

## EXCERPT FROM THE PROSPECTUS



### CIH Bank S.A

## CAPITAL INCREASE BY CONTRIBUTION IN CASH RESERVED FOR THE STAFF MEMBERS OF CIH BANK AND ITS RELEVANT SUBSIDIARIES

### WITH CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS

Authorised by the Extraordinary General Meeting of September 8, 2022 and approved by the Board of Directors on September 13, 2022

The AMMC has approved the prospectus, which consists of the following documents :

- This Offering document ;
- CIH Bank's reference document for the financial year 2021 and the first half of 2022 registered by the AMMC on October 26, 2022 under the reference EN/EM/031/2022

Number of shares to be issued : 1 612 903 shares

Nominal value of the security : 100 MAD

Unit issue premium : MAD 148

Subscription price : MAD 248

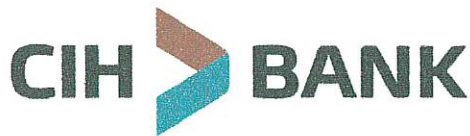
Nominal amount of the offer: MAD 161 290 300

Issue premium: MAD 238 709 644

Amount of the offer : MAD 399 999 944

Subscription period: from December 07 to December 13, 2022 inclusive

Financial Advisor & Coordinator



Registering body



### Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of Act n° 44-12 on public offerings and information required from legal persons and organisations making public offerings, the prospectus has been approved by the AMMC on November 15, 2022 under the reference VI/EM/037/2002. This Offering Document is only part of the prospectus approved by the AMMC, and which is composed of the following documents :

- This Offering document ;
- CIH Bank's reference document for the financial year 2021 and the first half of 2022 registered by the AMMC on October 26, 2022 under the reference EN/EM/031/2022.

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## Disclaimer

The prospectus approved by the Moroccan Capital Market Authority (AMMC) is composed of :

- This Offering document ;
- CIH Bank's reference document for the financial year 2021 and the first half of 2022 registered by the AMMC on October 26, 2022 under the reference EN/EM/031/2022.

Potential investors should acquaint themselves with the information contained in all of the aforementioned documents before making a decision to take part in the Transaction described in this Offering Document.

The approval of the Moroccan Capital Market Authority (AMMC) does not imply approval of the opportunity of the Transaction or authentication of the information presented. It has been granted after examining the relevance and consistency of the information given in view of the transaction proposed to investors.

The attention of potential investors is drawn to the fact that investing in financial instruments involves risks.

The AMMC does not comment on the opportunity offered by the proposed Transaction or on the quality of the issuer's situation. The approval of the AMMC does not constitute a guarantee against the risks associated with the issuer or the securities proposed in the context of the Transaction covered by this prospectus.

Thus, investors must ensure, prior to subscription, that they have a good understanding of the nature and characteristics of the securities offered, and that they are able to control their exposure to the associated risks. To this end, investors are required to :

- Carefully read all the documents and information provided to them, and in particular those listed in the "Risk Factors" section below;
- Seek professional advice, if necessary, with regard to investing in financial instruments.

The above-mentioned prospectus is not intended for persons whose place of residence laws do not allow them to participate in the proposed transaction. Persons in whose possession the aforementioned prospectus may be found are invited to inquire about and comply with the regulations governing their involvement in this type of transaction.

Order-collectors shall only offer the financial instruments referred to in the aforementioned prospectus in compliance with the laws and regulations in force in any country where they makes such an offer.

The Moroccan Capital Market Authority ( AMMC) shall not be liable for any failure by any order-collecting institution to comply with such laws or regulations.

## PART I. STRUCTURE OF THE OFFER

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## I. Structure of the offer

This transaction involves the issue of 1,612,903 new CIH Bank shares, taking into account the MAD 200 million capital increase by contribution in kind reserved for shareholders and holders of preferential subscription rights, i.e. 5.27% of the share capital after the two capital increase operations.

The Capital Increase is structured according to two formulas which are detailed in the following table and is reserved for staff members fulfilling the following conditions :

- Be an active employee of CIH Bank or its relevant subsidiaries on the day before the opening of the subscription period ;
- Be a permanent employee of CIH Bank or one of its relevant subsidiaries by June 30, 2022.

	Reserved for employees participating in the "Main Formula".
	The shares offered to employees under the "Main Formula" are at a price of MAD 248 per share
<b>Main Formula</b>	Subscription to the "Main Formula" depends on the seniority to be acquired on December 31, 2022, by the employee in a discontinuous manner within the CIH Group, namely : <ul style="list-style-type: none"><li>▪ Seniority strictly less than 2 years : subscription to 250 shares ;</li><li>▪ Seniority between [2 years and 10 years [ : subscription to 350 shares ;</li><li>▪ Seniority between [10 and 25 years [ : subscription to 450 shares ;</li><li>▪ Seniority of 25 years or more : subscription to 550 shares.</li></ul>

	Reserved for employees participating in the "Supplementary Formula".
	The shares offered to employees under the " Supplementary Formula " are at a price of MAD 248 per share.
<b>Supplementary Formula</b>	The maximum subscription to the " Supplementary Formula " corresponds to 3 months of the gross fixed salary (excluding annual bonus) for all categories of the personnel.

It is worth noting that this breakdown applies to all employees of CIH Bank and its subsidiaries and that no direct allocation has been made to one or more companies of the Group.

## II. Offered financial instruments

### II.1. Information on the securities to be issued

<b>Nature of the securities</b>	CIH shares all of the same class.
<b>Legal form of the securities</b>	Bearer shares, fully dematerialised and admitted to Maroclear's transactions.
<b>Amount of the capital increase</b>	MAD399,999,944
<b>Number of shares to be issued</b>	1,612,903 new shares
<b>Nominal value per unit</b>	MAD 100

<b>Unit subscription price</b>	Main formula: MAD 248 per share Supplementary formula: MAD 248 per share
<b>Unit issue premium</b>	Main formula : MAD 148 per share Supplementary formula : MAD 148 per share
<b>Subscription period</b>	From December 07 to December 13, 2022 inclusive
<b>Entitlement date</b>	January 1st, 2022 (entitlement of the new shares to dividends is fully assimilated to the existing shares) The new shares will be entitled to dividends in respect of the financial year 2022, payable in 2023
<b>Paying up the new shares</b>	The new shares will be fully paid up and free of any commitment.
<b>Terms and conditions for paying up the new shares</b>	In cash
<b>Preferential subscription rights</b>	The Extraordinary General Meeting has cancelled the shareholders' preferential subscription right in favour of the employees of CIH Bank and its relevant subsidiaries.
<b>Tradability scheme of the new shares</b>	The shares allocated within the framework of this Capital Increase shall be held by the employees in accordance with the conditions set out herein and in particular the following: <ul style="list-style-type: none"> <li>▪ It is prohibited to sell the shares allocated under the two formulas for a minimum period of 3 years from the listing date of these shares, i.e. until December 20, 2025 inclusive;</li> <li>▪ It is possible to sell 20% of the shares allocated under the two formulas per year starting from the end of the third year, as described below : <ul style="list-style-type: none"> <li>✓ Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 3rd year, i.e. from December 21, 2025 inclusive ;</li> <li>✓ Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 4th year, i.e. from December 21, 2026 inclusive (i.e. a maximum of 40% of the allocated shares, after deduction of the shares sold before this date) ;</li> <li>✓ Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 5th year, i.e. from December 21, 2027 inclusive (i.e. a maximum of 60% of the allocated shares, after deduction of the shares sold before this date);</li> <li>✓ Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 6th year, i.e. from December 21, 2028 inclusive (i.e. a maximum of 80% of the allocated shares, after deduction of the shares sold before this date);</li> <li>✓ Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 7th year, i.e. from December 21, 2029 inclusive (i.e. a maximum of 100% of the allocated shares, after deduction of the shares sold before this date).</li> </ul> </li> </ul>
<b>Tradability of the new shares</b>	The shares, offered under this prospectus, will be unavailable for a period of three years from the date of delivery, with the possibility of selling 20% of the allocated shares per year starting from the end of the third year in a cumulative manner, and an additional 20% starting from the end of the fourth, fifth, sixth and seventh years, after deduction of the shares sold previously. This unavailability rule applies to the two proposed formulas and to the remainder as defined in section XII.4.2. Proposed formulas. In the case of financing the subscription through a loan, the transfer of securities must comply with the conditions set out in section XII.5.1. Use of

loans.

<b>Listing the new shares</b>	The shares issued under this Reserved Capital Increase will be listed on the first line and fully assimilated to the existing shares.
<b>Rights attached to the acquired shares</b>	All shares enjoy the same rights : <ul style="list-style-type: none"><li>▪ Voting rights at General Meetings of Shareholders : subscribers to the Reserved Capital Increase will be entitled to vote at General Meetings of Shareholders ;</li><li>▪ Rights to the distribution of profits : the subscribers to the Reserved Capital Increase shall be entitled to dividends. The decision to distribute such dividends falls within the sovereign competence of the Ordinary General Meeting of shareholders. It is worth highlighting that each employee shall grant a payment delegation to the Company in order to deduct from the amount of the dividends received, all sums necessary to settle the instalments under the loan that would have been granted, if any, by the Company to the employee with a view to acquiring the shares issued under this Reserved Capital Increase;</li><li>▪ Right to the distribution of the liquidation surplus : All shares shall have equal rights in the distribution of the liquidation surplus.</li></ul>

## II.2. Stock exchange listing

The listing characteristics of the new shares are as follows :

<b>Label</b>	CIH
<b>Business sector</b>	Banking
<b>Sub-fund</b>	Main marketA
<b>Trading cycle</b>	Continuous
<b>Ticker</b>	CIH
<b>Listing line</b>	1st line
<b>Body in charge of registering the operation</b>	CDG Capital Bourse (Buyers and sellers)
<b>ISIN code</b>	MA0000011454

## II.3. Elements for assessing the terms of the offer

### II.3.1 Price of the offered securities

In accordance with Article 186 of Act 17-95 on public limited companies, as amended and supplemented, the Extraordinary General Meeting held on 8 September 2022 granted full powers to the Board of Directors to determine the terms and conditions of the share capital increase by means of a contribution in cash.

Pursuant to the powers granted to it by the Extraordinary General Meeting of September 8, 2022, the Board of Directors, meeting on September 13, 2022, set the subscription price of the new shares at MAD 248 per share, including the issue premium.

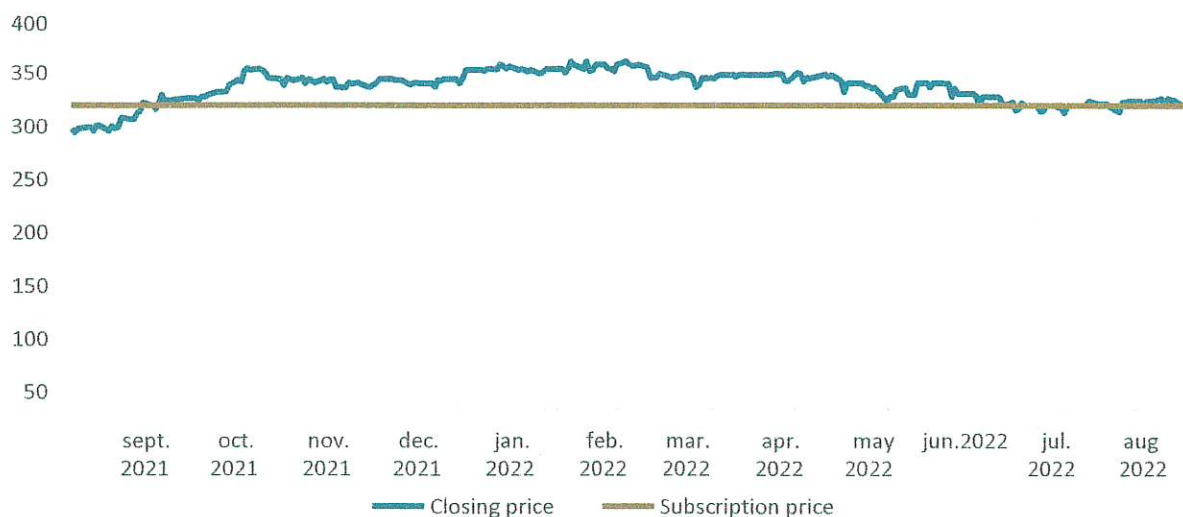
For information, subscription price is at a 20% discount compared to the reference price, i.e. 310 dirhams which represents the weighted average price over a period of 2 months, from July 1st to August 31st 2022.

<b>Reference price</b>	MAD 310
<b>Discount</b>	20%
<b>Offered price</b>	MAD 248



### II.3.2. Elements for assessing the subscription price

Over the last 12 months, the value of the CIH share has performed as follows :



Source : Casablanca Stock Exchange

CIH Bank's stock market valuation multiples, calculated on the basis of a price of 310 dirhams per share and on the basis of the financial data of the consolidated accounts as at December 31, 2021, are as follows :

	2021
Net income, group share (in thousands of Dirhams)	603 036
Shareholders' equity, group share (in thousands of Dirhams)	5 332 448
Number of shares	28 324 735
Net earnings per share	21,29
Shareholders' equity per share	188,26
P/E (Price/Earning) *	14,56
P/B (Price to Book) **	1,65

\*P/E = Reference price / Net earnings per share

\*\*P/B = Reference price / Equity per share

The table below shows the level of discount based on CIH Bank's last stock market closing price on August 31, 2022 and the weighted average closing prices on that date :

	weighted average price (in Dirhams)	Issue price (in Dirhams)	Discount in relation to the issue price
On August 31, 2022	317	248	21,77%
1 month average <sup>1</sup>	314	248	21,02%
3 month average <sup>2(*)</sup>	313	248	20,77%
6 month average <sup>3(*)</sup>	327	248	24,16%

<sup>1</sup>From August 1st to August 31st, 2022

<sup>2</sup>From June 1st to August 31st, 2022

<sup>3</sup>From March 1st to August 31st, 2022

9 month average <sup>4(r)</sup>	333	248	25,53%
12 month average <sup>5(r)</sup>	329	248	24,62%

(\*) the calculation of the WAP does not take into account the days of February 10, 2022 and June 16, 2022, which respectively recorded an exceptional volume of 452,734 and 560,099 shares

Source : Casablanca Stock Exchange

### II.3.3. Evolution of CIH Bank's share price

#### a. Presentation of CIH Bank's share price

The recorded closing prices and transaction volumes of CIH Bank's securities on the central market are as follows :

#### Yearly observation period

	2019	2020	2021	August-2022
Highest price(in Dirhams)	319	325	355	360
Lowest price(in Dirhams)	265	223	250	300
Number of securities traded	818 254	1 643 564	972 449	1 470 710
Transaction volume(in thousands of Dirhams)	236 107 375	452 270 833	279 556 698	490 273 001

Source: Casablanca Stock Exchange

#### Quarterly observation period

	Sept-Nov 21	Dec21-Feb22	Mar22-Mai22	Jun-Aug22
Highest price(in Dirhams)	355	360	355	335
Lowest price(in Dirhams)	280	326	301	300
Number of securities traded	293 665	632 100	163 978	722 417
Transaction volume(in thousands of Dirhams)	94 723 725	220 499 310	55 744 388	230 056 264

Source: Casablanca Stock Exchange

#### Monthly observation period

	Apr-22	Mai-22	Jun-22	Jul-22	Aug-22
Highest price(in Dirhams)	346	344	335	315	318
Lowest price(in Dirhams)	335	301	308	300	303
Number of securities traded	48 257	18 170	642 769	31 462	48 186
Transaction volume(in thousands of Dirhams)	16 598 269	5 885 999	205 339 916	9 603 101	15 113 248

Source: Casablanca Stock Exchange

#### b. Suspension of the security

The CIH Bank share has never been suspended from 2021 to the end of October 2022.

### II.3.4. Risk factors associated with the financial instruments offered

#### a. The risk of losing investment value

Investors - shareholders of CIH Bank shares, like any other shareholders in a company (listed or not), run the risk of losing part (or even all) of their investment. This risk is inherent to their situation as shareholders, if the share price does not perform well.

<sup>4</sup>From December 1st, 2021 to August 31st, 2022  
<sup>5</sup>From September 1st, 2021 to August 31st, 2022



### b. Share price volatility in the stock market

As CIH Bank share are listed on the Casablanca Stock Exchange, its value is determined according to the rules of supply and demand. The share price is largely determined by investors' prospects for future profits of listed companies. Thus, depending on how investors feel about the stock, it can fluctuate significantly depending on various parameters (announcements, earnings releases, prospects, development strategy, etc.). As a result, the share may depreciate or appreciate on the Moroccan stock market.

### c. Liquidity of the stock

Subscribers to CIH Bank's shares may be subject to a liquidity risk in the stock market. Indeed, depending on market conditions and selling price, the liquidity of the share may be temporarily affected. Shareholders wishing to sell off their stake in CIH Bank's equity quickly may, under certain conditions, not be able to do so in optimal conditions.

However, CIH Bank stock shows a fair dynamism of liquidity with a daily average of 6,871 traded shares over the last 6 months. These exchanges ranged between 0 and 560,099 shares per day.

## III. Framework of the offering

The Board of Directors of CIH Bank, held on June 29th 2022, resolved to propose to the Extraordinary General Meeting of September 8th 2022, to decide on an increase of the share capital, with cancellation of the shareholders' preferential subscription right in favour of the employees of CIH Bank and its relevant subsidiaries for a maximum amount of MAD 400,000,000, including the issue premium..

The said Board decided that this capital increase reserved for CIH Bank staff and its relevant subsidiaries will be preceded by a capital increase in cash reserved for CIH Bank shareholders and holders of preferential subscription rights, for a maximum amount of MAD 200,000,000, including the issue premium.

The Extraordinary General Meeting, held on September 08th 2022, ruling under the quorum and majority conditions required, authorizes the Board of Directors to increase the CIH Bank share capital by contribution in cash reserved for the staff members of CIH Bank and its relevant subsidiaries for an amount of MAD 400 million. It also decided to cancel the preferential subscription right (PSR) in favour of CIH Bank staff and its relevant subsidiaries. This authorisation is valid for a period of 3 years as from the date of holding the said general assembly.

In addition, the said Extraordinary General Meeting held on September 8, 2022 gave the Board of Directors and the Chairman and Managing Director full powers, with the possibility of sub-delegation, in order to :

- Carry out these share capital increases on one or more operations, set the terms and conditions, record their completion and amend the Articles of Association accordingly ;
- To set all the financial and practical terms and conditions for each capital increase operation, in particular the issue price of the new shares, to decide on the subscription periods, to determine the conditions of eligibility of the staff members of CIH Bank and its subsidiaries regarding the capital increase reserved for employees, to set the maximum number of shares reserved for each subscriber, to take all measures to ensure the subscription of all the available shares on an irreducible basis and, if necessary, on a reducible basis, to collect the subscriptions, to draw up and sign the declaration of subscription and payment provided for by the law, and to carry out all the required acts, in accordance with the legal and regulatory provisions.

The Board of Directors shall report to the next General Meeting on the use made of the powers granted pursuant to this resolution, by means of a report describing in particular, the final terms and conditions of the operations carried out, in accordance with the legal and regulatory provisions in force.

In accordance with the powers vested in it by the Extraordinary General Meeting of September 8, 2022, the Board of Directors set the subscription and allocation terms on September 13, 2022 as detailed in this Offering document.



In nominal value, the capital increase reserved for the staff of CIH Bank and its relevant subsidiaries will amount to MAD 161,290,300 through the creation of 1,612,903 new shares.

It is worth pointing out that the share capital of CIH Bank will increase from MAD 2,832,473,500 to MAD 3,058,271,100, following the two capital increase operations (the one reserved to CIH Bank shareholders and holders of preferential subscription rights, and the one reserved to the staff of CIH Bank and its relevant subsidiaries), which accounts for a staff ownership of 5.27% in the post-increase capital of CIH Bank.

These subsidiaries are the ones shown in the following list :

- SOFAC Crédit
- SOFAC STRUCTURE FINANCE
- SOFASSUR
- Umnia Bank
- LANA CASH
- CIH Courtage

The staff members who are eligible to subscribe to the Transaction are those who are permanent employees as of June 30, 2022 and active at the end of the subscription period.

#### IV. Objectives of the Operation

CIH Bank has implemented a strategic plan up to 2026, in line with its development dynamics and sustained growth, that creates value for all its stakeholders.

In addition to strengthening the Bank's equity, opening the capital to the employees of CIH Group is in line with the CSR strategy aimed mainly at:

- Promoting employees ownership ;
- Involving the staff in ambitious development projects ;
- Strengthening the sense of belonging of the staff members of CIH Bank and its relevant subsidiaries and rallying them around the Group's strategic projects ;
- Promoting the social image of CIH Bank amongst the staff of CIH Bank and its relevant subsidiaries;
- Rewarding the loyalty of CIH Bank staff members.

The capital increase reserved to the staff members of CIH Bank and its relevant subsidiaries, for a maximum amount of MAD 399,999,944, including the issue premium, will be preceded by a capital increase in cash reserved to CIH Bank shareholders and holders of preferential subscription rights, for a maximum amount of MAD 199,972,630, including the issue premium.

#### V. Intention of CIH Bank's shareholders

As the present capital increase is reserved for the staff of CIH Bank and its relevant subsidiaries, non-employee shareholders are not concerned by the subscription to this Transaction.

#### VI. Intention of CIH Bank's management

Some executives of the Company are considering participating in this capital increase.

#### VII. Investors targeted by the operation

The capital increase, under this prospectus, is reserved to the staff of CIH Bank and its relevant subsidiaries meeting the following eligibility conditions :



- Be an active employee of CIH Bank or one of its relevant subsidiaries, on the day before the opening of the subscription period ;
- To have obtained the status of permanent employee of CIH Bank or one of its subsidiaries before July 1st, 2022, i.e. a potential of 2,560 employees.

## VIII. Impacts of the Operation

### VIII.1. Impact on CIH Bank's equity

If the subscriptions absorb the totality of shares issued under this prospectus, the capital increase in cash will impact CIH Bank's equity as follows :

Impact on equity	Number of shares	Share Capital (in thousands of Dirhams)	Issue premium (in thousands of Dirhams)	Equity (in thousands of Dirhams) <sup>6</sup>
Status before the two capital increase operations	28324735	2832474	1110355	5147104
Impact of the 200 million dirham capital increase operation	645073	64507	135465	199973
<b>Status after the 200 million dirham capital increase</b>	<b>28969808</b>	<b>2896 981</b>	<b>1245820</b>	<b>5347077</b>
Impact of the 400 million dirham capital increase operation	1612903	161290	238710	400000
<b>Status after the 400 million dirham capital increase</b>	<b>30582711</b>	<b>3058271</b>	<b>1484530</b>	<b>5747077</b>

Source: Corporate accounts of CIH Bank

The impact of these two operations on CIH Bank's equity is based on the assumption that the subscriptions will absorb the totality of new shares to be issued

### VIII.2. Actionnariat post-opérations d'augmentation du capital social

The table below shows the CIH Bank shareholding structure before and after the two capital increase operations ; the one under this prospectus, and the one reserved to shareholders and holders of PSR for an amount of MAD 199,972,630 assuming that all existing shareholders of the Company take part in the operation on an irreducible basis.

Shareholders	Status before the two capital increase operations		Status after the 200 million dirham capital increase		Status after the 400 million dirham capital increase	
	Number of shares owned	% of share capital & voting rights	Number of shares owned	% of share capital & voting rights	Number of shares owned	% of share capital & voting rights
Massira Capital Management	17530 419	61,89%	17929 653	61,89%	17929 653	58,63%
CDGEP	1 702511	6,01%	1 741275	6,01%	1 741275	5,69%
RCAR	1 077250	3,80%	1 101780	3,80%	1 101780	3,60%
HOLMARCOM Group	33 373	0,12%	34 132	0,12%	34 132	0,11%
ATLANTASANAD	3 390664	11,97%	3 467884	11,97%	3 467884	11,34%
Floating on the stock market	4 590518	16,21%	4 695084	16,21%	4 695084	15,35%
CIH Staff	0	0,00%		0,00%	1 612903	5,27%
<b>Total</b>	<b>28324 735</b>	<b>100,00%</b>	<b>28969 808</b>	<b>100,00%</b>	<b>30582 711</b>	<b>100,00%</b>

Source: CIH Bank

The impact of the two operations on CIH Bank's shareholder structure is based on the assumption that the subscriptions would absorb the totality of new shares to be issued.



### VIII.3. Impact of the operation on governance

This operation has no impact on the governance of CIH Bank.

### VIII.4 Impact of the operation on debt

This operation has no impact on CIH Bank's debt.

### VIII.5 Impact of the operation on CIH Bank's strategic orientations and prospects

As the operation, subject of this prospectus, is reserved to the staff of CIH Bank and its relevant subsidiaries, it has no impact on the strategic orientations adopted by the main shareholders of CIH Bank.

## IX. Overall amount of the Operation

CIH Bank will undertake a capital increase reserved to the staff of CIH Bank and its relevant subsidiaries.

This Operation will generate a nominal amount of MAD 161,290,300 by issuing 1,612,903 new shares with a nominal value of MAD 100 each, to be issued at a subscription price of MAD 248 per share (including issue premium).

The overall contribution in cash will amount to MAD 399,999,944, corresponding to the nominal value of the share capital increase, i.e. MAD 161,290,300, and to the overall issue premium, i.e. MAD 238,709,644.

## X. Financial advisors and intermediaries

Type of financial intermediaries	Name	Address
<b>Financial advisors and coordinators</b>	CIHBank	187, Avenue Hassan II, Casablanca
<b>Centralising Body</b>	CIHBank	187, Avenue Hassan II, Casablanca
<b>Body in charge of registering the operation at the Casablanca Stock Exchange (buyers and sellers)</b>	CDG Capital Bourse (*)	9, Boulevard Kennedy, Anfa, Casablanca

(\*) CIH Bank and CDG Capital Bourse are part of CDG Group

## XI. Stages of the operation

Sequence	Stages	
1	Issuance of the approval notice of Casablanca Stock Exchange on the prospectus approved by the AMMC	11/15/22
2	Receipt of the prospectus approved by the AMMC by Casablanca Stock Exchange	11/15/22
3	Publication of the excerpt of the prospectus on the website of CIH Bank	11/15/22
4	Publication of the operation notice by the Casablanca Stock Exchange	11/16/22
5	Publication of the press release relating to the Operation by CIH Bank in a legal gazette	11/17/22
6	Opening of the subscription period	12/07/2022
7	Closing of the subscription period	12/13/2022
8	Allocation of subscriptions by CIH Bank	12/15/2022



9	Meeting of the body in charge of ratifying the Reserved Capital Increase	12/16/2022
10	Receipt by the Casablanca Stock Exchange of the minutes of the body having ratified the capital increase in cash. Submission of the overall results of the operation to the Casablanca Stock Exchange	12/19/2022
11	Delivery of the new securities Admission of the new shares Registration of the Operation in the stock exchange Publication of the Operation results by the Casablanca Stock Exchange Publication of the results of the Operation by CIH Bank in a legal gazette	12/20/22

## XII. Terms and conditions of the capital increase reserved for employees

### XII.1. Terms and conditions of subscription

In order to acquire CIH Bank shares, each beneficiary staff member shall submit a duly signed subscription order during the subscription period.

Head office employees shall submit their signed subscription forms online via "Espace RH" platform. The hard copy shall be handed in to the Human Capital Unit at the head office.

Employees of the CIH BANK network shall submit their signed subscription forms online via "Espace RH" platform. The hard copy must be sent to the Human Capital Unit at the Head Office, Avenue Hassan II 187, Casablanca 20000.

Employees of the relevant subsidiaries shall send the subscription forms to their respective Human Resources Departments.

The subscription form shall be signed by the employee and accompanied with the following elements :

- Financing and pledging deed (for employees wishing to finance the acquisition of shares with a loan) ;
- Cash freezing certificate (the amount covering the subscription will remain frozen until the date of Settlement-Delivery) ;
- Copy of the subscriber's identity card ;
- A legalised signed power of attorney for those employees who are absent during the subscription period (it is mandatory to give a legalised signed power of attorney, specifically for this Operation, to another employee of the Group who will subscribe on behalf of the absent person).

Multiple subscriptions to the same formula are forbidden and will be null and void in their entirety.

Subscriptions will be centralised by the Human Capital Unit of CIH Bank.

The employees entitled to subscribe to this Operation have to hold a securities and cash account at CIH Bank.

### XII.2. Subscription period

The shares, under this Offering Document, may be subscribed to from December 7 to December 13, 2022 at 4:00 p.m. inclusive. Subscription orders will be irrevocable after the closing of the subscription period.

No subscription will be accepted after the closing date of the subscription period.

### XII.3. Beneficiaries



The capital increase, under this offering document, is reserved to the staff members of CIH Bank and its relevant subsidiaries.

## XII.4. Subscription conditions

### XII.4.1. Eligibility conditions

To be eligible for this capital increase, employees must meet the following conditions :

- To be an active employee of CIH Bank or its relevant subsidiaries on the day before the opening of the subscription period ;
- To have obtained the status of permanent employee of CIH Bank or one of its subsidiaries before July 1st, 2022, i.e. a potential of 2,560 employees.

The relevant subsidiaries are those listed below :

- SOFAC Crédit
- SOFAC STRUCTURE FINANCE
- SOFASSUR
- Umnia Bank
- LANA CASH
- CIH Courtage

Subscription of employees to this capital increase is not mandatory.

### XII.4.2. Proposed formulas

This offer proposes two formulas as follows :

#### ❖ Main Formula

- The shares offered are priced at MAD 248 per share, including the issue premium.
- The number of shares to be acquired in the "Main Formula" depends on the discontinuous seniority of the employee within CIH Group by December 31, 2022 :
  - Seniority strictly less than 2 years : subscription to 250 shares ;
  - Seniority between [2 years and 10 years [ : subscription to 350 shares ;
  - Seniority between [10 and 25 years [ : subscription to 450 shares ;
  - Seniority of 25 years or more : subscription to 550 shares.
- The employee cannot subscribe to less than the number of shares mentioned above.
- Subscription to the "Main Formula" is required to subscribe to the "Supplementary Formula".

#### ❖ Supplementary Formula

- The shares offered are priced at MAD 248 per share, including the issue premium.
- The maximum number of shares to subscribe to in the " Supplementary Formula " corresponds to 3 months of the gross fixed salary (excluding annual bonus) for all categories of personnel.
- The employee cannot subscribe to less than the number of allocated shares.

In addition to the two formulas, each employee may apply to the allocation of the remainder (supplementary application), in case the shares reserved for the "Main Formula" and the "Supplementary Formula" are not fully subscribed. There is no maximum or minimum subscription limit when applying for the remaining shares.

Subscription to the remainder is subject to subscribing to both the "Main Formula" and the "Supplementary Formula".

Allocation of the remaining shares will be made on a prorata basis in relation to the allocated shares, within the limit of the shares applied for.



The Board of Directors has decided that in case the subscriptions of the staff of CIH Bank and its relevant subsidiaries did not absorb the totality of the capital increase, the amount of the increase can be limited to the amount of the collected subscriptions.

#### XII.4.3. Unavailability period of securities

The shares allocated under this capital increase must be held by employees as follows :

- Holding 100% of the allocated shares for a minimum period of 3 years starting from the listing date, i.e. until December 20, 2025 inclusive ;
- Possibility of selling 20% of the shares allocated under the two formulas per year as from the end of the third year, as follows :
  - Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 3rd year, i.e. from December 21, 2025 inclusive ;
  - Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 4th year, i.e. from December 21, 2026 inclusive (i.e. a maximum of 40% of the allocated shares, after deduction of the shares sold before this date) ;
  - Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 5th year, i.e. from December 21, 2027 inclusive (i.e. a maximum of 60% of the allocated shares, after deduction of the shares sold before this date);
  - Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 6th year, i.e. from December 21, 2028 inclusive (i.e. a maximum of 80% of the allocated shares, after deduction of the shares sold before this date);
  - Possibility to sell 20% of the shares allocated under the two formulas per year starting from the end of the 7th year, i.e. from December 21, 2029 inclusive (i.e. a maximum of 100% of the allocated shares, after deduction of the shares sold before this date).

Subscribers undertake to keep the allocated shares according to the above mentioned schedule, in order to benefit from the advantages of this capital increase. The allocated shares will be unavailable from the date of listing and may only be sold or pledged in accordance with the rules set out herein.

However, subscribers will have the possibility to sell their shares, prematurely and with the consent of the employer, without having to repay the discount, in the following cases :

- Primary home ownership ;
- Marriage or divorce with child custody ;
- Normal or early retirement (possibility of transferring shares without repaying the discount 18 months after the retirement date) ;
- Permanent and absolute disability of the subscriber ;
- Death of the employee. The above option applies to the employee's successors and beneficiaries.

In case of resignation or dismissal for serious misconduct of the employee, and if the termination of the employment contract occurs during the 3-year non-transferability period, the employee will have to reimburse the difference between the subscription price (MAD 248) and the closing price of the day of securities delivery. If the employment contract is terminated after the 3-year non-transferability period, the employee will not have to reimburse the discount and the subscription price retained will be MAD 248.

Furthermore, the Board of Directors expressly authorised the Chairman of the Board of Directors to grant the exemptions he deems necessary to employees who have expressed their wish to sell their shares before the end of the non-transferability period.

#### XII.5. Financing the subscription transaction



Full funding of the allocated shares is offered to staff members eligible for subscription, which they may use, at their own discretion, to finance the acquisition of shares. This loan covers both the number of shares reserved and the remainder which will be allocated in proportion to the shares requested.

The funding will be a seven (7) year bullet loan granted by CIH Bank, which does not depend on the debt capacity of the staff members. The principal will be paid at maturity.

#### XII.5.1. Use of loans

The use of a loan to finance the subscription to this capital increase is an option for staff members and not an obligation.

Thus, staff members are free to decide between :

- Taking a loan to cover the entire amount of subscription ; or
- Not taking the proposed loan

The partial use of a loan to finance the subscription is not allowed.

#### XII.5.2. Amount of the loan

The amount of the loan to be granted to each subscriber will correspond, at the most, to the amount allocated to that subscriber (according to the employee's request), to which will be added the amount of the Income Tax.

Registration and stock exchange commissions will be borne by CIH Bank and its relevant subsidiaries.

#### XII.5.3. Interest rates

The interest rate is set at :

- 2% per annum, including tax, for an amount less than or equal to 700,000 Dirhams ;
- 3% per annum, including tax, for the part of the amount exceeding 700,000 Dirhams.

#### XII.5.4. Early repayment

Staff members subscribing to this Operation, including those who take normal or early retirement (18 months after the date of retirement), may repay all or part of the principal of the loan and interest before the due time and without penalty.

In the event of termination of a staff member's employment contract (resignation or dismissal for serious misconduct), the principal and interest will be payable immediately and before the due date.

#### XII.5.5. Payment of interest

Interest will be paid each year in July and may be covered, partially or fully, by dividends paid by CIH Bank.

#### XII.5.6. Pledge of shares

The shares acquired under this Operation, through a loan, will be pledged with CIH BANK, until the full repayment of the principal and the interest.

#### XII.5.7. Dividends

As shareholders of CIH Bank, the employees subscribing to this operation will be entitled to the same rights as other shareholders of the company, particularly with regard to the distribution of dividends. Dividends will be credited to the account of all shareholders, after deduction of the applicable withholding tax at the date of payment, which is currently 15% (according to the Finance Act in force).

The shares issued following this capital increase will be assimilated to the old shares and shall be entitled to dividends for the financial year 2022 as of January 1st , 2022 which will be distributed in 2023. The decision to



distribute dividends is up to the Ordinary General Meeting, which rules on the financial statements of the financial year and decides on the dividend per share to be paid to the shareholders.

#### XII.5.8. Normal repayment of the loan

The loan shall be normally repaid within a maximum of 7 years and may be repaid through the sale of the shares. The capital gain or loss corresponding to the difference between the selling price and the purchase price will be credited to or borne by the employee. Consequently, in case of depreciation, the employee will have to cover the remainder of the loan.

In case of a partial share transfer before the maturity of the loan, the repayment of the loan will be made in proportion to the transfer. Thus, the proceeds of the partial sale of the shares owned will be deducted from the outstanding amount of the loan based on the ratio of the number of shares sold to the number of shares owned.

### XII.6. Intermediation and management fees

**Buyer side :**Intermediation fees and commissions owed to Casablanca Stock Exchange (brokerage commission, and settlement/delivery fees) will be borne by the employers of the employees having subscribed to the Operation.

**Seller side :**Intermediation fees (brokerage commission) will be borne by CIH Bank.

The fees related to managing and keeping the individual securities accounts inherent to unfreezing employees' assets will be borne by the employees who have subscribed to this offer.

### XII.7. Terms and conditions of subscription to the capital increase

To subscribe to CIH Bank shares, each member of staff shall submit a subscription form. This form shall include :

- The number of shares to be subscribed and the corresponding amount ;
- The wish to subscribe to the remainder, in case the total number of shares acquired by the staff members would be inferior to the total number of shares reserved for the personnel in this capital increase. In such a case, the staff member should specify the maximum number of shares requested.

The securities subscribed to will be credited to and kept in a securities account, opened in the name of the employee concerned, which can only be operated by this employee, except in case of a power of attorney or a payment delegation.

All subscription forms must be duly signed by the subscriber or by any person authorised by him/her for this purpose. In such a case, the authorised agent shall produce a power of attorney signed and authenticated by the beneficiary and expressly mentioning its purpose during the subscription period. Multiple subscriptions (several subscription forms) to the same formula are prohibited and shall be null and void in their entirety.

A copy of this subscription form will be handed to the subscriber.

In case of cash subscription, CIH Bank must ensure, before accepting a subscription, that the subscriber has the capacity to honour his/her financial liabilities. A funds freezing certificate for the subscription amount must be provided by the employee together with the subscription form.

The attention of subscribers is drawn to the fact that their orders may be satisfied in whole or in part.

Subscription orders that do not comply with the above conditions will be null and void.

### XII.8. Identification of subscribers



CIH Bank must ensure that the subscriber belongs to the list of employees provided by CIH Bank's Human Capital Department and the Human Resources Departments of its relevant subsidiaries.

It must also obtain a copy of the identity document attesting that the subscriber belongs to one of the categories below, and attach such a copy to the subscription form.

Category of subscriber	Document to be attached
Moroccan natural persons	Copy of the national identity card.
Non-Moroccan resident natural persons	Copy of the residence card.

### XIII. Processing subscription orders : Allocation rules

#### ▪ Package 1 - "Main Formula".

The shares offered under the first package - "Main Formula" will be allocated according to the number of shares applied for by each subscriber within the limit of the number of shares available and up to the individual limit as follow :

- Seniority strictly less than 2 years : subscription to 250 shares ;
- Seniority between [2 years and 10 years [ : subscription to 350 shares ;
- Seniority between [10 and 25 years [ : subscription to 450 shares ;
- Seniority of 25 years or more : subscription to 550 shares.

#### ▪ Package 2 - «Supplementary Formula»

The shares offered under the first package - " Supplementary Formula " will be allocated according to the subscription requests expressed by each subscriber up to the individual limit corresponding to 3 months of the gross fixed salary (excluding annual bonus).

#### ▪ Remainder of subscriptions

Each employee may request to subscribe to the remainder (supplementary request), in case the shares reserved for the "Main Formula" and the "Supplementary Formula" are not fully subscribed. This supplementary request has no limit and is subject to subscribing to the " Supplementary Formula ". The allocation will be made proportionally to the remaining shares in relation to the shares applied for, within the limit of the requested shares.

The allocation process of the said remainder will be repeated until the remainder and/or the limit requested is exhausted, in accordance with the above-mentioned allocation method.

Fractions will be allocated in increments of one share per subscriber, with priority given to the highest applications, as soon as the allocation of the pro rata will lead to the allocation of 0 shares for all subscribers.

### XIV. Operation control and registration procedure

#### XIV.1. Centralization

All the subscriptions submitted to the network and the relevant subsidiaries will be grouped together at CIH Bank.

#### XIV.2. Registration of the Transaction by Casablanca Stock Exchange

The transactions corresponding to the Reserved Capital Increase will be registered in Casablanca Stock Exchange on December 20th, 2022. The registration price will correspond to the subscription price, as set out under this Operation, i.e. MAD 248.



### XIV.3. Brokerage firm in charge of registering the Transaction

The transactions corresponding to this capital increase, on the buyers and sellers side, will be registered in the Casablanca Stock Exchange through CDG Capital Bourse, a brokerage firm.

## XV. Payment of subscriptions and book entries

Payment of the amounts corresponding to the subscriptions to this capital increase must be made in cash (by debiting the subscriber's bank account opened on the books of CIH Bank) and paid to the Centralizing Agent on the day of delivery of the securities, i.e. December 20, 2022.

CIH Bank will transfer these amounts into a special account reserved for the Operation, under this offering : "Capital Increase reserved for staff members".

CDG Capital Bourse is in charge of registering the new shares in the Casablanca Stock Exchange. Registration date of the new shares will correspond to the day of delivery of the securities.

As a reminder, CIH Bank is the only account keeper of the securities issued under this operation.

### XV.1. Terms for refunding the balance

Refunding the remaining balance to subscribers will take place three working days after the date of delivery of the securities, i.e. on December 23, 2022.

### XV.2. Terms of delivery of securities

The securities covered by this Reserved Capital Increase will be delivered on December 20, 2022.

## XVI. Terms for the publication of the Operation results

The results of the Operation will be published by the Casablanca Stock Exchange in the Listing Bulletin on December 20th, 2022 and by CIH Bank in a legal gazette on December 20th, 2022.

## XVII. Expenses related to the Operation

The costs to be borne by the issuer are estimated at approximately 0.75% (before tax) of the amount of the transaction. The nature of these costs is detailed as follows:

- Legal fees ;
- Legal advisor fees ;
- The commission to be paid to the Moroccan Capital Market Authority ;
- The commission to be paid to Maroclear, The Central Depository ;
- The commission to be paid to Casablanca Stock Exchange ;
- Brokerage fees ;
- Etc.



## PART II. INFORMATION ON CIH BANK







## List of documents included in the prospectus

- The reference document for the financial year 2021 and the first half of 2022 :<https://www.cihbank.ma/sites/default/files/Document%20de%20r%C3%A9f%C3%A9rence%20CIH%20Bank%202021%20et%20S1%202022.pdf>
- The offering document :[https://www.ammc.ma/sites/default/files/CIH%20Bank\\_NO\\_%20037\\_Augmentati\\_on\\_Capital\\_r%C3%A9serv%C3%A9\\_400MDH.pdf](https://www.ammc.ma/sites/default/files/CIH%20Bank_NO_%20037_Augmentati_on_Capital_r%C3%A9serv%C3%A9_400MDH.pdf)

## Making the prospectus available

Conformément à la circulaire de l'AMMC, le prospectus visé doit être :

Pursuant to the AMMC circular, the prospectus shall be made available :

- To the public at CIH Bank's registered office and on its website ;
- On the Stock Exchange website ([www.casablanca-bourse.com](http://www.casablanca-bourse.com));
- On AMMC website ([www.ammc.ma](http://www.ammc.ma)).

### DISCLAIMER

*The above mentioned information is only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) on November 15, 2022 under the reference n° VI/EM/037/2022. The AMMC recommends reading the entire prospectus made available to the public in the manner indicated in this excerpt.*

END OF TRANSLATION./

### AFFIDAVIT OF TRANSLATION

I, *Noredidine Morchid*, translator accredited to the courts of Morocco, being duly sworn according to law, depose and state:

THAT I am competent to translate from and into Arabic, English and French;

THAT the above DOCUMENT, the source language of which is French, is a true and correct translation to the best of my knowledge and ability.

Witness my hand and official seal.

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16 NOV 2022

