



Casablanca, February 21<sup>st</sup> 2008

**NOTICE N° 17/08**  
**RELATING TO LISTING OF BMCE BANK**  
**SUBORDINATED BONDS "A "**  
(French version only available)

**Casablanca Stock Exchange Notice of Approval n° 02/08 dated of February 13<sup>th</sup> 2008**  
**CDVM Visa n° VI/EM/004/2008 dated of February 13<sup>th</sup> 2008**

Under Dahir providing Law n°1-93-211, amended and supplemented by Laws n°34-96, 29-00, 52-01 and 45-06 relating to the Stock Exchange, and in particular Article 14a,

Considering provisions of the Stock Exchange General Rules, approved by Ministerial Order n° 499-98 of July 27<sup>th</sup> 1998, issued by the Ministry of Economy and Finance, amended and supplemented by Ministerial Order n° 1960-01 of October 30<sup>th</sup> 2001, issued by the Ministry of Economy, Finance Privatization and Tourism, by Ministerial Order n° 1994-04 of November 22<sup>nd</sup> 2004 issued by the Ministry of Finance and Privatization and by Ministerial Order n° 1137-07 of June 13<sup>th</sup> 2007 issued by the Ministry of Finance and Privatization; especially Article 1.1.12.

**ARTICLE 1: PURPOSE OF THE OPERATION**

**Framework of the operation**

After having taken cognizance of the report of the Board of Directors, held on February 23<sup>rd</sup> 2007, The Mixed General Meeting, held on April 3<sup>rd</sup> 2007, authorized the Board of Directors and every person duly delegated to that end to carry out one or several floating operations of convertible or non convertible bonds over a ten-year period. The said floating operation(s) are governed by provisions in Articles 292 to 315 of Law n° 17/95 relating to Joint Stock Companies, and will be carried out within the limit of MAD 2,000,000,000 (Two Billion MAD) or its equivalent in foreign currency.

The floating operations, thus authorized, may be carried out in one or several tranches, within a five-year period maximum.

The Mixed General Meeting conferred to the Board of Directors and to every person duly authorized to that end all powers with the view to: fix the terms and conditions, and the final form of the afore mentioned authorized debenture floating operation(s), to carry out on a permanent basis the said floating operation(s) and in general, to take all useful measures, under the regulatory and legal conditions in force during these operations.

The Board of Directors, of February 23<sup>rd</sup> 2007, gave all powers to the president of the Board of Directors and to every person duly appointed by him to the end of:

- Defining final methods of the floating in one or several tranches;
- Drawing documents and prospectus, getting authorizations and visas from the proper administrative authorities;
- Carrying out all formalities with the supervisory authority;
- Convening the Ordinary General Meeting to decide the debenture floating;
- Carrying out the said floating in on or several tranches;
- Appointing the representative of the bondholders' body;
- Convening the Bondholders General Meeting, assigned to appoint the representative of the bondholders' body.

### **Objectives of the operation**

The current floating operation aims mainly at increasing BMCE BANK owners' equity with the view to accompany the development of its network worldwide and to raise the BMCE BANK capacity of granting credits to its customers. The funds corresponding to the current floating of subordinate bonds in capital will be classified as the Bank's complementary Owners' Equity.

## **ARTICLE 2: STRUCTURE OF THE OFFER AND MAIN FEATURES OF THE FLOATED SUBORDINATE BONDS**

### **Structure of the offer**

The operation's global amount is MAD 1 billion (one billion MAD) and is divided up into two tranches:

- **Loan A:** listed in the Casablanca Stock Exchange for an amount of MAD 400,000,000 (Four hundred million MAD) having as nominal value MAD 100,000 and;
- **Loan B:** unlisted in the Casablanca Stock Exchange for an amount of MAD 600,000,000 (Six hundred million MAD) having as nominal value MAD 100,000.

The total amount, awarded on both loans, should not, at any circumstances, exceed the sum of MAD one billion (1,000,000,000), within the MAD-2,000,000,000 allowance, authorized by the Board of Directors.

The current floating operation is reserved to institutional investors of Moroccan Law: OPCVM (Mutual Funds), financial companies, Credit Institutions, insurance and reinsurance companies, CDG (Management and Deposit Fund), and Retirement and Pension Bodies as well.

### **Main features of the listed subordinate debenture loan A:**

<b>Nature</b>	Bonds listed in the Casablanca Stock Exchange; entirely dematerialized through registration at the Central Trustee/ Depository (Maroclear) and entered into account at the Authorized affiliated members.
<b>Amount of Loan A</b>	MAD 400,000,000
<b>Number of bonds to be floated</b>	4,000 subordinate bonds
<b>Legal Form</b>	Bearer bonds.
<b>Nominal Value</b>	MAD 100,000
<b>Loan Maturity</b>	10 years, with possibility of early redemption as from the Fifth (5 <sup>th</sup> ) year after Bank Al Maghrib permission.
<b>Period of subscription</b>	From February 18 <sup>th</sup> to February 21 <sup>st</sup> 2008 inclusive.
<b>Date from which interest begins to run</b>	February 26 <sup>th</sup> 2008.
<b>Maturity Date</b>	February 26 <sup>th</sup> 2018.
<b>Date of interest rate review</b>	The coupon will be yearly reviewed. The review will be affected on the basis of the rate applied for the 52-week Treasury Bonds, and observed on the secondary market on February 22 <sup>nd</sup> of every year (as published on Reuters by Bank Al Maghrib). The reviewed rate will be published in an announcement in the quotation bulletin the day before the review is applied.
<b>Floating Price</b>	At par, i.e. MAD 100,000
<b>Nominal interest rate</b>	Annually reviewed. For the first year, i.e. from February 26 <sup>th</sup> 2008 to February 26 <sup>th</sup> 2009, The facial rate of the definite-term subordinate bonds is calculated on the basis of the last rate of the 52-week Treasury Bonds, recorded or calculated by linear interpolation on the curve of the secondary market rates as published on Reuters by Bank Al Maghreb on February 22 <sup>nd</sup> 2008. The rate thus obtained will be increased by a risk premium included between 75 and 80 base points.
<b>Method of calculation</b>	At every anniversary date, the reference rate, which will be retained, will be determined according to the following methods: The last rate of the 52-week Treasury Bonds recorded or calculated on the curve of the

secondary market rates as published on Reuters by Bank Al Maghreb on February 22<sup>nd</sup> of every year, or on the working day before.

The rate will be determined according to the linear interpolation method by using the two points bordering the 52 week full maturity (monetary basis).

The rate thus obtained will be increased by a risk premium included between 75 and 80 base points

### **Risk premium**

The risk premium is set between 75 and 80 base points during all the loan duration.

### **Interests**

Interests will be annually served at anniversary dates of the date from which loan interests begin to run, i.e. February 26<sup>th</sup> of every year. Payment of interests will start the same day or the first working day following February 26<sup>th</sup> if this one is not a working day.

Because of the annual review of the nominal rate, interests will be calculated on a monetary basis: [Nominal Value \* Nominal Rate \* (exact number of days/360 days)].

Interests of subordinate bonds will cease to run as from the day when capital will be repaid by **BMCE BANK** or when due. No carrying over of interests will be possible within the framework of this operation

### **Depreciation / Normal redemption**

The Tranche A, listed in the Casablanca Stock Exchange,

### **Of Principal**

Operation will be submitted to redemption in fine of the Principal. In case of merger, spin-off, or partial contribution of **BMCE BANK**'s assets, that may occur during the loan term and leading to universal making over of the property in favour of a distinct legal entity, the rights and obligations related to the subordinate bonds will automatically be transmitted to the substituted legal entity as for **BMCE BANK**'s rights and obligations.

In case of **BMCE BANK** putting into liquidation, the redemption of capital is subordinate to all other debts.

### **Redemption before maturity**

Possible as from the fifth year, with no previous notice and after consent of Bank Al Maghreb.

### **Debenture Negotiation**

The subordinate bonds, subject of Tranche A, are freely negotiable at the Casablanca Stock

Exchange. There is no floating-related restriction laid down on debenture free negotiability.

### **Prior Assimilations**

The **BMCE BANK** -floated subordinate bonds, subject of Tranche A , will not be subjected to any assimilation to bonds of a **BMCE BANK** previous floatation, i.e. in November 2005. In case **BMCE BANK** will have subsequently to float new bonds having in all respects rights identical to those of the current floating operation, it could carry out, without demanding the consent of holders of former bonds, and provided that the floating agreements allow it, the assimilation of all securities, issued from successive floating operations unifying thus management and negotiation operations.

### **Debenture Quotation**

The subordinate bonds, subject of Tranche A, will be listed in the Casablanca Stock Exchange. The subordinate Bonds of Tranche A will be subjected to an application for admission into the Casablanca Stock Exchange debenture compartment. Their quotation date is scheduled for February 26<sup>th</sup> 2008 on the debenture compartment under code 990118 and will have as ticker OB118.

### **1<sup>st</sup> quotation procedure**

Quotation of Tranche A will be made through direct quotation in compliance with Articles 1.2.6. And 1.2.22. Of the Stock Exchange general rules.

### **Registration in the Stock Exchange**

Registration will be made through the Brokerage firm BMCE Capital Bourse.

### **Debt rank**

Capital is subjected to a subordination clause. The implementation of this clause interferes in no way with legal rules as regards accounting principles for losses appropriation, and as for obligations of shareholders and rights of the subscriber to obtain according to the conditions set in the agreement, the redemption of his bonds in capital and interests.

In case **BMCE BANK** is liquidated, the subordinate securities within the current floating operation will be redeemed at equal price at par and redemption will take place only after paying-off of all preferred or unsecured creditors. These subordinate securities will, during redemption, come at the same rank than all the other

subordinate loans the **BMCE BANK** could subsequently float in Morocco as well as abroad, proportionally to their amounts if need be.

**Loan maintenance at rank:**

**BMCE BANK** undertakes, until effective redemption of the debenture totality of the current loan, to institute, for other subordinate securities that it could float later, no priority as regards the redemption rank in case of liquidation, and this without granting the same rights to the subordinate bonds of the current loan.

**Guarantee**

The current floating operation is not subjected to any specific guarantee.

**Rating**

The current floating operation has not been subjected to any request for rating.

**Representation of the bondholders'**

Until debenture holders convene their General Meeting,

**Body:**

The **BMCE BANK** Board of Directors will appoint, as soon as subscription starts, a temporary proxy among the persons authorized to carry out the functions of business agent. The identity of the said person will be brought to the public knowledge by press release on April 10<sup>th</sup> 2008 at the latest.

**Applicable Law**

Moroccan Law

**Competent Jurisdiction**

Court of Arbitration.

**ARTICLE 3: TERMS AND CONDITIONS OF SUBSCRIPTION**

**Period of subscription**

The period of subscription for the floating operation will start on February 18<sup>th</sup> 2008 and will be closed on February 21<sup>st</sup> 2008 inclusive.

**Subscribers**

The primary subscription for the subordinate bonds, subject of the current floating operation, is reserved to national institutional investors as defined hereafter:

\* OPCVM or Mutual Funds governed by Dahir that provides Act n°1-93-213 of Rabii II 1414 (September 21st 1993) relating to OPCVM, as amended and supplemented, subject to the respect of statutory, regulatory or legislative provisions and prudential regulations that govern these funds;

\* Financial Companies mentioned in Article 14 of Dahir n° 1-05-178, issued on November 14<sup>th</sup> 2006, that provides Law n° 34-03 relating to credit institutions and similar bodies, subject to the respect of statutory, regulatory or legislative provisions and prudential regulations that govern these companies;

\* Credit institutions referred to in first Article of Dahir n° 1-05-178 aforementioned, subject to the respect of statutory, regulatory or legislative provisions and prudential regulations that govern these institutions;

\* Authorized Reinsurance and Insurance companies, subject to the respect of statutory, regulatory or legislative provisions and prudential regulations that govern these companies;

\* CDG (Caisse de Dépôt et de Gestion<sup>1</sup>) subject to the respect of statutory, regulatory or legislative provisions and of prudential regulations that govern it;

\*Retirement and pension funds, subject to the respect of statutory, regulatory or legislative provisions and prudential regulations that govern these funds.

All Subscriptions are made in cash, whatever the category of subscribers. The restriction of subscription to institutional investors of Moroccan Law aims at facilitating the management of subscriptions on the primary market. It remains agreed that every investor wishing to acquire bonds could buy them on the secondary market.

### **Identification of subscribers**

The Investment Pool Members must make sure of the appurtenance of the subscriber to either of the categories defined herein. As such, they must obtain a copy of the supporting document and attach it to the subscription form.

<b>Category of Investors</b>	<b>Document attesting the appurtenance of the investor to one of the categories</b>
<b>OPCVM – Mutual Funds-</b>	*Photocopy of the acceptance ruling for FCP (Fonds Communs de Placement – Mutual Funds); * For FCP or mutual funds, number of the certificate of deposit at the office of the court clerk; *As for SICAV – Unit trusts- Model of registration in the trade register.
<b>Institutional Investors of Moroccan Law (off OPCVM)</b>	Model of registration in the Trade Register including the Company’s object that brings out their appurtenance to the concerned category.

### **Subscription Methods**

Every subscriber has the possibility to formulate one or several subscription applications while specifying the wished amount, the nature of the tranche applied for and the rate of

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<sup>1</sup> Management and Deposit Fund

subscription. This latter corresponds to the rate of the 52-week Treasury Bonds, recorded on the secondary market, on February 22<sup>nd</sup> 2008 for the first year and on February 22<sup>nd</sup> or in the previous working day for the following years, increased by a risk premium included between 75 and 80 basis points per level of one base point.

Unless, they are rendered void, Applications, made at the same subscription price, are cumulative on a daily basis. The subscribers could be served up to their cumulated applications and within the limit of available securities.

There is no floor or ceiling instituted for subscription within this debenture floating operation. Every subscriber has the possibility to bid for the unlisted or/and listed loan.

The Underwriting body must collect subscription orders from investors, through firm and irrevocable subscription forms, duly signed, and filled in by subscribers. It undertakes not to accept any subscription collected by another entity.

Subscription orders will be collected by the Underwriting Body.

During the subscription period, subscribers must address to the underwriting body, in order to formulate one or several subscription applications while specifying the wished amount, the nature of the tranche applied for and the rate of subscription. This latter corresponds to the rate of the 52-week Treasury Bonds, recorded on the secondary market, on February 22<sup>nd</sup> 2008 for the first year and on February 22<sup>nd</sup> or in the previous working day for the following years, increased by a risk premium included between 75 and 80 basis points per level of one base point.

Every subscription form must be signed by the subscriber or his proxy and handed over to the Underwriting body. All subscriptions will be made in cash and shall be expressed in number of **bonds**.

Subscription orders are irrevocable after the closing of the subscription period.

#### **investment pool and financial intermediaries**

<b>Type of Financial Intermediaries</b>	<b>Name</b>	<b>Address</b>
<b>Councillor and Global coordinator</b>	BMCE Capital	Tour BMCE – rond point Hassan II - Casablanca
<b>Body in charge of underwriting</b>	BMCE Capital Bourse	Tour BMCE – rond point Hassan II – Casablanca
<b>Body Providing the floater's financial service</b>	BMCE BANK / BMCE Capital Titres	Tour BMCE – rond point Hassan II - Casablanca

## **ARTICLE 4: TERMS AND CONDITIONS OF ORDER PROCESSING**

### **Centralization of Orders**

BMCE Capital Bourse, the Body in charge of underwriting must collect subscription orders from its clientele, through irrevocable and firm subscription forms.

Every subscriber must:

- Remit, before the closing of the subscription period, an irrevocable, firm and duly signed subscription form, in a closed envelope to the body in charge of underwriting;
- Formulate his subscription order(s) while specifying the number of securities applied for, the amount of subscription and the wished facial rate. This latter corresponds to the rate of the 52-week Treasury Bonds, recorded on the secondary market, increased by a risk premium included between 75 and 80 basis points per level of one base point.

During the subscription period, the body in charge of underwriting must draw a consolidated status.

In the event of non subscription during the day, the subscription statement must be drawn with the mention “None”.

At the end of the subscription period, BMCE Capital Bourse, the Body in charge of underwriting must consolidate all subscription forms and draw a summary statement of subscriptions.

On February 21st 2008, at 05.00 p.m., in the BMCE Capital Head Office, the following will be carried out:

- Opening of envelopes;
- Consolidation of all subscriptions;
- Allotment according to the method defined below.

### **Allotment methods**

The allotment of bonds will be made at a single rate at the closing of the subscription period. The granted amount, could not, at any circumstances, exceed MAD 1,000,000,000. The rate, which will be applied, will be the one of the highest application.

At the closing of the subscription period, subscription orders are consolidated. Subscriptions will be served at the same rate up to amounts applied for:

- If both tranches are subscribed for within the authorized thresholds (MAD 400,000,000 for Tranche A and MAD 600,000,000 for Tranche B), allotment of amounts subscribed for will be made for every subscriber up to his application;
- If the amount subscribed for within Tranche A is superior to MAD 400,000,000 and the amount subscribed for within Tranche B is inferior to MAD 600,000,000 or inversely, allotment will be made in priority to the over-subscribed tranche, the remainder will be allotted to subscribers of the other tranche;
- If amounts subscribed for within both tranches are superior to the authorized thresholds ((MAD 400,000,000 for Tranche A and MAD 600,000,000 for Tranche B), a prorate allotment will be made on the basis of the allotment rate. This rate will be determined by the ratio:

**“(Quantity offered)/ (Quantity applied for)”;** and

If the number of bonds to be distributed, according to the prorate rule determined above, is not an integer, the number of bonds will be rounded to the lower unit. Odd lots will be allotted by level of one bond per subscriber, with priority given to the highest applications.

At the end of allotment, the body in charge of underwriting will draw a summary statement of all subscriptions, as well as the allotment results.

### **Methods of subscription cancellation**

In case of failure of the financial operation, subscriptions must be repaid back within a period of 10 working days, as from the date of results publishing.

Any subscription, not meeting the conditions aforementioned in the prospectus or in the underwriting agreement, is likely to be cancelled by the body in charge of underwriting.

## **ARTICLE 5: METHODS OF PAYMENT AND DELIVERY OF SECURITIES**

### **Modalities of payment for subscriptions**

The settlement of subscriptions will be made at the date from which interests begin to run i.e. February 26<sup>th</sup> 2008, through transmission of delivery orders against payment (LCP) by the trustee of subscriptions (**BMCE BANK**) at MAROCLEAR. Securities are payable once in cash and are registered into account on behalf of subscribers on February 26<sup>th</sup> 2008.

At the end of allotment, the securities granted to every subscriber are registered in his securities account in the day of Payment / Delivery.

### **Paying Agent of the floating operation**

**BMCE BANK** is designated as the paying agent of the operation, in charge of carrying out all operations inherent to the securities floated within the framework of this operation.

## **ARTICLE 6: LISTING IN THE CASABLANCA STOCK EXCHANGE**

<b>Listing and quotation date</b>	February 26 <sup>th</sup> 2008
<b>Code</b>	990118
<b>Ticker</b>	OB118
<b>First quotation Procedure:</b>	direct quotation
<b>Centralizing Body</b>	BMCE Capital Bourse
<b>Body in charge of the operation registration in the Casablanca Stock Exchange</b>	BMCE Capital Bourse
<b>Communication of Results</b>	For listed Loan A, results of the operation will be published on February 26 <sup>th</sup> 2008 by the Casablanca Stock Exchange in the Quotation Bulletin and for both loans by BMCE Capital Bourse in "L'Economiste" daily newspaper in the same day.

### Indicative timetable of the operation

Order	Steps	At the latest on
1	Receipt by the Casablanca Stock Exchange of the operation complete file.	February 13 <sup>th</sup> 2008
2	Issuing by the Casablanca Stock Exchange of the Notice of Approval on the operation and of the indicative timetable.	February 13 <sup>th</sup> 2008
3	Receipt by the Casablanca Stock Exchange of the CDVM-visaed prospectus.	February 13 <sup>th</sup> 2008
4	Publication in the Quotation Bulletin of the notice relating to the debenture loan listing operation.	February 14 <sup>th</sup> 2008
5	Opening of the subscription period.	February 18 <sup>th</sup> 2008
6	Closing of the subscription period.	February 21 <sup>st</sup> 2008
7	Receipt by the Casablanca Stock Exchange of the operation' results.	February 22 <sup>nd</sup> 2008 before <b>12.00 p.m.</b>
8	<ul style="list-style-type: none"><li>- debenture admission into quotation,</li><li>- Announcement of results in the quotation bulletin;</li><li>- Registration of the transaction in the Stock Exchange;</li><li>- Payment/Delivery (LCP)</li></ul>	February 26 <sup>th</sup> 2008
9	Levy of the admission fee	February 27 <sup>th</sup> 2008

### *Markets Division*