




Société Générale Marocaine de Banques

SUMMARY OFFER PROSPECTUS

ISSUANCE OF A LISTED AND UNLISTED SUBORDINATED BOND
BY SOCIÉTÉ GÉNÉRALE MAROCAINE DE BANQUES
MAXIMUM ISSUE AMOUNT: 800,000,000.00 MAD
MATURITY 10 YEARS

	Tranche A Listed	Tranche B Not Listed	Tranche C Listed	Tranche D Not Listed
Ceiling	800,000,000.00 MAD			
Number of shares	8,000 subordinated bonds			
Nominal value / issue price	100,000 MAD			
Rate	Fixed rate	Fixed rate	Annually adjustable	Annually adjustable
	4.77% (the coupon interest rate is determined in reference to the 10-year T-bond secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e., 3.67%, plus a risk premium of 110 bps, i.e. 4.77%).	4.77% (the coupon interest rate is determined in reference to the 10-year T-bond secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e., 3.67%, plus a risk premium of 110 bps, i.e. 4.77%).	3.51% (Annually adjustable referring to the full 52-week rate (money rate) determined in reference to the Treasury bond secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e. 2.61% . plus a risk premium of 90 basis points, i.e., 3.51% for the first year).	3.51% (Annually adjustable referring to the full 52-week rate (money rate) determined in reference to the Treasury bond secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e. 2.61% . plus a risk premium of 90 basis points, i.e., 3.51% for the first year).
Risk premium	110 basis points		90 basis points	
Maturity	10 years			
Tradability of securities	Tradable in the Casablanca Stock Exchange	Over-the-counter	Tradable in the Casablanca Stock Exchange	Over the counter
Repayment	In fine			
Subscription period	From 17 June 2015 to 19 June 2015 inclusive			
Allocation method	Pro rata			

Issue reserved to qualified investors under Moroccan law as detailed in the prospectus

ADVISORY BODY	CENTRALIZING BODY AND BODY IN CHARGE OF THE PLACEMENT	BODY RESPONSIBLE FOR RECORDING OF THE OPERATION
 الشركة العامة SOCIETE GENERALE	 الشركة العامة SOCIETE GENERALE	 Sogécapital Bourse الشركة العامة SOCIETE GENERALE

Sign-off of the Moroccan financial markets authority ("Conseil Déontologique des Valeurs Mobilières, CDVM")

In accordance with the provisions of the circular of the CDVM, delivered in application of Section 14 of the Decree n° 1-93-212 of September 21st, 1993 related to the Conseil Déontologique des Valeurs Mobilières (CDVM) and to the information required from legal entities issuing securities to the public, as amended and extended, the original copy of the present prospectus has been approved by the CDVM on 05/06/2015 under the reference VI/EM/013/2015

Disclaimer

On 05/06/2015, the *Conseil Déontologique des Valeurs Mobilières* (CDVM) approved a Summary Offer Prospectus for a subordinated bond issue by Société Générale Marocaine de Banques.

The Summary Offer Prospectus approved by the CDVM is available at any time at Société Générale Marocaine de Banques Headquarters. It is also available within a maximum of 48 hours from order-collection points.

The Summary Offer Prospectus is made available to the public at the Casablanca Stock Exchange Headquarters and on its website www.casablanca-bourse.com. It is also available on the CDVM website www.cdvm.gov.ma.



PART I. Overview of the bond issue

I. Objectives of the bond issue

The principal objectives of the bond issue are as follows:

- To strengthen the 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;
- 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.

II. Information on securities to be issued

Disclaimer

Subordinated bonds differ from traditional bonds by reason of the contractually defined ranking of claims set forth in the subordination clause. The effect of the subordination clause is to make the repayment of the subordinated bond conditional on the repayment of all outstanding privileged or unsecured debts in the event of the issuer going into liquidation.

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

Nature of 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	800,000,000.00 MAD
Maximum number of securities to be issued	8,000 subordinated bonds
Nominal value	100,000.00 MAD
Maturity	10 years
Subscription period	From 17 June to 19 June 2015 inclusive
Date of possession	29 June 2015
Maturity date	29 June 2025
Risk premium	110 basis points
Issue price	At par, i.e. 100,000.00 MAD
Allocation method	Pro rata
Negotiability	Subordinated bonds in tranche A will be freely negotiable on the Casablanca Stock Exchange. There are no restrictions imposed by the bond issuance conditions on the free negotiability of the subordinated bonds in tranche A.
Listing	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 Casablanca Stock Exchange bond compartment. Listing in the bond compartment is scheduled for 24 June 2015 under code 990182 and ticker OB182. To be listed on the Casablanca Stock Exchange, the sum of the amounts allocated to tranches A and C must be greater than or equal to 20 million MAD. If at the close of the subscription

	<p>period the amount allocated to tranches A and C is less than 20 million MAD, subscriptions for bonds in those tranches shall be cancelled.</p>
<p>Nominal interest rate</p>	<p>Fixed rate i.e 4.77%</p> <p>The nominal interest rate is determined in reference to the 10-year Treasury bill secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e. 3.67%, plus a risk premium of 110 basis points for a total of 4.77%.</p> <p>The rate is determined through linear interpolation using the two points bracketing the full 10 year maturity (on an actuarial basis)</p>
<p>Interest</p>	<p>Interests will be paid annually on the anniversary of the security's vesting day, i.e., on 29 June each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working 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. Interest shall be calculated as per the following formula: nominal x nominal rate.</p>
<p>Repayment of principal</p>	<p>The SGMB subordinated bond issue will be subject to an in fine repayment of the principal.</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> <p>In the event of SGMB going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<p>Early repayment</p>	<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 defined hereinafter.</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 affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>No early repayment may 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 may 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

	<p>repayment of all other debts.</p> <p>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.</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>If cancellation occurs, the issuer must inform the Casablanca Stock Exchange of the cancelled bonds.</p>
Assimilation	<p>There is no assimilation of the subordinated bonds that are to be issued under the present bond issue to any securities in any 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 previous bonds, assimilate all the securities in the successive issues, thus unifying all operations relating to their management and their trading.</p>
Ranking	<p>Both the capital and the interest are subject to a subordination clause. In no way 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 ranking	<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 which it may subsequently issue 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>
Guarantee of repayment	<p>Subordinated bonds issued by SGMB are not the subject of any guarantee of repayment.</p>
Rating	<p>The present bond issue has not been the subject of any request for rating.</p>
Applicable law and Court of jurisdiction	<p>Moroccan law. The competent Court shall be Casablanca Commercial Court.</p>
Entity responsible for registering the operation in the Casablanca Stock Exchange	<p>Sogécapital Bourse</p>

Representative of bondholders	<p>The Executive Board decides, subject to the approval of the Supervisory Board, to designate Cabinet Saaidi & Hdid Consultants domiciled in Casablanca, 4 place Maréchal, as provisional representative of the holders of tranche A, tranche B, tranche C and tranche D bonds pending the Ordinary General Meeting of the bondholders to appoint the representative(s) of those bondholders, it being understood that the date of entry into force of the appointment decision will be the opening date of the subscription period for the bonds in tranche A, tranche B, tranche C and tranche D.</p> <p>The Executive Board decides also to call the Ordinary General Meeting of the bondholders to appoint the permanent representative(s) of the bondholders and decides further that the Meeting must be held within one year of the opening of the subscription period.</p>
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Disclaimer

Subordinated bonds differ from traditional bonds by reason of the contractually defined ranking of claims set forth in the subordination clause. The effect of the subordination clause is to make the repayment of the subordinated bond conditional on the repayment of all outstanding privileged or unsecured debts in the event of the issuer going into liquidation.

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

Nature of securities	Subordinated bonds not listed on the Casablanca Stock Exchange, dematerialized by registration with the central depository (Maroclear) and registered in accounts with accredited affiliates.
Legal form	Bearer
Listing	Not listed on the Casablanca Stock Exchange
Tranche ceiling	800,000,000.00 MAD
Maximum number of securities to be issued	8,000 subordinated bonds
Nominal value	100,000.00 MAD
Maturity	10 years
Subscription period	From 17 June to 19 June 2015 inclusive
Vesting date	29 June 2015
Maturity date	29 June 2025
Risk premium	110 basis points
Issue price	At par, i.e. 100,000 MAD
Allocation method	Pro rata
Negotiability	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	<p><u>Fixed rate i.e 4,77%</u></p> <p>The nominal interest rate is determined in reference to the 10-year Treasury bill secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e. 3.67%, plus a risk premium of 110 basis points for a total of 4.77%.</p> <p>The rate is determined through linear interpolation using the two</p>

	points bracketing the full 10 year maturity (on an actuarial basis)
Interest	Interest will be paid annually on the anniversary of the security's vesting day, i.e., on 29 June each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working 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. Interest payments will be calculated using the following formula: nominal amount x nominal rate.
Repayment of principal	<p>The SGMB subordinated bond issue will be subject to an in fine repayment of the principal.</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> <p>In the event of SGMB going into liquidation, repayment of the principal will be subordinated to all other debts.</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 defined hereinafter.</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 affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p> <p>No early repayment may 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 may 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 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</p>

	decisions), as a result of which the subordinated bond issue is no longer taken into account in calculating SGMB's regulatory capital.
Assimilation	<p>There is no assimilation of the subordinated bonds that are to be issued under the present bond issue to any securities in any 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 previous bonds, assimilate all the securities in the successive issues, thus unifying all operations relating to their management and their trading.</p>
Ranking	<p>Both the capital and the interest are subject to a subordination clause. In no way 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 ranking	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 which it may subsequently issue 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.
Representative of bondholders	<p>The Executive Board decides, subject to the approval of the Supervisory Board, to designate Cabinet Saaidi & Hdid Consultants, domiciled in Casablanca, 4 place Maréchal, as provisional representative of the holders of tranche A, tranche B, tranche C and tranche D bonds pending the Ordinary General Meeting of the bondholders to appoint the representative(s) of those bondholders, it being understood that the date of entry into force of the appointment decision will be the opening date of the subscription period for the bonds in tranche A, tranche B, tranche C and tranche D.</p> <p>The Executive Board decides also to call the Ordinary General Meeting of the bondholders to appoint the permanent representative(s) of the bondholders and decides further that the Meeting must be held within one year of the opening of the subscription period.</p>

Disclaimer

Subordinated bonds differ from traditional bonds by reason of the contractually defined ranking of claims set forth in the subordination clause. The effect of the subordination clause is to make the repayment of the subordinated bond conditional on the repayment of all outstanding privileged or unsecured debts in the event of the issuer going into liquidation.

Tranche C: Revisable rate subordinated bonds listed on the Casablanca Stock Exchange

Nature of 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 C 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	800,000,000.00 MAD
Maximum number of securities to be issued	8,000 subordinated bonds
Nominal value	100,000.00 MAD
Maturity	10 years
Subscription period	From 17 June to 19 June 2015 inclusive
Vesting date	29 June 2015
Maturity date	29 June 2025
Risk premium	90 basis points
Issue price	At par, i.e. 100,000.00 MAD
Allocation method	Pro rata
Negotiability	<p>Subordinated bonds in tranche C 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 subordinate bonds in tranche C.</p>
Listing	<p>Tranche C subordinated bonds will be listed on the Casablanca Stock Exchange and will therefore be the subject of a request for admission to the Casablanca Stock Exchange bond compartment. Listing in the bond compartment is scheduled for 24 June 2015 under code 990183 and ticker OB183.</p> <p>To be listed on the Casablanca Stock Exchange, the sum of the amounts allocated to tranches A and C must be greater than or equal to 20 million MAD. If at the close of the subscription period the amount allocated to tranches A and C is less than 20 million MAD, subscriptions for bonds in those tranches shall be cancelled.</p>
Nominal interest rate	<p>Revisable on an annual basis</p> <p>For the first year, the nominal interest rate is the full 52-week rate (money rate) determined in reference to the last Treasury bond secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e. 2.61%. This rate bears a risk premium of 90 basis points, for a total rate of 3.51%.</p> <p>On each anniversary date, the reference rate will be the full 52-week rate (money rate) determined in reference to the Treasury bond secondary yield curve as published by Bank Al-Maghrib, at least 5 business days prior to the anniversary date of the coupon.</p>

	<p>The reference rate thus obtained shall be increased by a risk premium of 90 basis points and shall be communicated to the Casablanca Stock Exchange at least 5 trading days prior to the anniversary date.</p>
<p>Reference rate calculation</p>	<p>The rate is determined through linear interpolation between the two points bracketing the full 52-week maturity (on a monetary basis). This linear interpolation shall be carried out after conversion of the rate of the next maturity following the 52 weeks maturity (actuarial basis) into the corresponding money rate.</p> <p>The formula used for the calculation is as follows: $((\text{Actuarial rate} + 1)^{(k/\text{exact number of days}^*)} - 1) \times 360/k$, where k is the maturity of the actuarial rate immediately superior to 52 weeks</p> <p>*Exact number of days: 365 or 366.</p>
	<p>Interest will be paid annually on the anniversary of the security's vesting day, i.e. on 29 June each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>The 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: $\text{Nominal} \times \text{coupon interest rate} \times \text{exact number of days} / 360$.</p>
<p>Date of interest rate determination</p>	<p>The coupon will be adjusted annually on the anniversary date of the security's vesting day, i.e. on 29 June each year or the next working day if that date is not a working day.</p> <p>The new rate will be communicated to the Casablanca Stock Exchange at least 5 trading days prior to the issuer's bond anniversary date. The revised rate is subject to publication in the official journal of Casablanca Stock Exchange, the <i>Bulletin de la Cote</i>.</p>
<p>Repayment of principal</p>	<p>The SGMB subordinated bond issue will be subject to an in fine repayment of the principal.</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> <p>In the event of SGMB going into liquidation, repayment of the principal will be subordinated to all other debts.</p>
<p>Early repayment</p>	<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 defined hereinafter.</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 affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.</p>

	<p>No early repayment may 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 may 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 the principal, the amount of accrued interests, together with any other sum due in respect of the subordinate 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.</p> <p>If cancellation occurs, the issuer must inform the Casablanca Stock Exchange of the cancelled bonds.</p>
<p>Assimilation</p>	<p>There is no assimilation of the subordinated bonds that are to be issued under the present bond issue to any securities in any 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 C, it may, without requesting the consent of the bearers of tranche C bonds, assimilate all the securities in the successive issues, thus unifying all operations relating to their management and their trading.</p>
<p>Ranking</p>	<p>Both the capital and the interest are subject to a subordination clause. In no way 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>
<p>Maintaining ranking</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 which it may subsequently issue, 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>

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 with the Casablanca Stock Exchange	Sogécapital Bourse
Representative of bondholders	<p>The Executive Board decides, subject to the approval of the Supervisory Board, to Cabinet Saaidi & Hdid Consultants domiciled in Casablanca, 4 place Maréchal, as provisional representative of the holders of tranche A, tranche B, tranche C and tranche D bonds pending the Ordinary General Meeting of the bondholders to appoint the representative(s) of those bondholders, it being understood that the date of entry into force of the appointment decision will be the opening date of the subscription period for the bonds in tranche A, tranche B, tranche C and tranche D.</p> <p>The Executive Board decides also to call the Ordinary General Meeting of the bondholders to appoint the permanent representative(s) of the bondholders and decides further that the Meeting must be held within one year of the opening of the subscription period.</p>

Disclaimer

Subordinated bonds differ from traditional bonds by reason of the contractually defined ranking of claims set forth in the subordination clause. The effect of the subordination clause is to make the repayment of the subordinated bond conditional on the repayment of all outstanding privileged or unsecured debts in the event of the issuer going into liquidation.

Tranche D: Revisable rate subordinated bonds not listed on the Casablanca Stock Exchange

Nature of securities	Subordinated bonds not listed on the Casablanca Stock Exchange, 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	800,000,000.00 MAD
Maximum number of securities to be issued	8,000 subordinated bonds
Nominal value	100,000.00 MAD
Maturity	10 years
Subscription period	From 17 June to 19 June 2015 inclusive
Vesting date	29 June 2015
Maturity date	29 June 2025
Risk premium	90 basis points
Issue price	At par, i.e. 100,000 MAD
Allocation method	Pro rata

Negotiability	<p>Over-the-counter (off Stock Exchange)</p> <p>There are no restrictions imposed by the bond issuance conditions on the free negotiability of the subordinated bonds in tranche D.</p>
Nominal interest rate	<p>Revisable on an annual basis</p> <p>For the first year, the nominal interest rate is the full 52-week rate (money rate) determined in reference to the last Treasury bond secondary yield curve as published by Bank Al-Maghrib on 2 June 2015, i.e. 2.61%. This rate bears a risk premium of 90 basis points, for a total rate of 3.51%.</p> <p>On each anniversary date, the reference rate will be the full 52-week rate (money rate) determined in reference to the Treasury bond secondary yield curve as published by Bank Al-Maghrib, at least 5 business days prior to the anniversary date of the coupon.</p> <p>The reference rate thus obtained shall be increased by a risk premium of 90 basis points and shall be communicated to the bondholders at least 5 business days prior to the anniversary date in a newspaper carrying legal notices.</p>
Interest	<p>Interest will be paid annually on the anniversary of the security's vesting day, i.e. on 29 June each year. Payment shall be effected that very day or on the first working day thereafter if that day is not a working day.</p> <p>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 x coupon interest rate x exact number of days/360.</p>
Reference rate calculation	<p>The rate is determined through linear interpolation between the two points bracketing the full 52-week maturity (on a monetary basis). This linear interpolation shall be carried out after conversion of the rate of the next maturity following the 52 weeks maturity (actuarial basis) into the corresponding money rate.</p> <p>The formula used for the calculation is as follows: $((\text{Actuarial rate} + 1)^{(k/\text{exact number of days}^*)} - 1) \times 360/k$, where k is the maturity of the actuarial rate immediately superior to 52 weeks.</p> <p>*Exact number of days: 365 or 366.</p>
Date of interest rate determination	<p>The coupon will be adjusted annually on the anniversary of the security's vesting day, i.e. on 29 June each year or the next working day if that date is not a working day.</p> <p>The new rate shall be communicated in a newspaper carrying legal notices, by the issuer, to the bondholders at least 5 working days prior to the anniversary date.</p>
Repayment of principal	<p>The SGMB subordinated bond issue will be subject to an in fine repayment of the principal.</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> <p>In the event of SGMB going into liquidation, repayment of the principal will be subordinated to all other debts.</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</p>

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 defined hereinafter.

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 affecting the schedule for normal amortization. Subordinated bonds so repurchased will be cancelled with the prior approval of Bank Al-Maghrib.

No early repayment may 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 may 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.

Assimilation

There is no assimilation of the subordinated bonds that are to be issued under the present bond issue to any securities in any previous issue.

In the event that SGMB subsequently issues new securities enjoying in all respects rights identical to those of the bonds in tranche C, it may, without requesting the consent of the bearers of tranche D 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.

Ranking

Both the capital and the interest are subject to a subordination clause. In no way 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.

In the event that SGMB is liquidated, repayment of capital and

	<p>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 ranking	<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 which it may subsequently issue 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>
Guarantee of repayment	<p>Subordinated bonds issued by SGMB are not the subject of any guarantee of repayment.</p>
Rating	<p>The present bond issue has not been the subject of any request for rating.</p>
Applicable law and Court of jurisdiction	<p>Moroccan law. The competent Court shall be Casablanca Commercial Court.</p>
Representative of bondholders	<p>The Executive Board decides, subject to the approval of the Supervisory Board, to Cabinet Saaidi & Hdid Consultants domiciled in Casablanca, 4 place Maréchal, as provisional representative of the holders of tranche A, tranche B, tranche C and tranche D bonds pending the Ordinary General Meeting of the bondholders to appoint the representative(s) of those bondholders, it being understood that the date of entry into force of the appointment decision will be the opening date of the subscription period for the bonds in tranche A, tranche B, tranche C and tranche D.</p> <p>The Executive Board decides also to call the Ordinary General Meeting of the bondholders to appoint the permanent representative(s) of the bondholders and decides further that the Meeting must be held within one year of the opening of the subscription period.</p>

III. Issue schedule

	Stage	Deadline
1	Receipt of the complete file of the operation by the Casablanca Stock Exchange	4 June 2015
2	Issuance by the Casablanca Stock Exchange of the notice of approval of the issue	5 June 2015
3	Receipt by the Casablanca Stock Exchange of the Prospectus approved by CDVM	5 June 2015
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 bonds in tranches A and C.	10 June 2015
5	Publication of the summary offer prospectus excerpt by SGMB in a newspaper carrying legal notices	12 June 2015
6	Opening of the subscription period	17 June 2015
7	Close of the subscription period	19 June 2015
8	Receipt by the Casablanca Stock Exchange of the results of the issue	22 June 2015
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 	24 June 2015
10	Publication by SGMB of the results of the issue in a newspaper carrying legal notices	29 June 2015
11	Settlement/Delivery	29 June 2015

IV. Body in charge of the issue, and financial intermediaries

Function	Name	Address
Financial Advisor and Global Coordinator	Société Générale Marocaine de Banques	55, Bvd Abdelmoumen. Casablanca
Centralizing body with responsibility for the issue	Société Générale Marocaine de Banques	55, Bvd Abdelmoumen. Casablanca
Institution providing financial services for the issuer	Société Générale Marocaine de Banques	55, Bvd Abdelmoumen. Casablanca
Body with responsibility for registering the operation with the Stock Exchange	Sogécapital Bourse	55, Bvd Abdelmoumen. Casablanca



PART II. General information: Société Générale Marocaine de Banques

I. 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 of incorporation	21 June 1962
Term	99 years
Company registration no.	28 987 – 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, negotiate or re-discount the above-mentioned values 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 an intermediary in the purchase or sale of any type of public funds, shares, bonds, 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

	<p>purpose by any and all public and private institutions;</p> <ol style="list-style-type: none"> 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, 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 31 December 2014)	MAD 2,050,000,000 comprising 20,500,000 shares at nominal value 100 MAD.
Legal documents	<p>All legal documents in relation to Société Générale Marocaine de Banques may be consulted at the Bank’s Headquarters, including:</p> <ul style="list-style-type: none"> ▪ Articles of Association ▪ Register of Companies ▪ Auditors’ reports ▪ Minutes of shareholders’ general meetings ▪ Annual reports ▪ Financial statements
Applicable legislation and regulations	<ul style="list-style-type: none"> ▪ 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 <i>Dahir</i> 1-08-18 of 23 May 2008 enacting Law 20-05. ▪ By reason of its activity, SGMB is governed by: <ul style="list-style-type: none"> ▪ <i>Dahir</i> 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: <ul style="list-style-type: none"> ▪ <i>Dahir</i> 1-95-03 of 26 January 1995 enacting Law 35-94 on certain negotiable debt securities, amended by <i>Dahir</i> 1-08-95 of 20 October 2008 enacting Law 33-06 on the securitization of debt; ▪ <i>Dahir</i> 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;

	<ul style="list-style-type: none"> ▪ 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); ▪ <i>Dahir</i> on Law 1-93-211 of 21 September 1993 on 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; ▪ <i>Dahir</i> 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 event of dispute	Casablanca Commercial Court.

II. Shareholding structure

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

Shareholder	2010		2011		2012		2013		2014	
	No. of shares	% of capital and voting rights	No. of shares	% of capital and voting rights	No. of shares	% of capital and voting rights	No. of shares	% of capital and voting rights	No. of shares	% of capital and voting rights
Société Générale France	11,667,202	56.91%	11,667,202	56.91%	11,667,202	56.91%	11,687,416	57.01%	11,687,416	57.01%
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%	3,167,788	15.45%	3,167,788	15.45%
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

III. Administrative and Supervisory Bodies

III.a. Supervisory Board

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

As of 30 May 2014, the composition of the Supervisory Board was as follows.

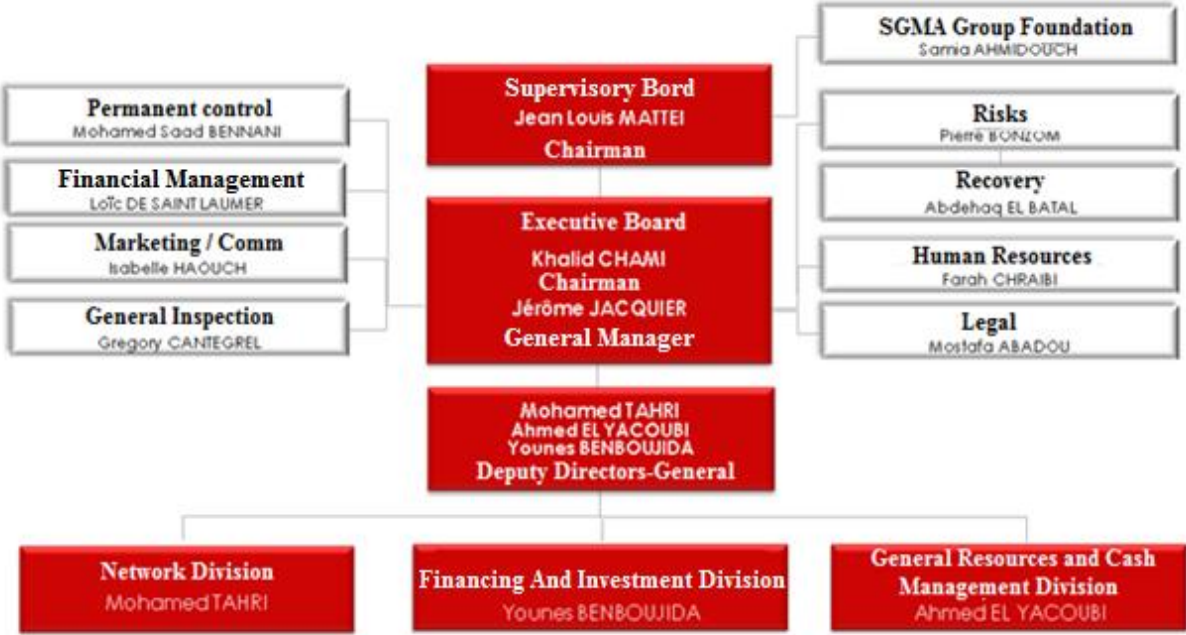
Status	Forenames & family names	Date of OGM ratifying term	Date of OGM renewing term	End of current term	No. of shares held
Chairman	Jean Louis MATTEI		30 June 2009	OGM approving 2014 accounts	2
Honorary Chairman	Abdelaziz TAZI		30 June 2009	OGM approving 2014 accounts	10,003
Vice -President	Marc VIENOT		30 June 2009	OGM approving 2014 accounts	2
Members	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		14 May 2014	OGM approving 2019 accounts	2
	Jean-Louis MATTEI		30 June 2009	OGM approving 2014 accounts	2
	Bernardo SANCHEZ INCERA	08 June 2010	–	OGM approving 2015 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	14 May 2013	–	OGM approving 2018 accounts	2	
Secretary to the Board	Sophia ZEMMAMA				

III.b. Executive Board

The membership list of the Executive Board of Société Générale Marocaine de Banques is as follows:

Forename and family name	Function	First appointed	Renewal of term of office	End of term of office
Khalid CHAMI	Chairman	November 2012	March 2015	March 2018
Jérôme JACQUIER	General Manager	June 2014	-	June 2017

As of 20 March 2015, the simplified functional structure of Société Générale Marocaine de Banques is as follows:



Source: Société Générale Marocaine de Banques

  **PART III. Financials**

I. IFRS consolidated balance sheet

In MAD million	2012	2013	Change 12/13	2014	Change 13/14
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Assets	79,321	81,839	3%	84,395	3%
Cash, Central Banks, Treasury, Post Office Check Service	3,133	1,514	-52%	1,544	2%
Financial assets at fair value through profit or loss	6	12	101%	22	84%
Hedging derivatives	-	-		-	
Financial assets available for sale	4,282	8,510	99%	7,777	-9%
Loans and receivables to banks and assimilated credit institutions	2,959	2,510	-15%	4,626	84%
Loans and receivables to customers	64,330	64,654	1%	65,893	2%
Fair value revaluations of portfolios hedged against interest rate risks		-		-	
Held-to-maturity investments		-		-	
Current tax assets	891	786	-12%	588	-25%
Deferred tax assets	801	1,002	25%	1,204	20%
Accrued and other assets	570	495	-13%	386	-22%
Non-current assets held for sale		-		-	
Holdings in companies accounted for using the equity method	414	429	4%	441	3%
Investment property		-		-	
Tangible fixed assets	1,614	1,597	-1%	1,600	0%
Intangible fixed assets	260	268	3%	252	-6%
Goodwill	61	61	0%	61	0%
Liabilities	79,321	81,839	3%	84,395	3%
Cash, Central Banks, Treasury, Post Office Check Service		-		-	
Financial liabilities at fair value through profit or loss	11	33	199%	32	-3%
Hedging derivatives		-		-	
Due to banks and assimilated credit institutions	4,297	6,785	58%	5,337	-21%
Due to customers	50,846	53,964	6%	55,158	2%
Debt securities issued	10,016	6,721	-33%	8,705	30%
Fair value revaluations of portfolios hedged against interest rate risks		-		-	
Current tax liabilities	1,175	929	-21%	1,359	46%
Deferred tax liabilities	481	564	17%	461	-18%
Accrued and other liabilities	926	795	-14%	846	6%
Liabilities associated with non-current assets held for sale		-		-	
Technical allowances for insurance contract		-		-	
Allowances	215	383	78%	453	18%
Subsidies and similar funds		-		-	
Subordinate liabilities and special guarantee funds	2,579	2,582	0%	2,578	0%
Shareholders' equity	8,774	9,081	4%	9,465	4%
Shareholder's equity (parent company)	8,648	8,958	4%	9,353	4%
<i>Capital and associated reserves</i>	<i>6,760</i>	<i>7,333</i>	<i>8%</i>	<i>7,600</i>	<i>4%</i>
<i>Consolidated reserves</i>	<i>828</i>	<i>988</i>	<i>19%</i>	<i>996</i>	<i>1%</i>
<i>Unrealized or deferred gains and losses</i>	<i>56</i>	<i>74</i>	<i>32%</i>	<i>129</i>	<i>74%</i>
<i>Profit or loss for fiscal year</i>	<i>1,004</i>	<i>564</i>	<i>-44%</i>	<i>628</i>	<i>11%</i>
Minority interests	126	123	-2%	112	-9%

Source: Société Générale Marocaine de Banques - IFRS consolidated accounts

II. IFRS consolidated income statement

In MMAD	2012	2013	Change 12/13	2014	Change 13/14
+ Interest and similar revenues	4,620	4,635	0%	4,771	3%

- Interest payable and similar expenses	1,397	1,413	1%	1,447	2%
INTEREST MARGIN	3,223	3,221	0%	3,324	3%
+ Fees and commission (revenues)	924	896	-3%	870	-3%
- Fees and commission (Expenses)	168	180	7%	141	-22%
MARGIN ON FEES AND COMMISSION	756	716	-5%	729	2%
+/- Net Gains or Losses on financial instruments at fair value through profit or loss	33	-17	-151%	-4	76%
+/- Net Gains or Losses on available for sale financial assets	40	58	45%	61	5%
+ Revenues from other activities	33	75	128%	50	-33%
- Expenses from other activities	31	-7	-122%	31	362%
NET BANKING INCOME	4,054	4,047	0%	4,128	2%
NBI for SGMB	3,567	3,524	-1%	3,653	4%
NBI for SGMB in % of consolidated NBI	88%	87%	-100 basis points	88%	+100 basis points
General operating expenses	1,547	1,610	4%	1,615	0%
- Amortization and depreciation on tangible and intangible assets	137	138	1%	141	3%
GROSS OPERATING INCOME	2,370	2,299	-3%	2,371	3%
- Cost of risk	928	1,462	58%	1,463	0%
OPERATING INCOME	1,442	837	-42%	908	8%
+/- Share in net income from companies accounted for using the equity method	65	53	-18%	51	-4%
+/- Net gains or losses from other activities	3	0	-104%	3	ns
+/- Changes in value of goodwill	-	-	-	-	-
PRE-TAX PROFIT	1,511	891	-41%	962	8%
- Corporate income tax	504	319	-37%	327	3%
NET INCOME	1,007	572	-43%	635	11%
Minority interests	3	8	167%	7	-13%
GROUP NET INCOME	1,004	564	-44%	628	11%

Source: Société Générale Marocaine de Banques - IFRS consolidated accounts



PART IV. Risk Factors

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.

I. Credit risk

I.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, the guarantees and the customers' credit ratings:

- Regional Offices;
- Risk Management Office (regionally and at the HQ)
- Executive Board

I.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 tasks 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.

I.b.1. 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.

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.

I.c. 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,...)

I.d. Credit rating

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

II. Market risk

- 1) The development of both the exchange market and the money market have led the Group to set up specific organizational structures meeting international standards. To this end, besides investing in material and human capital, the group has called upon the know-how of its parent company. Furthermore, audit missions are regularly scheduled by the parent company, international consulting firms and internally.
- 2) The **market risks evaluation measures and methods** adopted by SGMB are the measures commonly accepted by international banks:
 - The exchange risk on forward transactions is measured in terms of Conditional Value at Risk (CVaR), which best meets (99%) the requirements of Basel II.
 - The rate risk is measured by a daily follow-up of the directional risk determined based on the durations and sensitivities.
- 3) 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 as well as trading limits by the Front Office operator. As per the rate risk, the limit is imposed both in terms of portfolio volume and sensitivity; it is limited to a maximum of

3%. Finally, regarding the Delivery Settlement risk, limits by bank and customers counterparties are implemented and scrupulously monitored.

- 4) **Governance and responsibilities:** The separation and independence of the Middle Office-Back Office from the Front Office is strictly complied with. Each and every one of these entities is under the authority of a distinct operational division. All these trading activities are subject to a daily Reporting as well as a regular follow-up by SGMB's Executive Management, by the Risk Committee, the Supervisory Board and the Head Office.

II.a. The global interest rate and liquidity risk

II.a.1. General information

The **Structural Risks** relate to interest rate, exchange and liquidity risks of the bank's portfolio.

For the structural management of interest rate and liquidity risks, the Group is currently adopting a static approach (discontinued production) whereby all the data are updated on a quarterly basis. This actually provides an automatic model of assets and resources thanks to:

- the details of the products' maturity dates (in rates and liquidity)
- rules for the disposal of products without maturity dates.

Since 2007, the Bank has an ALM tool at its disposal (current version: Ambit FOCUS 2014.1) for the liquidity and interest rates gaps calculation, for the calculation of sensitivity to shocks under different scenarios, periodical reporting production, simulations (stress-tests), and more broadly, the analysis of the structural risks.

SGMB measures and manages its ALM risks:

- at the level of the Bank (Société Générale Marocaine de Banques)
- at a consolidated level for the Head office (slightly different perimeter that includes SG TANGER OFF SHORE, SOGELEASE, SOGEFINANCEMENT, SOGECAPITAL GESTION, ATHENA COURTAGE et FONCIMMO).

II.a.2. Governance

II.a.2.1. An ALM unit within the Finance Office

An ALM unit reports to the Financial Office of SGMB. Its role is to identify and monitor the structural risks and to propose and implement corrective measures, where applicable. A policy, formalised on 30 June 2011 (transferred to BAM on 21 September 2011) describes and defines the strategy and the terms of the interest rates, liquidity and exchange risks management.

This unit is also in charge of generating reports on the structural risks management. The reports analysis is presented to the Finance Committee, established by the Bank in May 2004 and whose mission is to define and implement a short-term and long-term strategy for the Bank with regard to overall balance-sheet management.

II.a.2.2. Governing Bodies for Structural Risks

II.a.2.2.1. Internal Bodies

The Audit Committee defines and validates the Audit guidelines with regard to the Structural Risks management. It has to be noted that the Auditing Committee is constituted by the Supervisory Board of SGMB, to which it reports on a regular basis. In that context, the Auditing Committee validates the Structural risks limits of SGMB.

The implementation of the strategic guidelines and the compliance with the operational limits of the interest rate and liquidity risks management are ensured by the Finance Committee of SGMB, and are reported to the Head Office by means of regular quarterly reports.

The Finance Committee has defined a set of strategic and operational objectives:

- 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.
- Sensitivity to the interest rate risk regulated by an alert threshold and a global limit and per maturity group (short-, mid- and long-term):
 - Alert threshold to 180 MMAD since May 2013 against 167 MMAD previously.
 - Maximum limit to 270 MMAD since May 2013 against 250 MMAD previously.

II.a.2.2.2. External Bodies

The interest rate structural risk is also subject to a regular reporting to Bank Al-Maghrib. This specific report is made on a quarterly basis since December 2007 for BAM using a specific template defined by the regulator. SGMB broadcasts to BAM a company report and a consolidated report.

The parent company (Groupe Société Générale) sets for its subsidiaries limits levels for the interest rates (sensitivity respectively controlled by an alert/limit threshold of 17 MEUR / 25.5 MMAD for SGMB as notified by the Group since 23 June 2014 (corresp. MAD as 31 December 2014: 186 MMAD / 280 MMAD) against 16 MEUR/24 MEUR as of 29 May 2013 (corresp. MAD as of 31 December 2014 to 175 MMAD / 263 MMAD).

II.a.3. Methodologies used by SGMB

This section deals with the methods relating to the interest rates and liquidity management as implemented by SGMB.

The overall balance-sheet of the various analysis perimeters is subject to a Structural Risks management. Therefore, the following approaches are being used for modelling the balance-sheet amounts:

- Sight deposits (Chequing accounts / current accounts in credit): statistical model: back-testing are regularly made (the most recent on November 2014)
- Deposit accounts: statistical model.
- Term deposits: contract detail.
- Customers' overdrafts (Chequing accounts/current accounts receivables): over 1 to 5 years (based on the customer's risk rating).
- Credit institutions' overdrafts: over 12 months.
- Own management (capital, reserves, accrued assets and liabilities, clearance accounts, other receivables and payables, etc.): Group Norms.

For the modelling of the hidden options:

- Early repayments: non-modelled because (i) their volume is low and (ii) these are not real early repayments. They often correspond to dossiers re-opened with an initial capital identical to the Capital remaining from the initial dossier and identical or quasi-identical interest rates and maturities terms and conditions.
- Transition rate from variable to fixed rate: non-modelled.

II.a.3.1. The global interest rate risk

II.a.3.1.1. Assessment and monitoring method used for the interest rate risk

This approach is based on the fixed-rate interest gaps calculation (fixed rate resources less fixed rate assets) on every maturity (1 month, 2 months, 3 months, 6 months, 1 year, 2 years... 15 years and more than 15 years). These gaps will then be discounted (calculation of their NPV) by using the secondary market T-bill curve rates (on the cut-off date).

The differential of this NPV, calculated with current rates to which a variation not of 1% but rather of 1 basis point (0.01%) is applied and then multiplied by 100, allows the deduction of the balance sheet sensitivity from the rates variations.

The calculation method is enriched by the coupon effect that is taken into account. However, the method is based on the calculation of the sensitivity of perfect gap coverage (and not on the calculation of the sensitivity of the gap generated by the balance sheet and off-balance-sheet due items).

Besides, for more accuracy, the curve translation is of 1 basis point (0.01%) and then multiplied by 100.

SGMB makes the distinction between the ST sensitivity (maturities below 1 year), the MT sensitivity (maturities between 1 and 5 years) and the LT sensitivity (maturities above 5 years) by the SG Group:

Since March 2010, these maturities ranges are fixed as follows:

- Short-term: from [0 month to 1 year].
- Mid-term: [1 -5 years] against [1-7years] previously.
- Long-term: from [5 years to infinity] against [7 years to infinity].

II.a.3.1.2. Remarks on the limits of the rates' Structural Risk

Alert thresholds and limits fixed in terms of the global interest rate risk and terms and conditions of their revisions:

- The SG Group and SGMB alert threshold (limitresp.) of the balance-sheet sensitivity to interest rates variations is fixed to 17 MEUR - corresp. to 186 MMAD (resp. 25.5 MEUR corresp. to 280 MMAD). These intervals were notified by the Head office (DEVL/SG France) on 23 June 2014 (for entry into force on 30 June 2014).

Limits exceeding: any limit exceeding must be subject to clarifications and lead to a corrective action plan. In that respect, during fiscal year 2009, an action plan was set up by SGMB on the compliance with limits and has lead to a sensitivity decline.

From March 2010 to date, the sensitivity is lower than the overall sensitivity limits (Consolidation perimeter of SG Group).

II.a.3.1.3. Software tools used

The software solution used for ALM is Ambit FOCUS 2014.1 - Sungard (following the update performed during Q3-2014), which is fed by queries on the line-of-business systems Delta & KONDOR (for SGMB), and management data SG Tanger Off Shore, Sogelease and Sogéfinancement for the consolidated subsidiaries.

The solution allows for a high-level of flexibility in terms of stress-scenarios, maturities management (time-bands), perimeters analysis management,...

II.a.3.2. The liquidity risk

II.a.3.2.1. Monitoring methods and procedures

The modalities for the monitoring of the liquidity risk are defined by the Financial Committee, approved by the Audit Committee and implemented operationally by the weekly Treasury Committee.

II.a.3.2.1.1. The liquidity management by the Weekly Treasury Committee (CHT)

The operational administration of the immediate cash-flow (short-term: lower than 1 year) is ensured by the Trading Floor with a management mandate (services contract or SLA), under the supervision of the CHT.

Several reporting are being used:

- A daily dashboard: established by the Bank's treasurer, it 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.
- A weekly report for the weekly Treasury Committee with liquidity forecasts out to 1, 2, 3, 6 and 12 months and beyond. This dashboard allows for the implementation of funding actions by the CHT.

Based on the data provided in the reports, the CHT applies the strategic guidelines, which are given to it by the Finance Committee in order to guarantee the liquidity of the Band and SGMB.

II.a.3.2.1.2. The liquidity management by the Finance Committee

The Finance Committee of SGMB defines the guidelines in terms of refinancing and liquidity management. It lays down the funding rules for SGMB subsidiaries and guarantees both the sustainable liquidity of the site and the compliance with the regulatory ratio for SGMB.

In this context, it uses the liquidity gaps approach and the minutes of the Weekly Treasury Committees.

II.a.3.2.2. Methods and tools

The assessment methods of the immediate and forecast cash management are as follows:

- Calculation of the liquidity gaps (resources outstanding less assets outstanding) for each maturity (1 month, 2 months, ... 12 months, 2 years... 15 years and more than 15 years).
- Production of a liquidity report destined to the Head office (TRANSFO phase: gap resources less assets on maturities of 1 month, 2 months, ..., 12 months, 2 years, 5 years, 10 years, 15 years, 20 years, and more than 20 years). These calculations are obtained by using the contracts depreciation tables for contractual items and the liquidity disposal rules for non-contractual items. They correspond to the central scenario of liquidity.
- Production of a weekly report (Weekly Treasury Committee) for the CHT and the General Management in order to monitor the short-term liquidity (1, 2, 3 months and 6, 9 months), whose analysis is based on the estimated future cash-flows (main forecast inflows and outflows over the future periods: due / collection of FTD or DC, reimbursements/release of important loans or mature securities...).

The liquidity raising tools used by the CHT and the Finance Committee are the following:

- Revision modalities for lines of credit opened in favour of the Bank and periodic monitoring rules of their adequate tailoring to the needs: the lines of credit open for the Bank (loans at overnight rates or term agreed with their peers) are checked and revised based on the daily treasury gap and the estimated future liquidity gap.
- A request to the Head office in case of liquidity crisis on the local market: a funding commitment of 100MEUR...
- A general funding policy implemented by the Finance Committee and which focuses on the following tools:
 - A policy of Deposit Certificate issuance (DC) in adequacy with the short-, mid- and long-term funding needs for the business activity.
 - A structural funding by subordinate debt issue, under the compliance of the provisions of the Basel regulatory corpus (500 MMAD issued in December 2012).
 - The adjustment of the commercial resources in network and at the Head office for the customers' deposits collection, by means of a pricing policy or network development policy.
 - Starting from 2014, subscription to the BAM refinancing programme guaranteed by SMB loans (borrowings as high as 1150 MMAD as of January 2015).

II.a.3.2.3. Limits and compliance with limits

The regulatory ratio, which measures, in strictly accounting terms, the Bank's liquidity to 1 month, amounted above the regulatory minimum (100%), throughout the year (except for February 2014) until December 2014.

II.a.3.3. The exchange risk

The commercial transactions in foreign currencies must be subject to a systematic endorsement. The Bank's structural exchange position must therefore be null (except for the banknote exchange position). In the opposite case, the position must be hedged by currency risk hedging techniques.

The structural exchange Risks concern the Bank's structural bloc (banking portfolio) and are regulated by limits set by the Group (overall exchange and currency position).

The SG Group and SGMB alert threshold (resp. limit) of the structural exchange position is set to 7.3 MEUR - corresp. 80 MMAD (resp. 9,8 MEUR – corresp. 107 MMAD). These intervals were notified by the Head office (DEVL/SG France) on 17/03/2014 (for entry into force on 31/03/2014).

SGMB exchange position is postponed on a quarterly basis onto the COFI (monthly follow-up at the ALM level), and during the year 2014, no exceeding was observed.

II.b. The operational risk

II.b.1. Rules and organisation of the operational risks function

Within the compliance of the requirements of the Basel II Accords and the prerogatives of the BAM Circular N° 4/W/2014 relating to internal auditing, Société Générale Marocaine des Banques embarked a few years ago in an approach aimed at setting up an internal efficient auditing system that is adapted to the organisational context and to the Group's economic, political and social environment.

This approach is intended to ensure regularity, reliability and security of the Bank's activities within an environment that is highly exposed to various kinds of risks.

The Operational Risk consists in all the realized or potential losses, but also near-losses, non-recoverable GNP gains and losses to which the Bank is exposed. These losses arise as a result of the inadequacy or failure of procedures, persons or internal systems, or as a result of external events. Société Générale Marocaine des Banques has set up a policy for the control and management of Operational Risks, in compliance with the Basel Accords (the Basel II system) and which come within the framework of the Group Société Générale policy with regard to the management of Operational Risks and the common best-practices in the banking industry.

Disclaimer

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/013/2015 on 05/06/2015

CDVM recommends that the prospectus made available to the public in French be read in its entirety.