 657	1 995	2 002	1 632
	Fixed leased assets (***)	943	1 003	1 003	868	743	770	1 453
Total Debt	1 531	1 820	1 820	1 819	1 971	2 021	1 911	
Total Equity	617	613	613	613	605	595	543	

(\*) New accounting Method (\*\*) General Expenses / Net Operating Income (\*\*\*) Prepaid deposits excluded

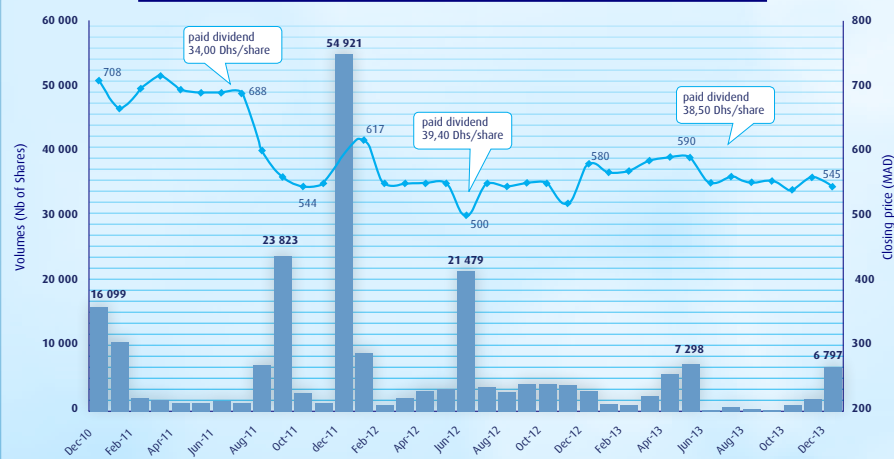
Since 2013, incomes from banking servicing activities, provided to financing companies, are accounted as part of the Net Banking Income (Fee income). Those income were formerly accounted as part of the Non Banking Income. This accounting method change has no impact on the 2013 Net Income



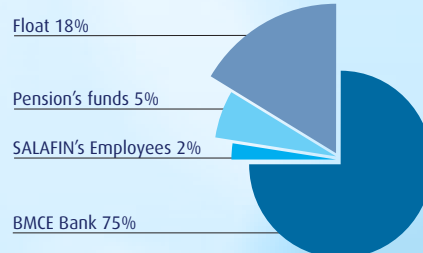
# Company release result as of December 31, 2013



**SALAFIN's stock monthly price and volumes**



**SALAFIN's shareholders as of December 2013**



## SALAFIN : Products line

### ■ Auto Financing

- Auto lease
- Auto Loans
- Islamic product (Murabaha)

### ■ Personal Loans

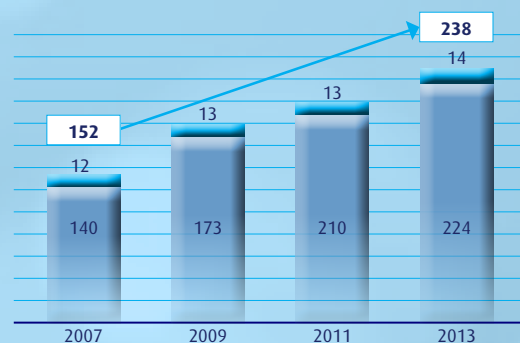
- Cash Loans to Private Individuals
- Cash Loans to Civil Servants Employees with payments guaranteed by the Government Public payroll
- Home Equity line

### ■ Revolving & Credit cards

- National Credit Cards VISA & Master Card and Private labeled
- Internet Payment card available either in Morocco or abroad
- Revolving International Credit Card
- Margin call financing for Stock Investments on the Casablanca Stock Exchange

## Staff (Number of employees)

AAGR : +8%



ORUS

SALAFIN

ORUS is SALAFIN's IT Subsidiary



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