

PROSPECTUS SUMMARY

ISSUANCE OF A LISTED AND UNLISTED SUBORDINATED BOND
 BY *SOCIÉTÉ GÉNÉRALE MAROCAINE DE BANQUES*
 TOTAL ISSUE AMOUNT: 500,000,000.00 MAD
 MATURITY: 10 YEARS



	Tranche A Listed on the Casablanca Stock Exchange	Tranche B Not listed
Cap	500,000,000 MAD	
Number	5,000 subordinated bonds	
Nominal value	100,000 MAD	
Nominal interest rate	Fixed rate. 5.98% (the nominal interest rate is determined in reference to the primary curve of the 10-year T-bond rate as fixed on the 30th October 2012 session, i.e., 4.88%, plus a risk premium).	
Risk premium	110 basis points	
Maturity	10 years	
Negotiability	Tradable at the Casablanca Stock Exchange	Tradable over the counter (off Stock Exchange)
Repayment	Bullet repayment	
Subscription periods	From December 10 th 2012 to December 12 th December, 2012 inclusive	
Allocation method	Prorata	

Subscription reserved to qualified investors under Moroccan law as listed in the present prospectus.

ADVISOR & GLOBAL COORDINATOR



CENTRALIZING BODY
AND HEAD OF PLACEMENT
SYNDICATE

CO-HEAD
OF DPLACEMENT SYNDICATE

BODY
RESPONSIBLE FOR THE RECORDING
OF THE OPERATION



In accordance with the CDVM Circular effective since 1st April 2012, adopted pursuant to article 14 of *Dahir* 1-93-212 of 21 September 1993 on the Circular of the *Conseil Déontologique de Valeurs Mobilières* CDVM, and the information required from legal persons making public offerings, as amended and supplemented, the original of the present prospectus was approved by CDVM on the 29th November 2012 under reference number VI/EM/043/2012.

WARNING

The CDVM visa does not imply the approval of the appropriateness of the transaction nor the authentication of the information presented. It was granted after review of the relevance and consistency of the information given in the context of the proposed transaction to investors.

On the 29th November 2012, the *Conseil Déontologique des Valeurs Mobilières* (CDVM) approved a Prospectus for a subordinated bond issue by *Société Générale Marocaine de Banques*.

The Prospectus approved by CDVM is available at all times:

- At *Société Générale Marocaine de Banques* Headquarters at 55 Bvd. Abdelmoumen, Casablanca.
- At *CDG Capital* Headquarters at *Immeuble Mamounia*, Place Moulay Hassan, Rabat.
- On request from order-collection points for the bond issue.
- On the CDVM website (www.cdvm.gov.ma).
- At the Casablanca Stock Exchange Headquarters and its website (www.casablanca-bourse.com).

Part I. Overview of the bond issue

I.1. Objectives of the bond issue

The principal objectives of the bond issue are as follows:

- To reinforce capital adequacy of SGMB;
- To finance the development of the company's activities;
- To respond to the growth in lending in Morocco;
- To diversify the company's long-term financing and to lower financing costs;
- To enable *Société Générale Marocaine de Banques* to position itself to take advantage of long-term financing opportunities, in particular project financing opportunities in the energy sector;
- To enhance the image of *Société Générale Marocaine de Banques* among its principal partners and to position the company as a regular issuer in the bond market.

I.2. Information on the securities to be issued

Tranche A: Fixed-rate subordinated bonds listed on the Casablanca Stock Exchange.

Warning

The subordinated bond is distinct from the classical bond due to the contractually defined ranking of claims by the subordination clause. The effect of the subordination clause is to condition, in case of liquidation of the issuer, the repayment of the subordinated loan on the repayment of all outstanding privileged or unsecured debts.

Nature of the securities	Subordinated bonds listed on the Casablanca Stock Exchange, dematerialized by registration with the central depository (Maroclear) and registered in accounts with accredited affiliates.
Legal form	Bearer
Admission to official listing	Tranche A securities will be listed under the direct listing procedure under articles 1.2.6 and 1.2.22 of the Stock Exchange General Regulations.
Tranche ceiling	500,000,000.00 MAD
Maximum number of securities to be issued	5,000 subordinated bonds
Nominal value per bond	100,000.00 MAD
Maturity	10 years
Subscription period	From December 10 th , to December 12 th , 2012 inclusive
Vesting date	20 December 2012
Maturity date	20 December 2022
Risk premium	110 basis points
Issuance price	At par, i.e., 100,000.00 MAD on the date of subscription.
Allocation method	Prorata
Negotiability of the securities	<p>Subordinated bonds in tranche A will be freely negotiable on the Casablanca Stock Exchange.</p> <p>There are no restrictions imposed by the bond issuance conditions on the free negotiability of the subordinated bonds in tranche A.</p>
Listing of the securities	<p>Tranche A subordinated bonds will be listed on the Casablanca Stock Exchange and will therefore be the subject of a request for admission to the bond compartment of the Casablanca Stock Exchange. The listing date in the bond compartment is scheduled for 17 December 2012 under code 990162 and ticker OB162.</p> <p>To be listed on the Casablanca Stock Exchange, the amount allocated to tranche A must be greater than or equal to 20 million Moroccan dirhams. If at the close of the subscription</p>

	<p>period the amount allocated to tranche A is less than 20 million MAD, subscriptions for bonds in tranche A shall be cancelled.</p>
Nominal interest rate	<p>Fixed rate.</p> <p>5.98% (the nominal interest rate is determined in reference to the primary curve of 10-year T-bond rate as fixed on the 30th October 2012 session, i.e., 4.88%, plus a risk premium of 110 basis points).</p>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting day, i.e., on 20 December each year. Payment shall be effected that very day or on the first business day thereafter if that day is not a business day. Interest on the subordinated bonds will cease to accrue from the day on which repayment of the principal is ordered by the Company. No postponement of interest payments on the subordinated bonds in the present issue will be permitted.</p> <p>Interest payments will be calculated using the following formula: nominal amount x nominal rate.</p>
Repayment of principal	<p>The SGMB subordinated bond issue will be subject to bullet repayment.</p> <p>In the event of merger, demerger or partial contribution of SGMB's assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming SGMB's rights and obligations.</p>
Early repayment	<p>SGMB shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds that are the subject of the present issue, and shall refrain from making early repayment thereof before a period of five (5) years has elapsed from the date of issue, except in the event of a Regulatory Change as described hereinafter.</p> <p>No early repayment should be made without the prior approval of the Supervisory Board of SGMB and of Bank Al-Maghrib and must be in conformity with the terms of article 18 of Bank Al-Maghrib circular 07/G/2010, specifically:</p> <ul style="list-style-type: none"> • The early repayment shall be made only at the initiative of SGMB and after approval has been granted by Bank Al-Maghrib. • The early repayment may not lead to any payment of compensation by SGMB. • In the event that SGMB is put into liquidation, the repayment of principal and interest will be subordinated to the repayment of all other debts. <p>In the event of a Regulatory Change at any time during the life of the subordinated bonds, SGMB may make early repayment of</p>

	<p>the principal, the amount of accrued interests, together with any other sum due in respect of the subordinated securities.</p> <p>The term “Regulatory Change” shall be taken, in the context of these presents, to mean an amendment of the regulations applicable to SGMB and/or its shareholders, i.e., regulations relating to the calculation of equity, to capital requirements, or to capital adequacy, or to a change in the interpretation of such regulations or in their official application (including court decisions), as a result of which the subordinated bond issue is no longer taken into account in calculating SGMB’s regulatory capital.</p> <p>SGMB nevertheless reserves the right, with the prior approval of Bank Al-Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without impact on the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p>
Assimilation clause	<p>There is no assimilation of the subordinated bonds that are to be issued under the present bond issue to any securities from a previous issue.</p> <p>In the event that SGMB subsequently issues new securities enjoying in all respects rights identical to those of the bonds in tranche A, it may, without requesting the consent of the bearers of tranche A bonds, and provided that the issuance agreements provide for such a possibility, assimilate all the securities in the successive issues, thus unifying all operations relating to their management and their trading.</p>
Ranking of the securities	<p>Both the capital and the interest are subject to a subordination clause.</p> <p>In nowise does the subordination clause impair any rule of law concerning the accounting principles relating to the allocation of losses, the shareholders obligations, or the rights of subscribers to obtain, in accordance with the conditions set forth in the issuance agreement, payment of interest and capital for its securities.</p> <p>In the event that SGMB is liquidated, repayment of capital and interest for the subordinated bonds in the present issue may occur only after the claims of all privileged and/or unsecured creditors have been settled. The subordinated bonds will have the same ranking in the repayment process as all other subordinated securities as may subsequently be issued by SGMB both in Morocco and abroad, in proportion to their amount, should the situation arise.</p>

Maintaining the ranking of the securities	SGMB undertakes that, until the effective repayment of all the securities in the present issue, it will not establish any priority for any other subordinated security in respect of ranking for repayment in the event of liquidation without applying those same rights to the subordinated bonds in the present issue.
Guarantee of repayment	Subordinated bonds issued by SGMB are not the subject of any guarantee of repayment.
Rating	The present bond issue has not been the subject of any request for rating.
Applicable law and court of jurisdiction	Moroccan law. The competent court shall be Casablanca Commercial Court.
Entity responsible for registering the operation in the Casablanca Stock Exchange	<i>Sogécapital Bourse</i>
Representative of the bondholders	The Executive Board decides, subject to the approval of the Supervisory Board, to appoint Mr. Mohamed Hdid, Chartered Accountant, domiciled in Casablanca, 4 place Marshal, as a provisional representative of the bondholders of tranche A and tranche B pending the Ordinary General Meeting of the bondholders to designate the representative of such bondholders, provided that the date of entry into force of the designation decision will be the opening date of the subscription period for the bonds of tranche A and Tranche B

Tranche B: Fixed-rate subordinated bonds not listed on the Casablanca Stock Exchange.

Warning

The subordinated bond is distinct from the classical bond due to the contractually defined ranking of claims by the subordination clause. The effect of the subordination clause is to condition, in case of liquidation of the issuer, the repayment of the subordinated loan on the repayment of all outstanding privileged or unsecured debts.

Nature of the securities	Unlisted subordinated bonds fully dematerialized by registration with the central depository (Maroclear) and registered in accounts with accredited affiliates.
Legal form	Bearer
Listing	Not listed on Casablanca Stock Exchange
Tranche ceiling	500,000,000.00 MAD
Maximum number of securities to be issued	5,000 subordinated bonds
Nominal value per bond	100,000.00 MAD
Maturity	10 years
Subscription period	From December 10 th , to December 12 th 2012 inclusive
Vesting day	20 December 2012
Maturity date	20 December 2022
Risk premium	110 basis points
Issuance price	At par, i.e., 100,000.00 MAD on the date of subscription.
Allocation method	Prorata
Negotiability of the securities	Over the counter (off Stock Exchange.) There are no restrictions imposed by the bond issuance conditions on the free negotiability of the subordinated bonds in tranche B.
Nominal interest rate	Fixed rate. 5.98% (the nominal interest rate is determined in reference to the primary curve of 10-year T-bond rate as fixed on the 30th October 2012 session, i.e., 4.88%, plus a risk premium of 110 basis points).
Interest	Interest will be paid annually on the anniversary of the security's vesting day, i.e., on 20 December each year. Payment shall be made that very day or on the first business day thereafter if that day is not a business day. Interest on the subordinated bonds will cease to accrue from the day on which repayment of the capital is ordered by the Company. No postponement of interest payments on the subordinated bonds in the present issue will be permitted. Interest payments will be calculated using the following formula: nominal amount x nominal rate.
Repayment of principal	The SGMB subordinated bond issue will be subject to bullet

repayment.

In the event of merger, demerger or partial contribution of SMGB's assets during the life of the securities entailing the transmission of all assets and liabilities to a separate legal entity, all rights and obligations in respect of the subordinated bonds will be automatically transferred to the legal entity assuming SGMB's rights and obligations.

Early repayment

SGMB shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds that are the subject of the present issue, and shall refrain from making early repayment thereof before a period of five (5) years has elapsed from the date of issue, except in the event of a Regulatory Change as described hereinafter.

No early repayment should be made without the prior approval of the Supervisory Board of SGMB and of Bank Al-Maghrib and must be in conformity with the terms of article 18 of Bank Al-Maghrib circular 07/G/2010, specifically:

- The early repayment shall be made only at the initiative of SGMB and after approval has been granted by Bank Al-Maghrib.
- The early repayment may not lead to any payment of compensation by SGMB.
- In the event that SGMB is put into liquidation, the repayment of principal and interest will be subordinated to the repayment of all other debts.

In the event of a Regulatory Change at any time during the life of the subordinated bonds, SGMB may make early repayment of the principal, the amount of accrued interests, together with any other sum due in respect of the subordinated securities.

The term "Regulatory Change" shall be taken, in the context of these presents, to mean an amendment of the regulations applicable to SGMB and/or its shareholders, i.e., regulations relating to the calculation of equity, to capital requirements, or to capital adequacy, or to a change in the interpretation of such regulations or in their official application (including court decisions), as a result of which the subordinated bond issue is no longer taken into account in calculating SGMB's regulatory capital.

SGMB nevertheless reserves the right, with the prior approval of Bank Al-Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without impact on the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.

<p>Assimilation clause</p>	<p>There is no assimilation of the subordinated bonds that are to be issued under the present bond issue to any securities from a previous issue.</p> <p>In the event that SGMB subsequently issues new securities enjoying in all respects rights identical to those of the bonds in tranche B, it may, without requesting the consent of the bearers of tranche B bonds, and provided that the issuance agreements provide for such a possibility, assimilate all the securities in the successive issues, thus unifying all operations relating to their management and their trading.</p>
<p>Ranking of the securities</p>	<p>Both the capital and the interest are subject to a subordination clause.</p> <p>In nowise does the subordination clause impair any rule of law concerning the accounting principles relating to the allocation of losses, the shareholders obligations or the rights of subscribers to obtain, in accordance with the conditions set forth in the issuance agreement, payment of interest and capital for its securities.</p> <p>In the event that SGMB is liquidated, repayment of capital and interest for the subordinated bonds in the present issue may occur only after the claims of all privileged and/or unsecured creditors have been settled. The subordinated bonds shall have the same ranking in the repayment process as all other subordinated securities as may subsequently be issued by SGMB both in Morocco and abroad, in proportion to their amount, should the situation arise.</p>
<p>Maintaining the ranking of the securities</p>	<p>SGMB undertakes that, until the effective repayment of all the securities in the present issue, it will not establish any priority for any other subordinated security in respect of ranking for repayment in the event of liquidation without applying those same rights to the subordinated bonds in the present issue.</p>
<p>Guarantee of repayment</p>	<p>Subordinated bonds issued by SGMB are not the subject of any guarantee of repayment.</p>
<p>Rating</p>	<p>The present bond issue has not been the subject of any request for rating.</p>
<p>Applicable law and court of jurisdiction</p>	<p>Moroccan law. The competent court shall be Casablanca Commercial Court.</p>
<p>Representative of the bondholders</p>	<p>The Executive Board decides, subject to the approval of the Supervisory Board, to appoint Mr. Mohamed Hdid, Chartered Accountant, domiciled in Casablanca, 4 place Marshal, as a provisional representative of the bondholders of tranche A and tranche B pending the Ordinary General Meeting of the bondholders to designate the representative of such bondholders, provided that the date of entry into force of the designation decision will be the opening date of the subscription period for the bonds of tranche A and Tranche B</p>

I.3. Issue schedule

	Step	Deadline
1	Receipt by the Casablanca Stock Exchange of the complete file for the issue	29/11/2012
2	Issuance by the Casablanca Stock Exchange of the notice of approval of the issue and its schedule	29/11/2012
3	Receipt by the Casablanca Stock Exchange of the Prospectus approved by CDVM	29/11/2012
4	Publication in the official journal of the Casablanca Stock Exchange, (the <i>Bulletin de la Cote</i>), of the notice concerning the introduction of the listed Tranche A bonds	30/11/2012
5	Publication of the excerpts of the prospectus in a newspaper	5/12/2012
6	Opening of the subscription period	10/12/2012
7	Close of the subscription period	12/12/2012
8	Receipt by the Casablanca Stock Exchange of the results of the issue	13/12/2012 before 10: 00
9	<ul style="list-style-type: none">• Listing of the bonds.• Announcement of the results of the issue in the official journal of the Casablanca Stock Exchange (<i>Bulletin de la Cote</i>).• Registration of the transactions in the Stock Exchange.	17/12/2012
10	Publication by SGMB of the results of the issue in a legal advertisements newspaper	18/12/2012
11	Settlement	20/12/2012

I.4. Underwriting syndicate and financial intermediaries

Function	Name	Address
Financial Advisor and Global Coordinator	<i>Société Générale Marocaine de Banques</i>	55 Bvd. Abdelmoumen. Casablanca
Centralizing Body And Head Of Debt Syndicate	<i>Société Générale Marocaine de Banques</i>	55 Bvd. Abdelmoumen. Casablanca
Co-Head Of Debt Syndicate	CDG Capital	Immeuble Mamounia, Place Moulay El Hassan – P.O. Box 408. Rabat
Institution providing the financial services for the issuer	<i>Société Générale Marocaine de Banques</i>	55 Bvd. Abdelmoumen. Casablanca
Body Responsible For The Recording Of The Operation	<i>Sogécapital Bourse</i>	55 Bvd. Abdelmoumen. Casablanca

Part II. Information about the issuer

II.1. Activity

The company purpose of SGMB is to carry out banking operations, both on its own behalf and on behalf of or with third parties, both in Morocco and abroad, in all financial, commercial, securities or real estate transactions that could be of interest to the Bank or directly or indirectly linked to its activity.

II.2. General information

Company name	Société Générale Marocaine de Banques
Registered office	55 Bvd. Abdelmoumen. 20100 Casablanca
Telephone	+212 522 43 88 88
Fax	+212 522 29 88 09
Website	www.sgmaroc.com
Legal form	Limited Company (<i>Société Anonyme</i>) under private Moroccan law with an Executive Board and a Supervisory Board, governed by Law 17-95 of 30 August 1996 on limited companies as amended and supplemented by <i>Dahir</i> 1-08-18 of 23 May 2008 enacting Law 20-05..
Date established	21 June 1962
Term	99 years
Company registration no.	28987 – Casablanca
Fiscal year	1 January to 31 December
Corporate purpose (excerpt from article 3 of the articles of association)	<p>“The purpose of the company is to carry out banking operations, both on its own behalf and on behalf of or with third parties, both in Morocco and abroad, in all financial, commercial, securities or real estate transactions that could be of interest to the Bank or directly or indirectly linked to its activity, including those on the following list, which is not intended to be exhaustive:</p> <ol style="list-style-type: none">1. To receive from the public deposits of funds, into accounts or otherwise, whether interest-bearing or not, payable on sight, on prior notice or as term deposits;2. To offer any physical or legal person discount loans and, consequently, to discount any negotiable instrument, bill of exchange, promissory note, cheque, warrant, note, instrument or security issued by the Treasury or by public or semi-public authorities and to make any and all kinds of commitment arising from industrial, agricultural, commercial or financial transactions or from transactions carried out by any public or semi-public authority, provide and accept any mandate, bill of exchange, promissory note, cheque, etc.;

3. To make advances or loans in any and all of their forms with a view to financing transactions in the spheres of agriculture, commerce and industry, including making advances, encashable through discounting, for securities issued by agricultural, commercial and financial enterprises, whether Moroccan or foreign;
4. To accept or to make any payment or collection of bills of exchange, promissory notes, cheques, warrants, interest or dividend coupons, to serve as intermediary in the purchase or sale of any type of public fund, share, bond, participation certificate, etc.;
5. To accept or confer, on the occasion of the making of loans or borrowings, any mortgage arrangement or any other guarantee; to sign any underwriting agreement, security or surety; to perform any purchase or sale of real estate or securities, or any real estate leasing or rental agreement;
6. To perform or to participate in the issuance, placement and trading of any security issued by a public or private institution; to tender for borrowings on behalf of such institutions, to acquire or alienate any security, public sector debt security, share, stock, bond or instrument of any kind issued by such institutions; and to receive as deposits any security, stock or asset of any kind;
7. To acquire the necessary funds to carry out its operations, in addition to the capital deposited by its customers, by issuing promissory notes and short-, medium- and long-term bonds, and by rediscounting such advances as may be made to it for that purpose by any and all public and private institutions;
8. To perform any leasing transaction matched with an option to buy, in particular plant and property leasing;
9. To perform any sale transaction with option to repurchase, and any repurchase agreement for any negotiable security or instrument;
10. To perform any factoring transaction;
11. To perform any currency exchange transaction;
12. To perform any transaction in gold, precious metals, coins or commodities;
13. To carry out placement, underwriting, purchasing, management, safe custody and sales of negotiable securities and any financial product;
14. To provide advice and assistance in portfolio and wealth management;
15. To provide advice and assistance in financial management, financial engineering, information processing and, generally, any service intended to facilitate the creation and development of businesses,

the foregoing subject of the legal provisions concerning the exercise of certain professions;

16. To act directly or indirectly, on its own behalf or on behalf of third parties, in association with or as a stakeholder with any other physical or legal person, and carry out, directly or indirectly, in Morocco or abroad, in any form whatsoever, operations that fall within its company purpose;
17. To establish in Morocco or abroad any branch or subsidiary or any other institution of whatever form; to take, in any of their forms, any interest or holding in any company, group or business, whether Moroccan or foreign;
18. Generally, the Company may undertake any commercial, industrial or financial operation that may relate directly or indirectly to its company purpose or is such as to facilitate the achievement thereof.”

Registered capital
(as of 30 June 2012)

MAD 2,050,000,000 comprising 20,500,000 shares at nominal value MAD 100.

Legal documents

All legal documents in relation to *Société Générale Marocaine de Banques* may be consulted at the Bank’s Headquarters, including:

- Articles of Association
- Register of Companies
- Auditors’ reports
- Minutes of shareholders’ general meetings
- Annual reports
- Financial statements.

Applicable legislation and regulations

By reason of its legal form, *Société Générale Marocaine de Banques* is governed by Moroccan law and Law 17-95 of 30 August 1996 on joint stock companies as amended and supplemented by *Dahir* 1-08-18 of 23 May 2008 enacting Law 20-05.

By reason of its activity, SGMB is governed by:

- *Dahir* 1-05-178 of 15 Moharrem 1427 (14 February 2006) enacting Law 34-03 on the exercise of the activity of credit institutions and assimilated entities.

By reason of its public offering, SGMB is governed by:

- *Dahir* 1-95-03 of 26 January 1995 enacting Law 35-94 on certain negotiable debt securities, amended by *Dahir* 1-08-95 of 20 October 2008 enacting Law 33-06 on the securitization of debt;
- *Dahir* 1-93-212 of 21 September 1993 on the *Conseil Déontologique des Valeurs Mobilières* and the information required from legal persons making public offerings, amended and supplemented by Law 23-01, Law 36-05 and Law 44-06;

- The General Regulations of CDVM approved by Order of the Minister of the Economy and Finance no. 822-08 of 7 Rabii II 1429 (14 April 2008);
- *Dahir* on Law 1-93-211 of 21 September 1993 on the Casablanca Stock Exchange as amended and supplemented by Laws 34-96, 29-00 and 52-01, and 45-06 and 43 09;
- The General Regulations of the Stock Exchange approved by Order of the Minister of the Economy and Finance no. 499-98 of 27 July 1998 and amended by Order of the Minister of the Economy, Finance, Privatization and Tourism no.1960-01 of 30 October 2001. The latter order was modified by the amendment of June 2004 that entered into force in November 2004, and by Order 1268-08 of 7 July 2008;
- *Dahir* on Law 1-96-246 of 9 January 1997 enacting Law 35-96 on the creation of a central depository and the establishment of a general accounting system for certain securities, as amended by Law 43-02;
- The General Regulations of the Central Depository, approved by Order of the Minister of the Economy, Finance, Privatization and Tourism no. 1961-01 of 30 October 2001 and by Order no. 77-05 of 17 March 2005;
- Bank Al-Maghrib Circular 2/G/96 of 30 January 1996 on Certificates of Deposit;
- Amending document to Circular 2/G/96 of 30 January 1996 on Certificates of Deposit.

Tax regime

The Bank is governed by the common law commercial and fiscal legislation. It is therefore liable to Corporation Tax at the rate of 37%. The rate of VAT applicable to banking operations is 10%.

Competent court in the event of dispute

Casablanca Commercial Court.

II.3. Shareholding structure

The table below shows the Bank's shareholding structure over the past five years.

Shareholder	2008		2009		2010		2011		30/06/2012	
	No. of shares	% of capital	No. of shares	% of capital	No. of shares	% of capital	No. of shares	% of capital	No. of shares	% of capital
Société Générale France	11 667 202	56.91%	11 667 202	56.91%	11 667 202	56.91%	11 667 202	56.91%	11 667 202	56.91%
DEVECO SOUSS Group	5 644 794	27.54%	5 644 794	27.54%	5 644 794	27.54%	5 644 794	27.54%	5 644 794	27.54%
Other shareholders	3 188 004	15.55%	3 188 004	15.55%	3 188 004	15.55%	3 188 004	15.55%	3 188 004	15.55%
TOTAL	20 500 000	100%	20 500 000	100%	20 500 000	100%	20 500 000	100%	20 500 000	100%

Source: Société Générale Marocaine de Banques

II.4. Legal organization

Société Générale Marocaine de Banques is a Limited Company (*Société Anonyme*) with an Executive Board and a Supervisory Board.

II.4.a. Executive Board

As of 22 November 2012, the membership of the Executive Board of *Société Générale Marocaine de Banques* was as follows.

Forename and family name	Function	First appointed	End of term of office
Khalid CHAMI	Chairman	November 2012	March 2015
Dominique POIGNON	Directeur-General	November 2012	March 2015
Nezha HAYAT	Board member	October 2007	March 2015

Source: *Société Générale Marocaine de Banques*

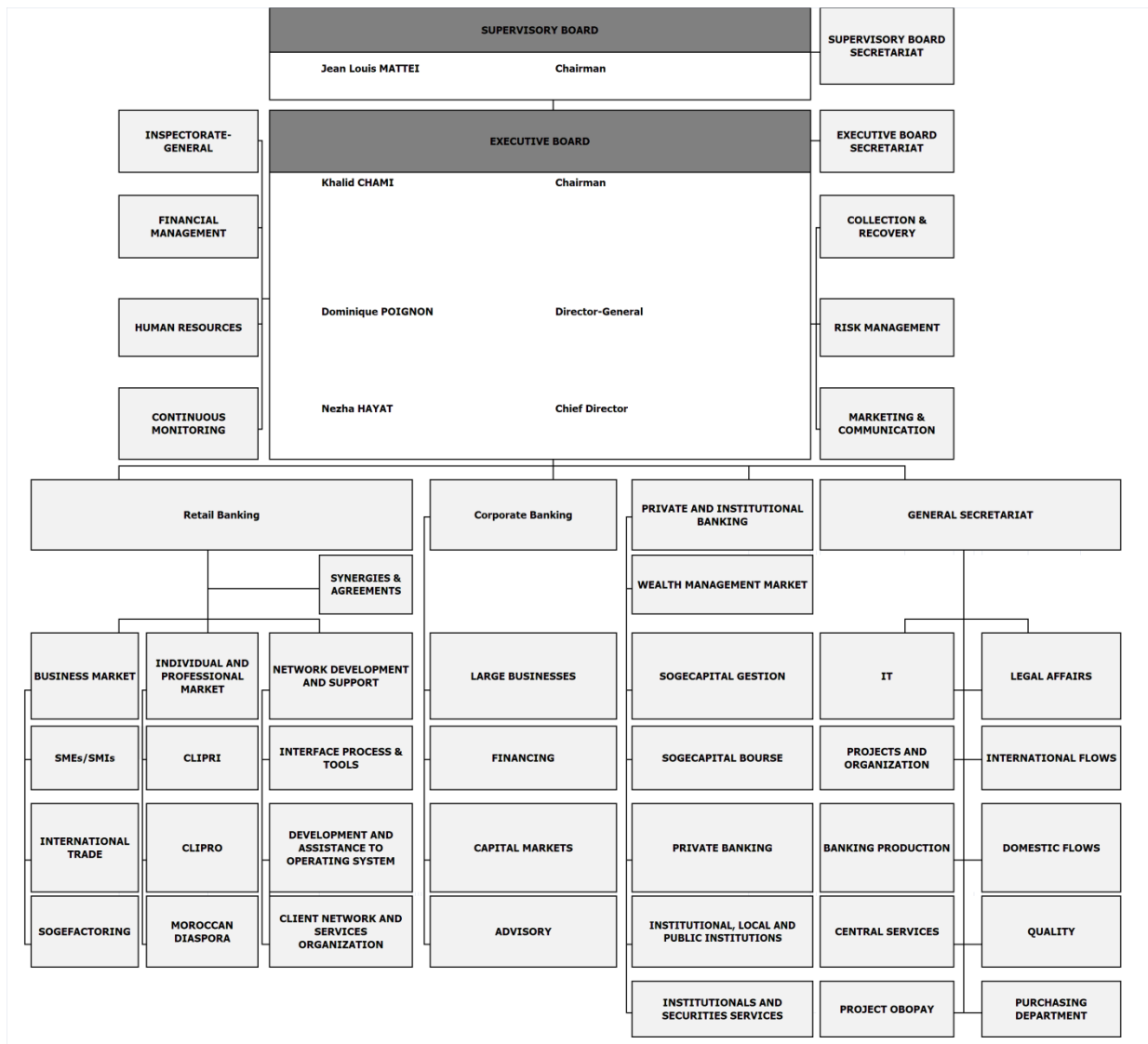
II.4.b. Supervisory Board

As of 22 November 2012, the composition of the Supervisory Board was as follows.

Status	Forenames & family name	Date of OGM ratifying term	Date of OGM renewing term	End of current term	No. of shares held
Chairman	Jean Louis MATTEI	OGM approving 2012 accounts	30 June 2009	OGM approving 2014 accounts	2
Honorary Chairmen	Jean-Paul DELACOUR	-	-	-	2
	Abdelaziz TAZI	-	-	-	10,003
Members	Marc VIENOT		30 June 2009	OGM approving 2014 accounts	2
	Layla M'ZALI	08 June 2010	-	OGM approving 2015 accounts	2
	Didier ALIX		30 June 2009	OGM approving 2014 accounts	2
	Mohamed Ben Thami TAZI		30 June 2009	OGM approving 2014 accounts	3
	Abdellatif HAKAM		30 June 2009	OGM approving 2014 accounts	56
	Jean François SAMMARECELLI	25 June 2008		OGM approving 2013 accounts	2
	Jean-Louis MATTEI		30 June 2009	OGM approving 2014 accounts	2
	Bernardo SANCHEZ INCERA	08 June 2010	-	OGM approving 2016 accounts	2
	Abdeljalil CHRAIBI		30 June 2009	OGM approving 2014 accounts	3
	Caroline GUILLAUMIN	03 May 2012	-	OGM approving 2017 accounts	2
Jean-Luc PARER ^(*)	15 June 2012	-	OGM approving 2018 accounts	2	
Secretary to the Board	Fatima Zahra KHLIFATE				

(*) Co-opted at the meeting of the Supervisory Board on 15 June 2012.

II.4.c. Operational structure



Part III. Financial data

III.1. IFRS consolidated balance sheet – annual accounts

Monetary amounts in million MAD	31/12/09	31/12/10	Change 09/10	31/12/11	Change 10/11
Assets	70 513	74 032	5%	80 208	8%
Cash, Central Banks, Treasury, Post Office Check Service	3 025	1 953	-35%	5 325	173%
Financial assets at fair value through profit or loss	16	16	0%	31	91%
Hedging derivatives					
Financial assets available for sale	3 661	3 442	-6%	3 971	15%
Loans and receivables to banks and assimilated credit institutions	7 563	6 091	-19%	3 527	-42%
Loans and receivables to customers	52 705	58 790	12%	63 329	8%
Fair value revaluations of portfolios hedged against interest rate risks					
Held-to-maturity investments					
Current tax assets	549	536	-2%	725	35%
Deferred tax assets	374	471	26%	563	20%
Accrued and other assets	459	517	13%	487	-6%
Non-current assets held for sale					
Holdings in companies accounted for using the equity method	327	350	7%	374	7%
Investment property					
Tangible fixed assets	1577	1 592	1%	1 593	0%
Intangible fixed assets	195	211	8%	223	6%
Goodwill	61	61	0%	61	0%
Liabilities	70 513	74 032	5%	80 208	8%
Cash, Central Banks, Treasury, Post Office Check Service					
Financial liabilities at fair value through profit or loss		24		59	149%
Hedging derivatives					
Due to banks and assimilated credit institutions	4 980	2 568	-48%	4 948	93%
Due to customers	46 201	49 615	7%	50 800	2%
Debt securities issued	8 117	9 594	18%	11 246	17%
Fair value revaluations of portfolios hedged against interest rate risks					
Current tax liabilities	706	957	36%	1 131	18%
Deferred tax liabilities	381	414	9%	472	14%
Accrued and other liabilities	1 224	1 022	-17%	1 191	17%
Liabilities associated with non-current assets held for sale					
Technical allowances for insurance contract					
Allowances	276	249	-10%	192	-23%
Subsidies and similar funds					
Subordinated liabilities and special guarantee funds	2 079	2 078	0%	2 077	0%
Shareholders' equity	6 549	7 512	15%	8 092	8%
Shareholder's equity (parent company)	6 290	7 169	14%	7 954	11%
<i>Capital and associated reserves</i>	<i>4 793</i>	<i>5 375</i>	<i>12%</i>	<i>6 082</i>	<i>13%</i>
<i>Consolidated reserves</i>	<i>642</i>	<i>636</i>	<i>-1%</i>	<i>661</i>	<i>4%</i>
<i>Unrealized or deferred gains and losses</i>	<i>110</i>	<i>90</i>	<i>-18%</i>	<i>89</i>	<i>-1%</i>
<i>Profit or loss for fiscal year</i>	<i>746</i>	<i>1 068</i>	<i>43%</i>	<i>1 121</i>	<i>5%</i>
Minority interests	259	343	32%	138	-60%

Source: Société Générale Marocaine de Banques

III.2. IFRS management accounts report – annual accounts

Monetary amounts in million MAD	31.12.09	31.12.10	Var 09/10	31.12.11	Var 10/11
+ Interest and similar revenues	3 787	4 101	8%	4 448	8%
- Interest payable and similar expenses	1 318	1 402	6%	1 454	4%
INTEREST MARGIN	2 468	2 699	9%	2 994	11%
+ Fees and commission (revenues)	733	813	11%	996	23%
- Fees and commission (Expenses)	31	35	13%	199	469%
MARGIN ON FEES AND COMMISSION	702	777	11%	797	3%
+/- Net Gains or Losses on financial instruments at fair value through profit or loss	24	32	33%	41	28%
+/- Net Gains or Losses on available for sale financial assets	22	167	659%	37	-78%
+ Revenues from other activities	7	7	0%	11	57%
- Expenses from other activities	6	6	0%	10	67%
NET BANKING INCOME	3 217	3 613	12%	3 789	5%
<i>NBI for SGMB</i>	3 509	3 147	-10%	3 509	12%
<i>NBI for SGMB in % of consolidated NBI</i>					
General operating expenses	1 282	1 343	5%	1 404	4%
- Amortization and depreciation on tangible and intangible assets	127	136	7%	133	-2%
GROSS OPERATING INCOME	1 807	2 134	18%	2 252	6%
- Cost of risk	669	459	-31%	490	7%
OPERATING INCOME	1 138	1 675	47%	1 762	5%
+/- Share in net income from companies accounted for using the equity method	34	58	71%	59	2%
+/- Net gains or losses from other activities	-			2	
+/- Changes in value of goodwill	-			0	
PRE-TAX PROFIT	1 172	1 733	48%	1 823	5%
- Corporate income tax	390	617	58%	689	12%
+/- Net profit after tax from discontinued activities or activities being divested	-			0	
NET INCOME	782	1 116	43%	1 135	2%
Minority interests	36	49	36%	14	-71%
GROUP NET INCOME	746	1 068	43%	1 121	5%

Source: Société Générale Marocaine de Banques

III.3. IFRS consolidated balance sheet – semi annual

Monetary amounts in million MAD	30/06/2012	31/12/2011	Change 12/11
Assets	79 314	80 208	-1%
Cash, Central Banks, Treasury, Post Office Check Service	2 862	5 325	-46%
Financial assets at fair value through profit or loss	32	31	3%
Hedging derivatives	-	-	
Available for sale financial assets	4 180	3 971	5%
Loans and receivables to banks and assimilated credit institutions	4 210	3 527	19%
Loans and receivables to customers	64 266	63 329	1%
Fair value revaluations of portfolios hedged against interest rate risks	-	-	
Held-to-maturity investments	-	-	
Current tax assets	440	725	-39%
Deferred tax assets	674	563	20%
Accrued and other assets	368	487	-24%
Non-current assets held for sale	-	-	
Holdings in companies accounted for using the equity method	369	374	-1%
Investment property	-	-	
Tangible fixed assets	1 605	1 593	1%
Intangible fixed assets	248	223	11%
Goodwill	61	61	0%
Liabilities	79 314	80 208	-1%
Cash, Central Banks, Treasury, Post Office Check Service	-	-	
Financial liabilities at fair value through profit or loss	31	59	-47%
Hedging derivatives	4 221	4 948	-15%
Due to banks and assimilated credit institutions	50 623	50 800	0%
Due to customers	11 194	11 246	0%
Debt securities issued	678	1 131	-40%
Fair value revaluations of portfolios hedged against interest rate risks	468	472	-1%
Current tax liabilities	1 539	1 189	29%
Deferred tax liabilities	-	-	
Accrued and other liabilities	180	192	-6%
Liabilities associated with non-current assets held for sale	2 030	2 077	-2%
Shareholders' equity	8 349	8 092	3%
Shareholder's equity (parent company)	8 218	7 964	3%
<i>Capital and associated reserves</i>	6 760	6 082	11%
<i>Consolidated reserves</i>	834	661	26%
<i>Unrealized or deferred gains and losses</i>	78	89	-12%
<i>Profit or loss for fiscal year</i>	535	1 121	-52%
Minority interests	141	138	2%

Source: Société Générale Marocaine de Banques

III.4. IFRS management accounts report – semi annual

Monetary amounts in million MAD	June 2012	Change 2011	Change June 2012 / June 2011
+ Interest and similar revenues	2 338	2 183	7%
- Interest payable and similar expenses	723	717	1%
INTEREST MARGIN	1 615	1 466	10%
+ Fees and commission (Revenues)	483	421	15%
- Fees and commission (Expenses)	106	26	308%
MARGIN ON FEES AND COMMISSION	376	395	-5%
+/- Net Gains or Losses on financial instruments at fair value through profit or loss	30	-52	157%
+/- Net Gains or Losses on available for sale financial assets	26	9	187%
+ Revenues from other activities	7	6	15%
- Expenses from other activities	6	5	14%
NET BANKING INCOME	2 049	1 819	13%
General operating expenses	732	693	6%
- Amortization and depreciation on tangible and intangible assets	67	68	-1%
GROSS OPERATING INCOME	1 250	1 059	18%
- Cost of risk	-454	-210	116%
OPERATING INCOME	797	849	-6%
+/- Share in net income from companies accounted for using the equity method	32	31	2%
+/- Net gains or losses from other activities	-	2	-100%
+/- Changes in value of goodwill	-	-	
PRE-TAX PROFIT	828	882	-6%
- Corporate income tax	285	312	-9%
NET INCOME	543	569	-5%
Minority interests	8	18	-57%
GROUP NET INCOME	535	551	-3%

Source: Société Générale Marocaine de Banques

Part IV. Risk

The approach taken by *Société Générale Marocaine de Banques* in the area of risk management follows the regulatory framework in force, and within that framework SGMB follows internationally defined best practices, which to a great extent determine the Group's internal procedures in the areas of Risk and Internal Control.

The Group has defined a risk management policy that is in compliance with the recommendations of the Basel II Committee and forms part of the Société Générale Group's overall policy.

This overall policy aims to manage and overcome all the risks inherent to banking, such as Counterparty Risk, Market Risk, Structural Risk, Operational Risk and Compliance Risk, and Internal Control procedures underlying the effective exercise of risk management.

The Supervisory Board, as an administrative body, set up two committees charged with providing assistance in the area of Risk and Internal Control:

- The Risk Committee, which looks at counterparty risk, market risk and structural risk; and
- The Audit Committee, which, apart from signing off on the Group's accounts, is responsible for managing operational risk, and also Internal Control.

IV.1. Credit risk

IV.1.a. Credit risk hierarchy within SGMB

The "risk department" comes under the Risk Management Office and the Collection & Recovery Office, independent of the various Centres and business lines, and reports directly to the Executive Board. The Risk Management Office covers all aspect of granting loans and monitoring commitments.

The Collection & Recovery Office is responsible for recovery both before the litigation stage and through litigation.

Loans are granted depending on the authorization limits of the various people involved. So, for example, there is a distinction drawn between various authorization levels depending on the amounts involved, the kinds of loan and the customers' credit ratings:

- Regional Offices
- Risk Management Office
- Commitments Committee and subcommittees
- Loan Commission.

IV.1.b. Role of the Risk Management Office

The Risk Management Office is autonomous in relation to the operational units. It is responsible for ensuring compliance with the terms for granting and then monitors the proper conduct of operations of credit.

The standing instructions of the Risk Management Office are as follows:

- To assess the lending risks (customer, counterpart and transactional) involved in lending operations.
- To monitor the decisions taken for consistency.
- To recommend any changes in structure and any additional protections that are desirable so that there are no violations of the Group's Risk Policy.
- To deliver its opinion on how acceptable those risks are by drafting a credit report in due form explicitly setting forth the reasons why.

IV.1.c. Risk monitoring

The Risk Management Office must also ensure that risks are monitored in such a way:

- That any irregularities (non-renewal of authorizations, making of unauthorized commitments, authorizations exceeded, required collateral not provided, and so on) are detected as early as possible and those in charge of the Risk Management Office and the various other entities involved are informed.
- That financial commitments which should be classified as sensitive are picked up with a view to ensuring that a close eye is kept on them.
- That commitments in default are sniffed out with a view to reclassifying them as bad debts for Collection & Recovery to make proper provision for them in accordance with the regulatory criteria.
- That the risks taken by the agencies and the Area Management Offices are audited in the context of the limits that are delegated to them.

The Risk Management Office also has the job of checking whether the Risk Network set up in the Area Management Offices is as effective as it should be and that the instructions in force on granting loans and monitoring risk are being complied with.

IV.1.d. Role of the Collection & Recovery Office

The Collection & Recovery Office is responsible for managing the collection and recovery of impaired loans:

- It is responsible for the policy and organization of collection and recovery.
- It processes all types of dossiers (both commercial and private customers).
- It manages what provisions are made in liaison with the Risk Management Office.
- It performs all the associated administrative work (reporting, lending committees, relations with the authorities and court officials involved).

IV.1.e. Credit rating

When decisions are made on whether to grant loans, the Bank's customers undergo credit rating, as defined in accordance with *Société Générale* standards and periodically updated. The purpose of this is as follows:

- To help decision-making.
- To allow monitoring the quality of the counterparty risk.
- Determine the extent of delegations for the granting of bank loans.
- To assess the quality of the risk of a given portfolio.

IV.2. Market risk

Market risk is defined as the risk of loss or devaluation of the positions held on the Bank's own account in instruments traded in a market. Frequent price formation on the markets make it easy to find an actual or potential loss.

IV.2.a. Foreign Exchange risk

This risk corresponds to the risk that a position or financial instrument will alter in value because of foreign exchange rates fluctuations in the market.

The Group's entry into the exchange market together with the expansion of the money market have led the Group to set up specific organizational structures meeting international standards.

In accordance with Société Générale Group rules, this risk is measured in terms of Conditional Value at Risk (CVaR), which best meets the requirements of Basel II. Foreign Exchange risk can be seen as a counterparty risk that falls on the customers.

In order to control this risk, limits are set. There are two types: nominal value limits, and "stress test" limits.

IV.2.b. Limit management

The limits set to control exchange rate risks are derived from Bank Al-Maghrib instructions governing the holding of currency positions and complying with “stop loss” levels set at 3% of the value of currencies.

In addition to the regulatory limits, internal nominal value and stress test limits are set by the parent company on intraday and overnight positions.

IV.2.c. Settlement risk

Settlement risk is the risk that monies will not be paid while their reception is being awaited. It is measured by the value of the cash flow to be received. It arises in transactions that give rise to simultaneous, reciprocal trades on the date that our payment order becomes irrevocable, and disappears again on the date the funds are reported as having been received (or not).

The risk is attributable to the time interval required for funds to be transferred (between time zones, local working hours and regulatory systems, the internal organization for sending funds, and the internal organization for tallying payments received).

In order to distinguish between the risks from very short-term transactions, for which there needs to be an instant reaction if payment is not received, from the risks involved in longer-term transactions, it appears necessary to draw the distinction depending on how close settlement of the transaction falls in time:

- The risk in immediate delivery is the instantaneous risk from a counterparty.
- The risk in deferred delivery is the risk generated by term transactions. This is a potential risk that will become actual only when the transaction reaches maturity. At that moment, the risk in deferred delivery becomes the risk in immediate delivery.

IV.3. Structural risk

The principal structural risks are:

- Interest rate risks
- Liquidity risks.

For the structural management of interest rate and liquidity risks, the Group adopts a dynamic approach whereby all the data are updated on a quarterly basis. This actually provides an automatic model of jobs and resources.

Monitoring of interest rate and liquidity risks is carried out by the parent company through a quarterly “Structural Risks” report.

The establishment of this report is the responsibility of the Finance Department. It is analysed on a regular basis by the Finance Committee, which has been in operation at the Bank since 2004 and whose role is to identify and implement the Bank’s short-, medium- and long-term strategy in the area of the overall management of the assets and liabilities generated by its commercial activities.

A set of objectives has been set for this body:

- Optimizing the risk/return ratio in relation to market movements and the Bank’s customer strategy.
- Reducing the cost of collection of resources.
- Plan and counteract gaps in liquidity and interest rate.
- Improving the management of the Bank’s investment portfolio.
- Controlling liquidity and solvency ratios.
- Developing the Asset-Liability Management (ALM) approach.

Bank Al-Maghrib keeps a very close eye on interest rates and liquidity risks. Since 2007, another structural risk report has been produced on a quarterly basis for Bank Al-Maghrib using a specific template (time bank, planning accounts, etc.).

IV.3.a. Global interest rate risk

Global interest rate risk corresponds to the risk of changes in the value of the Bank's overall positions (net assets-liabilities by nature of interest rates), or the risk of changes in future cash flows from a set of financial instruments because of changes in interest rates in the market.

IV.3.b. Liquidity risk

IV.3.b.1. Monitoring methods and procedures

Management of immediate (short-term) cash is the province of the Bank's trading floor. The Bank's Treasurer sets up a daily dashboard that is used to calculate the daily cash gap in relation to the Reserve Bank, the Bank Al-Maghrib (balance in the Bank Al-Maghrib account), the cash flows in and out from the bank's branches, and the daily loans/borrowings made on the Money Market.

The management of structural liquidity is ensured by the Finance Department. It is articulated around the following:

- Calculating the liquidity gaps on each maturity;
- Presenting the ALM dashboard to the Financial Committee, liquidity gap and the projected cash flows for measuring the Bank's exposure to liquidity risk;
- Establishing a reporting "Structural Liquidity Risk" for the parent company;
- Preparing a weekly report for the weekly Treasury Committee with liquidity forecasts out to 1, 2, 3, 6 and 9 months.

The weekly Treasury Committee, chaired by the Executive Board, takes the short-term liquidity management decisions (to raise liquidity, lending/borrowing on the Money Market, and so on). It is led jointly by the Finance Office and the Trading Floor.

IV.3.b.2. Limits on liquidity risk and review of liquidity risk limits

The Bank sets itself a limit in terms of cash (maximum amount that can be borrowed on the money market to finance its daily cash gap), and in terms of liquidity gap.

The limits are set by the Finance Committee and approved by the Risk Committee.

IV.4. Operational risk

Operational risk is defined as the risk of loss arising as a result of the inadequacy or failure of procedures, persons or internal systems, or as a result of external events (disasters, fires, attacks, ...).

The operational risk function aims to measure and monitor proven and potential operational risks and to implement corrective measures to limit their extent.

To help improve operational risk management and meet the prudential requirements that have been strengthened in the context of the Basel Accords (the Basel II system), the Group has set up an Operational Risk and Compliance Constant Monitoring Unit that reports to the Executive Board directly.

IV.5. Regulatory risk

Société Générale Marocaine de Banques, like other Moroccan financial institutions, does face the possibility of a tightening of the prudential rules laid down by Bank Al-Maghrib.

IV.6. Risk of early repayment

SGMB shall refrain, during the whole Term of the loan, from the early amortization of the subordinated bonds that are the subject of the present issue, and shall refrain from making early repayment thereof before a period of five (5) years has elapsed from the date of issue, except in the event of a Regulatory Change.

SGMB nevertheless reserves the right, with the prior approval of Bank Al-Maghrib, to buy back the subordinated bonds on the secondary market, provided that the legal and regulatory provisions so allow, such repurchases being without consequence for bondholders wishing to keep their securities until normal maturity, and without impact on the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.

Warning

The information above is only a part of the information given in the prospectus approved by the *Conseil Déontologique des Valeurs Mobilières (CDVM)* under reference number *VI/EM/043/2012* on the 29th November 2012. CDVM recommends that the prospectus made available to the public in French be read in its entirety.