CREDIT DU MAROC

Prospectus Summary relating to the Public Offering for the Sale of 1,229,577 Shares

Fixed Price Offer

The AMMC-approved prospectus comprises the following documents: (i) the securities note, (ii) the reference document relating to the 2023 financial year and the first half of 2024 registered by the AMMC on 07/26/2024 under reference no. EN/EM/010/2024 and (iii) update no. 1 of the reference document relating to the 2023 financial year and the first half of 2024 registered by the AMMC on 10/18/2024 under reference no. EN/EM/026/2024.

Nature of securities	**Ordinary shares**
Subscription price	**MAD 850 per share (excluding specific discount)**
Nominal value	**MAD 100**
Number of new shares to be sold	**1,229,577 shares**
Total amount of operation	**MAD 1,032,640,350**
Subscription period	**From 10/28/2024 to 11/01/2024 3:30 p.m. inclusive**

This offer does not apply to money-market and short-term UCITS

Co-Financial Advisors

Co-Leaders of the Underwriting Syndicate

Members of the Underwriting Syndicate

Approval of the Moroccan Capital Market Authority (AMMC)

In accordance with the provisions of the AMMC circular issued in application of article 5 of law 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings, this prospectus was approved by the AMMC on 10/18/2024 under reference no. VI/EM/032/2024

The securities note constitutes only part of the AMMC-approved prospectus. The latter is made up of the following documents: (i) the securities note, (ii) the reference document relating to the 2023 financial year and the first half of 2024 registered by the AMMC on 07/26/2024 under reference no. EN/EM/010/2024 and (iii) update no. 1 of the reference document relating to the 2023 financial year and the first half of 2024 registered by the AMMC on 10/18/2024 under reference no. EN/EM/026/2024.

Disclaimer

On 10/18/2024, the Moroccan Capital Market Authority (AMMC) approved a prospectus relating to the public offering for the sale of 1,229,577 shares.

The AMMC-approved prospectus is available at any time from Crédit du Maroc's head office, on its website www.creditdumaroc.ma, and from its financial advisors. It is also available within 48 hours from order-collecting institutions.

The prospectus is available to the public at the Casablanca Stock Exchange headquarters and on its website www.casablanca-bourse.com. It is also available on the AMMC website www.ammc.ma.

This summary is translated by Lissaniat under the joint responsibility of the said translator and Holmarcom Finance Company. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

Contents

PART I – Presentation of the Operation

I. Structure of the Offer

I.1. Operation amount

Holmarcom Finance Company plans to sell 1,229,577 Crédit du Maroc shares (representing 11.3% of CDM's share capital and voting rights) to the public and eligible employees of the CDM Group at a price of MAD 850 per share (excluding the specific discount granted to eligible employees of the CDM Group), representing a total Operation amount of MAD 1,044,936,120.

I.2 Offer structure

Order type	I	II	III
Subscribers	• Resident or non-resident natural persons of Moroccan or foreign nationality; • Legal entities governed by Moroccan or foreign law not belonging to the categories of qualified investors as defined by article 3 of law no 44-12 and article 1.30 of AMMC circular no 03/19 as amended and supplemented, and having been in existence for more than one year as of the subscription date; • Qualified investors under Moroccan law as defined by article 3 of law no 44-12 and article 1.30 of AMMC circular no 03/19 as amended and supplemented, excluding money-market and short-term bond UCITS; • Qualified foreign investors as defined by article 1.30 paragraph (c) of AMMC circular no 03/19 as amended and supplemented.	• Resident or non-resident natural persons of Moroccan or foreign nationality; • Legal entities governed by Moroccan or foreign law not belonging to the categories of qualified investors as defined by article 3 of law no 44-12 and article 1.30 of AMMC circular no 03/19 as amended and supplemented, and having been in existence for more than one year as of the subscription date; • Qualified investors under Moroccan law as defined by article 3 of law no 44-12 and article 1.30 of AMMC circular no 03/19 as amended and supplemented, excluding money-market and short-term bond UCITS; • Qualified foreign investors as defined by article 1.30 paragraph (c) of AMMC circular no 03/19 as amended and supplemented.	• Resident or non-resident natural persons, of Moroccan or foreign nationality and employees of Crédit du Maroc and/or its subsidiaries within the meaning of Article 143 of Law 17-95 • Employees eligible to subscribe to this type of order are active employees of the CDM Group who have not resigned and are salaried as of 10/18/2024

Offer amount	MAD 655,126,450	MAD 327,513,500	MAD 50,000,400
As a % of the total Operation amount	63.44%	31.72%	4.84%
Number of shares to be sold	770,737	385,310	73,530
Subscription price	MAD 850 per share	MAD 850 per share	MAD 850 per share
Minimum subscription per investor	3,529 shares, i.e. MAD 2,999,650	No minimum	Main formula: 12 shares, i.e. MAD 8,160 Complementary formula: 20 shares, i.e. MAD 13,600
Subscription ceiling per investor	• For investors other than UCITS, 10% of the total number of shares offered as part of the Operation, representing 122,957 shares, i.e. MAD 104,513,450; • For UCITS, the minimum between: ✓ 10% of the total number of shares offered as part of the Operation, representing 122,957 shares, i.e. MAD 104,513,450; ✓ 10% of the UCITS net assets corresponding to the net asset value as of 10/25/2024.	• For investors other than UCITS, 10% of the total number of shares offered as part of the Operation, representing 122,957 shares, i.e. MAD 104,513,450; • For UCITS, the minimum between: ✓ 10% of the total number of shares offered as part of the Operation, representing 122,957 shares, i.e. MAD 104,513,450; ✓ 10% of the UCITS net assets corresponding to the net asset value as of 10/25/2024.	• **For eligible CDM Group employees whose subscriptions are financed by equity:** ✓ Main formula: 30 shares, i.e., MAD 20,400 ✓ Complementary formula: 73,500 shares, i.e., 49,980,000 MAD • **For eligible CDM Group employees whose subscriptions are financed via a bank loan from CDM:** ✓ Main formula: 30 shares, i.e., MAD 20,400 • Complementary formula: 1 year's net salary (excluding variable bonuses), rounded down to the nearest multiple of 10, from which MAD 20,400 is deducted.

Placement	• For qualified investors under Moroccan law as defined by article 3 of law no 44-12 and article 1.30 of AMMC circular no 03/19, excluding UCITS: Co-leaders of the underwriting syndicate; • For qualified investors under foreign law as defined by article 1.30 paragraph (c) of AMMC circular no 03/19 as amended and supplemented, excluding UCITS: Co-leaders of the underwriting syndicate; • For other categories of investors, excluding money-market and short-term bond UCITS: All members of the underwriting syndicate.	• For qualified investors under Moroccan law as defined by article 3 of law no 44-12 and article 1.30 of AMMC circular no 03/19, excluding UCITS: Co-leaders of the underwriting syndicate; • For qualified investors under foreign law as defined by article 1.30 paragraph (c) of AMMC circular no 03/19 as amended and supplemented, excluding UCITS: Co-leaders of the underwriting syndicate; • For other categories of investors, excluding money-market and short-term bond UCITS: All members of the underwriting syndicate.	• Crédit du Maroc
Subscription coverage	• For natural or legal persons under Moroccan or foreign law (non-qualified), subscriptions must be 100% covered by: ✓ an effective deposit (cheque, cash or transfer) on the subscriber's account, and/or; ✓ collateral consisting of securities in accordance with the following terms and conditions: ▪ government bonds: taken at a maximum of 100% of the value on the subscription date; ▪ money-market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date; ▪ units of UCITS with daily net asset value (excluding money-	• For natural or legal persons under Moroccan or foreign law (non-qualified), subscriptions must be 100% covered by: ✓ an effective deposit (cheque, cash or transfer) on the subscriber's account, and/or; ✓ collateral consisting of securities in accordance with the following terms and conditions: ▪ government bonds: taken at a maximum of 100% of the value on the subscription date; ▪ money-market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date; ▪ units of UCITS with daily net asset value (excluding money-	• Subscriptions to Order Type III may be financed (A) by shareholders' equity or (B) by a bank loan from CDM. A combination of the two financing methods is not permitted. A. **For eligible employees of the CDM Group whose subscriptions are financed by shareholders' equity:** • subscriptions must be 100% covered by: ✓ an effective deposit (cheque, cash or transfer) on the subscriber's account, and/or; ✓ collateral consisting of securities in accordance with the following terms and conditions: ▪ government bonds: taken at a maximum of 100% of the value on the subscription date;

	market funds), term deposits, listed shares: taken at a maximum of 80% of the value on the subscription date. • For qualified investors under Moroccan law: no coverage at the time of subscription. • For qualified investors under foreign law (i) who have been in existence for more than one year at the date of subscription of the present Operation or (ii) who have already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange: no coverage at the time of subscription. • For foreign-qualified investors (i) who have not been in existence for more than one year at the date of subscription of the present Operation and (ii) who have not already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange: 30% cover by an effective deposit (cheque, cash or transfer) or 100% cover by a bank guarantee. • Collateral coverage is subject to the discretion of each member of the underwriting syndicate selected by the subscriber. Subscription cover in cash, cheque, bank transfer and/or collateral	market funds), term deposits, listed shares: taken at a maximum of 80% of the value on the subscription date. • For qualified investors under Moroccan law: no coverage at the time of subscription. • For qualified investors under foreign law (i) who have been in existence for more than one year at the date of subscription of the present Operation or (ii) who have already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange: no coverage at the time of subscription. • For foreign-qualified investors (i) who have not been in existence for more than one year at the date of subscription of the present Operation and (ii) who have not already carried out an operation on the primary or secondary market of the Casablanca Stock Exchange: 30% cover by an effective deposit (cheque, cash or transfer) or 100% cover by a bank guarantee. • Collateral coverage is subject to the discretion of each member of the underwriting syndicate selected by the subscriber. Subscription cover in cash, cheque, bank transfer and/or collateral must remain	▪ money-market UCITS with daily net asset value: taken at a maximum of 100% of the value on the subscription date; ▪ units of UCITS with daily net asset value (excluding money-market funds), term deposits, listed shares: taken at a maximum of 80% of the value on the subscription date. • Collateral coverage is subject to CDM's discretion. Subscription cover in cash, cheque, bank transfer and/or collateral must remain blocked until the securities are allocated on 11/01/2024. **B. For eligible employees of the CDM Group, whose subscriptions are financed by a bank loan from CDM:** • The financing of the subscription is covered by the financing contract signed with CDM. • Eligible employees wishing to subscribe to this type of order via a bank loan from CDM will benefit from the following terms and conditions: ✓ The amount of the loan granted to each subscriber covers a maximum of 1 year's net fixed salary (excluding variable bonuses), regardless of their debt capacity; ✓ The loan is repaid in fine over 7 years. ✓ Interest is capitalized quarterly.

	must remain blocked until the securities are allocated on 11/01/2024.	blocked until the securities are allocated on 11/01/2024.	✓ The loan can be fully or partially repaid early at any time during the 7-year period.
Allocation terms and conditions	• Allocation on a pro rata basis	• 1st allocation: by iteration up to 50 shares per subscriber; 2nd allocation: allocation of the remainder pro rata to the excess of applications over the 50 shares.	• 1st allocation (main formula): each eligible employee may subscribe to either (i) 12 shares or (ii) 30 shares. In the event of a remainder, a 2nd allocation will be made as indicated below: • 2nd allocation (complementary formula): in the event that (i) not all shares are subscribed to during the 1st allocation and (ii) provided that 30 shares were subscribed to during the 1st allocation, each eligible employee may express the wish to participate in the allocation of the remainder. Additional subscriptions (i) may not be for less than 20 shares and (ii) should be made in multiples of 10 shares. Allocations will be made on a pro rata basis.
Transfer rules	• If the number of shares requested under Order Type I is lower than the corresponding offer, the difference is allocated to Order Type II and then III.	• If the number of shares requested under Order Type II is lower than the corresponding offer, the difference is allocated to Order Type I and then III.	• If the number of shares requested for order type III is lower than the corresponding offer, the difference is allocated to order type I and then II.

II. Financial instruments offered

II.1 Characteristics of securities offered

Type of securities	Ordinary shares all of the same class
Legal form	The shares covered by this operation will all be bearer shares. They will be fully dematerialized, registered with financial intermediaries and admitted to trading on Maroclear.
Operation amount	MAD 1,032,640,350
Share of CDM capital subject to the Operation	11.30%
Total number of shares to be sold	1,229,577
Subscription price	MAD 850 per share
Nominal value	MAD 100 per share
Listing line	1st line
Subscription period	from 10/28/2024 to 11/01/2024 at 3:30 p.m. inclusive
Tradability of securities	**Order types I and II** Shares subscribed to Order Types I and II are freely tradable. **Order type III** Shares subscribed to Order Type III are neither tradable nor transferable, including between accounts belonging to the same holder, during the Withdrawal Period. After the Withdrawal Period, shares will be freely tradable. However, during the Withdrawal Period, eligible employees or their beneficiaries may sell their shares in the following circumstances: • Main home ownership; • Marriage; • Divorce with dependent children / child custody; • Normal or early retirement; • Definitive and absolute disability of the subscriber; • Death; • Resignation or dismissal.
Payment method	In cash

ISIN code	MA0000010381
Rights attached to shares sold	All shares benefit from the same rights, both in the distribution of profits and in the distribution of liquidation surpluses. Each share carries one voting right at General Meetings.

II.2 Characteristics of the shares covered by the Operation

Wording	CREDIT DU MAROC
Ticker	CDM
Listing compartment	Principal A
Sector of activity	Banking
Trading cycle	Continuous[1]
Listing line	1st line
Number of shares to be sold	1,229,577
Institutions in charge of registering the Operation	CFG Marchés on the seller's side and all brokerage firms in the underwriting syndicate[2] on the buyer's side

II.3 Assessment criteria for the offer terms

Determining the subscription price

Holmarcom Finance Company's Board of Directors, meeting on October 17, 2024, decided to sell 1,229,577 Crédit du Maroc shares to the public and to eligible employees of the CDM Group at a price of MAD 850 per share (excluding the specific discount granted to eligible employees of the CDM Group), i.e. a total Operation amount of MAD 1,032,640,350.

The said Board also set the definitive characteristics of the Operation

The subscription price of MAD 850 represents a discount of 9.6% to the closing share price as of 10/17/2024 (MAD 940.0).

Valuation methodology

Discarded valuation methods

Transactional comparables

This method is based on the valuation of a company on the basis of the implied valuation multiples of a sample of transactions in its sector of activity, where the target companies have comparable financial and operational characteristics to the company being valued.

[1] Continuously from 10/18/2024, in accordance with notice no. AV-2024-131 issued by the Casablanca Stock Exchange on 10/11/2024

[2] On the buyers' side, all syndicate members with brokerage company status will register the allocations they have collected, while syndicate members without brokerage company status are free to designate the brokerage company member of the syndicate that will register their subscriptions with the Casablanca Stock Exchange.

Given the rarity of previous transactions, their minority nature and the highly disparate nature of the targets, this method cannot be considered relevant for Crédit du Maroc.

Reference transactions

The reference transaction method consists of valuing a company on the basis of the prices at which recent transactions involving its share capital have taken place.

On April 26, 2022, Crédit Agricole, HFC and AtlantaSanad entered into a share sale agreement concerning the acquisition - in two stages - by HFC and AtlantaSanad of all the shares held by Crédit Agricole (France) in Crédit du Maroc, i.e. 8,563,464 shares representing 78.70% of Crédit du Maroc's share capital and voting rights.

The acquisition of a first block of 6,931,282 CDM shares (representing 63.7% of CDM's share capital and voting rights) at a price of MAD 545.20 per share, took place on December 6, 2022, and resulted in the upward crossing of the 40% voting rights threshold, making it compulsory to file a takeover bid for Crédit du Maroc shares in accordance with article 18 of Law 26-03.

This mandatory public offering, for which the prospectus was approved by the AMMC on January 31, 2023, was carried out at a price of MAD 502 per share.

In accordance with the agreements signed in December 2022, on June 7, 2024 HFC acquired the second tranche of Crédit Agricole's stake in CDM, comprising 1,632,182 shares and representing 15% of CDM's share capital and voting rights. This acquisition was carried out on the block market at a price of MAD 587 per share.

The public offering and acquisition prices of the two tranches were not retained for the following main reasons:

- The anteriority of (i) the share sale agreement (26/04/2022) on the basis of which the parameters for determining the acquisition prices of the two tranches were set, and (ii) the resulting takeover bid;
- They do not include the impact of the change of control and the implementation of the Bank's post-acquisition transformation plan.
- They do not include the significant change in the post-acquisition share price, nor CDM's performance in 2023 (NBI and GSNI respectively up 13.9% and 24.4% as of 2022) and H1 2024 (12.6% and 36.8% as of H1 2023).

The dividend discount model (DDM)

This method consists of discounting cash flows (which are not cash flows) corresponding to the difference between:

- the bank's actual Tier 1 capital;
- the theoretical Tier 1 capital required to achieve the minimum regulatory Tier 1 ratio, as defined by Bank Al Maghrib, plus any additional conservation buffer estimated by HFC.

This therefore reflects the future dividend flows distributable by the said bank, taking into account regulatory solvency requirements.

In the presence of (i) a listed CDM share and (ii) a sample of stock market comparables representative of the Moroccan banking sector, this method has been discarded in favor of market methods which more objectively reflect the value of CDM's equity.

Valuation methods used

Weighted average price

Stock market valuation consists in assessing the value of a company by reference to its price on the stock market. The relevance of this method is based on the efficiency of the stock market on the one hand, and the liquidity of the stock on the other. The share price valuation method thus makes it possible to assess the value of a company's equity based on a weighted average of share prices over a representative time horizon.

The table below shows CDM's share price as of October 4, 2024 and the volume-weighted average share price for the 1-month, 3-month, 6-month and 12-month periods:

CDM share price analysis (MAD)	Period	Min.	Max.	VWAP	Market capitalization based on share WAP
Spot, as of October 4, 2024		n.a.	n.a.	930	10 119 529 020
1-month VWAP	From 09/05/2024 to 10/04/2024	890	950	931	10 131 434 876
3-month VWAP	From 07/05/2024 to 10/04/2024	818	950	907	9 869 405 520
6-month VWAP	From 04/05/2023 to 10/04/2024	818	950	904	9 831 839 980
12-month VWAP	**From 04/05/2023 to 10/04/2024**	**730**	**950**	**854**	**9 297 741 705**

Source: Casablanca Stock Exchange

For all the horizons studied, the last price used to calculate the VWAP is the CDM share price as of October 4, 2024.

Given (i) the nature of the Operation, (ii) the evolution of the share price and (iii) the volumes traded on the market, the 12-month VWAP has been retained as the most relevant, as it allows to:

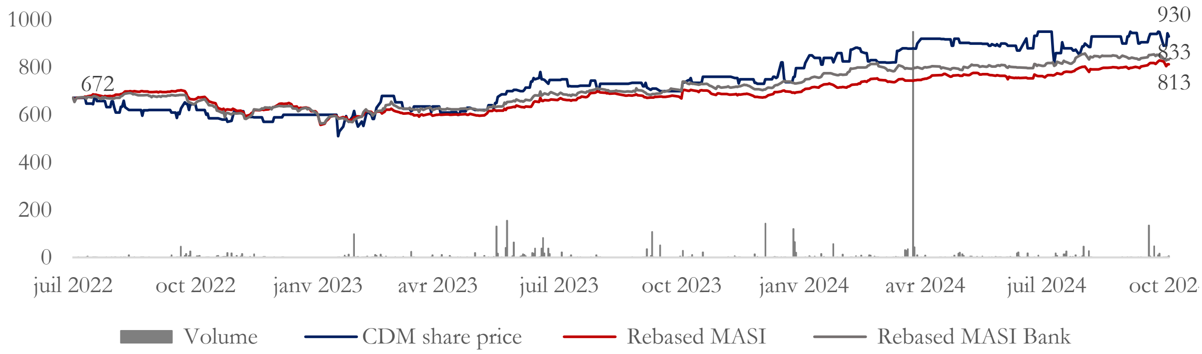
(i) capture the value of the CDM share:

- over a period preceding the announcement of the 2023 annual results (from 10/05/2023 to 03/11/2024)
- over a period following the announcement of the 2023 annual and 2024 half-yearly results (from 03/12/2024 to 10/04/2024)

(ii) take into account the effects of the change of control of CDM following its acquisition by HFC.

On the basis of the 12-month VWAP, CDM's share price stands at MAD 854/share, i.e. an equity value of MAD 9,298 million.

The following chart shows the evolution of CDM's share price, trading volumes and MASI and MASI banking indices from July 4, 2022 to October 4, 2024:



Source: Casablanca Stock Exchange

Stock market comparables

The stock market comparables method is an analogical approach, consisting in applying the multiples observed on a sample of companies operating in the same sector of activity to the financial metrics of the company to be valued i.e. the banking sector, and having comparable financial and operational characteristics to Crédit du Maroc. The sample of companies selected includes listed Moroccan banking groups[1]. The P/B (Price to Book) multiple was used for this valuation. This multiple measures the ratio between the market value of shareholders' equity and its value on the balance sheet.

The table below shows the sample of market comparables and the P/B multiple used to value Crédit du Maroc:

Companies	Weighted average market capitalization as of 10.04.2024[2] (MMAD)	Book equity value as of 06/30/2024 (MMAD)	Implied P/B
Attijariwafa bank	116 002	58 045	2.0x
Banque Centrale Populaire	61 709	39 313	1.6x
Bank Of Africa	40 970	27 693	1.5x
CIH Bank	12 238[3]	6 844	1.8x
Banque Marocaine pour le Commerce et l'Industrie	8 356	7 166	1.2x
Average			**1.6x**

Source: *Casablanca Stock Exchange*

Applying the average P/B multiple to Crédit du Maroc's H1 2024 book equity attributable to equity holders of the parent (i.e. MAD 7,049 million) implies an equity value of MAD 11,281 million, i.e. a value per share of MAD 1,037.

Valuation summary and price assessment

The table below shows the valuation of Crédit du Maroc according to the different methods applied, as well as the discount of the subscription price to the volume weighted average value per share.

In MMAD	VWAP	Stock market comparables
Equity value (MMAD)	9 298	11 281
Value per share (in MAD)	854	1 037
Weight	60%	40%
Equity value - weighted average (MMAD)	10 091	
Value per share - weighted average (MAD)	**927**	
Subscription price (MAD/share)	**850**	
Discount of subscription price to weighted average value	**-8.3%**	

It should be noted that the volume weighted average price method has been weighted to a greater extent so that the valuation better reflects (i) the market value and (ii) the stock market appreciation of the Crédit du Maroc share.

The table below shows the level of discounts/premiums on the subscription price of the shares subject to the Operation (i.e. MAD 850 per share) compared with the volume-weighted average share price over a period of one, three, six and twelve months starting from 10.04.2024.

[1] With the exception of CFG Bank, whose growth profile is markedly different from that of other banking groups
[2] 3-month volume-weighted average market capitalization, as of October 04, 2024
[3] Based on the number of shares prior to the capital increase in September 2024, i.e. 30,519,784 shares

In MAD	10.04.2024 VWAP	Discount (-) / Premium (+)
Spot	930	(8.6)%
1-month volume weighted average price	931	(8.7)%
3-month volume weighted average price	907	(6.3)%
6-month volume weighted average price	904	(5.9)%
12-month volume weighted average price	854	(0.5)%

Source: Casablanca Stock Exchange

The table below shows the implied valuation multiples by the subscription price of MAD 850/share (i.e. an equity value of MAD 9,249 million), as well as the average multiples of comparable companies.

Based on the retained price of 850 MAD/share, corresponding to an equity valuation of MAD 9,358 million, the resulting valuation multiples are as follows:

Implied multiples	CDM 2023	CDM 2024e [1]	Comparables 2024e [2]
Implied Price to Book (P/B)	1.3 x	1.3 x	1.5x
Implied Price to Earnings (P/E)	18.4 x	13.9 x	16.0x

III. Operation objectives

The Operation would enable the following main objectives to be achieved:

- To increase CDM's free float, in line with the best standards of banks listed on the Casablanca Stock Exchange, and to keep pace with growing investor interest in the stock;
- To enable both existing and new shareholders to benefit from the dynamic development of the Bank following the change of its reference shareholder;
- To free up additional capacity to pursue HFC's development plan and support the growth of its subsidiaries;
- To involve all employees of CDM and its subsidiaries in the bank's development and economic performance.

[1] The resulting P/B (2024) and P/E (2024) multiples are calculated respectively on the basis of estimated Group shareholders' equity as of 12/31/2024 (MAD 7,305 million) and 2024e NBI (MAD 664 million).
[2] Average of AWB, BCP, Bank of Africa, BMCI and CIH banks based on research notes from CFG Bank Capital Markets (October 2024), Attijari Global Research (September 2024) and BMCE Capital Global Research (October 2024).

IV. Operation calendar

The table below sets out the operation's calendar:

Order	Steps	Date
1	Issuance by the Casablanca Stock Exchange of the operation approval notice	10/18/2024
2	AMMC visa on prospectus	10/18/2024
3	Publication by the Casablanca Stock Exchange of the operation notice	10/21/2024
4	Publication of the press release by the Issuer in a legal announcements journal	10/21/2024
5	Opening of the subscription period	10/28/2024
6	Closing of the subscription period at 3:30 p.m. inclusive	11/01/2024
7	Receipt of subscriptions by the Casablanca Stock Exchange before 6:30 p.m.	11/01/2024
8	Centralization and consolidation of subscriptions by the Casablanca Stock Exchange	11/04/2024
9	Processing of rejects by the Casablanca Stock Exchange	11/05/2024
10	Allocation of subscriptions and submission by the Casablanca Stock Exchange of the subscription list to the Issuer Delivery by the Casablanca Stock Exchange of allocations by account holder to the co-leaders of the underwriting syndicate before 12:00 p.m. Delivery by the Casablanca Stock Exchange of the securities allocations to underwriting syndicate members before 12:00 p.m.	11/07/2024
11	Registration of the operation on the stock exchange Publication by the Casablanca Stock Exchange of the operation results	11/11/2024
12	Publication of the operation results in a legal announcements journal and on the Issuer's website	11/14/2024
13	Settlement / Delivery of securities	11/14/2024

PART II – About Crédit du Maroc

I. General information

Corporate name	Crédit du Maroc
Registered Office	201, boulevard d'Anfa, Casablanca
Phone and fax number	Phone: (212) 05 22 47 70 00 Fax: (212) 05 22 27 71 27
Website	www.creditdumaroc.ma
Legal form	Crédit du Maroc is a public limited company with an Executive Board and a Supervisory Board.
Date of incorporation	04/10/1963
Life span	99 years from the date of its registration in the Commercial Register.
Commercial register number	The Company is registered in the Casablanca Commercial Register under number RC 28 717 of the analytical register..
Financial year	From January 1st to December 31st.
Legal documents	The Company's legal documents, in particular the Articles of Association, minutes of General Meetings and statutory auditors' reports, may be consulted at the Company's registered office.
Corporate purpose (Article 3 of the Articles of Association)	The purpose of the company is to carry out, in accordance with law 103-12 relating to credit institutions and similar bodies, with law 15-95 forming the Commercial Code and with all existing or future laws directly or indirectly affecting its activity, all banking and participative banking operations, principally the receipt of funds from the public, including investment deposits, the distribution of all types of credit, the provision and management of all means of payment and client financing through Murabaha, Modaraba, Ijara, Musharaka, Salam, Istina'a or any other product approved by the Oulémas High Council. It may also carry out: ▪ All foreign exchange, foreign trade and asset management operations; ▪ advice and management in financial matters and securities; ▪ The acquisition of equity interests in existing or new companies, both in Morocco and abroad. For the purposes of its activities, it may: ▪ Acquire, lease, equip and operate all premises, buildings and businesses, both in Morocco and abroad; ▪ Acquire or lease any equipment, materials and vehicles; ▪ Set up any agency or subsidiary, in Morocco or abroad. And in general, carry out, within the limits set by the laws and regulations applicable to banks, directly or indirectly, all financial, securities, real estate, commercial or other transactions likely to promote its development.
Share capital as of 06/30/2024	Crédit du Maroc's share capital amounts to MAD 1,088,121,400, divided into 10,881,214 shares with a nominal value of MAD 100 each.
Legal and regulatory texts applicable to the issuer	Texts governing Crédit du Maroc's legal form: ▪ Law no. 17-95 on limited companies, as amended and supplemented. Texts governing Crédit du Maroc's activity:

	▪ Law no. 103-12 relating to credit institutions and similar bodies (Banking Law). Legislation governing Crédit du Maroc's recourse to public offerings and the listing of its shares: ▪ The general regulations of the Moroccan Capital Market Authority approved by the order of the Minister of Economy and Finance no. 2169-16 dated July 14, 2016; ▪ AMMC circulars; ▪ Law no.19-14 relating to the stock exchange, brokerage firms and financial investment advisors; ▪ Law no.35-96 relating to the creation of a central depository and the institution of a general regime for the book-entry of certain securities, amended and supplemented by law no.43-02; ▪ Law no. 26-03 on public offerings on the stock market, as amended and supplemented by Law no. 46-06; ▪ The general regulations of the Stock Exchange, approved by Order no. 2208-19 of July 3, 2019 issued by the Minister of the Economy and Finance; ▪ The general regulations of the central depository approved by order of the Minister of the Economy and Finance n°932-98 dated April 16, 1998 and amended by order of the Minister of the Economy and Finance n°1961-01 dated October 30, 2001 and order 77-05 dated March 17, 2005; ▪ Law no. 43-12 relating to the Moroccan Capital Market Authority; ▪ Law no. 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings. Texts governing Crédit du Maroc's right to issue certificates of deposit: ▪ Law no. 35-94 relating to certain negotiable debt securities, as amended and supplemented, and Ministry of Finance and Foreign Investment order no. 2560-95 of October 9, 1995 relating to negotiable debt securities, as amended and supplemented, and Bank Al-Maghrib circular no. 2/G/96 of January 30, 1996 relating to certificates of deposit and its amendment.
Competent court in case of dispute	Casablanca Commercial Court
Tax regime	As a credit institution, Crédit du Maroc is subject to VAT at a rate of 10% and to corporate income tax, the rate of which will rise gradually to reach 40% in 2026. In 2024, the current tax rate is 38.50%. The Bank is governed by ordinary commercial and tax legislation.

Source: Crédit du Maroc

II. Crédit du Maroc activities

Crédit du Maroc has been active in Morocco for more than 90 years, and has built up an expertise represented by a clear, global business model.

Based on a committed ambition, this model brings together several assets enabling Crédit du Maroc to achieve its strategic ambitions and ensure the sustainability and sharing of its value creation.

Subsidiary of the Holmarcom Group, Crédit du Maroc is a universal bank serving all client segments: individuals, professionals and businesses.

Backed by a dynamic growth policy, a vast sales network covering the whole country with 267 outlets, and the commitment of its team of nearly 2,400 employees, Crédit du Maroc stands out for its strong spirit of innovation, focused on client satisfaction.

Crédit du Maroc's offer is tailored to meet all client needs, from day-to-day banking services to investment banking, including financing, savings, bancassurance, asset management, leasing and factoring, as well as private banking and the "Arreda" participative window.

To better meet the needs of its clients, Crédit du Maroc has set up a network of specialized advisors who stand out for their in-depth skills, their sense of interpersonal relations and their commitment to offering a personalized service to meet clients' expectations as closely as possible. The main mission of these advisors is to provide advice, expertise and support tailored to the life projects of each client, be they individuals, self-employed professionals, small and medium-sized enterprises, large corporations, local authorities or associations.

II.1 Distribution network

As of December 31, 2023, the Crédit du Maroc network comprised 267 local branches, 4 networks, 8 regional departments, 11 Private Banking outlets, 11 CDM R outlets, 9 business centers and 15 Arreda outlets. These different structures enable each client to find the services adapted to their specific needs, reinforcing the proximity and relevance of Crédit du Maroc's offer.

The local branch network has evolved as follows, over the period 2021 - 2023:

Network	2021	2022	2023
Branches	284	264	267
Distributors and ATMs	352	341	347

II.2 Organization

The year 2022 was marked by the opening of a new chapter in the history of Crédit du Maroc on December 6, when the Holmarcom Group acquired Crédit Agricole S.A.'s majority stake in the bank.

Since this transfer of ownership, Crédit du Maroc has embarked on a transformation plan that has led to significant initial achievements in the bank's development, and to a marked improvement in its results. To support this momentum, Crédit du Maroc has recently adjusted its organization in order to accelerate the operational implementation of its new strategic plan. This mainly involves (i) strengthening synergies between the various business lines and markets (ii) improving operational efficiency across all activities and the Specialized Business Lines cluster, which will structure the sales organization of markets (individuals, small businesses, SMEs and large corporations) around specialized business lines.

II.2.1. Commercial activities

The Commercial Bank

The Commercial Banking Division comprises the Network divisions, which serve individual clients, professionals, very small businesses and SMEs. Reporting to the Executive Board, it is organized around the following divisions/departments:

✓ **Retail Banking & Marketing Division**

This division is the result of the merger of the Marketing and Retail activities to ensure more efficient implementation of roadmaps. Its role is to support the banking network in better addressing the bank's priority clients, by equipping it with resources and product offerings tailored to each of them. The Division is structured around 3 departments:

- The Retail Market Department, whose mission is to continuously structure the retail sales activity, professionalize it and improve its efficiency, with a view to intensifying the conquest and increasing the equipment of target clients.

- The Marketing Department, whose role is to (i) develop offers and sales paths, sales aids and analytical tools for the network, (ii) develop the sales approach by client category, (iii) monitor the sector and implement the digital channel development strategy.

- The Direct Banking Division, which develops and coordinates the remote banking system, based around the Client Relations Center (CRC), as well as remote sales, advice and client portfolio management activities.

This division is the result of the merger of the Marketing and Retail activities to ensure a more efficient implementation of the **four network departments**.

The Network Departments offer individual, professional and SME clients a wide range of products and services, through a nationwide network. Crédit du Maroc is organized around the following main departments:

- the Northern Network covering the Mediterranean and Rabat-Kenitra regions;
- the Casablanca Network covering the Casa-Centre and Casa-West regions;
- the Central-Oriental Network covering the Fez-Meknes and Oriental regions;
- the Southern Network covering Marrakech and the southern part of the country.

With greater management autonomy, these departments are tasked with unifying and exploiting the development potential in the corporate (SMEs, ETIs) and individual client markets in their respective zones, in line with the priorities defined by the bank's strategy and growth-boosting sectors.

In this way, each Network Department is responsible for extended branch networks for individuals (residents and MRAs), professionals and Business Centers. In addition, the Network Managers, assisted by their Regional Managers, represent the bank's Executive Board vis-à-vis clients and partners in their respective regions.

This new network organization has been deployed with the aim of consolidating the client-centric model and enhancing the dimensions of advice and relational excellence.

Corporate & Investment Banking (CIB)

Corporate Banking Division

The Corporate Banking division is organized around the following main activities:

- ✓ **Large Enterprise Coverage department**

The mission of the Large Corporate Coverage Department is to revitalize the bank's relations with Moroccan public companies and large private groups, to increase the intensity of its relations with the country's major institutional clients, and to develop the client base of subsidiaries of multinationals.

It is also tasked with developing its active corporate client base by strengthening its sector-based approach, enabling it to maintain differentiating expertise, develop synergies and cross-selling with the various business lines, and ensure that the bank is more widely represented, particularly among high value-added clients.

To this end, the management team includes Senior Bankers, each of whom is in charge of a portfolio of clients broken down by type of business. They are supported by account managers who handle day-to-day client transactions and other cross-functional tasks, including compliance issues.

- ✓ **Corporate Development Department**

This department offers the Bank's clients and prospects financing solutions for their operating cycles and investments. Working in close collaboration with the LE and SME coverage teams, it is responsible for studying and analyzing the economic and financial situation of companies, and for structuring financing (analysis of financing plans, preparation of financing offers, management of relations with other lenders, lawyers, tax specialists, etc.). It will also participate in the "origination" of financing files.

It will be organized around 3 activities:

- Commitment and operating credit. This activity focuses mainly on risk requalification for committed clients.
- Corporate financing. It will be responsible for putting together investment loan files,
- Structured financing for syndicated debt, acquisition debt and project financing.

The department is staffed by finance officers and financial analysts.

The Investment Banking Division

The Investment Banking Division comprise:

- The trading room, as a global platform for trading, sales and solutions, development, piloting and comodo.
- CDM Capital Stock Exchange, which provides stock market intermediation, advice to investors and issuers, and custody services.
- Advisory and financial engineering services. This activity will consist of assisting our clients in their equity transactions. This mainly concerns M&A, bond origination (DCM) and equity origination (ECM).
- Asset management activities. The mission of this activity is to ensure the proper management of Crédit du Maroc's UCITS funds managed by CDM Patrimoine (CDMP), and to develop the fund range to cover all client needs.
- Depository activities. This activity monitors the regularity and conformity of transactions, as well as compliance with regulatory constraints. It also handles settlement/delivery operations, securities transactions and manages securities events for institutions whose assets it safeguards throughout their lifetime.

Specialized business lines

This division will structure the sales organization of the Group's markets (individuals, small businesses, SMEs and large corporations) around the following specialized business lines:

- Global Transaction Banking (GTB), based on business development activities, correspondent banking, cash management, trade & digital transactional solutions and payment solutions.

- Crédit du Maroc Leasing & Factoring: a subsidiary of Crédit du Maroc, it operates in the leasing of real estate and property investments, as well as in factoring.
- CDM Real Estate, in charge of housing loans (definition and management of service commitments, end-to-end monitoring of files, improvement of client processes, etc.) and the development of the real estate development offer.
- CDM Salaf, dedicated to developing the consumer credit business - notably by adjusting the granting framework, launching new offers, and improving client paths.
- CDM Assurances, in charge of bank-insurance.

II.2.2. Support functions

In addition to the operational departments described above, Crédit du Maroc's organization is rounded out by support functions, including:

✓ **IT & Transformation Department**

The transformation of business lines, the digitization of practices, the digitization of processes and the digitization of client relations are the challenges that drive the activity of the Transformation department, which brings together the following support functions: Organization and Transformation, Group Information Systems, CISO le Digital, Business Studies and Solutions...

✓ **Operations and Client Services Department**

This department brings together all back-office activities, including Client Banking Services and Crédit du Maroc's bank-insurance activities.

The department's organization has evolved to meet the major challenges of transforming client relations through:

- securing the Bank's operations, with the aim of reducing operational risk on key processes, strengthening control over key business lines and implementing cross-functional project management for secure deployment;
- developing the client-oriented nature of our support functions, making them a key differentiator and enabling the Bank to anticipate and support the transformations in client relations currently underway in the commercial network;
- transforming and optimizing processes, making client service quality a key competitive differentiator.

✓ **Global Risk Management Department**

The GRM Department centralizes risk management within the framework of Basel regulatory standards, international best practices and recommendations issued by regulatory authorities.

Independent of sales and support activities, the department reports directly to the Chairman. Its mission is to identify, measure, monitor and control the risks associated with the Group's activities.

Its new organization is based around 4 operational entities: Central Risk Control, Permanent Control, Chief Data Officer, Environmental & Social Officer.

✓ **Credit Collection Department**

The main missions assigned to this department are as follows:

ensuring compliance with the Bank's credit policy;

- processing, via its platform, overdraft waivers received on a daily basis;
- carrying out a priori checks on the conformity of credit applications;
- performing out-of-court debt collection on the individual and professional clients' market.

- **Other support functions:**

In addition to these entities, there are cross-functional units, strategic functions and management activities enabling the bank to monitor its indicators, improve efficiency or support its commercial business lines: the Finance Department, the Compliance Department, the Communications Department, the Human Resources & Resources Department, the Legal Department, etc.

II.3 Analysis of Crédit du Maroc's commercial performance

The year 2023 was marked by a new growth dynamic for Crédit du Maroc, accompanied by a strengthening of the Bank's proximity to its clients and a consolidation of its support for the national economic fabric.

Indeed, Crédit du Maroc has strengthened its initiatives aimed at increasing client satisfaction by focusing on optimizing client journeys, digital transformation and continuous innovation to meet emerging expectations. Crédit du Maroc's commitment to service quality remains a strategic priority, with increased mobilization of sales and central teams to deliver a superior client experience.

With this in mind, Crédit du Maroc has intensified its efforts throughout fiscal 2023 to optimize client satisfaction by strengthening the mobilization of its sales and central teams. Employees have been aligned with client service principles, improving their ability to handle client requests efficiently and deliver an optimal client experience.

II.3.1. A multi-activity bank serving all clients

- ***Client-focused transformation***

The bank's performance in terms of business development and client loyalty will continue in 2023, supported by the deployment of several structuring levers.

The start of 2023 was marked by the launch of a new visual identity and a major corporate communications campaign with a new tagline, "You First", placing the client at the heart of the Bank's priorities.

Throughout the year, Crédit du Maroc also carried out a number of initiatives to develop its client base and build client loyalty:

- ✓ a permanent presence in the field through year-round events with businesses and partners;
- ✓ strong synergies with all business lines;
- ✓ the deployment of a number of offers, systems and digital channel enhancements to help clients realize their projects.

In order to further improve client satisfaction, the Bank has embarked on a vast transformation program which has resulted in:

- ✓ the reorganization of several business lines into specialized departments, with the aim of improving all processes and client paths to the highest standards and with strong commitments to clients;
- ✓ the implementation of a new marketing and sales approach, enabling us to better serve clients according to their profiles in the different areas of need;
- ✓ year-round client feedback measures to better respond to client needs and improve client satisfaction.

- ***A reorganization of the mortgage and consumer finance activities***

In 2023, Crédit du Maroc reorganized its real estate financing activity through the creation of the CDM Real Estate business line, which led to several initiatives, including the opening of the first branch dedicated to real estate and the extension of spaces dedicated to this activity in the regions.

The year 2023 was also marked by the implementation of a new organization for the consumer credit business through the creation of the CDM SALAF business line. A number of initiatives were proposed throughout the year to support clients in their life projects, as well as for special occasions such as Ramadan, the summer vacations, the start of the new school year, and so on.

- ***Boosting bank insurance***

In 2023, Crédit du Maroc launched a new scheme to improve the quality of insurance products offered to clients. Particular attention has been paid to specific insurance products, taking into account their seasonal nature. The aim is to provide clients with expertise and advice, so as to offer them high value-added products that best meet their needs.

With regard to its Takaful Multirisk Buildings offering to cover participative financing, Crédit du Maroc has enhanced its range of products in partnership with "Takafulia Assurances", through the launch of a new product enabling clients with Murabaha financing to cover their commitments through a new participative insurance. The product, called "Al MASKANE TAKAFUL", covers the risks of fire, water damage, glass breakage and catastrophic events, and offers coverage tailored to the best market conditions.

At the same time, Crédit du Maroc took part in the first edition of the "Savings fair", organized on November 3 and 4, 2023 in Casablanca. The event brought together players from the financial sector, including banks, insurance companies, UCITS management companies and brokerage firms.

- ***Continuous enhancement of digital functionalities***

The year 2023 was marked by the release of 5 new MyCDM updates and more than 6 major courses, resulting in very strong adoption of the digital channel representing 90% of the Bank's transactional flow (transfers, bill payments, etc.). In addition, a number of technical foundations have also been put in place, notably the electronic signature and e-kyc, to support the acceleration of the solutions offered by the Bank.

- ***Ongoing support for self-employed professionals***

Crédit du Maroc strengthened its presence among the liberal professions by signing new agreements, notably with the Amicale des Agents AtlantaSanad, as part of synergies with the Holmarcom group, and with the Regional Order of Notaries of the Settat Berrechid region.

In addition, Crédit du Maroc stepped up its participation and sponsorship of several events during the year, notably with the liberal health professions and trade associations.

Crédit du Maroc also pursued its commitment to supporting professional clients and very small businesses by extending the Damane Intelak scheme, and improving and streamlining the leasing financing process.

- ***Device to support corporate clients***

Crédit du Maroc supports its corporate clients to meet their needs in an uncertain national and international economic environment, marked by persistent inflationary pressures, pressure on commodity prices and a general tightening of financial and monetary conditions.

Aware of the specific nature of each sector and the need to provide tailored responses, in 2023 Crédit du Maroc pursued its targeted sectoral approach in order to better support the various ecosystems. This approach is reinforced by a presence in the field and a relational approach. It also relies on partnerships and participation in trade shows.

At the same time, Crédit du Maroc continued its series of regional meetings to promote the investment support mechanisms available to economic operators. In this way, the Bank joined forces with key partners such as AMDIE, TAMWILCOM and investment funds to better support economic operators.

In November 2023, the Bank signed a partnership agreement with AMDIE, committing the two institutions to work together to operationalize the investment charter and implement joint actions to promote Morocco's investment assets and opportunities.

II.3.2. Client-focused commercial organization

Crédit du Maroc has consolidated its efforts in favor of client satisfaction, focusing on optimizing client paths, digital transformation and continuous innovation to meet emerging expectations. Service quality remains a strategic priority, with sales and head office teams mobilized to deliver a superior client experience.

By placing the voice of the client at the center of its strategy, Crédit du Maroc continued to measure client satisfaction in 2023 through several key indicators. The various satisfaction surveys launched during the year (strategic recommendation index, client journey surveys) showed a marked improvement on the previous year and highlighted client satisfaction on various criteria such as service quality and overall improvement in the client experience.

The mobile application has been enriched with several features designed to increase client autonomy, testifying to Crédit du Maroc's interest in listening carefully to its clients' needs and its desire to actively meet their expectations.

II.3.3. II.3.3. Strong expertise of specialized subsidiaries

- ***Bank insurance***

Falling in line with a policy of continuous improvement in the client experience, the bancassurance sector has put in place several levers for development in 2023. The aim of these levers is to pursue the development of bancassurance by providing advice to clients and offering products that best meet their needs.

Sales production fell slightly by 0.6% in 2023, due to a decline in sales of personal protection products.

Sales were also down by 16.3% to MAD 655 million, due in particular to the withdrawal from the savings range. Excluding savings business, premiums rose by 3.4%, driven mainly by the "death of borrowers" range. Commissions rose by 4.5%.

The "death of borrowers" line of business recorded a 9.6% increase in new business in 2023, in line with the production of bank loans to individuals. To this end, close monitoring has been put in place to ensure ongoing optimization of the medical acceptance process, in order to enhance client coverage.

The "assistance" range continued to grow, recording a 10.9% increase in 2023, mainly due to the upturn in international travel.

The "savings" business recorded net inflows of MAD 472 million in 2023, down 22.3%. This decline was due to the increase in interest rates on savings and term deposits, to the detriment of life insurance products.

Bancassurance is maintaining its position as one of the bank's strategic businesses, and has major development ambitions for 2024. These ambitions are underpinned by a new sales action plan, a strengthened management and guidance system, the development of Takaful products and the upgrading of the skills of network employees.

- ***Participatory finance***

The year 2023 was mainly marked by the launch of the Arreda Connect mobile application, with the first consultation and transfer functionalities.

The security of financing was reinforced by the launch of Takaful Death and Disability insurance, which now covers 100% of clients.

Home financing continues to attract 80% of new clients. The housing business performed well in 2023, with new business up 9% on 2022 and outstandings up 25% (vs. +16% for the market). Market share was up 40 bps year-on-year to 8.3%.

In addition, to support business development, three new participative spaces were inaugurated in November 2022, bringing the Arreda network to 15 outlets.

Home financing continues to attract 80% of new clients. Moreover, despite a fall in new business due to the abolition of tax incentives in 2021, Arreda outstandings rose by 32% in 2022 (vs. +19% for the market).

Automobile financing, for its part, will attract 50% of new clients. The Arreda offer stands out for its competitive granting and release times, thanks to dematerialized internal processes. Production is set to grow by 66% by 2023, and outstandings by 59% (vs. +22% for the market). Market share has risen by 100 bps in one year to 3.9%.

II.3.4. Offshore activity

Crédit du Maroc International is positioned as an advisory bank and partner to multinational companies operating in industrial acceleration zones. The subsidiary is based in Tangiers and covers the 7 main zones of activity in Morocco.

The subsidiary also plays a key role in the development of ecosystems promoted by Morocco, notably in the automotive and aeronautics sectors. It also provides clients with a range of products and services tailored to their cash management and operating cycle investment financing needs.

In 2023, investments in industrial acceleration zones are expected to pick up, particularly in capacity expansion projects. In addition, 2023 saw good momentum in the automotive ecosystem, where the pace of activity is growing steadily. Against this backdrop, Crédit du Maroc International - Banque Offshore will work hard in 2024 to maintain its growth momentum and play its full part in serving Crédit du Maroc's ambitions and strategy.

II.4 Changes in Crédit du Maroc operating indicators[1]

II.4.1. Changes in profitability indicators

Changes in the main operating indicators over the period 2021 - 2023 are as follows:

In MMAD (Corporate)	2021	2022	Var. 22/21	2023	Var. 23/22
Net Banking Income	2 329	2 407	3.4%	2 766	14.9%
General operating expenses	1 297	1 508	16.3%	1 545	2.5%
Gross operating income	1 064	969	-8.9 %	1 271	31.2 %
Allowances net of reversals for past-due loans and commitments by signature	-321	-218	-32.1%	-270	23.9%
Other provisions net of reversals	302	-17	<-100%	50	>100%
Net income	687	420	-38.8%	533	26.7%

Source: Crédit du Maroc

II.4.2. Credit trends

Over the period 2021 - 2023, Crédit du Maroc's total outstanding loans have evolved as follows :

Net receivables (Corporate) in MMAD		2021	2022	Var. 22/21	2023	Var. 23/22
Cash credit		12 095	14 856	22.8%	14 826	-0.2%
	%	25%	28%	2.9 pts	26%	-1.7 pt
Consumer credit		3 587	3 476	-3.1%	3 547	2.0%
	%	7%	6%	-0.9 pt	6%	-0.3 pt
Equipment credits		5 589	6 803	21.7%	9 570	40.7%
	%	11%	13%	1. 2 pt	17%	4.1 pt
Real estate credits		17 308	17 579	1.6%	18 503	5.3%
	%	35%	33%	-2.7 pts	32%	-0.4 pt
Other credits		3 021	1 834	-39.3%	1 124	-38.7%
	%	6%	3%	-2._ pts	2%	-1.5 pt
Accrued interest receivable		280	325	16.0%	360	10.8%
	%	1%	1%	-	1%	-
Overdue receivables		947	1 066	12.6%	1 107	3.8%
	%	2%	2%	-	2%	-0.1 pt
Client receivables		**42 828**	**45 939**	**7.3%**	**49 037**	**6.7%**
	%	88%	86%	-2 pt	86%	0.2 pt
Receivables acquired through factoring		**1 069**	**919**	**-14.1%**	**715**	**-22.1%**
	%	2%	2%	-0.5 pt	1%	-0.2 pt
Current credits and advances to credit institutions		1 885	2 046	8.5%	918	-55.1%
Term loans to credit institutions		3 100	4 769	53.8%	6 488	36.1%
Credits and advances to credit institutions and similar entities		**4 985**	**6 815**	**36.7%**	**7 406**	**8.7%**
	%	10%	13%	2.5 pts	13%	0.3 pt
Total credits		**48 882**	**53 672**	**9.8%**	**57 158**	**6.5%**

Source: Crédit du Maroc – Corporate accounts
% of total credits share

[1] *Figures taken from Crédit du Maroc corporate financial statements.*

II.4.3. Changes in past-due receivables

Changes in past-due receivables and provisions were as follows:

Amounts in MMAD	2021 Receivables	2021 Provisions*	2022 Receivables	2022 Provisions*	2023 Receivables	2023 Provisions*
Pre-doubtful receivables	286	36	320	45	242	29
Doubtful debts	516	441	658	479	626	464
Impaired receivables	2 995	2 373	2 893	2 282	3 229	2 497
TOTAL	**3 797**	**2 850**	**3 872**	**2 806**	**4 096**	**2 990**
*Contentiality rate **	*8.6%*		*8.3%*		*8.2%*	
*Coverage rate ***	*75.1%*		*72.5%*		*73.0%*	

Source: Crédit du Maroc (Including reserved agios)

**Litigation ratio = Gross past-due receivables / Gross client receivables*

*** Coverage ratio = Provisions for past-due receivables / Gross past-due receivables*

Over the past three years, Crédit du Maroc has maintained a satisfactory rate of coverage of past-due receivables by provisions), in line with the bank's risk management policy and its efforts to clean up its receivables portfolio.

II.4.4. Changes in deposits

Crédit du Maroc's outstanding debt changed as follows over the period under review:

Amounts in MMAD		2021	2022	Var. 22/21	2023	Var. 23/22
Current accounts in credit		33 202	34 014	2.4%	35 900	5.5%
	%	*68.5%*	*66.4%*	*-2.1 pts*	*68.0%*	*1.6 pt*
Savings accounts		9 869	9 888	0.2%	9 990	1.0%
	%	20.4%	19.3%	-1.1 pt	18.9%	-0.4 pt
Term deposits		1 741	3 133	80.0%	4 090	30.6%
	%	3.6%	6.1%	2.5 pts	7.7%	1.6 pt
Other accounts payable		1 202	1 459	21.4%	1 578	8.2%
	%	2.5%	*2.8%*	*0.4 pt*	*3.0%*	*0.1 pt*
Client deposits on equity-linked products		12	15	23.9%	12	-16.1%
	%	-	-	-	-	-
Accrued interest payable		58	53	-8.5%	120	127.7%
	%	0.1%	0.1%	-	0.2%	0.1%
Client deposits		**46 084**	**48 562**	**5.4%**	**51 691**	**6.4%**
	%	95%	94.7%	-0.3 pt	97.9%	3.2 pt
Current		328	630	91.9%	752	19.4%
Term		2 084	2 068	-0.8%	362	-82.5%
Amounts owed to credit institutions and similar entities		**2 413**	**2 698**	**11.8%**	**1 113**	**-58.7%**
	%	5%	5.3%	0.3 pt	2.1%	-3.2 pt
Total debts		**48 497**	**51 259**	**5.7%**	**52 804**	**3.0%**

Source: Crédit du Maroc – Corporate financial statements

II.4.5. Changes in commitments by signature

Outstanding commitments by signature over the 2021-2023 period have evolved as follows:

Amounts in MMAD	2021	2022[1]	Var.22/21	2023	Var.23/22
Financing and guarantee commitments given	**12 944**	**12 396**	**-4.2%**	**12 182**	**-1.7%**
Financial commitments given to clients	5 425	6 173	13.8%	5 698	-7.7%
CI & similar order guarantee commitments	3 963	2 274	-42.6%	2 293	0.9%
Client order guarantee commitments	3 556	3 949	11.1%	4 190	6.1%
Financing and guarantee commitments received	***3 575***	***3 416***	***-4.5%***	***2 998***	***-12.2%***
Guarantee commitments received from CI & similar entities	3 575	3 416	-4.5%	2 998	-12.2%

Source: Crédit du Maroc

[1] *The BAM concordance table in the Off-balance sheet statement does not include accounts relating to outstanding commitments at 12/31/2022, compared with the previous year. Statement B18 shows a line dedicated to this type of commitment. At the request of the CAC(s) at the end of December 2022, only statement B18 now shows overdue receivables on a separate line.*

III. Crédit du Maroc shareholding structure

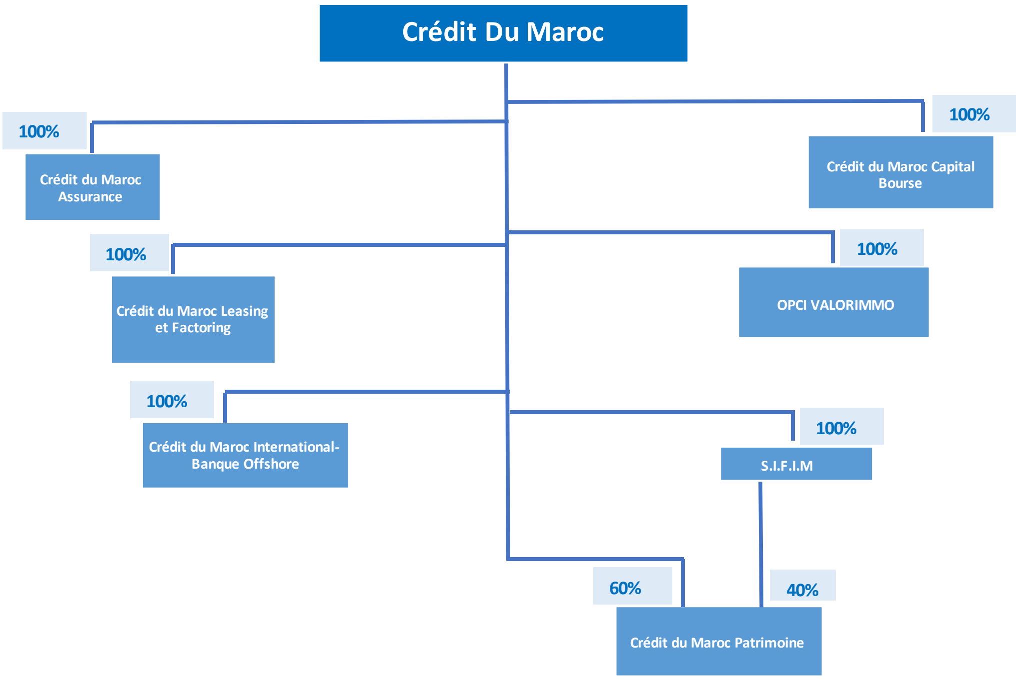
The table below shows changes in the shareholding structure over the last 5 years:

Actionnaires	2019		2020		2021		2022		2023	
	Nb d'actions	% de capital et des droits de vote	Nb d'actions	% de capital et des droits de vote	Nb d'actions	% de capital et des droits de vote	Nb d'actions	% de capital et des droits de vote	Nb d'actions	% de capital et des droits de vote
Holmarcom Finance Company	-	-	-	-	-	-	5 538 538	50,90%	5 539 363	50,91%
Groupe Crédit Agricole SA	8 563 464	78,70%	8 563 464	78,70%	8 563 464	78,70%	1 632 182	15,00%	1 632 182	15,00%
Atlanta Sanad	-	-	-	-	-	-	1 392 744	12,80%	1 392 744	12,80%
Wafa Assurance	1 168 523	10,74%	1 168 523	10,74%	1 168 523	10,74%	1 168 523	10,74%	1 168 523	10,74%
Divers actionnaires	1 149 227	10,56%	1 149 227	10,56%	1 149 227	10,56%	1 149 227	10,56%	1 148 402	10,55%
Total	**10 881 214**	**100,00%**	**10 881 214**	**100,00%**	**10 881 214**	**100,00%**	**10 881 214**	**100,00%**	**10 881 214**	**100%**

Source: Crédit du Maroc

IV. Crédit du Maroc subsidiaries

As of June 30, 2024, Crédit du Maroc's legal structure is as follows:



Source: Crédit du Maroc

** Withdrawal of Crédit du Maroc Capital following its dissolution on 10/31/2022 and liquidation on 09/21/2023.*

PART III – Financial data

I. IFRS consolidated financial statements

I.1. Consolidated income statement

Crédit du Maroc's consolidated income statement for the last three years is as follows:

IFRS Consolidated (Amounts in MMAD)	2021	2022	Var. 22/21	2023	Var. 23/22
Interest and similar income	2 243.2	2 336.3	4.2%	2 821.1	20.7%
Interest expense	288.1	340	18%	595.2	75.1%
Interest margin	**1 955.1**	**1 996.4**	**2.1%**	**2 225.9**	**11.5%**
Commissions received	433.4	454.5	4.9%	494.9	8.9%
Commissions paid	40.1	51.3	27.9%	58.5	14%
Commission margin	**393.3**	**403.2**	**2.5%**	**436.4**	**8.2%**
Net gains or losses on financial instruments at fair value through profit or loss	209.4	263.9	26%	355.4	34.7%
Net gains or losses on financial instruments at fair value through equity	-0.4	-0.1	65.5%	-	100%
Income from other activities	12.6	14.8	18%	20.7	39.3%
Expenses from other activities	110.1	109.6	-0.4%	111.5	1.7%
Net banking income	**2 459.9**	**2 568.7**	**4.4%**	**2 926.9**	**13.9%**
General operating expenses	1 156.8	1 309.8	13.2%	1 366	4.3%
Depreciation, amortization and impairment of intangible and tangible fixed assets	178.2	190.3	6.8%	232.9	22.4%
Gross operating income	**1 125**	**1 068.6**	**-5%**	**1 328**	**24.3%**
Cost of risk	-63.5	-309.9	>100%	-445.3	43.7%
Operating income	**1 061.5**	**758.6**	**-28.5%**	**882.7**	**16.4%**
Net gains or losses on other assets	-3.9	-15.4	>100%	-4.4	-71.3%
Income before tax	**1 057.6**	**743.2**	**-29.7%**	**878.3**	**18.2%**
Income taxes/Deferred taxes	426.3	345.1	-19%	380.1	10.1%
Net income	**631.4**	**398.1**	**-36.9%**	**498.2**	**25.2%**
Minority interests	4	-6.2	<-100%	-4.9	-21.4%
Net income, Group share	**627.4**	**404.3**	**-35.6%**	**503.1**	**24.4%**

Source: Crédit du Maroc

II.2 Consolidated balance sheet

Crédit du Maroc is the majority shareholder of the Crédit du Maroc Group's consolidated balance sheet. The balance sheet for the period 2021 - 2023 under IFRS is as follows:

Assets

Amounts in MMAD	2021	2022	Var. 22/21	2023	Var. 23/22
Cash in hand, Central banks, Treasury, Postal cheque service	1 925	1 867	-3%	2 266	21.3%
Financial assets at fair value through profit or loss	2 618	1 567	-40.1%	2 597	65.8%
Financial assets held for trading	*2 240*	*1 367*	*-39%*	*2 367*	*73.1%*
Other financial assets at fair value through profit or loss	378	199	-47.3%	230	15.4%
Financial assets at fair value through CP	2 932	2 948	0.5%	1 054	-64.2%
Debt instruments at fair value through equity - recyclable	*2 932*	*2 948*	*0.5%*	*1 054*	*-64.2%*
Securities at amortized cost	14	8	-42.9%	1 397	>100%
Loans and advances to banks and similar institutions, at amortized cost	3 335	5 231	56.9%	6 012	14.9%
Loans and advances to clients, at amortized cost	46 079	48 497	5.2%	51 062	5.3%
Current tax assets	75	148	97.3%	3	-97.8%
Deferred tax assets	154	152	-1.7%	160	5.5%
Accruals and other assets	340	366	7.9%	422	15.3%
Property, plant and equipment	1 410	1 478	4.8%	1 496	1.2%
Intangible assets	464	601	29.4%	796	32.5%
Total Assets	**59 346**	**62 863**	**5.9%**	**67 265**	**7%**

Source: Crédit du Maroc – Crédit du Maroc IFRS consolidated financial statements

Liabilities

Amounts in MMAD	2021	2022	Var. 22/21	2023	Var. 23/22
Central banks, Treasury, Post Office Cheque Service	-	*0.1*	>100%	0.9	*>100%*
Financial liabilities at fair value through profit or loss	5	14	>100%	16	15.1%
Financial liabilities held for trading	*5*	*14*	*>100%*	*16*	*15.1%*
Amounts owed to credit institutions and similar entities	3 092	2 881	-6.8%	1 137	-60.5%
Client deposits	46 239	48 582	5.1%	51 755	6.5%
Debt securities in issue	603	1 612	>100%	3 424	>100%
Current tax liabilities	124	58	-53.4%	125	>100%
Deferred tax liabilities	15	9	-39.1%	18	>100%
Accruals and other liabilities	1 144	1 496	30.7%	1 891.6	26.5%
Provisions	567	600	5.9%	566	-5.7%
Subordinated debt and special guarantee funds	1 252	1 251	0.0%	1 251	-0.01%
Shareholders' equity	6 304	6 360	0.9%	7 080	11.3%
Shareholders' equity, Group share	6 246	6 309	1%	7 034	11.5%
Capital and related reserves	3 860	3 854	-0.1%	4 347	12.8%
Consolidated reserves	1 749	2 097	19.9%	2 198	4.8%
Group share	*1 694*	*2 040*	*20.4%*	*2 147*	*5.3%*
Minority share	*55*	*57*	*4.2%*	*51*	*-10.9%*
Gains and losses recognized directly in equity	64	11	-83.6%	37	>100%
Group share	*64*	*11*	*-83.6%*	*37*	*>100%*
Minority share	-	-		-	
Net income for the financial year	631	398	-36.9%	498	25.2%
Group share	627	404	-35.6%	503	24.4%
Minority share	4	-6	<-100%	-5	-21.4%
Minority interests	-	-		-	
Total Liabilities	**59 346**	**62 863**	**5.9%**	**67 265**	**7%**

Source: Crédit du Maroc – Crédit du Maroc IFRS consolidated financial statements

II. IFRS half-year financial statements

II.1 Consolidated income statement

The income statements from December 31, 2023 to June 30, 2024 are as follows:

IFRS Consolidated **(Amounts in MMAD)**	**Dec-23**	**June-24**	**Var.**
Interest, remuneration and similar income	1 311.6	1 544.0	17.7%
Interest, remuneration and similar expenses	228.8	357.6	56.3%
Interest margin	**1 082.8**	**1 186.5**	**9.6%**
Commissions received	247.7	270.8	9.3%
Commissions paid	21.9	24.5	11.8%
Commission margin	**225.8**	**246.3**	**9.1%**
Net gains/losses on financial instruments at fair value through profit or loss	168.2	218.9	30.2%
Net gains or losses on trading assets/liabilities	0.0	0.0	0.0%
Net gains/losses on other assets/liabilities at fair value through profit or loss	-	-	
Income from other activities	10.8	16.5	52.4%
Expenses from other activities	61.6	62.2	1.0%
Net banking income	**1 426.0**	**1 606.0**	**12.6%**
General operating expenses	627.2	650.0	3.6%
Depreciation, amortization and impairment of intangible and tangible fixed assets	98.5	132.3	34.3%
Gross operating income	**700.4**	**823.7**	**17.6%**
Risk cost	-166.1	-111.9	32.6%
Operating income	**534.32**	**711.84**	**33.2%**
Net gains or losses on other assets	-7.3	-3.5	51.2%
Income before tax	**527.1**	**708.3**	**34.4%**
Income taxes/Deferred taxes	239.6	317.5	32.5%
Net income from discontinued operations	-	-	-
Net income	**287.5**	**390.8**	**35.9%**
Minority interests	1.7	-	<-100%
Net income, Group share	**285.8**	**390.8**	**36.8%**

Source: Crédit du Maroc – IFRS consolidated financial statements

II.2 Consolidated balance sheet

As of June 30, 2024, the total balance sheet stood at MAD 71 billion, up 5.6% vs. December 31, 2023.

Amounts in MMAD	**Dec. 2023**	**June 2024**	**Var.**
Cash in hand, Central banks, Treasury, Postal cheque service	2 265.8	1 848.2	-18.4%
Financial assets at fair value through profit or loss	2 596.9	3 714	43%
Financial assets held for trading	*2 366.8*	*3 491.8*	*47.5%*
Other financial assets at fair value through profit or loss	*230.1*	*222.6*	*-3.27%*
Derivative hedging instruments	-	-	-
Financial assets at fair value through equity	1 054.3	*1 608.8*	*52.6%*
Debt instruments at fair value through equity - recyclable	*1 054.3*	*1 608.8*	*52.6%*
Securities at amortized cost	1 397.2	909.1	-34.9%
Loans and advances to credit institutions and similar entities, at amortized cost	6 012.4	5 099.5	-15.2%
Loans and advances to clients, at amortized cost	51 061 .7	54 911	7.5%
Current tax assets	3.3	4.8	47.7%
Deferred tax assets	159. 8	135.6	-15.2%
Accruals and other assets	422. 3	497.8	17.9%
Investment property	-	-	-
Property, plant and equipment	1 495.7	1 491.7	-0.3%
Intangible assets	796	825	3.6%
Total assets	**67 265.3**	**71 045.9**	**5.62%**

Amounts in MMAD	**Dec. 2023**	**June 2024**	**Var.**
Central banks, Treasury, Post Office Cheque Service	0.9	0.8	-4.5%
Financial liabilities at fair value through profit or loss	16.0	6.9	-56.8%
Financial liabilities held for trading	*16.0*	*6.9*	*-56.8%*
Derivative hedging instruments	-	-	-
Amounts owed to credit institutions and similar entities	1 137.3	1 470.2	29.3%
Client deposits	51 755.4	54 778.2	5.8%
Debt securities in issue	3 424.4	3 501.6	2.25%
Current tax liabilities	125.1	100.4	-19.7%
Deferred tax liabilities	17.9	14.7	-18.0%
Accruals and other liabilities	1 891.6	2 292.8	21.2%
Provisions	566	555	-1.9%
Subordinated debt and special guarantee funds	1 251	1 275.9	2.0%
Shareholders' equity	7 079.9	7 049.0	-0.4%
Capital and related reserves	4 346.5	4 346.5	-
Consolidated reserves	2 197.9	2 272.9	3.4%
Group share	2 147.3	2 272.9	5.9%
Minority share	50.6	0	<-100%
Gains and losses recognized directly in equity	37.3	38.7	3.9%
Group share	37.3	38.7	3.9%
Minority share	0	0	-
Net income for the financial year	498.2	390.8	-21.6%
Group share	503.1	390.8	-22.3%
Minority share	-4.9	-	>100%
Total Liabilities	**67 265.3**	**71 045.9**	**5.62%**

Source: Crédit du Maroc – Crédit du Maroc IFRS consolidated financial statements

PART IV – Risk factors

I. Risks relating to the issuer

The Crédit du Maroc Group is faced with a multitude of risks arising from the diversity of its activities, both at bank level and across all its subsidiaries.

In accordance with Bank Al-Maghrib regulations, and drawing on international best practice, the Group's internal control system not only complies with current regulations, but also provides an appropriate mechanism for monitoring and controlling risks.

More generally, the aim of this system is to ensure optimum control of the risks to which CREDIT DU MAROC is exposed. It should therefore be seen as a major steering tool for all those involved, and an essential instrument for ensuring the Group's long-term viability.

Drawing on the experience of its parent group, CREDIT DU MAROC has adopted a centralized risk management system. It is placed under the authority of the Group Risks and Permanent Controls Department (DRCPG), whose overall mission is to " assure the bank's management that all its activities are carried out in conditions of acceptable security ".

Totally independent of the business lines, it reports directly to the Chairman of the Executive Board and to the Supervisory Board, via the Risk Committee.

The DRCPG assists the business lines in drawing up risk maps and implementing controls, organizes second-level hierarchical or functional controls, and consolidates them to obtain an overall view of the quality of execution of all the bank's activities.

The main risks covered are grouped into the following categories: Market risk, ALM risk, Currency risk, Credit or Counterparty risk, Operational risk, etc.

1. Market risk

Market activities are governed by global and operational limits defined as part of the Bank's risk strategy.
The format of both global and operational limits is threefold: quantitative (VaR, Stress, detailed sensitivities), qualitative (authorized products, authorized currencies, maximum maturity, etc.) and loss thresholds. Limit sets concern the activities of the capital markets department, whose role is to carry out intermediation operations with clients (FX, bond, loans, repos), as well as the market activities of the bank's treasury department.
Market activities are organized as follows:

- ***Front Office***: The Front Office is literally the bank's interface with the market. It centralizes and processes all the hedging and financing needs of the bank and its clients. It commits the bank to respecting internal market limits, regulatory limits and the credit lines granted to it. It reports directly to the Corporate & Investment Banking Division.
- ***Middle Office:*** The Middle Office is in charge of controls and compliance with the limits set by Risk Management.
- ***Back-Office:*** The Back Office handles the post-market operation processing: confirmation, payment, settlement - delivery and accounting. It reports directly to the Client Banking Services Division.
- Market and Financial Risks Division:

In terms of monitoring and controlling market activities, the Market and Financial Risks Department is responsible for:

- monitoring compliance with limits, whether quantitative (risk levels), qualitative (authorized instruments, currencies or maturities) or relating to tolerated loss levels;
- handling overruns (analysis of reasons, method and deadline for regularization, etc.);
- monitoring risks and results in relation to market trends;
- analysis and control of management P&L;
- production and quality control of risk indicators;
- VaR (Value at Risk) back testing;
- production and analysis of stress scenarios;
- verification of market data;
- checking that the Back Office has verified the consistency of inventories between Front Office tools and accounting data;
- production and analysis of risk exposure monitoring reports.

It reports to the Central Risk Control Department.

Risk monitoring must be carried out at different levels of the bank, with separation of powers between the front office, middle office, back office, risk management and financial control, in other words between those who place orders and those who monitor them.

This organization enables us to

- ensure compliance with procedures, standards and limits;
- analyze the causes of any non-compliance with procedures and limits;
- inform the entities and/or persons designated for this purpose of the extent to which limits have been exceeded, and of any corrective action proposed or taken.

In terms of IT tools, the bank has an Arpson front-to-back system with functions for monitoring risks and calculating results. The RMF Department has access to this information and additional tools for carrying out its analyses.

Main risks and control mechanisms

Market or price fluctuation risks represent potential losses arising from adverse movements in prices or interest rates.

Interest-rate risk: These risks represent the risk of incurring losses as a result of variations in the absolute level of the interest rate, a spread between two interest rate curves, or the deformation of the curve. There are several components to this risk: directional risk, slope risk and basis or spread risk.

This risk concerns securities trading and cash management. It is governed by a set of quantitative limits (VaR, Stress, nominal and detailed sensitivities).

Foreign exchange risk: The risk of incurring losses as a result of variations in the exchange rate of foreign currencies against the reference or local currency.
Like all banking institutions, CREDIT DU MAROC is exposed to foreign exchange risk in connection with its various activities (foreign branches, foreign currency loans, foreign currency borrowings, forward exchange, etc.). The bank may find that future exchange rates evolve against it, resulting in a reduction in its margin.
Positions are governed by regulatory and internal limits (VaR, Stress, individual and global nominal, Loss alert, etc.).

For the bank, this risk is limited insofar as it is borne by the client in most foreign currency transactions, with the bank playing only an intermediary role. This applies in particular to foreign currency financing, transfers for Moroccans living abroad, etc.

Currency risks by type of currency as of December 31, 2023

Currencies	Currency position	Countervalue in KMAD	% Shareholders' equity
AED	236	635	0.010%
BHD	1	16	0.000%
CAD	199	1 483	0.023%
CHF	488	5 761	0.088%
DKK	154	226	0.003%
DZD	76	6	0.000%
EUR	10 237	112 045	1.705%
GBP	480	6 044	0.092%
GIP	0	12	0.000%
JPY	3 118	218	0.003%
KWD	18	595	0.009%
NOK	539	524	0.008%
QAR	11	31	0.000%
SAR	767	2 023	0.031%
SEK	1 225	1 210	0.018%
TND	7	- 21	0.000%
USD	7 152	70 759	1.077%

Source: Crédit du Maroc

Net foreign exchange positions amounted to MAD 201,565 thousand (long positions), representing 3.1% of net equity.

The above table shows that CREDIT DU MAROC remains within the prudential limits set by Bank Al-Maghrib, which are set at 10% of equity per currency and 20% for all currencies combined.

Default risk: A significant proportion of the risks taken by financial institutions on the markets is linked to default events (default of several counterparties, risk of non-transfer, etc.). Market transactions can generate:

- settlement/delivery risks;
- variation risks.

A transaction may involve just one of these risks, or a combination of two or three. A forward exchange transaction generates both variation and delivery risks.

If one counterparty defaults while the other has already fulfilled its own obligations, i.e. to deliver funds, then the loss relates to the full (nominal) amount of the transaction (on delivery), i.e. the risk of delivery or non-concurrence of the exchanged flows.

This risk affects foreign exchange (spot and forward) and foreign exchange swaps (treasury or foreign exchange swaps). In the case of securities transactions (firm or temporary), this risk does not exist, as transactions are carried out via a DVP (Delivery Versus Payment) system. If, on the other hand, a default occurs between trading and delivery, then the potential loss corresponds to the variation in the exchange rate between the traded rate and the prevailing market rate at the time when a new replacement counterparty has to be found - this is the replacement cost and is known as the variation risk.

These risks are governed by individual limits on counterparties, including dealing room correspondents, granted by the Bank as part of the annual risk review.

CDM VaR (Value at Risk) consumption is calculated using the Global View Risk tool, which is supplied with market risk data (sensitivity vectors, foreign exchange positions, MAD rate curve) by CDM tools.

GVR also automatically calculates historical stresses (1994 and 1997 crises, subprimes, Covid-19, etc.) according to the observed shocks parameterized in the tool, as well as hypothetical stresses (liquidity tightening, international tensions, etc.).
Finally, the daily results of trading activities (on bonds and foreign exchange) are fed into another tool, and VaR is back-tested..
Work is planned to replace GVR and CADRE with a tool offering the same functionalities, in order to make the CDM self-sufficient.

Segregation of Banking and Trading books

Crédit du Maroc has reorganized its portfolios and profit centers in line with its risk tree structure, to ensure sound, prudent management of its cash position and coverage of its own risks. This reorganization ensures a separation between the banking book (ALM & treasury activities) and the activities of the Capital Markets Division (DMC), whose role is to carry out intermediation operations with clients.

2. ALM management

Asset and liability management (ALM) is a process of identifying, measuring, controlling and hedging the financial risks that can affect a bank's balance sheet. These are mainly liquidity, interest rate and foreign exchange risks.

At CREDIT DU MAROC, ALM is managed by the Financial Management Department, which reports to the Group Finance Department and the ALM Committee.

Global interest rate risk (GIR)

This is the risk of the bank's results being adversely affected by movements in interest rates.
These movements have an influence on the remuneration and costs generated by the financial products and instruments (assets, liabilities and off-balance sheet instruments) available to the bank. Consequently, their movements have a direct impact not only on the income generated, but also on the present value of the various future revenues.
It is therefore important to understand how movements in the yield curve can impact the bank's margins.
RTIG is measured using a static approach, based on several models to transform monthly data into quantifiable risk indicators over the entire future life of the balance sheet.
The main and mandatory measure of RTIG is the interest rate gap, which represents the signed difference over each period between fixed-rate liabilities and assets (outstandings and associated transfer rates) in a given currency.
Global Interest Rate Risk is the result of various risk components, represented in particular by gaps:

- A directional risk on fixed-rate transactions: the "Fixed-rate" gap.
- An option risk on explicit options (caps, floors, etc.) if the bank has developed option models, and implicit options, notably for early repayment of loans.
- A base risk on revisable and variable-rate operations induced by de-correlations between indexes: Index gaps

In March 2021, Bank Al-Maghrib published a new circular providing a framework for measuring the interest rate risk inherent in the banking book and setting new economic capital requirements. This circular came into force in June 2021.
The main changes introduced by this new regulation, which significantly impacts the Banking Book's assessment of interest rate risk:

- Items that are not interest-rate-sensitive, in particular core capital, trading securities and marketable securities, are not included in interest-rate risk exposure;
- Forecast cash flows are broken down into 20 maturity tranches;

- The regulatory limit on shareholders' equity has been lowered from 20% of total shareholders' equity to 15% of Tier 1 capital (CET1). It should be noted that the regulator has provided for a transitional period for compliance with the regulatory minimum on Δ EvE: 20% of global FP at 12-31-21, 20% of CET1 FP at 01-31-22, 15% of CET1 FP at 01-01-23;
- Identification of the basis risk, specifying for variable-rate instruments the revision date, the reference considered for indexation and the rates applied;
- Calculation of the average life of discounted balance sheet and off-balance sheet flows, in accordance with a specific duration formula;
- Application of 6 interest rate shock scenarios on three currencies: MAD / EUR / USD.

Crédit du Maroc has set up a monitoring and control system. Volume limits have been set.

Liquidity risk

Liquidity risk is defined as the risk that the bank will not be able to meet its commitments as they fall due, under normal conditions. It can take two forms:

- Liquidity risk: where the bank is unable to raise the funds needed to meet unexpected short-term obligations, such as a massive withdrawal of deposits;
- Transformation risk: where the term of assets is generally greater than the term of liabilities, a transformation inherent to the banking business.

Liquidity risk occurs at three levels:

- **Funding risk**: risk arising from the need to obtain new resources when one of the bank's previous resources is no longer available (for example, in the event of a massive withdrawal from demand deposits);
- **Time risk**: risk that arises when the bank is unable to obtain the cash inflows it is expecting (e.g. inability of a client to repay a loan);
- **Call risk**: risk of obtaining new resources (following, for example, large-scale borrowing on lines of credit).

The liquidity approach highlights the bank's transformation situation. It makes it possible to measure short-, medium- and long-term funding requirements, or the extent of surplus liquidity to be replaced by maturity type.

Within the framework of liquidity risk management, the ALM Committee's role is to:

- Approve the overall liquidity risk management strategy;
- Manage the bank's MLT cash position;
- Establish an approach for measuring and monitoring liquidity risk;
- Establish a system of appropriate limits for the main indicators used;
- Ensure that stress scenario simulations are carried out to assess the bank's ability to cope with liquidity crisis situations;
- Decide on the contingency plan to be implemented in the event of liquidity tensions or crises;
- Plan liquidity risk hedging instruments and strategies;
- Define the reporting system for normal situations and liquidity crises;
- Ensure compliance with regulatory ratios, including the Liquidity Coverage Ratio (LCR).

In addition to the quarterly ALM Committee, a monthly Treasury Committee was set up in January 2016 with the aim, among other things, of operationally steering the bank's short-term treasury.

Run-off conventions

The bank's ALM models follow a "run-off" logic, based on a balance sheet as of the calculation date. This approach provides a view of the balance sheet run-off over time, and a precise measurement of the margin under a run-off assumption that takes no account of future commercial production or financial activity. The run-off rules are based on a segmented approach to outstandings. This segmentation is based on the definition of homogeneous populations in terms of "behavior" (in the statistical sense).
These models are the common basis for measuring interest-rate and liquidity risks, and for margin management. They serve:

- for calculating RTIG and thus influencing hedging decisions;
- to calculate internal transfer rates between the commercial pool and the ALM pool. As such, they determine the analytical margins on loans and collections.

The ALM models, calibrated and reviewed annually, must minimize the risk of over-hedging; to this end, the statistical study has the following main objectives:

- To eliminate the risk of concentration: If a small fraction of clients holds a high proportion of outstandings, overall outstandings are likely to fall sharply and unpredictably. The rule of prudence therefore calls for this fraction of outstandings to be removed (volatile part);
- To take account of cycles/seasonality: If the history of outstandings shows seasonality, the variable "account balance" will be replaced by "sliding average of account balances", this average being calculated over a sufficiently long period to avoid cycle effects;
- To maintain relevance over time, in order to maintain a commercial logic of flow.

Foreign exchange risk (Banking Book)

Foreign exchange risk on the Banking book is monitored and managed by the ALM Committee, which is informed of exposures and trends through quarterly reporting.

The ALM function monitors all the Bank's foreign exchange positions, with the exception of positions managed as part of trading activities, in line with international standards for measuring and managing foreign exchange risk.

The main objectives of the ALM Committee are to:

- Analyze the risk;
- Validate proposed limits and their compatibility with overall and regulatory limits;
- Verify compliance with these limits;
- Validate management proposals.

Operational Foreign Exchange Positions (OFP) can be measured using the "flow" or "stock" method. For Crédit du Maroc, this position comprises clients' on- and off-balance sheet foreign exchange positions, as well as cash in banknotes.

Structural foreign exchange positions (PCS) result mainly from equity investments in foreign-currency-denominated establishments. It should be noted, however, that foreign currency holdings accounted for at fair value through profit or loss (FVTPL) are included in the operating foreign exchange position rather than the structural position, since the resulting foreign exchange position is revalued through the income statement. For Crédit du Maroc, this position consists of the USD position in the equity securities of the subsidiary "CDM International", which is subject to an overall limit in terms of amount.

Financial risk management is handled by ATLAS, a tool developed in collaboration with the Crédit Agricole S.A. Group and operational since 2008.

3. Credit or counterparty risk

Crédit de Maroc's policy is based on general principles and in compliance with the standards set by the regulator. It covers aspects relating to ethics, independence, responsibility, collegial decision-making, risk control and monitoring, remuneration of operations, etc. It is reviewed each year as part of the risk strategy which examines all the bank's activities.
It is reviewed annually, as part of the risk strategy which examines all the bank's activities and the risks they entail, and sets operational limits in terms of client segments, business sectors, concentration, etc. This strategy is presented to the Executive Board for approval.
This strategy is presented by the Executive Board to the Supervisory Board, which approves it.
To manage its credit risk, CRÉDIT DU MAROC has defined several levels of control:

- A priori control of credit applications: risk applications from the Group's various sales units are submitted to the Risk Department, which is responsible for analyzing the credit file, assessing the client's business volume and the economic merits of the financing requested, as well as evaluating the consistency and validity of guarantees. Validated credit applications are then submitted to a Credit Committee for approval;
- Post-financing control: monitoring the bank's commitments;
- Compliance with the rules laid down by Bank Al-Maghrib, notably in terms of risk analysis for each client and for all clients belonging to the same group;
- Periodic control by the General Inspection Department, which regularly reviews the entire portfolio. In the event of a deterioration in risk quality, the General Inspectorate ensures a closer presence.

➢ *Decision-making and risk management system*

➢ Study and decision

The decision-making process derives from the powers held by the Chairman of the Executive Board and the sub-delegations he has distributed to the players, according to an intuitu-personae mode, declined according to the markets. Beyond these sub-delegated limits, decisions are taken by the Credit Committee, whose decisions are collegial.

The decision-making process is managed by a centralized, integrated IT application that determines the required levels of delegation according to parameterized standards and criteria. Decisions in favor of professional and corporate clients require a dual view of sales and risk.

Subsidiaries have recourse to an opinion from Crédit du Maroc's specialized lines, which conditions the granting of credit.

Credit requests from commercial lines are formalized and documented in accordance with regulatory rules and bank standards.

➢ Implementation - Guarantees

Loans are arranged after verification of compliance with loan conditions.
Guarantee files are managed centrally.

➢ Risk monitoring and receivables downgrading

This is the responsibility of a dedicated, independent structure, supported by correspondents in the various markets and regions.
This structure, which has access to all the Bank's information systems, is tasked with monitoring the quality of commitments, identifying and monitoring any deterioration in risk (non-payment, account freezes, etc.) with a view to prevention.

Based on internal indicators, it organizes close monitoring of sensitive receivables by a dedicated monthly committee. It identifies receivables that need to be downgraded to "overdue" status, in accordance with the criteria laid down by the regulator, and sets aside provisions accordingly. These decisions are validated by a dedicated Committee, to ensure perfect risk coverage and compliance with regulatory standards.

- **Collection**

For the Retail and PRO/TPE markets, the network handles collection from the first non-payment on clients segmented as low risk and on debits up to 30 days past due. The central collection structures handle collection from the first non-payment on clients segmented as medium and high risk, as well as debits from 30 days overdue.
For the SME/SMI and Large Corporates market, collection is handled by the account managers, with the support of a central structure dedicated to Debt Recovery and Restructuring, depending on the case and on the decision of a dedicated committee or at the request of the sales line.
If the case reaches "Compromise", it is taken over by the Debt Recovery Department, which continues the collection process and takes legal action at the same time.
The entire decision-making and risk monitoring process is traceable and auditable.

- **Internal rating**

CRÉDIT DU MAROC has its own rating system. It covers all corporate receivables (SMEs, large corporates and companies in the property development and hotel sectors), except banks and financial institutions, which have a specific rating.
CRÉDIT DU MAROC's rating system complies with Basel 2 recommendations.
The system is based on a quantitative and qualitative assessment. It involves the various players in the decision-making process: account managers, risk managers and decision-makers. It is back-tested annually.
For Banque de Réseau, all consumer loans are subject to either Crédit du Maroc's own credit score, or that of our partner Wafasalaf, according to well-defined criteria.

- **Corporate rating scale**

It comprises 13 steps from A to E, with intermediate steps for sound counterparties and 2 steps F and Z for counterparties in default, the last of which is for counterparties in legal recovery.
These grades are compatible with the rating scales of the main international rating companies: Standard & Poor and Moody's.

- **Delegation**

Rating is an essential part of the decision-making process. It determines the level of delegation.

- **Sensitive risks**

Counterparties showing signs of fragility are monitored within the framework of the monthly Sensitive Risks anticipation and monitoring committee, on the basis of qualitative and quantitative criteria.

Concentration risk

Credit concentration risk is the risk inherent in excessive exposure that could result in losses for the bank; sector limits are reviewed periodically.
A quarterly analysis is carried out of changes in the concentration of commitments in order to prevent excessive exposure to a given segment.
The measurement and management of this risk enable us to understand the form and level of credit concentration risk incurred by each type of exposure. Crédit du Maroc has put in place measures such as guarantee mechanisms...

However, Crédit du Maroc remains exposed to certain counterparties:

In KMAD

Number of beneficiaries as of 06/30/2023	Weighted risks exceeding 10% of net equity			
	Credits by disbursement	Credits by signature	Other commitments	TOTAL
7	4,648,443	1,414,141	-	6,062,584
Number of beneficiaries as of 12/31/2023	Weighted risks exceeding 10% of net equity			
	Credits by disbursement	Credits by disbursement	Credits by disbursement	Credits by disbursement
5	4,719,122	800,518	-	5,519,640

Sensitive risk

Sensitive risks are monitored by a dedicated department independent of the Risk Division, supported by correspondents in the various markets and regions.
This department, which has access to the bank's information system, is responsible for monitoring the quality of commitments, and for anticipating and monitoring any deterioration in risk (non-payment, account freezes, etc.).
The risk monitoring system is based on a regular review of counterparties showing possible signs of fragility, according to various qualitative and quantitative criteria, such as leading risk indicators.
This system is coordinated by the monthly Risk Anticipation and Monitoring Committee.
This monthly committee is divided into five (5) sub-committees for each market, namely: (i) Large Corporations, (ii) the Casablanca network, (iii) the network outside Casablanca, (iv) Retail and (v) the participative window and subsidiaries.
At the end of each committee meeting, decisions may be taken concerning:

- monitoring the progress of action plans decided at the previous committee meeting, for which the markets are responsible;
- removal of a sensitive risk file following an improvement in its situation;
- downgrading of a Sensitive Risks file;
- transfer of a sensitive case to the Collections department, so that it can intervene jointly with the market in the monitoring of such cases;
- downgrading of a sensitive client's rating;
- action plans for safeguarding and collecting receivables on sensitive risks;
- provisions, if any, within the framework of current regulations, to be validated at the monthly Debt Recovery Committee meeting;
- transfer of the file to Litigation.

Default risk

Default risk is defined as the risk associated with the failure of a counterparty to perform its obligations to Crédit du Maroc Group.
The definition of default used in management complies with the prudential requirements in force in relation to the Bank Al Maghrib circular (19/G/2002).
A debtor is considered to be in default when at least one of the following two conditions is met:

- A payment arrears generally exceeding 90 days;
- Account frozen;
- More generally, the bank considers it unlikely that the debtor will meet its credit obligations in full, without resorting to measures such as the realization of a security interest.

4. Solvency risk

CRÉDIT DU MAROC is subject to Bank Al-Maghrib prudential regulations concerning the calculation of and compliance with the minimum solvency ratio. In accordance with Bank Al-Maghrib's circular on the minimum solvency ratio for credit institutions, the bank is required to maintain a minimum solvency ratio of 12% on an individual and/or consolidated basis, including a Tier 1 ratio of 9%.
In addition, as part of its Risk Appetite Framework, Crédit du Maroc has set itself management targets and appetite thresholds for the solvency ratio that are higher than the regulatory minimums.
The role of the Treasury & ALM department is to ensure that the bank's available capital is always in line with its RWAs, in line with its management objectives.
The calculation of the capital requirement is established by taking into consideration:

- RWAs and shareholders' equity to date;
- forecasts for balance sheet aggregates;
- projected outflow of equity (subordinated debt / earnings, etc.);
- dividend distribution policy;
- any changes in regulations or standards affecting calculation methods.

The capital planning process is carried out at the same time as the budget exercise, with which it is closely linked. Capital planning is updated whenever necessary.
Treasury & ALM reports quarterly to the ALM Committee on the level of the solvency ratio and its evolution. Where necessary, it proposes planned actions to meet the management target, and implements these actions once they have been validated. Financial instruments (e.g. subordinated debt) issued by Crédit du Maroc as part of its equity management are the responsibility of the Treasury and ALM Department.

2021 - 2023 solvency ratio

CRÉDIT DU MAROC's solid fundamentals enable it to meet all its commitments, as demonstrated by the solvency ratio for the period 2021 - 2023:

Corporate (MMAD)	June-21	Dec-21	June-22	Dec-22	June-23	Dec-23
TIER 1 CAPITAL (T1)	4,861	4,922	5 111	5 005	5 053	5 478
TIER 2 CAPITAL (T2)	1,710	1,711	1 699	1 567	1 556	1 456
SHAREHOLDERS' EQUITY	6,571	6,633	6 811	6 572	6 609	6 934
Weighted credit, operational and market risks	41,846	42,016	44 955	44 951	46 029	47 587
Weighted credit risk	37,088	37,219	40 200	40 371	41 338	42 142
Weighted Operational Risk	4,196	4,268	4 336	4 464	4 514	4 689
Weighted Market Risk	562	529	419	116	177	756
Tier 1 capital ratio	11,62%	11,71%	11,37%	11,13%	10,98%	11,51%
Minimum Solvency Ratio (Tier 1+Tier 2)	15 ,70%	15,79%	15,15%	14,62%	14,36%	14,57%

Source: Crédit du Maroc

Over the period 2021-2023, Crédit du Maroc meets regulatory requirements in terms of solvency and Tier One ratio, with a solvency ratio of 11.51% at the end of 2023.

As of December 31, 2023, the solvency ratio stood at 14.57%. This solvency ratio reflects the bank's considerable capacity to meet its commitments through shareholders' equity.

Weighted risks are calculated using the standard approach for credit, counterparty and market risks, and the basic indicator method for operational risks.

Since 2019, for macro-prudential supervision purposes, Bank Al-Maghrib has required credit institutions to build up a capital cushion known as a "counter-cyclical capital cushion" on an individual and/or consolidated basis. This cushion, which ranges from 0% to 2.5% of risk-weighted assets, is made up of core Tier 1 capital. Compliance with this additional threshold is preceded by 12 months' notice. Solvency ratios are reported to the regulator every six months, accompanied by the publication of Pillar III, designed to guarantee transparent financial information: details of prudential ratios, composition of regulatory capital, breakdown of weighted risks.

Forecast solvency ratio

CRÉDIT DU MAROC's forecast ratios on an individual and consolidated basis at the end of 2022 are well above the regulatory minimums in force: 9.0% for the solvency ratio on Tier 1 capital and 12.0% on total capital thanks to the internal capital management policy.
Prudential capital is calculated in accordance with circular 14 G 2013 and technical notice 01/DSB/2018, integrating IFRS9 impacts.
The tables below show Crédit du Maroc's forecast solvency ratio over the next 18 months:

Corporate	June-24	Dec.-24	June-25	Dec.-25
CET 1 ratio	9.34%	9.59%	9.31%	9.11%
Tier 1 capital ratio	11.36%	11.78%	11.66%	11.17%
Minimum Solvency Ratio (Tier 1+Tier 2)	14.08%	14.06%	13.18%	12.87%

Source: Crédit du Maroc

Consolidated	June-24	Dec.-24	June-25	Dec.-25
CET 1 ratio	9.51%	9.94%	9.67%	9.51%
Tier 1 capital ratio	11.89%	12.10%	11.90%	11.89%
Minimum Solvency Ratio (Tier 1+Tier 2)	13.77%	13.54%	13.03%	13.77%

Source: Crédit du Maroc

Crédit du Maroc's forecast ratios remain above the regulatory minimum in force: 9% for the solvency ratio on Tier 1 capital and 12% on total capital, thanks to its internal capital management policy.

Details and changes in RWA (in thousands of dirhams)

(en milliers de dirhams)

		déc-22		déc-23		Variation	
		Actifs pondérés	Exigences en fonds propres	Actifs pondérés	Exigences en fonds propres	Actifs pondérés	Exigences en fonds propres
	Risque de crédit	41 091 647	3 287 332	42 375 958	3 390 077	1 284 311	102 745
Dont	Souverain	6 820	546	8 167	653	1 347	108
Dont	Établissements	2 914 980	233 198	2 870 776	229 662	-44 204	-3 536
Dont	Entreprises	25 218 503	2 017 480	26 987 922	2 159 034	1 769 418	141 553
Dont	Clientèle de détail	9 627 905	770 232	9 696 433	775 715	68 528	5 482
	Risque de Marché	115 891	9 271	755 608	60 449	639 717	51 177
	Risque Opérationnel	4 729 259	378 341	4 970 090	397 607	240 832	19 267
	Total	45 936 796	3 674 944	48 101 656	3 848 133	2 164 860	173 189

Source: Crédit du Maroc

Market risk details

In KMAD

	12/31/2021	12/31/2022	12/31/2023
Tier 1 capital (1)	5 550 085	5 540 206	5 986 956
Total shareholders' equity (2)	6 782 220	6 648 040	7 008 784
Weighted risks (3)	43 851 582	45 936 796	48 101 656
Tier 1 capital ratio (1)/(3) (min.9%)	12.66%	12.06%	12.45%
Solvency ratio (2)/(3) (min.12%)	15.47%	14.47%	14.57%

Source: Crédit du Maroc

ICAAP (Internal Capital Adequacy Process)

The Internal Capital Adequacy Assessment Process (ICAAP) is a process which aims, on the one hand, to ensure a constant balance between the bank's equity capital and all the risks incurred, and to anticipate any imbalances which could affect its financial viability and the continuity of its business, and on the other hand, to implement appropriate recovery solutions.
It's a process that makes a substantial contribution to valuation:

- the bank's business model
- Internal governance and overall risk management
- Major risks - risk appetite
- regulatory and internal capital requirements
- Prudential capital management (pillars 1 and 2)

The ICAAP approach is a continuously enriching process, which evolves at the request of management, to take account of regulatory developments (Directive 3/W/2021 and increasing BAM requirements) and integrate international best practices.
The general risk appetite framework presents ICAAP as one of its key operational mechanisms.
For ICAAP 2021, this framework has been respected and enriched. The Supervisory Board was kept regularly informed of significant changes to the ICAAP, and the Risk Committee regularly reported to it. The latest changes to the ICAAP were included on the agenda of the Executive Board meeting.
Lastly, ownership of the system has been strengthened through:

- ICAAP training for members of the Executive Board and Supervisory Board in 2021;
- Increased support from the Finance Department, which is responsible for centralizing the ICAAP system, and which over the past year has carried out significant work to improve and strengthen the system (see Major changes integrated into the 2021 ICAAP system);
- Technical support from an external firm, with a view to continuously improving the ICAAP system and incorporating international best practices;
- The key elements of the ICAAP are integrated into the reporting statements sent to the management bodies, as well as to the Supervisory Board, and enriched with a regularly updated forward-looking dimension.

5. Competitive risk

Crédit du Maroc is a universal bank, present in all client segments (individuals and professionals, SMEs and large corporations) and in all banking businesses.
Its main competitors are Attijariwafa Bank, BCP, Bank Of Africa, Société Générale, BMCI and, more recently, CIH BANK, CAM and CFG BANK, which operate in the commercial banking sector.
Crédit du Maroc’s positioning strategy is based on:

- Quality of service and respect for client commitments (e.g. 48-hour mortgage and consumer credit campaigns);
- Innovation as a corporate culture at the service of its clients (ATM bill payment, Daba Daba reloadable prepaid card, e-banking...);
- Making the Group's scale a differentiating factor for all client segments (mobility offer for individuals with the RIBAT range in partnership with Crédit Lyonnais, Intermed and e-Ris with Crédit Agricole's Regional Banks in France for SME-SMIs, and strong proximity with the Group's Corporate and Investment Banking arm for corporate clients).

6. Operational risk

Crédit du Maroc Group has adopted the Basel 2 definition of operational risk. It refers to losses resulting from the inadequacy or failure of internal processes, people, systems or external events, including events with a low probability of occurrence but a high risk of loss.
Operational risk, defined in this way, includes legal and compliance risks, but excludes strategic and reputational risks.

➢ <u>Operational risk management system in place</u>

Operational risk is inherent in all banking products, activities, processes and systems. Effective operational risk management is a fundamental component of the risk management system of the bank and its subsidiaries. Sound operational risk management reflects the effectiveness of the Executive Board's management of the risks associated with the bank's portfolio of products, activities, processes and systems. It is divided into 7 risk categories as defined by Basel II, which are broken down into sub-categories in the internal risk event framework (level 2 and level 3):

1. Internal fraud;
2. External fraud;
3. Employment practices and workplace safety;
4. Clients, products and business practices;
5. Damage to tangible assets;
6. Business and systems malfunctions;
7. Process execution, delivery and management.

These various categories may fall within the scope of non-compliance risk: as a whole, the “Fraud” and “Clients, products and commercial practices” categories; on a case-by-case basis, the other categories.
Crédit du Maroc Group's operational risk management system is designed to meet the following objectives:

- assessment and prevention of operational risks;
- assessment of controls;
- implementation of preventive and/or corrective actions against major risks;
- integration of the triple regulatory impact of capital management, regulatory supervision and financial communication.

1. System components

Our operational risk management system is built around four components:

➢ <u>Organizational component</u>

The monitoring of operational risks is entrusted to a permanent risk control unit, the apex of the bank's internal control system.
The internal audit system periodically verifies that the operational risk management system is being effectively implemented throughout the bank.
The Executive Board regularly monitors the risk situation via the Internal Control Committee, chaired by the Chairman of the Executive Board.
The Supervisory Board, via the Risk Committee, is informed of major risks and ensures that they are taken into account.

➢ <u>Qualitative component</u>

It enables risks to be assessed and prevented through the mapping of operational risks.
The operational risk mapping exercise consists of using a qualitative, forward-looking approach to assess the exposure of the Bank's departments to operational risks, taking into account the activities and functions performed (operational and support), in order to focus prevention and monitoring measures on the most sensitive processes/functions.

The regularly updated mapping, together with the proposed actions (action plans) and the envisaged prioritization, are validated and monitored by the Internal Control Committee.

- **Quantitative component**

It enables us to measure and monitor the cost of risk and incidents by tracking losses and setting up a warning system.
The collection of incidents is one of the main pillars of the operational risk management system, which feeds into the regulatory statements presenting the list of the most significant operational risks, as well as a certain number of indicators.
All internal alerts and reports to management bodies also depend on high-quality, regularly-updated data collection.

- **Capital allocation component**

The objectives of collecting operational incidents are fundamental, as they fall within the scope of regulatory requirements and contribute to the process of calculating capital requirements within the framework of the internal model adopted by the Crédit du Maroc Group.
For reasons of prudence, the bank has adopted a capital allocation based on the "basic indicators" method, with the aim of moving rapidly towards the "standard" method.

2. Information systems security

Information systems security is ensured by the implementation of a security policy and a permanent control system. Intrusion tests and vulnerability scans, as well as information system security assessments, are carried out on a regular basis.

3. Business Continuity Plan

To ensure the continuity of the bank's activities in the event of a disaster, the company has drawn up a Business Continuity Plan:

- a Disaster Recovery Plan for critical IT services;
- a User Fallback Plan, including the creation of a fallback site to be used in the event of a disaster;
- a crisis management system;
- a business continuity plan specific to the influenza pandemic scenario.

This BCP is regularly tested and improved.

4. Essential outsourced services

With regard to the management of outsourced activities, the Bank has a formal outsourcing policy, which specifies:

- the terms and conditions under which the Bank outsources its services;
- the legal clauses that bind the service provider;
- indicators for monitoring service quality and measuring performance.

Service agreements including quality indicators have enabled the Bank to integrate the monitoring of these activities into its internal control system.

5. System for managing financial risks related to climate change and the environment

Environmental, social and corporate governance risks are assessed and managed accordingly through the bank's SGES environmental and social management system, which was developed by CRÉDIT DU MAROC in line with the good governance requirements for financial risks linked to climate change and the environment of Bank Al Maghrib (BAM) directive 5W2021 and in collaboration with our preferred partner the International Finance Corporation (IFC).
The system guarantees a holistic and structured approach to financial risks related to climate change and the environment.

Our environmental and social policy has been drafted in line with international standards and approved by CRÉDIT DU MAROC's Supervisory Board.
The bank will ensure that its system for managing financial risks related to climate change and the environment is increasingly integrated into the organizational structure in order to protect the value of the bank's assets and align itself with a responsible and sustainable growth trajectory.
As of December 31, 2023, no financial risks related to environmental issues have been recorded.

6. **Management of risks identified by CRÉDIT DU MAROC arising from the change of majority shareholder**

The risks associated with the change of control are well under control. The transition is proceeding in accordance with the plan and timetable established between the various parties and the regulator.

II. Risks related to the financial instruments offered

Liquidity risk

Subscribers to Crédit du Maroc shares may be subject to liquidity risk on the stock market. Depending on market conditions and share price trends, the stock's liquidity may be temporarily affected. Thus, a shareholder wishing to sell their shares may, to a certain extent, be unable to sell all or part of the shares held within a short timeframe, with or without a capital discount.

Risk of share price volatility

Listed shares are subject to the rules of supply and demand, which determine their value on the stock market. Share price trends are determined in particular by the achievements and financial performance of listed companies, and the development prospects anticipated by investors. As a result, investors may experience a significant rise or fall in the value of the listed securities they hold.

Risk of capital loss

Participation in a company's capital involves the risks inherent in any investment. Should one or more of these risks materialize, losses may be incurred up to and including the total loss of the contribution and related transaction costs, and thus of the entire capital invested.

In addition, if the investor has borrowed external capital to pay for the investment, the maximum risk is even higher, since the obligations arising from the loan contract continue to be owed to the lender, regardless of changes in Crédit du Maroc's shareholding, and the lender may take action against the investor for an amount exceeding the capital invested.

Risk of non-distribution of dividends

Crédit du Maroc is required to apply the provisions of Bank Al-Maghrib circular no. 14/G/2013 of August 13, 2013 relating to the calculation of regulatory capital for credit institutions, including article 10 of said circular defining core capital instruments as shares and any other component of share capital as well as the endowment meeting a number of criteria, chiefly the provision stipulating that distributions in the form of dividends or otherwise are only made once all legal and contractual obligations have been honored and payments on higher-ranking equity instruments have been made, including the perpetual subordinated bonds issued by CDM. Thus, in the event of coupon cancellation in respect of perpetual subordinated bonds[1] issued by CDM with a loss and coupon cancellation mechanism, no dividend distribution in respect of the year concerned could be made.

[1]It should be noted that the characteristics of these bonds are described in the CDM securities note approved by the AMMC on July 5, 2023 under reference no. VI/EM/020/2023.

Disclaimer

The aforementioned information constitutes only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) on 10/18/2024 under reference no. VI/EM/032/2024.

The AMMC recommends reading the entire prospectus, which is available to the public in French.