

# PROSPECTUS SUMMARY



CIH Bank S.A

## ISSUE OF ORDINARY SHARES THROUGH A CAPITAL INCREASE BY CASH CONTRIBUTION

Subscription open to CIH Bank shareholders and holders of preferential subscription rights investors

The AMMC's visa covers the prospectus comprising the following documents:

- This Securities Note;
- CIH Bank's reference document for the 2023 financial year and the first quarter of 2024, registered by the AMMC on June 28, 2024 under reference EN/EM/007/2024.

Maximum number of shares to be issued: 977 499 shares

Nominal value of security: MAD 100

Unit issue premium: MAD 258

Subscription price: MAD 358

Subscription parity: 9 new shares for 281 preferential subscription rights

Maximum nominal amount of the offer: MAD 97,749,900

Maximum share premium: MAD 252,194,742

Maximum amount of the offer: 349 944 642 MAD

Subscription period: from July 12, 2024 to August 19, 2024 inclusive

Financial Advisor & Global Coordinator



Registration Body



### 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 no. 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings, the prospectus was approved by the AMMC on June 28, 2024 under reference VI/EM/020/2024. This Securities Note is only part of the prospectus approved by the AMMC. The latter comprises the following documents:

- This Securities Note;
- CIH Bank's reference document for the 2023 financial year and the first quarter of 2024, registered by the AMMC on June 28, 2024 under reference EN/EM/007/2024.

## Disclaimer

On June 28, 2024, the Moroccan Capital Market Authority (AMMC) approved a prospectus relating to CIH Banks share capital increase.

The AMMC-approved prospectus is available at any time from CIH Bank's head office: 187 Avenue Hassan II, Casablanca, on its website [www.cihbank.ma](http://www.cihbank.ma), and from its financial advisor. It is also available within 48 hours from order-collecting institutions.

The prospectus is available to the public at the headquarters of the Casablanca Stock Exchange and on its website [www.casablanca-bourse.com](http://www.casablanca-bourse.com). It is also available on the AMMC website [www.ammc.ma](http://www.ammc.ma).

This summary has been translated by the translator under the joint responsibility of the said translator and CIH BANK. In the event of any discrepancy between the contents of this summary and the AMMC-approved prospectus, only the approved prospectus will prevail.

## I. Operation presentation

### Overall characteristics of the operation

CIH Bank plans to carry out a cash capital increase for a maximum amount of MAD 349 944 642, including issue premium, through the issue of 977,499 new shares with a nominal value of MAD 100 per share, with an issue premium of MAD 258 per share, i.e., an issue price of MAD 358 per share.

This operation will result in a MAD 97,749,900 increase in share capital and MAD 252,194,742 in issue premium.

### Information on securities to be issued

<b>Nature of securities</b>	CIH shares all of the same class fully paid up
<b>Legal form of securities</b>	Bearer shares, fully dematerialized and admitted to trading on Maroclear
<b>Maximum operation amount</b>	MAD 349,944,642
<b>Maximum number of shares to be issued</b>	977,499 shares
<b>Unit nominal</b>	MAD 100
<b>Unit issue premium</b>	MAD 258
<b>Unit subscription price</b>	MAD 358
<b>Total nominal value</b>	MAD 97,749,900
<b>Maximum share premium</b>	MAD 252,194,742
<b>Subscription period</b>	From July 12, 2024 to August 19, 2024 inclusive
<b>Entitlement date</b>	January 1, 2024
<b>Payment of new shares</b>	The new shares will be fully paid up and free of any commitment.
<b>Listing of new shares</b>	The shares resulting from this capital increase will be assimilated to the old shares and will be listed on 1 <sup>st</sup> line on the Casablanca Stock Exchange.
<b>Tradability of securities</b>	The shares covered by this prospectus will be freely tradable on the Casablanca Stock Exchange.
<b>Share payment method</b>	In cash
<b>Rights attached to securities</b>	All shares will benefit from the same rights, both in the distribution of profits and in the distribution of liquidation surpluses. Each share entitles its holder to one vote at General Meetings.
<b>Sector of activity</b>	Banks
<b>Wording</b>	CIH
<b>Ticker</b>	CIH
<b>ISIN code</b>	MA0000011454
<b>Compartment</b>	Principal A
<b>Listing line</b>	1 <sup>st</sup> line
<b>Listing date of new shares</b>	September 2, 2024
<b>Trading cycle</b>	Continuous
<b>Registration body</b>	CDG Capital Bourse

## Characteristics of PSR offered

<b>Terms and conditions for exercising PSR</b>	<p>When the capital increase is carried out, subscription to the new shares is reserved for the Company's shareholders and holders of preferential subscription rights. Consequently, they will have irreducible subscription rights to the new shares to be issued.</p> <p>For the subscription of new shares issued as part of the capital increase covered by this prospectus, the preferential subscription rights reserved for shareholders under the provisions of Article 189 of Act 17-95 on public limited companies, as amended and supplemented, will be maintained at the rate of one preferential subscription right for one existing share.</p> <p>Holders of preferential subscription rights will be able to subscribe on an irreducible basis, for a ratio of 9 new shares for 281 preferential subscription rights. One individual shareholder has waived 93 preferential subscription rights.</p> <p>Shareholders may waive their preferential subscription rights.</p> <p>Shareholders will also have the right to subscribe for shares not taken up by the exercise of irreducible subscription rights. This allocation will be made on a pro rata basis of their shareholding in the capital, within the limit of their requests and without allocation of fractions.</p> <p>Preferential subscription rights may only be exercised up to the number of preferential subscription rights required to subscribe for a whole number of new shares. Holders of preferential subscription rights who do not hold a sufficient number of preferential subscription rights to obtain a whole number of new shares may buy or sell preferential subscription rights at market conditions during the subscription period. Fractional preferential subscription rights may be sold or added to on the market during the subscription period.</p> <p>The theoretical price of the preferential subscription rights (PSR) is calculated as follows: <math>PSR = (\text{CIH share closing price on the day before the PSR detachment date} - \text{subscription price}) * (\text{number of new shares}) / [\text{number of existing shares} + \text{number of new shares}]</math></p>
<b>PSR trading</b>	Preferential subscription rights relating to this capital increase will be freely tradable on the Casablanca Stock Exchange under the same conditions as the CIH share itself, throughout the subscription period running from July 12, 2024 to August 19, 2024 inclusive.
<b>Fate of unexercised PSRs</b>	Shareholders' preferential subscription rights to subscribe for the new shares must be exercised during the subscription period, failing which they will be forfeited.
<b>Expected listing date</b>	July 12, 2024
<b>Trading cycle</b>	Fixing
<b>Wording</b>	DS CIH 9/281 2024
<b>Ticker</b>	SCIHC

On July 9, 2024, the Casablanca Stock Exchange will also detach the gross dividend for the 2023 financial year (MAD 14), purge the order book and adjust the reference price of CIH BANK shares.

## Objectives of the operation

The capital increase falls in line with the bank's development plan and aims to:

- Strengthen current regulatory capital and meet regulatory solvency requirements;

- Anticipate regulatory changes;
- Finance its development plan and support its business growth dynamic.

### Operation schedule

Ordre	Steps	Date
1	Issue by the Casablanca Stock Exchange of the operations approval notice	28/06/2024
2	Receipt by the Casablanca Stock Exchange of the AMMC-approved prospectus	28/06/2024
3	Publication of the prospectus extract on CIH Bank's website	28/06/2024
4	Publication by the Casablanca Stock Exchange of the operation notice	01/07/2024
5	Publication of a press release by CIH Bank in a legal announcement journal	01/07/2024
6	Publication by CIH Bank of the notice of issue of new shares in a legal announcement journal and in the official bulletin	05/07/2024
7	- Detachment of subscription rights - Publication of the theoretical value of the subscription right - Adjustment of share price - Purging the order book	09/07/2024
8	Opening of the subscription period and listing of preferential subscription rights	12/07/2024
9	Closing of the subscription period	19/08/2024
10	Cancellation of preferential subscription rights	22/08/2024
11	Receipt of subscription amount by the centralizing body	23/08/2024
12	Final centralization and allocation of subscriptions	26/08/2024
13	Proceedings to record the completion of the capital increase	28/08/2024
14	Receipt by the Casablanca Stock Exchange of the minutes of the proceedings recording the completion of the cash capital increase and of the results of the cash capital increase.	29/08/2024
15	- Delivery of new securities - Listing of the new shares on the Casablanca Stock Exchange - Registration of the cash capital increase on the stock exchange - Publication by the Casablanca Stock Exchange of the operation results - Restitution of remainders to subscribers	02/09/2024
16	Publication by CIH Bank of the results of cash capital increase	03/09/2024

On July 9, 2024, the Casablanca Stock Exchange will also detach the gross dividend for the 2023 financial year (MAD 14), purge the order book and adjust the reference price of CIH BANK shares.

## II. Information about CIH Bank

### General information

<b>Company name</b>	CIH Bank
<b>Registered office</b>	187, avenue Hassan II, Casablanca
<b>Telephone / Fax</b>	+212 05 22 47 90 00 / 05 22 47 91 11 +212 05 22 47 93 63 / 05 22 22 37 48 / 05 22 20 84 25
<b>Website</b>	<a href="http://www.cihbank.ma">www.cihbank.ma</a>
<b>Contact</b>	<a href="#">Contact us</a>
<b>Legal form</b>	Public limited company with a Board of Directors
<b>Date of incorporation</b>	April 25, 1927
<b>Commercial register</b>	RC 203 à Casablanca
<b>Duration</b>	99 years
<b>Financial year</b>	From January 1 to December 31
<b>Corporate purpose</b>	<p>According to Article 2 of the Articles of Association, the purpose of the company is, in accordance with current legislation:</p> <ul style="list-style-type: none"><li>– Receipt of public funds;</li><li>– Granting of short-, medium- or long-term loans;</li><li>– Signature commitments;</li><li>– Raising the resources needed to carry out its operations, in addition to the capital deposited by its clients, by issuing short-, medium- or long-term debt securities;</li><li>– Provision and management of all means of payment;</li><li>– Any leasing operation with a purchase option;</li><li>– Sale, with option to repurchase or sale with right of redemption, of bills and securities;</li><li>– factoring operations;</li><li>– Foreign exchange transactions;</li><li>– Transactions involving gold, precious metals and coins;</li><li>– Wealth management, advice and assistance;</li><li>– Investment, subscription, purchase, management, custody and sale of securities and financial products;</li><li>– Advice and assistance in financial management, financial engineering and, more generally, all services designed to facilitate the creation and development of companies;</li><li>– All other operations customarily carried out by credit institutions, as well as all operations related to or necessary for the performance of the above-mentioned operations, and in particular all personal and family banking activities.</li></ul>
<b>Share capital as of May 31, 2024</b>	MAD 3,051,978,400 (30,519,784 shares at MAD 100 nominal value)
<b>Where to consult legal documents and statutory auditors' reports</b>	The Articles of Association, minutes of General Meetings, management report and statutory auditors' reports may be consulted at CIH Bank's registered office at 187, avenue Hassan II, Casablanca.
<b>Legislation applicable to the company</b>	By virtue of its legal form, CIH Bank is a public limited company with a Board of Directors under private law, governed by the provisions of Law 17/95 on public limited companies, as amended and supplemented. CIH Bank's activities are governed by:

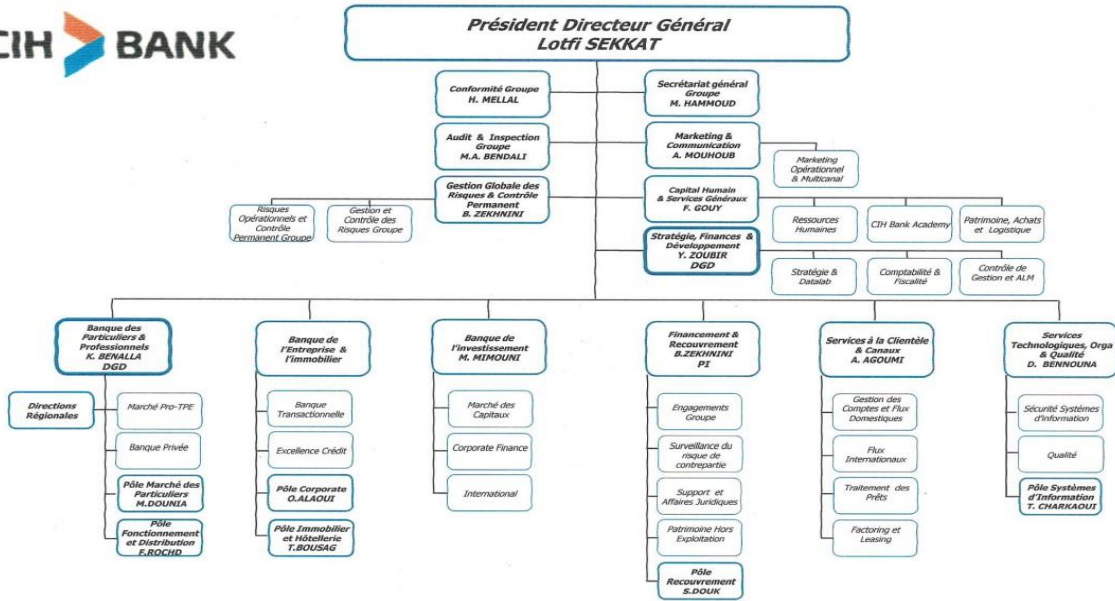
	<ul style="list-style-type: none"> <li>– Law no. 103-12 on credit institutions and similar bodies (Banking Act).</li> </ul> <p>By virtue of its listing, CIH Bank is governed by:</p> <ul style="list-style-type: none"> <li>– Law 19-14 on the Stock Exchange, brokerage firms and financial investment advisors;</li> <li>– The General Regulations of the Casablanca Stock Exchange, approved by Ministerial Order no. 2208-19 of July 3, 2019.</li> <li>– Law no. 35-96 relating to the creation of a central depository and the establishment of a general system for the registration of certain securities in accounts, as amended and supplemented;</li> <li>– The General Regulations of the Central Custodian approved by Order of the Minister of the Economy and Finance No. 932-98 of April 16, 1998 and amended by Order of the Minister of the Economy, Finance, Privatization and Tourism No. 1961-01 of October 30, 2001, and amended by Order No. 1961/01 published in Official Gazette No. 4286 of December 24, 2001 and Order No. 77/05 published in Official Gazette No. 5300 of March 17, 2005;</li> <li>– Law 26-03 on public offers on the stock market, as supplemented and amended by Law 46-06;</li> <li>– AMMC's general regulations, as approved by Ministerial Order no. 2169-16 of 09 Shawal 1437;</li> <li>– Law 43-12 on the Moroccan Capital Market Authority;</li> <li>– Law no. 44-12 on public offerings of securities and the information required from legal entities and organizations making public offerings of securities;</li> <li>– AMMC Circulars.</li> </ul> <p>By virtue of CIH Bank's Certificate of Deposit issuance program is also subject to Law 35-94 relating to certain negotiable debt securities, as amended and supplemented.</p> <ul style="list-style-type: none"> <li>– Ministry of Finance and External Investment Order no. 2560-95 of October 9, 1995 on negotiable debt securities.</li> </ul>
<b>Competent court in case of dispute</b>	Casablanca Commercial Court
<b>Tax system</b>	The Bank is governed by ordinary commercial and tax legislation. It is subject to corporate income tax at a rate of 38.5%. The VAT rate applicable to banking operations is 10%.

## Shareholding

As of April 30, 2024, CIH Bank's shareholding structure is as follows:

Shareholders	April, 24		
	No. of shares held	% of capital	% of voting rights
<b>CDG Group</b>	<b>19 636 432</b>	<b>64.34%</b>	<b>64.34%</b>
Massira Capital Management	17 530 567	57.44%	57.44%
CDG	2 105 865	6.90%	6.90%
<b>RCAR</b>	<b>1 077 250</b>	<b>3.53%</b>	<b>3.53%</b>
<b>Holmarcom Group</b>	<b>3 579 971</b>	<b>11.73%</b>	<b>11.73%</b>
Holmarcom	36 624	0.12%	0.12%
ATLANTASANAD	3 543 347	11.61%	11.61%
<b>Miscellaneous</b>	<b>4 840 060</b>	<b>15.86%</b>	<b>15.86%</b>
<b>Directors</b>	<b>18 785</b>	<b>0.06%</b>	<b>0.06%</b>
<b>CIH BANK GROUP STAFF</b>	<b>1 367 286</b>	<b>4.48%</b>	<b>4.48%</b>
<b>Total</b>	<b>30 519 784</b>	<b>100.00%</b>	<b>100.00%</b>

## Organizational Chart



Décembre 2023

## Members of the Board of Directors

At the registration date of this reference document, the Board of Directors comprises the following members:

Function	Name and function	Date of first appointment or co-option by the Board of Directors	Date Ratification by General Meeting	End of mandate
Chairman	Mr. Lotfi Sekkat	11/06/2019	25/07/2019	OGM convened to approve the 2024 financial statements
	Chief Executive Officer of CIH Bank			
	Mr. Khalid Safir	13/09/2022	15/06/2023	OGM convened to approve the 2026 financial statements
Directors	Managing Director, CDG			
	Massira Capital Management, represented by Mr. Mahmoud Berrichi	14/01/2007	16/06/2021	OGM convened to approve the 2026 financial statements
	Director, Risk Management Division Permanent Representative of Massira Capital Management			
	Mr. Hamid Tawfiki	26/06/2023	13/06/2024	OGM convened to approve the 2026 financial statements

	Deputy Managing Director, CDG			
	HOLMARCOM représentée, represented by Mr. Mohamed Hassan Bensalah	08/05/2006	16/06/2021	OGM convened to approve the 2026 financial statements
	Chief Executive Officer, HOLMARCOM			
	Mr. Ali Bensouda, Branch Managing Director Epargne et Prévoyance, CDG;	16/11/2023	13/06/2024	OGM convened to approve the 2029 financial statements
	Mr. Khalid Cheddadi Independent consultant		15/06/2023	OGM convened to approve the 2028 financial statements
	Mr. Karim Chiouar Deputy Managing Director, HOLMARCOM	20/04/2015	02/04/2020	OGM convened to approve the 2025 financial statements
Independent Directors	Mr. Ahmed Reda Chami Chairman of the Economic, Social and Environmental Council	13/11/2019	02/04/2020	OGM convened to approve the 2024 financial statements
	Mrs. Dayae Oudghiri President of FULGURANS	13/11/2019	02/04/2020	OGM convened to approve the 2024 financial statements
	Mrs. Myriem Tazi	16/11/2022	15/06/2023	OGM convened to approve the 2027 financial statements
	Mr. Lhassane Benhalima	19/05/2023	15/06/2023	OGM convened to approve the 2028 financial statements
	Mrs. Laila Mamou	16/05/2024	13/06/2024	OGM convened to approve the 2029 financial statements

## Activity description

### - Deposit collection

The table below details the evolution of client deposits over the 2021-2023 period:

In MMAD	2021	2022	Var	2023	Var
Demand deposits	34 849	40 676	16.72%	42 857	5.36%
Savings accounts	8 209	9 487	15.57%	10 190	7.41%
Term deposits	12 762	10 945	-14.24%	11 237	2.67%
Other accounts payable	1 455	1 570	7.90%	1 837	17.01%
<b>Client deposits</b>	<b>57 274</b>	<b>62 678</b>	<b>9.44%</b>	<b>66 121</b>	<b>5.49%</b>

Source: CIH Bank - Corporate financial statements  
Including accrued interest

As of end 2023, client deposits stood at MAD 66.1 billion, up 5.49% compared to end 2022. This change is explained by the 5.36% increase in non-interest-bearing deposits, a 2.67% rise in interest-bearing term deposits and a 7.42% increase in savings accounts.

### Credits

The table below details changes in net client receivables over the 2021-2023 period:

In MMAD	2021	2022	Var	2023	Var
Participative cash and client receivables and financing	12 670	17 715	39.82%	17 260	-2.57%
Equipment credit and equity financing	9 247	8 834	-4.46%	9 739	10.24%
Real estate loans and equity financing	26 337	29 907	13.55%	28 587	-4.41%
Other loans and equity financing	11 226	8 678	-22.70%	13 633	57.10%
<b>Client receivables</b>	<b>59 480</b>	<b>65 134</b>	<b>9.51%</b>	<b>69 219</b>	<b>6.27%</b>
<b>Receivables acquired through factoring</b>	<b>1 428</b>	<b>2 697</b>	<b>88.87%</b>	<b>3 298</b>	<b>22.28%</b>

Source: CIH Bank - Corporate financial statements

As of end 2023, client receivables had risen by 6.27% to MAD 69.2 billion, compared with MAD 65.1 billion in 2022.

This change is due to:

- A 2.57% decrease in cash and consumer loans and equity financing, from MAD 17,715 million as of end 2022 to MAD 17,260 million as of end 2023;
- A 4.41% decline in real estate loans and equity financing, from MAD 29,907 million as of end 2022 to MAD 28,587 million as of end 2023;
- A 57.10% increase in other loans and equity financing from MAD 8,678 million in 2022 to MAD 13,633 million in 2023, mainly due to the rise in repurchase agreements;
- A 10.24% increase in equipment loans and equity financing to MAD 9,739 million in 2023 from MAD 8,834 million in 2022, due to the rise in financing activity with companies;

At the same time, receivables acquired through factoring rose by 22.28% in 2023 to MAD 3,298 million, compared with MAD 2,697 million in 2022, mainly due to the increase in outstanding VAT loans.

### III. Financial data

#### Results

In KMAD	2021	2022	Var 2021-2022	2023	Var 2022- 2023
Interest and similar income	3 508 410	3 949 878	12.58%	4 712 108	19.30%
Interest and similar expenses	1 232 383	1 365 448	10.80%	1 906 052	39.59%
<b>MARGIN OF INTEREST</b>	<b>2 276 027</b>	<b>2 584 431</b>	<b>13.55%</b>	<b>2 806 056</b>	<b>8.58%</b>
Commission income	458 996	558 712	21.72%	704 492	26.09%
Commissions (expenses)	172 437	267 409	55.08%	344 295	28.75%
<b>COMMISSION MARGIN</b>	<b>286 559</b>	<b>291 303</b>	<b>1.66%</b>	<b>360 197</b>	<b>23.65%</b>
Net gains or losses on financial instruments at fair value through profit or loss	379 400	342 930	-9.61%	959 996	>100%
<i>Net gains or losses on trading assets/liabilities</i>	134 811	44 192	-67.22%	304 650	>100%
<i>Net gains or losses on other assets/liabilities at fair value through profit or loss</i>	244 589	298 738	22.14%	655 346	>100%
Net gains or losses on financial instruments at fair value through equity	30 429	83 595	> 100%	36 527	-56.30%
<i>Net gains or losses on debt instruments recognized in recyclable KP</i>	2 351	-898	<-100%	-	NA
<i>Non-recyclable compensation for equity instruments recognized in KP (dividends)</i>	28 079	84 493	> 100%	36 527	-56.77%
Net gains or losses on available-for-sale financial assets	-	-	NA	-	NA
Net gains/losses on derecognition of financial assets at amortized cost	-	-	NA	-	NA
Net gains or losses on reclassification of financial assets at amortized cost to fair value through profit or loss	-	-	NA	-	NA
Net gains or losses on reclassification of financial assets at fair value through equity to financial assets at fair value through profit or loss	-	-	NA	-	NA
Income from other activities	419 982	492 181	17.19%	615 145	24.98%
Expenses from other activities	285 841	276 455	-3.28%	309 719	12.03%
<b>NET BANKING INCOME</b>	<b>3 106 557</b>	<b>3 517 984</b>	<b>13.24%</b>	<b>4 468 202</b>	<b>27.01%</b>
General operating expenses	1 558 485	1 659 501	6.48%	1 789 154	7.81%
Amortization and impairment of intangible assets and property, plant and equipment	159 399	201 329	<b>26.31%</b>	202 469	0.57%

<b>GROSS OPERATING INCOME</b>	<b>1 388 674</b>	<b>1 657 154</b>	19.33%	<b>2 476 579</b>	49.45%
Cost of risk	456 529	590 369	<b>29.32%</b>	1 280 559	>100%
<b>OPERATING INCOME</b>	<b>932 145</b>	<b>1 066 785</b>	14.44%	<b>1 196 020</b>	12.11%
Share of net income of associates and joint ventures accounted for by the equity method	5 953	36 041	<b>&gt; 100%</b>	44 112	22.39%
Net gains or losses on other assets	69 034	11 526	-83.30%	82 814	>100%
Changes in value of goodwill	-	-	NA	-	
<b>PRE-TAX INCOME</b>	<b>1 007 131</b>	<b>1 114 351</b>	<b>10.65%</b>	<b>1 322 946</b>	18.72%
Income tax	385 125	403 387	<b>4.74%</b>	545 979	35.35%
Net income from discontinued operations	-	-	NA	-	
<b>NET INCOME</b>	<b>622 007</b>	<b>710 964</b>	14.30%	<b>776 967</b>	9.28%
Minority interests (or non-controlling interests)	18 971	41 878	<b>&gt; 100%</b>	66 574	58.97%
<b>NET INCOME - GROUP SHARE (or owners of the parent company)</b>	<b>603 036</b>	<b>669 086</b>	<b>10.95%</b>	<b>710 393</b>	6.17%

#### Balance sheet

In KMAD	2021	2022	Var 2021-2022	2023	Var 2022-2023
Cash in hand, Central Banks, Treasury, Post Office Cheque Service	3 462 289	3 202 155	-7.51%	3 844 472	20.06%
<b>Financial assets at fair value through profit or loss</b>	<b>9 306 900</b>	<b>9 274 996</b>	-0.34%	<b>6 956 738</b>	-24.99%
Financial assets held for trading	8 459 573	6 887 169	-18.59%	5 229 458	-24.07%
Other financial assets at fair value through profit or loss	847 326	2 387 827	<b>&gt; 100%</b>	1 727 280	-27.66%
<b>Financial assets at fair value through equity</b>	<b>841 281</b>	<b>824 992</b>	-1.94%	<b>756 287</b>	-8.33%
Debt instruments carried at fair value through equity - recyclable	258 441	68 532	-73.48%	43 656	-36.30%
Non-recyclable equity instruments at fair value through equity	582 840	756 459	29.79%	712 630	-5.79%
Available-for-sale financial assets	-	-	N/A	-	NA

Securities at amortized cost	4 887 459	8 688 795	77.78%	8 371 427	-3.65%
Loans and advances to credit institutions at amortized cost	6 186 532	3 856 360	-37.67%	5 355 171	38.87%
Loans and advances to clients, at amortized cost	74 406 732	83 423 310	12.12%	90 754 890	8.79%
Current tax assets	329 849	413 409	25.33%	462 338	11.84%
Deferred tax assets	486 153	647 275	33.14%	662 668	2.38%
Accruals and other assets	2 366 447	2 158 535	-8.79%	3 113 970	44.26%
Investments in associates	3 750	39 805	> 100%	47 861	20.24%
Investment property	1 069 706	1 670 408	56.16%	1 836 139	9.92%
Property, plant and equipment	2 274 677	2 242 651	-1.41%	2 347 871	4.69%
Intangible assets	496 054	539 293	8.72%	627 378	16.33%
Goodwill	299 428	174 884	-41.59%	296 531	69.56%
<b>Total assets</b>	<b>106 417 254</b>	<b>117 156 869</b>	<b>10.09%</b>	<b>125 433 741</b>	<b>7.06%</b>

In KMAD	2021	2022	Var 2021-2022	2023	Var 2022-2023
Central banks, Treasury, Post Office Cheque Service	-	-	NA	-	NA
Amounts owed to similar credit institutions	16 119 633	18 071 735	12.11%	17 688 066	-2.12%
Client deposits	62 953 110	68 905 888	9.46%	74 159 350	7.62%
Debt securities issued	11 430 017	12 364 164	8.17%	14 727 502	19.11%
Current tax liabilities	398 358	462 401	16.08%	799 373	72.87%
Deferred tax liabilities	373 733	646 674	73.03%	364 127	-43.69%
Accruals and other liabilities	4 871 195	4 519 745	-7.21%	5 025 576	11.19%
Provisions	733 214	622 957	-15.04%	680 141	9.18%
Subordinated debt and special guarantee funds	3 691 298	4 480 252	21.37%	4 446 524	-0.75%
Shareholders' equity	5 846 695	7 083 052	21.15%	7 543 081	6.49%
<i>Capital and related reserves</i>	2 832 474	3 051 978	7.75%	3 051 978	0.00%

<i>Consolidated reserves</i>	2 283 071	3 101 585	35.85%	3 528 568	13.77%
<i>Group share</i>	1 787 794	2 599 028	45.38%	2 859 842	10.04%
<i>Minority interests</i>	495 277	502 557	1.47%	668 725	33.06%
<i>Gains and losses recognized directly in equity</i>	109 144	218 525	> 100%	185 568	-15.08%
<i>Group share</i>	109 144	218 525	> 100%	185 568	-15.08%
<i>Minority interests</i>	-	0	NA	-	NA
<i>Net income for the year</i>	622 007	710 964	14.30%	776 967	9.28%
<i>Group share</i>	603 036	669 086	10.95%	710 393	6.17%
<i>Minority interests</i>	18 971	41 878	> 100%	66 574	58.97%
<b>Total liabilities</b>	106 417 254	117 156 869	10.09%	125 433 741	7.06%

## VI. Risks

### 1- Risks relating to CIH Bank

#### a. Risk management process

In line with the requirements of Basel II and Basel III and the regulatory provisions in force, CIH Bank has formalized its risk policies, which set out, for all risks, the rules and best management practices to be followed at each stage of the decision-making and management process, i.e., identification, measurement, control and monitoring. These policies are regularly updated and approved by CIH Bank's Board of Directors.

### 1- IDENTIFICATION

Risk identification is a key stage in CIH Bank's risk management processes. To this end, the bank has launched major initiatives to map risks by type.

### 2- MEASUREMENT

CIH BANK has acquired risk measurement and management software packages.

For credit risk, the bank's main risk, the software provides CIH BANK with an exhaustive overview of all on- and off-balance sheet commitments, credit risk mitigation techniques and associated provisions, as well as the required capital adequacy.

CIH BANK has set up an internal rating system for retail, property development and corporate loans.

Rating models have also been developed for the professional, banking and insurance segments.

Rating systems are subject to regular review and back-testing.

With the aim of industrializing and improving its processing, CIH BANK has set up a Commitments database, which centralizes all client commitment contract data and related information. This database makes it possible to upgrade steering and reporting tools, and to facilitate the process of producing and accessing key information.

CIH BANK has also launched a project to automate corporate loans, particularly for the corporate, real estate development, professional and very small business client segments. This project is part of the bank's strategy to digitalize, certify and monitor its activities, and to create a new dynamic that will enable it to improve its internal efficiency and, consequently, the quality of service it provides to its clients.

And to support growth in Corporate Credits, the bank has launched the "Business Credit Excellence" project (= "Excellence Crédit Entreprises" – ECE) - equipping CIH Bank with a high-performance organization and processes to absorb volume growth and improve client service quality.

For operational risks, CIH Bank has set up a software package for work-flow management of these risks.

### 3- CONTROL

Once risks have been identified and measured, they need to be controlled and mitigated by means of dedicated measures (risk management policies, limits, contingency plans, etc.).

#### o Limits

The aim of these limits is to contain risks at levels compatible with the internal policies and risk tolerance thresholds set by the Board of Directors and Executive Management.

In addition to regulatory limits, CIH BANK's current system of limits covers various risks, including credit, concentration, market, interest-rate and liquidity risks.

CIH BANK has also deployed the ICAAP and risk appetite system. Risk appetite is the type and level of risk that a bank is prepared to assume, as part of its development and the implementation of its

strategy. It is expressed through key indicators such as solvency, profitability, liquidity and credit risk. Limits and warning thresholds are defined for these key indicators, with the aim of defining risk appetite and limiting risk-taking.

Risk Appetite indicators and associated alert thresholds will be used by management to anticipate excessive deterioration in strategic indicators, and to activate the appropriate action levers should the bank's risk appetite alert levels be reached

#### ○ Emergency plan

In the event of a crisis, an emergency plan can be set in motion to limit the impact of risks. This plan covers specific risks, such as liquidity risk or business continuity (BCP and ISP) in the event of major events.

Also, CIH BANK has set up a PRCI Internal Recovery Plan mechanism which is part of a regulatory framework governed by circular n°4/W/2017 published in July 2017. It makes it possible to develop appropriate measures that will guarantee the bank's financial viability in response to possible extreme shocks and to document these measures in a recovery plan before a crisis occurs.

In addition to meeting the expectations of the regulator, the PRCI will present opportunities for the bank to anticipate shocks and prepare for their management, to reinforce the regulator's confidence in the bank, and to identify structural elements that will enable the bank to rationalize its organization and gain in efficiency. It is also a tool to support strategy and optimize the allocation of financial resources

### **4- CONTROL AND MONITORING**

For all the Bank's activities, first-level control is performed by operational staff (Permanent Monitoring), and second-level control by the Compliance Department for non-compliance risk, and by other internal control players for other risk categories (Risk Management, Accounting Department, CISO, etc.). The Audit Department provides third-level control.

In addition, one of the tasks of the Risk Department is to regularly monitor and report on the bank's exposure to various risks and compliance with set limits, using a reporting system.

#### **b. Risk management system**

##### **1- CREDIT RISK**

Credit risk is the risk that a counterparty will be unable to honor its commitments to the bank. This risk concerns not only loans granted, but also securities held and off-balance sheet items.

CIH BANK has set up a credit risk management and control system, based on regulations and best practices, and supported by a core set of policies and methods, as well as its renowned expertise in the credit field.

#### ○ Basic principles governing credit activity

CIH Bank's lending activity is based on the following basic principles, in particular:

- Compliance with regulations and ethics governing lending activities;
- Compliance with internal standards and risk policies governing the granting of client receivables (quantum of financing, percentage of indebtedness, rate of coverage by required guarantees, etc.);
- Separation of tasks, particularly between sales structures and risk assessment and control functions.
- Dual approach to the analysis of key account credit requests by independent structures;
- Use of rating systems as a tool to help make granting, renewal and pricing decisions;
- Collegiality in credit-granting decisions;
- Double signature on all documents relating to the implementation of authorized credits;
- Central control of guarantees received before any use of new loans granted.

- Appropriate delegation of authority.
- Respect for values, including the management of conflicts of interest, in particular loans to related individuals or legal entities which, in accordance with regulations, are subject to approval by the Strategic Committee, which reports to the Board of Directors.

These principles are set out in detail in our Risk Policies. These policies are regularly validated and reviewed by the Board of Directors' Risk Committee.

- *Credit risk monitoring and management*

- *Credit risk monitoring system*

Credit risk monitoring is the responsibility of both the sales structures and those in charge of risk management. In addition to the day-to-day monitoring carried out by the sales structures, central monitoring is carried out by the Risk Management and Control Department and the Commitments Department.

Regular reports are sent to the relevant committees.

- *Analysis of commitment portfolio*

Growth in outstandings to December 31, 2023 will be driven mainly by the Corporate Banking business:

- Corporate Banking: up +17.62% as of December 2022.
- Real Estate Bank: down -6.30% as of December 2022. The Real Estate Banking portfolio includes real estate development projects as well as projects in the hotel and rental real estate sectors.
- Individual and Professional Bank: a slight increase of +1.64% compared with December 2022.

- *Bank rating system*

CIH BANK has set up rating models and systems by market, notably for individuals, businesses, real estate development, professionals, insurance and credit institutions.

All credit files are graded. The rating is the result of quantitative and qualitative criteria, reflecting the client's creditworthiness and giving an indication of the pricing.

Accordingly, downgrades are a criterion for inclusion in the sensitive risks committee and for inclusion in bucket 2 and bucket 3 under IFRS 9.

These rating models are subject to back testing and review.

The internal rating system's assessment of changes in the Bank's credit portfolio is the subject of a report presented to the relevant internal committees and to the Risk Committee.

A tool integrating the different rating models for companies, real estate development, professionals and banks and insurance companies will be deployed in 2021.

- *Credit portfolio quality*

The corporate CES rate stood at 5.55% in December 2023, compared with 5.61% in December 2022.

The consolidated CES rate stood at 6.94% in December 2023, compared with 6.62% in December 2022.

## 2- OPERATING RISK

CIH BANK defines Operational Risk as "The risk of loss resulting from deficiencies or failures attributable to procedures, personnel, internal systems or external events". This definition of operational risk includes legal risk, but excludes strategic and reputational risk.

In certain cases, where credit or market risks may originate from an operational risk, this category of risk, known as "frontier risk", is treated as an operational risk in its own right.

### ○ *Operational risk management processes*

The Operational Risk and Permanent Control Department, which reports to the Global Risk Management and Recovery Department, is responsible for managing operational risk. It operates within this framework through a process defined in the operational risk policy, which is broken down as follows:

- Identification, assessment and prioritization of operational risks;
- Processing of operational risks;
- Operational risk monitoring.

CIH BANK has carried out a project to implement a new IRMS tool in response to changes in its operational risk management process. This project went into production as of end 2022.

To support its actions, the department has set up operational risk management systems, including:

- Collection of incidents
- Collection of key KRI indicators
- Operational risk mapping
- IS Security

Regular reporting is sent to the Operational Risk Steering Committee and the Risk Management Committee, enabling decisions to be taken on actions to be taken to reduce risks.

### ○ *Business continuity plan (BCP)*

The Business Continuity Plan is managed by the Operational Risks and Permanent Control Department. This plan is documented, and includes the procedures and systems needed to continue or restore the company's operations in the event of a major operational disruption.

The BCP system is governed by a Business Continuity Policy, and includes a crisis management plan, operational continuity plans, an accommodation plan, etc.

Periodic tests and exercises are carried out to validate the operational nature of the BCP and establish a culture of business continuity.

Since its initial conception, the business continuity plan now covers the bank's vital processes, both head office and CIH Bank branches. It is continually updated to keep pace with developments in the Bank's critical activities.

Subsequently, CIH BANK finalized a project to upgrade and review its entire BCP and ISP system.

### ○ *Risk management for outsourced activities*

In the course of 2021, CIH Bank set up a system for assessing and monitoring the risks associated with outsourced activities, the guiding principles and operating procedures of which are set out in a dedicated policy.

To this end, the risk assessment process for outsourced activities is structured around the following three phases:

- Upstream management
- Day-to-day management of the service and annual evaluation/reassessment exercise
- Post-contract evaluation

### ○ *New product risk management*

CIH Bank has strengthened its process for launching new products/services and activities, and extended its framework to new processes. Its main aim is to establish a secure launch framework, in particular by:

- Ensuring that specific risk analysis has been carried out rigorously, with the aim of covering risks and taking residual risks into account;
- Ensuring that all new products, services, processes and activities are covered by the risk assessment before they go into production/market;

The scope of application covers new products, new services, new activities, new processes and any significant change to the existing offering.

The year 2023 saw the discovery of anomalies in certain factoring operations with a number of clients, prompting the Bank to react swiftly to identify the malfunctions and implement corrective measures enabling the Bank to recover its rights and safeguard its interests.

A complete audit of the system and an exhaustive review of the portfolio were carried out, resulting in the following turnaround plan:

- Restructuring of the Factoring activity, with a reallocation of responsibilities and a strengthening of the workforce;
- Re-engineering of the Factoring process, by taking on board the recommendations and areas for improvement set out in the Internal Audit report;
- Upgrading the software package dedicated to the Factoring activity, with upgraded reporting, control statements, review of authorizations, etc.;
- Reinforcing the permanent business control system, with automatic reconciliation on a daily basis;

It should be noted that this recovery plan has been monitored by a dedicated unit, with close follow-up by the governance bodies (Board of Directors, Audit Committee, Risk Committee) and the statutory auditors. Lastly, a dedicated exchange was held with Bank Al Maghreb, as well as a communication campaign aimed at the public.

### 3- MARKET RISK

Market risk refers to the risk of loss arising from changes in market prices. They include:

- Risks relating to instruments included in the trading portfolio;
- Foreign exchange risk and commodity risk incurred on all balance sheet and off-balance sheet items, other than those included in the trading portfolio.

#### ○ *Market risk management entity*

Capital Markets activities are organized around a number of entities and departments which interact to execute, validate, settle and account for transactions, and to manage the associated risks and limits:

- Banque de l'Entreprise, de l'Immobilier et de l'Investissement (BEII) :
  - Capital Markets Department
  - Corporate Finance Department
- Strategy, Finance and Development Department:
  - Management Control and ALM Department.
  - Accounting and Tax Department.
- Client Service and Alternative Channels Department
  - Flows and Transactions Division (BO).
- Global Risk Management, Collection and Permanent Control Department (DGGRCP):

- Group Risk Management and Control Department:
  - Market Risks for the measurement, assessment, monitoring and control of market risks.
  - The Middle Office trading room for the control and confirmation of transactions, positions and counterparty limits, the daily production of results, as well as the management of the repository (Third Party, Value & Index, Forex, Securities, Limits...).

- *The role of the trading room*

The Trading Room is responsible for implementing the bank's refinancing policy through the market, managing the bank's cash and securities portfolios, and hedging the foreign exchange position.

This unit participates in the development of the bank's refinancing strategy, and is responsible for ensuring compliance with regulatory limits and ratios relating to Trading Room activity.

In addition, this entity meets clients' needs in terms of hedging currency and commodity risk, and enhances the bank's trading and transaction portfolios. It is also involved in portfolio management, taking into account the bank's liquidity ratios.

The main missions of the capital markets department are to:

- Process client foreign exchange transactions
- Structure investments for clients
- Manage proprietary portfolio
- Manage and optimize the bank's cash flow.

The Corporate Finance Department is responsible for managing the Group's proprietary equity portfolio.

- *Role of the Risk Management and Control department*

The Risk Management and Control department, whose role is to monitor and supervise market activities, through:

- The Market Risks unit to strengthen the control and monitoring of risks linked to market activities, in particular through:
  - Measuring and assessing market risks.
  - Monitoring and control of market activities.
  - Producing and analyzing stress scenarios
  - Risk reporting.
  - Implementing a market risk limit system.
  - Monitoring compliance with internal and regulatory limits.
- The middle office trading room, for the control and confirmation of transactions, positions and counterparty limits, the daily production of results, as well as the management of the repository (Third Party, Value & Index, Forex, Securities, Limits...).

*Market risk system*

CIH Bank's market activities cover four markets: money markets, foreign exchange, bonds and commodities.

CIH Bank carries out these activities either on its own behalf or on behalf of clients.



## **Environmental and Climate Risk Management integrated into global risk management**

In order to pursue its commitment to managing climate-related risks and opportunities, CIH Bank has defined a 2024-2025 roadmap, in line with Bank Al Maghrib's Directive 5W/21 and international best practices with a view to:

- Implement an Environmental, Social, Governance and Climate (ESGC) risk management policy and impact all relevant internal policies;
- Implement a system for identifying, measuring and managing ESGC risks as an integral part of the Bank's financing process;
- Raise awareness among all stakeholders and ensure the necessary change management for the deployment and integration of the ESGC risk management system.

### **A path to reduce the environmental impact of the Bank's operations**

In 2023, CIH BANK took an important step forward in its environmental approach by carrying out its first carbon assessment. Following the GHG Protocol Scope 1, Scope 2 and Scope 3 (excluding financing) method, this assessment quantified the greenhouse gas (GHG) emissions linked to its operating activities, including staff travel, purchasing, construction and many others. This co-constructed project mobilized all of the bank's employees, demonstrating our collective commitment to the environment. More than a simple assessment, this carbon footprint was an opportunity to raise awareness of environmental issues among all staff. In addition, a decarbonization plan (SBTI) for 2030, aimed at reducing greenhouse gas emissions from the Bank's activities, is currently being validated by the Bank's governing bodies.

- Bilan Carbone 2023 results Scope of Bilan Carbone calculation
- The assessment made is based on data collected during 2023 for the following entities:
  - Registered office and annexes
  - Training center
  - CIH BANK Club
  - Branches
  - Holiday accommodations
- This assessment has been carried out in accordance with the international GHG Protocol standard.
- Steps:
  - Assessment of 2023 carbon footprint
  - 1) Definition of data collection scope and strategy
  - 2) Data collection and control
  - 3) Assessment of GHG emissions
  - 4) Raising awareness of climate issues among CSR contributors and referents
- Results:
  - Total emissions (tCO<sub>2</sub>e) 27,597
  - Emissions per FTE (tCO<sub>2</sub> / FTE) 9
  - Emissions per CA (tCO<sub>2</sub> / MAD) 0.0075

Item	Somme de Total (TCO2e)	Somme de Total (TCO2e)2
Scope 3	20 176	73,11%
Scope 2	7 274	26,36%
Scope 1	146	0,53%
- Total général	27 597	100,00%

### C. Asset-liability management

#### ASSESSMENT OF INTEREST-RATE AND LIQUIDITY RISKS

##### Assessment of overall interest rate risk

The interest rate risk assessment method used by CIH Bank is based on the calculation of fixed-rate gaps (fixed-rate resources less fixed-rate assets) for each maturity (DD, 2 to 7 DD, 8 to 15 DD, 16 to 30 DD, 1 to 3 months, 3 to 6 months, 6 to 9 months, 9 to 12 months, 1 to 2 years, 2 to 3 years...15 to 20 years and over 20 years). These gaps are then discounted.

The variation between the EVE calculated with current rates and the EVE calculated under each shock scenario is used to deduce the sensitivity of equity to changes in interest rates.

The application of this method results in the following as of 12/31/2023:

- EVE sensitivity to a change in the yield curve of MAD -289 million, or 3.82% of T1 Tier 1 capital;
- MNI sensitivity to a +200 bp variation of MAD -91 million, i.e., +3.88% of forecast MNI.
- An MNI sensitivity of MAD -91.9 million, i.e., -3.92% of the forecast MNI, to a variation of -200 bp.

##### *Risk relating to the structural dependence of intermediation margins*

Representing 63% of NBI, the interest margin continues to account for a dominant share of CIH BANK GROUP's NBI. This is the result of the Group's business development strategy. Indeed, client deposits, particularly non-interest-bearing deposits, continue to grow as a result of the strategy of massively recruiting new clients through innovative offers and a digital positioning adapted to the consumption needs of financial services. In terms of client deposits, the diversification strategy, with the development of the corporate segment and the volume effect, has offset the pressure on interest rates experienced by the sector. This being the case, the Group continues to pursue its strategy of revenue diversification through the development of the markets business, which now represents more than 12% compared with less than 10% a few years ago, and also thanks to the development of transactional commissions arising from the number of clients using the payment methods and digital solutions offered by the Group in response to client needs.

##### *Liquidity risk assessment*

Liquidity risk is monitored by assessing immediate and forecast cash flows.

Immediate (short-term) cash management is handled by the trading room. A daily dashboard is drawn up by the bank's treasurer. It is used to calculate the daily cash gap based on the required monetary reserve, our balance with BAM, incoming and outgoing branch flows, and our money market borrowings and loans.

Liquidity management (MLT) is handled by the ALM entity. It focuses on the following areas:

- Calculation of liquidity gaps (in flows) for maturities ranging from DD to over 20 years, according to the time-band defined by regulations
- Presentation of the ALM dashboard, including liquidity gaps, to the ALM Committee.

#### *Hedging of interest rate and liquidity gaps*

Where necessary, the ALM Committee decides on the measures to be taken to mitigate fixed-rate and liquidity gaps and comply with ALM limits. These measures may take the form of, among others:

- The launch of subordinated and conventional bond issues;
- Launch of mortgage securitization operations;
- Issuance of certificates of deposit
- Use of the treasury bill portfolio as a hedging instrument (sale or purchase as required);
- The change in the structure of the loans and borrowings portfolio in terms of the type of rate and term of the loans ;
- The use of financing lines with financial intermediaries ;
- Refinancing commitments, where applicable, with reference shareholders.

#### *Monitoring interest rate and liquidity risks*

Interest-rate and liquidity risks are monitored by the ALM Committee, through quarterly reporting. These risks are also regularly monitored by the Risk Management and Control Department. This monitoring is reinforced by risk exposure limits and a regular reporting system.

A weekly Treasury Committee meeting is held to monitor, among other things, the bank's liquidity. Risk data is aggregated periodically to provide General Management and the Board of Directors with an overall view of CIH Bank's interest rate and liquidity risks. These data are presented to the ALM Committee, the Risk Management Committee and the Risk Committee.

#### **d. Solvency ratio and risk-weighted assets**

##### **1- ON AN INDIVIDUAL BASIS**

As of December 31, 2023, CIH Bank's regulatory capital stood at MAD 8.453 billion, in accordance with the provisions of circular 14/G/2013 on the capital of credit institutions.

The solvency ratio stood at 13.73%.

Tier 1 capital amounted to MAD 6.80 billion, including MAD 4.52 billion in CET1-eligible equity instruments and MAD 1.26 billion in reserves and retained earnings. Deductions from core shareholders' equity concern intangible fixed assets, including software, in the amount of MAD 171 million, and equity investments in the total amount of MAD 273 million.

The Tier 1 capital ratio stood at 11.05%.

Tier 2 capital amounted to MAD 1.6 billion, mainly comprising subordinated bonds in the amount of MAD 1.47 billion.

<b>In KMAD</b>	<b>December-23</b>
<b>CET1 shareholders' equity</b>	5 340 736
<b>Equity TIER 1</b>	6 804 197
<b>Equity TIER 2</b>	1 649 053
<b>Eligible shareholders' equity</b>	<b>8 453 250</b>
<b>Total weighted assets</b>	<b>61 573 428</b>
Weighted credit risk	55 224 713
Weighted market risks	728 138
Weighted operating risks	5 620 577

CET1 capital ratio (minimum requirement 8%)	8.67%
T1 capital ratio (minimum requirement 9%)	11.05%
Total capital ratio (minimum requirement 12%)	13.73%

The table below shows the forecast ratios on an individual basis:

In MMAD	2023	June-24	2024	June-25
<b>CET1 equity ratio</b>	<b>8.67%</b>	<b>8.34%</b>	<b>8.71%</b>	<b>8.40%</b>

Source: CIH Bank

○ Credit risk

Applying the standard approach, weighted risks for credit risk as of end December 2023 amounted to MAD 55.22 billion, a decrease of MAD 244 million compared with December 2022.

○ Market risk

Capital requirements for market risk amounted to MAD 728 million as of December 31, 2023.

○ Operational risk

Applying the "basic indicator" approach, weighted risks for operational risk amounted to MAD 5.62 billion as of December 2023, compared with MAD 4.72 billion as of end-December 2022.

**2- ON A CONSOLIDATED BASIS**

As of December 31, 2023, CIH Bank's regulatory capital stood at MAD 9.241 billion, including MAD 7.6 billion in Tier 1 capital and MAD 1.64 billion in Tier 2 capital. The Tier 1 capital ratio stood at 10.29% and the solvency ratio at 12.51%.

As of end-December 2023, weighted risks amounted to MAD 73.88 billion, an increase of MAD 5.4 bn compared with December 2022.

In KMAD	December-23
<b>CET1 shareholders' equity</b>	<b>6 135 177</b>
<b>Equity TIER 1</b>	7 598 638
<b>Equity TIER 2</b>	1 642 159
<b>Eligible shareholders' equity</b>	<b>9 240 797</b>
<b>Total weighted assets</b>	<b>73 876 660</b>
Weighted credit risk	66 215 557
Weighted market risks	728 138

Weighted operating risks	6 932 965
<b>CET1 capital ratio (minimum requirement 8%)</b>	<b>8.30%</b>
<b>T1 capital ratio (minimum requirement 9%)</b>	<b>10.29%</b>
<b>Total capital ratio (minimum requirement 12%)</b>	<b>12.51%</b>

The table below shows the forecast ratio on a consolidated basis:

In MMAD	2023	June-24	2024	June-25
<b>CET1 equity ratio</b>	<b>8.30%</b>	<b>8.34%</b>	<b>8.39%</b>	<b>8.40%</b>

Source: CIH Bank

- *Credit risk*

Applying the standard approach, weighted risks for credit risk as of end-December 2023 amounted to MAD 66.22 billion, an increase of MAD 4.3 billion compared with December 2022.

- *Market risk*

Capital requirements for market risk amounted to MAD 728 million, an increase of MAD 15.5 million compared with December 2022.

- *Operational risk*

Applying the "basic indicator" approach, weighted risks for operational risk amounted to MAD 6.93 billion, compared with MAD 5.87 billion as of end-December 2022.

## 2- Risk factors relating to the financial instruments offered

### a. Risk of loss of investment value

Investors in CIH Bank shares, like all shareholders in a company (whether listed or unlisted), run the risk of losing part (or even all) of their investment. This risk is inherent to the shareholder's situation, should the share price not perform well.

### b. Price volatility on the market

As CIH Bank shares are listed on the Casablanca Stock Exchange, they are subject to the rules of supply and demand to determine their quoted value. Share prices are largely determined by investors' expectations of future profits for listed companies. Thus, depending on how much investors like the stock, it can fluctuate significantly according to various parameters (announcements, earnings releases, outlook, development strategy, etc.). As a result, investors may see their shares depreciate or appreciate on the Moroccan stock market.

#### c. Stock liquidity

Subscribers to CIH Bank shares may be subject to a liquidity risk on the stock market. Depending on market conditions and the selling price, the share's liquidity may be temporarily affected. A shareholder wishing to sell his or her stake in CIH Bank quickly may, under certain conditions, not be able to complete the sale under optimum conditions.

However, the CIH Bank share shows a certain dynamism in its liquidity, with a daily average of 10,272 shares traded over the last 6 months, ranging from 0 to 98,984 shares per day .

#### d. PSR risks

In the event of non-participation in the transaction, holders of preferential subscription rights who have not exercised their rights are exposed to the risk of dilution.

In addition, holders of preferential subscription rights also run the risk of losing the value of their rights at the end of the subscription period.

Lastly, holders of preferential subscription rights are exposed to a risk relating to subscription parity. They may not be able to acquire a sufficient number of preferential subscription rights to achieve the required parity.

## DISCLAIMER

*The above information is only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) under reference no. VI/EM/020//2024 on June 28, 2024.*

*AMMC recommends that you read the full prospectus, which is available to the public in the language of the approved prospectus.*