

FINANCIAL RELEASE

December 31, 2023

CFG BANK



STRONG GROWTH IN 2023

LOANS +39%, NBI +31%, NET INCOME GROUP SHARE: MAD 166m +277%

CFG Bank board of directors, under the chairmanship of Mr. Adil Douiri, met on February 27, 2024 to review 2023 financials and to close accounts as of December 31, 2023.

ABOUT CFG BANK

Founded in 1992, CFG Bank has pioneered investment banking in Morocco. Today, its business model combines investment banking and a commercial banking operation started in 2015, offering a premium service to demanding clients.

The commercial bank only targets two client segments: (i) quality of service sensitive individuals and (ii) medium to large-size corporates.

Its loan portfolio is mostly made of: mortgages (1/3 of 2023 loans) and medium-term loans to corporates (capex financing).

The commercial banking model is a multi-channel system using cutting-edge digital channels (apps, website) that enable all types of day-to-day transactions to be carried out, and on a limited number of state-of-the-art branches to advise clients at key moments in their lives.

MULTI-CHANNEL MODEL



CFG BANK APP

Account self-management
Rated 4.7 on apple store



TELEBANK

Banking transactions 7/7 until 9 pm,
bankers online



17 BRANCHES

Open until 7 pm (4 pm for competitors)



92 ATMs

All everyday operations (Cash, checks, deposits and withdrawals)

KEY EVENTS

- Another year of strong growth for CFG Bank in 2023 with net income at MAD 166m vs MAD 44m in 2022. Growth has been driven by all business lines, despite rising funding costs due to central bank higher rates.
- CFG Bank successfully completed its initial public offering in December 2023. More than 23,600 subscribers took part in the operation, which was almost 35 times oversubscribed. The IPO was a capital increase for a total amount of MAD 600m, at MAD 110 per share. The IPO allowed CFG Bank to :
 - Strengthen the Bank's equity capital to support the rapid growth of its balance sheet;
 - Increase brand awareness and proximity with its partners and the general public;
 - Invite clients and employees to become shareholders and involve them in the Bank's future growth.
- After a five-year pause, CFG Bank resumed its network enlargement : 5 new branches in Casablanca, Marrakech and Rabat. These branches will open in 2024 (2 branches) and 2025/2026 (3 branches).

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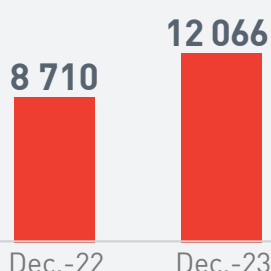
December 31, 2023

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Outstanding loans*

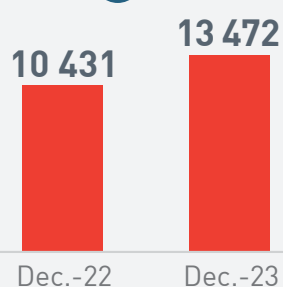
↑ +39%



* Excluding repos

Deposits**

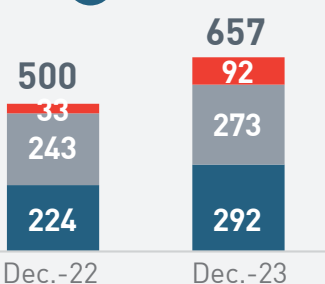
↑ +29%



**including CDs

Consolidated NBI

↑ +31%



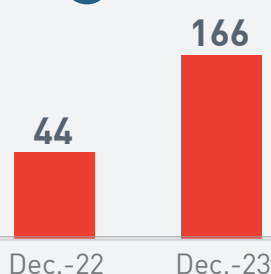
■ Brokerage, trading, corporate finance (M&A)

■ Fees (commercial bank, FX, asset management, real estate asset management)

■ Net interest margin

Net Income Group Share

↑ +277%



Outstanding loans : MAD 12.1 billion, + 39%

Outstanding loans growth has been particularly strong in the corporate segment (+58%). Retail & Private Banking loans were up 24%.

Deposits : MAD 13.5 billion, + 29%

Non interest bearing fundings (clients deposits) have been kept at around 50% of total fundings, on average over the year. This was achieved despite the very strong loans growth.

Consolidated NBI : + 31% at MAD 657m

Recurring NBI, made of net interest margin and commissions reached MAD 565m, up 21% :

- Net interest margin was MAD 292m (+31%), driven by higher outstanding loans, offset by a slight decline in the margin rate as a % (higher cost of fundings)
- Fees and commissions were at MAD 273m (+12%), including both banking and asset management fees.

Non recurring NBI (brokerage, Equity and bonds trading, corporate finance) reached MAD 92m in 2023 against MAD 34m in 2022, thanks to favorable bonds and equity market conditions in 2023 after a negative year in 2022.

Consolidated Gross operating income : MAD 224 million (+97%)

Gross operating income grew at a faster pace than net banking income, thanks to tight control of expenses, which rose by 12%, while net banking income grew by 31%.

Net income group share: MAD 166m (+277%)

Net income group share stands at MAD 166m in 2023, compared with MAD 44m in 2022.

Net income takes into account a cost of risk of MAD 25m in 2023 (i.e., 0.24% of outstanding loans), compared with MAD 31m in 2022 (which had seen exceptional provisioning). It should be noted that the bank's cost of risk is lower than the market due to its positioning on low risk segments and a very high level of guarantees.

Equity

Consolidated shareholders' equity stood at MAD 1,688m as of end 2023, strengthened in particular by the MAD 600 million capital increase carried out at the end of the year. ROE came to 15.6%, while the solvency ratio stood at 16%.

Dividend policy

The Board has decided to propose a dividend of MAD 3.30 per share to the Annual General Meeting.

2024 GUIDELINES & PERSPECTIVES

In 2024, CFG Bank will continue growing by focusing on its priority client segments, around two core business lines of investment and commercial banking :

- 2024 NBI: +20% to +24%: further growth in outstanding loans and improved margins over a full year, continued rise in commissions.
- 2024 Net operating income : +28% to +38%: expenses will continue to grow at a slower pace than NBI.
- 2024 : +40% to +50%: stabilization of the cost of risk at around 0.25% - 0.30%.



FINANCIAL RELEASE

December 31, 2023

CFG BANK



CONSOLIDATED FINANCIAL STATEMENT

IFRS Balance Sheet as of 12/31/2023 (In KMAD)

ASSETS	12/31/2023	12/31/2022
Cash, Central Bank, Public Treasury	405.210	593.633
Financial assets at fair value through profit or loss	3.472.376	3.030.625
Financial assets held for trading	3.472.376	3.030.625
Other financial assets at fair value through profit or loss	-	-
Hedging instruments	-	-
Financial assets at fair value through equity	42.096	40.296
Debt instruments carried at fair value through equity - recyclable	-	-
Non-recyclable debt instruments at fair value through equity	42.096	40.296
Securities at amortized cost	677.026	682.432
Loans and advances to financial institutions at amortized cost	690.614	332.824
Loans and advances to clients, at amortized cost	14.251.253	8.806.412
Asset revaluation surplus on portfolios hedged against interest rate risks	-	-
Current tax assets	188.452	150.890
Deferred tax assets	154.344	148.306
Accruals and other assets	1.095.272	657.006
Non-current assets held for sale	-	-
Investments in associates	-	-
Investment property	-	-
Tangible assets	758.428	579.516
Intangible assets	275.009	225.988
Goodwill	124.142	124.142
Total ASSETS	22.134.222	15.372.070
LIABILITIES	31/12/2023	31/12/2022
Cash, Central Bank, Public Treasury	-	-
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities held for trading	-	-
Financial liabilities at fair value through profit or loss under option	-	-
Hedging instruments	-	-
Amounts owed to financial institutions and similar entities	5.312.223	2.865.367
Client deposits	8.647.054	8.032.909
Debt securities issued	4.825.859	2.398.945
Fair value adjustments to portfolios hedged against interest rate risks	-	-
Current tax liabilities	71.120	87.745
Deferred tax liabilities	63.739	68.675
Accruals and other liabilities	1.121.886	641.236
Liabilities related to non-current assets held for sale	-	-
Technical reserves for insurance contracts	-	-
Provisions	2.375	2.375
Grants and similar funds	-	-
Subordinated debt and special guarantee funds	401.801	401.535
Shareholders' equity	1.688.165	873.283
o Capital and related reserves	1.333.469	1.558.867
o Retained earnings	302.052	-615.001
Group share	291.293	-626.019
Minority interests	10.759	11.018
o Gains and losses recognized directly in equity	-124.924	-124.924
Group share	-124.924	-124.924
Minority interests	-	-
o Net income	177.568	54.341
Group share	166.026	43.886
Minority interests	11.542	10.455
Total LIABILITIES	22.134.222	15.372.070

CONSOLIDATED INCOME STATEMENT (In KMAD)

	12/31/2023	12/31/2022
Interest and similar income	574.933	435.713
Interest, remuneration and similar expenses	-310.201	-184.981
Interest margin	264.732	250.732
Commission (income)	340.539	321.607
Commissions (expenses)	-78.103	-71.092
Commission margin	262.436	250.515
Net gains or losses on hedges of net positions	-	-
Net gains or losses on financial instruments at fair value through	75.770	-32.822
Net gains or losses on trading assets/liabilities	75.633	-32.840
Net gains or losses on other assets/liabilities at fair value through profit or loss	137	18
Net gains or losses on financial instruments at fair value through equity	-	-
Net gains or losses on debt instruments recognized in recyclable equity	-	-
Remuneration on equity instruments recognized in non-recyclable equity (dividends)	-	-
Net gains or losses on available-for-sale financial assets	-	-
Net gains or losses on derecognition of financial assets at amortized cost	-	-
Net gains or losses on reclassification of financial assets at amortized cost to fair value through profit or loss	-	-
Net gains or losses arising from reclassification of financial assets at fair value through equity to financial assets at fair value through profit or loss	-	-
Net income from insurance activities	-	-
Income from other activities	58.056	32.552
Expenses from other activities	-3.600	-583
Net banking income	657.394	500.394
General operating expenses	-377.578	-331.558
Depreciation, amortization and impairment of tangible and intangible fixed assets	-56.132	-55.094
Gross operating income	223.684	113.742
Cost of risk	-24.859	-30.984
Operating income	198.825	82.758
Share in net income of associates and joint ventures accounted for by the equity method	-	-
Net gains or losses on other assets	-4.575	-2.937
Change in value of goodwill	-	-
Income before tax	194.250	79.821
Income tax expense	-16.682	-25.480
Net income from discontinued operations	-	-
Net income	177.568	54.341
Minority interests	11.542	10.455
Net income, Group share	166.026	43.886

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (In KMAD)

	Capital	Capital reserves	Treasury shares	Consolidated reserves and retained earnings	gains and losses recorded directly in equity	Shareholders' equity - Group share	Minority interests	Total shareholders' equity
Adjusted shareholders' equity as of January 1, 2021	542.890	915.560	4.639	-650.734	7.375	819.730	20.407	840.136
Capital transactions	16.283	48.803	2.178	-	-	67.264	-	67.264
Share-based payments	-	-	-	5.700	-	5.700	-	5.700
Treasury share transactions	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	28.551	-	28.551	2.810	31.361
Tangible and intangible fixed assets: Revaluations and disposals (A)	-	-	-	-	-	-	-	-
Financial instruments: changes in fair value and transfers to income (B)	-	-	-	-	-159.343	-159.343	-8.803	-168.146
Translation adjustments: changes and transfers to income (C)	-	-	-	-	-	-	-	-
Unrealized or deferred gains or losses (A) + (B) + (C)	-	-	-	0	-159.343	-159.343	-8.803	-168.146
Changes in scope of consolidation	-	-	-	-	-	0	140	140
Various reclassifications	-	-	-	-	-	0	-	0
Other movements	-	-	-	298	-	298	-	298
Shareholders' equity as of December 31, 2021	559.173	964.363	6.817	-616.185	-151.968	762.200	14.553	776.752
Impact of changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted shareholders' equity as of January 1, 2022	559.173	964.363	6.817	-616.185	-151.968	762.200	14.553	776.752
Capital transactions	12.703	22.628	3.707	-	-	39.038	-	39.038
Share-based payments	-	-	-	-	-	0	-	0
Treasury share transactions	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-3.393	-3.393
Net income for the year	-	-	-	43.886	-	43.886	10.455	54.341
Tangible and intangible fixed assets: Revaluations and disposals (A)	-	-	-	-	-	-	-	-
Financial instruments: changes in fair value and transfers to income (B)	-	-	-	-	6.564	6.564	-	6.564
Translation adjustments: changes and transfers to income (C)	-	-	-	-	-	-	-	-
Unrealized or deferred gains or losses (A) + (B) + (C)	-	-	-	0	6.564	6.564	-	6.564
Changes in scope of consolidation	-	-	-	-	-	0	-	0
Various reclassifications	-	-	-	-20.480	20.480	-	-	0
Other movements	-	-	-	123	-	123	-142	-19
Shareholders' equity as of December 31, 2022	571.876	986.991	10.524	-592.656	-124.924	851.811	21.473	873.283
Impact of changes in accounting policies	-	-	-	-	-	0	-	0
Adjusted shareholders' equity as of January 1, 2023	571.876	986.991	10.524	-592.656	-124.924	851.811	21.473	873.283
Capital transactions	128.283	545.970	-	-	-	674.253	-	674.253
Share-based payments	-	-	-	-	-	0	-	0
Treasury share transactions	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-10.698	-10.698
Net income	-	-	-	166.026	-	166.026	11.542	177.568
Tangible and intangible fixed assets: Revaluations and disposals (A)	-	-	-	-	-	-	-	-
Financial instruments: changes in fair value and transfers to income (B)	-	-	-	-	-	0	-	0
Translation adjustments: changes and transfers to income (C)	-	-	-	-	-	-	-	-
Unrealized or deferred gains or losses (A) + (B) + (C)	-	-	-	0	0	0	-	0
Changes in scope of consolidation	-	-	-	-	-	0	-	0
Various reclassifications	-878.468	-	-	878.468	-	0	-	0
Other movements	-21.183	-	-	-5.042	-	-26.225	-16	-26.241
Shareholders' equity as of December 31, 2023	700.159	633.310	10.524	446.796	-124.924	1.665.866	22.301	1.688.165