Prospectus Summary

BMCI
GROUPE BNP PARIBAS

SUBORDINATED BOND ISSUE FOR A MAXIMUM TOTAL AMOUNT OF MAD 1,500,000,000

The AMMC-approved prospectus consists of:

- The Securities Note
- BMCI's Reference Document registered by the AMMC on September 5, 2024, under the reference EN/EM/016/2024.

	Tranche A Not listed	Tranche B Not listed	Tranche C Not listed	Tranche D Not listed
Ceiling	MAD 1,500,000,000	MAD 1,500,000,000	MAD 1,500,000,000	MAD 1,500,000,000
Maximum number of securities to be issued	15,000 subordinated bonds	15,000 subordinated bonds	15,000 subordinated bonds	15,000 subordinated bonds
Nominal value	MAD 100,000	MAD 100,000	MAD 100,000	MAD 100,000
Maturity	10 years	10 years	10 years	10 years
Face interest rate	Fixed, by reference to the 10-year Treasury bill secondary market reference yield curve as published by Bank Al-Maghrib on August 28, 2024, i.e., 3.41%, plus a risk premium of 75 basis points, i.e., a face rate of 4.16%.	Annually revisable by reference to the full 52-week rate (money market rate) determined according to the reference yield curve of the secondary market for Treasury bills as published by Bank Al Maghrib on August 28, 2024, i.e., 2.75%, plus a risk premium of 70 basis points. For the first year, the face rate is 3.45%.	Fixed, by reference to the 10-year Treasury bill secondary market reference yield curve as published by Bank Al-Maghrib on August 28, 2024, i.e., 3.29%, plus a risk premium of 65 basis points, i.e., a face rate of 3.94%.	Annually revisable by reference to the full 52-week rate (money market rate) determined according to the reference yield curve of the secondary market for Treasury bills as published by Bank Al Maghrib on August 28, 2024, i.e., 2.75%, plus a risk premium of 60 basis points. For the first year, the face rate is 3.35%.
Principal repayment	In fine	In fine	Constant linear annual amortization, with 5-year grace period (20% annual amortization from year 6)	Constant linear annual amortization, with 5-year grace period (20% annual amortization from year 6)
Tradability of securities	Over-the-counter (off-market)	Over-the-counter (off-market)	Over-the-counter (off-market)	Over-the-counter (off-market)
Risk premium	75 bps	70 bps	65 bps	60 bps
Repayment guarantee	None	None	None	None
Allocation method	On a pro rata basis with priority given to Investors I			

Subscription period: from September 12 to September 18, 2024, inclusive

Issue reserved for the two following categories of investors:

- **Investors I:**
  - All holders of BMCI subordinated bonds issued on 24/09/2018 maturing on 24/09/2028, whose ISIN code is MA0000093783, who wish to subscribe to this operation.
  - All holders of BMCI subordinated bonds issued on 12/11/2019 maturing on 12/11/2029, whose ISIN codes are MA0000094153 and MA0000094161, who wish to subscribe to this operation.
- **Investors II:**
  - All qualified investors under Moroccan law wishing to subscribe to BMCI's subordinated bond issue described in the securities note.

Financial Advisor & Global Coordinator

REDMED CAPITAL
CORPORATE FINANCE

Placement Agent

REDMED CAPITAL
SECURITIES - SOCIÉTÉ DE BOURSE

APPROVAL OF THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the AMMC circular, issued pursuant to Article 5 of Law No. 44-12 on public offerings and information required of legal entities and savings organizations, this prospectus was approved by the AMMC on September 5, 2024, under the reference no. VI/EM/026/2024.

The AMMC-approved prospectus consists of the following documents:

- The Securities Note;
- BMCI's Reference Document registered by the AMMC on September 5, 2024, under the reference EN/EM/016/2024.

DISCLAIMER

On September 5, 2024, the Moroccan Capital Market Authority (AMMC) approved the prospectus bearing the reference number VI/EM/026/2024, relating to the issue of subordinated bonds by BMCI bank.

The prospectus consists of:

- The Securities Note;
- BMCI's Reference Document registered by the AMMC on September 5, 2024, under the reference EN/EM/016/2024.

A subordinated bond differs from a classic bond in that the subordination clause defines the contractual ranking of the debt. In the event of liquidation of the issuer, the subordination clause makes repayment of the bond conditional on satisfaction of all other classic, preferred or unsecured debts.

The AMMC-approved prospectus is available at any time in the following places:

- At BMCI's headquarters: 26, place des Nations Unies, Casablanca, Maroc, and on its website (https://www.bmci.ma/nous-connaitre/le-groupe-bmci/communication-financiere/);
- At Red Med Capital's headquarters (financial advisor): 57 Avenue Mehdi Ben Barka, Souissi Rabat.

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

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

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PART I: Presentation of the operation

I- Structure of the offer

BMCI plans to issue fifteen thousand (15,000) subordinated bonds with a unit nominal value of one hundred thousand dirhams (MAD 100,000). The total amount of the operation is MAD 1,500,000,000 by way of a public offering, broken down as follows:

- Tranche “A” with a 10-year maturity, at a fixed rate, not listed on the Casablanca Stock Exchange, with a ceiling of MAD 1,500,000,000 and a nominal value of MAD 100,000 each (principal repayment in fine);

- A Tranche “B” with a 10-year maturity, at an annually revisable rate, not listed on the Casablanca Stock Exchange, with a ceiling of MAD 1,500,000,000 and a nominal value of MAD 100,000 each (principal repayment in fine);

- Tranche “C” with a 10-year maturity, at a fixed rate, not listed on the Casablanca Stock Exchange, with a ceiling of MAD 1,500,000,000 and a nominal value of MAD 100,000 each (constant linear annual amortization, with a 5-year grace period, i.e., 20% annual amortization as from the 6th year);

- Tranche “D” with a 10-year maturity, at an annually revisable rate, not listed on the Casablanca Stock Exchange, with a ceiling of MAD 1,500,000,000 and a nominal value of MAD 100,000 each (constant linear annual amortization, with a 5-year grace period, i.e., 20% annual amortization as from the 6th year).

The total amount auctioned for the four tranches may under no circumstances exceed MAD 1,500,000,000.
Should the bond issue not be fully subscribed, the amount of the issue will be limited to the amount actually subscribed.

Subscription to this issue is reserved for the following two categories of investors:

Investors I:

- All holders of BMCI subordinated bonds issued on 24/09/2018 maturing on 24/09/2028, whose ISIN code is MA0000093783, who wish to subscribe to this operation.
- All holders of BMCI subordinated bonds issued on 12/11/2019 maturing on 12/11/2029, whose ISIN codes are MA0000094153 and MA0000094161, who wish to subscribe to this operation.

The following table sets out the lines of Existing Bonds eligible for this operation:

Table 1: Existing Eligible Bond Lines

ISIN Code	Listing	Rate	Quantity of securities	Nominal value (MAD)	Amount (MAD)	Face rate	Maturity date	Repayment method	Payment frequency
MA0000093783	Not listed	Annually revisable	10 000	100 000	1 000 000 000	3.90%[1]	24/09/2028	In fine	Annual
MA0000094153	Not listed	Fixed	748	100 000	74 800 000	3.38%	12/11/2029	In fine	Annual
MA0000094161	Not listed	Annually revisable	4 252	100 000	425 200 000	3.67%[2]	12/11/2029	In fine	Annual

Source: Maroclear

The maximum number of new bonds to be allocated to Investors I is 15,000 securities with a nominal value of MAD 100,000 each, i.e., a maximum amount of MAD 1,500,000,000.

Investors II: This category covers all qualified investors under Moroccan law wishing to subscribe to BMCI's subordinated bond issue described in the securities note.
The number of bonds allocated to investor category II is 15,000 bonds with a nominal value of 100,000, representing an amount of MAD 1,500,000,000 (one billion five hundred million).

[1] In accordance with the latest revision of the face rate of the aforementioned tranche https://www.ammc.ma/sites/default/files/CP_BMCI_taux_interet.pdf
[2] In accordance with the latest revision of the face rate of the aforementioned tranche https://www.bmci.ma/wp-content/blogs.dir/sites/2/2024/01/V2-CP-taux-EMISSION-OBLIGATAIRE-SUBORDONNEE-NOV-2023-16x16-1.pdf

If the number of shares subscribed by investor category I is less than the corresponding offer (15,000 bonds with a nominal value of 100,000, i.e., MAD 1,500,000,000), the difference will be allocated to investor category II.

The total amount of the operation to be auctioned over the four tranches for the two categories of investors may not exceed MAD 1,500,000,000 (one billion five hundred million).

II- Objectives of the operation

The main objective of this subordinated bond issue is to strengthen BMCI's current regulatory capital and hence its solvency ratio.
In accordance with Bank Al-Maghrib's circular 14/G/2013 on the calculation of regulatory capital for credit institutions, as amended and supplemented, the funds raised through this operation will be classified as Tier 2 capital.

III- Information on BMCI's subordinated bonds

Disclaimer

A subordinated bond differs from a classic bond in that the subordination clause defines the contractual ranking of the debt. In the event of liquidation of the issuer, the subordination clause makes repayment of the bond conditional on satisfaction of all other classic, preferred or unsecured debts.

TRANCHE "A" CHARACTERISTICS

FIXED-RATE, 10-YEAR MATURITY, PRINCIPAL REPAYABLE IN FINE, NOT LISTED ON THE CASABLANCA STOCK EXCHANGE

Nature of securities	Subordinated bonds not listed on the Casablanca Stock Exchange, entirely dematerialized by registration in an account with the financial intermediaries authorized and approved for the operations of the central custodian (Maroclear).
Legal form	Bearer bond
Tranche ceiling	MAD 1,500,000,000
Maximum number of securities to be issued	15,000 subordinated bonds
Nominal value	MAD 100,000
Issue price	100%, i.e., 100,000
Loan maturity	10 years
Subscription period	From September 12 to 18, 2024, inclusive
Entitlement date	September 24, 2024
Maturity	September 24, 2034
Allocation method	On a pro rata basis with priority given to Investors I (Section XII. Allocation terms and conditions)
Face interest rate	**Fixed rate** The face interest rate is determined by reference to the 10-year Treasury bill secondary market reference yield curve as published by Bank Al-Maghrib on August 28, 2024, i.e., 3.41%, plus a risk premium of 75 basis points, i.e., a face rate of 4.16%. The reference rate is determined by the linear interpolation method, using the two points surrounding the full 10-year maturity (Actuarial basis).
Risk premium	75 basis points.

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Interests	Interest will be paid annually on the anniversary of the date on which the loan comes into effect, i.e., September 24 of each year. Payment will be made on the same day, or on the first business day following September 24 if this is not a business day. Interest on the subordinated bonds will cease to accrue from the date on which the principal is repaid by BMCI. No deferral of interest will be possible in connection with this operation. Interest will be calculated in accordance with the following formula: [Nominal x Face interest rate]
Principal repayment	Tranche "A" will be subject to principal repayment in fine. In the event of a merger, demerger or partial transfer of assets of BMCI occurring during the term of the loan and resulting in the transfer of all assets and liabilities to a separate legal entity, the rights and obligations under the subordinated bonds will be automatically transferred to the legal entity substituted for the rights and obligations of BMCI. In the event of BMCI's liquidation, repayment of the principal is subordinated to all conventional, preferred and unsecured debts.
Early repayment	BMCI undertakes to refrain from early repayment of the subordinated bonds covered by this issue before a period of 5 years as from the date of entitlement to dividends, except in the event of a Regulatory Change as described below. After 5 years, early repayment of the entire issue may only be made at the issuer's initiative and with the approval of Bank Al-Maghrib, and may only be exercised on the anniversary dates of the issue's dividend entitlement date, except in the event of a Regulatory Change as described below. Early repayment (exercise of the issuer call option) consists of principal and interest for the period due (repayment of principal at par). Subordinated bondholders will be notified of early repayment as soon as the decision to early repay has been taken, with a reminder at least 30 calendar days before the repayment date. These notices will be published on the issuer's website and in a newspaper of legal announcements, and will specify the amount, duration and start date of the repayment. However, the bank reserves the right to repurchase subordinated bonds on the secondary market, with the prior agreement of Bank Al-Maghrib, provided that this is permitted by legal and regulatory provisions. Such repurchases will have no consequences for subscribers wishing to keep their securities until the normal maturity date, and will not affect the normal repayment schedule. Subordinated bonds repurchased in this way may only be cancelled with the approval of Bank Al-Maghrib. In the event of the occurrence of a Regulatory Change at any time during the life of the subordinated bonds, the Borrower will have the option of proceeding with early repayment of the subordinated bonds with the approval of Bank Al-Maghrib. The issuer will be required to announce, within one week by way of a press release published in a newspaper for legal announcements and on BMCI's website, whether or not early repayment will be triggered. The said repayment will be made, where applicable, of the amount of interest accrued but not yet due on the effective repayment date, as well as any other sums due in respect of the subordinated securities (repayment of principal at par). In the event of early repayment, BMCI will immediately inform the representative of the bondholders' group and the AMMC. Regulatory Change means a change in the regulations applicable to the Borrower, namely regulations relating to the calculation of capital, capital requirements or capital adequacy, or a change in their interpretation or official application (including a court decision) as a result of which the Subordinated Loan would no longer be taken into account, in whole or in part, for the purposes of calculating the Borrower's prudential capital.

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Tradability of securities	Tradable over-the-counter. There are no restrictions imposed by the terms of issue on the free tradability of the subordinated bonds.
Assimilation clauses	There is no assimilation of the subordinated bonds covered by the securities note with the securities of a previous issue. In the event that BMCI subsequently issues new securities enjoying rights identical in all respects to those of the current issue, it may, without requiring the consent of the holders and provided that the issue contracts so provide, assimilate all the securities of successive issues, thereby unifying all operations relating to their management and trading.
Loan rank / Subordination	Capital and interest are subject to a subordination clause. The application of this clause in no way affects the rules of law concerning the accounting principles for the allocation of losses, the obligations of shareholders and the rights of the subscriber to obtain, in accordance with the conditions laid down in the contract, payment of his securities in capital and interest. In the event of BMCI's liquidation, the repayment of the principal and interest of the subordinated securities of the current issue will take place only after all traditional, preferred or unsecured creditors have been paid off. These subordinated securities will rank pari passu on repayment with all other subordinated loans issued and which may be issued in the future by BMCI, both in Morocco and internationally.
Maintaining loan rank	BMCI undertakes, until the effective repayment of all the securities of this loan, not to institute in favor of other subordinated securities that it may issue subsequently, any priority as to their repayment rank in the event of liquidation, without granting the same rights to the subordinated securities of this loan.
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 Supervisory Board held on 29/08/2024, appointed the HDID Consultants Firm represented by Mr. Mohamed Hdid as provisional representative. It being specified that the appointed provisional representative is identical for tranches A, B, C and D, which are grouped together in a single pool. The provisional representative proceeds, within a 6-month period as from the closing date of subscriptions to the convening of the Ordinary General Meeting of bondholders with a view to electing the representative of the bondholders' pool in accordance with the provisions of articles 301 and 301 bis of Act 17-95 relating to public limited companies, as amended and supplemented. In accordance with Article 301 bis of Law 17-95 relating to public limited companies, as amended and supplemented, it has been decided to fix the fees of the provisional representative and the representative of the bondholders' pool at MAD 25,000 (excl. tax) per year for the pool. In accordance with Article 302 of the above-mentioned Law, the representative of the pool has, except restriction decided by the General Meeting of Bondholders, the power to carry out in the name of the pool all management acts necessary to the safeguarding of the common interests of the bondholders. Besides, it is to be noted that the firm HDID Consultant represented by Mr. Mohamed Hdid is the representative of the bondholders' pool of the following unmatured issues carried out by BMCI: ▪ Subordinated bond issue of MAD 1000 million in 2018; ▪ Subordinated bond issue of MAD 500 million in 2019; ▪ Perpetual subordinated bond issue of MAD 750 million in 2023 Apart from the mandates mentioned above, BMCI and has no capital or business ties with HDID.

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Applicable law	Moroccan law
Competent jurisdiction	Commercial Court of Casablanca

<u>TRANCHE “B” CHARACTERISTICS</u>

ANNUALLY REVISABLE RATE, 10-YEAR MATURITY, PRINCIPAL REPAYABLE IN FINE, NOT LISTED ON THE CASABLANCA STOCK EXCHANGE

Nature of securities	Subordinated bonds not listed on the Casablanca Stock Exchange, entirely dematerialized by registration in an account with the financial intermediaries authorized and approved for the operations of the central custodian (Maroclear).
Legal form	Bearer bond
Tranche ceiling	MAD 1,500,000,000
Maximum number of securities to be issued	15,000 subordinated bonds
Nominal value	MAD 100,000
Issue price	100%, i.e., 100,000
Loan maturity	10 years
Subscription period	From September 12 to 18, 2024, inclusive
Entitlement date	September 24, 2024
Maturity	September 24, 2034
Allocation method	On a pro rata basis with priority given to Investors I (Section XII. Allocation terms and conditions)
Face interest rate	**Annually revisable rate** For the first year, the face interest rate is the full 52-week rate (money market rate) determined according to the reference yield curve for the secondary market in Treasury bills as published by Bank Al-Maghrib on August 28, 2024, i.e., 2.75%, plus a risk premium of 70 basis points. For the first year, the face rate is 3.45%. On each anniversary date, the reference rate is the full 52-week rate (money market rate) determined according to the reference yield curve for the secondary market in Treasury bills published by Bank Al-Maghrib, preceding the coupon anniversary date by 5 trading days. The reference rate thus obtained will be increased by a risk premium of 70 basis points and will be communicated by BMCI, via its website, to bondholders 5 trading days before the anniversary date.
Reference rate calculation method	If the 52-week rate is not directly observable, BMCI will determine the reference rate by linear interpolation using the two points surrounding the full 52-week maturity (monetary basis). This linear interpolation is made after converting the rate immediately above the 52-week maturity (actuarial basis) into the equivalent monetary rate. The calculation formula is as follows: (((Actuarial rate + 1)^ (k / exact number of days*))-1) x 360/k; where k: maturity of the actuarial rate immediately above 52 weeks. **Exact number of days: 365 or 366 days.*
Risk premium	70 basis points.
Interest rate determination date	The coupon will be revised annually on the anniversary date of the loan's entitlement date, i.e., September 24 of each year.

	The new rate will be communicated by the issuer on its website 5 business days before the loan's anniversary date.
Interests	Interests will be paid annually on the anniversary of the date on which the loan comes into effect, i.e., September 24 of each year. Payment will be made on the same day, or on the first business day following September 24 if this is not a business day. Interests on the subordinated bonds will cease to accrue from the date on which the principal capital is repaid by BMCI. No deferral of interest will be possible in connection with this operation. Interest will be calculated in accordance with the following formula: [Nominal x Facial interest rate x Exact number of days / 360]
Principal repayment	Tranche "B" will be subject to principal repayment in fine. In the event of a merger, demerger or partial transfer of assets of BMCI occurring during the term of the loan and resulting in the transfer of all assets and liabilities to a separate legal entity, the rights and obligations under the subordinated bonds will be automatically transferred to the legal entity substituted for the rights and obligations of BMCI. In the event of BMCI's liquidation, repayment of the principal is subordinated to all conventional, preferred and unsecured debts.
Early repayment	BMCI undertakes to refrain from early repayment of the subordinated bonds covered by this issue before a period of 5 years as from the date of entitlement to dividends, except in the event of a Regulatory Change as described below. After 5 years, early repayment of the entire issue may only be made at the issuer's initiative and with the approval of Bank Al-Maghrib, and may only be exercised on the anniversary dates of the issue's dividend entitlement date, except in the event of a Regulatory Change as described below. Early repayment (exercise of the issuer call option) consists of principal and interest for the period due (repayment of principal at par). Subordinated bondholders will be notified of early repayment as soon as the decision to early repay has been taken, with a reminder at least 30 calendar days before the repayment date. These notices will be published on the issuer's website and in a newspaper of legal announcements, and will specify the amount, duration and start date of the repayment. However, the bank reserves the right to repurchase subordinated bonds on the secondary market, with the prior agreement of Bank Al-Maghrib, provided that this is permitted by legal and regulatory provisions. Such repurchases will have no consequences for subscribers wishing to keep their securities until the normal maturity date, and will not affect the normal repayment schedule. Subordinated bonds repurchased in this way may only be cancelled with the approval of Bank Al-Maghrib. In the event of the occurrence of a Regulatory Change at any time during the life of the subordinated bonds, the Borrower will have the option of proceeding with early repayment of the subordinated bonds with the approval of Bank Al-Maghrib. The issuer will be required to announce, within one week by way of a press release published in a newspaper for legal announcements and on BMCI's website, whether or not early repayment will be triggered. The said repayment will be made, where applicable, of the amount of interest accrued but not yet due on the effective repayment date, as well as any other sums due in respect of the subordinated securities (repayment of principal at par). In the event of early repayment, BMCI will immediately inform the representative of the bondholders' group and the AMMC. Regulatory Change means a change in the regulations applicable to the Borrower, namely regulations relating to the calculation of capital, capital requirements or capital adequacy, or a change in their interpretation or official application

	(including a court decision) as a result of which the Subordinated Loan would no longer be taken into account, in whole or in part, for the purposes of calculating the Borrower's prudential capital.
Tradability of securities	Tradable over-the-counter. There are no restrictions imposed by the terms of issue on the free tradability of the subordinated bonds.
Assimilation clauses	There is no assimilation of the subordinated bonds covered by the securities note with the securities of a previous issue. In the event that BMCI subsequently issues new securities enjoying rights identical in all respects to those of the current issue, it may, without requiring the consent of the holders and provided that the issue contracts so provide, assimilate all the securities of successive issues, thereby unifying all operations relating to their management and trading.
Loan rank / Subordination	Capital and interest are subject to a subordination clause. The application of this clause in no way affects the rules of law concerning the accounting principles for the allocation of losses, the obligations of shareholders and the rights of the subscriber to obtain, in accordance with the conditions laid down in the contract, payment of his securities in capital and interest. In the event of BMCI's liquidation, the repayment of the principal and interest of the subordinated securities of the current issue will take place only after all traditional, preferred or unsecured creditors have been paid off. These subordinated securities will rank pari passu on repayment with all other subordinated loans issued and which may be issued in the future by BMCI, both in Morocco and internationally.
Maintaining loan rank	BMCI undertakes, until the effective repayment of all the securities of this loan, not to institute in favor of other subordinated securities that it may issue subsequently, any priority as to their repayment rank in the event of liquidation, without granting the same rights to the subordinated securities of this loan.
Repayment guarantee	This issue is not subject to any specific guarantee.
Rating	This issue has not been the subject of a rating request.

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Representation of the bondholders' pool	The Supervisory Board held on 29/08/2024, appointed the HDID Consultants Firm represented by Mr. Mohamed Hdid as provisional representative. It being specified that the appointed provisional representative is identical for tranches A, B, C and D, which are grouped together in a single pool. The provisional representative proceeds, within a 6-month period as from the closing date of subscriptions to the convening of the Ordinary General Meeting of bondholders with a view to electing the representative of the bondholders' pool in accordance with the provisions of articles 301 and 301 bis of Act 17-95 relating to public limited companies, as amended and supplemented. In accordance with Article 301 bis of Law 17-95 relating to public limited companies, as amended and supplemented, it has been decided to fix the fees of the provisional representative and the representative of the bondholders' pool at MAD 25,000 (excl. tax) per year for the pool. In accordance with Article 302 of the above-mentioned Law, the representative of the pool has, except restriction decided by the General Meeting of Bondholders, the power to carry out in the name of the pool all management acts necessary to the safeguarding of the common interests of the bondholders. Besides, it is to be noted that the firm HDID Consultant represented by Mr. Mohamed Hdid is the representative of the bondholders' pool of the following unmatured issues carried out by BMCI: ▪ Subordinated bond issue of MAD 1000 million in 2018; ▪ Subordinated bond issue of MAD 500 million in 2019; ▪ Perpetual subordinated bond issue of MAD 750 million in 2023 Apart from the mandates mentioned above, BMCI and has no capital or business ties with HDID.
Applicable law	Moroccan law
Competent jurisdiction	Commercial Court of Casablanca

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TRANCHE “C” CHARACTERISTICS

FIXED-RATE, 10-YEAR MATURITY, CONSTANT LINEAR ANNUAL AMORTIZATION (20% ANNUAL AMORTIZATION AS FROM THE 6TH YEAR), NOT LISTED ON THE CASABLANCA STOCK EXCHANGE

Nature of securities	Subordinated bonds not listed on the Casablanca Stock Exchange, entirely dematerialized by registration in an account with the financial intermediaries authorized and approved for the operations of the central custodian (Maroclear).
Legal form	Bearer bond
Tranche ceiling	MAD 1,500,000,000
Maximum number of securities to be issued	15,000 subordinated bonds
Nominal value	MAD 100,000
Issue price	100%, i.e., 100,000
Loan maturity	10 years
Subscription period	From September 12 to 18, 2024, inclusive
Entitlement date	September 24, 2024
Maturity	September 24, 2034
Allocation method	On a pro rata basis with priority given to Investors I (Section XII. Allocation terms and conditions)
Face interest rate	**Fixed** The face interest rate is calculated by reference to the 10-year sovereign rate (fixed and amortizable annually with a 5-year grace period) based on the secondary market reference yield curve for treasury bills as published by Bank Al-Maghrib on August 28, 2024, i.e., 3.29%, plus a risk premium of 65 basis points, i.e., 3.94%. The reference rate is determined by the linear interpolation method using the two points framing the equivalent maturity (10-year fixed and amortizable annually with a 5-year grace period).
Risk premium	65 basis points.
Interests	Interest will be paid annually on the anniversary of the date on which the loan comes into effect, i.e., September 24 of each year. Payment will be made on the same day, or on the first business day following September 24 if this is not a business day. Interest on the subordinated bonds will cease to accrue from the date on which the principal is repaid by BMCI. No deferral of interest will be possible in connection with this operation. Interest will be calculated in accordance with the following formula: [Nominal x Face interest rate]
Principal repayment	Tranche “C” will be amortized using the constant linear method with a 5-year grace period (20% annual amortization as from the 6th year). In the event of a merger, demerger or partial transfer of assets of BMCI occurring during the term of the loan and resulting in the transfer of all assets and liabilities to a separate legal entity, the rights and obligations under the subordinated bonds will be automatically transferred to the legal entity substituted for the rights and obligations of BMCI. In the event of BMCI's liquidation, repayment of the principal is subordinated to all conventional, preferred and unsecured debts.

LISSANIAT
Tél.: 0522 85 78 69
GSM : 0664 78 90 40

Early repayment	BMCI undertakes to refrain from early repayment of the subordinated bonds covered by this issue before a period of 5 years as from the date of entitlement to dividends, except in the event of a Regulatory Change as described below. After 5 years, early repayment of the entire issue may only be made at the issuer's initiative and with the approval of Bank Al-Maghrib, and may only be exercised on the anniversary dates of the issue's dividend entitlement date, except in the event of a Regulatory Change as described below. Early repayment (exercise of the issuer call option) consists of principal and interest for the period due (repayment of principal at par). Subordinated bondholders will be notified of early repayment as soon as the decision to early repay has been taken, with a reminder at least 30 calendar days before the repayment date. These notices will be published on the issuer's website and in a newspaper of legal announcements, and will specify the amount, duration and start date of the repayment. However, the bank reserves the right to repurchase subordinated bonds on the secondary market, with the prior agreement of Bank Al-Maghrib, provided that this is permitted by legal and regulatory provisions. Such repurchases will have no consequences for subscribers wishing to keep their securities until the normal maturity date, and will not affect the normal repayment schedule. Subordinated bonds repurchased in this way may only be cancelled with the approval of Bank Al-Maghrib. In the event of the occurrence of a Regulatory Change at any time during the life of the subordinated bonds, the Borrower will have the option of proceeding with early repayment of the subordinated bonds with the approval of Bank Al-Maghrib. The issuer will be required to announce, within one week by way of a press release published in a newspaper for legal announcements and on BMCI's website, whether or not early repayment will be triggered. The said repayment will be made, where applicable, of the amount of interest accrued but not yet due on the effective repayment date, as well as any other sums due in respect of the subordinated securities (repayment of principal at par). In the event of early repayment, BMCI will immediately inform the representative of the bondholders' group and the AMMC. Regulatory Change means a change in the regulations applicable to the Borrower, namely regulations relating to the calculation of capital, capital requirements or capital adequacy, or a change in their interpretation or official application (including a court decision) as a result of which the Subordinated Loan would no longer be taken into account, in whole or in part, for the purposes of calculating the Borrower's prudential capital.
Tradability of securities	Tradable over-the-counter. There are no restrictions imposed by the terms of issue on the free tradability of the subordinated bonds.
Assimilation clauses	There is no assimilation of the subordinated bonds covered by the securities note with the securities of a previous issue. In the event that BMCI subsequently issues new securities enjoying rights identical in all respects to those of the current issue, it may, without requiring the consent of the holders and provided that the issue contracts so provide, assimilate all the securities of successive issues, thereby unifying all operations relating to their management and trading.
Loan rank / Subordination	Capital and interest are subject to a subordination clause. The application of this clause in no way affects the rules of law concerning the accounting principles for the allocation of losses, the obligations of shareholders and the rights of the subscriber to obtain, in accordance with the conditions laid down in the contract, payment of his securities in capital and interest.

	In the event of BMCI's liquidation, the repayment of the principal and interest of the subordinated securities of the current issue will take place only after all traditional, preferred or unsecured creditors have been paid off. These subordinated securities will rank pari passu on repayment with all other subordinated loans issued and which may be issued in the future by BMCI, both in Morocco and internationally.
Maintaining loan rank	BMCI undertakes, until the effective repayment of all the securities of this loan, not to institute in favor of other subordinated securities that it may issue subsequently, any priority as to their repayment rank in the event of liquidation, without granting the same rights to the subordinated securities of this loan.
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 Supervisory Board held on 29/08/2024, appointed the HDID Consultants Firm represented by Mr. Mohamed Hdid as provisional representative. It being specified that the appointed provisional representative is identical for tranches A, B, C and D, which are grouped together in a single pool. The provisional representative proceeds, within a 6-month period as from the closing date of subscriptions to the convening of the Ordinary General Meeting of bondholders with a view to electing the representative of the bondholders' pool in accordance with the provisions of articles 301 and 301 bis of Act 17-95 relating to public limited companies, as amended and supplemented. In accordance with Article 301 bis of Law 17-95 relating to public limited companies, as amended and supplemented, it has been decided to fix the fees of the provisional representative and the representative of the bondholders' pool at MAD 25,000 (excl. tax) per year for the pool. In accordance with Article 302 of the above-mentioned Law, the representative of the pool has, except restriction decided by the General Meeting of Bondholders, the power to carry out in the name of the pool all management acts necessary to the safeguarding of the common interests of the bondholders. Besides, it is to be noted that the firm HDID Consultant represented by Mr. Mohamed Hdid is the representative of the bondholders' pool of the following unmatured issues carried out by BMCI: ▪ Subordinated bond issue of MAD 1000 million in 2018; ▪ Subordinated bond issue of MAD 500 million in 2019; ▪ Perpetual subordinated bond issue of MAD 750 million in 2023 Apart from the mandates mentioned above, BMCI and has no capital or business ties with HDID.
Applicable law	Moroccan law
Competent jurisdiction	Commercial Court of Casablanca

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TRANCHE “D” CHARACTERISTICS

ANNUALLY REVISABLE RATE, 10-YEAR MATURITY, CONSTANT LINEAR ANNUAL AMORTIZATION (20% ANNUAL AMORTIZATION AS FROM THE 6TH YEAR), NOT LISTED ON THE CASABLANCA STOCK EXCHANGE

Nature of securities	Subordinated bonds not listed on the Casablanca Stock Exchange, entirely dematerialized by registration in an account with the financial intermediaries authorized and approved for the operations of the central custodian (Maroclear).
Legal form	Bearer bond
Tranche ceiling	MAD 1,500,000,000
Maximum number of securities to be issued	15,000 subordinated bonds
Nominal value	MAD 100,000
Issue price	100%, i.e., 100,000
Loan maturity	10 years
Subscription period	From September 12 to 18, 2024, inclusive
Entitlement date	September 24, 2024
Maturity	September 24, 2034
Allocation method	On a pro rata basis with priority given to Investors I (Section XII. Allocation terms and conditions)
Face interest rate	**Annually revisable rate** For the first year, the face interest rate is the full 52-week rate (money market rate) determined according to the reference yield curve for the secondary market in Treasury bills as published by Bank Al-Maghrib on August 28, 2024, i.e., 2.75%, plus a risk premium of 60 basis points. For the first year, the coupon rate is 3.35%. On each anniversary date, the reference rate is the full 52-week rate (money market rate) determined according to the reference yield curve for the secondary market in Treasury bills published by Bank Al-Maghrib, five business days prior to each anniversary date. The reference rate thus obtained will be increased by a risk premium of 60 basis points and will be communicated by BMCI, via its website, to bondholders 5 trading days before the anniversary date.
Reference rate calculation method	If the 52-week rate is not directly observable, BMCI will determine the reference rate by linear interpolation using the two points surrounding the full 52-week maturity (monetary basis). This linear interpolation is made after converting the rate immediately above the 52-week maturity (actuarial basis) into the equivalent monetary rate. The calculation formula is as follows: (((Actuarial rate + 1)^ (k / exact number of days*))-1) x 360/k; where k: maturity of the actuarial rate immediately above 52 weeks. **Exact number of days: 365 or 366 days.*
Risk premium	60 basis points.
Interest rate determination date	The coupon will be revised annually on the anniversary date of the loan's entitlement date, i.e., September 24 of each year. The new rate will be communicated by the issuer on its website 5 business days before the loan's anniversary date.
Interests	Interests will be paid annually on the anniversary of the date on which the loan comes into effect, i.e., September 24 of each year.

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	Payment will be made on the same day, or on the first business day following September 24 if this is not a business day. Interests on the subordinated bonds will cease to accrue from the date on which the principal capital is repaid by BMCI. No deferral of interest will be possible in connection with this operation. Interest will be calculated in accordance with the following formula: [Nominal x Facial interest rate x Exact number of days / 360]
Principal repayment	Tranche "D" will be amortized using the constant linear method with a 5-year grace period (20% annual amortization as from the 6^{th} year). In the event of a merger, demerger or partial transfer of assets of BMCI occurring during the term of the loan and resulting in the transfer of all assets and liabilities to a separate legal entity, the rights and obligations under the subordinated bonds will be automatically transferred to the legal entity substituted for the rights and obligations of BMCI. In the event of BMCI's liquidation, repayment of the principal is subordinated to all conventional, preferred and unsecured debts.
Early repayment	BMCI undertakes to refrain from early repayment of the subordinated bonds covered by this issue before a period of 5 years as from the date of entitlement to dividends, except in the event of a Regulatory Change as described below. After 5 years, early repayment of the entire issue may only be made at the issuer's initiative and with the approval of Bank Al-Maghrib, and may only be exercised on the anniversary dates of the issue's dividend entitlement date, except in the event of a Regulatory Change as described below. Early repayment (exercise of the issuer call option) consists of principal and interest for the period due (repayment of principal at par). Subordinated bondholders will be notified of early repayment as soon as the decision to early repay has been taken, with a reminder at least 30 calendar days before the repayment date. These notices will be published on the issuer's website and in a newspaper of legal announcements, and will specify the amount, duration and start date of the repayment. However, the bank reserves the right to repurchase subordinated bonds on the secondary market, with the prior agreement of Bank Al-Maghrib, provided that this is permitted by legal and regulatory provisions. Such repurchases will have no consequences for subscribers wishing to keep their securities until the normal maturity date, and will not affect the normal repayment schedule. Subordinated bonds repurchased in this way may only be cancelled with the approval of Bank Al-Maghrib. In the event of the occurrence of a Regulatory Change at any time during the life of the subordinated bonds, the Borrower will have the option of proceeding with early repayment of the subordinated bonds with the approval of Bank Al-Maghrib. The issuer will be required to announce, within one week by way of a press release published in a newspaper for legal announcements and on BMCI's website, whether or not early repayment will be triggered. The said repayment will be made, where applicable, of the amount of interest accrued but not yet due on the effective repayment date, as well as any other sums due in respect of the subordinated securities (repayment of principal at par). In the event of early repayment, BMCI will immediately inform the representative of the bondholders' group and the AMMC. Regulatory Change means a change in the regulations applicable to the Borrower, namely regulations relating to the calculation of capital, capital requirements or capital adequacy, or a change in their interpretation or official application (including a court decision) as a result of which the Subordinated Loan would no

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	longer be taken into account, in whole or in part, for the purposes of calculating the Borrower's prudential capital.
Tradability of securities	Tradable over-the-counter. There are no restrictions imposed by the terms of issue on the free tradability of the subordinated bonds.
Assimilation clauses	There is no assimilation of the subordinated bonds covered by the securities note with the securities of a previous issue. In the event that BMCI subsequently issues new securities enjoying rights identical in all respects to those of the current issue, it may, without requiring the consent of the holders and provided that the issue contracts so provide, assimilate all the securities of successive issues, thereby unifying all operations relating to their management and trading.
Loan rank / Subordination	Capital and interest are subject to a subordination clause. The application of this clause in no way affects the rules of law concerning the accounting principles for the allocation of losses, the obligations of shareholders and the rights of the subscriber to obtain, in accordance with the conditions laid down in the contract, payment of his securities in capital and interest. In the event of BMCI's liquidation, the repayment of the principal and interest of the subordinated securities of the current issue will take place only after all traditional, preferred or unsecured creditors have been paid off. These subordinated securities will rank pari passu on repayment with all other subordinated loans issued and which may be issued in the future by BMCI, both in Morocco and internationally.
Maintaining loan rank	BMCI undertakes, until the effective repayment of all the securities of this loan, not to institute in favor of other subordinated securities that it may issue subsequently, any priority as to their repayment rank in the event of liquidation, without granting the same rights to the subordinated securities of this loan.
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 Supervisory Board held on 29/08/2024, appointed the HDID Consultants Firm represented by Mr. Mohamed Hdid as provisional representative. It being specified that the appointed provisional representative is identical for tranches A, B, C and D, which are grouped together in a single pool. The provisional representative proceeds, within a 6-month period as from the closing date of subscriptions to the convening of the Ordinary General Meeting of bondholders with a view to electing the representative of the bondholders' pool in accordance with the provisions of articles 301 and 301 bis of Act 17-95 relating to public limited companies, as amended and supplemented. In accordance with Article 301 bis of Law 17-95 relating to public limited companies, as amended and supplemented, it has been decided to fix the fees of the provisional representative and the representative of the bondholders' pool at MAD 25,000 (excl. tax) per year for the pool. In accordance with Article 302 of the above-mentioned Law, the representative of the pool has, except restriction decided by the General Meeting of Bondholders, the power to carry out in the name of the pool all management acts necessary to the safeguarding of the common interests of the bondholders. Besides, it is to be noted that the firm HDID Consultant represented by Mr. Mohamed Hdid is the representative of the bondholders' pool of the following unmatured issues carried out by BMCI: ▪ Subordinated bond issue of MAD 1000 million in 2018; ▪ Subordinated bond issue of MAD 500 million in 2019; ▪ Perpetual subordinated bond issue of MAD 750 million in 2023 Apart from the mandates mentioned above, BMCI and has no capital or business ties with HDID.
Applicable law	Moroccan law
Competent jurisdiction	Commercial Court of Casablanca

IV- Terms and conditions for determining the repurchase price of existing bonds

Payment for BMCI's repurchase of the Existing Eligible Bonds will be in cash and will correspond on the settlement/delivery date, i.e., September 24, 2024, to the unit price of the Existing Eligible Bonds.

On September 24, 2024, the unit price is equal to:

- The nominal value of the bonds issued on 24/09/2018 maturing on 24/09/2028 with ISIN code MA0000093783;
- The coupon price plus accrued bond coupon for bonds issued on 12/11/2019 maturing on 12/11/2029 with ISIN codes MA0000094153 and MA0000094161.

The following table sets out the repurchase prices of the Eligible Existing Bonds and the parameters used to determine them:

Table 3: Repurchase price of Existing Eligible Bond Lines

ISIN Code	Type of rate	Number of securities	Residual maturity[3] (in Nb of days)	Reference rate[4]	Bond issue risk premium	Repurchase price (MAD)
MA0000094153	Fixed	748	1 875	3.052%	55 bps	101 896.66
MA0000094161	Revisable	4 252	1 875	2.611%	55 bps	103 286.78

Source: Red Med Corporate Finance

For lines maturing on 12/11/2029, the repurchase price corresponds to the coupon price plus the accrued coupon as of September 24, 2024, calculated by discounting the future cash flows of the BMCI bond on the basis of the Treasury bill rate observed on the secondary market yield curve published by Bank Al Maghrib on August 28, 2024, plus a risk premium of 55 basis points.

The following table breaks down the repurchase price into accrued coupon and coupon footer prices:

Table 4: Repurchase price: accrued coupon and coupon footer price

ISIN Code	Type of rate	Repurchase price (MAD)	Coupon footer price (MAD)	Accrued coupon (MAD)
MA0000094153	Fixed	101 896.66	98 969.17	2 927.49
MA0000094161	Revisable	103 286.78	100 055.14	3 231.64

Source: Red Med Corporate Finance

For the MA0000094161 line - revisable:

The repurchase price corresponds to the coupon price plus the accrued coupon as of September 24, 2024, calculated on the basis of the discounted future cash flows of BMCI's Existing Eligible Bonds, as follows:

$$N \text{ x } (1+R_f \text{ x } M_i/360) / (1+Y^*M_r/360)$$

Where:

N: Nominal, in MAD
R_f: Face rate
M_i: Initial maturity in days (between 12/11/2023 and 12/11/2024).
Y: Yield: 3.161% - calculated on the basis of the reference yield curve for the secondary market in treasury bills as published by Bank Al Maghrib on 28/08/2024 plus 55 basis points-.
M_r: Residual maturity in days: 49 days - between 09/24/2024 and 11/12/2024

For the MA0000094153 line – fixed:

The repurchase price corresponds to the coupon price plus the accrued coupon as of September 24, 2024, calculated on the basis of discounted cash flows plus 55 basis points, in accordance with the following formula:

[3] *The number of days between the settlement/delivery date, i.e., 09/24/2024, and the maturity of the Existing Bonds, i.e., 09/24/2028 and 11/12/2029.*
[4] *TB rate over residual maturity, determined on the basis of the secondary market yield curve as published by Bank Al Maghrib on August 28, 2024.*

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$$P = \frac{N}{(1+Y)^{\frac{n_d}{A}}} \left[\sum_{i=1}^{n} \frac{R_f}{(1+Y)^{(i-1)}} + \frac{1}{(1+Y)^{(n-1)}} \right]$$

Where:

N: Nominal, in MAD
R_f: Face rate
Y: Yield: 3.602% - calculated on the basis of the benchmark yield curve for the secondary market in Treasury bills as published by Bank Al Maghrib on 28/08/2024 plus 55 basis points-.
n: number of coupons to come
$n_{d:}$ number of days remaining until the next coupon date
A: equal to 366, the year being a leap year

V- Default event

A default event is the failure to pay all or part of the principal and interest due by the Company on any Bond unless payment is made within 14 business days of the due date.

In case of occurrence of a Default Event, the representative of the Bondholders' body must send without delay a formal notice to the Company to remedy the Default Event with an injunction to pay any amount in interest due by the Company within 14 working days following the formal notice.

If the Company has not cured the Event of Default within 14 business days following the date of receipt of the notice of default, the Representative of the Bondholders' body may, after convening the general meeting of bondholders and upon a decision of the latter ruling in accordance with the conditions of quorum and majority provided for by law and upon simple written notification to the Issuer with a copy to the Issuer and to the AMMC, render the entire issue payable, entailing ipso jure the obligation for the Company to redeem the said Bonds up to the principal amount plus the interest accrued since the last interest payment date and increased by the accrued interest not yet paid.

The principal amount being the initial principal amount (initial nominal value x number of securities), or in the event of early redemption, the outstanding principal amount.

VI- Schedule of the Operation

The operation's schedule is as follows:

Order	Steps	Dates
1	Reception of AMMC approval	05/09/2024
2	Publication of the prospectus extract on the issuer's website (https://www.bmci.ma/)	05/09/2024
3	Publication of the press release by the Issuer in a newspaper of legal announcements	06/09/2024
4	Opening of the subscription period	12/09/2024
5	Closing of the subscription period (inclusive)	18/09/2024
6	Allocation of securities	18/09/2024

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7	Payment / Delivery	24/09/2024
8	Publication by the issuer of the operation's results in a newspaper of legal announcements and on its website	24/09/2024

PART II: About BMCI

I- General information

Corporate name	Banque Marocaine pour le Commerce & l'Industrie, abbreviated "BMCI"
Registered office	26, place des Nations Unies- Casablanca- Maroc
Phone	(212) 5 22 46 10 00
Fax	(212) 5 22 29 94 06
Website	www.bmci.ma
Legal form	Limited Company (Ltd.) with a Management Board and a Supervisory Board
Incorporation date	1940
Company lifetime	99 years
Trade register	RC No. 4091 – Casablanca
Financial year	From January 1 to December 31
Corporate purpose (Article 3 of the articles of association)	With reference to the provisions of Article 3 of the Articles of Association, the purpose of the Bank is to: ▪ carry out for itself, on behalf of third parties or in participation, in Morocco and abroad, all Bank operations, discount, advance, credit or commission, all subscriptions and issues and generally, all operations and transactions, without exception, to conduct all financial, commercial and industrial operations and operations relating to any fixed or unfixed assets that may be the consequence there of; ▪ propose to the public and subject to the approval of Bank Al Maghrib, through a cantoned and autonomous window, the activities and products provided for by Title III of Law No. 103-12 on credit institutions and similar bodies as well as the commercial, financial and investment operations considered compliant with the Ouléma Higher Council (CSO); ▪ also carry out for itself, on behalf of third parties or in participation, in Morocco or abroad, especially in the form of Foundation of Companies, all operations and enterprises which can concern the industry, the trade or the bank or related directly or indirectly thereto.
Share capital as of June 30, 2024	MAD 1,327,928,600, comprising 13,279,286 shares with a nominal value of MAD 100 each.
Legal documents	The corporate, accounting and legal documents whose communication is provided for by law and the bylaws may be consulted at the registered office of the company.
List of applicable laws	**Legislation governing BMCI's legal form:** ▪ Law no. 17-95 on public limited companies, as amended and supplemented. **Legislation governing BMCI's activities:** ▪ Law no. 103-12 on credit institutions and similar bodies (Banking Law). **Legislation governing BMCI's recourse to public offerings and the listing of its shares**: ▪ The general regulations of the Moroccan Capital Market Authority approved by Order of the Minister of Economy and Finance No 2169-16 of July 14, 2016; ▪ AMMC circulars;

	▪ Law no 19-14 relating to the stock exchange, brokerage firms and financial investment advisors; ▪ Law no 35-96 relating to the creation of a central depository and the introduction of a general system for the registration of certain securities in accounts, as amended and supplemented by law no 43-02; ▪ Law no 26-03 on public offerings on the stock market, as amended and supplemented by Law no. 46-06; ▪ The general regulations of the Stock Exchange, approved by Order no. 2208-19 of July 3, 2019 issued by the Minister of the Economy and Finance; ▪ The general regulations of the central depository approved by Order no. 932-98 of the Minister of the Economy and Finance dated April 16, 1998 and amended by Order no. 1961-01 of the Minister of the Economy and Finance dated October 30, 2001 and Order no. 77-05 of March 17, 2005; ▪ Law no 43-12 relating to the Moroccan Capital Market Authority; ▪ Law no 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings. Legislation governing BMCI's use of certificates of deposit: ▪ Law no 35-94 relating to certain negotiable debt securities, as amended and supplemented, and Ministry of Finance and Foreign Investment order no. 2560-95 of October 9, 1995 relating to negotiable debt securities, as amended and supplemented, and Bank Al-Maghrib circular no. 2/G/96 of January 30, 1996 relating to certificates of deposit and its amendment. ▪ Bank Al-Maghrib circulars and directives.
Tax system	As a credit institution, BMCI is subject to VAT at a rate of 10% and to corporate income tax, the rate of which will rise gradually to reach 40% in 2026. In 2023, the tax rate in force is 37.75%. In 2024, the tax rate in force is 38.5%. The bank is governed by ordinary commercial and tax legislation.
Competent court in the event of dispute	Commercial Court of Casablanca.

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II- BMCI shareholding

1. Shareholding structure

BMCI's share capital is fully paid up. As of end-June 2024, the capital breakdown is as follows:

Shareholders	Number of shares held	% in Capital	% of voting rights
BNP Paribas IRB Participations	8 861 017	66.73%	66.74%
Members of the Supervisory Board*	1 000	0.01%	0.01%
Axa Assurances Maroc	1 181 697	8.90%	8.90%
Atlantasanad Assurance	1 120 351	8.44%	8.44%
Other shareholders **	2 115 221	15.93%	15.93%
TOTAL	**13 279 286**	**100%**	**100%**

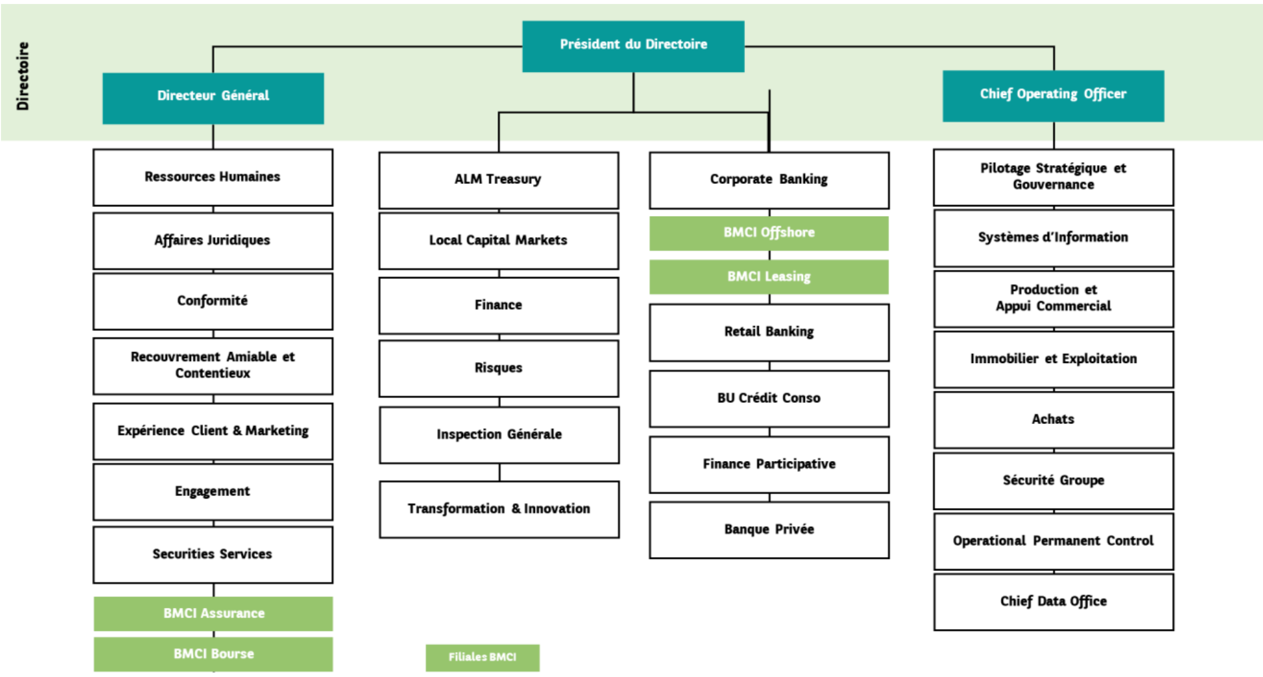
* *In accordance with BMCI's Articles of Association, Supervisory Board members, and in this case members belonging to the BNP Paribas Group, hold 100 function shares. Independent members do not hold any shares..*

*** The "Other shareholders" item includes shareholders holding less than 3%, see AMMC circular no. 03-19.*

Source: BMCI Group

Each share held confers a single voting right on its owner (one share equals one vote).

III- BMCI Functional organizational chart as of end July2024



Source: BMCI Group

IV- BMCI Group Activity

1. Evolution of credit

The BMCI Group's loans and receivables amounted to MAD 60,016 million as of end December 2023. Changes in the BMCI Group's loans and receivables between the end of December 2021 and the end of December 2023 were as follows:

In MAD million	2 021	2 022	2 023	Var 22 - 21	Var 23 - 22
Accounts and loans	138	1 163	278	>100%	-76.08%
Other loans and receivables	1 291	739	881	-42.78%	19.17%
Related receivables	111	5	5	-95.06%	8.10%
Provisions	-6	-2	-2	-72.08%	2.80%
Loans and advances to CI	**1 534**	**1 905**	**1 162**	**24.18%**	**-38.99%**
Trade receivables	5 202	6 313	7 060	21.35%	11.82%
Other customer loans	43 089	44 594	47 665	3.49%	6.89%
Securities received under repurchase agreements	2 167	1 486	1 547	-31.45%	4.13%
Ordinary overdrafts	2 698	3 657	3 630	35.52%	-0.73%
Related receivables	117	142	181	21.46%	27.27%
Provisions	-7 050	-7 276	-7 028	-3.21%	3.41%
Customer operations	**46 224**	**48 915**	**53 055**	**5.82%**	**-8.46%**
Real estate leasing	1 261	1 172	1 109	-7.03%	-5.38%
Equipment leasing, LOA and similar operations	3 803	4 036	4 240	6.14%	5.05%
Related receivables	669	741	819	10.72%	10.50%
Provisions	-382	-376	-369	-1.58%	-1.89%
Leasing operations	**5 350**	**5 573**	**5 799**	**4.16%**	**4.05%**
Loans and advances to customers	**51 574**	**54 488**	**58 854**	**5.65%**	**8.01%**
TOTAL	**53 109**	**56 393**	**60 016**	**6.18%**	**6.42%**

Source: BMCI Group

2023 – 2022 analytical review

Between the end of December 2023 and 2022, the Group's loans and receivables increased by MAD 3,623 million, i.e., +6.42%, due to the following combined effects:

- The decrease of MAD 743 million (i.e., -38.99%) in loans and receivables from credit institutions, mainly due to the decrease in accounts and loans of MAD 885 million (i.e., -76.08%). This fall is explained by the comfortable liquidity situation at the end of 2022 in an interbank market in need of liquidity, favoring the investment of BMCI's surpluses;
- The increase in loans and advances to customers of MAD 4,366 million (i.e., +8.01%), driven by:
  - ✓ The increase in leasing operations of MAD 226 million (i.e. +4.05%), under the combined effect of: (i) the decrease in real estate leasing of MAD 63 million (i.e. -5.38%) compared with the end of 2022; (ii) the increase in equipment leasing, LOA and similar operations of MAD 204 million (i.e. +5.05%) and (iii) the increase in related receivables of MAD 78 million (i.e. +10.50%);
  - ✓ The increase in customer transactions of MAD 4,140 million (i.e. +8.46%) due to the combined effect of: (i) the increase in trade receivables of MAD 747 million (i.e. +11.82%); (ii) the increase in other customer loans of MAD 3,071 million (i.e. +6.89%); (iii) the increase in securities received under repurchase agreements of MAD 61 million (i.e. +4.13%) and (iv) the decrease in ordinary accounts in debit of MAD 27 million (i.e. -0.73%).

2022 – 2021 analytical review

Between the end of December 2022 and 2021, the Group's loans and receivables increased by MAD 3,284 million, i.e., +6.18%, due to the following combined effects:

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- The increase of MAD 371 million (i.e., +24.18%) in loans and receivables from credit institutions, due mainly to the increase in accounts and loans of MAD 1,025 million (i.e., >100%) and the decrease in other loans and receivables of MAD 552 million (i.e., -42.78%);
- The increase in loans and advances to customers of MAD 2,914 million (i.e., +5.65%), driven by:
  - ✓ The increase in leasing operations of MAD 223 million (i.e. +4.16%), under the combined effect of: (i) the decline in real estate leasing of MAD 89 million (i.e. -7.03%) compared with end-2021; (ii) the increase in equipment leasing, LOA and similar operations of MAD 233 million (i.e. +6.14%) and (iii) the increase in related receivables of MAD 72 million (i.e. +10.72%);

  - ✓ The increase in customer transactions of MAD 2,691 million (i.e. +5.82%) due to the combined effect of: (i) the increase in trade receivables of MAD 1,111 million (i.e. +21.35%); (ii) the increase in other customer loans of MAD 1,505 million (i.e. +3.49%); (iii) the decrease in securities received under repurchase agreements of MAD 682 million (i.e. -31.45%) and (iv) the increase in ordinary accounts in debit of MAD 959 million (i.e. +35.52%).

2. Evolution of Deposit

In MAD million		2021	2022	Var 22-21	2023	Var 23-22
Debts due to credit institutions		**3 367**	**6 081**	**80.60%**	**4 180**	**-31.25%**
	Part	*7.49%*	*12.37%*	*4.89 pts*	*8.26%*	*-4.11%*
Current		2 626	899	-65.76%	1 832	>100%
Long term		*742*	*5 183*	>100%	*2 348*	-54.70%
Debts to customers		**41 617**	**43 068**	**3.49%**	**46 439**	**7.83%**
	Part	*92.51%*	*87.63%*	*-4.89 pts*	*91.74%*	*4.11%*
Current accounts payable		30 926	30 508	**-1.35%**	33 120	8.56%
	Part	***68.75%***	***62.07%***	***-6.68 pts***	***65.43%***	***3.36%***
Savings account		6 814	6 262	**-8.11%**	5 946	-5.04%
	Part	***15.15%***	***12.74%***	***-2.41 pts***	***11.75%***	***-0.99%***
Term deposits		1 812	4 395	**>100%**	5 528	25.78%
	Part	***4.03%***	***8.94%***	***4.91 pts***	***10.92%***	***1.98%***
Other accounts payable		2 054	1 883	**-8.35%**	1 791	-4.88%
	Part	***4.57%***	***3.83%***	***-0.74 pts***	***3.54%***	***-0.29%***
Accrued interests payable		11	21	**96.84%**	54	>100%
	Part	***0.02%***	***0.04%***	***0.02 pts***	***0.11%***	***0.07%***
Total debts		**44 985**	**49 150**	**9.26%**	**50 620**	**2.99%**

Source: BMCI Group

2023 – 2022 analytical review

As of end-2023, customer deposits had increased by 7.83% compared with 2022 (i.e., MAD 3,371 million) to MAD 46,439 million. This trend is explained by the combined effect of the following factors:

- The 8.56% increase in sight accounts in credit (+MAD 2,612 million).
- The 8.56% increase in sight accounts in credit (+MAD 2,612 million).

In addition, amounts due to credit institutions fell by MAD 1,901 million to MAD 4,180 million in December 2023, i.e., a decline of 31.25%. This decrease is explained by a comfortable liquidity situation as of end-2023. This decrease is also the result of:

- The decrease in term debts by MAD 2,835 million (-54.70%) to MAD 2,348 million in 2023;
- The increase in sight debts by MAD 933 million, from MAD 899 million in 2022 to MAD 1,832 million in 2023.

As of end-December 2023, payables to credit institutions represented 8.26% of total payables, compared with 12.4% at end-2022. Payables to customers represented 91.74% of total payables, up 4.11 points compared with 2022.

2022 – 2021 analytical review

As of end-2022, customer deposits had increased by 3.49% compared with 2021 (i.e., MAD 1,451 million) to MAD 43,068 million. This trend is due to the combination of the following factors:

- The 1.35% fall in current accounts in credit (- MAD 418 million), the 8.11% fall in savings accounts (- MAD 552 million) and the 8.35% fall in other accounts in credit (- MAD 171 million).
- The 143% increase in term deposits (+MAD 2,583 million) and the 96.84% rise in accrued interest (+MAD 10 million).

Meanwhile, payables to credit institutions rose by MAD 2,714 million to MAD 6,081 million in December 2022, i.e., an increase of 80.6%. This increase is the result of:

- The increase in term liabilities of MAD 4,441 million, following the cash borrowing of MAD 3,275 million from foreign credit institutions and MAD 769 million from credit institutions in Morocco, combined with the increase in securities sold under repurchase agreements from MAD 100 million in 2021 to almost MAD 1 million in 2022;
- The decrease in demand liabilities of MAD 1,727 million, from MAD 2,626 million in 2021 to MAD 889 million in 2022.

As of end-December 2022, payables to credit institutions represented 12.4% of total payables, compared with 7.5% at end-2021. Payables to customers represented 87.6% of total payables, down 4.9 points compared with 2021.

V- Financial data

1. BMCI's consolidated financial position

1. BMCI Group's consolidated income statement as of 31/12/2023

The IFRS consolidated income statement for the last three years is as follows:

In MAD million	2 021	2 022	2 023	Var 22-21	Var 23-22
Interests and similar income	2 997	3 073	3 536	2.54%	15.07%
Interests and similar costs	-659	-780	-1 108	18.36%	42.01%
Interest margin	**2 338**	**2 292**	**2 428**	**-1.97%**	**5.95%**
Commissions receivables	520	550	533	5.77%	-3.07%
Commissions payments	-72	-62	-69	13.89%	-3.07%
Commission margin	**449**	**488**	**464**	**8.69%**	**-4.86%**
Net gains or losses from net hedging positions	3	-13	-7	>-100%	49.66%
Net gains and losses on financial instruments at the fair value through result	338	394	611	16.57%	55.04%
Net gains or losses on financial assets held for sale	-	-	-	-	-
Result from trading operations	**341**	**381**	**604**	**11.73%**	**58.53%**
Income from other activities	86	43	90	-50.00%	>100%
Costs of other activities	-171	-151	-149	11.70%	1.01%
Net banking income	**3 044**	**3 054**	**3 438**	**0.33%**	**12.57%**
General operating costs	-1 885	-1 837	-1 939	2.55%	5.54%
Amortizations and depreciations of tangible and intangible assets	-245	-235	-252	4.08%	7.17%
Gross operational result	914	982	1 247	7.44%	27.00%
Risk costs	**-575**	**-562**	**-633**	**2.26%**	**12.70%**
Operating result	**338**	**420**	**614**	**24.26%**	**46.15%**
Share of profits/losses of undertakings accounted for by the equity method	0	7	4	>100%	-42.20%
Net gains or losses on other assets	12	-10	-5	>-100%	49.17%
Change of goodwill purchase values	-	-	-	-	-
Pre-tax result	**351**	**417**	**613**	**18.80%**	**46.95%**
Benefit tax	-184	-232	-442	-26.09%	90.41%
Net result for the financial year	**167**	**185**	**171**	**10.78%**	**-7.55%**
Result – Group net share	194	229	171	18.04%	-25.23%
External result	-27	-44	-0.2	-62.96%	99.55%
Result per share (in MAD)	*15*	*17*	*13*	*17.81%*	*-25.03%*

Source: BMCI Group

2. BMCI Group's consolidated balance sheet as of 31/12/2023

BMCI Group's consolidated balance sheet under IFRS between the end of December 2021 and the end of December 2023 is as follows:

In MAD million	2 021	2 022	2 023	Var 22 - 21	Var 23 - 22
Cash and balances with central banks, the Treasury, and post office accounts	1 582	777	1 363	-50.92%	75.40%
Financial assets at fair value through result	1 400	1 822	1 796	30.07%	-1.41%
Derivatives instruments for hedging purpose	-	-	-	n/a	n/a
Financial assets at fair value through result	3 896	2 601	1 490	-33.25%	-42.73%
Securities at amortized cost	4 003	5 792	6 981	44.69%	20.52%
Loans and receivables to credit and similar institutions	1 534	1 905	1 162	24.18%	-38.99%

Customer loans and receivables	51 574	54 488	58 854	5.65%	8.01%
Fair value adjustments to debt portfolios hedged against interest rate risks	-	-	-	n/a	n/a
Investment in insurance activities	-	-	-	n/a	n/a
Current tax assets	202	57	165	-71.90%	>100%
Deferred tax assets	357	318	301	-11.09%	-5.24%
Accruals and other assets	1 136	1 150	1 259	1.30%	9.48%
Non-current assets held for sale	-	-	-	n/a	n/a
Investments in undertakings accounted for by the equity method	12	17	15	38.02%	-11.84%
Investment properties	28	26	24	-6.35%	-7.42%
Tangible assets	1 266	1 176	1 142	-7.13%	-2.89%
Intangible assets	532	540	561	1.51%	3.92%
Purchase goodwill	88	88	88	0.00%	-0.32%
Total Assets	**67 611**	**70 755**	**75 201**	**4.65%**	**6.28%**

Source: BMCI Group

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BMCI Group's consolidated balance sheet - liabilities under IFRS between the end of December 2021 and the end of December 2023 is as follows:

In MAD million	2 021	2 022	2 023	Var 22 - 21	Var 23 - 22
Central banks. Public Treasury, services of postal checks	1	0	0	n/a	n/a
Financial liabilities at fair value through result	12	3	2	-75.00%	-44.18%
Hedging derivatives	-	-	-	n/a	n/a
Loans and receivables to credit institutions and similar institutions	5 153	6 998	6 303	35.80%	-9.93%
Debts to customers	42 425	44 269	47 464	4.35%	7.22%
Issued loan securities	5 972	5 963	6 877	-0.15%	15.32%
Fair value revaluation of portfolio hedge (liabilities)	-	-	-	n/a	n/a
Current tax liabilities	31	31	10	0.00%	-68.39%
Deferred tax liabilities	218	244	187	11.93%	-23.47%
Accruals and other liabilities	3 529	3 697	4 095	4.76%	10.75%
Debts related to non-current assets to be sold	-	-	-	n/a	n/a
Technical provisions of insurance agreements	-	-	-	n/a	n/a
Provisions for risks and costs	755	762	744	0.93%	-2.34%
Subsidies, restricted public funds and special funds of guarantee	-	-	-	n/a	n/a
Subordinated debts	**2 262**	**1 510**	**2 302**	**-33.24%**	**52.47%**
Equity	**7 255**	**7 278**	**7 218**	**0.32%**	**-0.82%**
Capital and associated reserves	6 542	6 542	6 542	-	-
Consolidated reserves	487	552	501	13.35%	-9.19%
- Group share	445	485	475	8.99%	-2.12%
- Minority share	43	67	27	55.81%	-60.35%
Latent or deferred gains or losses. group share	58	-1	4	>-100	>100%
Net profit of the financial year	167	185	171	10.78%	-7.55%
- Group share	194	229	171	18.04%	-25.23%
- Minority share	-27	-44	0	62.96%	-99.55%
Total Liabilities	**67 611**	**70 755**	**75 201**	**4.65%**	**6.28%**

Source: BMCI Group

3. Quarterly financial statements (unaudited)

Income statement

The BMCI Group's quarterly financial statements as of end-March 2024 are presented below:

In MAD thousand	March-23	March-24
Interests and similar income	813 185	923 210
Interests and similar costs	235 057	287 601
Interest margin	**578 128**	**635 609**
Commissions receivables	131 342	139 203
Commissions payments	15 516	13 486
Commission margin	**115 826**	**125 717**
Net gains/losses on financial instruments at fair value through profit or loss	115 282	171 103
Net gains/losses on financial instruments at fair value through equity	20	65
Income from other activities	20 735	9 669
Expenses from other activities	37 615	32 519
Net banking income	**792 375**	**909 643**
General operating costs	504 109	522 433
Amortizations and depreciations of tangible and intangible assets	61 261	63 524
Gross operational result	**227 006**	**323 686**
Risk costs	**119 624**	**123 736**
Operating income	**107 381**	**183 934**
Share of profits/losses of undertakings accounted for by the equity method	2 602	- 2 216
Net gains or losses on other assets	-	- 13 800
Change of goodwill purchase values		-
Pre-tax result	**109 983**	**183 934**
Benefit tax	57 001	80 779
Net result for the financial year	**52 983**	**103 155**
Result – Group net share	52 332	102 020
Result per share (in MAD)	*4*	*8*

Source: BMCI Group

Balance sheet accounts

Balance sheet - Assets

In MAD million	Dec-23	March-24
Cash and balances with central banks, the Treasury, and post office accounts	1 363	1 424
Financial assets at fair value through result	1 796	2 178
Derivatives instruments for hedging purpose	-	-
Financial assets at fair value through result	1 490	1 730
Securities at amortized cost	6 981	7 022
Loans and receivables to credit and similar institutions	1 162	974
Customer loans and receivables	58 854	56 559
Fair value adjustments to debt portfolios hedged against interest rate risks		
Investment in insurance activities		
Current tax assets	165	17
Deferred tax assets	301	288
Accruals and other assets	1 259	1 592
Non-current assets held for sale	0	0
Investments in undertakings accounted for by the equity method	15	13
Investment properties	24	24
Tangible assets	1 142	1 105

Intangible assets	561	566
Purchase goodwill	88	88
Total Assets	**75 201**	**73 578**

Source: BMCI Group

Balance sheet - Liabilities

In MAD million	Dec-23	March-24
Central banks. Public Treasury, services of postal checks	-	-
Financial liabilities at fair value through result	2	1
Hedging derivatives	-	-
Loans and receivables to credit institutions and similar institutions	6 303	7 216
Debts to customers	47 464	45 763
Issued loan securities	6 877	6 080
Fair value revaluation of portfolio hedge (liabilities)	0	0
Current tax liabilities	10	13
Deferred tax liabilities	187	208
Accruals and other liabilities	4 095	3 943
Debts related to non-current assets to be sold	-	-
Technical provisions of insurance agreements	-	-
Provisions for risks and costs	744	758
Subsidies, restricted public funds and special funds of guarantee	0	0
Subordinated debts	**2 302**	**2 274**
Equity	**6 542**	**6 542**
Capital and associated reserves	6 542	6 542
Consolidated reserves	501	673
- Group share	475	647
- Minority share	27	26
Latent or deferred gains or losses. group share	4	4
Net profit of the financial year	171	103
- Group share	171	102
- Minority share	0	1
Total Liabilities	**75 201**	**73 578**

Source: BMCI Group

4. Half-year indicators (unaudited financial statements)

Income indicators

In MAD million	June-23	June-24	Var.
Net banking income	1 695	1 887	+11.4%
Gross operating income	585	741	+26.6%
Cost of risk	221	361	+62.8%
Net income	218	212	-2.6%

Source: BMCI Group

Balance sheet indicators

In MAD million	Dec-23	June -24	Var.
Loans and advances to customers	58.85	56.07	-4.7%
Customer deposits	47.46	45.62	-3.9%

Signature commitments	15.76	17.32	+9.9%

Source: BMCI Group

PART III: Risks

1. Risks related to the issuer

The BMCI Group considers that controlling the risks to which it is exposed is an essential corollary to ensuring the sustainability of its activities and the continued development of its profitability. The BMCI Group is faced with a multitude of risks arising from the diversity of its activities, both at bank level and at the level of all its subsidiaries.

Therefore, in accordance with Bank Al-Maghrib regulations and inspired by international best practice (in particular that of the reference shareholder BNP Paribas), the internal control system put in place by the BMCI Group complies with the regulations in force, but also provides an adequate system for monitoring and controlling risks.

More generally, the aim of this system is to optimize control of the risks to which the BMCI Group is exposed. It should therefore be seen as a major management tool for all those involved and an essential instrument for ensuring the long-term future of the BMCI Group.

Any changes to the internal control system are approved by the Executive Board and the Supervisory Board. Within the framework of this system:

The Bank is organized into units responsible for their internal control system. In coordination with BMCI's other entities, the managers define their internal control system and ensure that it operates. They have a duty, each at their own level, to ensure complete and effective control of the activities for which they are responsible.

The practice of delegation is one of the principles on which the internal control system is based. It constitutes the Bank's fundamental operating and decision-making system, by establishing relays responsible for implementing the policy of General Management. These representatives must ensure that their decisions are strictly applied, by monitoring their delegations.

BMCI's internal control system covers the following significant risks:

- Credit and counterparty risk;
- Concentration risk;
- Market risks;
- Interest rate risk;
- Liquidity risk;
- Operational risk.

1.1 Credit or counterparty risk

Credit risk is assessed by combining two parameters: the risk of default by the counterparty and the risk of loss in the event of default by the counterparty. The credit risk management system is based on the following two inputs:

- The Counterparty Rating, which reflects the risk of default by the counterparty: one Counterparty Rating, and only one, is assigned to each BMCI customer who receives credit, regardless of the nature of the counterparty.
- The Global Recovery Rate, which reflects, for each loan granted, the expected recovery in the event of default by the counterparty. These two data items, which have been used at BMCI for over five years, are fundamental to the reliable monitoring, measurement and management of credit risk. They are also essential elements in the implementation of Basel II regulations using the advanced method.

1.1.1 Credit risk management

Credit risk management is addressed at the level of the establishment of the authorizations then at the level of the follow-up and the control of the uses. The decision to grant or renew the credits is based on the principle of "double vision". Thus, decision-making is carried out jointly by the customer line and the Risk Department. The process includes a complete analysis of the file carried out by the website which proposes the competitions then a contradictory study carried out by the risk chain before the presentation of the file to an ad hoc credit committee.

The control of uses includes several levels each defined by an internal procedure:

- 1st level controls: These checks are carried out by the customer lines and relate to Basic Monitoring Points (PSF) that are the subject of precise procedures. Thus, the following must be carried out according to a periodicity and a predefined methodology: controls on six areas considered sensitive by the Bank: counterparty note, guarantees received and issued, irregular accounts, accounts with incidents and record keeping.

- 2nd level controls: The Risk Department intervenes in the internal control system by providing a second level control on credit risk. The Risk Department ensures compliance with credit risk management procedures, closely monitors the use of loans and monitors the evolution of the Bank's risk profile. Other controls are carried out through the conduct of thematic analyzes, dedicated PSFs and various risk monitoring committees.

- 3rd level controls: The periodic control, carried out by the General Inspection, ensures a regular review of the entire portfolio. In this way, the operating groups are periodically audited and the quality of the portfolio analyzed. However, in the event of a deterioration in the quality of the risk, the General Inspection ensures a closer presence.

1.1.1 Credit concentration risk management

Credit concentration risk is the risk inherent in excessive exposure to a counterparty, a business group or a sector that could result in losses for the Bank.

A quarterly analysis is carried out of changes in the concentration of commitments in order to prevent excessive exposure to a given sector. Measuring and managing this risk makes it possible to understand the form and level of credit concentration risk incurred by type of exposure (individual counterparties; interest groups; counterparties belonging to the same economic sector).

1.2 Market risks

Market risk is defined as the vulnerability of a trading book's positions to changes in market parameters, the volatility of its parameters and the correlations between these parameters, i.e., the level of loss that can be sustained following the unfavorable reversal of the market. It is subdivided into five main families: Interest rate risk, Foreign exchange risk, Security risk, Commodity risk, Derivative product risk.

The importance and the relative complexity of these risks require the setting up of a risk management system in order to maintain them at tolerable levels in relation to the Bank's positions and at the same time comply with the requirements of the Baloise standards.

1.2.1 Fundamental principles

In order to manage and control market risks, BMCI has set up a risk management system that complies with Baloise standards and BNP Paribas Group standards.

This system is based on several principles including:

- Control and monitoring of exposure risks,
- Development of market activities within the framework of new product committees, with in-depth analysis of the risks generated by these activities,

- Compliance with banking regulations on prudential risk management. Adoption of Group standards and best practice in market risk management.

BMCI's market risk management is based on fundamental principles, ensuring quality control and an overall view of risk on all activities related to the Bank's trading portfolio. There are three axes and they are as follows:

- **Control of the 1st line of defense** by Front Office operators, who are required to comply with the Group's internal trading and market position-taking standards, as well as its code of ethics.
- **Control of the 2nd line of defense** in the form of daily monitoring by the Market Risk Department, which ensures compliance with the risk management system in terms of Δ and volume limits on interest rate, currency and liquidity positions. Daily reports showing the main risk indicators are sent to members of the Bank's Executive Board to keep them informed of the levels of risk and NPLs generated by trading activities. In addition to functional monitoring by the BNP Paribas Group's Group Risk Management (GRM) unit.
- **Functional monitoring of the 3rd line of defense** by Internal Audit/General Inspection.
- Top management is also monitored through the setting of trading limits in order to monitor and control activity;
- **Foreign exchange positions:** VaR, volume and direction limits;
- **Interest rate positions:** Average position limits by maturity band;
- **Bond positions:** Δ and sensitivity limits by maturity band;
- **Option position:** Limit on Greeks (Delta - Gamma - Vega). These limits are reviewed annually, either upwards or downwards, by the Executive Board, with the possibility of a revision every six months or on request.

1.3 VaR (Value at Risk) GEAR

VaR can be defined as the maximum potential loss a portfolio may experience in the event of normal movement of market parameters over a time horizon and at a given level of confidence. The Group retains a 99% confidence level and a one-day time horizon. The main groups of simulated factors are:

- Share prices and their implied volatilities;
- Interest rates, securities / interest rate swaps;
- Raw materials;
- Exchange rates and their implied volatilities...

Risk factor simulations are calculated using the Monte Carlo approach that captures the non-normality of market parameters as well as the interdependence between market factors.

Foreign exchange risk management

The foreign exchange risk inherent in BMCI Book trading activity corresponds to the risk of changes in the fair value or the risk of changes in the future cash flows of a financial instrument as a result of changes in foreign exchange rates. It finds its main sources in the Bank's conventional exchange position and in foreign exchange options. The monitoring of this risk is done through two main parameters: A limit in GeaR "Gross earning at Risk", limits in volumes of exchange position (Short // Long) and Limits on Greeks (Delta - Gamma - Vega) for currency options.

Interest rate risk and bond risk

Interest rate risk is the risk of a change in the value of the positions or the risk of a change in the future cash flows of a financial instrument as a result of changes in interest rates on the market. It finds its main sources in cash and bond positions.

BMCI's interest rate risk is managed through average maturity band limits and a one-year equivalent limit for the Treasury. A limit in GeAR and sensitivity limits by maturity band called PV01 for the Bond Trading activity.

Limit monitoring and control system

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Usage/Limits monitoring is carried out daily through reports sent to the bank's Top Management as well as to all the entities concerned. These reports include foreign exchange positions, securities positions and currency rate positions. Controlled in the first place by the Market Risk Manager, these reports are then sent to the ALM Treasury and Capital Markets Manager at the General Management and the Risk Management Department. Exceeding a volume limit requires the prior approval of the Chairman of the Management Board and the Risk Management Department. On the other hand, exceeding a limit in terms of Δ on an individual position, due for example to the depreciation of a currency, is tolerated.

Stress test

In parallel with the monitoring system, stress tests on cash positions have been carried out monthly since 2005. They are carried out according to two approaches:

- A "Mark to Market" approach which consists in calculating the impact of an interest rate movement on the portfolio result.
- A "Funding" approach that consists of calculating the impact on the cash flow result due to a liquidity crisis. This is an approach based on Liquidity Gap's O/N refinancing.

1.4 Operational risks

The strategy for managing overall interest rate and liquidity risk is structured around the following main axes:

- Respecting regulatory liquidity ratios: short-term ratio, permanent resources ratio, central bank reserves,
- Respecting BNP Paribas Group internal liquidity ratios (LCR, NSFR),
- Ensuring the liquidity of BMCI in the short term, and manage the long-term liquidity GAP,
- Avoiding extreme imbalances while keeping in mind the safeguarding of the solvency, the borrowing capacity of the Bank and its rating,
- Refinancing the commercial bank at the best cost,
- Controlling financial risks,
- Mitigating the variability of the results,

Limiting the interest rate risk by choosing the maturity of the securities portfolio, through the maturity of the loans and by guiding the commercial policy by determining the appropriate Internal Transfer Rate.

ALM tracks the interest rate and liquidity risks on 3 different perimeters:

- Structural interest rate and liquidity risks related to client transactions grouped together in the so-called Commercial Book,
- Interest rate and structural liquidity risks related to the Equity Book,
- Interest rate and liquidity risks resulting from the sum of the previous sub-components.

ALM also monitors and integrates these risks into BMCI Group, thus integrating the main financing subsidiaries.

ALM monitors these interest rate and liquidity risks that may arise from:

- Partial or no correlation between the conditions of client remuneration and market conditions (regulated rates, base rate, etc.)
- Uncertainty over the duration of client transactions (demand deposits, savings accounts, etc.)
- Existence of behavioral options on long-term customer products at similar rates or rates (prepayments on mortgages, etc.).

These analyzes are based on the development of the schedules reflecting the flows relating to a transaction on the date of revision of its rate. If this last transaction is at a fixed rate, the flows are positioned at their due date.

For operations that do not have contractual maturities (e.g., demand deposits, equity, etc.), they are "disposed of" according to maturity schedule agreements that are based on the results of the statistical studies performed on these items.

Fixed income rate limits (fixed rate resources - fixed rate uses) and liquidity limits are defined by maturity band for each book.

Sensitivity analyzes are also performed to measure the stability of net banking income (NBI) against a rate shock of 100 to 200 bp. In addition, the one-year liquidity gaps are also governed by an internal limit. A crisis management plan based on several scenarios is established to prevent any risk of illiquidity. This plan is triggered either by

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internal indicators specific to the bank (related to its level of liquidity and access to the market), or by external indicators derived from market conditions, by monetary authorities (foreign exchange and BAM), actual or probable changes in the law as well as expectations regarding the liquidity and financing conditions of the bank and its competitors.

Periodically, an ALCO committee bringing together the members of the Management Board is held to control: The level of exposure of the group in terms of interest rate and liquidity risk, The respect of the limits put in place to control these risks, The reorientation of the strategy the Bank's management of the balance sheet based on its risk profile and market developments, compliance with regulatory requirements as part of the Basel II Pillar II recommendations.

1.5 Operational risks

Bank Al-Maghrib defines operational risk as "a risk of loss resulting from deficiencies or failures attributable to internal procedures, personnel and systems or external events". This definition includes legal risks but excludes strategic and reputation risks. Benefiting for several years from the best practices of the BNP Paribas Group's leading shareholder, BMCI Group's operational risk management system has reached a significant level of maturity. The choices and orientations adopted by the BMCI Group since the 2004 financial year for the management of operational risks correspond to the circulars and directives of Bank Al-Maghrib in the matter.

1.6 Application of Basel II regulations

BMCI has set up a system for calculating the solvency ratio using the standard method. This enables it to meet regulatory requirements for credit, market and operational risk.

The Bank has also implemented a comprehensive risk identification process, and has established an objective rule for defining the materiality of these risks according to the levels of severity and probability (at which the events generated by said risks occur).

In particular, the types of risk defined as material through the Risk Identification process include:

- Risks defined by Basel Pillar 1 regulations: credit risk, market risk and operational risk;
- Risks defined by the Basel - Pillar 2 regulations: concentration risk, liquidity risk, interest-rate risk (IRBB), reputation risk, strategic risk and financial risks linked to climate change.

ICAAP, the Internal Capital Adequacy Assessment Process, is operated in close coordination with its interconnected strategic processes, in particular:

- The budget process
- The multi-year strategic plan,
- The risk Identification, a process for identifying significant risks.

The ICAAP report is used to assess the adequacy of BMCI's capital to cover the risks generated by the Bank's business activities, on the basis of an internal assessment of these risks.

This report responds to Bank Al-Maghrib's request, as required by Directive number 3/W/2021 “Directive on the internal capital adequacy assessment process” issued on March 4, 2021. It also reviews BNP Paribas' internal principles and guidelines for assessing capital adequacy, which are promoted and fully applicable to BMCI.

These principles and guidelines are updated annually to take into account all feedback from Bank Al Maghrib and other BNP Paribas Group supervisors.

1.7 Business Continuity Plan (BCP)

2. A BCP methodology should comply with international standards and standards in the field of business continuity management. This methodology provides a framework and point of reference for all activities within the group to develop business continuity plans and processes for their own activities.

3. <u>BCP approach</u>
4. BMCI's BCP approach is structured around the following phases:
5. The Group methodology has been developed to help all entities implement, improve and maintain Business

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Continuity (BC) in a consistent manner and in accordance with the Group's Norms & Standards. It is summarized in the diagram below:

Phase 1: Understanding the activity

• Business Impact Analysis (BIA).

• Risk assessment.

Phase 2: Developing the strategy

• Risk treatment plan.

Phase 3: Implementing the strategy

• Functional procedures:

- Operation Continuity Plan (OCP).

• Organizational procedures:

- Hosting Plan (HP).

- Crisis Management Plan (CMP).

- Communication Plan (COMP).

• Technical procedures:

- IT backup plan (ITBP).

Phase 4: Integrating the Business Continuity

• BCP tests.

• Watch organization.

• Awareness and communication among BMCI staff.

Phase 5: Permanent maintenance

• Internal audit and control.

• Training of the staff involved.

• Periodic tests.

• Updated documentation.

6. BCP system steering

7. In order to ensure the deployment and the good management of the BCP, the BCP device is the subject of a periodic follow-up by the Deputy General Manager during the BCP Steering Committee, as well as a permanent follow-up by the Internal Control Committee (ICC).

8. Crisis Scenarios and Impact Assessments

9. *Covered scope:*

Functional scope

• Activities related to headquarters business.

• Activities related to network business.

• Activities related to the businesses of the subsidiaries

• Activities subcontracted to service companies

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Phase 2: Developing the strategy

BMCI's BCP covers all commercial, production and ancillary sites identified and attached to the activity of the bank according to clearly identified scenarios.

It also concerns all the processes involved in the banking activity, including service providers.

10.
11. *Developed scenarios:*

12. These scenarios are organized around 4 domains:

The field of real estate

• Registered office unavailability.

• Network unavailability.

• BMCI sites unavailability.

The field of values/service providers

• Failure of a service provider.

• General strike at an external service provider.

The field of information systems

• Unavailability of telecom links with BNP Paribas.

• Unavailability of the information system.

12.1 Risk management and organization

12.1.1 Credit risk

BMCI has set up, in accordance with Bank Al-Maghrib's Basel II Pillar II guidelines, a risk measurement, control and monitoring system adapted to the nature, volume and degree of complexity of its operations and activities. This system, which also transposes BNP Paribas Group standards, allows it to:

- Evaluate and control all the risks to which it is exposed;
- Maintain exposure to the various risks within the overall limits set by the regulations in force and/or set by the Management Board and approved by the Supervisory Board;
- Continuously assess and maintain the levels and categories of equity and their allocation given the nature and level of risks to which BMCI could be exposed.

12.1.2 Market risk

Under the Basel II capital and risk allocation provisions, BMCI applies the standard method for the calculation of capital requirements for market risks. The effect of the capital requirement for market risk is not significant as it represents only 1% of the total requirements of all risks.

12.1.3 Operational risks

Under the Basel II capital and risk allocation provisions, BMCI applies the standard method for the calculation of capital requirements for market risks. The effect of the capital requirement for market risk is not significant as it represents only 1% of the total requirements of all risks.

Operational risks

For several years, BMCI has set up a system to comply with Basel 2 requirements. The governance of operational risk management for BMCI Group is based on:

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- Regular committees where the Bank's General Staff deals with operational risk issues and uses information to better manage these risks (Internal Control Coordination Committee, Compliance Committee, Audit Committee);
- A structure dedicated to the management of Operational Risk created in 2004, and attached to the Compliance Department since April 2008;
- A general operational risk management policy approved by the Bank's Supervisory Board and a complete and updated set of procedures;
- A dedicated operational risk management tool, common to all BNP Paribas Group subsidiaries, with a history of historical incidents and potential operational risk incidents.

BMCI Group has set up a system for identifying and assessing operational risks, based on:

- The development of process and risk maps covering all BMCI Group activities;
- A system for collecting historical operational risk incidents involving all operating entities, supplemented by a periodic certification process for the reliability and completeness of the data;
- Identification and qualitative and quantitative analysis of potential operational risk incidents. This approach makes it possible to provide the Bank's management and the operating entities with a quantification of the major risks, for optimal management of the exposures in terms of operational risks.

Furthermore, the control and mitigation of operational risks is achieved through:

- Extreme risk management based on the business continuity plan, which has reached a satisfactory level of overall maturity;
- Preventive and corrective actions put in place following significant historical incidents;
- As such, the permanent control system has reached a certain level of maturity with optimal coverage of the scope by the Group Permanent Control Department, the use of tools allowing the industrialization of controls and the improvement of their quality control and the implementation of preventive and corrective actions to cover major risks;
- A validation process for new products, activities and organizations (PAON) and Exceptional Transactions, highlighting the associated risks and implementation conditions as well as the appropriate control rules;
- A device for controlling essential outsourced activities;
- Criteria retained to secure the migration of data and systems during IT redesign projects;
- Awareness actions on Operational Risk topics conducted with operating entities.

12.1.4 Risks related to the environment and climate change

The BMCI Group places climate change at the heart of its CSR risk management strategy, positioning itself resolutely in favor of the transition to a low-carbon economy. With this in mind, the Group's governance of environmental and climate change risks is based on:

- A risk management system that forms part of the Group's overall risk management approach, focusing on the development of financing and investment policies for the Group's activities in sectors presenting significant ESG challenges;
- A specific system dedicated to assessing the ESG risks inherent in its products and services, with a view to limiting the environmental impacts generated by its banking activities;
- Awareness-raising initiatives on environmental issues to disseminate best environmental practices.

2. Risks related to subordinated bonds

Liquidity risk: Subscribers to BMCI subordinated bonds may be subject to a liquidity risk on the secondary market for private debt. Depending on market conditions (liquidity, changes in the yield curve, etc.), the liquidity of BMCI's subordinated bonds may be temporarily affected.

Interest-rate risk: The bond issue covered by the prospectus includes two fixed-rate tranches (tranches A and C), calculated on the basis of the reference yield curve of the secondary market for Treasury bills. As a result, the value of the fixed-rate bonds may vary upwards or downwards, depending on changes in the benchmark yield curve for the secondary market in Treasury Bills published by Bank Al Maghrib.

Subordination risk: The bond issue is subject to a subordination clause, under which, in the event of liquidation of the issuer, repayment of the principal and interest on the subordinated securities of this issue will only be made after all traditional, preferred or unsecured creditors have been paid in full.

Default risk: The bonds covered by the prospectus may present a risk that the issuer will not be able to honor its contractual commitments to bondholders. This risk is reflected in the non-payment of coupons and/or the non-repayment of principal.

Disclaimer

The aforementioned information is only a part of the prospectus approved by the Moroccan Capital Market Authority (AMMC) on September 5, 2024, under reference No. VI/EM/026/2024. The AMMC recommends reading the complete Prospectus made available to the public in French.

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