

FINANCIAL RELEASE

June 30, 2024

CFG BANK



STRONG GROWTH IN THE FIRST HALF 2024

LOANS +44%, NBI +37%, NET INCOME GROUP SHARE: MAD 109m +68%

CFG Bank board of directors, under the chairmanship of Mr. Adil Douiri, met on September 19, 2024 to review 2024 first half financials and to close the accounts as of June 30, 2024.

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



18 BRANCHES

Open until 7 pm (4 pm for
competitors)



98 ATMs

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

KEY EVENTS

- After a successful IPO for CFG Bank and record results in 2023, the first half 2024 saw a continuation of the rapid growth with a Net Income Group Share of MAD 109m, up +68% over 12 months. Growth has been driven by all business lines. Most notably, loans and deposits growth was very strong again.
- All investment bank business lines recorded double-digit growth, helped by a favorable stock market and higher assets under management.
- CFG Bank opened a new branch in the first half 2024, dedicated to SMEs, and resumed its network enlargement : 4 new branches in Casablanca, Marrakech and Rabat. A first branch will open in Casablanca in Q4 2024.

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Outstanding loans*

↑ +44%

9 818 14 176

June 2023 June 2024

* Excluding repos

Deposits**

↑ +20%

12 350 14 863

June 2023 June 2024

** including CDs and excluding repos and fund deposits

Consolidated NBI

↑ +37%

309 424

44

130

135

H1 2023 H1 2024

62

186

176

- Brokerage, trading, corporate finance
- Fees (commercial bank, FX, asset management, real estate asset management)
- Net Interest margin

Net Income Group Share

↑ +68%

65 109

H1 2023 H1 2024

Outstanding loans : MAD 14.2 billion, + 44%

Outstanding loans reached MAD 14.2 billion as of June 30, 2024, up +44% over 12 months (+MAD 4.4 billion), pulled mainly by the « corporate » segment.

Deposits : MAD 14.9 billion, + 20%

Clients deposits were up +20% in 12 months, i.e. a net collection of MAD 2.5 billion, and reached MAD 14.9 billion at the end of June 2024.

Non interest bearing deposits still constituting 47% of all deposits in average, despite the very rapid loans growth.

Consolidated NBI : + 37% at MAD 424m

Consolidated NBI reached MAD 424 million in H1 2024, vs MAD 309 million in H1 2023 (+37%).

Recurring NBI, made of Interest margin and commissions, reached MAD 362 million (+37%):

- Interest margin is MAD 176 million (+31%), pulled by higher outstanding loans.
- Commissions reached MAD 186 million (+44%) and include both banking and asset management fees.

Less recurring NBI (brokerage, Equity and bonds trading, corporate finance) reached MAD 62 million (+40%), partly due to more favorable markets in H1 2024.

Consolidated Gross operating income : MAD 160m (+54%)

Gross operating income grew at a faster pace than net banking income, thanks to expenses growing at 29%, while net banking income grew by 37%.

Net income group share: MAD 109m (+68%)

Net income group share stands at MAD 109m for H1 2024, compared with MAD 65m for H1 2023.

Net income takes into account a cost of risk of MAD 20m (i.e., 0.30% of outstanding loans). 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.

2024 GUIDELINES & PERSPECTIVES

2024 guidance published in February, showed a 2024 NBI growing between 20% and 24%, and a Net income group share for 2024 rising by 40% to 50%.

At this stage, the 2024 guidance is revised with an increase of 2024 NBI of 24% to 28%, and a rise of 2024 Net income group share estimated between 50% and 55%.

	Previous guidance	New guidance
NBI	20% - 24%	24% - 28%
Net Income Group Share	40% - 50%	50% - 55%

FINANCIAL RELEASE

June 30, 2024

CFG BANK



CONSOLIDATED FINANCIAL STATEMENT

IFRS Balance Sheet as of 06/30/2024

(In KMAD)

ASSETS	06/30/2024	12/31/2023
Cash, Central Bank, Public Treasury	721.121	405.210
Financial assets at fair value through profit or loss	4.668.382	3.472.376
Financial assets held for trading	4.668.382	3.472.376
Other financial assets at fair value through profit or loss		
Hedging instruments	-	-
Financial assets at fair value through equity	37.908	42.096
Debt instruments carried at fair value through equity - recyclable		
Non-recyclable debt instruments at fair value through equity	37.908	42.096
Securities at amortized cost	665.802	677.026
Loans and advances to financial institutions at amortized cost	452.692	690.614
Loans and advances to clients, at amortized cost	15.011.234	14.251.253
Asset revaluation surplus on portfolios hedged against interest rate risks		
Current tax assets	199.475	188.452
Deferred tax assets	162.219	154.344
Accruals and other assets	779.220	1.095.272
Non-current assets held for sale	-	-
Investments in associates		
Investment property		
Tangible assets	770.562	758.428
Intangible assets	352.239	275.009
Goodwill	124.142	124.142
Total ASSETS	23.944.996	22.134.222
LIABILITIES	06/30/2024	12/31/2023
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	4.419.963	5.312.223
Client deposits	8.747.537	8.647.054
Debt securities issued	7.049.165	4.825.859
Fair value adjustments to portfolios hedged against interest rate risks		
Current tax liabilities	99.730	71.120
Deferred tax liabilities	73.998	63.739
Accruals and other liabilities	1.462.617	1.121.886
Liabilities related to non-current assets held for sale	104	-
Technical reserves for insurance contracts		
Provisions	2.375	2.375
Grants and similar funds		
Subordinated debt and special guarantee funds	410.405	401.801
Shareholders' equity	1.679.102	1.688.165
o Capital and related reserves	1.338.704	1.333.469
o Retained earnings	350.902	302.052
Group share	340.214	291.293
Minority interests	10.688	10.759
o Gains and losses recognized directly in equity	-127.312	-124.924
Group share	-127.312	-124.924
Minority interests		
o Net income	116.808	177.568
Group share	109.097	166.026
Minority interests	7.711	11.542
Total LIABILITIES	23.944.996	22.134.222

CONSOLIDATED INCOME STATEMENT

(In KMAD)

	06/30/2024	06/30/2023
Interest and similar income	399.370	264.312
Interest, remuneration and similar expenses	-224.762	-134.937
Interest margin	174.608	129.375
Commission (income)	216.641	143.557
Commissions (expenses)	-46.034	-30.144
Commission margin	170.607	113.413
Net gains or losses on hedges of net positions		
Net gains or losses on financial instruments at fair value through	37.093	42.935
Net gains or losses on trading assets/liabilities	37.539	42.867
Net gains or losses on other assets/liabilities at fair value through profit or loss	-446	68
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	41.916	26.661
Expenses from other activities	-	-3.755
Net banking income	424.224	308.629
General operating expenses	-234.627	-177.172
Depreciation, amortization and impairment of tangible and intangible fixed assets	-29.544	-27.284
Gross operating income	160.053	104.173
Cost of risk	-19.998	-13.077
Operating income	140.055	91.096
Share in net income of associates and joint ventures accounted for by the equity method		
Net gains or losses on other assets	-2.448	-2.093
Change in value of goodwill		
Income before tax	137.607	89.003
Income tax expense	-20.799	-18.168
Net income from discontinued operations		
Net income	116.808	70.835
Minority interests	7.711	6.004
Net income, Group share	109.097	64.831

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, 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		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	0	6.564
Translation adjustments: changes and transfers to income (C)								
Unrealized or deferred gains or losses (A) + (B) + (C)				0	6.564	6.564	0	6.564
Changes in scope of consolidation						0	0	0
Various reclassifications				-20.480	20.480	0		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								
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	0			674.253		674.253
Share-based payments						0		0
Treasury share transactions								
Dividends							-10.698	-10.698
Net income for the year				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		0
Translation adjustments: changes and transfers to income (C)								
Unrealized or deferred gains or losses (A) + (B) + (C)				0	0	0	0	0
Changes in scope of consolidation						0		0
Various reclassifications	-878.468			878.468	0	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	1.665.865	22.301	1.688.165
Impact of changes in accounting policies						0		0
Adjusted shareholders' equity as of January 1, 2024	700.159	633.310	10.524	446.796	-124.924	1.665.865	22.301	1.688.165
Capital transactions	0	0				0		0
Share-based payments						0		0
Treasury share transactions								
Dividends		5.235		-115.526		-110.291	-11.616	-121.907
Net income				109.097		109.097	7.711	116.808
Tangible and intangible fixed assets: Revaluations and disposals (A)								
Financial instruments: changes in fair value and transfers to income (B)				0	-2.388	-2.388		-2.388
Translation adjustments: changes and transfers to income (C)								
Unrealized or deferred gains or losses (A) + (B) + (C)				0	-2.388	-2.388	0	-2.388
Changes in scope of consolidation						0		0
Various reclassifications	0			0		0		0
Other movements	0			-1.579		-1.579	3	-1.576
Shareholders' equity as of June 30, 2024	700.159	638.545	10.524	438.788	-127.312	1.660.704	18.399	1.679.102