

Pursuant to the provisions of article 31 of the law No. 26-03 relating to public offerings on the stock market as amended and supplemented, the AMMC examined the Public Buyout Offer (PBO) project on AXA Crédit shares filed under Article 20 of the said Law by AXA Assurance Maroc on March 23th, 2017.

Following this filing, the AMMC has requested, under the provisions of Article 30 of the aforementioned Law, the Casablanca Stock Exchange to proceed with the suspension of trading AXA Crédit shares as from March 23th, 2017.

### 1- The general framework of the operation

The Board of Directors of AXA Crédit, held on december the 22<sup>nd</sup>, 2016, has approved the principle of delisting the shares of AXA Crédit from the Casablanca Stock Exchange and has taken note of the fact that such delisting results in the obligation for AXA Assurance Maroc and any person acting in concert with it, on their own initiative and prior to the actual delisting, to proceed with a public buy-out offer in accordance with the provisions of Article 20 bis of Law 26-03 Mentioned above.

Consequently, the Board of Directors decided to convene an extraordinary shareholders general meeting to approve the decision to delist the shares of AXA Crédit from the Casablanca Stock Exchange.

This extraordinary shareholders' meeting, held on February the 16<sup>th</sup>, 2017, decided to delist AXA Crédit shares from the Casablanca Stock Exchange and took note that this decision entails the obligation for Axa Assurance Maroc, majority shareholder of Axa Crédit, to launch a public buy-out offer on Axa Crédit shares.

Also, the board of directors of AXA Assurance Maroc, which was held on January the 20<sup>th</sup>, 2017, authorized the company to launch a public buy-out offer on AXA Crédit.

Before filing the Buy-out Offer project subject of this decision of admissibility, the shareholding of AXA Crédit is as follows:

Shareholders	% of capital & voting rights	Shares number
AXA Assurance Maroc	63,6%	381 578
Other shareholders	36,4%	218 422
<b>Total</b>	<b>100,0%</b>	<b>600 000</b>

### 2- Terms of the offer

The Buy-out offer targets the acquisition of AXA Crédit shares that are not held by AXA Assurance Maroc, or 218 422 shares, at a price of 310 dirhams.

AXA Crédit shareholders will have the opportunity to tender, fully or partially, their shares to the offer.

The initiator of the offer, is committed to firmly and irrevocably acquiring all shares tendered to the offer by the shareholders of AXA Crédit

No waiver threshold is provided for in the framework of this public buy-out offer.

### 3- Examination of admissibility :

With reference to the provisions of Articles 13 and 32 of the aforementioned Law, the AMMC has assessed the proposed Public Buyout Offering terms with regards to the following elements:

#### ▼ The characteristics of the offer project

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

In addition, the valuation of the shares targeted by the offer has been undertaken by the independent valuator “Hdid et Associés”, represented by M. Mohamed HDID whose nomination has been approved beforehand by the AMMC.

The Multi-criteria analysis used for pricing has been reviewed by the AMMC and assessed as follows:

- **Dividend Discount Model** : the valuation is based on the future dividend cash flows arising from AXA Crédit business plan over the period 2017-2026. These cash flows are discounted at a cost of capital of 8.1%. The used infinity growth rate is 2%. The value of AXA Crédit share resulting from the application of this method is **17 dirhams**. This method was assigned a weight of 0% in determining the value of the firm’s equity with regards to the particular context of the business plan elaboration (*accounts rebalancing, significant equity injection*) and to the significant gap with the results of other valuation methods;
- **Stock prices Approach**: this method is based on the analysis of the market price of AXA Crédit shares over the 36 months preceding the 20<sup>th</sup> of april 2017. The valuation used is the average of the weighted average prices over the last 12, 24 and 36 months. The value of AXA Crédit share which results from the application of this method is **330 dirhams** ;
- **Market comparables method** : The valuation is performed on the basis of the multiple of a national sample of listed companies with comparable financial and operational features. The multiple used is the Price to Book ratio for the year 2016. The value of AXA Crédit share resulting from the application of this method is **185 dirhams** ;
- **Comparable transactions method** : This method consists of applying to AXA Crédit’s 2016 financial aggregates the multiple of a sample of transactions that targeted comparable companies. The multiple used is the Price to Book ratio. The value of AXA Crédit share resulting from the application of this method is **196 dirhams**.

A summary of the valuation made by the independent valuator is included in the following table:

In MAD	Value par share	weight	Offered premium with regard to the method outcome
<b>Dividend Discount Model</b>	<b>17</b>	<b>0%</b>	<b>NS</b>
<b>Stock prices Approach</b>	<b>330</b>	<b>50%</b>	<b>-6 %</b>
<b>Market prices comparables method</b>	<b>185</b>	<b>25%</b>	<b>68 %</b>
<b>Transactions Comparables method</b>	<b>196</b>	<b>25%</b>	<b>58 %</b>
<b>Weighted value</b>	<b>260</b>		<b>19%</b>

The price per share offered in the framework of the Public Buyout Offer is **310 dirhams par action**.

Given the aforementioned elements, the AMMC considers the methods used as relevant and commonly used, and are based on known, accurate, objective, significant and multiple criteria that correspond to the characteristics of the target company. Also, the AMMC deems the characteristics of the offer to be consistent with the principles set out in Article 13 above.

▼ **Opinion of the independent valuator**

The report of the independent valuator concludes to the fairness of the price offered to minority shareholders of Axa Crédit in the framework of the public buy-out offer subject of the present admissibility decision.

▼ **National strategic interests**

Pursuant to the provisions of article 29 of the aforementioned law 26-03, the AMMC has submitted the offer project to the Minister of Economy and Finance for its assessment with regards to the national strategic interests. The Minister has notified his non-objection on the offer project.

**4- AMMC Decisions:**

▼ **Approval of the proposed offer**

Considering all the aforementioned elements, the AMMC declares admissible the proposed public buy-out offer project filed by AXA Assurance Maroc on AXA Crédit shares at a price of 310 dirhams per share.

▼ **Schedule**

The final schedule of the offer will be determined later. It must be approved beforehand by the Casablanca Stock Exchange.

▼ **Resumption of trading AXA Crédit share**

The AMMC will request the Casablanca Stock Exchange to resume trading AXA Crédit share on the 11<sup>th</sup> of may 2017.

Rabat, the 9th of may, 2017

AMMC CONTACT :  
Tél : 05 37 68 89 71  
E-Mail : [OperationsFinancieres@ammc.ma](mailto:OperationsFinancieres@ammc.ma)

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