

CRÉDIT IMMOBILIER ET HÔTELIER

PROSPECTUS SUMMARY

ISSUE OF SUBORDINATED BOND LOAN

AMOUNT OF THE ISSUE: MAD 1,000,000,000

	Tranche A Listed	Tranche B Unlisted	Tranche C Unlisted	Tranche D Listed	Tranche E Unlisted	Tranche F Unlisted
Ceiling	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000	MAD 1,000,000,000
Max. number of subordinated bonds	10,000 Bonds	10,000 Bonds	10,000 Bonds	10,000 Bonds	10,000 Bonds	10,000 Bonds
Nominal value	MAD 100,000	MAD 100,000	MAD 100,000	MAD 100,000	MAD 100,000	MAD 100,000
Tradability of subordinated bonds	At the Casablanca Stock Exchange	Over-The-Counter	Over-The-Counter	At the Casablanca Stock Exchange	Over-The-Counter	Over-The-Counter
Nominal rates	Fixed, with reference to the 7-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghrib on November 24th 2014, which is 3.49%, plus a risk premium, i.e. between 4.29% and 4.49%	Fixed, with reference to the 7-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014, which is 3.49%, plus a risk premium, i.e. between 4.29% and 4.49%	Revisable on an annual basis, the reference rate for the nominal interest rate is the 52-week Treasury Bonds rate (monetary rate) as computed on the secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014 i.e. 2.80% plus a risk premium, i.e. between 3.50% and 3.70% for the first year	Fixed, with reference to the 10-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014, which is 3.75%, plus a risk premium, i.e. between 4.75% and 4.95%	Fixed, with reference to the 10-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014, which is 3.75%, plus a risk premium, i.e. between 4.75% and 4.95%	Revisable on an annual basis, the reference rate for the nominal interest rate is the 52-week Treasury Bonds rate (monetary rate) as computed on the secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014 i.e. 2.80% plus a risk premium, i.e. between 3.70% and 3.90% for the first year
Risk premium	Between 80bp and 100bp	Between 80bp and 100bp	Between 70bp and 90bp	Between 100bp and 120bp	Between 100bp and 120bp	Between 90bp and 110bp
Redemption of the principal	In fine	In fine	In fine	In fine	In fine	In fine
Maturity	7 years	7 years	7 years	10 years	10 years	10 years
Allocation Method	French auction with priority to D,E and F tranches	French auction with priority to D,E and F tranches	French auction with priority to D,E and F tranches	French auction with priority to D,E and F tranches	French auction with priority to D,E and F tranches	French auction with priority to D,E and F tranches

SUBSCRIPTION PERIOD: FROM 26TH DECEMBER TO 30 DECEMBER 2014 INCLUDED WITH A POSSIBILITY OF AN EARLY CLOSING ON DECEMBER 29TH 2014 AT 4:00PM
SUBSCRIPTION IS RESERVED TO QUALIFIED INVESTORS UNDER THE MOROCCAN LAW AS DETAILED IN THIS PROSPECTUS

Advising Body	Centralizing Body in charge of placement	Body in charge of registration	Depository Body
			

APPROVAL OF CONSEIL DÉONTOLOGIQUE DES VALEURS MOBILIÈRES

In accordance with the provisions of the circular of the CDVM, delivered in application of Article 14 of the Decree n° 1-93-212 of 21 September 1993 related to the Conseil Déontologique des Valeurs Mobilières (CDVM) and to the information required from legal entities issuing securities to the public, as amended and extended, the original copy of the present prospectus has been approved by CDVM on December 19th 2014 under the reference n° VI/EM/048/2014

Disclaimer

The CDVM approved, on December 19th 2014 a prospectus related to the issue of subordinated bonds by CIH Bank.

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

The prospectus is at the disposal of public at the headquarters of the Stock Exchange of Casablanca. It is also available on the website of the CDVM www.cdvm.gov.ma

I. PRESENTATION OF THE OPERATION

I.1. FRAMEWORK OF THE OPERATION

Pursuant to the agreement of the Combined General Meeting on 20 May 2011, having authorized a bond issue program of 3.7 billion MAD, and pursuant to the terms of delegation of authority by the Combined General Meeting on 16 February 2012, the Board of Directors decides unanimously by its members on 10 September 2014 to:

- Authorize CIH to issue a subordinated bond loan of 1 billion MAD in accordance with the provisions of Articles 292 to 315 of the Law n°17-95 related to Limited Liability Companies, and with the provisions of Articles 3 and 19 of Bank Al Maghreb's circular n° 24/G/2006
- Grant comprehensive powers to the CEO, having the option to subdelegate, for the purpose of:
 - Setting forth the financing and operational terms of this loan,
 - Realizing the operation in accordance with the legislation and the regulations in force,
 - For this purpose, the CEO, having the option to subdelegate, shall make the necessary arrangements, shall complete all acts and formalities and shall do what he considers necessary to finalize the loan issuance operation in accordance with the legislation and regulations in force.

In the case of a program of issue, each issues is considered as a bond loan within the meaning of Article 298 of law 17-95 on Public Limited Companies as amended and supplemented by Law 20/05. The amount of the bond loan must be fully subscribed. Otherwise, subscriptions are deemed invalid. This being exposed, the CEO has decided to set up the following terms and characteristics of the transaction:

- Amount of the transaction: MAD 1,000,000,000 (one billion dirhams)
- Maturity; 7 years for A, B and C tranches – 10 years for D, E and F tranches
- Nominal value: MAD 100,000
- Rates:
 - Tranche A, listed: Fixed rate, with reference to the 7-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghrib on November 24th 2014, which is 3.49%, plus a risk premium, i.e. between 4.29% and 4.49%
 - Tranche B, unlisted: Fixed rate, with reference to the 7-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghrib on November 24th 2014, which is 3.49%, plus a risk premium, i.e. between 4.29% and 4.49%
 - Tranche C, unlisted: Revisable rate on an annual basis, the reference rate for the nominal interest rate is the 52-week Treasury Bonds rate (monetary rate) as computed on the secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014 i.e. 2.80% plus a risk premium, i.e. between 3.50% and 3.70% for the first year
 - Tranche D, listed : Fixed rate, with reference to the 10-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014, which is 3.75%, plus a risk premium, i.e. between 4.75% and 4.95%
 - Tranche E, unlisted: Fixed rate, with reference to the 10-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014, which is 3.75%, plus a risk premium, i.e. between 4.75% and 4.95%
 - Tranche F, unlisted: Revisable on an annual basis, the reference rate for the nominal interest rate is the 52-week Treasury Bonds rate (monetary rate) as

computed on the secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014 i.e. 2.80% plus a risk premium, i.e. between 3.70% and 3.90% for the first year.

- Repayment of the principal: in fine for the six tranches
- Vesting date: January 9th, 2015

Pending the holding of the General Meeting of Bondholders, the CEO of the company, under the authority of the Board of Directors held on September 10th 2014, has appointed Mohamed Hdid as a temporary agent.

This decision will take effect from the opening of the subscription period. It is stipulated that the interim trustee appointed is the same for the A, B, C, D, E and F tranches of the issue, which are grouped together.

Subscribers are referred to qualified investors under Moroccan law as defined below:

- The collective investment in transferable securities (UCITS)
- Financial companies
- Credit institutions
- Insurance and reinsurance companies
- The Caisse de Dépôt et de Gestion
- Retirement and pension funds, subject to the compliance with laws, regulations or statutory and prudential regulations that govern them

The allocation adopted for this operation is: French auction with priority to D, E and F tranches.

The table below presents the authorization for the bonds' issuance as well as the amounts raised by CIH Bank:

CGM authorizing the operation	Authorization	Consumption	Balance
CGM of 20 May 2011	MAD 3,700 million		
Issuance of April 2012		MAD 1,000 million	MAD 2,700 million
Issuance of December 2014		MAD 1,000 million	MAD 1,700 million

I.2. Goals of the operation

The issue of the subordinated bond comes within the framework of the bank's development plan, and aims henceforth to achieve the following goals:

- Promote the reinforcement of the current regulatory own funds,
- Finance its development plan and follow the dynamic growth of the allocated loans.

The funds collected by means of the present issue of subordinated bonds shall be classified among the supplementary equity of the Bank, in accordance with the Accounting Plan of Credit Institutions.

I.3. Structure of the operation

CIH Bank envisages issuing 10,000 subordinate bonds with a nominal value of MAD 100,000. The overall amount of the transaction is one billion Moroccan dirhams (MAD 1,000,000,000) divided as follows:

- Tranche A, listed: Fixed rate, with reference to the 7-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghrib on November 24th 2014, which is 3.49%, plus a risk premium, i.e. between 4.29% and 4.49%
- Tranche B, unlisted: Fixed rate, with reference to the 7-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghrib on November 24th 2014, which is 3.49%, plus a risk premium, i.e. between 4.29% and 4.49%
- Tranche C, unlisted: Revisable rate on an annual basis, the reference rate for the nominal interest rate is the 52-week Treasury Bonds rate (monetary rate) as computed on the secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014 i.e. 2.80% plus a risk premium, i.e. between 3.50% and 3.70% for the first year
- Tranche D, listed : Fixed rate, with reference to the 10-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014, which is 3.75%, plus a risk premium, i.e. between 4.75% and 4.95%
- Tranche E, unlisted: Fixed rate, with reference to the 10-year secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014, which is 3.75%, plus a risk premium, i.e. between 4.75% and 4.95%
- Tranche F, unlisted: Revisable on an annual basis, the reference rate for the nominal interest rate is the 52-week Treasury Bonds rate (monetary rate) as computed on the secondary reference rate curve of the Treasury Bonds as published by Bank Al-Maghreb on November 24th 2014 i.e. 2.80% plus a risk premium, i.e. between 3.70% and 3.90% for the first year.

The total amount allocated on the six tranches shall not, under any circumstances, exceed MAD 1,000,000,000 the total operation's amount as authorized by the General Meeting.

The current issue is reserved for qualified investors under the Moroccan law as stated in the Information note.

Limiting subscription to qualified investors under the Moroccan Law aims at facilitating the management of subscriptions on the primary market. It remains understood that any investor who wishes to acquire the bonds may do so on the secondary market.

I.4. Information related to subordinated bonds issued

Warning: The subordinated bond is distinguished from the classical bond by the rank of loans contractually defined by the subordination clause. The effect of the subordination clause is to condition, in case of liquidation of the issuer, the repayment of the funds borrowed to all secured or unsecured creditors.

Characteristics of tranche A (fixed rate, with a 7 year maturity and listed at the Casablanca Stock Exchange)

Nature of Securities	Subordinated bonds listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.
Legal form	To the holder
Upper value limit of the instalment	MAD 1 000 000 000
Maximum number of securities to be issued	10 000 subordinated bonds
Nominal value	MAD 100 000
Issue price	100%, i.e. MAD 100 000
Loan maturity date	7 years
Subscription period	From December 26 th to December 30 th , 2014
Date of possession	January 9 th 2015
Maturity date	January 9 th 2022
Allocation method	French auction with priority to tranches D, E and F
Nominal interest rate	Fixed rate The reference of the nominal rate is the 7-year Treasury Bonds rate computed on the secondary market rate curve as published by Bank Al-Maghrib on November 24 th 2014, i.e. 3.49%. A risk premium shall be added to this rate, thus resulting in a fixed rate between 4.29% and 4.49% The rate is determined through linear interpolation using the two points framing the full 7-year maturity (on a yield to maturity basis).
Risk premium	Between 80bps and 100bps
Interests	The interests shall be served annually at the anniversary dates of the possession date of the loan, i.e. January 9 th , of each year. Their payment shall take place on the very same day or the first business day following January 9 th , if this day is not a business day. Interest on the subordinated bonds shall cease to accrue as of the day when the capital shall be proposed for repayment by the CIH Bank. No postponement of the interest shall be possible under this operation. Interest shall be calculated as per the following formula: [Nominal x nominal rate].
Listing of the securities	The subordinated bonds, subject of instalment A, shall be listed at the Casablanca Stock Exchange and shall be subject to a request

	<p>for listing in the bond compartment of the Casablanca Stock Exchange. Their listing date is planned on January 6th, 2014 on the bond compartment under code n° 990177 and under Ticker n° OB177.</p> <p>In order to be listed at the Casablanca Stock Exchange, the aggregate amounts allocated to instalment A and B must be higher or equal to an amount of 20 Million Moroccan Dirhams. If at the close of the subscription period the aggregate amount allocated to instalment A and D is lower than 20 million Moroccan Dirhams, the subscriptions relating to those instalments shall be cancelled.</p>
Procedure of First Listing	<p>The listing of instalment A shall be made by direct listing in accordance with Sections 1.2.6 and 1.2.22 of the General Regulation of the Stock Exchange.</p>
Redemption/regular repayment	<p>The subordinated loan bond, stated on the present prospectus, shall be subject of a repayment <i>in fine</i> of the principal amount.</p> <p>In the event of a merger, demerger or partial contribution of assets from of CIH Bank 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 subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of CIH Bank.</p>
Advance repayment	<p>CIH Bank is not allowed, during the entire loan period, to proceed to any early repayment of the subordinated 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 subordinated 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 incident on the regular amortization schedule. The subordinated bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p> <p>In case of cancellation, the issuer has to inform the stock exchange of the cancelled bonds.</p>
Entity in charge of the filing of the operation with the Casablanca Stock Exchange	<p>CDG Capital Bourse</p>
Tradability of securities	<p>The subordinated bonds, subject of instalment A, are freely tradable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
Assimilation clauses	<p>There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.</p> <p>In case CIH Bank would subsequently issue new securities enjoying, in all regards, the rights that are identical to those of this issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>
Rank of the loan	<p>The capital and the interest shall be the subject of a subordination clause.</p> <p>The application of this clause shall not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, in accordance with the conditions set out in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of CIH Bank, the capital and interests of the subordinated securities of this issue shall be paid back only after the compensation of all the secured or unsecured creditors. The repayment of the subordinated securities shall take place on the same ranking basis as all the other subordinated loans that have</p>

	been and that may be issued subsequently by CIH Bank both in Morocco and abroad, proportionally to their amount if applicable.
Maintain of the loan's rank	CIH Bank is committed, 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.
Guarantee of repayment	This issue has not been subject to a special guarantee.
Rating	This issue has not been subject to any rating request.
Representation of the bondholders' body	In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, the CEO appointed Mr. Mohamed HDID as a temporary agent of the bond holders on Tranche A to F. This decision takes effect from the opening of the subscription period. The Board of Directors is committed to proceed with the convening of the Bondholders' Meeting to appoint the final representative of the bondholders within a year from the opening of the subscription period.
Applicable law Court of competent jurisdiction	Moroccan law ; Trade Court of Casablanca.
Nature of Securities	Subordinated bonds listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.

Characteristics of tranche B (fixed rate, with a 7 year maturity and not listed)

Nature of Securities	Subordinated bonds listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.
Legal form	To the holder
Upper value limit of the instalment	MAD 1 000 000 000
Maximum number of securities to be issued	10 000 subordinated bonds
Face value	MAD 100 000
Issue price	100%, i.e. MAD 100 000
Loan maturity date	7 years
Subscription period	From December 26 th to December 30 th , 2014
Date of possession	January 9 th 2015
Maturity date	January 9 th 2022
Allocation method	French auction with priority to tranches D, E and F
Nominal interest rate	Fixed rate The reference of the nominal rate is the 7-year Treasury Bonds rate computed on the secondary market rate curve as published by Bank Al-Maghrib on November 24 th 2014, i.e. 3.49%. A risk premium shall be added to this rate, thus resulting in a fixed rate between 4.29% and 4.49% The rate is determined through linear interpolation using the two points framing the full 7-year maturity (on a yield to maturity basis).

Risk premium	Between 80bp and 100bp
Interests	<p>The interests shall be served annually at the anniversary dates of the possession date of the loan, i.e. January 9th, of each year. Their payment shall take place on the very same day or the first business day following January 9th, if this day is not a business day. The interest on the subordinated bonds shall cease to accrue as of the day when the capital shall be proposed for repayment by the CIH Bank. 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 rate].</p>
Redemption/regular repayment	<p>The subordinated loan bond subject of the present prospectus shall be the subject of a repayment in fine of the principal amount.</p> <p>In the event of merger, demerger or partial contribution of assets from of CIH Bank taking place during the term of the loan and resulting in the full transfer of the assets in favour of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of CIH Bank.</p>
Advance repayment	<p>CIH Bank is not allowed, during the entire loan period, to proceed to the early repayment of the subordinated 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 subordinated 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 incident on the regular amortization schedule. The subordinated bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
Tradability of securities	<p>Over-the-counter.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
Assimilation clauses	<p>There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.</p> <p>In the case CIH Bank would subsequently issue new securities enjoying, in all regards, rights that are identical to those of this issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>
Rank of the loan	<p>The capital and the interest shall be the subject of a subordination clause.</p> <p>The application of this clause shall not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, in accordance with the conditions set out in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of CIH Bank, the capital and interests of the subordinated securities of this issue shall be paid back only after the compensation of all secured or unsecured creditors. The repayment of the 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 CIH Bank both in Morocco and abroad, proportionally to their amount if applicable.</p>
Maintain of the loan's rank	<p>CIH Bank is committed, 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</p>

	granting the same rights to the subordinated securities of this loan.
Guarantee of repayment	This issue has not been subject to a special guarantee.
Rating	This issue has not been subject to any rating request.
Representation of the mass of bondholders	In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, the CEO appointed Mr. Mohamed HDID as a temporary agent of the bond holders on Tranche A to F. This decision takes effect from the opening of the subscription period. The Board of Directors is committed to proceed with the convening of the Bondholders' Meeting to appoint the final representative of the bondholders within a year from the opening of the subscription period.
Applicable law Court of competent jurisdiction	Moroccan law ; Trade Court of Casablanca.

Characteristics of tranche C (Annually revisable rate, with a 7 year maturity and not listed)

Nature of Securities	Subordinated bonds not listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.
Legal form	To the holder
Upper value limit of the instalment	MAD 1 000 000 000
Maximum number of securities to be issued	10 000 subordinated bonds
Face value	MAD 100 000
Issue price	100%, i.e. MAD 100 000
Loan maturity date	7 years
Subscription period	From December 26 th to December 30 th , 2014
Date of possession	January 9 th 2015
Maturity date	January 9 th 2022
Allocation method	French auction with priority to tranches D, E and F
Nominal interest rate	Revisable on an annual basis. For the first year, the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary market rate curve as published by Bank Al-Maghrib on November 24 th 2014, i.e. 2.80%%. A risk premium be added to this rate, thus resulting in a between 3,50% and 3.70% For the following years, the reference rate is the full 52-week rate (monetary rate) as computed by linear interpolation on the secondary market rate curve, as published by Bank Al-Maghrib at least 5 trading days before the anniversary date of the coupon payment. The resulting reference rate will be increased by a risk premium and will be published in a newspaper legal notice at least 5 days before the anniversary date.
Interests	The interests shall be served annually at the anniversary dates of the possession date of the loan, i.e. January 9 th , of each year. Their payment shall take place on the very same day or the first business day following January 9 th , if this day is not a business day. The interest on the subordinated bonds shall cease to accrue

	<p>as of the day when the capital shall be proposed for repayment by the CIH Bank. 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 rate x (exact number of days / 360 days)].</p>
Risk premium	Between 70bp and 90bp
Reference rate computing	<p>The determination of the reference rate will be by the linear interpolation using the two points flanking the mature full 52 weeks (monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher level of 52 weeks maturity (actuarial base) in monetary rate. The formula is: $((\text{Actuarial rate} + 1)^{k / \text{exact number of days}} - 1) \times 360 / k$; where k is the maturity of the actuarial rate immediately superior to 52 weeks.</p> <p>* Number of days exactly 365 or 366 days.</p>
Redemption/regular repayment	<p>The subordinated loan bond subject of the present prospectus shall be the subject of a repayment in fine of the principal amount.</p> <p>In the event of merger, demerger or partial contribution of assets from of CIH Bank taking place during the term of the loan and resulting in the full transfer of the assets in favour of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of CIH Bank.</p>
Advance repayment	<p>CIH Bank is not allowed, during the entire loan period, to proceed to the early repayment of the subordinated 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 subordinated 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 incident on the regular amortization schedule. The subordinated bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
Tradability of securities	<p>Over-the-counter.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
Assimilation clauses	<p>There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.</p> <p>In the case CIH Bank would subsequently issue new securities enjoying, in all regards, rights that are identical to those of this issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>
Rank of the loan	<p>The capital and the interest shall be the subject of a subordination clause.</p> <p>The application of this clause shall not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, in accordance with the conditions set out in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of CIH Bank, the capital and interests of the subordinated securities of this issue shall be paid back only after the compensation of all secured or unsecured creditors. The repayment of the 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 CIH Bank both in</p>

Maintain of the loan's rank	Morocco and abroad, proportionally to their amount if applicable. CIH Bank is committed, 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.
Guarantee of repayment	This issue has not been subject to a special guarantee.
Rating	This issue has not been subject to any rating request.
Representation of the mass of bondholders	In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, the CEO appointed Mr. Mohamed HDID as a temporary agent of the bond holders on Tranche A to F. This decision takes effect from the opening of the subscription period. The Board of Directors is committed to proceed with the convening of the Bondholders' Meeting to appoint the final representative of the bondholders within a year from the opening of the subscription period.
Applicable law Court of competent jurisdiction	Moroccan law ; Trade Court of Casablanca.

Characteristics of tranche D (fixed rate, with a 10 year maturity and listed at the Casablanca Stock Exchange)

Nature of Securities	Subordinated bonds listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.
Legal form	To the holder
Upper value limit of the instalment	MAD 1 000 000 000
Maximum number of securities to be issued	10 000 subordinated bonds
Nominal value	MAD 100 000
Issue price	100%, i.e. MAD 100 000
Loan maturity date	10 years
Subscription period	From December 26 th to December 30 th , 2014
Date of possession	January 9 th 2015
Maturity date	January 9 th 2025
Allocation method	French auction with priority to tranches D, E and F
Nominal interest rate	Fixed rate The reference of the nominal rate is the 10-year Treasury Bonds rate computed on the secondary market rate curve as published by Bank Al-Maghrib on November 24 th 2014, i.e. 3.75%. A risk premium shall be added to this rate, thus resulting in a fixed rate between 4.75% and 4.95% The rate is determined through linear interpolation using the two points framing the full 10-year maturity (on a yield to maturity basis).
Risk premium	Between 100bps and 120bps
Interests	The interests shall be served annually at the anniversary dates of the possession date of the loan, i.e. January 9 th , of each year. Their payment shall take place on the very same day or the first

	<p>business day following January 9th, if this day is not a business day.</p> <p>Interest on the subordinated bonds shall cease to accrue as of the day when the capital shall be proposed for repayment by the CIH Bank. 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 rate].</p>
Listing of the securities	<p>The subordinated bonds, subject of instalment D, shall be listed at the Casablanca Stock Exchange and shall be subject to a request for listing in the bond compartment of the Casablanca Stock Exchange. Their listing date is planned on January 6th, 2014 on the bond compartment under code n° 990178 and under Ticker n° OB178.</p> <p>In order to be listed at the Casablanca Stock Exchange, the aggregate amounts allocated to instalment A and D must be higher or equal to an amount of 20 Million Moroccan Dirhams. If at the close of the subscription period the aggregate amount allocated to instalment A and D is lower than 20 million Moroccan Dirhams, the subscriptions relating to those instalments shall be cancelled.</p>
Procedure of First Listing	<p>The listing of instalment D shall be made by direct listing in accordance with Sections 1.2.6 and 1.2.22 of the General Regulation of the Stock Exchange.</p>
Redemption/regular repayment	<p>The subordinated loan bond, stated on the present prospectus, shall be subject of a repayment <i>in fine</i> of the principal amount.</p> <p>In the event of a merger, demerger or partial contribution of assets from of CIH Bank 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 subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of CIH Bank.</p>
Advance repayment	<p>CIH Bank is not allowed, during the entire loan period, to proceed to any early repayment of the subordinated 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 subordinated 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 incident on the regular amortization schedule. The subordinated bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p> <p>In case of cancellation, the issuer has to inform the stock exchange of the cancelled bonds.</p>
Entity in charge of the filing of the operation with the Casablanca Stock Exchange	<p>CDG Capital Bourse</p>
Tradability of securities	<p>The subordinated bonds, subject of instalment D, are freely tradable at the Casablanca Stock Exchange.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
Assimilation clauses	<p>There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.</p> <p>In case CIH Bank would subsequently issue new securities enjoying, in all regards, the rights that are identical to those of this issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>
Rank of the loan	<p>The capital and the interest shall be the subject of a subordination clause.</p>

	<p>The application of this clause shall not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, in accordance with the conditions set out in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of CIH Bank, the capital and interests of the subordinated securities of this issue shall be paid back only after the compensation of all the secured or unsecured creditors. The repayment of the 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 CIH Bank both in Morocco and abroad, proportionally to their amount if applicable.</p>
Maintain of the loan's rank	<p>CIH Bank is committed, 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.</p>
Guarantee of repayment	This issue has not been subject to a special guarantee.
Rating	This issue has not been subject to any rating request.
Representation of the bondholders' body	In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, the CEO appointed Mr. Mohamed HDID as a temporary agent of the bond holders on Tranche A to F. This decision takes effect from the opening of the subscription period. The Board of Directors is committed to proceed with the convening of the Bondholders' Meeting to appoint the final representative of the bondholders within a year from the opening of the subscription period.
Applicable law Court of competent jurisdiction	Moroccan law ; Trade Court of Casablanca.
Nature of Securities	Subordinated bonds listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.

Characteristics of tranche E (fixed rate, with a 10 year maturity and not listed)

Nature of Securities	Subordinated bonds not listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.
Legal form	To the holder
Upper value limit of the instalment	MAD 1 000 000 000
Maximum number of securities to be issued	10 000 subordinated bonds
Face value	MAD 100 000
Issue price	100%, i.e. MAD 100 000
Loan maturity date	10 years
Subscription period	From December 26 th to December 30 th , 2014
Date of possession	January 9 th 2015
Maturity date	January 9 th 2025
Allocation method	French auction with priority to tranches D, E and F

Nominal interest rate	<p>Fixed rate</p> <p>The reference of the nominal rate is the 10-year Treasury Bonds rate computed on the secondary market rate curve as published by Bank Al-Maghrib on November 24th 2014, i.e. 3.75%. A risk premium shall be added to this rate, thus resulting in a fixed rate between 4.75% and 4.95%</p> <p>The rate is determined through linear interpolation using the two points framing the full 10-year maturity (on a yield to maturity basis).</p>
Risk premium	Between 100bp and 120bp
Interests	<p>The interests shall be served annually at the anniversary dates of the possession date of the loan, i.e. January 9th, of each year. Their payment shall take place on the very same day or the first business day following January 9th, if this day is not a business day. The interest on the subordinated bonds shall cease to accrue as of the day when the capital shall be proposed for repayment by the CIH Bank. 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 rate].</p>
Redemption/regular repayment	<p>The subordinated loan bond subject of the present prospectus shall be the subject of a repayment in fine of the principal amount.</p> <p>In the event of merger, demerger or partial contribution of assets from of CIH Bank taking place during the term of the loan and resulting in the full transfer of the assets in favour of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of CIH Bank.</p>
Advance repayment	<p>CIH Bank is not allowed, during the entire loan period, to proceed to the early repayment of the subordinated 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 subordinated 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 incident on the regular amortization schedule. The subordinated bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
Tradability of securities	<p>Over-the-counter.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
Assimilation clauses	<p>There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.</p> <p>In the case CIH Bank would subsequently issue new securities enjoying, in all regards, rights that are identical to those of this issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>
Rank of the loan	<p>The capital and the interest shall be the subject of a subordination clause.</p> <p>The application of this clause shall not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, in accordance with the conditions set out in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of CIH Bank, the capital and interests of the</p>

	subordinated securities of this issue shall be paid back only after the compensation of all secured or unsecured creditors. The repayment of the 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 CIH Bank both in Morocco and abroad, proportionally to their amount if applicable.
Maintain of the loan's rank	CIH Bank is committed, 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.
Guarantee of repayment	This issue has not been subject to a special guarantee.
Rating	This issue has not been subject to any rating request.
Representation of the mass of bondholders	In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, the CEO appointed Mr. Mohamed HDID as a temporary agent of the bond holders on Tranche A to F. This decision takes effect from the opening of the subscription period. The Board of Directors is committed to proceed with the convening of the Bondholders' Meeting to appoint the final representative of the bondholders within a year from the opening of the subscription period.
Applicable law Court of competent jurisdiction	Moroccan law ; Trade Court of Casablanca.

Characteristics of tranche F (Annually revisable rate, with a 10 year maturity and not listed)

Nature of Securities	Subordinated bonds not listed at the Casablanca Stock Exchange, dematerialized by registration with the central securities depository (Maroclear) and accompanied with an account with the chartered affiliates.
Legal form	To the holder
Upper value limit of the instalment	MAD 1 000 000 000
Maximum number of securities to be issued	10 000 subordinated bonds
Face value	MAD 100 000
Issue price	100%, i.e. MAD 100 000
Loan maturity date	10 years
Subscription period	From December 26 th to December 30 th , 2014
Date of possession	January 9 th 2015
Maturity date	January 9 th 2025
Allocation method	French auction with priority to tranches D, E and F
Nominal interest rate	Revisable on an annual basis. For the first year, the reference rate for the nominal interest rate is the 52-week Treasury Bills rate (monetary rate) as computed on the secondary market rate curve as published by Bank Al-Maghrib on November 24 th 2014, i.e. 2.80%. A risk premium be added to this rate, thus resulting in a between 3,70% and 3.90% For the following years, the reference rate is the full 52-week rate

	<p>(monetary rate) as computed by linear interpolation on the secondary market rate curve, as published by Bank Al-Maghrib at least 5 trading days before the anniversary date of the coupon payment.</p> <p>The resulting reference rate will be increased by a risk premium and will be published in a newspaper legal notice at least 5 days before the anniversary date.</p>
Interests	<p>The interests shall be served annually at the anniversary dates of the possession date of the loan, i.e. January 9th, of each year. Their payment shall take place on the very same day or the first business day following January 9th, if this day is not a business day. The interest on the subordinated bonds shall cease to accrue as of the day when the capital shall be proposed for repayment by the CIH Bank. 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 rate x (exact number of days / 360 days)].</p>
Reference rate computing	<p>The determination of the reference rate will be by the linear interpolation using the two points flanking the mature full 52 weeks (monetary base).</p> <p>This linear interpolation will be done after the conversion of the next higher level of 52 weeks maturity (actuarial base) in monetary rate. The formula is: $((\text{Actuarial rate} + 1)^{k / \text{exact number of days}^*} - 1) \times 360 / k$; where k is the maturity of the actuarial rate immediately superior to 52 weeks.</p> <p>* Number of days exactly 365 or 366 days.</p>
Risk premium	Between 90bp and 110bp
Redemption/regular repayment	<p>The subordinated loan bond subject of the present prospectus shall be the subject of a repayment in fine of the principal amount.</p> <p>In the event of merger, demerger or partial contribution of assets from of CIH Bank taking place during the term of the loan and resulting in the full transfer of the assets in favour of a distinct legal entity, the rights and obligations in connection with the subordinated bonds shall be automatically transferred to the legal entity substituted in the rights and obligations of CIH Bank.</p>
Advance repayment	<p>CIH Bank is not allowed, during the entire loan period, to proceed to the early repayment of the subordinated 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 subordinated 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 incident on the regular amortization schedule. The subordinated bonds thus redeemed can be cancelled only after the consent of Bank Al Maghrib.</p>
Tradability of securities	<p>Over-the-counter.</p> <p>There is no restriction imposed by the conditions of the issue to the free tradability of the subordinated bonds.</p>
Assimilation clauses	<p>There is no assimilation of the subordinated bonds, subject of the present prospectus, to the subordinated bonds from a previous issue of securities.</p> <p>In the case CIH Bank would subsequently issue new securities enjoying, in all regards, rights that are identical to those of this issue, it may, without requiring the bearers' consent, carry out the assimilation of all the securities of the successive issues, thus unifying all their management and trading operations.</p>

Rank of the loan	<p>The capital and the interest shall be the subject of a subordination clause.</p> <p>The application of this clause shall not adversely affect and by any means whatsoever, the legal rules concerning the accounting principles of loss allocation, the obligations of the shareholders and the obtained rights of the subscribers, in accordance with the conditions set out in the contract, the payment of its securities in capital and interest.</p> <p>In case of liquidation of CIH Bank, the capital and interests of the subordinated securities of this issue shall be paid back only after the compensation of all secured or unsecured creditors. The repayment of the 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 CIH Bank both in Morocco and abroad, proportionally to their amount if applicable.</p>
Maintain of the loan's rank	<p>CIH Bank is committed, 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.</p>
Guarantee of repayment	<p>This issue has not been subject to a special guarantee.</p>
Rating	<p>This issue has not been subject to any rating request.</p>
Representation of the mass of bondholders	<p>In accordance with Article 299 paragraph 1 and Article 300 paragraph 1 and 2 of Law No. 17-95, the CEO appointed Mr. Mohamed HDID as a temporary agent of the bond holders on Tranche A to F. This decision takes effect from the opening of the subscription period. The Board of Directors is committed to proceed with the convening of the Bondholders' Meeting to appoint the final representative of the bondholders within a year from the opening of the subscription period.</p>
Applicable law Court of competent jurisdiction	<p>Moroccan law ; Trade Court of Casablanca.</p>

I.5. Operation Schedule

Stages	Date
Receipt of the complete file by the Casablanca Stock Exchange	December 19 th 2014
<ul style="list-style-type: none"> Approval of the issuance by the Casablanca Stock Exchange Approval of the CDVM 	December 19 th 2014
Receipt of the prospectus approved by the CDVM by the Casablanca Stock Exchange	December 19 th 2014
Publication notice of the introduction of Tranches A and D in the official stock bulletin	December 19 th 2014
Publication of an abstract of the prospectus	December 23 rd 2014
Opening of the subscription period	December 26 th 2014
Early closing of the subscription period	December 29 th 2014
Publication of the of the early closing notice	December 30 th 2014
Receipt of subscriptions by the Casablanca Stock Exchange before 12 am, in the case of an early closing	December 30 th 2014

Closing of the normal subscription period	December 30 th 2014
Reception of the operation results by the Casablanca Stock Exchange	December 31 st 2014
<ul style="list-style-type: none">• Acceptance of bonds• Publication of the operation results in the official stock list cote• Registration of the transaction in the Stock Exchange	January 6 th 2015
Payment - Delivery	January 9 th 2015

II. INFORMATION ABOUT THE ISSUER

II.1. General information about CIH Bank

Name	CIH BANK
Headquarter	187, Avenue Hassan II, Casablanca
Telephone/ Fax	+212 05 22 47 90 00 / 05 22 47 91 11 +212 05 22 47 93 63 / 05 22 22 37 48 / 05 22 20 84 25
Website	www.cihbank.ma
Legal form	Limited company with a Board of Directors subject to private law and governed by Banking Act of February 14 th , 2006 and by the provisions of the Law 17/95 related to Limited Liability Companies as amended and extended by Law n° 20-05 promulgated by Dahir n° 1-08-18 of May 23 rd , 2008.
Date of Incorporation	April 25 th , 1927
Trade Register	Casablanca TR n°203
Company life	99 years
Financial Year	From January 1 st to December 31 st
Company purpose	<p>According to Article 2 of the bylaws, the company's purpose according by the law :</p> <ul style="list-style-type: none"> • The receipt of public funds ; • The granting of any loan in the short, medium or long term ; • Commitments by signature ; • The collection of resources to carry out its operations, in addition to funds deposited by its customers, through issuance of debt securities on a short, medium or long term period ; • Making available to customers of all means of payment or their management ; • Any lease operation with an option to purchase ; • Any sale transaction with right of redemption or sale under repurchase agreements, bills and securities; • Any factoring operation ; • Any foreign exchange transaction ; • Any operation on gold, precious metals and coins ; • Any advisory transaction in the management of inheritance ; • Any advisory and assistance transaction in asset management ; • Any investment transaction, subscription, purchase management, custody and sale of securities or any financial product ; • Advice and assistance in financial management, financial engineering and generally, all services that facilitate the creation and development of companies ; • Any other operation usually carried out in the usual manner by credit institutions and any ancillary operations or necessary actions to the operation described here above, including all banking operations for individuals and families.

II.2. Shareholding Structure

As of April 30th, 2012, 2013 and November 30th, 2014 CIH Bank shareholding structure is as follows :

Shareholders	2012			2013			30/11/2014		
	Number of shares held	% of capital	% voting rights	Number of shares held	% of capital	% voting rights	Number of shares held	% of capital	% voting rights
Massira Capital Management	18,860,825	70.88%	70.88%	18,860,825	70.88%	70.88%	17,530,419	65.88%	65.88%
RCAR	984,558	3.70%	3.70%	1,013,665	3.81%	3.81%	1,013,665	3.81%	3.81%
RMA Watanya	767,561	2.88%	2.88%	767,571	2.88%	2.88%	786,314	2.96%	2.96%
Atlanta	756,233	2.84%	2.84%	896,530	3.37%	3.37%	1,540,191	5.79%	5.79%
Sanad	707,064	2.66%	2.66%	773,867	2.91%	2.91%	1,401,177	5.27%	5.27%
Misc	4,531,844	17.03%	17.03%	4,295,627	16.15%	16.15%	4,336,319	16.30%	16.30%
Total	26,608,085	100.00%	100.00%	26,608,085	100.00%	100.00%	26,608,085	100.00%	100.00%

Source CIH BANK

II.3. Board of Directors Composition

As of November 30th, 2014 the board of directors composition is as follows:

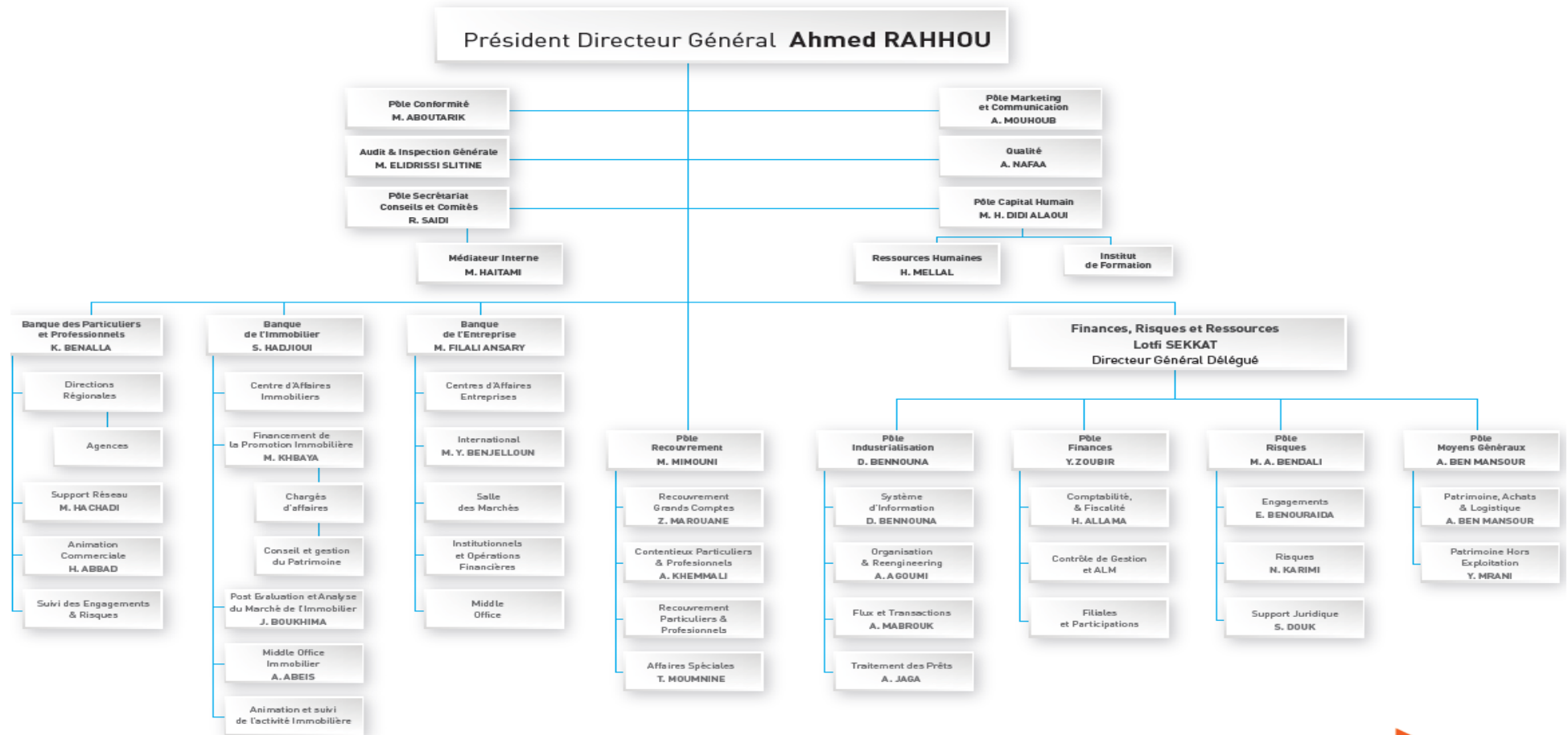
Function	Name and position	Date of appointment	End of term
President	Mr. Ahmed RAHOU CEO of CIH BANK	07/10/2009	OGM approving the 2014 financial statements
Directors	Mr. Anass HOUIR ALAMI CDG Chief Executive Officer	07/10/2009	OGM approving the 2014 financial statements
	Mr. Said LAFTIT CDG General Secretary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

Mr. Ahmed RAHOU is also the director of the following companies:

- CMB Plastique ;
- L'Agence Nationale de Réglementation des Télécommunications (ANRT) ;
- SOFAC ;
- MAROC LEASING ;
- Royal Air Maroc

II.4. CIH BANK Legal Organization Chart

As of November 30th, 2014 the functional organization of CIH BANK is as follows:



Source: CIH BANK

II.5. CIH Bank Activity

Receipt of deposits activity

The table below provides the details of the evolution of customer's deposits over the period 2011 - 1st semester of 2014:

In million Dhs	2011	2012	Var	2013	Var	1 st S 2014	Var
Checking Deposits	9,566	10,026	4.80%	11,363	13.30%	10,942	-3.7%
Saving Accounts	2,640	3,005	13.80%	3,381	12.50%	3,577	5.8%
Fixed Term Deposits	4,546	4,762	4.80%	5,148	8.10%	4,457	-13.4%
Other Debits Accounts	695	717	3.20%	534	-25.50%	514	-3.74%
Customer Deposits	17,447	18,510	6.10%	20,425	10.30%	19,490	-4.6%

Source: CIH BANK - Corporate Financial Statements

Loans Activity

The table below provides the details of the evolution of loans to customers over the period 2011 - 1st S 2014:

In million Dhs	2011	2012	Var	2013	Var	1 st S 2014	Var
Liquidity and consumer loans	1,672	2,372	41.80%	2,230	-6.00%	2,410	8.1
Equipment loans	805	698	-13.30%	809	15.90%	1,037	28.1%
Real estate loans	21,749	22,584	3.80%	23,190	2.70%	22,555	-2.7%
Other loans	1160	1,526	31.50%	912	-40.20%	886	-2.8%
Loans to customers	25,387	27,179	7.10%	27,142	-0.10%	26,888	-0.93%

Source: CIH BANK - Corporate Financial Statements

III. FINANCIAL DATA

III.1. Consolidated Income Statement

In Kdh	2011	2012	2013	1 st S 2013	1 st S 2014
Interest and related income	1,956,923	2,244,627	2,372,833	1,194,249	1,195,248
Interest and related charges	777,562	905,595	958,818	-470,280	-489,107
Interest Margin	1,179,361	1,339,031	1,414,015	723,969	706,142
Commissions (Income)	146,068	188,954	184,050	88,363	99,615
Commissions (Expenses)	15,211	21,041	17,270	-10,422	-7,927
Commissions Margin	130,857	167,913	166,779	77,941	91,688
Net gains and losses on financial instruments at the fair value through profit or loss	-	12	2	-	-
Net gains or losses on financial assets held for sale	21,158	5,233	23,517	14,355	7,545
Income of other activities	86,120	99,448	492,723	227,487	236,716
Costs of other activities	99,195	60,397	366,685	-176,018	-194,314
Net banking income	1,318,301	1,551,240	1,730,351	867,735	847,778
General operating costs	707,408	831,255	870,466	-400,447	-471,941
Allocation to amortizations and depreciations of tangible and intangible assets	50,796	95,814	105,130	-51,718	-48,337
Gross operating result	560,098	624,171	754,755	415,569	327,500
Risk cost	83,045	126,587	29,802	-30,591	80,962
Operating Results	477,052	497,584	724,954	384,978	408,462
Income from equity affiliate	29,831	32,599	26,662	14,679	16,296
Net gains or losses on other assets	57,541	148,577	17,408	-20,958	3,321
Change of goodwill purchase values	0	0	3,478	0	0
Pre-tax profit	564,424	678,760	724,755	382,177	428,078
Income taxes	196,083	187,105	258,116	-144,573	-153,285
Net result	368,341	491,655	514,385	237,604	274,794
Minority interests	0	4,296	366	7,556	-7,216
Net group share result	368,341	487,358	514,751	245,161	267,577

III.2. Consolidated Balance Sheet

In Kdh	2011	2012	2013	1 st S 2014
Central banks, Public Treasury, services of postal checks	1,654,804	1,065,298	2,460,839	1,376,610
Available-for-sale financial assets	2,276,818	3,471,907	1,287,586	934,644
Loans and receivables to credit and similar institutions	300,281	139,449	493,848	443,197
Customer loans and receivables	26,950,702	31,513,969	31,790,220	32,826,017
Held-to-maturity investments	0	0	2,220,549	2,639,315
Current tax liabilities	75,658	253,198	282,305	181,566
Deferred tax assets	5	18,631	5,063	1,917
Accruals and other assets	470,769	546,991	659,539	943,590
Investments in equity-consolidated companies	471,937	549,375	561,818	563,945
Investment properties	518,163	502,165	434,829	424,968
Tangible assets	659,620	779,163	961,487	1,011,948
Intangible assets	79,041	120,528	116,986	115,621
Purchased goodwill	299,917	184,884	174,884	174,884
Total assets	33,757,714	39,145,559	41,449,953	41,638,222

In Kdh	2011	2012	2013	1 st S 2014
Central banks, Public Treasury, services of postal checks	0	163	181	181
Loans to credit and similar institutions	1,389,829	3,617,812	4,525,905	3,388,941
Loans to Customers	18,722,261	20,429,528	22,212,014	22,162,123
Issued loan securities	7,739,003	9,100,111	8,581,948	9,553,702
Current tax liabilities	176,976	217,006	270,948	123,564
Deferred tax liabilities	93,212	58,781	91,458	116,339
Accruals and other liabilities	1,066,732	821,756	743,842	1,398,807
Provisions	177,269	243,420	230,516	223,525
Subordinated debts and special funds of guarantee	0	0	0	0
Group share of equity	4,392,432	4,570,461	4,702,663	4,573,263
<i>Capital and related reserves</i>	2,660,809	2 660 809	2,660,809	2,660,809
<i>Consolidated reserves</i>	1,357,836	1,421,866	1,521,845	1,637,473
<i>Latent or deferred gains or losses</i>	5,447	428	5,258	7,404
<i>Income of the FY</i>	368,341	487,358	514,751	267,577
<i>Minority interests</i>	0	86,521	90,478	97,694
Total liabilities	33,757,714	39,145,559	41,449,953	41,638,222

IV. RISK FACTORS

IV.1. Credit risks

Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required payments to the bank.

Within the framework of the implementation of the advanced methods of credit risks calculation, CIH BANK developed:

- A rating model for property development
- A rating model for companies
- A selection model of good payers concerning the professional clients
- Scoring models and rating models for granting housing loans and consumer credits.

a. Basic principles governing credit activities

CIH BANK credit activity relies on the following basic principles:

- Compliance with the regulations and ethics governing the credit activity;
- Compliance with internal standards for granting new loans to customers (Amount of financing, indebtedness ratio, coverage rate by the required guarantees...etc.)
- Double vision in terms of loan requests' analysis for large accounts, operated by independent structures;
- Use of rating systems for the decisions of granting credits and pricing;
- Collegiality in making decision on granting credits;
- Countersigning all documents related to the implementation of the authorized credits;
- Control, at the central level, of the guarantees received before any use of new granted loans.

b. Monitoring and managing of credit risk

Credit risk monitoring system

Credit risk monitoring concerns not only the commercial structures, but also structures which are responsible for risk management.

In addition to the day-to-day monitoring process as ensured by the commercial structures, the same process is performed at the central level by the Commitments Department on one hand and by the Risk Department on the other.

Reporting documents are regularly sent to the audit committee, risk management committee and the credit risk management committee

Analysis of commitments portfolio

Breakdown of outstanding loans by market and by the nature of credit

The breakdown of the total outstanding loans by category of customers on December 31st, 2013 shows:

- The strategic positioning of the bank concerning the financing of individuals and families' needs since the loans to individuals represent 65.91% of the out-of-court credits volume.
- The strong concentration of housing loans activity, since the loans to build or buy houses represent 94.30% of the out-of-court credits volume in retail banking sector.
- The sound breakdown of credit risks, since the outstanding loans to individuals represent more than half.

In the field of property development, the regions of Greater Casablanca, Rabat and the region of Rabat cover more than half of the total outstanding credits (out-of-court).

Quality of Credit Portfolio

The total volume of the outstanding receivables is in continuous downward trend since 2004. It went down from MAD15 billion on a gross basis at the end 2004 to MAD 2.6 billion at the end of June 2014.

Now, the rate of outstanding receivables stands at 7.56% of commitments.

IV.2. Operational Risk

a. Definition of Operational Risk

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.

b. Organization of Operational Risk Management

Operational risk management process

In order to identify the entire perimeter related to the operational risk management, the bank has implemented and dedicated for this purpose a software package, and has ensured management actions to be fulfilled by the different parties involved in the risk management process. This software allows a workflow management of incidents' reports (central agencies and entities), of self-assessment exercises and the management of corrective action plans.

A report is regularly sent to the Operational Risks Management Committee and to the Risk Management Committee, which will help in making decisions on arrangements to reduce risks.

Business Continuity Plan

The Business Continuity Plan is a complete written action plan, which outlines the necessary procedures and systems to be considered in order to continue or reestablish in a planned way the operations of the bank in case of any operational problems.

The business continuity plan project is at an advanced stage, and it covers today nearly 90% of the bank's vital processes.

IV.3. Market Risk

a. Definition of Market Risk

Market risk is defined as loss risks, which are related to market prices fluctuation. It covers:

- The risk related to the rate and position on deeds associated to the instruments included in the trading book;
- Foreign exchange and commodity risk incurred on all elements of the balance sheet and off balance sheet other than those included in the trading book.

b. Organization of Market Risk Management

Role of the Front Office

The front office is responsible for the implementation of the bank refinancing policy through the market, for the cash management and the management of the securities portfolios of the bank and of currency risk hedging management.

This entity is involved in developing the bank refinancing strategy and is responsible for compliance with regulatory ratios and limits of the trading floor.

Role of Risk Department

The Risk Department is responsible for the assessment of market risks. In this respect, this department is not only in charge of implementing the risk strategy policies and limits on market risks, but also ensuring the monitoring and tracking indicators.

IV.4. Asset/Liability Management

a. Assessment of interest rate and liquidity risks

Assessment of the overall interest rate risk

The assessment method of interest rate risk used by CIH Bank is based on fixed-rate gaps calculation on each maturity (1 month, 2 months, 3 months, 6 months, 1 year, 2 years...15 years and more than 15 years). These gaps are then discounted.

The difference between this NPV (Net Present Value) calculated with the current rate and the NPV calculated with these rates +100bps allows getting the sensitivity of the balance sheet to interest rates fluctuation.

A distinction is also made between short term sensitivity (maturity under one year), medium term sensitivity (maturity between 1 and 7 years) and long term sensitivity (maturity beyond 7 years).

The implementation of this method and the impact of a negative variation in rates the result in the sensitivity of the bank's balance sheet registering on December 31st, 2013 a variation of +1% of the rates curve of MAD -343 million, that is to say -10.46% of the regulatory capital.

Evaluation of the liquidity risk

Monitoring of liquidity risk is provided through the assessment of the current and the projected cash flows.

The management of the current cash flow (short term) is ensured by the front office. A daily dashboard is set up by the treasurer of the bank. It helps in calculating the daily gap of cashflow depending on the required monetary reserve, our balance at Bank Al Maghreb, our agencies' inflows and outflows, and our borrowings and loans on monetary market.

The liquidity management (Medium-long term) is provided by the ALM Committee. It revolves around the following axes:

- Calculation of the liquidity gaps on each maturity (1 month, 2 months, 3 months, 6 months, 1 year, 2 years...15 years and more than 15 years);
- Presentation of the ALM's dashboard to the ALM Committee providing the liquidity gaps;
- This is achieved by using contracts' amortization tables for contract positions, and liquidity flow rules for positions with no contracts.

b. Coverage of rates and liquidity gaps.

When necessary, the ALM Committee determines the measures to be taken in order to mitigate the fixed rates and liquidity gaps and to comply with the prudential limits. In the absence of rates swaps, these key measures are as follows:

- The launch of secularization operations of mortgage loans;
- The issuance of certificates of deposit;
- The launch of bond issues' operations;
- The use of treasury bill portfolio as a means of coverage (transfer or acquisition when necessary);
- The change of the portfolio's structure of loans and borrowings with regard to the nature of rates and the duration of loans;
- The use of financing guidelines with financial intermediaries;
- The implementation, when necessary, of refinancing guidelines with key shareholders.

c. Monitoring rates and liquidity risks

The monitoring process of rates and liquidity risks is ensured by the ALM committee through a quarterly report;

Furthermore, a regular monitoring of these risks is provided by the Risk Department. This monitoring is boosted by the exposure limits for these risks and by a system of regular reporting.

The data is periodically aggregated so that the Executive Management and the Board of Directors can have a global vision of all rates and liquidity risks of CIH Bank. This data is presented in the ALM committee, Risk Management committee and the Audit committee.

IV.5. Solvency ratio and weighted assets

On June 30th, 2014 the solvency ratio registered 14.05% with a total of regulatory capital of MAD 2,992 million, and a total of weighted assets of MAD 21,299 million.

a. Credit Risk

In application of the standard approach, the weighted assets with CIH Bank in terms of credit risk are MAD 18,685 million on June 30th, 2014 for equity uptake of MAD 1,495 million.

b. Market Risk

CIH Bank is not subject to the calculation of capital requirements for foreign exchange risk on June 30th, 2014 since the global position of foreign exchange, on that date, registered 54.7%, which does not exceed the 2% threshold of the regulatory capital decided at MAD 2,992 million. Also, CIH Bank lacked a negotiation portfolio on June 30th, 2014.

c. Operational Risk

CIH Bank adopted the "Basic Indicator Approach" for the operational risk.

The weighted assets with CIH Bank in terms of operational risk represent MAD 2,614 million on June 30th, 2014 for equity uptake of MAD 209 million.

Disclaimer

The aforementioned information is only a part of the prospectus approved by the Conseil Déontologique des Valeurs Mobilières (CDVM) under reference VI/EM/048/2014 on December 19th 2014. The CDVM recommends reading the full prospectus available to public according to the modalities indicated in the current abstract.