PROSPECTUS SUMMARY

CREDIT AGRICOLE DU MAROC S.A

PERPETUAL SUBORDINATED BONDS ISSUANCE WITH LOSS ABSORPTION AND COUPON PAYMENT CANCELLATION MECHANISM FOR A TOTAL AMOUNT OF MAD 300,000,000

The prospectus approved by the AMMC consists of:

- The Securities Note
- The CAM Reference Document registered by the AMMC on June 24, 2022 under the reference No. EN/EM/011/2022

	Tranche A Unlisted perpetual subordinated bonds with a rate revision every 5 years	Tranche B Unlisted perpetual subordinated bonds with a rate revision every 10 years	Tranche C: Unlisted perpetual subordinated bonds with annually revisable rate
Maximum amount of the tranche	MAD 300,000,000	MAD 300,000,000	MAD 300,000,000
Maximum number of securities to be issued	3,000 perpetual subordinated bonds	3,000 perpetual subordinated bonds	3,000 perpetual subordinated bonds
Nominal value	MAD 100,000	MAD 100,000	MAD 100,000
Maturity	Perpetual	Perpetual	Perpetual
Nominal interest rate	Beyond 5 years, the repayment of all or part of the capital can only be made at the initiative of the issuer, subject to a minimum notice period of 5 years and after agreement of Bank Al Maghrib.		
Risk premium	**Revisable every 5 years** For the first 5 years, the rate is determined in reference to the 5-year rate calculated according to the Treasury Bills primary market reference rate curve as published by Bank Al Maghrib on **July 5, 2022**, i.e. **2.33%**, increased by a risk premium of **260 basis points**, thus a nominal rate of **4.93%**.	**Revisable every 10 years** For the first 10 years, the rate is determined in reference to the 10-year rate calculated according to the Treasury Bills primary market reference rate curve as published by Bank Al Maghrib on **July 5, 2022**, i.e. **2.42%**, increased by a risk premium of **280 basis points**, thus a nominal rate of **5.22%**.	**Revisable annually** The rate is determined in reference to the full 52-week money rate (money rate) determined based on the Treasury Bills primary market reference rate curve as published by Bank Al-Maghrib on **July 5, 2022**, i.e **1.81%**, increased by a risk premium of **250 basis points**, thus a nominal rate of **4.31%**.
Issue price	Over-the-counter (OTC)	Over-the-counter (OTC)	Over-the-counter (OTC)
Tradability of securities	260 bps	280 bps	250 bps
Repayment guarantee	None	None	None
Repayment method	Prorated (no priority between tranches)		

SUBSCRIPTION PERIOD: FROM JULY 13 TO 15, 2022 INCLUDED

SUBSCRIPTION TO THIS BONDS AND THEIR TRADING ON THE SECONDARY MARKET ARE STRICTLY RESTRICTED TO QUALIFIED INVESTORS OF MOROCCAN LAW LISTED IN THIS PROSPECTUS

Financial Advisor & Global Coordinator	Financial Co-Advisors	
VALORIS CORPORATE FINANCE CONSEIL ET INGENIERIE	CAPITAL TRUST FINANCE	CREDIT AGRICOLE DU MAROC DIRECTION DE LA STRATEGIE FINANCIERE

Co-Lead Underwriting Agents

VALORIS SECURITIES — Société de Bourse

CAPITAL TRUST SECURITIES

APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the AMMC circular, adopted pursuant to Article 5 of Dahir No. 1-12-55 of December 28, 2012 promulgating Act No. 44-12 on the public offering and information required of legal entities and organizations making public offerings, this prospectus was approved by the AMMC on **July 6, 2022**, under the reference No. **VI/EM/018/2022**.

This prospectus is only part of the AMMC-approved prospectus. The latter consists of the following documents:

- This prospectus;
- The CAM reference document registered by the AMMC on June 24, 2022 under the reference No. EN/EM/011/2022.

SUMMARY

DISCLAIMER

The Moroccan Capital Market Authority (AMMC = L'Autorité Marocaine du Marché des Capitaux) approved on **July 6, 2022**, under the reference **VI/EM/018/2022**, a prospectus relating to the issue of perpetual subordinated bonds with a loss absorption and coupon payment cancellation mechanism by Crédit Agricole du Maroc.

The prospectus approved by the AMMC is available at any time or within 48 hours at:

• The CAM Headquarters: Place des Alaouites – BP 49 – 10 000 Rabat (05.37.21.71.88) and on its website https://www.creditagricole.ma;

• The financial advisors headquarters:
  • CAM – Financial Strategy Department: Place des Alaouites BP 49 – 10 000 Rabat;
  • Valoris Corporate Finance: Angle Route El Jadida et Rue Abou Dhabi, Oasis, 20410, Casablanca (05.22.23.97.60);
  • Capital Trust Finance: 50, Bd. Rachidi – Casablanca (05.22.46.63.50).

• The Underwriting Agents headquarters:
  • Valoris Securities: Angle Route El Jadida et Rue Abou Dhabi, Oasis, 20410 – Casablanca ;
  • Capital Trust Securities: 50, Boulevard Rachidi, Casablanca.

The prospectus is also available to the public on AMMC website www.ammc.ma.

This summary was translated by **LISSANIAT** under the joint responsibility of this translator and Crédit Agricole du Maroc.

In the event of any discrepancy between the contents of this summary and the prospectus approved by the AMMC, only the approved prospectus will prevail.

PART I. PRESENTATION OF THE OPERATION

The issuance of the perpetual subordinated bonds covered by this prospectus is governed by Dahir No. 1-14-193 of Rabii I 1436 promulgating Act No. 103-12 on credit institutions and similar bodies (Banking Act), Dahir No. 1-12-55 of December 28, 2012 promulgating Act No. 44-12 on public offerings and information required of legal entities and organizations making public offerings, Act No. 17-95 on limited companies as amended and supplemented, Circular 14/G/2013 of Bank Al-Maghrib on the calculation of regulatory capital of credit institutions as amended and supplemented (in particular Article 20 on additional capital instruments) and the AMMC Circular N°03/19 of 20 February 2019 related to financial operations and information.

I- Objectives of the operation

The main purposes of this perpetual subordinated bond issue are:

- The financing and support of the rural world in its entirety, and more specifically the agriculture and agro-industry sector;
- The strengthening of its current regulatory capital, and therefore the strengthening of CAM's solvency ratio, notably the Tier One ratio.

In accordance with Bank Al-Maghrib's Circular 14/G/2013 on the calculation of the regulatory capital requirements of credit institutions as amended and supplemented, funds collected through this operation will be classified as an additional Tier 1 capital.

II- Overall characteristics of the operation

Crédit Agricole du Maroc intends to issue 3,000 perpetual subordinated bonds with a MAD 100,000 nominal value. The global amount of the operation amounts to MAD 300,000,000 distributed as follows:

- Tranche "A" with a perpetual maturity, a rate revisable every 5 years, unlisted on the Casablanca Stock Exchange, a ceiling of MAD 300,000,000 and a nominal value of MAD 100,000;
- Tranche "B" with a a perpetual maturity, a rate revisable every 10 years, unlisted on the Casablanca Stock Exchange, a ceiling of MAD 300,000,000 and a nominal value of MAD 100,000;
- Tranche "C" with a perpetual maturity, an annually revisable rate, unlisted on the Casablanca Stock Exchange, a ceiling of MAD 300,000,000 and a nominal value of MAD 100,000.

The total amount auctioned on the three tranches will in no case exceed MAD 300,000,000.

The amount of the Issue may be limited to the amount subscribed by investors (ceiled at MAD 300,000,000).

The primary subscription of subordinated bonds, covered by this prospectus, is reserved to qualified investors of Moroccan Law listed hereafter:

- Undertakings for Collective Investment in Transferable Securities (UCITS), whose investment strategy, as set out in their information memorandum, authorizes the subscription to perpetual subordinated bonds with loss absorption and/or interest cancellation mechanisms, governed by Dahir providing Law no 1-93-213 of rabii II 1414 (September 21, 1993) relating to undertakings for collective investment in transferable securities, subject to compliance with the legislative, regulatory or statutory provisions and prudential rules governing them
- The financial companies referred to in article 20 of law no 103-12 relating to credit institutions and similar bodies, subject to compliance with the legislative, regulatory or statutory provisions and prudential rules governing them;
- The credit institutions referred to in article 1 of the aforementioned law no 103-12 subject to the respect of the legislative, regulatory or statutory provisions and the prudential rules which govern them;
- The insurance and reinsurance companies approved according to the law no 17-99, subject to the respect of the legislative, regulatory or statutory provisions and the prudential rules which govern them;
- The Caisse de Dépôt et de Gestion, subject to the respect of the legislative, regulatory or statutory provisions and the prudential rules that govern it;
- Retirement and pension organizations instituted by their own legal texts or referred to in Chapter II of Title II of Act 64-12 establishing the Insurance and Social Security Supervisory Authority and subject to the supervision of the said authority, subject to compliance with the legislative, regulatory or statutory provisions and prudential rules governing them;

- Any legal entity benefiting from the status of qualified investor within the meaning of Article 1.30 (e) of AMMC Circular 03/19 of February 20, 2019 on financial transactions and information.

Subscriptions are all in cash, whatever the category of subscribers.

The trading on the secondary market of perpetual subordinated bonds, subject of this prospectus, is reserved to qualified investors of Moroccan Law as listed above.

Every qualified investor, holder of perpetual subordinated bonds, subject of this prospectus, undertakes to transfer the said bonds only to qualified investors listed in this prospectus. Also, the account holders must not, under any circumstances, accept instructions of settlement and delivery of the perpetual subordinated bonds, subject of this prospectus, formulated by investors other than the qualified investors listed in this prospectus.

III- Event of Default

An event of default (an "Event of Default") is the failure to pay all or part of the amount in interest and/or principal due by the Company under any Bond unless payment is made within fourteen (14) business days of its due date and unless the Company has decided, with the consent of Bank Al-Maghrib, to cancel (in whole or in part) the payment of interest in accordance with the provisions set out in the characteristics of the perpetual subordinated bonds presented above in **Section II - Information relating to the perpetual subordinated bonds of Crédit Agricole du Maroc**.

In the event of the occurrence of an Event of Default, the representative of the bondholders' body must immediately send a formal notice to Crédit Agricole du Maroc to remedy the event of default with an injunction to pay any amount in interest due by the Company within fourteen (14) business days following the formal notice.

If the Company has not remedied the Event of Default within fourteen (14) business days following the date of receipt of the formal notice, the representative of the bondholders’ body may, after convening the general meeting of bondholders, and upon a decision by the latter acting under the quorum and majority conditions provided for by law and upon simple written notification addressed to the issuer, with a copy to the domiciliary and the AMMC, make the entire issue payable, automatically requiring the company to redeem these bonds up to the principal amount plus accrued interests since the last interest payment date and plus accrued interests not yet paid.

The capital being the initial capital (*initial nominal value x number of securities*), or in case of early repayment, the remaining due capital.

IV- Timetable of the operation

The timetable for this operation is as follows:

Order	Stages	Dates
1	Obtaining the AMMC approval	**July 6, 2022**
2	Publication of the prospectus extract on the issuer's website (www.creditagricole.ma)	**July 6, 2022**
3	Publication by the issuer of the press release in a newspaper of legal notices	**July 8, 2022**
4	Opening of the subscription period	**July 13, 2022**
5	Closing of the subscription period (included)	**July 15, 2022**
6	Allocation of securities	**July 15, 2022**

7	Payment / Delivery	**July 20, 2022**
8	Publication by the issuer of the operation results and the selected rates in a newspaper of legal notices and on its website	**July 22, 2022**

V- Description of the securities to be issued

Disclaimer

Perpetual subordinated bond differs from the traditional bond given both its contractually defined ranking of claims set forth in the subordination clause and its indefinite term. The effect of the subordination clause is to make the repayment of the loan conditional, in the event of the issuer's liquidation, on the repayment of all other debts, including subordinated bonds with a fixed maturity, which have been issued and which might be later issued. The principal and interest relating to these securities constitute a last-rank commitment and will rank higher only in relation to Crédit Agricole du Maroc's equity securities.

Furthermore, the attention of potential investors is drawn to the fact that:

- **This perpetual bond issue has no fixed maturity date but may be redeemed at the issuer's discretion and with the agreement of Bank Al-Maghrib, which may have an impact on the expected maturity and reinvestment conditions;**
- **Investment in perpetual subordinated bonds includes clauses for the depreciation of the nominal value of the securities and cancellation of interest payments exposing investors to the risks presented in Section IV of this part.**

DESCRIPTION OF TRANCHE A
WITH A PERPETUAL MATURITY, A RATE REVISABLE EVERY 5 YEARS, UNLISTED ON THE CASABLANCA STOCK EXCHANGE

Nature of the securities	Perpetual subordinated bonds unlisted on the Casablanca Stock Exchange, dematerialized by registration in an account with financial intermediaries authorized and approved for the transactions of the central custodian (Maroclear).
Legal form	Bearer bond
Tranche ceiling	MAD 300,000,00
Maximum number of securities to be issued	3,000 perpetual subordinated bonds
Initial nominal value	MAD 100,000
Issue price	100% i.e. MAD 100,000
Loan maturity	Perpetual, with the possibility of early redemption, beyond the fifth (5th) year of the vesting date, which can only be made at the issuer's initiative and with the agreement of Bank Al-Maghrib with at least five years' notice.
Subscription period	**From July 13 to 15, 2022, included**
Vesting date	**July 20, 2022**
Maturity	Perpetual
Allocation method	Prorated (no priority between tranches)
Nominal interest rate	**Rate subject to revision every 5 years.** For the first 5 years, the rate is determined in reference to the 5-year rate calculated according to the Treasury Bills primary market reference rate curve as published by Bank Al Maghrib on **July 5, 2022**, i.e. **2.33%**, increased by a risk premium of **260 basis points**, thus a nominal rate of **4.93%**.

	Beyond the first 5 years and for each 5-year period, the reference rate is the 5-year rate observed or calculated on the basis of the reference rate curve of the primary market of the Treasury bills as published by Bank Al-Maghrib, preceding the last anniversary date of the coupon of each 5-year period by 5 working days. If there is no auction at this session, the rate taken into account will be the rate auctioned at the previous session. In case of no auction during the last 2 auction sessions of the 5-year TB rate preceding 5 business days before the coupon anniversary date, the reference rate will be observed or calculated from the 5-year TB rate reference curve of the secondary market as published by Bank Al-Maghrib 5 business days before the coupon anniversary date. The reference rate thus obtained will be increased by the risk premium (260 basis points) and will be communicated by CAM to the bondholders, on CAM's website (www.creditagricole.ma), 4 working days before the anniversary date of each rate revision date. In the event that the 5-year Treasury Bills rate is not directly observable on the curve, the determination of the reference rate by M.S.IN will be done by linear interpolation method using the two points framing the full 5-year maturity (actuarial basis).
Risk premium	**260 basis points.**
Interest	Interest will be paid annually on the anniversary dates of the vesting date of the loan, i.e. **July 20** of each year. Payment will be made on the same day or on the first business day following **July 20** if it is not a business day. The interest on the perpetual subordinated bonds will cease to accrue from the date on which the capital is repaid by Crédit Agricole du Maroc Group. Crédit Agricole du Maroc Group may decide, at its discretion and with the prior agreement of Bank Al-Maghrib, to cancel (in whole or in part) interest payments for an indefinite period and on a non-cumulative basis in order to meet its obligations (in particular following a request from Bank Al-Maghrib). Following this decision, any amount of canceled interest is no longer payable by the issuer or considered as accumulated or due to all holders of perpetual bonds issued by Crédit Agricole du Maroc Group. Each cancellation decision will relate to the amount of the coupon initially scheduled for payment on the next anniversary date. Crédit Agricole du Maroc Group is required to apply the provisions of Bank Al-Maghrib's circular No. 14/G/2013 of August 13, 2013 on the calculation of the regulatory capital of credit institutions, including Article 10 of that circular defining basic capital instruments as shares and any other component of share capital and the endowment meeting a number of criteria (listed below), including primarily the provision that distributions by way of dividends or otherwise are made only after all legal and

contractual obligations have been met and payments on senior equity instruments have been made, including the perpetual subordinated bonds covered by this prospectus.

All the above-mentioned criteria are as follows:

- the instruments are issued directly by the institution after prior approval by its administrative body;
- The instruments are perpetual;
- the principal amount of the instruments may not be reduced or repaid, except in the event of liquidation of the institution or with the prior consent of Bank Al-Maghrib;
- the instruments rank junior to all other claims in the event of insolvency or liquidation of the institution;
- the instruments do not benefit from any of the related entities' sureties or guarantees that have the effect of raising the ranking of the receivables;
- the instruments are not subject to any arrangement, contractual or otherwise, raising the priority of claims under such instruments in the event of insolvency or liquidation;
- the instruments make it possible to absorb the first part and proportionally the largest part of the losses as soon as they occur;
- the instruments give its owner a claim on the residual assets of the institution, which, in the event of liquidation and after payment of all senior claims, is proportional to the amount of the instruments issued. The amount of this claim is neither fixed nor subject to a ceiling, except in the case of shares;
- the purchase of the instruments is not financed directly or indirectly by the institution;
- distributions in the form of dividends or other distributions are made only after all legal and contractual obligations have been met and payments on senior equity instruments have been made. These distributions can only come from distributable elements. The level of distributions is not related to the price at which the instruments were acquired at issue, except in the case of shares;
- the provisions to which basic equity instruments are subject do not provide for (i) preferential rights for the payment of dividends, (ii) a ceiling or other restrictions on the maximum amount of distributions, except in the case of shares, (iii) an obligation for the institution to make distributions to its holders;
- the non-payment of dividends does not constitute an event of default for the institution; and
- the cancellation of distributions does not impose any restrictions on the institution.

In the event of cancellation of the payment of the interest amount, the issuer must inform the holders of perpetual bonds and the AMMC of this cancellation decision at least 60 calendar days before the payment date.

Holders of perpetual bonds shall be informed by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma)

	specifying the amount of interest canceled, the reasons for this decision to cancel payment of the amount of interest and the corrective measures that have been implemented. The distribution of interest can only come from distributable items and is not linked to the credit quality of the Crédit Agricole du Maroc Group. Crédit Agricole du Maroc Group may decide, at its discretion and with the prior agreement of Bank Al-Maghrib, to increase the amount of a coupon payable, which will therefore become higher than the amount of the determined coupon based on the formula below. In the event of cancellation of the payment of the interest amount, the issuer must inform the holders of perpetual bonds and the AMMC of this cancellation decision at least 60 calendar days before the payment date. Holders of perpetual bonds shall be informed by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma). In the event that other instruments with a coupon cancellation mechanism exist, the decision to cancel / assess the amount of the coupon to be paid will be made in proportion to the amount of the coupon between all these instruments. Interest will be calculated according to the following formula: *[Nominal x Face rate].* Interest will be calculated on the last nominal amount as defined in the "Loss Absorption" clause or on the outstanding principal as defined in the "Capital Redemption" clause.
Capital redemption	Capital redemption is subject to the agreement of Bank Al-Maghrib and is made on a straight-line basis over a minimum period of five (5) years (see the "Early redemption" clause).
Early redemption	Crédit Agricole du Maroc Group may not redeem the perpetual subordinated bonds covered by this issue before a period of five (5) years from the vesting date. Beyond five (5) years, the early redemption of all or part of the capital may only be carried out at the issuer's initiative, subject to at least five (5) years' notice and after approval by Bank Al-Maghrib. Any early redemption (total or partial) will be made in proportion to all tranches of the perpetual subordinated bonds covered by this issue on a straight-line basis over a minimum term of five (5) years. Holders of perpetual bonds will be informed of the early redemption, as soon as the decision on early redemption has been made, with a reminder at least sixty (60) calendar days before the start date of this redemption.

	These notices will be published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) and specify the amount and term and the start date of the redemption. The issuer may not redeem all or part of the perpetual subordinated bonds covered by this issue early as long as their nominal value is impaired in accordance with the "Loss Absorption" clause. In the event that the Common Equity Tier1 (CET 1) ratio, as defined by Bank Al Maghrib, falls below 6.0% of the weighted risks, on an individual or consolidated basis, during the redemption period, the redemption period will be based on the initial nominal value of the shares. Any early redemption (total or partial), made before the anniversary date, will be made on the amount of principal outstanding and accrued interest to the redemption date. The Crédit Agricole du Maroc Group may not redeem all or part of the perpetual subordinated bonds covered by this issue early as long as their nominal value is impaired in accordance with the "Loss Absorption" clause. The issuer is required to inform the AMMC and all holders of the perpetual subordinated bonds subscribed to this issue of any repurchase procedure, subject to prior approval by Bank Al-Maghrib, by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the number of bonds to be repurchased, the deadline and the repurchase price. The Crédit Agricole du Maroc Group will repurchase the shares pro rata to the sale orders submitted (in the event that the number of shares submitted is more than the number of shares to be repurchased). The repurchased bonds will be canceled. In the event of a merger, demerger or partial contribution of assets of the Crédit Agricole du Maroc Group occurring during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and obligations under the perpetual subordinated bonds will automatically be transferred to the legal entity substituted in the rights and obligations of the Crédit Agricole du Maroc Group. The capital redemption is, in the event of the liquidation of the Crédit Agricole du Maroc Group, subordinated to all other debts (see "Ranking of the loan").
Loss absorption	Securities are impaired [1] when the Common Equity Tier1 (CET 1) ratio, as defined by Bank Al Maghrib, falls below 6.0% of the weighted risks, on an individual or consolidated basis.

[1] A possible impairment of the nominal value of the shares would allow the Crédit Agricole du Maroc Group to recognize exceptional income that would increase its net income and improve its shareholders' equity.

Securities are impaired by the amount corresponding to the difference between theoretical Tier 1 core capital (CET1) reaching 6.0% of the weighted risks of CET1 ratio and actual CET1 core capital (after taking into account the tax effect).

This depreciation is carried out within one calendar month from the date on which it is established that the minimum ratio of 6.0% has not been complied with, on an individual or consolidated basis, by reducing the nominal value of the securities by the corresponding amount, up to a minimum nominal value of MAD 50 (in accordance with Article 292 of the Public Limited Companies Act 17-95, as amended and supplemented).

Within thirty (30) days of the end of each half-yearly period (half-yearly solvency ratio publication closing dates) or an extraordinary or intermediate calculation date requested by the regulator, the issuer must verify that the Common Equity Tier 1 ratio (CET 1), as defined by Bank Al Maghrib, complies with the minimum level of 6.0% of the weighted risks, on an individual and consolidated basis.
The Crédit Agricole du Maroc Group will publish its CET 1 ratio and its projected 18-month forecast levels, after prior approval by its Supervisory Board. This publication will take place before the end of April for each annual accounts closing and before the end of October for each half-year accounts closing and will be carried out through the publications of Pillar III of the Crédit Agricole du Maroc Group (available on its website). This will also be published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma), within thirty (30) days of any significant event affecting regulatory ratios. These publications will be sent to the representative of the bondholders' group comprising the holders of the perpetual subordinated bonds covered by this issue, at the same time as Bank Al-Maghrib and the AMMC, and must contain details of the prudential ratios (Core Capital Ratio or CET1 and Solvency Ratio), regulatory capital composition and weighted risk allocation.

In the event of non-compliance with the minimum ratio of 6.0%, on an individual or consolidated basis, the issuer must immediately inform Bank Al-Maghrib and the AMMC and send the holders of perpetual bonds, within five (5) business days from the date on which the non-compliance with the minimum ratio of 6.0% is established, on an individual or consolidated basis, a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the occurrence of events triggering the loss absorption mechanism, the amount of depreciation of the nominal value of the shares, the method of calculating this amount, the corrective measures that have been implemented and the date on which this depreciation will take effect.

After any depreciation of the nominal value of the shares, and if the financial situation of the issuer that required the depreciation improves, Crédit Agricole du Maroc Group may immediately trigger, with the prior agreement of Bank Al-Magrhib, the mechanism for assessing all or part of the nominal value that has been depreciated.

	The issuer must inform the holders of perpetual subordinated bonds, within one month, by notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma), of the decision to assess the nominal value, the amount, the method of calculation and the effective date of the assessment. In the event that other instruments with a loss absorption mechanism exist, the depreciation/appreciation of the nominal value will be carried out on a pro rata basis between all instruments whose trigger point has been exceeded, based on the last nominal value preceding the trigger date of the loss absorption mechanism. Interest will be calculated on the basis of the last nominal amount preceding the coupon payment date (taking into account the depreciation/appreciation of the nominal amount). The issuer must immediately inform the AMMC of any depreciation/appreciaiton of the nominal value of the securities.
Tradability of securities	Negotiable by mutual agreement. The perpetual subordinated bonds covered by this issue, may only be traded between the qualified investors listed in this prospectus. Each qualified investor holding the perpetual subordinated bonds covered by this prospectus agrees to transfer such bonds only to the qualified investors listed in this prospectus. In addition, account holders must under no circumstances accept settlement instructions for the perpetual subordinated bonds covered by this prospectus from qualified investors other than the qualified investors listed in this prospectus.
Assimilation clauses	There is no assimilation of the perpetual subordinated bonds covered under this prospectus, to the securities of a previous issue. In the event that Crédit Agricole du Maroc Group later issues new securities enjoying the same rights in all respects as this issue, it may, without requiring the consent of the holders, provided that the issue contracts so provide, assimilate all the securities of the successive issues, thereby unifying all their management and negotiation operations.
Loan rank	The capital is covered by the subordination clause. The application of this clause in no way affects the rules of law concerning the accounting principles for loss allocation, the obligations of shareholders and the rights of the subscriber to obtain, under the terms and conditions set out in the contract, the payment of its securities in capital and interest. If the Crédit Agricole du Maroc Group goes into liquidation, the perpetual subordinated securities of this issue will be redeemed only after all preferential or unsecured creditors have been paid.

	These perpetual subordinated notes will be redeemed after all other fixed-term subordinated loans that have been issued and that might later be issued by the Crédit Agricole du Maroc Group both in Morocco and internationally. This redemption will be made on the basis of the lesser of the following two amounts: - the initial nominal value reduced by the amount of any redemptions made previously; - the amount available after payment of all preferential or unsecured creditors and holders of fixed-term subordinated bonds that have been issued and that might later be issued by Crédit Agricole du Maroc Group both in Morocco and internationally; These perpetual subordinated securities will rank pari passu with perpetual subordinated bonds of the same nature. As a reminder, Crédit Agricole du Maroc carried out: - An issue of perpetual subordinated bonds in October 2019 for a global amount of MAD 850,000,000; - An issue of perpetual subordinated bonds in December 2020 for a global amount of MAD 200,000,000.
Repayment guarantee	This issue is not subject to any specific guarantee.
Rating	This issue has not been the subject of a rating request.
Representation of the bondholders' pool	The Management Board meeting held on **July 6, 2022**, and pending the Bondholders' General Assembly, has appointed Hdid Consultants represented by Mr Mohamed Hdid as interim representative. It should be noted that the interim representative appointed is identical for tranches A, B and C, which are grouped together in a single pool. Moreover, the interim representative undertakes to proceed to the convening of the General Meeting of Bondholders in order to appoint the representative of the bondholders' pool and this, within a period of 6 months as from the subscription closing date. In addition, it should be noted that Hdid Consultants, represented by Mr Mohamed Hdid, is the permanent representative of the bondholders of the four previous CAM bond issues: - Subordinated bond issue (MAD 900 million) in 2015; - Subordinated bond issue (MAD 600 million) in 2016; - Subordinated bond issue (MAD 1,000 million) in 2017; - Subordinated bond issue (MAD 500 million) in 2018; - Perpetual subordinated bond issue (MAD 850 million) in 2019; - Subordinated bond issue (MAD 450 million) in 2019; - Perpetual subordinated bond issue (MAD 200 million) in 2020.

	Also, Hdid Consultants, represented by Mr Mohamed Hdid, assisted Crédit Agricole du Maroc as tax advisor during its tax audit for the period 2005 to 2010. Apart from the above-mentioned mandates, Hdid Consultants has no other mandates and has no business relationship with the Issuer. The bondholders are informed that the fees of the interim representative as well as the final representative of the bondholders' pool have been fixed at MAD 30,000 per year.
Applicable law	Moroccan law.
Competent Jurisdiction	Commercial Court of Rabat.

<u>DESCRIPTION OF TRANCHE B</u>

<u>WITH A PERPETUAL MATURITY, A RATE REVISABLE EVERY 10 YEARS, UNLISTED ON THE CASABLANCA STOCK EXCHANGE</u>

Nature of the securities	Perpetual subordinated bonds unlisted on the Casablanca Stock Exchange, dematerialized by registration in an account with financial intermediaries authorized and approved for the transactions of the central custodian (Maroclear).
Legal form	Bearer bond
Tranche ceiling	MAD 300,000,00
Maximum number of securities to be issued	3,000 perpetual subordinated bonds
Initial nominal value	MAD 100,000
Issue price	100% i.e. MAD 100,000
Loan maturity	Perpetual, with the possibility of early redemption, beyond the fifth (5^{th}) year of the vesting date, which can only be made at the issuer's initiative and with the agreement of Bank Al-Maghrib with at least five years' notice.
Subscription period	**From July 13 to 15, 2022, included**
Vesting date	**July 20, 2022**
Maturity	Perpetual
Allocation method	Prorated (no priority between tranches)
Nominal interest rate	**<u>Rate subject to revision every 10 years.</u>** For the first 10 years, the rate is determined in reference to the 10-year rate calculated according to the Treasury Bills primary market reference rate curve as published by Bank Al Maghrib on **July 5, 2022**, i.e. **2.42%**, increased by a risk premium of **280 basis points**, thus a nominal rate of **5.22%**. Beyond the first 10 years and for each 10-year period, the reference rate is the 10-year rate observed or calculated on the basis of the reference rate curve of the primary market of the Treasury bills as published by Bank Al-Maghrib, preceding the last anniversary date of the coupon of each 10-year period by 5 working days. If there is no auction at this session, the rate taken into account will be the rate auctioned at the previous session. In case of no auction during the last 2 auction sessions of the 10-year TB rate preceding 5 business days before the coupon anniversary date, the reference rate will be observed or calculated from the 10-year TB rate reference curve of the secondary market as published by Bank Al-Maghrib 5 business days before the coupon anniversary date. The reference rate thus obtained will be increased by the risk premium (260 basis points) and will be communicated by CAM to the bondholders, on CAM's website (www.creditagricole.ma), 4 working days before the anniversary date of each rate revision date. In the event that the 10-year Treasury Bills rate is not directly observable on the curve, the determination of the reference rate by M.S.IN will be

	done by linear interpolation method using the two points framing the full 10-year maturity (actuarial basis).
Risk premium	**280 basis points.**
Interest	Interest will be paid annually on the anniversary dates of the vesting date of the loan, i.e. **July 20** of each year. Payment will be made on the same day or on the first business day following **July 20** if it is not a business day. The interest on the perpetual subordinated bonds will cease to accrue from the date on which the capital is repaid by Crédit Agricole du Maroc Group. Crédit Agricole du Maroc Group may decide, at its discretion and with the prior agreement of Bank Al-Maghrib, to cancel (in whole or in part) interest payments for an indefinite period and on a non-cumulative basis in order to meet its obligations (in particular following a request from Bank Al-Maghrib). Following this decision, any amount of canceled interest is no longer payable by the issuer or considered as accumulated or due to all holders of perpetual bonds issued by Crédit Agricole du Maroc Group. Each cancellation decision will relate to the amount of the coupon initially scheduled for payment on the next anniversary date. Crédit Agricole du Maroc Group is required to apply the provisions of Bank Al-Maghrib's circular No. 14/G/2013 of August 13, 2013 on the calculation of the regulatory capital of credit institutions, including Article 10 of that circular defining basic capital instruments as shares and any other component of share capital and the endowment meeting a number of criteria (listed below), including primarily the provision that distributions by way of dividends or otherwise are made only after all legal and contractual obligations have been met and payments on senior equity instruments have been made, including the perpetual subordinated bonds covered by this prospectus. All the above-mentioned criteria are as follows: - the instruments are issued directly by the institution after prior approval by its administrative body; - The instruments are perpetual; - the principal amount of the instruments may not be reduced or repaid, except in the event of liquidation of the institution or with the prior consent of Bank Al-Maghrib; - the instruments rank junior to all other claims in the event of insolvency or liquidation of the institution; - the instruments do not benefit from any of the related entities' sureties or guarantees that have the effect of raising the ranking of the receivables; - the instruments are not subject to any arrangement, contractual or otherwise, raising the priority of claims under such instruments in the event of insolvency or liquidation; - the instruments make it possible to absorb the first part and proportionally the largest part of the losses as soon as they occur;

- the instruments give its owner a claim on the residual assets of the institution, which, in the event of liquidation and after payment of all senior claims, is proportional to the amount of the instruments issued. The amount of this claim is neither fixed nor subject to a ceiling, except in the case of shares;
- the purchase of the instruments is not financed directly or indirectly by the institution;
- distributions in the form of dividends or other distributions are made only after all legal and contractual obligations have been met and payments on senior equity instruments have been made. These distributions can only come from distributable elements. The level of distributions is not related to the price at which the instruments were acquired at issue, except in the case of shares;
- the provisions to which basic equity instruments are subject do not provide for (i) preferential rights for the payment of dividends, (ii) a ceiling or other restrictions on the maximum amount of distributions, except in the case of shares, (iii) an obligation for the institution to make distributions to its holders;
- the non-payment of dividends does not constitute an event of default for the institution; and
- the cancellation of distributions does not impose any restrictions on the institution.

In the event of cancellation of the payment of the interest amount, the issuer must inform the holders of perpetual bonds and the AMMC of this cancellation decision at least 60 calendar days before the payment date.

Holders of perpetual bonds shall be informed by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the amount of interest canceled, the reasons for this decision to cancel payment of the amount of interest and the corrective measures that have been implemented.

The distribution of interest can only come from distributable items and is not linked to the credit quality of the Crédit Agricole du Maroc Group.

Crédit Agricole du Maroc Group may decide, at its discretion and with the prior agreement of Bank Al-Maghrib, to increase the amount of a coupon payable, which will therefore become higher than the amount of the determined coupon based on the formula below.

In the event of cancellation of the payment of the interest amount, the issuer must inform the holders of perpetual bonds and the AMMC of this cancellation decision at least 60 calendar days before the payment date. Holders of perpetual bonds shall be informed by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma).

In the event that other instruments with a coupon cancellation mechanism exist, the decision to cancel / assess the amount of the coupon to be paid

	will be made in proportion to the amount of the coupon between all these instruments. Interest will be calculated according to the following formula: *[Nominal x Face rate].* Interest will be calculated on the last nominal amount as defined in the "Loss Absorption" clause or on the outstanding principal as defined in the "Capital Redemption" clause.
Capital redemption	Capital redemption is subject to the agreement of Bank Al-Maghrib and is made on a straight-line basis over a minimum period of five (5) years (see the "Early redemption" clause).
Early redemption	Crédit Agricole du Maroc Group may not redeem the perpetual subordinated bonds covered by this issue before a period of five (5) years from the vesting date. Beyond five (5) years, the early redemption of all or part of the capital may only be carried out at the issuer's initiative, subject to at least five (5) years' notice and after approval by Bank Al-Maghrib. Any early redemption (total or partial) will be made in proportion to all tranches of the perpetual subordinated bonds covered by this issue on a straight-line basis over a minimum term of five (5) years. Holders of perpetual bonds will be informed of the early redemption, as soon as the decision on early redemption has been made, with a reminder at least sixty (60) calendar days before the start date of this redemption. These notices will be published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) and specify the amount and term and the start date of the redemption. The issuer may not redeem all or part of the perpetual subordinated bonds covered by this issue early as long as their nominal value is impaired in accordance with the "Loss Absorption" clause. In the event that the Common Equity Tier1 (CET 1) ratio, as defined by Bank Al Maghrib, falls below 6.0% of the weighted risks, on an individual or consolidated basis, during the redemption period, the redemption period will be based on the initial nominal value of the shares. Any early redemption (total or partial), made before the anniversary date, will be made on the amount of principal outstanding and accrued interest to the redemption date. The Crédit Agricole du Maroc Group may not redeem all or part of the perpetual subordinated bonds covered by this issue early as long as their nominal value is impaired in accordance with the "Loss Absorption" clause. The issuer is required to inform the AMMC and all holders of the perpetual subordinated bonds subscribed to this issue of any repurchase procedure,

	subject to prior approval by Bank Al-Maghrib, by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the number of bonds to be repurchased, the deadline and the repurchase price. The Crédit Agricole du Maroc Group will repurchase the shares pro rata to the sale orders submitted (in the event that the number of shares submitted is more than the number of shares to be repurchased). The repurchased bonds will be canceled. In the event of a merger, demerger or partial contribution of assets of the Crédit Agricole du Maroc Group occurring during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and obligations under the perpetual subordinated bonds will automatically be transferred to the legal entity substituted in the rights and obligations of the Crédit Agricole du Maroc Group. The capital redemption is, in the event of the liquidation of the Crédit Agricole du Maroc Group, subordinated to all other debts (see "Ranking of the loan").
Loss absorption	Securities are impaired [2] when the Common Equity Tier1 (CET 1) ratio, as defined by Bank Al Maghrib, falls below 6.0% of the weighted risks, on an individual or consolidated basis. Securities are impaired by the amount corresponding to the difference between theoretical Tier 1 core capital (CET1) reaching 6.0% of the weighted risks of CET1 ratio and actual CET1 core capital (after taking into account the tax effect). This depreciation is carried out within one calendar month from the date on which it is established that the minimum ratio of 6.0% has not been complied with, on an individual or consolidated basis, by reducing the nominal value of the securities by the corresponding amount, up to a minimum nominal value of MAD 50 (in accordance with Article 292 of the Public Limited Companies Act 17-95, as amended and supplemented). Within thirty (30) days of the end of each half-yearly period (half-yearly solvency ratio publication closing dates) or an extraordinary or intermediate calculation date requested by the regulator, the issuer must verify that the Common Equity Tier 1 ratio (CET 1), as defined by Bank Al Maghrib, complies with the minimum level of 6.0% of the weighted risks, on an individual and consolidated basis. The Crédit Agricole du Maroc Group will publish its CET 1 ratio and its projected 18-month forecast levels, after prior approval by its Supervisory Board. This publication will take place before the end of April for each annual accounts closing and before the end of October for each half-year accounts closing and will be carried out through the publications of Pillar

[2] A possible impairment of the nominal value of the shares would allow the Crédit Agricole du Maroc Group to record an exceptional income which would increase its net income and improve its shareholders' equity.

	III of the Crédit Agricole du Maroc Group (available on its website). This will also be published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma), within thirty (30) days of any significant event affecting regulatory ratios. These publications will be sent to the representative of the bondholders' group comprising the holders of the perpetual subordinated bonds covered by this issue, at the same time as Bank Al-Maghrib and the AMMC, and must contain details of the prudential ratios (Core Capital Ratio or CET1 and Solvency Ratio), regulatory capital composition and weighted risk allocation. In the event of non-compliance with the minimum ratio of 6.0%, on an individual or consolidated basis, the issuer must immediately inform Bank Al-Maghrib and the AMMC and send the holders of perpetual bonds, within five (5) business days from the date on which the non-compliance with the minimum ratio of 6.0% is established, on an individual or consolidated basis, a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the occurrence of events triggering the loss absorption mechanism, the amount of depreciation of the nominal value of the shares, the method of calculating this amount, the corrective measures that have been implemented and the date on which this depreciation will take effect. After any depreciation of the nominal value of the shares, and if the financial situation of the issuer that required the depreciation improves, Crédit Agricole du Maroc Group may immediately trigger, with the prior agreement of Bank Al-Magrhib, the mechanism for assessing all or part of the nominal value that has been depreciated. The issuer must inform the holders of perpetual subordinated bonds, within one month, by notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma), of the decision to assess the nominal value, the amount, the method of calculation and the effective date of the assessment. In the event that other instruments with a loss absorption mechanism exist, the depreciation/appreciation of the nominal value will be carried out on a pro rata basis between all instruments whose trigger point has been exceeded, based on the last nominal value preceding the trigger date of the loss absorption mechanism. Interest will be calculated on the basis of the last nominal amount preceding the coupon payment date (taking into account the depreciation/appreciation of the nominal amount). The issuer must immediately inform the AMMC of any depreciation/appreciaiton of the nominal value of the securities.
Tradability of securities	Negotiable by mutual agreement. The perpetual subordinated bonds covered by this issue, may only be traded between the qualified investors listed in this prospectus.

Each qualified investor holding the perpetual subordinated bonds covered by this prospectus agrees to transfer such bonds only to the qualified investors listed in this prospectus.

In addition, account holders must under no circumstances accept settlement instructions for the perpetual subordinated bonds covered by this prospectus from qualified investors other than the qualified investors listed in this prospectus.

Assimilation clauses

There is no assimilation of the perpetual subordinated bonds covered under this prospectus, to the securities of a previous issue.

In the event that Crédit Agricole du Maroc Group later issues new securities enjoying the same rights in all respects as this issue, it may, without requiring the consent of the holders, provided that the issue contracts so provide, assimilate all the securities of the successive issues, thereby unifying all their management and negotiation operations.

Loan rank

The capital is covered by the subordination clause.

The application of this clause in no way affects the rules of law concerning the accounting principles for loss allocation, the obligations of shareholders and the rights of the subscriber to obtain, under the terms and conditions set out in the contract, the payment of its securities in capital and interest.

If the Crédit Agricole du Maroc Group goes into liquidation, the perpetual subordinated securities of this issue will be redeemed only after all preferential or unsecured creditors have been paid.

These perpetual subordinated notes will be redeemed after all other fixed-term subordinated loans that have been issued and that might later be issued by the Crédit Agricole du Maroc Group both in Morocco and internationally.

This redemption will be made on the basis of the lesser of the following two amounts:

- the initial nominal value reduced by the amount of any redemptions made previously;
- the amount available after payment of all preferential or unsecured creditors and holders of fixed-term subordinated bonds that have been issued and that might later be issued by Crédit Agricole du Maroc Group both in Morocco and internationally;

These perpetual subordinated securities will rank pari passu with perpetual subordinated bonds of the same nature.

As a reminder, Crédit Agricole du Maroc carried out:

- An issue of perpetual subordinated bonds in October 2019 for a global amount of MAD 850,000,000;
- An issue of perpetual subordinated bonds in December 2020 for a global amount of MAD 200,000,000.

Repayment guarantee	This issue is not subject to any specific guarantee.
Rating	This issue has not been the subject of a rating request.
Representation of the bondholders' pool	The Management Board meeting held on **July 6, 2022**, and pending the Bondholders' General Assembly, has appointed Hdid Consultants represented by Mr Mohamed Hdid as interim representative. It should be noted that the interim representative appointed is identical for tranches A, B and C, which are grouped together in a single pool. Moreover, the interim representative undertakes to proceed to the convening of the General Meeting of Bondholders in order to appoint the representative of the bondholders' pool and this, within a period of 6 months as from the subscription closing date. In addition, it should be noted that Hdid Consultants, represented by Mr Mohamed Hdid, is the permanent representative of the bondholders of the four previous CAM bond issues: - Subordinated bond issue (MAD 900 million) in 2015; - Subordinated bond issue (MAD 600 million) in 2016; - Subordinated bond issue (MAD 1,000 million) in 2017; - Subordinated bond issue (MAD 500 million) in 2018; - Perpetual subordinated bond issue (MAD 850 million) in 2019; - Subordinated bond issue (MAD 450 million) in 2019; - Perpetual subordinated bond issue (MAD 200 million) in 2020. Also, Hdid Consultants, represented by Mr Mohamed Hdid, assisted Crédit Agricole du Maroc as tax advisor during its tax audit for the period 2005 to 2010. Apart from the above-mentioned mandates, Hdid Consultants has no other mandates and has no business relationship with the Issuer. The bondholders are informed that the fees of the interim representative as well as the final representative of the bondholders' pool have been fixed at MAD 30,000 per year.
Applicable law	Moroccan law.
Competent Jurisdiction	Commercial Court of Rabat.

Description of Tranche C

with a perpetual maturity, an annually revisable rate, unlisted on the Casablanca Stock Exchange

Nature of the securities	Perpetual subordinated bonds unlisted on the Casablanca Stock Exchange, dematerialized by registration in an account with financial intermediaries authorized and approved for the transactions of the central custodian (Maroclear).
Legal form	Bearer bond
Tranche ceiling	MAD 300,000,00
Maximum number of securities to be issued	3,000 perpetual subordinated bonds
Initial nominal value	MAD 100,000
Issue price	100% i.e. MAD 100,000
Loan maturity	Perpetual, with the possibility of early redemption, beyond the fifth (5th) year of the vesting date, which can only be made at the issuer's initiative and with the agreement of Bank Al-Maghrib with at least five years' notice.
Subscription period	**From July 13 to 15, 2022, included**
Vesting date	**July 20, 2022**
Maturity	Perpetual
Allocation method	Prorated (no priority between tranches)
Risk premium	**250 basis points**
Nominal interest rate	**Annualy revisable rate.** The rate is determined in reference to the full 52-week money rate (money rate) determined based on the Treasury Bills primary market reference rate curve as published by Bank Al-Maghrib on **July 5, 2022**, i.e **1.81%**, increased by a risk premium of 250 basis points, thus a nominal rate of **4.31%**. At each anniversary date, the reference rate is the full 52 weeks rate (monetary rate) determined according to the Treasury Bills primary market reference rate curve published by Bank Al-Maghrib, preceding the coupon anniversary date by 5 business days. In case of no auction during this session, the rate taken into account will be the rate auctioned during the previous session. In case of no auction during the last 2 TB 52 weeks rate auction sessions preceding 5 business days before the coupon anniversary date, the reference rate will be observed or calculated from the TB 52 weeks secondary market reference rate curve as published by Bank Al-Maghrib 5 business days before the coupon anniversary date. The reference rate thus obtained will be increased by a risk premium of **250 basis points** and will be communicated by CAM to bondholders on the CAM website (www.creditagricole.ma) 4 business days before the anniversary date of each rate revision date.
Method of calculating the reference rate	The coupon will be revised annually on the anniversary dates of the vesting date of the bond, i.e. **July 20** of each year.

	The new rate will be determined at the latest 5 business days before the anniversary date and will be communicated by CAM to the bondholders on the CAM website (www.creditagricole.ma) 4 business days before the anniversary date of each rate revision date.
Interest rate determination date	The coupon will be revised annually on the anniversary dates of the vesting date of the bond, i.e. **July 20** of each year. The new rate will be determined at the latest 5 business days before the anniversary date and will be communicated by CAM to the bondholders on the CAM website (www.creditagricole.ma) 4 business days before the anniversary date of each rate revision date.
Interest	Interest will be paid annually on the anniversary dates of the vesting date of the loan, i.e. **July 20** of each year. Payment will be made on the same day or on the first business day following **July 20** if it is not a business day. The interest on the perpetual subordinated bonds will cease to accrue from the date on which the capital is repaid by Crédit Agricole du Maroc Group. Crédit Agricole du Maroc Group may decide, at its discretion and with the prior agreement of Bank Al-Maghrib, to cancel (in whole or in part) interest payments for an indefinite period and on a non-cumulative basis in order to meet its obligations (in particular following a request from Bank Al-Maghrib). Following this decision, any amount of canceled interest is no longer payable by the issuer or considered as accumulated or due to all holders of perpetual bonds issued by Crédit Agricole du Maroc Group. Each cancellation decision will relate to the amount of the coupon initially scheduled for payment on the next anniversary date. Crédit Agricole du Maroc Group is required to apply the provisions of Bank Al-Maghrib's circular No. 14/G/2013 of August 13, 2013 on the calculation of the regulatory capital of credit institutions, including Article 10 of that circular defining basic capital instruments as shares and any other component of share capital and the endowment meeting a number of criteria (listed below), including primarily the provision that distributions by way of dividends or otherwise are made only after all legal and contractual obligations have been met and payments on senior equity instruments have been made, including the perpetual subordinated bonds covered by this prospectus. All the above-mentioned criteria are as follows: - the instruments are issued directly by the institution after prior approval by its administrative body; - The instruments are perpetual; - the principal amount of the instruments may not be reduced or repaid, except in the event of liquidation of the institution or with the prior consent of Bank Al-Maghrib; - the instruments rank junior to all other claims in the event of insolvency or liquidation of the institution;

- the instruments do not benefit from any of the related entities' sureties or guarantees that have the effect of raising the ranking of the receivables;
- the instruments are not subject to any arrangement, contractual or otherwise, raising the priority of claims under such instruments in the event of insolvency or liquidation;
- the instruments make it possible to absorb the first part and proportionally the largest part of the losses as soon as they occur;
- the instruments give its owner a claim on the residual assets of the institution, which, in the event of liquidation and after payment of all senior claims, is proportional to the amount of the instruments issued. The amount of this claim is neither fixed nor subject to a ceiling, except in the case of shares;
- the purchase of the instruments is not financed directly or indirectly by the institution;
- distributions in the form of dividends or other distributions are made only after all legal and contractual obligations have been met and payments on senior equity instruments have been made. These distributions can only come from distributable elements. The level of distributions is not related to the price at which the instruments were acquired at issue, except in the case of shares;
- the provisions to which basic equity instruments are subject do not provide for (i) preferential rights for the payment of dividends, (ii) a ceiling or other restrictions on the maximum amount of distributions, except in the case of shares, (iii) an obligation for the institution to make distributions to its holders;
- the non-payment of dividends does not constitute an event of default for the institution; and
- the cancellation of distributions does not impose any restrictions on the institution.

In the event of cancellation of the payment of the interest amount, the issuer must inform the holders of perpetual bonds and the AMMC of this cancellation decision at least 60 calendar days before the payment date.

Holders of perpetual bonds shall be informed by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the amount of interest canceled, the reasons for this decision to cancel payment of the amount of interest and the corrective measures that have been implemented.

The distribution of interest can only come from distributable items and is not linked to the credit quality of the Crédit Agricole du Maroc Group.

Crédit Agricole du Maroc Group may decide, at its discretion and with the prior agreement of Bank Al-Maghrib, to increase the amount of a coupon payable, which will therefore become higher than the amount of the determined coupon based on the formula below.

In the event of cancellation of the payment of the interest amount, the issuer must inform the holders of perpetual bonds and the AMMC of this

	cancellation decision at least 60 calendar days before the payment date. Holders of perpetual bonds shall be informed by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma). In the event that other instruments with a coupon cancellation mechanism exist, the decision to cancel / assess the amount of the coupon to be paid will be made in proportion to the amount of the coupon between all these instruments. Interest will be calculated according to the following formula: *[Nominal x Face rate].* Interest will be calculated on the last nominal amount as defined in the "Loss Absorption" clause or on the outstanding principal as defined in the "Capital Redemption" clause.
Capital redemption	Capital redemption is subject to the agreement of Bank Al-Maghrib and is made on a straight-line basis over a minimum period of five (5) years (see the "Early redemption" clause).
Early redemption	Crédit Agricole du Maroc Group may not redeem the perpetual subordinated bonds covered by this issue before a period of five (5) years from the vesting date. Beyond five (5) years, the early redemption of all or part of the capital may only be carried out at the issuer's initiative, subject to at least five (5) years' notice and after approval by Bank Al-Maghrib. Any early redemption (total or partial) will be made in proportion to all tranches of the perpetual subordinated bonds covered by this issue on a straight-line basis over a minimum term of five (5) years. Holders of perpetual bonds will be informed of the early redemption, as soon as the decision on early redemption has been made, with a reminder at least sixty (60) calendar days before the start date of this redemption. These notices will be published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) and specify the amount and term and the start date of the redemption. The issuer may not redeem all or part of the perpetual subordinated bonds covered by this issue early as long as their nominal value is impaired in accordance with the "Loss Absorption" clause. In the event that the Common Equity Tier1 (CET 1) ratio, as defined by Bank Al Maghrib, falls below 6.0% of the weighted risks, on an individual or consolidated basis, during the redemption period, the redemption period will be based on the initial nominal value of the shares. Any early redemption (total or partial), made before the anniversary date, will be made on the amount of principal outstanding and accrued interest to the redemption date.

The Crédit Agricole du Maroc Group may not redeem all or part of the perpetual subordinated bonds covered by this issue early as long as their nominal value is impaired in accordance with the "Loss Absorption" clause.

The issuer is required to inform the AMMC and all holders of the perpetual subordinated bonds subscribed to this issue of any repurchase procedure, subject to prior approval by Bank Al-Maghrib, by a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the number of bonds to be repurchased, the deadline and the repurchase price.

The Crédit Agricole du Maroc Group will repurchase the shares pro rata to the sale orders submitted (in the event that the number of shares submitted is more than the number of shares to be repurchased).

The repurchased bonds will be canceled.

In the event of a merger, demerger or partial contribution of assets of the Crédit Agricole du Maroc Group occurring during the term of the loan and resulting in the universal transfer of the assets to a separate legal entity, the rights and obligations under the perpetual subordinated bonds will automatically be transferred to the legal entity substituted in the rights and obligations of the Crédit Agricole du Maroc Group.

The capital redemption is, in the event of the liquidation of the Crédit Agricole du Maroc Group, subordinated to all other debts (see "Ranking of the loan").

Loss absorption

Securities are impaired [3] when the Common Equity Tier1 (CET 1) ratio, as defined by Bank Al Maghrib, falls below 6.0% of the weighted risks, on an individual or consolidated basis.

Securities are impaired by the amount corresponding to the difference between theoretical Tier 1 core capital (CET1) reaching 6.0% of the weighted risks of CET1 ratio and actual CET1 core capital (after taking into account the tax effect).

This depreciation is carried out within one calendar month from the date on which it is established that the minimum ratio of 6.0% has not been complied with, on an individual or consolidated basis, by reducing the nominal value of the securities by the corresponding amount, up to a minimum nominal value of MAD 50 (in accordance with Article 292 of the Public Limited Companies Act 17-95, as amended and supplemented).

Within thirty (30) days of the end of each half-yearly period (half-yearly solvency ratio publication closing dates) or an extraordinary or intermediate calculation date requested by the regulator, the issuer must verify that the Common Equity Tier 1 ratio (CET 1), as defined by Bank Al

[3] A possible impairment of the nominal value of the shares would allow the Crédit Agricole du Maroc Group to recognize exceptional income that would increase its net income and improve its shareholders' equity.

Maghrib, complies with the minimum level of 6.0% of the weighted risks, on an individual and consolidated basis.
The Crédit Agricole du Maroc Group will publish its CET 1 ratio and its projected 18-month forecast levels, after prior approval by its Supervisory Board. This publication will take place before the end of April for each annual accounts closing and before the end of October for each half-year accounts closing and will be carried out through the publications of Pillar III of the Crédit Agricole du Maroc Group (available on its website). This will also be published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma), within thirty (30) days of any significant event affecting regulatory ratios. These publications will be sent to the representative of the bondholders' group comprising the holders of the perpetual subordinated bonds covered by this issue, at the same time as Bank Al-Maghrib and the AMMC, and must contain details of the prudential ratios (Core Capital Ratio or CET1 and Solvency Ratio), regulatory capital composition and weighted risk allocation.

In the event of non-compliance with the minimum ratio of 6.0%, on an individual or consolidated basis, the issuer must immediately inform Bank Al-Maghrib and the AMMC and send the holders of perpetual bonds, within five (5) business days from the date on which the non-compliance with the minimum ratio of 6.0% is established, on an individual or consolidated basis, a notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma) specifying the occurrence of events triggering the loss absorption mechanism, the amount of depreciation of the nominal value of the shares, the method of calculating this amount, the corrective measures that have been implemented and the date on which this depreciation will take effect.

After any depreciation of the nominal value of the shares, and if the financial situation of the issuer that required the depreciation improves, Crédit Agricole du Maroc Group may immediately trigger, with the prior agreement of Bank Al-Magrhib, the mechanism for assessing all or part of the nominal value that has been depreciated.

The issuer must inform the holders of perpetual subordinated bonds, within one month, by notice published by CAM in a newspaper of legal notices and on its website (www.creditagricole.ma), of the decision to assess the nominal value, the amount, the method of calculation and the effective date of the assessment.

In the event that other instruments with a loss absorption mechanism exist, the depreciation/appreciation of the nominal value will be carried out on a pro rata basis between all instruments whose trigger point has been exceeded, based on the last nominal value preceding the trigger date of the loss absorption mechanism.
Interest will be calculated on the basis of the last nominal amount preceding the coupon payment date (taking into account the depreciation/appreciation of the nominal amount).

	The issuer must immediately inform the AMMC of any depreciation/appreciaiton of the nominal value of the securities.
Tradability of securities	Negotiable by mutual agreement. The perpetual subordinated bonds covered by this issue, may only be traded between the qualified investors listed in this prospectus. Each qualified investor holding the perpetual subordinated bonds covered by this prospectus agrees to transfer such bonds only to the qualified investors listed in this prospectus. In addition, account holders must under no circumstances accept settlement instructions for the perpetual subordinated bonds covered by this prospectus from qualified investors other than the qualified investors listed in this prospectus.
Assimilation clauses	There is no assimilation of the perpetual subordinated bonds covered under this prospectus, to the securities of a previous issue. In the event that Crédit Agricole du Maroc Group later issues new securities enjoying the same rights in all respects as this issue, it may, without requiring the consent of the holders, provided that the issue contracts so provide, assimilate all the securities of the successive issues, thereby unifying all their management and negotiation operations.
Loan rank	The capital is covered by the subordination clause. The application of this clause in no way affects the rules of law concerning the accounting principles for loss allocation, the obligations of shareholders and the rights of the subscriber to obtain, under the terms and conditions set out in the contract, the payment of its securities in capital and interest. If the Crédit Agricole du Maroc Group goes into liquidation, the perpetual subordinated securities of this issue will be redeemed only after all preferential or unsecured creditors have been paid. These perpetual subordinated notes will be redeemed after all other fixed-term subordinated loans that have been issued and that might later be issued by the Crédit Agricole du Maroc Group both in Morocco and internationally. This redemption will be made on the basis of the lesser of the following two amounts: - the initial nominal value reduced by the amount of any redemptions made previously; - the amount available after payment of all preferential or unsecured creditors and holders of fixed-term subordinated bonds that have been issued and that might later be issued by Crédit Agricole du Maroc Group both in Morocco and internationally;

	These perpetual subordinated securities will rank pari passu with perpetual subordinated bonds of the same nature. As a reminder, Crédit Agricole du Maroc carried out: - An issue of perpetual subordinated bonds in October 2019 for a global amount of MAD 850,000,000; - An issue of perpetual subordinated bonds in December 2020 for a global amount of MAD 200,000,000.
Repayment guarantee	This issue is not subject to any specific guarantee.
Rating	This issue has not been the subject of a rating request.
Representation of the bondholders' pool	The Management Board meeting held on **July 6, 2022**, and pending the Bondholders' General Assembly, has appointed Hdid Consultants represented by Mr Mohamed Hdid as interim representative. It should be noted that the interim representative appointed is identical for tranches A, B and C, which are grouped together in a single pool. Moreover, the interim representative undertakes to proceed to the convening of the General Meeting of Bondholders in order to appoint the representative of the bondholders' pool and this, within a period of 6 months as from the subscription closing date. In addition, it should be noted that Hdid Consultants, represented by Mr Mohamed Hdid, is the permanent representative of the bondholders of the four previous CAM bond issues: - Subordinated bond issue (MAD 900 million) in 2015; - Subordinated bond issue (MAD 600 million) in 2016; - Subordinated bond issue (MAD 1,000 million) in 2017; - Subordinated bond issue (MAD 500 million) in 2018; - Perpetual subordinated bond issue (MAD 850 million) in 2019; - Subordinated bond issue (MAD 450 million) in 2019; - Perpetual subordinated bond issue (MAD 200 million) in 2020. Also, Hdid Consultants, represented by Mr Mohamed Hdid, assisted Crédit Agricole du Maroc as tax advisor during its tax audit for the period 2005 to 2010. Apart from the above-mentioned mandates, Hdid Consultants has no other mandates and has no business relationship with the Issuer. The bondholders are informed that the fees of the interim representative as well as the final representative of the bondholders' pool have been fixed at MAD 30,000 per year.
Applicable law	Moroccan law.
Competent Jurisdiction	Commercial Court of Rabat.

PART II. INFORMATION ON THE ISSUER

I- General information

Corporate name	Crédit Agricole du Maroc.
Registered office	Place des Alaouites –BP 49 – 10 000 RABAT.
Telephone / Fax	Telephone : 0537 20 82 19 à 26 Fax: 0537 70 78 32
Website	www.creditagricole.ma
Legal form	Limited Company with a Management Board and a Supervisory Board.
Date of incorporation	04/12/1961.
Date of transformation into a public limited company (SA = Société Anonyme)	December 18, 2003 following the publication of Dahir No. 1-03-221 of Ramadan 16, 1424 promulgating Crédit Agricole Reform Act 15-99.
Term of the company	99 years.
Commercial Register	R.C. Rabat 58873.
Company's financial year	From January 1 to December 31.
Corporate name	Crédit Agricole du Maroc.
Corporate purpose	Pursuant to Article 3 of the Articles of Incorporation the missions of CAM are as follows: 1) Key mission: The key mission of Crédit Agricole du Maroc's is to finance agriculture and activities related to the economic and social development of the rural sector to: • Facilitate farmers' access to modern and profitable forms of operation; • Leverage national savings for rural development; • Develop the banking services of farmers and rural people by offering appropriate financial services; • Support the creation of agricultural businesses by improving their access to credit; • Promote advice and expertise for farmers to increase their production; • Enhance agricultural production through agro-industrial integration and marketing; • Support the social economy of production and services related to the rural economy. It may also be entrusted by the public authorities with any mandate in the national or regional interest relating to agriculture and rural development. 2) Public service mission: Crédit Agricole du Maroc carries out public service missions on behalf of the State and in accordance with government decisions, through the implementation of the agreements referred to in Article 4 of Act 15-99. To this end, the company may enter into agreements with the State to perform operations initiated by the State in terms of financing the rural economy, specific support or agricultural activities. These agreements will define the sectors, beneficiaries, conditions, terms and conditions as well as resources and may include the following transactions: • Subsidies for financing small and medium-sized agricultural holdings; these subsidies may be extended to large farms in cases fixed by regulation;

	• Subsidies necessary for the rescheduling of credits granted to farmers when exceptional circumstances justify it; • Any operation, aid, premium or interest rate subsidy decided by the State. 3) Universal banking operations: The bank may carry out as any bank would, all operations that may be carried out by banks in accordance with the provisions of Dahir on Act No. 1-93-147 of 15 Moharrem 1414 (July 6, 1993) relating to the exercise of the activity of credit institutions and their control and these Articles of Incorporation. 4) Other operations: The bank may, in general, carry out all banking, financial, commercial, industrial, industrial, movable and real estate transactions that may be directly or indirectly related to its corporate purpose and likely to facilitate its development.

II- SHAREHOLDING STRUCTURE

Since 2003 to date, the shareholding structure of the CAM has changed as follows:

Table 1: Development of the shareholding structure

Shareholders	2003			2005			2007		
	No. of shares held	% of capital	% of voting rights	No. of shares held	% of capital	% of voting rights	No. of shares held	% of capital	% of voting rights
Moroccan State	12,000,000	100%	**100%**	22,000,000	78%	**78%**	22,000,000	78%	**78%**
MAMDA	0	0.00%	**0.00%**	987,180	3.50%	**3.50%**	987,180	3.50%	**3.50%**
MCMA	0	0.00%	**0.00%**	987,179	3.50%	**3.50%**	987,179	3.50%	**3.50%**
BNDE	0	0.00%	**0.00%**	4,230,769	15%	**15%**	0	0.00%	**0.00%**
CDG	0	0.00%	**0.00%**	0	0.00%	**0.00%**	2,820,513	10%	**10%**
Atlanta	0	0.00%	**0.00%**	0	0.00%	**0.00%**	705,128	2.50%	**2.50%**
Sanad	0	0.00%	**0.00%**	0	0.00%	**0.00%**	705,128	2.50%	**2.50%**
Total	**12,000,000**	**100%**	**100%**	**28,205,128**	**100%**	**100%**	**28,205,128**	**100%**	**100%**

Shareholders	2008/2009			2010/2011			2012/2013/2014		
	No. of shares held	% of capital	% of voting rights	No. of shares held	% of capital	% of voting rights	No. of shares held	% of capital	% of voting rights
Moroccan State	22,000,000	78%	**78%**	26,011,878	75%	**75%**	28,716,408	75%	**75%**
MAMDA	987,180	3.50%	**3.50%**	1,700,318	5%	**5%**	1,869,350	5%	**5%**
MCMA	987,179	3.50%	**3.50%**	1,700,317	5%	**5%**	1,869,350	5%	**5%**
CDG	2,820,513	10%	**10%**	3,460,297	10%	**10%**	3,818,250	10%	**10%**
Atlanta	705,128	2.50%	**2.50%**	865,074	2.50%	**2.50%**	954,562	2.50%	**2.50%**
Sanad	705,128	2.50%	**2.50%**	865,074	2.50%	**2.50%**	954,562	2.50%	**2.50%**
Total	**28,205,128**	**100%**	**100%**	**34,602,958**	**100%**	**100%**	**38,182,483**	**100%**	**100%**

Shareholders	2015 at June 2019		
	No. of shares held	% of capital	% of voting rights
Moroccan State	31,780,465	75.18%	**75.18%**
MAMDA	3,134,311	7.41%	**7.41%**
MCMA	3,134,311	7.41%	**7.41%**
CDG	4,227,678	10%	**10%**
Total	**42,276,765**	**100%**	**100%**

Source: CAM

Pursuant to Article 2 of Crédit Agricole du Maroc Reform Act No. 15-99, at least 51% of CAM's capital is held by the State. No other natural or legal person may hold, directly or indirectly, a share in excess of 10% of CAM's capital. Also, it should be noted that ATLANTA-SANAD is no longer part of CAM's shareholding since January 1, 2015. Their shares were sold and acquired by MAMDA-MCMA, which now holds a total of 14.8% of the Capital, thus consolidating their strategic partnership with CAM.

In addition, at its meeting of April 2, 2019, the Strategic Supervisory Board noted the need for the bank to strengthen its equity capital through the operation covered by this prospectus, as well as a capital increase.
At its meeting of July 18, 2019, the Strategic Supervisory Board validated the need for this capital increase, which will concern an amount from MAD 700 million to MAD 1 billion. It was also decided to convene an extraordinary general meeting to authorize this capital increase and to decide on its various terms and conditions (amount, maintenance of current shareholders or opening of the capital to a new shareholder, etc.).

III- Composition of the Management Board

The members of the Management Board collectively manage the Company.

Table 2: Composition of the Management Board (March 31, 2022)

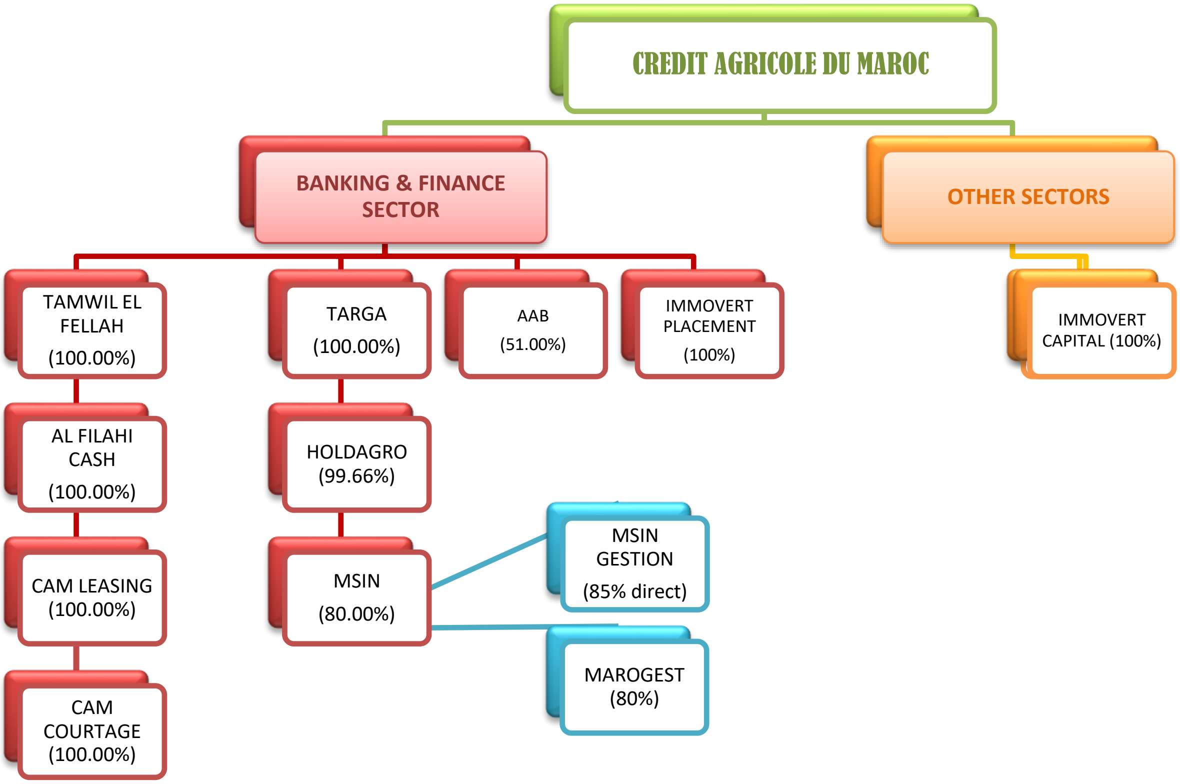
Last name and First name	Quality	Date of		Mandate end date
		Appointment	Mandate renewal	
Tariq SIJILMASSI	Chairperson of the Management Board	June 1, 2004	Supervisory Board meeting of March 8, 2022	General Assembly Approving the accounts for the year ending 2027
Jamal Eddine El Jamali	Member – Managing Director	May 30, 2016		
Fouad Chikri	Member – Managing Director	July 18, 2019		
Abdelmounaim dinia	Member – Managing Director	July 18, 2019		
Meriem Idrissi Kaitouni	Membre – Secretary General	July 18, 2019		

Source: CAM

IV- Legal organizational chart

Legal organizational chart at March 31, 2022[4]:

[4] The above chart shows only CAM's subsidiaries and shareholdings of more than 50%.



Source: CAM

In order to reach the standards of the largest financial institutions, CAM has set itself the dual objective of (i) expanding its activity to meet the needs of its preferred clientele (ii) while strengthening its positioning in certain strategic segments.
Indeed, during the last three years, the main changes in CAM's legal structure were as follows:

Changes in 2018 and 2019
- Contribution of CAM in the capital of AMIFA up to 40% (equity method);
- Transformation of Assalaf Al Akhdar into CAM LEASING in order to expand the bank's activity by obtaining BAM's approval for its subsidiary specialized in agricultural and agro-industrial leasing.

Changes in 2020 and 2021
- The creation of CAM Courtage (VNC: MAD 100,000), a subsidiary whose corporate purpose is articulated around the exercise of the profession of insurance broker in the authorized branches and activities that are deemed to be related to the profession of insurance intermediary, by the regulations governing this profession;
- The transformation of CAM Gestion into AL Filahi Cash. Following the strengthening of the asset management activity through the participation in MAROGEST, CAM has expanded its activity by creating its subsidiary specialized in payment.

V- Summary description of the activity

Development of CAM's deposits and loans

a. Changes in credits

Table 3: Trends in the structure of the credits granted by CAM (social accounts)[5]

In MDH	2019	2020	Δ%	2021	Δ%
Receivables from credit institutions and similar entities (1)	**2 706**	**1 774**	-34.44%	**4 445**	150.56%
As a % of total balance sheet	**3.26%**	**2.03%**		**4.75%**	
Receivables from credit institutions and similar entities at sight	1 811	1 517	*-16.20%*	3 864	*154.66%*
Receivables from credit institutions and similar entities at maturity	895	257	*-71.33%*	580	*126.28%*
Outstanding client loans (2)	**80 226**	**85 775**	**6.92%**	**89 137**	**3.92%**
As a % of total balance sheet	**96.74%**	**97.97%**		**95.25%**	
Cash and consumer loans	35 890	38 346	*6.84%*	43 312	*12.95%*
Equipment loans	20 497	20 701	*0.99%*	22 678	*9.55%*
Real estate loans	17 552	17 247	*-1.74%*	17 077	*-0.98%*
Other credits	6 286	9 480	*50.80%*	6 069	*-35.98%*
Total net receivables (1) + (2)	**82 932**	**87 549**	**5.57%**	**93 582**	**6.89%**

Source: CAM

At the end of 2019, receivables from credit institutions and similar institutions are up by more than 100% to MAD 2,706 million, following the increase in demand receivables (overnight cash loans + MAD 869 million) and term receivables (securities received on repo + MAD 675 million).

In addition, client receivables rose to MAD 80 bn in 2019, an increase of 7.15%. This change is due to a generalized increase in all categories of receivables:

- Real estate loans (+11.58%) with an outstanding amount of MAD 17.6 billion;
- Cash and consumer credits (+5.24%) with an outstanding amount going from MAD 34 to 36 billion;
- Equipment loans (+4.79%) with an outstanding amount of MAD 20 billion;
- Other credits (+14.80%) with an outstanding amount of MAD 6.3 billion.

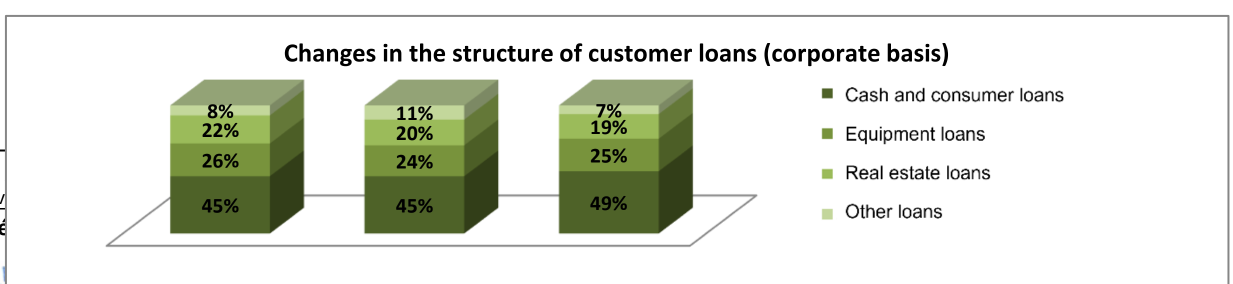
At the end of 2020, receivables from credit institutions and similar are down by 34.44% to MAD 1,774 million, following the fall in sight receivables by MAD 293 million (overnight cash loans -91%).
On the other hand, receivables from clients rose to MAD 86 billion at the end of 2020, i.e. an increase of 6.92%. This variation is mainly due to an increase in:

- Cash and consumer credits (+MAD 2.5 billion) with an outstanding amount of MAD 38 billion;
- Other credits (+MAD 3.2 billion) with an outstanding amount of MAD 9.5 billion.

At the end of 2021, the receivables from credit institutions and similar are up by more than 100% to MAD 4,445 million, in particular following the increase of the sight receivables by MAD 2.3 billion.
Receivables from clients rose to MAD 89 billion, up 3.92%. This variation is mainly due to an increase in:

- Cash and consumer credits (+MAD 5 billion) with an outstanding amount of MAD 43 billion;
- Equipment loans (+MAD 2 billion) with an outstanding amount of MAD 23 billion.

It should be noted that the variations noted in the level of loans to clients during the last fiscal year are essentially due to the evolution of household needs following the health crisis. Indeed, the inflation noted on a national scale as well as the technical unemployment generated by the periods of confinement considerably decreased the incomes of the private individuals, thus increasing their need and their recourse to the credits of cash flow and consumption, to the detriment of the real estate credits and the other credits which mark a fall.



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2019 **2020** **2021**

Source: CAM

Over the period under review, the structure of CAM's loans to clients remained relatively stable, with a decline in other loans in favor of cash and consumer loans.

b. Evolution of deposits

Table 4: Trends in the structure of the credits granted by CAM (social accounts)[6]

In MDH	2019	2020	Δ%	2021	Δ%
Amounts owed to credit institutions and similar institutions (1)	**12 322**	**14 768**	19.85%	**13 307**	-9.89%
As a % of total balance sheet	**11.28%**	**13.53%**		**12.79%**	
Due to ECs and similar entities at sight	421	1703	304.96%	1696	-0.42%
Due to ECs and similar entities at maturity	11 901	13 065	9.77%	11 611	-11.13%
Client deposits (2)	**78 718**	**83 291**	5.81%	**90 703**	8.90%
As a % of total balance sheet	**70.83%**	**86.47%**		**87.21%**	
Current accounts payable	*40 494*	*43 545*	7.53%	*47 822*	9.82%
Savings accounts	*13 174*	*13 464*	2.21%	*14 029*	4.20%
Term deposits	*22 909*	*23 052*	0.62%	*26 367*	14.38%
Other accounts payable	*2 141*	*3 231*	50.86%	*2 484*	-23.12%
Total resources (1) + (2)	**91 040**	**98 059**	7.71%	**104 009**	6.07%

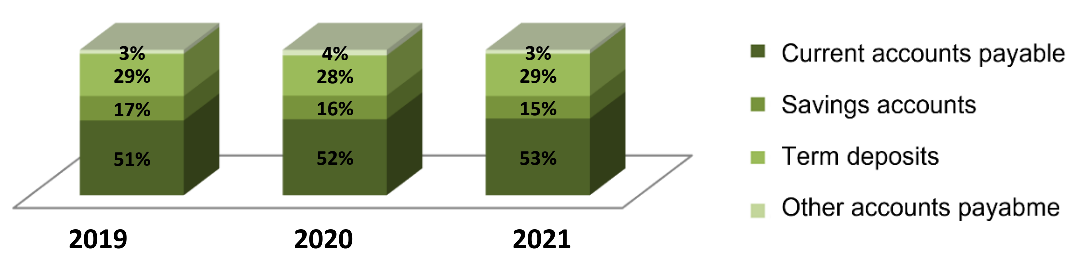
Source: CAM

At the end of the 2019 financial year, debts to credit institutions and similar institutions increased by 4.03% to MAD 12,322 million. Client deposits have also increased (+5.86%) with an outstanding amount of MAD 78.7 billion.

At the end of 2020, debts to credit institutions and similar institutions increased by 19.85% to MAD 14,768 million. As for client deposits, they are up by 5.81% to MAD 83.3 billion.

At the end of the year 2021, debts to CAEs decreased by 9.89% to MAD 13,307 million. As for client deposits, they increased by 8.90% to MAD 90.7 billion. This increase is mainly explained by the increase of sight accounts (+MAD 4.3 billion) and term accounts (+MAD 3.3 billion).

Changes in the structure of customer deposits (corporate basis)



Source: CAM

Throughout the period under analysis, the structure of client deposits remained relatively stable.

[6] The transformation rate is presented and discussed in PART IV, Table 89: "Evolution of CAM's deposit-to-credit transformation rate".

PART III. FINANCIAL DATA

VI- Balance sheet

Table 5: CAM's Balance Sheet (Assets) – Corporate accounts

ASSETS (In KDH)	2019	2020	Δ%	2021	Δ%
Cash in hand, Central banks, Treasury, Postal Checks Service	**1 941 642**	**8 451 736**	335.29%	**6 619 812**	-21.68%
Weight in % of the total	1.72%	6.97%		5.18%	
Receivables from credit institutions and similar entities	**2 705 742**	**1 774 005**	-34.44%	**4 444 909**	150.56%
Weight in % of the total	2.40%	1.46%		3.48%	
. At sight	1 810 922	1 517 474	-16.20%	3 864 429	154.66%
. At maturity	894 820	256 531	-71.33%	580 480	126.28%
Receivables from clients	**80 226 417**	**85 774 611**	6.92%	**89 136 754**	3.92%
Weight in % of the total	71.09%	70.75%		69.79%	
. Cash and consumer loans	35 890 456	38 346 251	6.84%	43 312 201	12.95%
. Equipment loans	20 497 403	20 701 293	0.99%	22 677 785	9.55%
. Real estate loans	17 552 093	17 247 228	-1.74%	17 077 444	-0.98%
. Other credits	6 286 465	9 479 838	50.80%	6 069 325	-35.98%
Receivables acquired by factoring	**880 278**	**808 636**	-8.14%	**1 138 498**	40.79%
Weight in % of the total	0.78%	0.67%		0.89%	
Trading and investment securities	**12 782 268**	**8 364 439**	-34.56%	**9 664 318**	15.54%
Weight in % of the total	11.33%	6.90%		7.57%	
. Treasury bonds and similar securities	8 614 828	5 049 365	-41.39%	6 079 902	20.41%
. Other debt securities	364 474	2 657	-99.27%	128 184	4724.93%
. Title deeds	3 802 965	3 312 418	-12.90%	3 456 232	4.34%
Other assets	**3 502 688**	**4 505 103**	28.62%	**4 877 354**	8.26%
Weight in % of the total	3.10%	3.72%		3.82%	
Investment securities	**2 944 598**	**3 285 792**	11.59%	**3 264 058**	-0.66%
Weight in % of the total	2.61%	2.71%		2.56%	
. Treasury bonds and similar securities	2 944 598	3 285 792	11.59%	3 264 058	-0.66%
. Other debt securities					
Equity securities and similar uses	**749 881**	**765 822**	2.13%	**860 320**	12.34%
Weight in % of the total	0.66%	0.63%		0.67%	
Subordinated receivables	**840**	**560**	-33.33%	**280**	-50.00%
Weight in % of the total	0.00%	0.00%		0.00%	
Investment deposits & Wakala Bil Istithmar placed	**150 000**	**605 154**	303.44%	**787 281**	30.10%
Weight in % of the total	0.10%	0.50%		0.62%	
Fixed assets held under finance leases and rental contracts					
Weight in % of the total					
Intangible assets	**410 383**	**424 197**	3.37%	**450 510**	6.20%
Weight in % of the total	0.36%	0.35%		0.35%	
Tangible assets	**6 555 987**	**6 471 144**	-1.29%	**6 474 700**	0.05%
Weight in % of the total	5.81%	5.34%		5.07%	
TOTAL ASSETS	**112 850 725**	**121 231 199**	**7.43%**	**127 718 793**	**5.35%**

Source : CAM

CAM's Balance Sheet (Liabilities) – Corporate accounts

LIABILITIES (In KDH)	2019	2020	Δ%	2021	Δ%
Central banks, Treasury, Postal Checks services					
Weight in % of the total					
Amounts owed to credit institutions and similar institutions	**12 321 869**	**14 767 616**	19.85%	**13 306 544**	-9.89%
Weight in % of the total	10.92%	12.18%		10.42%	
. At sight	420 541	1 703 022	304.96%	1 695 829	-0.42%
. At maturity	11 901 328	13 064 594	9.77%	11 610 715	-11.13%
Client deposits	**78 717 939**	**83 291 413**	5.81%	**90 702 574**	8.90%
Weight in % of the total	69.75%	68.70%		71.02%	
. Current accounts payable	40 494 154	43 544 786	7.53%	47 822 317	9.82%
. Savings accounts	13 173 773	13 464 256	2.21%	14 029 495	4.20%
. Term deposits	22 908 543	23 051 662	0.62%	26 367 002	14.38%
. Other accounts payable	2 141 470	3 230 709	50.86%	2 483 760	-23.12%
Debt securities issued	**7 492 364**	**7 540 681**	0.64%	**7 997 069**	6.05%
Weight in % of the total	6.64%	6.22%		6.26%	
. Negotiable debt securities	7 492 364	7 540 681	0.64%	7 997 069	6.05%
. Bond loans					
. Other debt securities issued					
Other liabilities	**1 401 621**	**1 646 730**	17.49%	**1 122 866**	-31.81%
Weight in % of the total	1.24%	1.36%		0.88%	
Provisions for contingencies and charges	**1 168 022**	**1 827 121**	56.43%	**2 091 796**	14.49%
Weight in % of the total	1.04%	1.51%		1.64%	
Provisions paid out					
Weight in % of the total					
Subsidies, allocated public funds and special guarantee funds	**7 157**	**7 157**		**7 157**	
Weight in % of the total	0.01%	0.01%		0.01%	
Subordinated debts	**4 331 295**	**4 531 760**	4.63%	**4 531 123**	-0.01%
Weight in % of the total	3.84%	3.74%		3.55%	
Revaluation adjustments					
Weight in % of the total					
Share premium account	**2 780 345**	**2 800 467**	0.72%	**3 391 045**	21.09%
Weight in % of the total	2.46%	2.31%		2.66%	
Capital	**4 227 677**	**4 227 677**		**4 227 677**	
Weight in % of the total	3.75%	3.49%		3.31%	
Shareholders. Unpaid capital (-)					
Weight in % of the total					
Retained earnings (+/-)		**382 315**		**-**	-100.00%
Weight in % of the total		0.32%			
Net income pending allocation (+/-)					
Weight in % of the total					
Net income for the financial year (+/-)	**402 437**	**208 264**	-48.25%	**340 942**	63.71%
Weight in % of the total	0.36%	0.17%		0.27%	
TOTAL LIABILITIES	**112 850 725**	**121 231 199**	**7.43%**	**127 718 793**	**5.35%**

Source : CAM

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Lissasfa - Casablanca
Tél.: 0522 89 78 89
GSM : 0664 78 99 40

Table 6: Evolution of the consolidated balance sheet of the Crédit Agricole du Maroc Group

Assets (In KDH)	2 019	2 020	Δ%	2 021	Δ%
Cash in hand, Central banks, Treasury, Postal Checks Accounts	**2 003 078**	**8 589 438**	328.81%	**6 782 935**	-21.03%
Financial assets at fair value through profit or loss	**9 467 199**	**5 045 664**	-46.70%	**4 115 349**	-18.44%
Financial assets held for trading	9 318 699	4 272 497	-54.15%	3 988 709	-6.64%
Other financial assets at fair value through profit or loss	148 500	773 167	420.65%	126 640	-83.62%
Hedging derivatives				0	
Financial assets at fair value through shareholder equity	**3 700 283**	**3 779 982**	2.15%	**6 026 363**	59.43%
Debt instruments at fair value through recyclable shareholder equity	3 405 454	3 451 777	1.36%	5 683 152	64.64%
KP instruments at fair value through non-recyclable shareholder equity	294 829	328 205	11.32%	343 211	4.57%
Available-for-sale financial assets	**2 985 478**	**3 316 717**	11.10%	**3 284 945**	-0.96%
Securities at amortized cost	**2 425 043**	**1 062 915**	-56.17%	**3 367 815**	216.85%
Loans and receivables on the ECs at amortized cost	**83 946 909**	**89 683 756**	6.83%	**93 801 452**	4.59%
Client loans and receivables at amortized cost					
Asset revaluation adjustment on portfolios hedged against interest rate risk					
Insurance business investments	**41 251**	**72 003**	74.55%	**90 411**	25.57%
Tax assets due	**217 503**	**361 344**	66.13%	**261 247**	-27.70%
Deferred tax assets	**1 671 619**	**1 806 072**	8.04%	**2 567 548**	42.16%
Accruals and other assets					
Non-current assets held for sale	**-**	**-0.1**		**11 646**	11646052.87%
Investments in companies accounted for by the equity method	**1 827 004**	**2 293 212**	25.52%	**4 557 984**	98.76%
Investment properties	**7 295 166**	**7 556 723**	3.59%	**5 267 792**	-30.29%
Tangible assets	**125 382**	**142 968**	14.03%	**157 338**	10.05%
Goodwill	**306 908**	**306 908**	0.00%	**306 908**	0.00%
TOTAL ACTIF IFRS	**116 012 823**	**124 017 702**	6.90%	**130 599 734**	5.31%

Liabilities (In KDH)	2 019	2 020	Δ%	2 021	Δ%
Central banks, Treasury, Postal Checks services					
Financial liabilities at fair value through profit or loss	**23 263**	**14 015**	-39.75%	**28 971**	106.72%
Financial liabilities held for trading	23 263	**14 015**	-39.75%	**28 971**	106.72%
Financial liabilities at fair value through profit or loss under option					
Hedging derivatives					
Amounts owed to credit institutions and similar institutions	**12 808 935**	**15 080 849**	17.74%	**13 661 557**	-9.41%
Amounts owed to clients	**79 109 012**	**83 981 748**	6.16%	**91 904 422**	9.43%
Debt securities issued	**7 492 364**	**7 540 681**	0.64%	**7 997 069**	6.05%
Liabilities revaluation adjustment on portfolios hedged against interest rate risk	**86 303**	**100 985**	17.01%	**86 197**	-14.64%
Current tax liabilities	**1 016 486**	**1 000 781**	-1.55%	**1 117 741**	11.69%
Deferred tax liabilities	**2 349 022**	**2 774 115**	18.10%	**2 408 107**	-13.19%
Accruals and other liabilities	**338 732**	**355 288**	4.89%	**336 028**	-5.42%
Non-current liabilities held for sale	**12 174**	**7 169**	-41.11%	**7 162**	-0.10%
Subordinated debts	**4 382 358**	**4 582 821**	4.57%	**4 517 463**	-1.43%
Capital and related reserves	**5 653 042**	**5 653 042**	0.00%	**5 670 797**	0.31%
Consolidated reserves	**2 102 152**	**2 721 285**	29.45%	**2 557 957**	-6.00%
- Group share	1 794 331	2 431 834	35.53%	2 326 994	-4.31%
- Minority share	307 821	289 451	-5.97%	230 963	-20.21%
Unrealized or deferred gains or losses, group share	**19 482**	**238**	-98.78%	**-81 218**	-34225.36%
Net income for the financial year	**619 498**	**204 684**	-66.96%	**387 481**	89.31%
- Group share	635 678	265 859	-58.18%	406 014	52.72%
- Minority share	*-16 180*	*-61 175*	*-278.09%*	*-18 533*	*69.70%*
TOTAL IFRS LIABILITIES	**116 012 823**	**124 017 702**	6.90%	**130 599 734**	5.31%

Source : CAM

VII- Annual Income Statement

Income statement – Corporate accounts

In KDH	2019	2020	Δ%	2021	Δ%
Interest and related income on transactions with credit institutions	**5 989 320**	**6 175 215**	**3.10%**	**6 299 073**	**2.01%**
Interest and related income on transactions with clients	30 824	25 075	-18.65%	32 180	28.33%
Interest and related income on debt securities	4 493 832	4 497 323	0.08%	4 956 441	10.21%
Income on property titles	110 287	181 878	64.91%	187 975	3.35%
Commissions on services provided	35 883	27 630	-23.00%	32 141	16.32%
Other banking income	493 856	490 545	-0.67%	525 602	7.15%
BANK-RELATED OPERATING INCOME	824 638	952 763	15.54%	564 735	-40.73%
Interest and related income on transactions with credit institutions	**2 219 446**	**2 258 778**	**1.77%**	**2 150 424**	**-4.80%**
Interest and related income on transactions with clients	399 716	472 653	18.25%	428 492	-9.34%
Interest and related income on debt securities issued	1 122 239	1 091 347	-2.75%	1 149 426	5.32%
Other banking expenses	197 121	211 597	7.34%	206 315	-2.50%
BANK-RELATED OPERATING EXPENSES	500 370	483 181	-3.44%	366 190	-24.21%
NET BANKING INCOME	**3 769 874**	**3 916 437**	**3.89%**	**4 148 649**	**5.93%**
Non-banking operating income	275 578	169 074	-38.65%	156 037	-7.71%
Non-banking operating expenses	117 193	101 917	-13.03%	96 437	-5.38%
Personnel expenses	**1 959 560**	**1 988 312**	**1.47%**	**2 007 004**	**0.94%**
Taxes and duties	1 121 174	1 124 223	0.27%	1 120 919	-0.29%
External expenses	35 377	37 349	5.57%	38 014	1.78%
Other general operating expenses	555 849	607 002	9.20%	625 048	2.97%
Depreciation, amortization and impairment of intangible and tangible assets	47 681	42 542	-10.78%	50 949	19.76%
GENERAL OPERATING EXPENSES	199 480	177 196	-11.17%	172 074	-2.89%
Accrued provisions for receivables and signature commitments	**1 898 808**	**2 073 622**	**9.21%**	**2 259 168**	**8.95%**
Losses on irrecoverable debts	921 409	912 898	-0.92%	1 067 458	16.93%
Other accrued provisions	634 020	345 507	-45.51%	649 540	88.00%
ACCRUED PROVISIONS AND LOSSES ON IRRECOVERABLE DEBTS	343 380	815 216	137.41%	542 169	-33.49%
Accrued provisions for receivables and outstanding signature commitments	**502 834**	**507 801**	**0.99%**	**597 302**	**17.63%**
Recoveries on amortized receivables	401 659	442 343	10.13%	402 673	-8.97%
Other provision write-backs	34 981	43 268	23.69%	116 903	170.18%
PROVISION WRITE-BACKS AND RECOVERIES ON AMORTIZED RECEIVABLES	66 194	22 190	-66.48%	77 726	250.27%
CURRENT INCOME	**572 725**	**429 461**	**-25.01%**	**539 380**	**25.59%**
Non-current income	1 257	3 503	178.65%	3 467	-1.02%
Non-current expenses	107 748	147 179	36.60%	149 428	1.53%
PRE-TAX INCOME	**466 234**	**285 785**	**-38.70%**	**393 419**	**37.66%**
Corporate income tax	63 798	77 521	21.51%	52 477	-32.31%
NET INCOME	**402 437**	**208 264**	**-48.25%**	**340 942**	**63.71%**

Source : CAM

Evolution of the consolidated income statement of the Crédit Agricole du Maroc Group

En KDH	2019	2020	Δ%	2021	Δ%
Interest and related income	4 831 529	4 929 976	2.04%	5 317 790	7.87%
Interest and related expenses	1 759 777	1 871 284	6.34%	1 857 924	-0.71%
INTEREST MARGIN	**3 071 752**	**3 058 692**	**-0.43%**	**3 459 865**	**13.12%**
Commissions received	529 691	519 476	-1.93%	561 563	8.10%
Commissions paid	19 616	25 178	28.35%	41 581	65.15%
COMMISSION MARGIN	**510 075**	**494 298**	**-3.09%**	**519 982**	**5.20%**
Net gains or losses from net position hedges					
Net gains or losses on financial instruments at fair value through profit and loss	**567 910**	**741 291**	**30.53%**	**496 356**	**-33.04%**
Net gains or losses on trading assets/liabilities	509 703	634 704	24.52%	372 295	-41.34%
Net gains or losses on other assets/liabilities at fair value through profit and loss	58 207	106 587	83.12%	124 061	16.39%
Net gains or losses on financial instruments at fair value through profit and loss	**36 813**	**- 17 709**	**-148.11%**	**- 5 089**	**71.26%**
Net gains or losses on debt instruments recognized in recyclable shareholder equity	36 870	-21 162	-157.40%	- 6 376	69.87%
Remuneration of shareholder equity instruments recognized in non-recyclable shareholder equity (dividends)	-57	3 453	6157.89%	1 287	-62.74%
Net gains or losses on available-for-sale financial instruments					
Net gains or losses from the Derecognition of financial assets at amortized cost					
Net gains or losses from the reclassification of financial assets at amortized cost to financial assets at fair value through profit and loss					
Net gains or losses from the reclassification of financial assets at fair value through shareholder equity on financial assets at fair value through profit and loss					
Net income from insurance activities					
Income from other activities	**104 986**	**29 955**	-71.47%	**134 805**	350.03%
Expenses from other activities	**218 287**	**226 229**	3.64%	**258 719**	14.36%
NET BANKING INCOME	**4 073 249**	**4 080 298**	**0.17%**	**4 347 200**	**6.54%**
General operating expenses	1 950 814	1 981 033	1.55%	1 988 413	0.37%
Depreciation, amortization and impairment of intangible and tangible assets	407 995	352 305	-13.65%	339 357	-3.68%
GROSS OPERATING INCOME	**1 714 440**	**1 746 959**	**1.90%**	**2 019 430**	**15.60%**
Risk cost	930 774	1 612 319	73.22%	1 654 880	2.64%
OPERATING INCOME	**783 666**	**134 640**	**-82.82%**	**364 550**	**170.76%**
Share of net income of companies accounted for by the equity method		- 2 380		-1 916	
Net gains or losses on other assets	68 895	- 8 078	-111.73%	220 253	2826.44%
Changes in goodwill values					
PRE-TAX INCOME	**852 561**	**124 181**	-85.43%	**582 886**	369.38%
Corporate income tax	**233 063**	**-80 503**	-134.54%	**195 406**	142.73%
NET INCOME	**619 498**	**204 684**	**-66.96%**	**387 481**	**89.31%**
Non-Group income	-16 180	-61 175	-278.09%	- 18 533	69.70%
NET INCOME, GROUP SHARE	**635 678**	**265 859**	**-58.18%**	**406 014**	**52.72%**
Earnings per share (in dirham)	15	6	-58.08%	10	52.66%
Diluted earnings per share (in dirham)	15	6	-58.08%	10	52.66%

Source : CAM

PART IV. RISKS

I- Risks related to the issuer

a. Risks related to the issuer

Credit risk is the risk of loss inherent in the failure of a borrower to repay its obligations to the bank in full and on time. This risk concerns both on- and off-balance sheet loans.

1.1.L Credit Risk Management function

The bank attaches particular importance to the implementation of a robust organization with the deployment of an effective and efficient mode of governance contributing to the good control of credit risk.

Credit risk management is centralized in the Credit Risk Management Department. This entity is responsible for identifying, monitoring, preventing and controlling credit risk, while ensuring compliance with regulatory provisions on credit risk management.

Reporting directly to the Chairman of the Board of Directors, the positioning of the Credit Risk Management Department enables it to quickly report any weaknesses that arise and to receive the necessary attention from the administrative bodies and the Board of Directors.

The Credit Risk Management Area integrates several organizational components (Credit Risk Management Unit, Financial Engineering and GA/GE Commitments Unit, Commitments Realization Unit and the SME and Professional Commitments Unit integrating the VSE Research and Credit Center in charge of the implementation and deployment of the Al Moustatmir Al Qaraoui program) which interact in order to have a transverse and objective vision of the credit risk, monitoring the quality of the portfolio and ensuring the respect and implementation of the bank's general policy in terms of commitments and credit risk control.

Responsibility for managing and monitoring credit risk involves all parties involved in the credit process. It is shared between the bank's governance bodies, the Executive Board, the General Management Network, the Credit Risk Management Department and the Remedial Management Department.

Credit risk governance and organization are based on the following principles:

- Compliance with the rules of good credit risk governance relating to internal control and credit risk management systems;
- Implementation of a governance system that promotes integrity and the rapid reporting of problems and shortcomings to the governing body;
- Definition of the responsibilities and operating procedures of all committees: charters for strategic committees and memos for operational committees;
- Strategic decisions on credit risk are taken with full knowledge of the facts by the bank's highest authorities;
- Collegiality of decision making through the establishment of committees at all levels;

- Definition of an organizational operating framework that clarifies the powers, responsibilities and competencies of the various entities involved in risk management;
- Deployment of an appropriate organization, adapted to the size, nature, volume of operations and complexity of the risks inherent to the bank and its activities;
- Clear separation of responsibilities: responsibility for the control, measurement and supervision of credit risk is shared between the operational entities, the credit risk department, internal control and the governance bodies;
- Deployment of an organizational structure that promotes efficient decision-making, transparency and accountability of the bank's staff;
- Integration of the credit risk function into strategic planning;
- Maintenance of the independence and effectiveness of the risk review and monitoring process;
- Strong involvement of all the bank's employees in the risk management process, from the Supervisory Board to the operational teams, and the promotion of a risk culture.

1.2. General Credit Risk Policy

The purpose of the General Credit Risk Policy is to provide a secure framework for the controlled development of the bank's activities, in accordance with its strategic orientations. The policy is broken down into several categories: business sector, industry, market segment and region.

This policy is first approved by the Executive Board and then validated by the Supervisory Board through the Major Risks Committee.

Given the nature of the banking business, this policy must be dynamic, forward-looking, evolving and adaptive. It is reviewed regularly and at the occurrence of any internal or external event likely to impact the bank's risks.

The implementation of this policy is based on an extensive body of internal regulations, in line with best practice, adapted to the nature of the bank's activities and consistent with its objectives and strategy. The policy covers the entire credit risk management process through procedures, charters, product sheets, indicative financing standards, and a list of committees and competencies, all of which define the scope and conditions of risk control and monitoring activities.

The bank's General Credit Risk Policy is based on the following principles:

- Ethics and Compliance;
- Collegiality of decisions;
- Respect for procedures in risk analysis;
- Separation between the commercial function and the control and risk management function;
- Securing upstream credit activities through a rigorous selection of clients and projects to be financed;
- Reactivity in the follow-up of clients in difficulty and in the recovery of debts;
- Profitability of operations.

1.3. Credit risk management system

a. Credit granting system

i. Guiding Principles

The credit granting system is based on the following fundamental principles:

- Securing credit activities upstream through a rigorous selection of clients and projects to be financed;
- Prior assessment of the client through in-depth knowledge of its activity and situation at the time of granting the loan;
- Deployment of a balanced and controlled system of delegation that designates the levels of authority for granting credit;
- Collegiality of decisions through the empowerment of committees with different levels of competence;
- Establishment of a file for each credit operation and its review, at least annually, for companies and at each significant event that occurs in the client's situation;
- Update of skills according to the risk level of each type of client and the nature of the product requested;
- Structuring of credit operations: a proven economic purpose, a maturity in accordance with the purpose of the credit, a guarantee or security to strengthen the bank's position;

- Separation of duties between the commercial entities and those responsible for assessing credit risk;
- Overall profitability of operations carried out with the client;
- Use of evaluation and decision support tools: internal rating and credit score;
- Use of a computerized credit system to manage the appraisal, execution, and follow-up of credit applications and releases;
- Use of agricultural financing standards as a basis for the financing approach;
- Deployment of a priori controls before the release of credit.

Each credit operation must be structured according to existing procedures and must have:

- Purpose: the economic justification for the credit operations must be proven;
- Structure: the operations must be clearly explained and understood and their follow-up must be ensured;
- Maturity: the maturity of credit commitments must be in line with the purpose of the credit;
- Transparency: the procedure for granting credit must comply with the rules of ethics;
- Security: the repayment capacity of the counterparties must be analyzed and confirmed;
- Guarantees or sureties: the credit must be accompanied by guarantees. The economic value of these guarantees must be validated by expert appraisal and regularly updated. Similarly, the assets of the guarantors must be detailed and updated.

ii. Granting process

After an interview with the client and an initial assessment of his or her financial situation, activity and needs, the point of sale (POS) proceeds to examine the credit application through a dedicated computer system. It prepares a credit application containing all the information and documents required in accordance with the regulations and procedures detailing the methods of analysis and processing of credit applications.

After a quantitative and qualitative analysis of the file, the POS prepares a presentation note that includes its reasoned opinion on the requested application. It then submits it for approval to higher levels according to the delegated scheme.

Once the decision to grant credit has been made, it is forwarded to the points of sale. The implementation of the credit is carried out by a regional back-office or by the head office according to the levels of competence.

A close follow-up of the credit committee's decisions and their timely implementation is ensured.

All credit applications are submitted for decision to the appropriate body according to a delegated scheme. This scheme ensures that the largest or riskiest commitments are handled at the highest level, guaranteeing appropriate management involvement in credit risk taking. A system of delegation that designates the levels of authority for credit granting authorizations is in place to ensure that decisions made are consistent with the credit granting process and the integrity of the delegate.

iii. Credit risk assessment system

To facilitate the assessment and quantification of credit risk, risk measurement systems have been put in place:

i. Internal rating

The rating system is the core of the credit risk management system and is based on the following guiding principles:

- Quality of the rating to reliably monitor, measure and manage credit risk;
- Consistency between the decisions taken and the risk profile of each rating;
- Attribution of a single internal rating for each client;
- Review, at least once a year, of the client's internal rating;
- Use of the rating as a decision-making tool;
- Monitoring of counterparties showing a deterioration in risk quality;
- Evaluation of the quality of the bank's exposures through the analysis of the rated portfolio and the evolution of its distribution;
- Periodic assessment, by the regulator and the competent internal committees, of the quality of the portfolio by risk class, through aggregate reporting;
- Periodic review of the performance and robustness of rating models in terms of discrimination and prediction of client default.

The internal rating system is composed of models appropriate for each asset class, namely the client segment of legal entities (GEs, SMEs and VSEs) operating in the agricultural and non-agricultural sectors and the client segment of individuals outside the agricultural sector. Counterparties operating in the real estate development sector are assessed through the rating of their projects.

The rating consists of assigning a score to each counterparty on the basis of qualitative and quantitative criteria according to an internal scale made up of eight homogeneous risk classes that reflect the probability of default by the counterparties: seven classes for the healthy portfolio and one class for the defaulted portfolio.

The expert rating grids developed were designed on the basis of historical data, benchmarks and, above all, on the basis of the bank's accumulated business knowledge.

Ratings are also an important factor in assessing the quality of the bank's exposures, through analysis of the rated portfolio and changes in its distribution. Particular attention is also paid to counterparties whose risk quality has deteriorated.

ii. Granting scoring

For retail clients, consumer loans are managed by a partner and are evaluated through a dedicated scoring system. The same applies to housing loans, which have a specific scoring system.

For agricultural loans, a scoring system has been set up to assess the credit risk of small and medium-sized farms and commercial farms.

b. Credit risk monitoring system

The credit risk monitoring system allows risks to be limited to acceptable levels. It is essentially based on the following fundamental principles:

- Monitoring compliance with the general credit risk policy;

- Identifying the risks of possible changes in market and economic conditions that could have a negative impact on the bank's fundamentals;
- Drawing up economic and sectoral studies to help guide strategic choices and identify emerging risks that could become significant;
- Detecting, as far upstream as possible, counterparties with commitments that show early signs of potential deterioration, in order to ensure close monitoring;
- Continuous monitoring of credit production as part of the implementation and monitoring of compliance with the general credit risk policy;
- Greater responsiveness to early signs of default;
- Constantly looking for indicators or warning signals of potential risk deterioration;
- Regularly assessing and monitoring the quality of commitments by steering axis;
- Periodic review of the credit portfolio;
- Using ratings throughout the credit cycle;
- Controlling and monitoring risks through a system of internal limits and their application in order to better manage changes in the portfolio
- Managing and monitoring concentration risk in its various forms;
- Fine-tuning of pricing and its regular adaptation according to the evolution of risks;
- Assessing the bank's ability to withstand unexpected extreme events through a stress-testing system;
- Reporting any deviations to the management and administrative bodies.

c. Receivables Monitoring System

The receivables monitoring system is based on prevention and responsiveness in the implementation of adjustment solutions. It is based on the following general principles:

- Compliance with regulatory requirements and procedures for monitoring receivables;
- Prevention and reactivity in the implementation of adjustment solutions aimed at avoiding any deterioration of receivables;
- Continuous monitoring of the regularity and quality of all counterparties with a commitment, with close monitoring of the conditions of use of the loans granted;
- Primary responsibility of the point of sale for its portfolio of commitments in terms of collection;
- Synergy and solidarity between all the parties involved, from the network and the head office, in charge of monitoring;
- Regular holding of Debt Monitoring Committees.

d. Sensitive receivables management system

Sensitive receivables correspond to commitments held with counterparties whose ability to meet their immediate and/or future commitments gives cause for concern, without however meeting any of the criteria for classification as past due.

The management of sensitive receivables consists in particular of identifying and detecting, as early as possible, the early warning signs of potential deterioration in the bank's counterparties' ability to meet their commitments, with a view to ensuring close monitoring.

In terms of coverage, a provision for general risks equal to at least 10% of the total amount outstanding is established for sensitive loans, without deducting guarantees from the basis for calculating provisions.

However, the Committee may decide to increase the level of the provision if it deems it appropriate. When the receivable is removed from the Watch-List, the economic provision is reversed.

The Sensitive Receivables Management Committee meets quarterly. It decides which receivables should be added to or removed from the list of sensitive receivables, the level of provisioning for each receivable, the action plans to be undertaken and the review of the client's internal rating.

e. Management and recovery of outstanding debts

The downgrading of receivables is a regulated measure enabling the bank to protect itself against the risk of non-repayment of receivables. This downgrading concerns overdue receivables (ODR) that present a risk of total or partial non-recovery, in view of the deterioration of the counterparty's immediate and/or future ability to repay.

Depending on their degree of risk of loss, the ESCs are divided into three categories: pre-doubtful, doubtful and impaired.

The Downgrading and Write-off Committee meets quarterly. It decides on the downgrading, the level of provisioning of receivables and their write-off.

The coverage of overdue receivables by provisions complies with the regulations issued by Bank Al-Maghrib in this respect.

The system of debt recovery is of crucial importance in improving the quality of the commitment portfolio. It is based on the following principles:

- Adopting a proactive approach to avoid any deterioration of outstanding debts;
- Prioritizing amicable solutions to legal proceedings;
- Segmenting the ESC portfolio for a better targeting of actions to be undertaken;
- Respecting the formalities and deadlines set by the law in this area;
- Collegial decision-making in the area of ESC rehabilitation through dedicated recovery committees that rule on settlement proposals;
- Deploying an information system for the recovery of ESCs;
- Adopting an annual action plan;
- Developing management charts and reports;
- Analyzing the performance of service providers.

b. Concentration risk

The diversification of the credit portfolio plays an essential role in the risk control process and remains a permanent concern of the bank's risk management policy. To this end, a series of measures has been developed to avoid any concentration risk that could impact the quality of the portfolio.
Credit concentration risk is the risk inherent in an exposure that could result in significant losses that could threaten an institution's financial strength or its ability to continue its core business.
Credit concentration risk may arise from exposure to:

- Individual counterparts;
- Interest groups;
- Counterparties within the same industry or geographic region;

- Counterparties whose financial results depend on the same activity or commodity.

Individual and group concentration risk is governed by BAM's risk division provisions. This involves managing groups according to a standardized process based on a very broad definition of the notion of business group and a concerted approach with the business lines.
Concentration risk is managed through a system of limits that ensures ongoing compliance with all the requirements and principles laid down, as well as the controlled development of activities, insofar as these limits are ultimately intended to contain a tolerable amount of accepted losses.

Credit risk limits set overall thresholds, clearly specifying the acceptable level of risk in line with the institution's overall risk profile. They relate to risk indicators that make it possible to secure the bank's development.
These concentration limits take several forms:

- Limits by sector of activity;
- Limits by industry;
- Limits by market segment;
- Limits by geographical area;
- Individual limits: by business group and by counterparty.

This limit device is monitored regularly to:

- Monitor credit concentration risk exposure against pre-established thresholds;
- Analyze and explain the main changes recorded;
- Inform about the evolution of the credit risk exposure on the main individual counterparties, groups of counterparties, sectors of activity and regions;
- Be able to detect any overruns as quickly as possible;
- Informing the governing body of concentrations exceeding certain predetermined thresholds. The report includes the causes, the counterparties concerned, the amount of the total commitment, the number of violations and their amount;
- Be able to rapidly implement corrective measures to mitigate credit risk exposure on the identified categories.

When an analysis of the nature of the risks reveals excessive concentrations, particularly with regard to capital, earning power and/or the quality of the risk measurement and monitoring system, the bank may be required to reduce its exposures at a pace appropriate to the situation, so as to make them compatible with its financial strength and internal organization.

The limit system adopted by the bank is reviewed as often as necessary and reevaluated at regular intervals. It is monitored by strategic governance bodies, in particular the Major Risks Committee and the Audit Committee.

c. Marlet risk

Definition of market risk:
Market risk can be defined as the potential risk linked to variations in the prices of financial instruments, such as exchange rates, interest rates, stock prices, mutual funds, commodities, etc. These losses could reduce the value of the bank's portfolio and thus weigh on its results.

The management of market risks within CAM has an organizational dimension based on a hierarchical and independent separation of the management and control entities (Front and Back Office). Indeed, market activities mobilize three poles in order to ensure their proper functioning. The objective is to manage and control market risk exposures in order to optimize the risk/return ratio, while maintaining a market profile consistent with the bank's status as a leading financial institution in the financing of agriculture and the rural world.
Leveraging is the basic concept used in the processing of transactions at the trading room level in order to avoid risk and ensure a consolidation of the bank's balance sheet.

Within the Crédit Agricole du Maroc Group, the market risk management system is in line with the orientations of the bank's overall risk management policy. This is done in compliance with the regulatory requirements in force and the application of sound market risk management practices defined by national and international bodies, in particular the Basel agreements.

3.1. Risks related to the bond portfolio

The bond portfolio varies according to several factors that represent risks that could reduce the value of the portfolio. These risks are classified into two categories:

a. Systematic risks

Systematic risk or market risk can be defined as the risk of variation in the price of an economic quantity observed on the market. It is the uncertainty as to the gains resulting from changes in market conditions such as: market value, interest rate or exchange rate.
Interest rate risk: This risk measures the degree of exposure of the holder of a security to future changes in market rates. An unfavorable change in interest rates will have a direct impact on the bond portfolio, since there is an opposite trend between bond prices and interest rates; a rise in market rates over a certain period of time will logically result in a reduction in the price of the securities.
Exchange rate risk: This risk concerns issues denominated in foreign currencies and resides in the possibility that the price of the currency may vary in relation to the national currency.

b. Specific risks

Credit risk can be defined as the potential loss that the bank may incur as a result of a credit event affecting one of its counterparties. More specifically, credit risk encompasses two concepts that differ depending on the credit event that causes the losses:
Default risk: This risk corresponds to the issuer's inability to honor its commitments, i.e., to repay its debt (principal + coupons). In such a situation, the bank is likely to incur a loss if it only recovers part of the amount due.
Credit downgrade risk: This risk corresponds to a deterioration in the financial health of the issuer. This results in an increase in the risk premium (or spread).

c. Other risks

Concentration risk or distribution risk
This type of risk is related to the presence of a large concentration of the same type of asset or market in the portfolio. As a result, the evolution of this type of asset or this type of market is the law of the portfolio.

3.2. Risks related to the equity and UCITS portfolio

In accordance with article 48 of Bank Al-Maghrib's circular 26/G/2006, market risks are defined as the risks of losses linked to variations in market prices. They include:

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

The risk associated with "equity & UCITS" portfolios corresponds to the possibility of suffering a capital loss between the time of purchase and the time of resale of the securities. This potential is taken into account by the risk premium, i.e. the difference in expected return on a stock or a UCITS compared with a so-called risk-free asset. Market operations entail numerous risks, including:

- Operational risk: this can occur if errors are made in processing payments or settling back-office transactions;
- Liquidity risk: arises when a company fails to convert illiquid assets into liquid assets, thus preventing it from meeting its financial obligations;
- Concentration risk: this describes the level of risk in a bank's portfolio resulting from its concentration on a single counterparty, a single sector, a single SDG, a common classification, etc.

3.3.Risks related to foreign exchange activities:

Foreign exchange risk: this is the loss that may materialize as a result of a change in foreign exchange rates.
Interest rate risk: this risk is linked to the sudden increase or decrease in interest rates of foreign currencies and may affect the bank's currency positions.
Concentration risk: This describes the level of risk in the bank's portfolio (term and financing) resulting from its concentration on a single counterparty or sector of activity.

3.4.Market risk strategy:

The market risk management strategy is part of CAM's overall risk policy. This policy is part of a prudent and rigorous supervisory management. In addition, the general market risk policy is approved by the Executive Board and the Supervisory Board.
Market risk management is based on the following principles:

- Security in the development of market activities;
- Compliance with BAM's prudential risk management regulations and the system of internal procedures, circulars and notes;
- Increased monitoring of the trading strategy;
- Setting limits (clients, bank, securities portfolio, intra-day transactions for own account, etc.);
- Definition of roles and responsibilities for the identification, measurement, monitoring and control of market risks;
- Adoption of best practices in market risk management for all sub-funds.

These guiding principles have been reflected in the establishment of a market risk policy and are implemented through a well-organized system.

3.5.Market risk policies:

Market activities are managed by a comprehensive system in terms of governance, security, risk management and limit management. This is based on a standardized document base, an efficient information system and regular reporting.
This policy is set out in circulars governing market activities, including:

- Procedures formalizing all market activity operations;
- An operational limit system;
- A market risk management system;
- A system for measuring risks and validating valuation models;
- A system for monitoring indicators.

It is in this sense that the governance body takes the form of a "CIB, Treasury and ALM" committee whose main missions are to:

- Validate the bank's financing strategy on the money market, interbank and private debt, as well as the investment strategy for all financial instruments. It is also responsible for deciding on the main risks associated with the various operations carried out and on any strategic choices related to the CIB's activities;
- Meet the need for optimal short-term cash management and, more generally, for the management of the bank's financial risks;
- Develop and monitor the market risk management system.

a. Operational limit device:

In addition to the regulatory limits applicable to all market activities, including position limits, other internal limits are established for the trading and investment portfolio relating to interest rate and foreign exchange activities. These include the following limits:

- The maximum forward foreign exchange position size limit;
- The limit on short foreign exchange positions;
- Limits on the duration, sensitivity and maximum size of the trading and investment portfolio.

The system of limits related to market activities is based on the following three families:

- Counterparty limits on market operations;
- Internal market limits;
- Limits in relation to the capital requirement.

They are validated and renewed or reviewed on request by the CIB, ALM and Treasury Steering Committee on the basis of multi-criteria indicators.
The management of limits is fully controlled. Indeed, limits are:

- Analyzed and granted by the relevant committees;
- Parameterized on the information system, which ensures an audit trail;
- Controlled via the same system, which blocks any unauthorized overrun;
- Reviewed according to the needs of the customers and the market context.

b. Market risk management system:

In order to manage and monitor the risks associated with its various market activities, the Crédit Agricole du Maroc Group has set up a system based on the following principles:

- A system of delegation of authority defining the process for requesting and validating limits and authorizing overruns;

- Respect for the principle of functional and organizational separation of tasks and Front, Middle and Back Office entities;
- A set of tools for managing and controlling market risks;
- Strengthening of the internal control system through permanent control tools;
- Strengthening the system for granting and controlling authorizations.

c. Risk measurement and valuation model validation system

CAM has adopted a market risk management and monitoring structure. This structure is responsible for implementing market management approaches and best practices, namely the implementation of the Value at Risk (VaR) approach, and sensitivity and duration management for the entire trading and investment portfolio.

Sensitivity
Sensitivity is an indicator that makes it possible to anticipate the reactions of a security or a portfolio to rate fluctuations. It measures the relative change in its market price for a given change in interest rates.

Duration
The duration of a bond is the average length of time after which the bond repays its purchase price.
It varies over time without ever exceeding the bond's residual maturity. The variation of the duration depends on the maturity of the bond, its face rate and its yield. When the maturity is long, the duration is high.

Value at Risk (VaR)
The VaR of a financial asset or a portfolio of assets is the maximum potential loss measured in monetary units over a given time horizon and a given probability. The method used by the bank to calculate VaR is the historical approach for fixed-income, equity and UCITS activities. This method is based on the assumption that future portfolio trends will be similar to those of the past.

For the foreign exchange activity, CAM has opted for the "variance/covariance" method, which belongs to the class of parametric methods, based on the following assumptions

- The normality of the distribution of profits and losses;
- The stationarity of the returns of the asset subject of the estimation;
- The linearity of the relationship between asset prices and risk factors.

The bank's choice of this method is motivated by two reasons:

- The nature of the business (variation in risk factors, fixed currency base, etc.);
- The relevance of the exchange rate risk measurement confirmed by the backtesting performed;

The elements supported in the calculation method are:

- Portfolio composition;
- The holding period (1 day, 10 days, etc.)
- The confidence interval (90%, 95%, 99%);
- Historical prices with a minimum of 250 observations.

The relevance of the VaR model is evaluated through a permanent backtesting (consistency check) which allows to verify if the number of days for which the negative result exceeds the VaR is in accordance with the 99% confidence interval.
Although VaR is a market risk management tool and a risk indicator widely used in market finance, it has some limitations. Therefore, CAM uses other market risk management tools, such as internal and regulatory back tests and stress tests, in order to validate the adopted calculation model.

Back testing of the VaR model
In accordance with the regulations, two back testing approaches can be used:

- A real back testing which consists in comparing, for each business day, the VaR calculated on the basis of the positions at the end of the day to the variation over one day of the value of the portfolio actually observed at the end of the following business day;
- A hypothetical back testing which consists in comparing, for each business day, the VaR calculated on the basis of the positions at the end of the day to the variation over one day of the value of the portfolio of the following business day, assuming that the positions remain unchanged.

Regulatory stress test
Following the entry into force of Circular No. 2/G/10, the central bank required banks and financial institutions to integrate stress tests into their governance and risk management systems as a forward-looking tool to assess the soundness of banks and to ensure that they have sufficient capital to absorb financial shocks. Accordingly, CAM conducts regulatory stress tests covering all market activities through simulations of the following risk factors:

- The appreciation or depreciation of the value of the Dirham;
- Parallel translation of the yield curve;
- The decline in the value of the equity portfolio;
- The depreciation of the net asset value.

Internal stress test
CAM has integrated the results of internal stress tests into its risk management system. In order to guarantee the relevance of these tests, the Financial Risk Management Division ensures the effectiveness and consistency of the stress test programs and scenarios established. The various scenarios used in the stress tests are regularly reviewed under the aegis of the Financial Risk Management Department. These reviews are presented to the CIB, Treasury and ALM Steering Committee chaired by a member of the Executive Board.
These stress tests cover all the components of the trading portfolio by simulating all the risk factors impacting the portfolio according to specific scenarios, in the same way as regulatory stress tests.

Scope of coverage of stress tests
Stress tests cover all of the bank's business lines and associated risks. The financial risk management unit ensures that all types of market risk to which the bank is exposed are included.
The stress tests carried out enable us to estimate the effects of shocks simultaneously impacting the various compartments of the financial market while taking into account their interactions. In order to have an appropriate assessment, we observe the impacts on: the result of the activity, the value of the assets and the equity.
The market activities that are subject to regular and ad hoc stress tests are as follows: (i) the bond activity, (ii) the stock exchange activity, (iii) the foreign exchange activity and (iv) the UCITS activity.

Stress test scenarios

The stress test program is carried out on the basis of a set of scenarios with different levels of severity, different time horizons, different risks assessed and their use (operational and strategic). The scenarios are based on statistical studies conducted on the history of risk factors for appropriate durations that can vary from three months to five years, allowing to highlight shocks and crises that have affected the financial markets (such as the financial crisis of 2008, the Greek crisis, the health crisis of 2020, etc.). Consequently, it is necessary to determine specific scenarios adapted to the bank's risk profile.

Capital requirements for market risk

In accordance with circular 26/G, Crédit Agricole du Maroc is required to calculate the capital requirement for the trading book.

CAM's assets must be placed in two portfolios defined by the regulations: the banking book and the trading book.

According to article 56 of the said circular, the trading book includes positions with a view to selling them in the short term and/or with the intention of benefiting from favorable current or short-term price trends, or to secure arbitrage profits. In addition, the banking book contains all on- and off-balance sheet items that are not included in the trading book.

Capital requirements for market risk are calculated according to the standard model, with the exception of the foreign exchange position, which is calculated using an advanced method.

d. Indicator monitoring system:

Market risks are monitored daily by the Central Financial Risk Indicators Department. The bank's management uses a periodic reporting system to ensure that exposure levels, returns, risks associated with market activities, regulatory requirements and compliance with limits are respected.

e. Management system:

All operations processed by the trading room are entered and validated on a management tool. The system's functionalities meet all security and control constraints (access by user profile, identifier, password and all types of management of authorizations and access restrictions, etc.).
With a process that integrates up to three validation stages (four different statuses), it is possible to control any action related to an operation and identify its author, purpose, time stamp, etc.
The system has audit trails allowing the traceability of modifications, changes in standards and methods made to the repository and operations.
Reports are produced for BAM, the Management Board and ad-hoc committees, in particular those relating to exceeding limits or regulatory ratios, cash flow monitoring, etc.
On a daily basis, all transactions carried out by the trading room are transmitted to the accounting department through automatically generated event reports (GER).

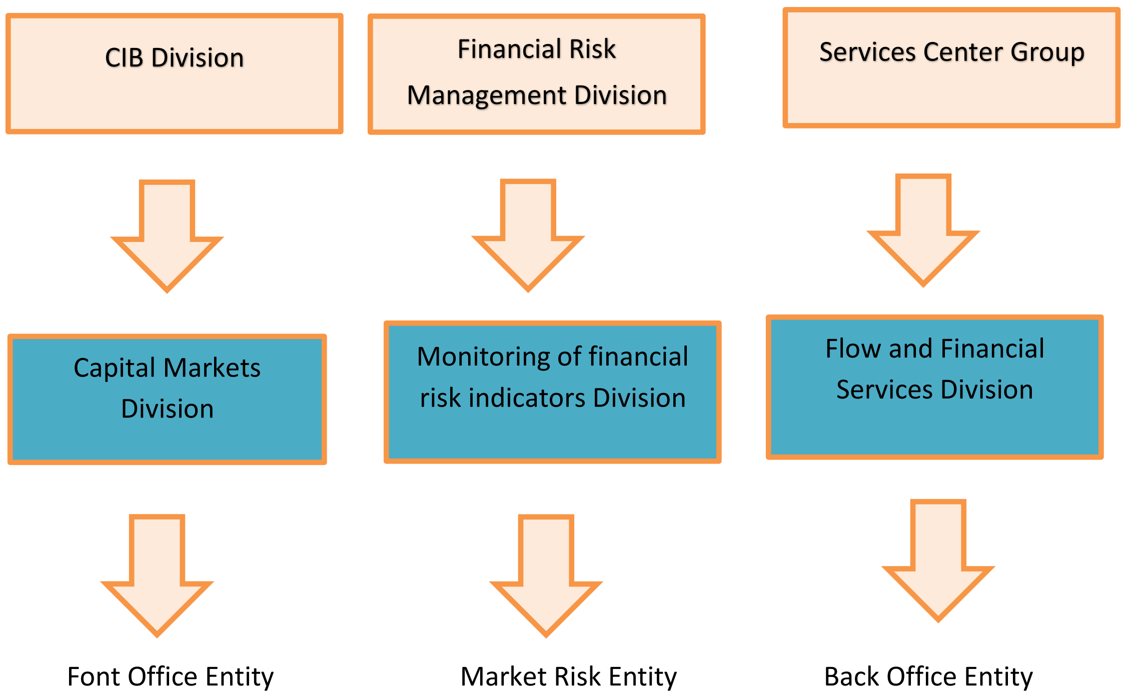
3.6.Management of the Covid-19 health crisis:

The health crisis has had a strong impact on the economic activity of companies, mainly due to the resulting confinement and drop in consumption and production. For the banking sector, this crisis has resulted in a significant increase in credit and market risk. It has also had a strong impact on companies' choice of financing methods.
In this context, CAM has put in place measures to ensure optimal management of the health crisis and a return to a normal situation. Indeed, it has put in place a risk management system in order to better understand the new risks the bank is facing. It has also established new management approaches in terms of market risks. Indeed, the bank has put in place a battery of measures -by activity- in order to mitigate the impact of the COVID-19 and to perpetuate its position in the Moroccan banking landscape, and this through:

- Optimal reallocation of market resources by favoring assets with a better risk/return trade-off;
- Integration of the effects of the crisis in risk estimation and internal stress test scenarios
- Diversification of sectors to minimize the impact of those most affected by the crisis.

3.7.Organization of the financial risk management division:

The organizational structure is based on a hierarchical and independent separation of the market risk management entities from the processing entities (Front and Back Office). The market activities mobilize three divisions to ensure their proper functioning:



d. ALM risks

The assessment of the bank's position with regard to the occurrence of interest rate and liquidity risks requires the calculation of a set of indicators based on the data and information used by the ALM managers.

The monitoring of ALM risks consists of analyzing the prospects for the evolution of the liquidity situation and the interest rate position taken by CAM in the short, medium and long term. This monitoring also involves studying the reaction of the main indicators to exceptional circumstances (liquidity crisis, interest rate variation, etc.) using a crisis simulation program developed internally.

7.1. ALM risk management policy

Within the framework of its business and with the help of relevant indicators, ALM within CAM aims to control the potential negative consequences of financial risks under the best conditions of return on equity. In other words, the aim is to optimize the return on equity while maintaining an acceptable level of interest rate, currency and liquidity risk. In doing so, the ALM function ensures that the allocation of equity capital is made in such a way as to adapt the volume and structure of assets and liabilities to market trends and to the financial and regulatory environment, in particular to prudential ratios.

The Asset/Liability Management policy is spread over several practices by type of risk:

a. Liquidity risk management:

Liquidity risk is the risk that the bank will incur a loss if it does not have the necessary liquidity at the appropriate time to meet its financial obligations.
This risk may arise from the structure of the balance sheet due to mismatches between the actual maturities of assets and liabilities, funding requirements for future activities, customer behavior, potential market disruptions or economic conditions.

As part of their regular work, ALM managers analyze the series of cash flow gaps in order to monitor the matching of assets and liabilities in terms of monthly or annual cash flows. The internal control of this matching consists precisely in comparing the projected asset and liability flows with each other, period by period. An impasse is therefore the difference between the uses and resources of the balance sheet for a set of operations, at a given future date. The graphical presentation of the evolution of these gaps over time allows the CIB, Treasury and ALM steering committee and the governance body to illustrate the investment perspectives and to highlight the financial risks through a static and dynamic analysis.
The static analysis takes into account the future evolution of outstanding operations in stock: already committed or present on the balance sheet. The dynamic analysis broadens the scope of the analysis by including future changes in outstanding stock and new production assumptions.
Also, ALM managers are required to meet the prudential standards required by BAM within the framework of external bank control, through the calculation, management and monthly interactive communication with BAM: regulatory reporting, including the short-term liquidity ratio (LCR), which is the reference regulatory indicator for assessing liquidity risk.

In addition, and in order to anticipate the impact of shocks and crises on the bank's financial health, the ALM entity carries out a series of liquidity stress tests that are an integral part of its risk management system. These tests are used to define the degree of risk aversion and internal exposure limits, and to make strategic choices regarding liquidity and capital allocation. To this end, the ALM entity assesses the impact of the assumptions made on financial indicators such as: net income, net banking income, net margin, regulatory capital, liquidity gaps, etc.

The CAM liquidity approach highlights the bank's transformation situation. It allows to measure the short-, medium- and long-term funding needs or the size of the liquidity surpluses to be replaced by type of maturity.

At Crédit Agricole du Maroc, liquidity risk is regularly monitored by the ALM structure, in direct collaboration with the various stakeholders (dealing room; market risk department; commercial bank; etc.). The Executive Board is informed on a daily basis of the bank's cash position through dedicated reporting.
In addition to the regulatory framework, Crédit Agricole du Maroc has developed a set of tools (liquidity gaps, specific stress tests, concentration ratios, etc.) covering the short and medium term, which are analyzed in depth with a view to defining - in the event of a cash requirement - the appropriate hedging measures to be adopted by the CIB, Treasury and ALM Management Committee.

In addition, following the implementation of the short-term liquidity ratio (LCR), the bank has introduced new actions that focus on strengthening its liquid and realizable assets and improving its balance sheet backing while preserving its level of profitability. As a result, as of December 31, 2021, CAM's LCR is above the minimum regulatory requirement.

Moreover, the bank's overall static liquidity gap is positive over the one-month horizon (short term).

It should be noted that no liquidity risk limits have been exceeded for the year 2021.

Financing and refinancing strategy in place

The system put in place enables the bank to ensure refinancing under the best possible conditions and in line with its strategic plan, while respecting the regulatory and internal limits governing this function. The financing plan is drawn up by dynamically estimating future cash balances, taking into account the main projected inflows and outflows generated by commercial and financial activities. This exercise is carried out by applying several scenarios that vary in severity. The assumptions used mainly include commercial objectives and the bank's ability to raise funds on the money market.

b. Interest rate risk monitoring:

The ALM Department also analyzes interest rate risk, which is based on two complementary approaches: one based on accrued interest and the other on net present value. This approach requires prior knowledge of exposures to the various risks that generate interest rate risks: these are the impasses by type of interest rate.
The accrued interest approach focuses on the static and dynamic shortfalls of operations with homogeneous remuneration characteristics: fixed, variable or revisable rate. It places particular emphasis on the fixed-rate impasse, which is the most sensitive to short-term interest rate variations.
Impasses are then analyzed by subsets of operations sensitive in interest to the same variable. In fact, the fixed-rate or certain-rate impasse corresponds to the impasse of operations whose rate is known and unchanging for a given period of time over the analysis period.
Interest rate risk management is based primarily on the following evaluation and monitoring methods:

- Analysis of the evolution of the balance sheet structure through the distinction between fixed and variable rates;
- Analysis of the average duration of the bank's assets and liabilities in order to determine the interest rate risk profile (risk of loss in the event of an increase or decrease in interest rates);
- Measurement of interest rate gaps: Based on the maturities of contractual balance sheet items and previously validated static run-off assumptions for non-maturity balance sheet items, the ALM manager measures the size of the gaps for each maturity in order to determine the bank's risk profile;

- Ensuring compliance with regulatory limits, in particular the impact on equity capital in accordance with "Basel II" regulatory requirements;
- Conducting stress tests: With the introduction of IRRBB, ALM managers measure the impact of a parallel movement in rates of 100 bps, 200 bps (regulatory) and 300 bps, as well as the impact of other scenarios such as the rise or fall of short rates, the steepening or flattening of the yield curve, on the net interest margin and the economic value of the bank's regulatory capital. These impacts are then compared with the internal limits that have been set. Any excess over the limits is duly justified;
- Reporting on interest rate risk management covering all analyses (monthly).

Presentation of interest rate risk monitoring indicators:

The main indicators for monitoring interest rate risk are as follows:

- Interest rate gaps relating to the sensitivity framework of the MNI;
- Interest rate gaps relating to the EVE sensitivity framework;
- The impact on the forecasted NIM of a rate change (in %);
- The impact on the economic value of equity of a rate shock (in %).

Basic and optional risk measurement methodologies:

The aspects relating to the basic and optional risks are taken into account in the measurement of the bank's interest rate gap. The methods used to calculate the interest rate gap between the balance sheet and the off-balance sheet include a set of assumptions that reflect the effect of hidden options incorporated in the balance sheet (early repayment, advances on fixed-rate debt, etc.). Variable-rate assets and liabilities are measured on the basis of the nature of the indexation rate and the date of the next rate revision.

Interest rate risk limits and how they can be revised:

- NIM sensitivity (stress test 200 bps): +/- 5% of projected Net Interest Margin;
- Sensitivity of the economic value of regulatory IFs: Max 20%;

Main limits in terms of rate impasses:

- 1 month rate gap: Min MAD 1 billion;
- 3 months rate gap: Min -MAD 3 billion;

It should be noted that internal limits are revised at the request of the ALM entity and are presented in detail at the meeting of the CIB, Treasury and ALM Steering Committee, which must approve the decision to raise or lower the limit.

The setting of internal limits is based primarily on several methods:

- Sector analysis;
- Changes in the bank's balance sheet structure;
- Changes in market conditions (key rate, yield curve, lack of liquidity, etc.);

Thus, following the introduction of the new standard relating to the management of interest rate risk inherent in the banking book (IRRBB), as of December 31, 2021, the static study of a parallel shock of rates of +200 bps shows an impact of -2.3% on the forecast net interest margin, and + 1.8% for a parallel shock of -200 bps, thus respecting the limit in force. Furthermore, the maximum loss generated under the different regulatory scenarios on the economic value of equity does not exceed 4% of the bank's regulatory equity, thus respecting the regulatory limits in force.

c. Foreign exchange risk management

The currency risk of a financial asset is the risk of a position in one currency against another with respect to future exchange rate fluctuations.
Currency risk management within the ALM Department is based on the monitoring and management of all currency positions recorded in the bank's balance sheet/off-balance sheet.
In practice, foreign exchange risk management consists of measuring the net exposure to each currency (in relation to the reference currency) in real time.
The practice is to produce liquidity gaps in each currency and then to include the equivalent forward foreign exchange transactions in the respective rate and liquidity gaps.

7.2. Presentation of the CIB, Treasury and ALM Steering Committee:

The CIB, Treasury and ALM Steering Committee is responsible for taking all measures it deems necessary to improve control of the institution's main financial risks (interest rate, liquidity, currency, price and financial counterparty risks). The Committee meets at least once a quarter. The CIB, Treasury and ALM Steering Committee is responsible for defining the choices to be made in managing these risks, within the framework of the risk position limits defined on the basis of proposals put forward by the ALM managers.

The CIB, Treasury and ALM Steering Committee monitors the medium- and long-term orientations taken in the various areas that may impact the bank's balance sheet, sets the objectives for the return on equity as well as the level of tolerable risk by activity, and analyzes the balance sheet and the various ratios to compare them with the agreed results.

Within the framework of its missions, the CIB, Treasury and ALM Steering Committee must also watch over the bank's balance sheet balances and initiate actions in order to improve the balance sheet's interest rate and liquidity matching by analyzing the forecasted matching by integrating the future production of uses and resources; as well as the implementation of a set of adjustment measures in the medium term, without hindering the conduct of the bank's commercial activities.

7.3. Description of the Backtesting of Flow Models

Interest rate and liquidity risk management is based on flow models. These flow conventions are designed to take into account highly probable economic or behavioral phenomena that enable risk analysis to be refined. The ALM department has drawn up an exhaustive file documenting the conventions.
Backtesting of the flow models is essential and is carried out annually in order to take into account changes in the rate of evolution of the various balance sheet items. The backtesting approach is based on a comparison between the forecasts produced by the model and the actual results. Indicators reflecting the forecast deviation are put in place in order to ensure the relevance of the models' forecasting power.
Backtesting is performed on statistical flow models whose purpose is to forecast the flow of non-contractual items, mainly demand deposits.

e. Operational risks

Operational risk is defined as the risk of loss resulting from failures inherent in internal procedures, personnel and systems or from external events.
In accordance with regulatory requirements, GCAM has set up a central department within the Group Control and Operational Risk Division, which reports directly to the Executive Board. This structure is responsible for assessing, monitoring and controlling operational risks.

The Operational Risk Management System set up at GCAM level aims to measure and monitor actual and potential operational risks and to implement the necessary corrective actions to limit their impact. For fiscal year 2021, the scope of the GCAM's operational risk mapping concerns the bank's main business lines and its main subsidiaries.
Given the context of the health crisis, the GCAM has deployed a series of specific measures and procedures to mitigate the operational risks generated by the effects of the pandemic. In addition, GCAM has ensured the continuity of its services by paying particular attention to the health and safety of its clients and employees.

5.1.GCAM Policy on Operational Risk

The GCAM has implemented an operational risk management policy as part of a continuous improvement system, through a system of measurement, control and management of operational risk based on uniform rules, standards and methods for all GCAM businesses. The purpose of this policy is to:

- Comply with the regulations in force and best practices;
- Optimize, in the long term, the regulatory capital for operational risk;
- Provide a process for measuring, controlling and managing operational risk.

5.2.Organization of the operational risk chain

The organization of the operational risk function at Group level is based on the following functions:

- The central function at head office level: responsible for designing and managing methodological and IT tools, it ensures that an effective, comprehensive and consistent risk management system is in place for all GCAM structures;
- Operational risk managers: reporting to the Central Operational Risk Department, they are responsible for one or more business areas. They are responsible for implementing the charter and the operational risk measurement and management system;
- Operational risk relays: they are appointed at the network level, at the level of the central business lines and the subsidiaries as part of the process of collecting events, incidents and losses. The task of these relays is to identify events, incidents and operational losses and to record them in the risk management tool;
- Operational risk correspondents (internal control structures or others): at network headquarters and in the subsidiaries, they are responsible for reporting events and incidents as well as risks related to the activities, procedures and systems of the entities under control;
- Regularization officers: at network level, they monitor the status of regularization of anomalies identified by the internal control structures.

The steering and monitoring of the operational risk management system is ensured through a global governance system that is implemented by the following bodies:

- The CAM Operational Risk Committee: a specialized body responsible for validating the strategy, policy, standards and methods of the operational risk management system, and for monitoring changes in risk mapping, incidents, losses and action plans;
- The Operational Risk Committee: this committee is responsible for monitoring changes in the collection of events and incidents, validating updates to the risk map, and developing and implementing risk mitigation and control measures. The purpose of this committee is to monitor the business line's exposure to operational risks and to verify that the system is being properly applied.

5.3.Main methodological tools:

a. Mapping of operational risks

The operational risk management mapping process uses an approach that identifies and prioritizes risks in order to put in place strategies to mitigate them.
This approach includes both the prevention of potential risks and the early detection of proven failures (events and incidents). It is based on:

- A diagnostic approach consisting of a review of the business lines to identify the risks inherent in the activities carried out (analysis of the processes concerned), taking into account the controls in place (in terms of procedures, IS locks, control systems in place, etc.);
- The approach is based on the reporting of events and incidents via various sources (permanent network control, headquarters and subsidiaries, operational risk relays, audit and inspection, complaints, etc.).

The risk assessment and measurement process combines expert assessment for potential risks with actual assessment for proven risks.

As of 31/12/2021, the risk map was updated, including in particular:

- The analysis of events, incidents and losses for the period from various sources (permanent control report, group general audit, claims and business lines);
- The review and validation of the evaluation, prioritization and rating of risks in terms of probability of occurrence and loss incurred;
- The review and update of action plans;
- The amendment of the existing operational risk map;
- The update of the management tool repositories (processes, entities, users, IS);
- The classification of risks according to the steering system in place.

The risk map is updated on an ongoing basis and validated every six months by the Operational Risk Committee, whose agenda includes the following points:

- Monitoring the frequency and quality of reporting of events and incidents over the period;
- Analysis of reports for the period and identification of operational risks and related mitigation actions;
- Analysis of operational risk indicators and monitoring of thresholds;
- Monitoring the progress of risk mitigation action plans;
- Presentation and validation of the mapping update (new risks, evolution of criticality, classification, etc.).

b. Monitoring of risk mitigation and control plans:

Within the bank, the overall operational risk management system provides for the identification and management of action plans to counter or mitigate the probability of operational risks. This system is monitored by the PMO department within the Development division, in close collaboration with the Central Operational Risk Division.

c. Process for collecting events, incidents and losses

In addition to regulatory requirements, the collection of incidents meets the objective of assessing the cost of risk and continuously improving internal control systems.
This process is based on two levels of collection:

- The reporting of events or incidents detected by the operational risk relays or by the operational risk correspondents, depending on their business scope, to the management tool;
- The detection of events and incidents through regular reporting by the internal control system (permanent control, audit and inspection), making it possible to feed the databases and monitor the regularization of detected anomalies.

d. Reporting system:

In order to have a cross-functional view of the monitoring and management of operational risks, the GCAM has implemented a management solution that generates a set of reports to manage and evaluate the process of collecting events and incidents. There are 3 types of reporting:

- "Operational" reporting, at the level of the business lines, which aims to present the main elements of measurement, evolution and exposure to operational risks, with a view to making decisions during RO committees in the business lines;
- Consolidated reporting for internal use, at Group level, which aims to present consolidated information on risks (main operational risks that have occurred and major risks, changes in incidents and KRIs, progress on mitigation actions, etc.);
- Consolidated regulatory reporting to supervisory bodies.

f. Foreign exchange risk

The currency risk of a financial asset is the risk of a position in one currency against another with respect to future changes in the exchange rate.

Currency risk management within the ALM department is based on monitoring and managing all of the bank's on- and off-balance sheet currency positions.
In practice, foreign exchange risk management consists of measuring the net exposure to each currency (in relation to the reference currency) in real time.

The practice is to produce liquidity gaps in each currency and then to include the equivalent forward foreign exchange transactions in the respective rate and liquidity gaps.

g. Counterparty liquidity risk management

As part of profound changes taking place in Morocco represented by economic liberalization, the opening of borders, customs dismantling and the entry into force of several free trade agreements, the counterparty risk in the banking sector as a whole could deteriorate, and consequently lead to an increase in the overall litigation ratio. This trend could be further accentuated by unfavorable economic conditions.

To manage counterparty risk, the Credit Risk entity within the GRM (entity created in 2009) is mainly responsible for analyzing and investigating risk-taking requests from the Group's various sales forces. It also has the powers to assess the consistency and validity of the guarantees, the volume of activity of the relationship and the economic justification of the financing requested.

In addition, CAM is developing a rating system to evaluate all its counterparts. This rating system is in line with the requirements of Basel II. Thus, the implementation of the internal rating approach is based on minimum requirements that allow each credit institution to choose the systems and methods best suited to its activity.

CAM has a rating system that covers all client segments. For risk in the agricultural sector, Crédit Agricole du Maroc has a credit rating that makes it possible to assess the inherent credit risk based on the debtor's financial situation, its development potential and the sector of activity. The agricultural sector is characterized by its diversity and high exposure to climate risks. With its expertise in this sector, CAM supports farmers in their development through specific financing products and insurance products covering its risks.

In addition, in 2009, CAM began a process of subsidizing the public service mission through the creation of the Ardi Foundation and Tamwil el Fellah, thus making it possible to identify the risk associated with this sector and provide these entities with appropriate means of coverage.

h. Solvency risk

Solvency risk is the risk that a bank will not be able to meet its commitments to its lenders.
The forecast solvency ratios are as follows:

		June.22	Dec.22	June.23
Corporate base	CET1	8.2%	8.2%	8.2%
	Core Capital Ratio	9.3%	9.4%	9.4%
	Minimum solvency ratio	13.1%	13.2%	13.0%
Consolidated basis	CET1	8.1%	8.1%	8.1%
	Core Capital Ratio	9.1%	9.2%	9.2%
	Minimum solvency ratio	12.3%	12.7%	12.8%

Source: CAM

i. Competition risk

Thanks to its dedicated network and its expertise in the sector, Crédit Agricole du Maroc is the leader in agribusiness financing, despite the arrival of new competitors and the growing interest of certain players in its preferred environment. The financing strategy of this sector is expressed through its commitment to the Green Morocco Plan with a global envelope of MAD 58 billion spread between 2009 and 2018.
On this provisional basis, Crédit Agricole has built a plan to strengthen its equity to meet its commitment in this sector and confirm its leadership position in this sector.

j. Sector concentration risk related to SPC

The public service mission entrusted to the CAM Group gives it the responsibility of revitalizing the rural world in all its diversity. Consequently, the risk of sector concentration is limited because the group finances several sectors of activity in the rural world.

k. Risk of structural dependence of intermediation margins

Historically, CAM's interest margin represents the largest share in the composition of its NBI, i.e. 81% at the end of 2021[7].
In addition, CAM has put in place several measures aimed at increasing the share of the commission margin in its Net Banking Income, particularly the income generated by electronic banking operations linked to the management of payment means. As a result, we note that the share of the margin on commissions in the structure of the NBI is established at 19%[8] at the end of the year 2021.

l. Country risk

Country risk is related to an economic or political crisis that a country may experience and in which a company holds assets and therefore suffers a loss on its investment. We can deduce two types of risk that are closely related. Sovereign risk concerns the government's decision not to repay its creditors, either through refusal or inability.
Two measures allow us to better understand this risk:

- The government has the necessary currency.
- The government has the will to repay its obligations.

[7] The percentage presented corresponds to the analytical interest margin, not taking into account items that do not correspond to the commercial margin, such as "other income", which is included in the "other margins" item.
[8] Including commissions on off-balance sheet commitments.

The second risk is the transfer risk or the companies are unable to pay its obligations. In this case the willingness to repay is not in question.
Crédit Agricole du Maroc in most cases does not hold foreign assets and thus is not currently exposed to country risk.

m. Regulatory risks

Regulatory risk is related to failure to comply with the regulations in force, which could result in financial and regulatory penalties and consequently damage the image of the financial institution.
Crédit Agricole du Maroc is committed to strict compliance with regulations. There is a dedicated entity that ensures that all operations undertaken are in compliance with the regulations, and whenever there is a new development, all stakeholders are involved to ensure that the new circulars are properly complied with.

n. Risks related to climate change & the environment

The first manifestations of climate change on Morocco are visible and materialize in a disruption of the average precipitation regime and an increase in average temperature. This change could have an impact on natural resources, on the various ecosystems and on the agricultural sector.

Ranked 22nd in the World Resources Institute's 2019 ranking, Morocco is among the countries most exposed to the risks of water insecurity. Indeed, most of the Moroccan territory (93%) is already in arid and desert areas. Its scarce water resources are under pressure from climate change, resulting in recurrent droughts and irregular rainfall. As a result, per capita water availability has fallen from over 2,500 m3 per capita per year in 1960 to less than 700 m3 per capita per year in 2019, a 75% decline (DEPF, 2020), placing Morocco under structural water stress.

Morocco is also facing a strong degradation of its soils, in particular due to water erosion. Most forecasts show that over the next few decades, the country will gradually show signs of increasing aridity due to rising temperatures and decreasing rainfall. For example, the average temperature could increase by 1.1-1.6°C by 2030, by 2.3-2.9°C in 2050, and by 3.2-4.1°C in 2080. Precipitation could decrease by 14% in 2030, 13-30% in 2050, and 21-36% in 2080.

The agricultural sector, due to its predominant place in the use of water resources (86%), will be the sector most impacted by the predicted decrease in precipitation, by the predicted increase in temperature and by the effects in terms of erosion. In general, Badraoui & Balaghi indicate that "the results of climate change impact studies on Moroccan agriculture carried out by the Food and Agriculture Organization of the United Nations (FAO), the National Institute of Agronomic Research (INRA) and the National Meteorological Directorate (DMN) predict a decrease in the productivity of the main rainfed crops in semi-arid areas. These impact studies show that yields for the majority of crops would stagnate or decrease slightly until 2030, and then fall very sharply for rainfed crops. On the other hand, they could continue to increase for irrigated crops, particularly fruit and vegetables. However, the exacerbation of water scarcity should limit the possibilities of expansion of irrigated areas. There would also be :

- a displacement of the cultivation area of certain species such as those that are water-demanding (corn, sunflower, beans, olive trees) or that will be affected by the rise in temperature (fruit tree species that need cold);
- a loss of soil fertility due to a decrease in soil organic matter and water and wind erosion.

Because of its public service mission, CAM is the leader in financing agriculture in Morocco. As such, it is also impacted by the adverse conditions that its clients in the agricultural sector may face. It has therefore developed (1) a set of mechanisms to better manage environmental and climatic risks and (2) credit offers to help its clients cope with these hazards.

Because of its public service mission, CAM is the leader in agricultural financing in Morocco. As a result, it is also impacted by the adverse conditions that its clients in the agricultural sector may face. It has therefore developed (1) a set of mechanisms to better manage environmental and climatic risks and (2) credit offers to help its clients cope with these hazards.

a. Agricultural Scoring

CAM has developed a scoring system to better assess the risk of agricultural loans. It is a decision support tool that takes into account different criteria. The weighting of the latter in the calculation of the risk is a function of the agro-climatic zones (irrigated, favorable bour and unfavorable bour), an approach based on the evaluation of the adaptation of the agricultural activity as well as plant and animal to the pedoclimatic conditions of the region of establishment of the projects.
In addition, the scoring system calculates the surplus of the farm as well as its profitability through indicative financing standards. The latter represent an estimate of the cost price of agricultural, animal and vegetable production, calculated according to the technical itinerary, which itself depends on the agro-climatic zone. These standards make it possible to meet the real needs of the project and avoid under- or over-financing according to the technical itinerary adopted in each agro-climatic zone.
The final score obtained by each client through this scoring system, which makes it possible to configure the estimated amount of credit in relation to the quality of the risk, thus integrates the climatic risk, in particular that of water stress.
The agricultural scoring system is incorporated into the Agency application and is available in CAM's local and regional branches.

b. Actions carried out under Directive No. 5/W/21

Consideration of financial risks related to the environment
In addition to the agricultural scoring that gives a level of risk according to agro-climatic zones, CAM has also implemented in April 2020 an Environmental and Social Management System (ESMS) that deals with the bank's exposure to activities likely to cause environmental degradation.

Consideration of financial risks related to climate change
Through a project to integrate climate risk at all levels of risk management within the Bank.

Raising awareness of the various banking business lines
Through the organization of workshops and the broadcasting of podcasts on the CAM radio platform.

Exchanges of expertise
In anticipation of Bank Al Maghrib's new directive on the consideration of climate and environmental risks by credit institutions, exchanges were organized with our partners, notably the AFD, the EIB and the EBRD, with a view to learning from their expertise and strengthening the skills of the members of the task force in terms of climate risk management.

Internal capacity building
Through the training programs.

Environment and climate risk governance

- Review of the organization and missions of the Green Area.
- Centralization of the E&S assessment at the level of the Global Risk Management Area to integrate environmental and social risks in the control of credit risks.

Achamil Credit Offer
The objective of "Achamil" credit is to compensate for climatic hazards and to support clients in the event of a difficult year while offering a flexible formula, adapted to irregular agricultural cycles.

Credit offers against the occurrence of deficit or delay of precipitation
In order to provide a short-term response to climatic hazards and to enable farmers to cope with rainfall delays or deficits that have a negative impact on the cereal season, CAM has developed a range of short-term products characterized by speed and flexibility in the processing of credit applications.

Mobilization of international funding
In order to support its climate action, CAM is making efforts to mobilize available funding at the international level, starting with the Green Climate Fund.

Commitments and transfer of expertise to Africa

o. Health risks

In a period marked by a difficult economic environment linked to the exceptional and unprecedented context of the health crisis related to the Covid-19 pandemic, the banking sector was strongly affected, notably by a slowdown in the pace of credit growth combined with the increase in credit risk generated by the consequences of the Covid-19 pandemic and the associated prudent provisioning.

In this same context, the Crédit Agricole du Maroc Group, testifying to the Group's constantly renewed commitment to the development of the rural world in its entirety, had to face, in addition the effects of the sanitary crisis with a moderate impact on the bank (considering its majority exposure on the sectors less affected by the crisis, namely agriculture and agro-industry, and a negligible exposure on the severely affected sectors such as hotels and restaurants), to the effects of the drought and the rainfall deficit on the agricultural campaign, which had a heavier impact.

To this end, it should be noted that the operators of the sectors of agriculture and food industry have been moderately impacted by the effects of the pandemic of covid-19, both upstream and at the level of packaging and processing. The latter have maintained a quasi-normal pace of their activity in order to supply the national market with agricultural and fishery products on a regular basis, while observing their increased demand for credit to accompany their financing needs. On the other hand, the lack of rainfall, has affected mainly the cereal production, impacting the opening of imports of wheat and livestock feed by importing companies clients of the GCAM.

Under these circumstances, GCAM anticipated the demands of its clients and responded to the financing requests of farmers, while accompanying the importing clients of wheat and animal feeds, through the renewal of credit lines and international.

Moreover, the GCAM has been strongly mobilized in the fight against the pandemic through its involvement in the national solidarity drive to mitigate the effects of the Covid-19 while contributing to the promotion of economic recovery, and has concluded the fiscal years 2020 and 2021 with indicators globally in green noting the challenges it had to face.

II- Risks related to perpetual subordinated bonds

a. Risks specific to perpetual subordinated bonds

The risk factors listed below should not be considered exhaustive and may not cover all the risks associated with an investment in perpetual subordinated bonds.

The attention of potential investors who may subscribe to the perpetual subordinated bonds offered by this prospectus is drawn to the fact that an investment in such bonds is subject to the following main risks:

Risk related to the introduction on the Moroccan financial market of a new instrument: Perpetual subordinated bonds are considered, in accordance with the international standards of the Basel Committee and Bank AL-Maghrib Circular No. 14/G/2013, as additional equity instruments. These instruments are regularly issued by international banks, but remain new for some Moroccan investors. Each potential investor should determine the suitability of such investment in light of its own circumstances and should have sufficient financial resources and liquidity to bear the risks of such an investment, including the possibility of a depreciation of the nominal value of such securities (see risk associated with the depreciation of the nominal value of the securities below) as well as the possibility of canceling the payment of the amount of interest (see risk associated with the possibility of canceling the payment of the amount of interest below);

Risk related to the complexity of the instrument: the bonds covered by this issue are complex instruments insofar as the associated pay-offs are not fully predictable. Indeed, the issuer has full discretion to cancel the interest payment for an indefinite period and on a non-cumulative basis.

Also, the nominal value of the bonds may be depreciated if the trigger threshold is reached. In addition, a nominal value increase is planned but remains subject to the approval of Bank Al-Maghrib.

Finally, a coupon increase is possible but remains at the sole discretion of the issuer and there is no deterministic mechanism for its activation. These aspects make it difficult to predict the future cash flows of the bonds, as their forecasts require several assumptions and parameters (financial health of the issuer, forecast level of prudential ratios, other commitments and obligations of the issuer, etc.).

The nature of the bonds therefore makes their management, particularly their valuation, complex;

Risk related to the perpetual nature of these securities: the perpetual subordinated bonds are issued for an indefinite maturity and, consequently, capital redemption can only be made at the initiative of the issuer and with the prior agreement of Bank Al-Maghrib. This redemption may not be made before a period of five (5) years from the date of issue, subject to a minimum notice period of five years;

Risk related to the subordination clause: The capital is subject to a subordination clause, under which, in the event of liquidation of the issuer, the perpetual subordinated bonds will be redeemed at a price equal to the nominal value that may be depreciated (see risk related to the depreciation of the nominal value of the securities below).

This redemption will only take place after payment of all preferential or unsecured creditors and after all other fixed-term subordinated loans that have been issued and that might later be issued by the issuer;

Risk related to the depreciation of the nominal value of the securities (loss absorption mechanism): As soon as the Common Equity Tier 1 (CET 1) ratio, as defined by Bank Al Maghrib, falls below the trigger set by the issuer (set at 6.0% under this prospectus, in accordance with the provisions of Bank Al-Maghrib's technical notice setting out the terms and conditions for the application of Circular 14/G/2013 on the equity of credit institutions), on an individual or consolidated basis, securities are depreciated by the amount corresponding to the difference between theoretical Tier 1 core capital (CET1) allowing to reach 6.0% of the CET1 ratio and actual CET1 capital.

Interest will therefore be calculated on the basis of the nominal amount, which is subject to change as defined in the loss absorption mechanism.

After any depreciation of the nominal value of the shares, and if the financial situation of the issuer that required the depreciation improves, Groupe Crédit Agricole du Maroc may immediately trigger, with the prior agreement of Bank Al-Magrhib, the mechanism for assessing all or part of the nominal value that has been depreciated. Crédit Agricole du Maroc Group constantly monitors compliance with the international standards of the Basel Committee and the regulatory guidelines of Bank AL-Maghrib.

To this end, the Group has a regulatory risk management policy that allows it to:

- have a solid financial base to meet all its commitments;
- comply with all regulatory ratios required by Bank Al-Maghrib;
- meet the regulator's requirements for reporting solvency ratios (half-yearly publications of Pillar III to ensure transparency of financial information: details of prudential ratios, composition of regulatory capital, allocation of weighted risks).

Risk related to the possibility of canceling the payment of the interest amount: the investor is subject to the risk of canceling the payment of the interest amount (in whole or in part) for an indefinite period and on a non-cumulative basis. The decision to cancel is at the issuer's discretion, after prior approval by Bank Al-Maghrib, in order to meet its obligations.

Risk factors impacting the CET 1 ratio: the deterioration of the Common Equity Tier 1 (CET 1) ratio, as defined by Bank Al Maghrib, to a level below 6.0%, thus triggering the depreciation of the nominal value of the shares, could be caused by several factors, mainly:

- the occurrence of substantial losses following a possible increase in claims or a rainy and material change in the interest rate environment;
- the introduction of new accounting standards;
- the effective date of new regulatory requirements.

If one or more of these risk factors were to occur, the level of the CET 1 ratio may only deteriorate if Crédit Agricole Group of Morocco and its shareholders do not implement all the corrective measures enabling it to comply with all the regulatory ratios required by Bank Al-Maghrib, namely: a minimum CET 1 ratio of 8.0% and a minimum solvency ratio of 12.0%.

Liquidity and marketability risk: the complexity of the bonds covered by this prospectus is such that they are not suitable for non-qualified investors. Accordingly, trading in such bonds, even on the secondary market, is strictly reserved for the qualified investors listed in this prospectus. This restriction could reduce the liquidity of the bonds issued in this issue compared to other bonds whose marketability is not restricted.

Risk related to the presence of several options for the benefit of the issuer: The bonds covered by this prospectus contain several options in favor of the issuer, namely:

- Early redemption option;
- Depreciation option/appreciation of the nominal value of the shares
- Option to cancel payment of the interest amount.

Any potential investor should consider these options when making investment decisions according to his or her own objectives and constraints.

Additional Indebtedness risk: the issuer may later issue other indebtedness ranking at or above the bonds offered by this prospectus. Such issues would reduce the amount recoverable by these bondholders in the event of the issuer going into liquidation.

b. General Risks related to Bond Investments

Risk of default on payment: is the risk that the issuer will not be able to meet its contractual obligations to bondholders, resulting in the non-payment of coupons and/or the repayment of outstanding principal.

Interest risk: the risk of changes in interest rates may affect the yield on bonds, the rate of which is reviewed every 10 years. Indeed, an increase in interest rates will have the impact of decreasing the value of the bonds held.

Inflation risk: changes in inflation rates could affect the return to bondholders (i) if changes in inflation exceed the return on bonds held and (ii) if interest rates are readjusted. Thus, an increase in interest rates will decrease the value of the bonds held.

DISCLAIMER

The aforementioned information is only part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) under reference VI/EM/018/2022 on July 06, 2022.

AMMC recommends that the entire prospectus, which is available to the public in French, is to be read in its entirety.