



2020 ANNUAL REPORT

A year of solidarity



His Majesty King **Mohammed VI**

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A word from the Chairman



Chairman of CIH BANK M. Lotfi SEKKAT

2020 has been a special year in many ways, most obviously because of the Covid-19 pandemic that has affected the entire world, causing major health, human and economic disruption.

Like any company, CIH BANK had the duty to protect its employees and customers by deploying, in record time, all the necessary means to limit the spread of the virus. In this regard, I hail the exemplary mobilization of our employees who were able to adapt to this exceptional context in order to continue to serve our clients despite the health constraints and restrictions.

At the same time, our bank had to ensure the continuity of its activities to enable its customers, both individuals and companies, to carry out their operations and transactions under the best possible conditions despite the state of health emergency.

Finally, CIH BANK also had a national solidarity duty, not only through its contribution to the Covid-19 Special Fund, but also by accompanying the provision of government aid to vulnerable populations and businesses. Our bank has thus made its network of branches and ATMs available for the distribution of this aid. It has also granted exceptional deferrals of loan payments to its customers affected by the crisis, at no additional cost. In addition to schemes such as Damane Relance and Damane Oxygène, it has opened new lines of credit to enable companies to ensure the recovery of their activities.

This commitment to solidarity is also reflected in our social approach: CIH BANK has renewed its support to numerous associations, which are in great demand during this period of crisis.

Despite this difficult context, CIH BANK posted a good commercial performance in 2020: it recorded a 21% increase in outstanding deposits and a 19.4% increase in outstanding loans compared to 2019.

In addition, 423,455 new accounts were opened during the year. However, financial results were impacted by the increased risk associated with the pandemic and the various expenses it generated.

In addition to managing the health crisis, our group was able to pursue its most structuring projects, such as the renewal of its quadruple ISO 9001 version 2015 certification for its electronic banking, real estate lending, bancassurance and corporate financing activities.

CIH BANK also continued to develop its mobile banking offer in a context where the entire banking sector experienced a strong acceleration of its digitalization. Fortunately, CIH BANK had already deployed all the tools and processes to respond effectively to client demand. Our CIH ONLINE and CIH MOBILE platforms involved a record 104.2 million connections.

2020 will be remembered as the year of the pandemic. It was also the year of CIH BANK's centennial. 100 years during which our bank has actively accompanied the socio-economic development of Morocco.

At the service of its clients and listening to the world around it, CIH BANK has continued to evolve and reinvent itself over the years, pursuing its transformation into a universal bank. Agility, innovation, communication and collective ambition are the foundations that allowed us to remain at the heart of the Kingdom's economic and social policies.

Indeed, by the early 1980s, CIH became one of the most important financial institutions in achieving the goals of the Moroccan Government's economic and social policy.

Since the 1960s, our bank has played the role of a real driving force for the hotel and housing sector and has also multiplied its actions to facilitate Moroccan citizens' access to real estate credit.

As part of the 1965-1967 plan, which declared the tourism sector as a national priority just second to agriculture, Caisse de Prêts Immobiliers du Maroc (CPIM) (former name of CIH) intervened in the construction of hotel infrastructures in landlocked regions and thus contributed to their social and human development.

Between 1973 and 1977, CPIM financed 20,000 housing units representing a total volume of loans of MAD 862 million. CIH BANK has also actively participated in collective real estate programs launched as part of the national policy of slum clearance.

After real estate and tourism, the bank has targeted new markets. Upon his arrival at the head of the bank in 2009, Chairman Ahmed Rahhou initiated the 2010-2014 strategic plan to transform CIH BANK into a universal bank. CIH BANK has thus developed new business lines, such as market activities and bancassurance.

In recent years, our bank has often positioned itself as a forerunner by launching, for example, free basic banking services for young people, women, civil servants and all individuals opening their accounts online.

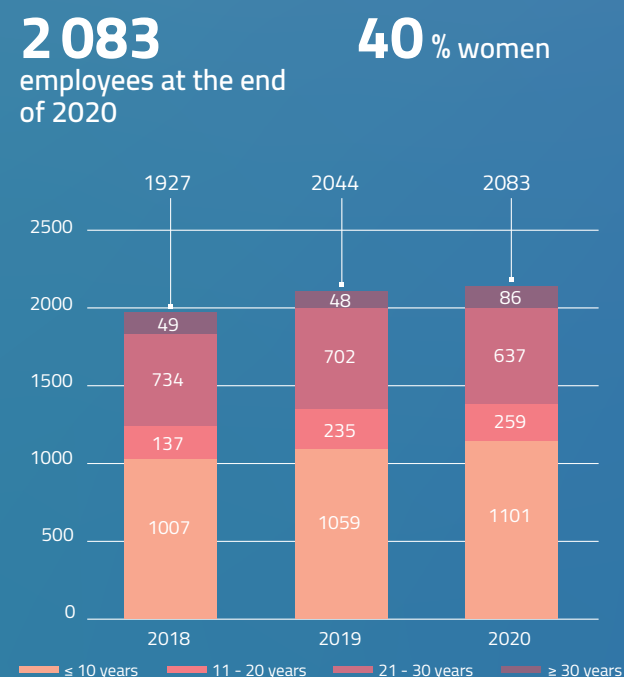
Today, CIH BANK is a forward-looking bank that has successfully embarked on digital banking by offering clients innovative and accessible online services.

CIH BANK in brief

Key figures

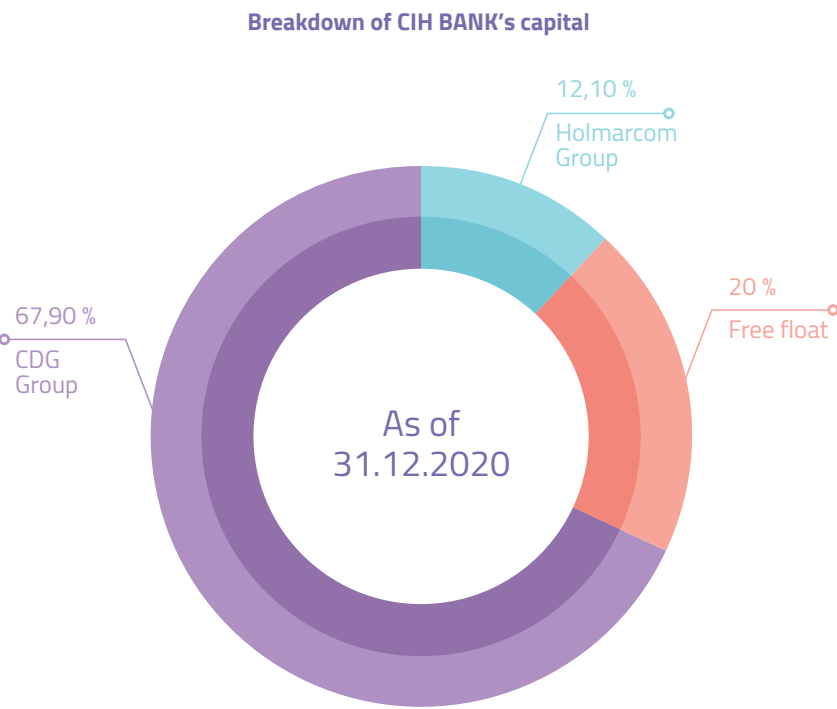
Commercial network	307 branches and 9 regional directorates	6 new branches in 2020	4 mobile branches
Social base			
Total balance sheet:	2020 MAD 78,6 billion	2019 MAD 65,8 billion	Up by 19,2 % compared to December 2019
Gross operating income	2020 MAD 1 315,4 million	2019 MAD 1 222,0 million	Up by 7,6 % compared to December 2019
Net income	2020 MAD 249,3 million	2019 MAD 451,4 million	Down by 45 % compared to December 2019
Shareholders' equity	2020 MAD 5,0 billion	2019 MAD 5,2 billion	

Human capital



Commercial performance	1,4 million active customers	92 % customer satisfaction rate	+69 % of individual and self-employed customers between 2018 and 2020
	423 455 new accounts opened in 2020	1,5 million CIH ONLINE and CIH MOBILE accounts	104,2 millions connections to CIH ONLINE and CIH MOBILE
CSR	+51 % increase in sponsorship budget in 2020		
Total outstanding deposits	2020 MAD 50,1 billion	2019 MAD 41,4 billion	+21,0 % compared to December 2019
Total outstanding loans	2020 MAD 52,0 billion	2019 MAD 43,6 billion	+19,3 % compared to December 2019

Shareholding



Business lines and subsidiaries

Our business lines

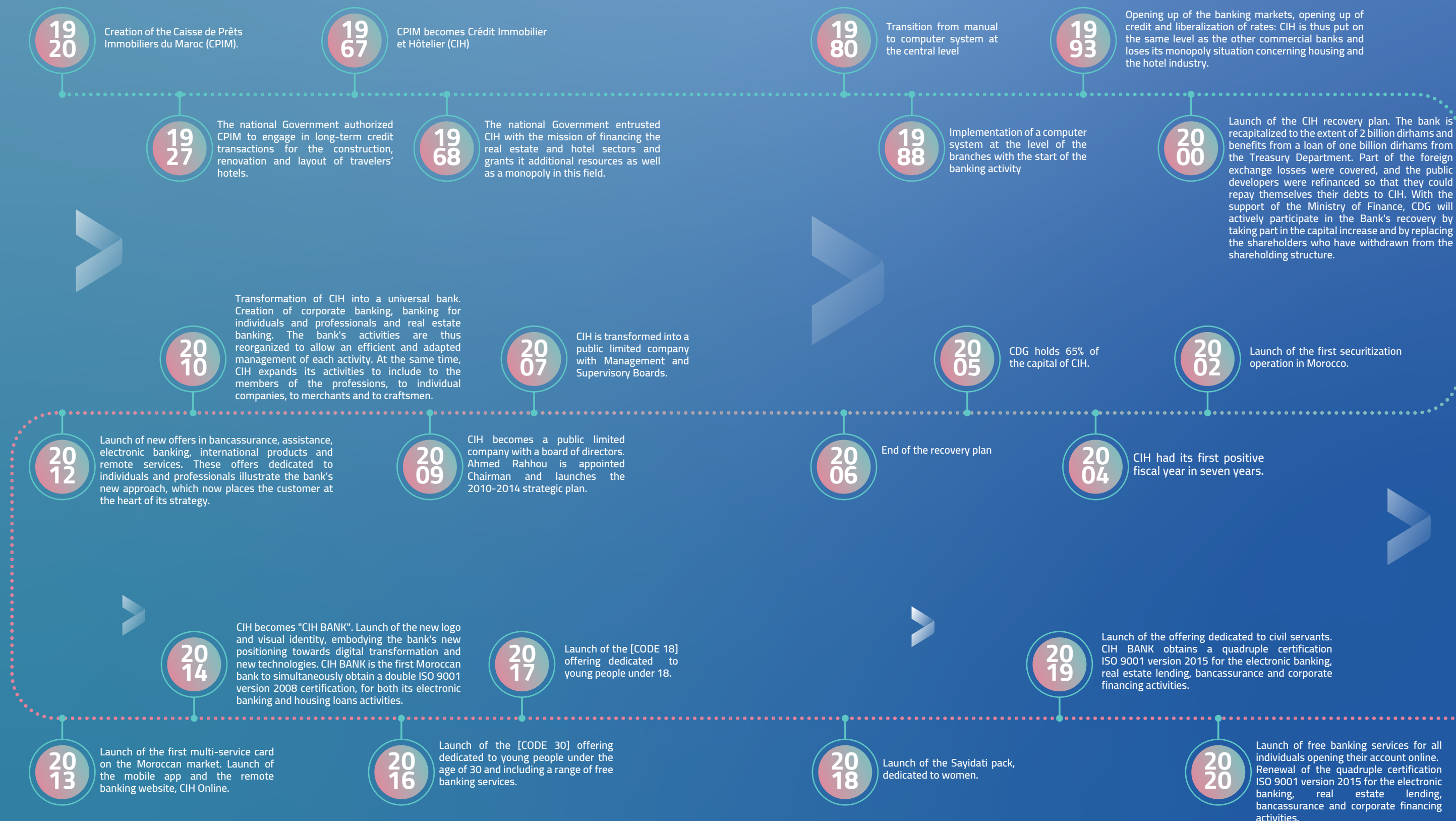
CIH BANK is a universal bank serving individuals, professionals, companies and the real estate development sector. The group and its subsidiaries offer a wide range of financial products and services covering various complementary areas of expertise.

- Banking services
- Loans to individuals (real estate and consumer loans, participatory loans...)
- Corporate financing (investment and working capital loans, leasing, etc.)
- Insurance
- Trading room

Main subsidiaries and equity interests of the CIH BANK Group

- SOFAC - Consumer credits
- SOFASSUR - Insurance
- MAROC Leasing - Lease financing
- CIH Courtage - Insurance brokerage
- Umnia Bank - Participatory bank
- Pallier SOFAC
- CREDITLOG3
- CREDITLOG4
- GHOSN ENNAKHIL
- CIHPATRIMMO
- AJARINVEST
- MT
- LANA CASH
- ML
- Le TIVOLI
- SANGHO
- SOFAC COVID IMPACT
- CIH COVID IMPACT
- SOFAC STRUCTURED FINANCE
- MAROC TITRISATION
- MAGHREB TITRISATION.

A TIMELINE OF 100 YEARS





STRATEGY AND GOVERNANCE



An unprecedented international crisis

The year 2020 was marked by the Covid-19 pandemic, whose socio-economic repercussions severely affected all the countries. In addition to the widespread recession it caused, this crisis also impacted globalized production chains, notably by creating or aggravating raw material shortages worldwide.

In Morocco, the coronavirus crisis has led to the first recession in many years. Although affected to varying degrees, the sectors of activity have shown resilience, thanks in large part to the major business support mechanism put in place by the Moroccan government through the Covid-19 Special Fund.

Despite this difficult context, the banking sector recorded encouraging performances, albeit with a consequent increase in credit risk.

1. Environment

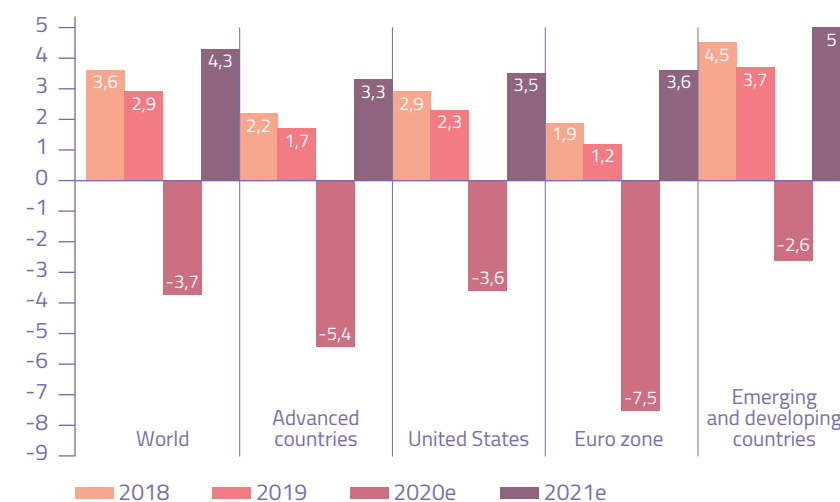
1.1 International economic environment

The year 2020 was marked by a particular context, the one of the global health crisis induced by the Covid-19 pandemic, which caused a historic economic recession. This deep contraction of the world economy has disrupted international supply and production chains.

The lockdown measures, put in place to fight the spread of the virus, have increased unemployment in many countries. Unlike the last crisis in 2008-2009, the decline in GDP in 2020 did not only affect advanced economies, but also most emerging countries, with the exception of China which has avoided a very sharp slowdown in its growth.

Overall, global GDP dropped by 3.7 percent in 2020 after growing by 2.8 percent in 2019. This made the recession slightly less severe than expected, mainly due to a smaller contraction in growth in advanced economies and a stronger-than-expected rebound in China.

Annual economic growth



Source: World Bank - Global economic prospects - January 2021

In 2021, the outlook is brighter thanks to the various vaccination campaigns underway, but also thanks to the continuation of government support schemes for businesses and households. Overall, global GDP is expected to reach 4.3% in 2021. However, this outlook is subject to extreme uncertainty. Some factors, such as the effectiveness of the vaccine while the virus is mutating or the adjustment costs related to the curing of the failures caused by the pandemic, are difficult to predict.

Added to these factors of uncertainty is the redefinition of relations between the UK and the European Union following the entry into force in January 2021 of the post-Brexit agreement. In addition, the pandemic has exacerbated the risks associated with a global debt accumulation. Debt levels, which have reached historic highs, make the global economy particularly vulnerable to financial market stress.

1.2 National economic environment

At the national level, the Covid-19 health crisis caused a severe shock to economic activity in 2020. Combined with a second consecutive year of drought, this crisis has led to a severe recession, the first in more than two decades.

The health crisis has generated a double shock on supply and demand due to the consequences of the total or partial shutdown of economic activities during the lockdown, in particular the disruption of value chains, mobility restrictions, and border shutdowns.

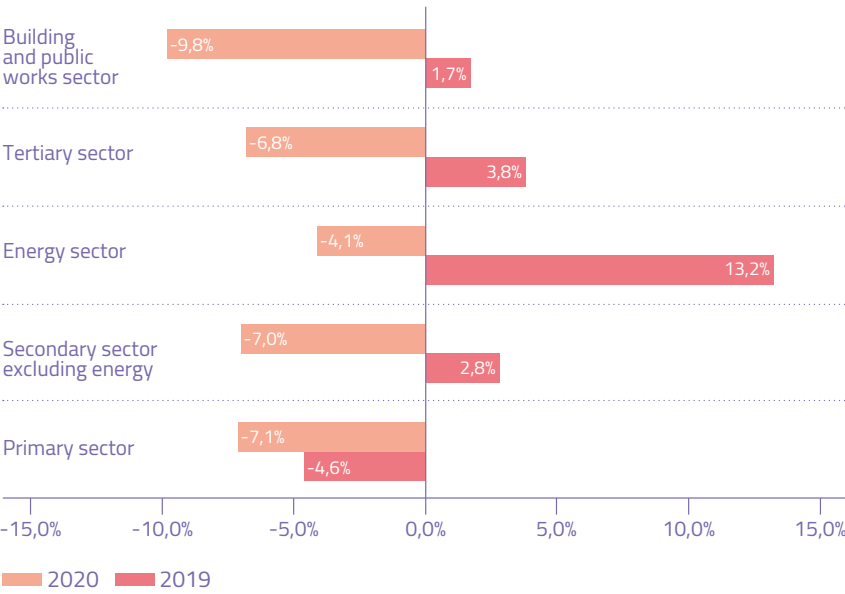
Given this unprecedented situation, according to data from the Moroccan High Commissioner's Office for Planning (HCP), the national economic growth experienced a recession of 7% in 2020 while it had recorded a growth of 2.5% in 2019.

Due to unfavorable climate conditions (low rainfall and poor temporal distribution of rainfall), agricultural value added fell by 8.1% in 2020, according to HCP forecasts. The previous year, it had fallen by 5.8 percent. Non-agricultural value added, for its part, fell by 6.6%, whereas it had risen by 3.3% in 2019.

On the public finance side, the fiscal effort to support activity combined with the decline in revenues contributed to the widening of the budget deficit to 7.4 percent of GDP from 3.6 percent in 2019. This financing need was partly met by massive recourse to the external debt market. Thus, the overall public debt ratio is expected to rise to 95.6 percent of GDP from 94.6 percent in 2020. In 2021, the share of Treasury debt is expected to rise by almost 0.6 percentage points to 78.3 percent of GDP, compared with 77.7 percent in 2020 and 64.9 percent in 2019.



→ Sector analysis



Source: «Economic situation in 2020 and its prospects in 2021» report published by the Moroccan High Commissioner's Office for Planning

With a decline of 7.1 percent, the primary sector will have a negative impact on GDP growth of 0.9 percentage points in 2020.

Secondary activities (excluding energy) declined sharply, down 7% compared with an increase of 2.8% in 2019. They were affected in particular by the negative repercussions of the temporary cessation of activity by several operators on the national and international markets.

After rebounding sharply by 16.4 percent in 2019, the energy sector recorded a 4.1 percent decline in 2020 as a result of lower growth in several industrial activities.

On another note, the tertiary sector recorded a decline of 6.8%, compared with an increase of 3.8% in 2019. This is mainly due to a 55.8% collapse in tourism value added in 2020, given the border shutdowns and the suspension of intercity travel.

Finally, and after a slight revival of 1.4% in 2019, the building and public works sector suffered a 9.8% decline in 2020. The building sector, in particular, has been severely penalized by the double shock to supply and demand caused by the crisis.

→ Economic outlook in 2021

The HCP's national economic outlook for 2021 is based on a recovery in external demand for Morocco. This favorable projection is based in particular on the hopes raised by the launch of vaccination campaigns. The latter should facilitate the opening of borders and lead to renewed confidence on the part of households and investors.

These economic forecasts also take into consideration the provisions announced in the Finance Act 2021 and are based on the assumption of the achievement of a good grain production.

Under these economic conditions, which are surrounded by uncertainties related to the pandemic, the HCP forecasts GDP growth of 4.6 percent in 2021 after a 7 percent recession in 2020.

Based on these assumptions, the HCP has calculated the detailed projected value added by sector. The primary sector is expected to record an increase in value added of around 11 percent in 2021, compared with a decline of 7.1 percent in 2020. Secondary sector activities will be supported by improved external and domestic demand. They should thus regain momentum, with value added up by 4.1 percent in 2021 after having fallen by 6.3 percent in 2020. The construction sector is expected to grow by 5.1% in 2021, following a 9.8% fall in 2020.

The tertiary sector, for its part, should see a slight improvement in its growth rate in 2021, with an increase of 3.4 percent, compared with a decline of 6.8 percent in 2020. This recovery is explained by a slow and gradual recovery of market services activities, in particular transport and trade, driven by domestic demand. Domestic demand is expected to grow thanks to the expected positive impact of the Covid-19 vaccination.

However, tourism activity should continue to suffer from the effects of the crisis. To accelerate its recovery, this sector should benefit from the recovery plan implemented as part of an ambitious 2020-2022 contract program which aims to provide financial support, guidance and support for tourism companies.

CIH BANK's support for the Moroccan economy in the context of the pandemic

CIH BANK joined the national solidarity movement by contributing 150 million Dirhams (MADs) to the special fund for the management of the Covid-19 pandemic. The Bank has also put in place new procedures for the benefit of its clients affected by the economic consequences of the health crisis, including the possibility of postponing credit repayments for up to 12 months. Customers with a FOGARIM (Government guaranteed) loan for access to low-income housing have benefited from an automatic and free postponement of their outstanding loan payments for a four-months period. In addition, at the request of certain customers, the Bank has dealt with certain specific situations on a case-by-case basis.



1.3 Real estate sector

During the year 2020, the real estate industry recorded some rather gloomy results.

The majority of the sector's indicators experienced historic declines, mainly due to the health crisis.

However, the situation improved at the end of the year thanks to the government's support scheme for operators in the sector.

Despite a difficult start to the year, the real estate sector showed resilience and managed to offset the declines of the first half of the year with better results in the second half. The second half of the year was marked in particular by the resumption of suspended construction projects as well as by the recovery of cement sales and real estate transactions. The situation has been brought under control thanks to the Government's measures aimed at stimulating the real estate market.

→ Real Estate Asset Price Index (REAPI)

According to statistics published by the Moroccan central bank (Bank Al-Maghrib), the real estate asset price index during the year 2020 has experienced a decline of 0.9%. This is mainly due to decreases in prices of residential property (-1.2%), land (-0.6%) and property for professional use (-0.4%).

In the fourth quarter of 2020, price trends for the main cities were mixed, with increases of 0.7% for the city of Casablanca, 4.1% for the city of Tangiers, 2.8% for Fez, 4% for Meknes and 2.5% for Oujda, while in Rabat, Marrakech and Agadir prices have decreased by 2.6%, 6% and 1.2% respectively.

In Casablanca, the very limited rise in the REAPI is explained by a 1.3 percent increase in the price of residential property combined with respective decreases of 2.1 percent for land and 3 percent for business assets.

On a year-over-year basis, the REAPI recorded an overall increase of 0.6 percent from Q4 2019, reflecting increases in residential (0.8 percent) and land (0.5 percent) prices. However, business-use properties showed a decline of about 1%.

→ Volume and number of real estate transactions

Within one year, the number of real estate transactions decreased by 15.2%. This decline is reflected in all categories of real estate assets with: -18.2% for residential, -7.7% for land and -5.4% for business properties.

At the end of the 4th quarter of 2020, the volume of transactions increased considerably, up 39.2% compared to the previous quarter. This increase concerns all types of property: +39.7% for residential, +47.2% for real estate and +19.6% for business property.

The number of transactions processed is also on the rise for all the cities of the Kingdom with: +29% in Casablanca, +43.2% in Rabat, +32.5% in Marrakech, +52.9% in Tangier, +67.8% in Fez, +26.5% in Meknes, +43.7% in Agadir and +71.5% in Oujda.

In Casablanca, there was an increase of 29% for residential, 9.3% for land and 32.2% for real estate. Year-on-year, the number of real estate transactions in Q4 2020 appreciated by 27.1% compared to Q4 2019. This increase involved all property types with: 22.1% for residential property; 47.3% for land and 24.9% for offices.

→ Lending rates applied by the Banks

According to Bank Al-Maghrib's survey, at the end of 2020, the lending rates applied by banks to real estate loans were down from 5.34% to 4.91% between Q4 2019 and Q4 2020.

→ Cement sales, housing starts and housing production

Another important indicator of real estate activity is that cement sales reached 12.26 million tons at the end of 2020, compared to 13.63 million tons at the end of 2019, namely a decline of 10%.

In 2020, housing starts involved 110,613 lots and units (excluding restructuring units), which represents a 37.2% decrease from the previous year. Economic and social units of all types accounted for the largest share of housing starts at 79.9 percent. This category of housing totals 88,357 units in 2020, which is a 36.5 percent decrease from 2019.

In terms of production, the number of lots and housing units (excluding restructuring units) completed amounted to 128,493 units, of which 101,716 were economic and social units, a decline of 18.9% and 23.6% respectively compared to 2019.

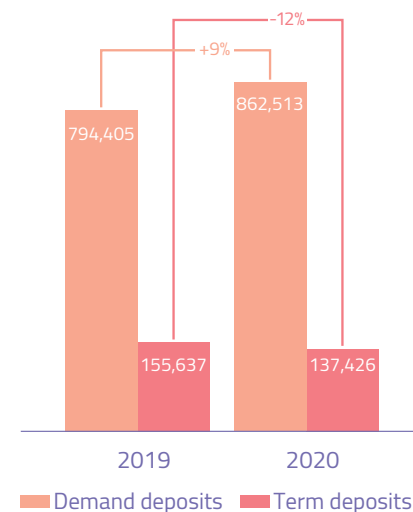
As far as restructuring units are concerned, 129,888 units were started and another 128,178 received the certificate of compliance during 2020, which represents a 31% and 19% decrease respectively compared to 2019.

1.4 Banking environment and financial markets

→ Banking sector

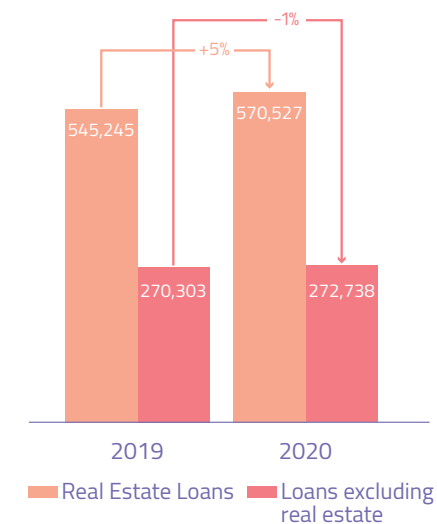
Customer deposits in the banking sector increased by 5.25% from MAD 950,042 million to MAD 999,939 million between 2019 and 2020. Non-remunerated deposits still constitute a majority share in the structure of banking resources at the end of December 2020, with a participation of 68.3%. Interest-bearing deposits, for their part, accounted for 30.6% of total customer resources, which represents a drop of 3.2 percentage points compared to 2019.

Demand deposits amounted to MAD 862,513 million at the end of 2020, compared to MAD 794,405 million the previous year, an increase of 9 percent. On the other hand, term deposits depreciated by 11.7 percent to MAD 137,426 in 2020, compared to MAD 155,637 in 2019.



In 2020, bank loans maintained their upward trend for the fourth consecutive year. Their outstanding amount increased by 4.5% to reach MAD 923,532 million at the end of 2020, versus MAD 883,780 million at the end of 2019.

This change is mainly due to a 4.6% increase in real estate loans. Other loans and cash loans also increased, by 17.6% and 16.6% respectively.



However, consumer loans were down by 4.7% from 2019 as was equipment loans, down by 0.6%.

Loans excluding real estate have increased by 1.1% compared to last year to reach MAD 272,738 million at the end of 2020.

For their part, off-balance sheet commitments increased by 4.2% to reach MAD 314,003 million at the end of 2020. Financing commitments account for 52.3% of total commitments given versus 47.7% for guaranteed commitments.

With regard to credit risk, outstanding customer receivables rose by 15.9% to MAD 80,266 million in 2020, compared with MAD 69,256 million in 2019.

Provisions and reserved premiums rose by 13.4% to MAD 54,410 million in 2020 compared with MAD 47,969 million in 2019. This results in a coverage rate of 67.5%.

1.5 Interest rate market

→ Liquidity and money market

During the first eleven months of the year, bank liquidity deteriorated sharply before returning at the end of the year to a level close to the one of January. Indeed, the money market deficit rose from MAD 62.3 billion at the beginning of the year to a peak of MAD 112.5 billion in the middle of the year before returning to MAD 67 billion at the end of the year. Over this period, the deficit averaged MAD 90 billion.

Regarding the autonomous factors of bank liquidity, data at the end of November 2020 show that cash circulation increased by MAD 51.6 billion from MAD 250.2 to 301.8 billion, which resulted in a degradation of bank resources. On the side of the factors that improved liquidity, net foreign assets increased by nearly MAD 11 billion during the year despite the consequences of the pandemic. Also, the central bank abolished the monetary reserve in June 2020, freeing up MAD 11.8 billion for banks.

The central bank also intervened twice on the policy rate, lowering it by 25 bps in March and by 50 bps in June. This reduction was then reflected in money rates. The average interbank weighted overnight rate fell from 2.21% in the first quarter of 2020, to 1.93% in the second quarter and finally to 1.5% for the rest of the year. Repo rates averaged 2.16 percent in the first quarter, 1.87 percent in the second quarter and 1.62 percent for the rest of the year. Treasury investments ranged from 1.10% to 2.66% with an average rate of 1.69%.

→ Public finance and the bond market

The exceptional context linked to the health crisis required the adoption of an Amending Finance Law that projected a budget deficit of 7.5% of GDP, compared to the 3.5% initially forecasted.

At the end of the year, the actual deficit was MAD 82.4 billion (7.6% of GDP), i.e. MAD 40.9 billion more than in 2019.

According to data from the Ministry of Economy, Finance and Administrative Reform, the Treasury's ordinary balance has deteriorated by MAD 31.3 billion compared to the end of 2019. This decline is explained by a drop of MAD 13.9 billion in tax revenues (including MAD 3.9 billion in direct taxes and MAD 8 billion in indirect taxes) and MAD 9.2 billion in non-tax revenues.

On the expenditure side, ordinary expenditures and capital expenditure increased by MAD 7.6 billion and MAD 13.6 billion respectively. As far as financing is concerned, the Treasury benefited from a surplus of MAD 5.3 billion in the Covid-19 Special Fund, an increase of MAD 14.7 billion in outstanding arrears, a domestic debt of MAD 24.7 billion, as well as net international fundraising of nearly MAD 43 billion.

On the market of Treasury Bills auctions, the main domestic public financing instrument, the raising of funds reached nearly MAD 120 billion, of which 69% on maturities of less than 2 years, 24% on the [5 years ~ 15 years] tranche and 7% on the long maturities of 20 years and 30 years. The amounts relating to falling interest rates stood at MAD 71.8 billion and the repurchases of securities by the Treasury, made at the end of the year, amounted to MAD 13.2 billion. Finally, the trading of Treasury Bills amounted to MAD 12.4 billion.

The rate curve fell sharply during the year 2020 following two successive cuts in Bank Al-Maghrib's policy rate.





The rates have nevertheless experienced an upward correction at the end of the year due to the difficulty of the Treasury to complete the financing and because of the delay experienced in terms of external drawings.

On the primary curve, rates on maturities of 52 weeks and below fell by about 60 base points, the 2-year rate and the 5-year rate fell by 40 bps and 16 bps respectively. Rates between 10 years and 20 years fell by about 35 bps and the 30-year rate dropped by 77 bps.

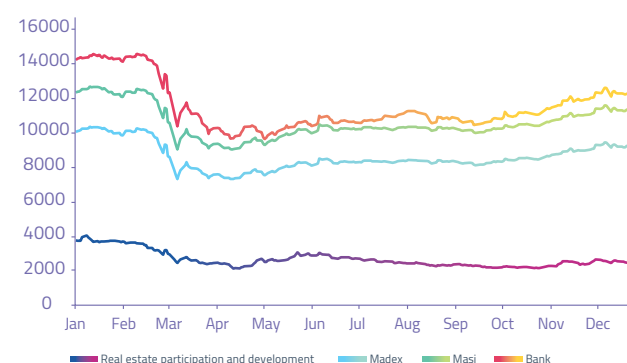
On the secondary curve, the trend in rates was similar: rates on maturities 52 weeks and below fell between 73 bps and 84 bps, the 2-year rate fell by 54 bps and the 5-year rate fell by 34 bps. The 10-year and 15-year rates fell about 30 bps and the 20-year and 30-year rates fell 38 bps and 63 bps respectively. Supported by the fall in rates and despite the fall in nominal rates, bond yields rose sharply in 2020. Thus, the benchmark indices rose by 2.39% in the short-term segment, 3.52% in the medium-term segment and 7.83% in the long-term segment. The yield on the stock of outstanding treasury bills increased by 4.78%.

Stock market

Like the international stock markets, the Casablanca Stock Exchange had an atypical year marked by strong uncertainty. It thus closes the year 2020 with an annual depreciation of nearly 7.27% of the MASI versus an increase of 7.11% the previous year and a decline of 7.35% of the MADEX over the year, versus an increase of 7.43% in 2019.

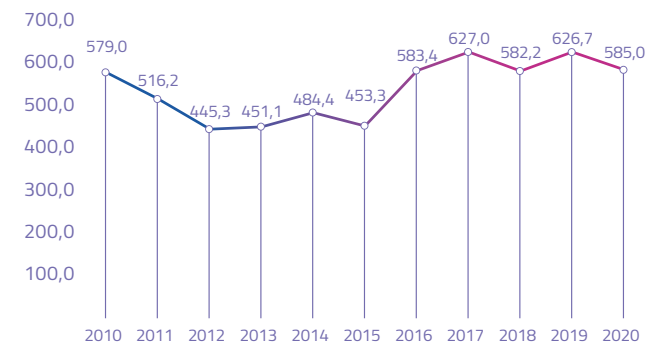
On the other hand, in 2020, the banking sector depreciates by -15.69% after an increase of 5.56% last year. The downward trend in the real estate sector increases from a slight decrease of 3.42% in 2019 to a decline of 62.03% in 2020.

Evolution of the indices of the stock market, of the banking sector and of real estate participation and development in 2019



It is also worth noting that market capitalization fell by 6.7% year-on-year to MAD 585 billion, in particular due to the decline in the MASI and MADEX indices in 2020.

Evolution of the Market Capitalization



Of the 75 listed companies, at the end of 2020, the 10 largest capitalizations represent more than 75% of the overall market capitalization :

Company	Capitalization	Share
Maroc Telecom	127 468 824 300	21,79 %
Attijariwafa Bank	88 823 109 137	15,18%
BCP	50 502 987 603	8,63 %
LafargeHolcim Maroc	37 489 984 000	6,41 %
BANK OF AFRICA	32 064 356 756	5,48%
CIMENT DU MAROC	24 238 050 716	4,14 %
TAQA MOROCCO	21 583 515 930	3,69 %
COSUMAR	19 851 748 744	3,39 %
SODEP-Marsa Maroc	15 413 076 000	2,63 %
WAFA ASSURANCE	13 545 000 000	2,32 %

The overall volume traded depreciated by 26.02% in 2020 to MAD 55.78 billion, versus MAD 75.4 billion the previous year. This variation is the result of the combined effect of a MAD 10.8 billion decrease in transactions carried out on the block-trading market and a 5.78% increase in the volume traded on the central market to MAD 33 billion.

Covid-19 crisis: an acceleration of the digitalization of banking services and online payments

During the lockdown period, e-commerce and online services in general, experienced an unprecedented boom. The banking sector also saw an explosion in the number of online operations and transactions. This trend continued in the following months as Moroccans, who are highly aware of digital tools, adopted new consumer habits. As a pioneer in online banking, CIH BANK had put in place a wide range of digital products and services for its different client categories well before the health crisis.



In number of contactless payments
3,2 M Operations



Increase by **+35%**
Of transactions
compared to 2019



441k
Connections per day, +66%
compared to Dec-19



81k
Transactions/day
Transfer & Digital



95%
of transfers are made
online in 2020

2. Strategy

2.1 Vision and presentation of the 2020-2024 strategic plan

In 2019, CIH BANK adopted a new 2020-2024 strategic plan, as a continuation of the previous development plan that enabled it to successfully finalize its transition to the universal banking model.

This new plan aims to consolidate and capitalize on the achievements made while accelerating the strategy of innovation and diversification of activities.

“The
2020-2024
strategic plan
that provides
continuity”

BANKING FOR INDIVIDUALS AND PROFESSIONALSS

With a network of more than 300 branches, CIH BANK is present in many cities throughout Morocco. E-banking, electronic money, bancassurance... the bank is constantly developing new innovative products and services. The goal is to build a rich and diversified multi-channel and multi-service experience and to simplify the daily lives of its clients.

REAL ESTATE BANKING

CIH BANK is a leading partner in the real estate sector, providing individuals, developers and planners with real estate credit financing solutions. Professionals in the field also benefit from tailor-made support from its specialized real estate business centers.

CORPORATE BANKING

Today, more than ever, the financial sector plays an essential role as a lever for the Moroccan economy. This is why CIH BANK supports its partners, whether major private or institutional accounts, in their most ambitious and structuring projects.

FINANCING AND INVESTMENT BANKING

The Financing and Investment Bank is made of three entities:

- The Capital Markets department, in charge of market operations
- The International and Offshore Department, which manages activities related to foreign trade and the offshoring sector.
- The Corporate Finance Department, responsible for private equity and structured/special financing.

2.2 CSR strategy and contribution to the SDGs

In line with its signature «The Bank of Tomorrow starting Today», CIH BANK's CSR strategy is based on 15 material challenges and is structured around 4 pillars in terms of commitments. CIH BANK is also committed to the UN's Sustainable Development Goals (SDGs) and has identified the most relevant SDGs for its various activities in order to quantify its contribution to each one of them.

The Bank of Tomorrow starting Today



Facilitate access to banking services

- Ensure that basic services are free and charge the right price for value-added services with full transparency
- Facilitate banking inclusion through digitalization, accessibility and proximity to customers
- Facilitate access to credit through digitalization
- Ensure quality and friendly customer relations



Orientate its financing to prepare for the future

- Accelerate and unleash innovation
- Support culture, health and social development of communities
- Finance climate change mitigation and adaptation



Have modern internal processes

- Implement CSR governance
- Respect business ethics and deontology
- Improve internal processes through digital technology
- Anticipate and manage systemic risks and crises
- Ensure the protection of customer data and cyber security



Be an exemplary employer

- Develop employees and their careers
- Ensure the well-being and health of our employees
- Guarantee a fair remuneration correlated to real performance



Dialogue with stakeholders

Stakeholders	Dialogue modes
Employees and staff representatives	Internal communication Intranet Social dialogue Annual evaluation interviews
Customers (individuals, professionals, companies)	Customer communication CIH Mobile and CIH Online Customer relationship management Customer Relationship Center Internal mediation Satisfaction surveys
Suppliers	Contractual CSR clauses NACHTARI Platform Responsible purchasing charter Partnerships and product co-development
Shareholders and directors, investors	Financial and non-financial communication General Meeting, Board of Directors and specialized committees
Subsidiaries	Board of Directors Ad hoc committees
Public authorities and regulators	Meetings related to banking and finance Regulations
Donors and business partners	Partnership agreements Extra-financial reporting
Analysts and media	Conferences and press releases Events and fora Extra-financial reporting
Professional and accreditation bodies and industry federations	Thematic Commissions Events
Civil society & associations	Agreements and partnerships

Ensure strong, sustainable and transparent governance

For several years now, CIH BANK has been engaged in a continuous process aiming at strengthening its mode of governance. The goal has been to achieve a high level of transparency, but also to improve the process of listening to and consulting with the various stakeholders. CIH BANK's mode of governance is built in compliance with the regulations of the Moroccan Central bank (Bank Al-Maghrib), the Moroccan capital markets authority (AMMC) and with the best practices in the sector.

3. Governance

3.1 Governance bodies

CIH BANK's governance system complies with the general principles of corporate governance. This system is made up of control and management bodies, stemming from the Board of Directors.

→ Board of Directors

The Board of Directors determines the orientations of the Company's activities and ensures their implementation. Subject to the powers expressly attributed to the Shareholders' Meetings and within the limits of the corporate purpose, the Board of Directors deals with all matters concerning the proper functioning of the Company and settles by its deliberations the matters which concern it.

The Board may set up technical committees from among its members and, if it deems it necessary, with the assistance of third parties, whether shareholders or not, to study the matters it submits to them for an opinion. The activities of these committees and the opinions or recommendations they issue are reported to the Board at its meetings.

The Board shall determine the composition and powers of the committees operating under its responsibility.

Composition of the Board of Directors as of December 31, 2020

Fonction	Nom et fonction
President	Mr. Lotfi SEKKAT Chairman and CEO of CIH BANK
Administrators	Mr. Abdellatif ZAGHNOUN Managing Director of CDG
	Massira Capital Management represented by Mr. Mohammed Amine FILALI
	Mrs. Latifa ECHIHABI Secretary General of CDG
	Mr. Khalid EL HATTAB Director of the Finance Division of CDG
	HOLMARCOM represented by Mr. Mohamed Hassan BENSALAH
	Mr. Mustapha LAHBOUBI Strategy and Development Division of CDG
	Mr. Karim CHIOUAR Managing Director of HOLMARCOM
Independent Directors	Mr. Khalid CHEDDADI Chairman and CEO of CIMR
	Mrs. Amina BENKHADRA Managing Director of the National Office of Hydrocarbons and Mines
	Mr. Ahmed Reda CHAMI Chairman of the Economic, Social and Environmental Council
	Mrs Dayae OUDGHIRI Chair of the FULGURANS company

Activity of the Board of Directors as of December 31, 2020

The Board of Directors held 6 meetings, during which it dealt with the following subjects in particular :

- Approval of the financial statements for the 2019 financial year;
- CIH BANK strategy;
- Presentation of the «CIH PATRIMMO» real estate collective investment scheme operation;
- Launch of the product « INTILAK MOUKAOUIL»;
- Ratification of the capital increase;
- Bringing the bylaws into compliance with the provisions of the law on limited companies;
- Covid-19 crisis: measures taken and impact;
- Grant to the Special Fund for the Management of the Covid-19 pandemic;
- Response to the requirement of Bank Al-Maghrib to not distribute dividends;
- CSR Project Presentation;
- Budget 2021.

→ Committees drawn from the Board of Directors

Appointments, Compensation and Governance Committee

Once a year, the Appointments, Compensation and Governance Committee gives its opinion on the recruitment, appointment, dismissal and remuneration of the Chairman of the Board of Directors and its members, as well as the Company's managers and employees.

Member*	Position
Mr. Abdellatif ZAGHNOUN	Chairman of the Committee - Managing Director of Caisse de Dépôt et de Gestion (CDG)
Mr. Khalid CHEDDADI	Committee Member - Chairman and CEO of CIMR

* As of December 31, 2020

This committee reviewed the compensation of the bank's executives.

Major Commitments and Investments Committee

Chaired by the Chairman and CEO, the Major Commitments and Investments Committee meets monthly and whenever necessary. The mission of committee is to decide on the major commitments and investments of the Bank.

The Board of Directors has delegated some of its powers to the Major Commitments and Investments Committee, which decides on management actions, the granting of credit, the acquisition and disposal of assets and, more generally, on any matter deemed important by the Board of Directors.

In addition, in order to enable the Board of Directors to make certain decisions, the Major Commitments and Investments Committee is consulted for advice on the following investment or divestment issues :

- Non-operating asset management policy;
- Investment policy for related activities;
- Investment policy for the investment portfolio;
- Investment policy for equity investments.

Member*	Fonction
Mr. Lotfi SEKKAT	Chairman of the Committee - Chairman and CEO of CIH BANK
Mrs. Latifa ECHIHABI	Committee Member - Secretary General of CDG
Mr. Mustapha LAHBOUBI	Committee Member - Director of CDG's Strategy and Development Division
Mr. Mohammed Hassan BENSALAH	Committee Member - Chairman and CEO of HOLMARCOM
Mr. Khalid CHEDDADI	Committee Member - Chairman and CEO of CIMR

* As of December 31, 2020

As of December 31, 2020, the Major Commitments and Investments Committee held 13 meetings in which it addressed the following subjects:

- Approval of credits;
- Examination of exit options for cases of amounts to be collected.

Audit Committee

The Audit Committee, which meets at least four times a year, assists the Board of Directors and monitors issues relating to the preparation and control of accounting and financial information as well as the effectiveness of internal control systems.

Member*	Position
Mrs. Dayae OUDGHIRI	Chairman of the committee - Chairman of FULGURANS
Mr. Khalid EL HATTAB	Committee Member - Director of CDG's Finance Division
Mr. Karim CHIOUAR	Committee Member - Chief Operating Officer of HOLMARCOM
Mr. Mohamed Amine FILALI	Committee Member - Director of CDG's Risk Management Division
Mrs. Amina BENKHADRA	Committee Member - Managing Director of the National Office of Hydrocarbons and Mines

* As of December 31, 2020



As of December 31, 2020, the Audit Committee met on four occasions, during which it reviewed the following subjects :

- Quarterly and annual approval of the parent company and consolidated financial statements ;
- Permanent control points ;
- Audit & inspection points ;
- Prudential ratios ;
- Summary of the work of the Audit Committee in 2020 ;
- Status of the Network Audit Plan ;
- Summary of the process & FC audit missions ;
- Review of progress in implementing the recommendations ;
- Inspection realization ;
- Summary of BAM's mission report on internal control ;
- Compliance summary as at the end of October 2020 ;
- Financial communication mechanism ;
- Information system security audit plan 2021 ;
- PAC 2020-2021 audit and general inspectorate.

Risk Committee

The Risk Committee, which meets at least four times a year, is responsible for assisting the Board of Directors in defining the overall risk strategy and the level of risk appetite in relation to CIH BANK's risk capacity. It also assists the Board of Directors in monitoring the risk strategy as well as in managing and monitoring the risks and levels to which CIH BANK is exposed.

Member*	Position
Mr. Ahmed Reda CHAMI	Chairman of the Committee - Chairman of the Economic, Social and Environmental Council
Mr. Khalid EL HATTAB	Committee Member - Director of Director of CDG's Finance Division
Mr. Mohamed Amine FILALI	Committee Member - Director of CDG's Risk Management Division
Mr. Karim CHIOUAR	Committee Member - Chief Operating Officer of HOLMARCOM

* As of December 31, 2020

As of December 31, 2020, the Risk Committee held 4 meetings during which it dealt with the following subjects, among others :

- Follow-up on the recommendations ;
- Evolution of commitments ;
- Cost of risk : CoR Social and IFRS9 and Stress Tests relating to Covid-19 ;
- Financial risks : prudential ratios, ALM and liquidity risk ;
- Market risks ;
- Operational risks ;
- Focus on the Covid-19 pandemic: pandemic «Business Continuity Plan» and protection measures, evolution of the activity during the pandemic and moratorium measures towards customers ;
- Main risk indicators : credit risk and generational analysis of the RG and FOGARIM, financial risks (prudential ratios), ICAAP dashboard / risk appetite (social and consolidated), ALM and Liquidity risk ;
- 2019 Collections Activity Review ;
- ICRP Project (Internal Crisis Recovery Plan) ;
- CCG Credit Update ("Oxygène" and "Relance" (Stimulus) ;
- Potential represented by "Non-Operating Assets" (P.H.E.) and Special Cases ;
- Strategy for the development of market activities ;
- Focus on IS security ;
- Action plan for risk and control departments;
- Evolution of commitments : CMDR (CMDR (Maximum Risk Assessment Coefficient)), off-balance sheet and PNU (Unused Part) ;
- Evolution of the cost of risk: analysis of PART (Individuals) carry-over credits, projection of the cost of risk ;
- Credit risk indicators: rating, PART/PRO (Individuals/Professionals) transition matrix and BE/BI (Capital goods / Intermediate goods) rating ;
- Financial risks: FP consumption by market, ALM risk and liquidity ;
- ICAAP reporting and risk appetite.

Organizational chart



3.2 Risk Management

During the health crisis, CIH BANK's risk management system became central to its crisis management strategy. Its main objective was to enable the bank to better prepare itself for the various uncertainties.

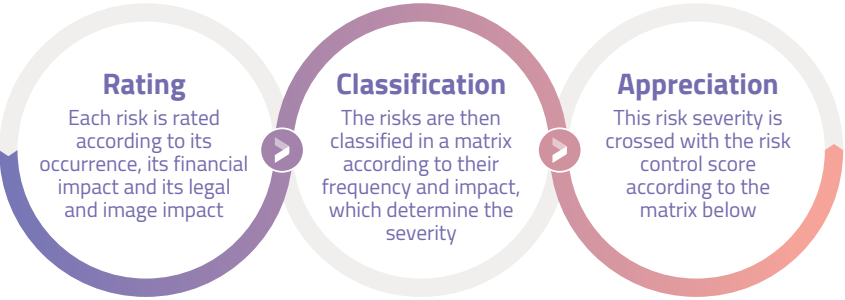
The health crisis has indeed exacerbated structural risks that were previously considered very unlikely.

Several actions have been carried out through the Business Continuity Planning system :

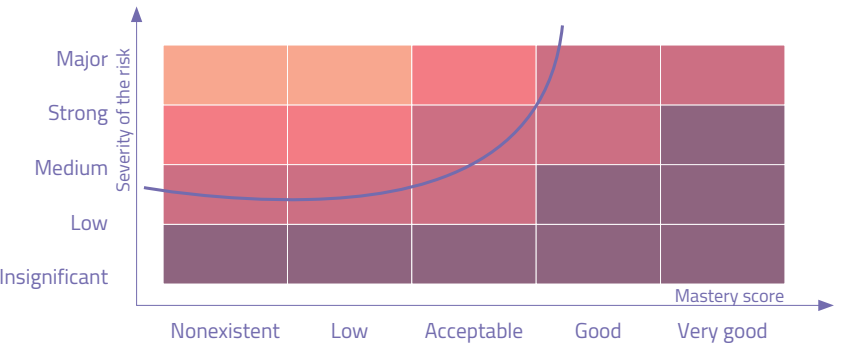
- Constitution of the crisis units;
- Review and roll-out of the backup plan (Telework) for critical processes;
- Distribution of employees on several sites;
- Follow-up and monitoring of cash operations, electronic banking and means of payment to ensure maximum availability of liquidity;
- Dematerialization of mail and validations/signatures; Implementation of staff turnover plans for branch employees;
- Designation of relays within the entities to transmit instructions/information;
- Regular updates on the evolution of the bank's situation, with monitoring by indicators;
- Regular communication and reporting to regulatory bodies;
- News flashes relating to the situation of the bank and broadcasting of video capsules to all the employees to support and accompany them during the lockdown;
- Development of a gradual recovery plan.

Risk mapping

CIH BANK has two maps of operational risks with a financial impact: one for the business lines and the other for the support functions. The risks are rated according to the following process :



Tolerable residual risk threshold



The risk map is updated annually to include new risks and ratings and its extension to environmental risks is under consideration. It is presented to the Risk Committee of the Board of Directors.

Internal processes have had to demonstrate unprecedented agility in order to adapt to the new processing methods brought about by the management of the crisis and the volatility of economic and financial forecasts. Whether what is at issue are the mechanisms for setting up loans, managing counterparty and collection risk, monitoring payment deadlines and the risk borne by external service providers ... many risk areas have had to be managed and monitored closely and proactively.

Mr. Brahim ZEKHNINI
Deputy General Manager
in charge of Global Risk
Management and Collections

3.3 CSR governance

In 2020, CIH BANK carried out a study that enabled it to set the challenges of its CSR strategy along 4 lines:

- Facilitate access to banking services: in particular by making basic services free of charge and charging the right price for value-added services in full transparency
- Orientate its financing to prepare for the future: with financing for climate change mitigation and adaptation.
- Have modern internal processes: by setting up a CSR governance and improving internal processes through digital.
- To be an exemplary employer: by ensuring the well-being and health of our employees and by guaranteeing fair remuneration correlated to actual performance

CSR aims to identify the bank's risks and weaknesses in its financial management, resource management, recruitment processes, or its social impact, and to find ways to address them. This leads, in the short or medium term, to an overall improvement of our internal processes and therefore to an improvement of our overall performance, in particular our financial performance. It can also lead to a reduction in costs.

In concrete terms, we are going to invest in CSR and therefore try to identify levers to improve the well-being at work of our employees. This will have a positive effect on their lives and, by extension, on their productivity, motivation and loyalty.

As a result, not only will our employees be more productive on average, but also resignation and attrition rates will generally be lower with less spending on recruitment and training.

The same is true for environmental protection. If the bank implements processes to reduce the waste of resources, waste material or energy consumption, it often reduces its expenses at the same time.

Mr. Abdeljawad BEN MANSOUR
Group General Secretary



3.4 Business Ethics and Professional Conduct

CIH BANK is aware of the risks related to corruption, money laundering and the financing of terrorism inherent to the banking sector and places the utmost importance on compliance with the laws and regulations in force. The Bank has always been reactive in order to comply with new regulations, relying on a solid system that integrates regulatory monitoring, ethics and the identification of best banking practices.

The purpose of the Code of Ethics and Professional Conduct is to provide a framework for any unethical behavior and to establish a minimum level of respect among employees. In particular, the Code aims to combat market abuse, avoid conflicts of interest, and prevent money laundering.

The Code is communicated to the entire staff, and new recruits are given a specific information session. Failure to comply with its provisions may result in administrative sanctions or dismissal, depending on the seriousness of the facts. The Code is also signed by all the board members.

To take into account changes in the national and international context and best practices, the Code is updated on a regular basis. It was last updated in 2020.

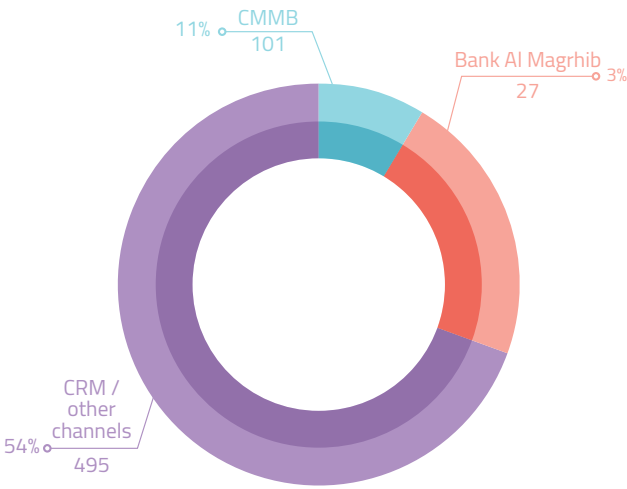
3.5 Internal Mediation

Internal Mediation is part of a series of measures to improve the relationship between CIH BANK and its clients. The goal is to contribute in an efficient and concrete way to the amicable settlement of possible conflicts.

As a force of proposals, the Mediator's first mission is to remove from the conflict its emotional load and to try to make the parties' points of view evolve towards more rational positions. Indeed, moving from confrontation to a serene and constructive dialogue makes it possible to lay the foundations for a mediation that takes place under good conditions.

Internal Mediation activity in 2020

- In 2020, the Internal Mediation received 911 complaints, 783 of which came directly from customers, i.e., 86% of the total received, 101 complaints from the Moroccan Center for Banking Mediation (CMMB), i.e. 11% of the total, and 27 complaints from Bank Al-Maghrib, i.e. 3%.
- In 2020, the Internal Mediation Department handled 821 complaints



Three areas of activity cover 89% of the complaints. Electronic banking accounts for 45% of complaints, commitments to individuals for 26% (requests for deferral of deadlines, applications for release, requests for arrangements, disputes over unpaid bills, etc.) and account management for 18% (requests for account closures, disputes over fees or transactions, etc.). Other areas such as multi-channel, means of payment, bancassurance, or international operations represent 11% of complaints.



From the beginning of the health crisis, the internal mediation department refrained from receiving clients on its premises who wished to use this alternative means of conflict resolution. CIH BANK applied prudence rules to avoid any contagion (passive or active) as well as various sanitary measures relating to meeting rooms (face-to-face).

Despite the pandemic and the health measures, the claims component did not slow down, but rather increased, especially in certain areas, such as commitments to individuals (requests for deferrals or outstanding debts).

As far as the stakeholders are concerned, we have noted that the share of complaints from the Moroccan Center for Banking Mediation (CMMB) has almost doubled, while the share from Bank Al-Maghrib (BAM) stagnated between 2019 and 2020.

The Internal Mediation Department handled these complaints in two ways. Customer complaints were mainly received in paper or electronic form and were thus taken care of until their final closure.

With regard to the other stakeholders, BAM and CMMB, communications were carried out by telephone, e-mail and videoconferences (via "Teams"). Some important meetings were held in person in strict compliance with sanitary conditions.

Mr. Abdeljawad BEN MANSOUR
Group General Secretary

3.6 Quality Management System & Information Systems

In 2020, for the second consecutive year, CIH BANK succeeded in maintaining the quadruple ISO 9001 version 2015 certification of the activities covered, namely, electronic banking, real estate loans, bancassurance and corporate financing. Following the audits carried out, no deviation was noted by the certifying body. Moreover, according to the auditors, several strong points were identified. They demonstrate the relevance and the level of maturity of the quality management system in place. This certification has enabled the establishment of a continuous improvement mechanism through a performance monitoring and follow-up system in line with CIH BANK's quality policy and strategic orientations.

Information systems

The increasing digitalization of banking products implies automation of the back office and increasing agility of information systems. CIH BANK is aware of this essential challenge and was one of the first Moroccan banks to begin its digital transformation process. In line with its signature «The bank of tomorrow starting today» which marked its change of visual identity in 2014, the bank has undertaken its internal digital transformation, process by process and business by business.

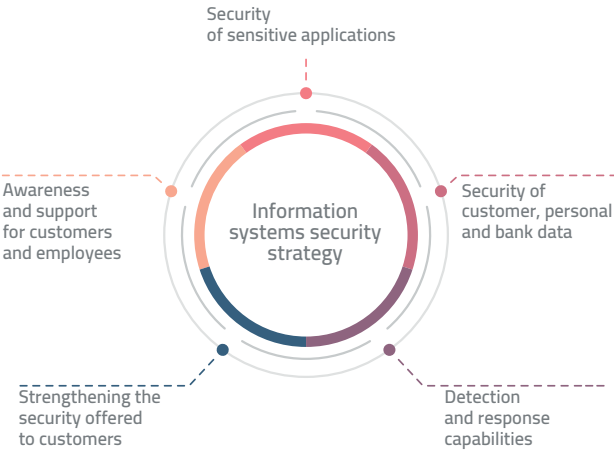
In recent years, new processes have been dematerialized to increase efficiency and facilitate relations with the various stakeholders. By the end of 2020, almost one quarter of CIH BANK's network was covered by the «zero archive» policy.

In 2020, the N@chtary portal dedicated to suppliers was launched. It allows for a 100% digitalized and transparent selection procedure for suppliers. Suppliers were very satisfied with this new platform and were assisted by online tutorials.

Data protection and cyber security

Beyond the national and international regulations in force, CIH BANK pays particular attention to the security of its products and transactions as well as to the protection of its clients' personal data. Cyber security is indeed a major challenge with regard to its business lines and its positioning as a digital bank.

CIH BANK's information systems security strategy is based on the following five pillars :



The Covid-19 health crisis tested the resilience of our Bank's Quality Management System (QMS) and its ability to adapt to an uncertain and disruptive emergency environment. The main issues encountered can be summarized in two key questions. First, how to ensure the continuity management of the QMS in this period of crisis and maintain its ISO 9001 version 2015 certification? And, secondly, how to remedy the impacts of the health crisis on process performance and maintain the improvement momentum during the lockdown period?

Regarding the first pillar, our bank took a proactive approach starting in April 2020 to limit the impacts on the QMS performance. This approach consisted in assessing the impacts of the lockdown period (March to April 2020) on the QMS program and anticipating the impacts on the period from May to June 2020. In October 2020, CIH BANK was able to successfully pass its ISO 9001 maintenance audit and prove its strong resilience and agility in the face of the crisis caused by the pandemic.

With regard to the second pillar, our bank has relied heavily on its positioning as a pioneer in the field of innovation and digital banking. Indeed, maintaining the improvement dynamics and the steering of processes could not be done on such a regular basis in the absence of an efficient IT solution. We also succeeded in deploying our IT9@NE Quality IS in a very short timeframe while ensuring the migration work and remote training sessions for the various actors and stakeholders.

The new system was made available to all the persons in charge of steering the processes by April-May 2020, allowing them to continue to monitor and act on the performance of their processes, even during the lockdown period. Of course, the confirmed commitment of the process drivers and sponsors was also an undeniable success factor in maintaining the momentum for continuous improvement.

Siham EL OURAOUI
Director of Quality



The arrival of the pandemic in Morocco in March 2020 has triggered the state of health emergency that has generated a series of impacts for both employers and employees. The measures required by the authorities have imposed actions and large-scale projects that companies should be required to carry out.

During this period, our bank has been able to reap the benefits of its digital strategy and of the technological shift that began years ago. Indeed, digital channels have enabled our clients to carry out most of their operations remotely, including the recruitment of new clients. However, we encountered overload and performance issues on our digital service platforms due to the high demand during the lockdown period. This forced us to continuously monitor and improve this aspect while providing a better customer experience.

As far as the implementation of the teleworking scheme is concerned, CIH BANK was ready to open the operating systems to employees and partners. However, we had to equip the employees concerned with teleworking tools in a context marked by a shortage of equipment and longer delivery times.

As far as security issues are concerned, CIH BANK capitalized on its central datacenter infrastructures, which were up-to-date and operational for the opening of the telework operations. However, we had to ensure maximum security for workstations and access modes. To this end, we supported some of our partners to help them provide remote services. The IT department also created a task force to deploy VPN-type solutions on all the laptops deployed.

To address cyber security risks (including viruses and malware), strict remote access rules have been adopted. In addition, remote access between the bank's two datacenters has been shared. The IT Department has also made employees aware of the threats and best practices in terms of cyber security. The IS security teams have kept a watchful eye and intrusion audits have been carried out on the Bank's exposed critical systems.

All these aspects were a challenge, but the most important was to do it all in such a short time and without always being prepared.

Adil BINDECH
Deputy Director of the
Information System Division

2

PERFORMANCE AND CREATING SHARED VALUE



A bank that creates sustainable value

For 100 years, CIH BANK has been contributing to socio-economic development by working for better financial inclusion and the creation of sustainable value for all its stakeholders.

OUR BUSINESS LINES

Banking for Individuals and Professionals	Expand the collection of resources and granting of credit
Corporate and Real Estate Banking	Consolidate the Bank's historical position in financing housing development and access to housing, while developing the new business line of supporting businesses
Financing and Investment Banking	Develop the business lines related to capital markets, Corporate Finance and Trading, new growth drivers.



OUR VALUE CREATION

Customers	3/4 of individual and self-employed customers benefit from free basic services	40 % women and 57% young people ≤ 30 years old among individual and self-employed customers
	MAD 53,22 MDH of outstanding loans to customers of which MAD 8,78 billion will be released in 2020	39,6 M in digital operations
Collaborators	146 recruitments, 138 promotions and 135 transfers	7,0 % of bonuses in the payroll
	650 staff loans	2,9 % of total payroll dedicated to training
Shareholders	MAD 2,26 billion of Net Banking Income (NBI)	MAD 7,51 billion in market capitalization
	MAD 249,3 million of Net Income	MAD 396,5 million in dividends distributed
Suppliers	95 % local providers that provide 99 % of the services in value	MAD 815,3 million of purchases made
Public Authorities	822,1 million in social security and tax charges	
Civil Society	MAD 61 million of support to associations	

2020 Highlights

- Launch of the financing and support offer «INTELAK AL MOUSTATMIR» and the offer to help troubled companies «DAMANE OXYGENE».
- Implementation of the global management system for the Covid-19 pandemic and deployment of the Business Continuity Plan (BCP).
- CIH BANK's contribution of MAD 150 million to the Special Fund for the management of the Covid-19 coronavirus pandemic.
- Deferral of mortgage and consumer loan payments from March to June 2020 for individual clients affected by the pandemic. 64,000 deferrals have been granted free of charge, in accordance with the guidelines of the Business Intelligence Committee.
- Provision of a network of branches and ATMs for the distribution of state aid to employees and households affected by the crisis.
- Start-up of the new Saïss Regional Directorate
- Subscription of the OPCI operation.
- Establishment of 60 new ATMs within the framework of partnerships
- Continuation of the enrichment of the digital offer through the launch of new functionalities.

Covid-19: CIH BANK, always mobilized to serve its clients

From the very beginning of the health crisis, CIH BANK mobilized to ensure maximum availability of liquidity through close monitoring of cash operations, electronic banking, and payment methods. The bank has also ensured the accessibility of online services despite the significant increase in the number of connections. CIH BANK has also suspended the debiting of installments for clients financially impacted by the pandemic and has granted special credits for troubled companies.



Business performance 2020 Key figures

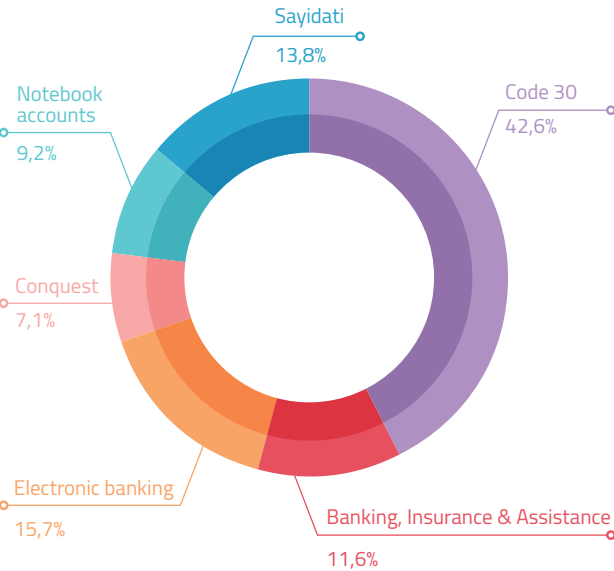
Business results

Total outstanding deposits :	Total outstanding loans :
2020 MAD 50,1 billion	2020 MAD 52,0 billion
2019 MAD 41,4 billion	2019 MAD 43,6 billion

6 new branches opened in 2020.

60 new ATMs installed at partners' sites as part of the densification of distribution network points.

CIH BANK EQUIPMENT



423 455
Accounts opened in 2020



Facilitating financial inclusion

An actor committed to the social, economic and human development of Morocco

CIH BANK has always worked actively to promote the banking of underprivileged populations by providing them with mobile branches and adapted communication channels. The bank is also a long-standing player in financing access to social housing in Morocco through the financing of buyers and property developers.

CIH BANK is expanding its network to bring it closer to its clients, particularly in the most remote regions of Morocco. This expansion enables it to provide banking services to populations far from the major urban centers that have difficulty accessing digital services. The choice of location for new branches or ATMs is based on Bank Al-Maghrib's analyses. The goal is to cover as a priority the areas where the need is the greatest.

Today, CIH BANK's 307 branches cover almost the entire country. Advisors have accompanied the deployment of each new branch to help educate new clients about financial matters.

At the same time, four mobile branches with integrated ATMs offer a variety of services such as account openings, credit simulations and a wide range of operations and services. In the long term, this distribution channel, which was initially the subject of a pilot phase, will be made permanent with a view to providing each region with its own mobile branch.

Another vector of banking inclusion is the granting of loans for low-income housing. CIH BANK is the leader in granting loans guaranteed by the FOGARIM program. This program, launched in 2004 by the Moroccan Government, has enabled 160,000 low-income households to access social housing. In addition, by the end of 2020, 46,976 households, the majority of which were previously unbanked, had benefited from the Iskane Madmoune government-regulated loan.

Digital technology is also a lever for promoting the banking of populations in isolated regions. Digital technology has made it possible to accelerate the opening of accounts in remote areas where CIH BANK is not yet established. It is also a strong lever for inclusion for young people, who are particularly sensitive to these new communication channels.

In order to reach the widest possible audience by removing reading barriers in particular, CIH BANK has been offering CIH VOICE since 2018. This mobile application allows voice reading in Moroccan dialect of balances and banking operations as well as voice recognition of requests concerning the balance and account history. It also allows customers to pay bills and prepaid telecom top-ups.

With regard to professional and small business clients, CIH BANK is also developing its network in the regions. At the end of 2019, the Bank structured its channel reserved for professionals and VSEs, for greater regional proximity. 40 advisors are now dedicated to this clientele. In October 2020, the Oriental Regional Directorate thus trained 150 women from the city of Berkane, in the program to support young entrepreneurs, Intelak, in collaboration with the Ghazal association.

Year	2018	2019	2020
Number of clients benefiting from the FOGARIM loan	47 354	47 669	46 976
Value of FOGARIM outstanding loans (MAD)	6 645 762	6 472 594	6 527 718

Facilitating access to credit

Progressive digitization of credit processes

As part of the increasing digitalization of its products and services, CIH BANK is currently working on the implementation of new dematerialized processes to facilitate the application and access to credit (from the beginning of the relationship to the granting of the loan, up to the repayment).

The scanning of documents and the monitoring of the status of the application online, will therefore soon be available. The customer will thus avoid unnecessary travel and will only have to go to the branch to sign the contract. The roll-out of this new system will be accompanied by an extensive communication campaign as well as training for the network and back-office teams.

The bank also plans to put its real estate developer clients in contact with private individuals through digital means, for greater transparency in transactions.

As a startup, the responsiveness and agility of our partner bank are two important characteristics, essential to our development. CIH BANK has been there to support us both financially by assisting us in granting an Intelaka loan and non-financially by providing us with a dedicated person to accompany our artisans and help them become self-employed. We are satisfied with our relationship with CIH BANK and we recommend it to startups who need a bank that listens to them !

Reda Lakhlifi
Co-founder of the Sawebliia platform - CIH BANK client



Fair pricing and free basic services

Offering free basic services and providing value-added services at the best price

CIH BANK is convinced that the growing automation of basic banking services will eventually justify, over time, not charging for them. Applied to certain categories of clients, this free service facilitates their access to banking services. However, it is not compensated by an increase in the rates for value-added services, which are charged at the lowest possible rate for the sake of transparency.

It was a first in Morocco: in 2015, CIH BANK launched [CODE 30], an offering including free basic banking services for young people under 30. This offer was extended in 2017 to become free for life. In the following years, the offer was extended to new customer categories: women in 2018 (with the Sayidati offer) and civil servants in 2019.

These offerings include free banking services for life, in particular a cheque account exempt from account maintenance fees, an international card for withdrawals and payments in Morocco and abroad, as well as access to remote and mobile banking services: CIH ONLINE and CIH MOBILE.

This free lifetime offering, set contractually, aims to facilitate banking for all categories of clients, regardless of their financial situation. The proportion of clients benefiting from these offers is constantly increasing: by the end of 2020, it represented about three quarters of CIH BANK's clientele.

Women accounted for nearly 40% of customers exempt of charges at the end of 2020, a figure well above the national average for the share of bank accounts held by women. The Bank is also distinguished by a young clientele, under the age of 30, which makes up more than half of its customer base.

CIH BANK's pricing structure meets strict transparency requirements. The tariffs of products intended for individuals and professionals are clearly displayed in branches and on the bank's website and are regularly updated.

In addition, a vast communication mechanism accompanies each new product launch (organization of events, tutorials in Darija, radio messages in Arabic, French and in the three Berber languages...)

In addition to branch and website postings, clients are systematically informed of any rate changes. CIH BANK perception studies and regular focus groups show that clients and the general public have a good understanding of these communication messages.

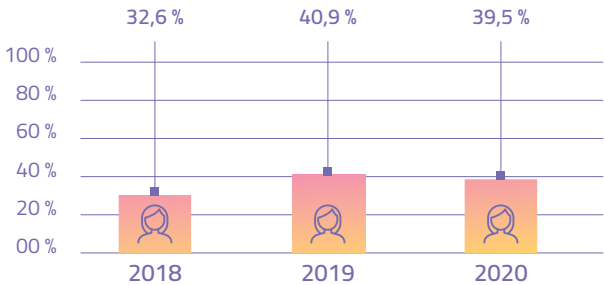


3/4 of CIH BANK clients benefit from free basic services

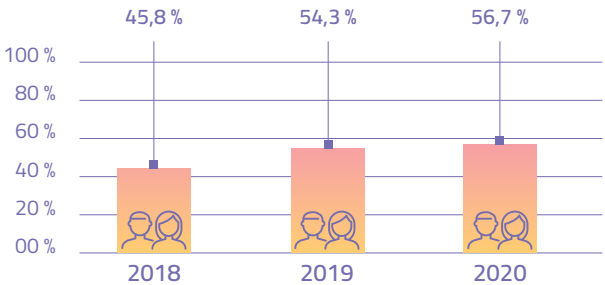


+68,7 % of new customers in 2 years (between 2018 and 2020)

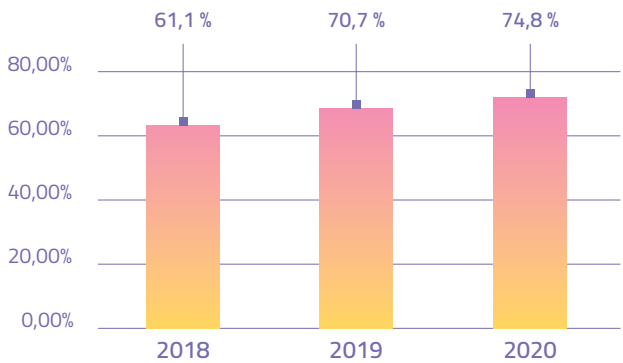
Evolution of the share of women individuals and self-employed benefiting from free services



Evolution of the share of young people (≤30 years old), individuals, and self-employed entrepreneurs benefiting from free services



Evolution of the share of individual and self-employed customers benefiting from the free services



I would like to express my satisfaction with the pricing and free services offered by CIH BANK. This is very important to me when it comes to trusting my bank and remaining a loyal client.

Nor El Houda Sabbar
CIH BANK client since 2016

Customer service & digitalization

Digital technologies, at the heart of the customer experience

For CIH BANK, the quality of client relations is an essential issue that covers all of the bank's entities. The bank increasingly relies on digital technology, which now forms the basis of a large part of the customer experience. This relationship is intended to be above all benevolent and is reflected, for example, in the search for fair and equitable solutions in the event of over-indebtedness.

CIH BANK pays particular attention to the quality of its client relationships. To develop its quality policy, it relies on regular satisfaction surveys as well as on lessons learned from complaint management, while taking an innovative approach to the client journey.

Thus, as part of its continuous improvement approach and in response to the rapid changes in its environment, CIH BANK presented a new quality policy in October 2020. In compliance with the best international standards, this policy aims to meet the needs and expectations of clients while taking into account the requirements of the various stakeholders.

Client policy: CIH BANK's 4 commitments



PILLAR 1
To develop qualitative services based on technology and creating value for our customers



PILLAR 2
Continuously improve our quality of service and make it a tool for differentiation and customer loyalty



PILLAR 3
Improve our operational efficiency through process reengineering and optimized resource allocation



PILLAR 4
Retain and develop our human capital by developing our "Employer Brand", our "Social Responsibility" and our skills



This quality policy is the result of in-depth satisfaction surveys conducted every two years. These surveys, which include a quantitative and qualitative component (focus groups), are managed by the transversal Quality Committee, which brings together all the Bank's Sectors and is headed by the Chairman. At the end of 2020, CIH BANK's overall satisfaction rate stood at 92%.

In addition, CIH BANK wishes to establish a relationship of trust and benevolence with its customers. The bank takes into account the hazards of life and studies on a case-by-case basis the files of clients who have difficulties in meeting their credit payments and tries to put in place fair solutions for both parties. The year 2020 was special in this regard due to an unprecedented increase in job and income losses. In order to prevent households' over-indebtedness, CIH BANK carefully examines all credit applications and adopts a prudent risk policy.

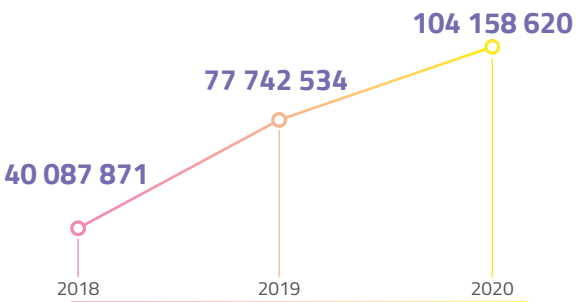
A marked acceleration of digitalization in 2020

The year 2020 saw an acceleration in remote account opening: 1 in 5 accounts - and as many as 1 in 3 accounts during lockdown - were opened remotely. Online account opening is expected to accelerate, once Face ID, currently awaiting regulatory approval, is deployed.

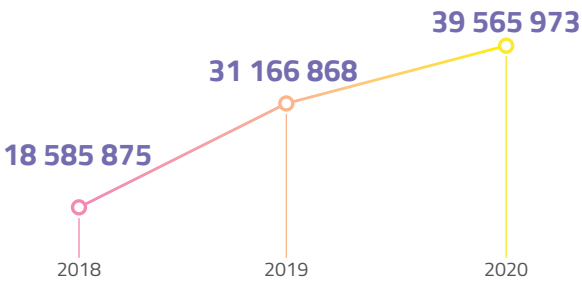
This trend is also reflected in the steady increase (+32.1% in 2020) in the number of CIH ONLINE & CIH MOBILE accounts. These tools enable a wide range of operations to be carried out without having to go to a branch. Their use has followed the same trend: the number of connections rose by 34% in 2020. Every year, new functionalities, such as payment by cell phone, are available. Automated teller machines (ATMs) are also part of this comprehensive remote banking system and allow for telepayments and, more recently, deposits.

The success of these tools is based on targeted marketing campaigns (tutorials, text messages...), as well as by a strong presence on social networks, without forgetting the synergy with traditional channels (agencies and customer relations center), which contribute to improving the usage rate. The number of digital operations grew very strongly in 2019 (+54.9%) and the increase continued in 2020 (+26.9%).

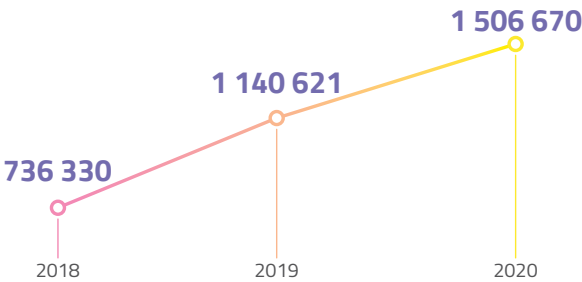
Evolution of the number of connections to CIH ONLINE & CIH MOBILE



Evolution of the number of digital transactions (including self-service area and ATM transactions)



Evolution of the number of CIH ONLINE & CIH MOBILE accounts



An innovative customer journey

In order to improve the client experience and client support at the level of the branches, CIH BANK has overhauled its distribution model. This overhaul was aimed in particular at encouraging the development of remote banking channels and increasing the level of digitalization of the relationship entry. The latter, which stood at 10% in 2019, reached 20% by the end of 2020. The goal is to reach 50% by 2024.

In this context, CIH BANK has deployed some fifty «digital corners», self-service banking areas that enable clients to carry out a number of basic operations, while the reception in the branch is reserved for complex operations and the completion of contracts. Dedicated agents assist customers and carry out demos.

As a reminder, the branches were already equipped with a queue management system that collects data on the type of operations carried out, the waiting time and the processing time for applications. All this information is used to guide the organization of branches and to identify those that are most frequented. It also makes it possible to define, if necessary, the training needs of client advisors with regard to operations or product placements that take longer than expected to process.

In terms of the customer experience, CIH BANK has once again been a pioneer in the Moroccan banking market. In 2020, the «Customer Experience» department was created within the Strategy and Incubation Division. This entity dedicated to customer experience works in collaboration with the Quality and Marketing Departments in order to better understand customer expectations. The mission of the «Customer Experience» department is also to raise awareness among the entire network to the challenges of the customer experience.

In addition to traditional satisfaction surveys, the «Customer experience» department has launched a new type of study based on a short questionnaire offered to customers at the time of an event such as the granting of a loan, the opening of an account, or the closing of a claim.

This program, entitled «Customer Voice», aims to calculate a satisfaction index based on the customer's «last moment of truth». It makes it possible to identify precisely the steps of the customer journey that need to be improved.

Proactive management of claims

The complaints management process is led by the Customer Relationship Management Committee. This committee is led by the Individuals and Professionals Banking division and includes the Information Systems, Organization and Quality departments.

In 2020, the time taken to deal with complaints has improved significantly: from 2.9 days in 2019 to 1.6 days in 2020. The percentage of customer complaints resolved has stabilized at 94%. After a significant drop in 2019, the rate of closing claims within the deadlines (set in a regulatory manner by Bank Al-Maghrib) has increased in 2020.

The frequency of certain complaints is analyzed and gives rise to specific actions such as the review of associated processes and/or IT developments. For example, the release of property process has recently been automated before the client goes to a branch.

The number of complaints is one of the evaluation criteria for sales representatives, who are therefore encouraged to act proactively when faced with the problems encountered by certain customers. If complaints are not resolved through the main channel, they can be referred to internal mediation. In 2020, 911 complaints were referred to internal mediation.

Since the beginning of the Covid-19 health crisis, one of the main challenges for the banking business in general, as for other sensitive sectors, was to ensure business continuity. The priority was to allow our customers to access their accounts and manage as many of their transactions as possible remotely, to avoid massive visits to branches.

As a stakeholder in the multi-channel system, the Customer Relation Center (CRC) provided daily support to the branches, assisting clients, providing them with information or answers to their requests, or directing them to the right contact person if necessary. It should be noted that our CRC handled more than 300,000 calls during the first three months of the lockdown. It also actively contributed to the national action «TADAMOUNE» by assisting 50,000 beneficiaries to withdraw their aid from our ATMs.

The CRC also plays an important role in remote customer relationship management, complementing the bank's other digital channels. In order to better respond to our customers' requirements and to better adapt to their changing behavior during this period of crisis, other digital channels, such as chat and e-mail, have been made available to them to dialogue with their bank, in addition to the telephone line.

Mr. Khalid BENALLA
Deputy General Manager
in charge of the Individuals and
Professionals Banking Division

Innovation

Accelerating and unleashing innovation

CIH BANK has made of innovation a major focus of its positioning and an essential lever for its development in the years to come. The bank has therefore set up a dedicated strategy to stimulate innovation internally, among its employees, but also externally, in particular to support the startup ecosystem.

For CIH BANK, innovation is a state of mind, a culture that its employees must adopt every day.

In 2020, the Quality Department launched the second edition of «FIKR@», an internal competition for the best innovative idea. The aim of this competition, which is designed to be participatory, is to involve all employees in the bank's overall innovation process. Despite the context of the health crisis, this second edition saw a significant participation with 196 ideas collected. On this occasion, a «Special HR» prize was awarded for the best ideas concerning the enhancement of human capital or the improvement of employee well-being, working methods and collaboration in general. 9 ideas were pre-selected. Their authors were accompanied by sponsors to assist them in the preparation of their presentations.

The selection committees met in March 2021 and planning for the awards ceremony is underway. The year 2021 will be dedicated to the implementation and monitoring of all selected innovation projects.

Capturing external innovation

Staying at the forefront of digital products cannot be done without maintaining a close relationship with the Moroccan startup and fintech ecosystem. In recent years, CIH BANK has organized various events to support innovative startups, including the first hackathon organized by a bank in Morocco.

The bank has also been an official partner, for the past five years, of Devovx Morocco, a leading event in the world of web development. The last edition, held from November 12 to 14, 2019, saw the participation of more than 2,000 people of 50 different nationalities, as well as 200 companies and startups.



As part of this same partnership was organized the Devovx For Kids caravan, which allows children aged 7 to 14 to discover the basics of robotics through fun workshops. This program took place from June 2019 to February 2020 in 5 cities of the Kingdom. Several dozen children attending public schools benefited from it. The children of bank staff members were also able to take classes in robotics, electronics coding and programming.

Another initiative launched in 2016, in partnership with the Soft Center, is the «CIH Open Innovation» program. It has helped identify startups offering «Go-To-Market» solutions, while providing them with visibility. In 2018, three winning startups were thus able to implement their project, including the «CIH City» app.

On a daily basis, CIH BANK encourages innovation among the startups with which it collaborates in the development of apps. One of them, incubated within CIH BANK, currently employs about 50 people and serves markets in sub-Saharan Africa.

Human capital

Fight against the Covid-19 pandemic: mobilization at all levels

As soon as the first confirmed cases of Covid-19 appeared in Morocco, CIH BANK committed to supporting the government's efforts to combat the spread of the epidemic. The priority then was to preserve the health of employees, whether they worked in offices or branches. Despite the health crisis and the lockdown measures, all continued to serve and support clients on a daily basis.

In order to avoid outbreaks of infection among its teams, CIH BANK quickly deployed an exceptional health plan. A dedicated committee was created to design an action plan for managing this crisis and to monitor the evolution of the pandemic on a daily basis.

This Crisis Committee has designated a Watch Unit in charge of medical monitoring in collaboration with the occupational physician to assist employees. Various actions have been carried out to limit contamination. Branches and offices have been equipped with transparent protective screens. Masks and sanitizers meeting current standards have been made available to employees and visitors at all sites. Sanitization operations, following a strict protocol, have been organized on a regular basis in all premises. A screening operation was organized for all employees. In order to comply with the health protection measures put in place by the authorities, the working hours of the branches have been reorganized. A rotation between face-to-face and teleworking teams has been introduced. A telework system has been deployed in agreement with managers, in order to define the activities that must be maintained on site and those that can be performed remotely. Some employees have been split between several sites in order to respect the health protective rules.

At the same time, news and awareness flashes were sent out to all employees in order to keep them informed of the evolution of the situation. To support them during the difficult period of lockdown, the CIH BANK Academy provided them with video clips presented by Mohamed El Manjra, Personal Development Coach.

In addition, CIH BANK deducted only 50% of the balance of the leave taken during the lockdown period from its employees. A cash facility was also granted to them of up to 100% of the salary.

Our bank was among the first ones to contribute financially to the Covid-19 Solidarity Fund created for the management of this pandemic, for MAD 150 million, that is to say one third of the net income of the 2019 fiscal year.

Our daily life has changed a lot during the crisis. On the one hand, we worked remotely in order to ensure the continuity of our activities, and, on the other hand, we also worked face-to-face while complying with the health protective gestures and with the health and safety measures.

The crisis has had a disruptive impact on HR activity in general and resulted into a switch from face-to-face to remote training for certain professions (training, recruitment, etc.), a rethinking of certain HR services and the cancellation of special events. The company has put in place several measures to deal with the health context. An internal monitoring unit was appointed and was in charge of carrying out and monitoring preventive actions, medical monitoring in collaboration with the occupational physician, and providing assistance to employees.

Emphasis was placed on the communication aspect to facilitate internal communication and make more fluid the collaboration between teams with the implementation of video capsules on personal development, specially prepared by a professional coach to support us. To facilitate telework, remote working resources (laptop, collaborative tools, etc.) have been deployed on a massive scale. The health protective measures were ensured by a system of rotation of staff members (telework). The catering was ensured by the proposal of lunch boxes to be picked up from the company restaurant.

Medical and social assistance was reinforced with personalized follow-up for affected employees. CIH BANK also covered the cost of screening for all contact cases. All employees received a weekly distribution of masks and sanitizers. In the premises, a systematic sanitization of the workspaces was carried out.

Mr. Faycal GOUY
Director of Human Capital
and General Services

Actions in favor of the community

Three areas of intervention for the benefit of the community

For many years, CIH BANK has been working with associations within the framework of charitable actions or patronage. To go even further, the group has decided to structure its social commitment around three areas: health, education and culture.

In 2020, the budget allocated by CIH BANK to associations and sponsorship operations increased by more than 50%. This trend illustrates the group's desire to develop its societal actions in the years to come, particularly with the creation of a Foundation in 2021.

Improving access to health care for all

Health is a focus that accounts for nearly 60% of CIH BANK's community support budget in 2020. In the context of the Covid-19 pandemic, this commitment to access to health will grow even larger in the future.

Each year, the bank supports the Lalla Salma Foundation for the prevention and treatment of cancer, the Pan-African Organization for the Fight against AIDS (OPALS) and the Association for the Fight against AIDS (ALCS). Since 2020, the bank has also been supporting the Moroccan Telemedicine Society (SMT) in a project to create five health services in 160 of the 270 villages in Morocco that are located more than one hour from a hospital. These centers will be based on internationally proven technologies and will be deployed through fixed or mobile sites. Doctors from regional urban hospitals will intervene remotely, with care being provided on site by nurses. By the end of 2020, 4 municipalities, with a total of 32,614 inhabitants, have been covered. By 2025, the SMT plans to cover 1.5 million people and 80% of medical deserts. Eventually, 2 million inhabitants will be able to benefit from it.

Education and solidarity

Each year, CIH BANK supports numerous NGOs working for the benefit of underprivileged populations, such as the SOS Children's Village association, the Academia Foundation and the Mohammed V Foundation for Solidarity.

In January 2020, the bank also financed the initiatives of the students of the «Flambeau d'espoir» social club at the ENCG Casablanca business school.



The young volunteers renovated a school in Douar Semane, a hamlet located in the Settatt region and thus improved the children's schooling conditions. On the sidelines of the operation, a CIH BANK mobile branch was set up on site to welcome the inhabitants of Douar Semane.

Unwavering support for the world of culture

In 2020, the culture sector was hit hard by the Covid-19 pandemic. Many festivals and other events that CIH BANK used to sponsor each year were cancelled due to the health crisis, in particular the Gnaoua and World Music Festival, the Theater and Culture Festival, Symphoniat, and the young audience shows inviting children from underprivileged backgrounds to discover theater.

In this difficult context, CIH BANK brought its support to the artists impacted by the crisis, notably through the actions organized by the bureaus of students at the major business or engineering schools.

CIH BANK has accompanied all the events organized by the Ghazal association, in particular the training of our beneficiaries concerning the Intelak Al Moustatmir program and their awareness within the framework of Covid-19 prevention. The bank is also a major actor in the professional integration of our association's beneficiaries, mainly in the Oriental region. Indeed, CIH BANK has enabled many women to launch their own projects by having access to self-entrepreneur cards and to Intelak Al Moustatmir credit. Our association supports women in precarious situations by providing them with professional training courses. CIH BANK's role is therefore in line with our action plan.

Ghizlane Tahraoui
President of the Ghazal
association

Contribute to limiting the effects of climate change

Financing projects for climate change mitigation and adaptation

Climate change is a global concern that also affects Morocco, a country under increasing water stress. In order to face these challenges, the Kingdom has positioned itself as a regional driving force in the field of renewable energies and has set up ambitious projects to address water shortages, including seawater desalination plants.

For CIH BANK, it is important to participate in this national effort through the financing of projects and investments that allow mitigation and/or adaptation to climate change. In order to set an example, the group has implemented an internal policy to limit its environmental impact by optimizing its energy and water consumption and through waste management.

Controlling one's environmental footprint

With the expansion of its activities and network, CIH BANK has become aware of the need to optimize its consumption of energy, water, and supplies and to implement efficient waste management.

The group's direct environmental impact is mainly due to the construction, renovation and use of its buildings (headquarters and branches). It also comes from the travel of CIH BANK employees in the course of their work.

In order to limit this impact, CIH BANK has developed an environmental policy based on two main principles: the choice of solutions and technologies with a positive impact on the environment and the encouragement of service providers through a charter.

Thus, since 2017, the bank has chosen durable equipment (Corian, wood, glass, eco-efficient air conditioning...) for the construction and renovation of its buildings.

In order to limit paper consumption, multifunctional printers with default double-sided settings have been introduced and individual printers have been eliminated. In addition, all business processes that consume a lot of paper have been digitized (zero filing policy, dematerialization of mail sent to customers, etc.).

In terms of energy savings, LED lighting has been generalized within the various CIH BANK sites since 2017. In 2020, 52% of branches were equipped with LEDs, compared to 40% in 2019, with a target of 100% by 2022.

In addition, the old computer servers have gradually been replaced by new ones that require less cooling. Thanks to the renewal of the servers and the elimination of their refrigeration cabinets, the consumption of the back-up was reduced by 40% in 2020.

As far as employee travel is concerned, the old cars in the fleet have been replaced by more fuel-efficient vehicles.

In parallel with these major projects, each branch is monitoring its water and electricity consumption by repairing leaks or defective equipment that generate excess consumption. Employees are also made aware of the eco-actions they can take on a daily basis to contribute to the general effort.

As far as waste is concerned, the paper used at the headquarters is entirely recovered by a company specializing in recycling. The cleaning service sorts plastic from metal and paper beforehand. In 2020, 68 branches will apply the «zero archive» policy, that is to say 11 more than in 2019.

The other pillar of CIH BANK's environmental policy consists of encouraging providers to adopt virtuous practices. Since 2018, each supplier has been required to sign a charter reminding them of the environmental precautionary principle.

In 2020, a very significant decrease in energy and material consumption was noted, in particular due to the lockdown, telework and reduction in travel imposed by the Covid-19 pandemic. However, all the measures implemented as part of the environmental policy have also contributed to these reductions.

Indicator	Unity	2018	2019	2020	Evolution 2020 vs. 2019
Electricity consumption of the Headquarters and extension	KWh	2 322 293	2 383 209	2 095 658	-9,01 %
Fuel consumption ¹	Litres	31 393	33 393	21 428	-35,8 %
Paper consumption	Kg	68 290	73 438	68 122	-7,2 %
Cardboard consumption	Kgs	151	164	128	-26,8 %
Toner consumption	Nb.	66	58	14	-75,9 %

¹ Fuel consumption of the power generator and service cars, excluding company and staff cars

Financing green projects


In order to encourage the development of the entire environmental sector in Morocco, CIH BANK finances projects aimed at reducing greenhouse gas emissions or dealing with the impact of climate change.

At the end of 2020, commitments in terms of financing projects or investments with environmental benefits amounted to MAD 51.5 million, that is to say an increase of 443% compared to 2018.


CIH BANK benefits from the refinancing line granted by the French Development Agency (AFD) of MAD 1.2 billion. This line allows it to grant financing in favor of SMEs within the framework of the loan agreement of MAD 550 million signed in 2019 with Finéa, a subsidiary of the CDG Group, of which MAD 40 million is dedicated to the financing of energy efficiency and renewable energy projects.

In August 2020, a MAD 440 million loan was granted by the European Development Bank (EBRD) to CIH BANK in favor of financing resilience and the stimulus of Moroccan SMEs, part of which will be dedicated to energy efficiency.

We identify the following categories among our financing of projects and investments with environmental benefits:



Renewable energies



Energy efficiency



Preservation of biodiversity



Replacement of oil-fired power plants



Irrigation



Biomass

Outlook 2021

After the vacation center for the staff members and the CIH BANK Club, the various sites and premises will gradually be equipped with photovoltaic facilities that will reduce the energy bill. The projects are being studied by an expert. In addition, CIH BANK is in the process of setting up an environmental reporting system that will be updated each year, particularly in terms of the scope covered and the types of consumption.

Outlook 2021

CIH BANK is currently negotiating financing lines for energy efficiency and renewable energy projects for the benefit of SMEs. The bank is also in the process of structuring the financial package for two large wind power projects with a combined capacity of 162 Megawatts for a total amount of MAD 2.7 billion. A hydroelectric project is also under study for a financing amount of MAD 260 million.

3

FINANCIAL REPORT



Performance of subsidiaries and equity interests

At the end of December 2020, CIH BANK's portfolio of equity interests is composed of 32 entities as well as a miscellaneous endowment account for a net amount of MAD 3,026 million, i.e. an increase of MAD 541.9 million compared to 2019..

This overall increase results from various operations carried out in 2020 :

- The subscription to the capital of OPCI CIH PATRIMMO for an amount of MAD 394.8 million;
- The subscription to the capital increase of UMNIA BANK for an amount of MAD 120 million
- The subscription to the capital increase of LANA CASH for an amount of MAD 25.0 million;
- The acquisition of Maghreb Titrisation securities for an amount of MAD 0.6 million and of ATLANTA SANAD securities for an amount of MAD 0.7 million.

Following these operations, the structure of CIH BANK's portfolio of equity interests at the end of December 2020 is as follows

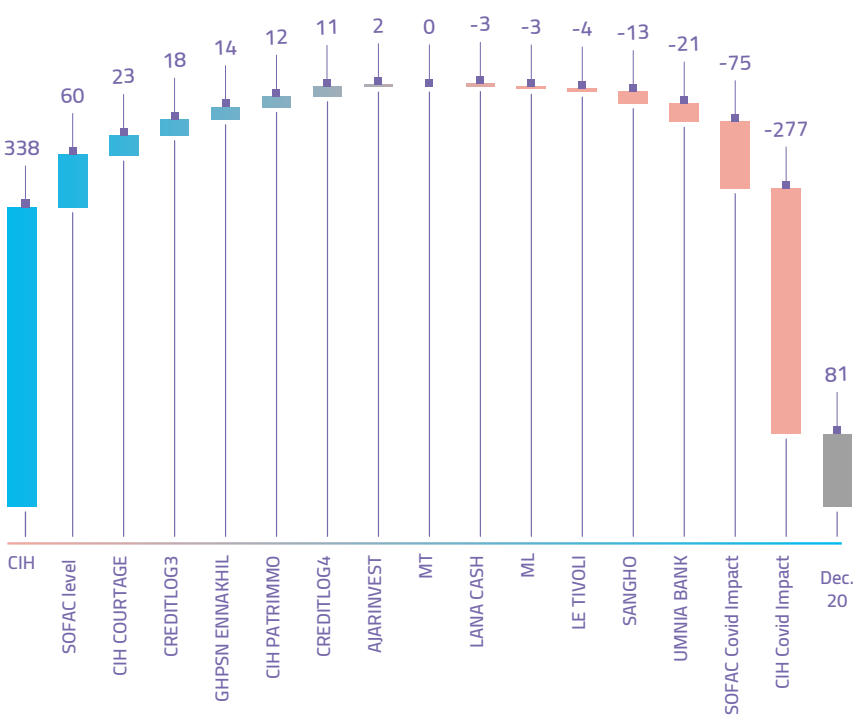
Line labels	Number	Acquisition value	Share/Total	Net amount of provisions	Proceeds listed in the Income Statement
Financial companies	18	2 645,61	82,10%	2 644,86	96
Hotel and real estate companies	5	429,39	13,33%	379,29	-
Development	9	147,39	4,57%	2	-
Grand total	32	3 222,40	100,00%	3 026,15	96

The volume of CIH BANK's equity interest in financial and similar companies represents the major part of the portfolio, i.e. 54.96% of the total equity interests, with an amount of MAD 1,771 million. This equity interest, most of which was initiated within the framework of the 2010-2014 strategic plan, has contributed to improving the bank's results thanks to the income generated in the form of dividends through the collection of MAD 74 million.

The portfolio of CIH BANK's wholly owned subsidiaries rose by MAD 419 million to MAD 1,128 million. It thus represents 35.02% of CIH BANK's portfolio. In addition, the portfolio of hotel and real estate equity interests as well as the portfolio of development companies did not undergo any change during the year 2020.



Contribution and results of the main subsidiaries



→ SOFAC level (SOFAC, SOFASSUR, SSF)

The contribution of SOFAC to the Net Income Group Share amounts to MAD -15 million taking into account the impact of Covid-19. With regard to consolidated net banking income (NBI). In addition, SOFAC paid out MAD 52 million in dividends for the 2019 financial year.

→ MOROCCO LEASING

In 2020, the contribution of MAROC LEASING to the Net Income Group Share shows a decrease of MAD 12 million. It has indeed gone from MAD 9.2 million in 2019 to MAD -3.1 million in 2020.

→ CIH COURTAGE

In 2020, CIH Courtagé (CIH's brokerage branch) paid CIH BANK a dividend of MAD 21.7 million versus MAD 21 million a year earlier. In terms of Net Income Group Share, its contribution increased by 4.6% to reach MAD 22.6 million in 2020. Its contribution to NBI increased by 4.3% to reach MAD 33.7 million.

→ UMNIA BANK

UMNIA Bank's contribution to the consolidated NBI amounts to MAD 104 million in 2020, a jump of MAD 43.7 million. Its contribution to the Net Income Group Share stands at MAD -20.9 million versus -36,0 MDH in 2019.

Statutory auditors' general report



07, Boulevard Driss Slaoui
Casablanca, Morocco

COOPERS AUDIT

83, Avenue Hassan II
20 100 Casablanca
Morocco

To the Shareholders of
CREDIT IMMOBILIER ET HOTELIER (CIH)
187, avenue Hassan II
Casablanca

STATUTORY AUDITORS' GENERAL REPORT FISCAL YEAR FROM JANUARY 01 TO DECEMBER 31, 2020

Audit of financial statements

Opinion

In accordance with the assignment entrusted to us by your General Meeting, we have audited the accompanying financial statements of Crédit Immobilier et Hôtelier (CIH), which include the balance sheet, the income statement, the statement of management balances, the cash flow statement, and the statement of additional information (ETIC) for the year ended December 31, 2020. These financial statements show an amount of equity and similar assets totaling MAD 8 568 082 000, including a net profit of MAD 249,345,000 which is placed under the responsibility of the bank's management bodies.

These statements were approved by the Board of Directors on February 22, 2021 in the context of the evolving health crisis related to the Covid-19 epidemic, based on the information available at that date.

In our opinion, the financial statements referred to in the first paragraph above give a true and fair view of the results of operations for the year ended December 31, 2020, and of the financial position and assets and liabilities of Crédit Immobilier et Hôtelier (CIH) as of December 31, 2020, in accordance with Moroccan generally accepted accounting principles.

Basis of the audit opinion

We conducted our audit in accordance with the Standards of the profession in Morocco. Our responsibilities under these standards are more fully described in the section «Auditor's Responsibilities» of this report. We are independent with respect to the bank in accordance with the ethical rules applicable to the audit of the financial statements and we have fulfilled our other ethical responsibilities under these rules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit questions

Key audit matters are those matters, which, in our professional judgment, were most significant in the audit of the financial statements for the period under review. These matters were discussed in the context of and for the purpose of forming our audit opinion on the financial statements taken as a whole, and we do not express a separate opinion on these matters.

Assessment of credit risk on customer loans

Identified risk

Loans to customers carry a credit risk that exposes CIH Bank to potential loss if customers or counterparties prove unable to meet their financial commitments. The bank makes provisions to cover this risk.

These provisions are determined and recorded in accordance with the principles of the Accounting Plan for Credit Institutions (PCEC), the provisions of circular 19/G/2002 of the Moroccan central bank (Bank Al-Maghrib) relating to the classification of receivables and their coverage by provisions and the rules of Bank Al Maghrib relating to the provisioning of sensitive receivables.

The evaluation of the provisions to cover receivables requires:

- Classifying outstanding receivables into sound, sensitive and past due receivables;
- Evaluating the amount of the provisions according to the different categories of classification of the receivables.

Information concerning the rules for the classification and provisioning of receivables is presented in the «significant accounting policies» statement of the Statement of Additional Information (ETIC).

As of December 31, 2020, total outstanding customer receivables amounted to MAD 55,191 million (including receivables acquired through factoring); the total related provisions amounted to MAD 1,970 million.

We considered that the assessment of credit risk and the evaluation of impairments and provisions was a key point of the audit, taking into account (i) the importance of the amount of these assets in the bank's accounts (ii) and the fact that these elements require the top management's judgment and estimates, in particular concerning the financing granted to companies in the most sensitive economic sectors.

Audit response

We assessed CIH BANK's internal control system and tested the key controls relating to the classification of receivables and the evaluation of related provisions.

With regard to the classification and provisioning of receivables, our audit work consisted in especially :

- Reviewing the governance system and key controls in place at the bank, including decisions made by the internal committees responsible for monitoring, downgrading, and provisioning of the bank's receivables;
- Studying the compliance of the principles applied by the bank with the banking chart of accounts (PCEC) and in particular with the provisions of the circular 19/G/2002 of Bank Al-Maghrib;
- Testing the calculation of provisions on a selection of sensitive (watchlist) and overdue receivables, by taking into account in particular the financing granted to companies in sensitive sectors.

Responsibilities of the bank’s management and of those charged with governance for the financial statements

The bank management is responsible for the preparation and fair presentation of these financial statements in accordance with Moroccan generally accepted accounting principles. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, it is management’s responsibility to assess the bank’s ability to continue as a going concern, to disclose going concern matters as appropriate, and to apply the going concern basis of accounting unless management intends to liquidate the bank or to cease operations, or if there is no realistic alternative.

Those in charge of governance are responsible for overseeing the bank’s financial reporting process.

Management report

We have ensured that the information given in the management report of the Board of Directors to the shareholders is consistent with the bank’s financial statements as required by law.

Auditor’s responsibilities in the audit of the financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards of the profession in Morocco.

Our goals are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report thereon. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will always detect any material misstatement that may exist. Misstatements may result from fraud or error and are considered material when it is reasonable to expect that, individually or in aggregate, they could affect the economic decisions that users of the financial statements make on their basis.

In the context of an audit conducted in accordance with the standards of the profession in Morocco, we exercise professional judgment and critical thinking throughout the audit. In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation, or circumvention of internal control;
- We obtain an understanding of the elements of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, not for the purpose of expressing an opinion on the effectiveness of the bank’s internal control;

- We assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the related disclosures made by management;
- We conclude on the appropriateness of management’s use of the going concern accounting principle and, based on the audit evidence obtained, whether there is any material uncertainty related to events or circumstances that may cast significant doubt on the bank’s ability to continue its operation. If we conclude that a material uncertainty exists, we are required to draw the attention of the readers of our report to the disclosures in the financial statements regarding this uncertainty or, if such disclosures are not adequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our report. Future events or circumstances could cause the bank to cease operations;
- We evaluate the overall presentation, structure, and content of the financial statements, including the disclosures in the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that presents a fair view.

We communicate to those in charge of governance, among other things, the planned scope and timing of the audit work and our significant findings, including any significant deficiencies in internal control that we may have identified during our audit.

Specific verifications and information

We have also performed the specific verifications required by law.

Casablanca, March 1, 2021

The Statutory Auditors

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Abdelaziz ALMECHATT
Associé

Company Accounts

Balance sheet as of December 31, 2020 in Thousand MADs

COMPANY BALANCE SHEET		
Designations	DEC-20	DEC-19
Cash in hand and balances with Central banks, Treasury and post office accounts	1.835.279	2.179.701
Loans and advances to credit institutions and similar institutions	4.696.019	3.713.077
- Sight deposits	1.030.635	1.804.574
- Term deposits	3.665.384	1.908.503
Loans and advances to customers	52.043.621	43.581.266
- Short-term & consumer loans and participatory financing	11.085.569	8.831.063
- Equipment loans and participatory financing	8.393.952	6.106.849
- Mortgage loans and participatory financing	25.633.757	24.657.785
- Other loans and participatory financing	6.930.343	3.985.570
Receivables acquired through factoring	1.176.295	1.259.916
Trading securities and available-for-sale securities	7.851.715	7.697.632
- Treasury bills and similar securities	6.159.233	6.002.824
- Other debt securities	530.158	532.954
- Property securities	1.162.323	1.161.855
- Sukuk certificates	-	-
Other assets	1.579.865	1.075.319
Investment securities	3.796.436	936.103
- Treasury bills and similar securities	2.631.125	663.129
- Other debt securities	1.165.310	272.974
- Sukuk certificates	-	-
Equity securities and similar uses	3.026.158	2.484.288
- Investments in affiliated companies	-	-
- Other equity securities and similar uses	-	-
- Mudaraba and Musharaka securities	-	-
Subordinated loans	340.000	440.000
Leased and rented fixed assets	-	-
Intangible assets	106.031	103.497
Tangible assets	2.305.172	2.286.602
Fixed assets given in Ijara	-	-
Total assets	78.756.591	65.757.402

Off balance sheet in Thousand MADs

OFF-BALANCE SHEET		
Designations	DEC-20	DEC-19
COMMITMENTS GIVEN	10.207.359	9.378.800
Financing commitments given to credit institutions and similar institutions	-	188.214
Financing commitments given to customers	8.145.977	7.697.417
Guarantees given to credit institutions and similar institutions	629.340	386.708
Guarantees given to customer	1.432.042	1.106.461
Securities purchased under repurchase agreements	-	-
Other securities to be delivered	-	-

Balance sheet as of December 31, 2020 in Thousand MADs

COMPANY BALANCE SHEET		
Designations	DEC-20	DEC-19
Amounts owing to central banks, to the Treasury, and to post office accounts	-	-
Amounts owing to credit institutions and similar institutions	10.362.034	5.780.068
- Sight deposits	1.773.598	294.934
- Term deposits	8.588.436	5.485.134
Customer deposits	50.073.234	41.383.367
- Current accounts in credit	29.429.173	22.934.933
- Savings accounts	7.081.476	5.973.930
- Term deposits	11.964.542	11.521.305
- Other accounts in credit	1.598.043	953.200
Debt securities issued	7.498.329	7.052.984
- Negotiable debt securities	6.235.974	5.652.386
- Bonds	1.029.322	1.029.417
- Other debt securities issued	233.033	371.181
Other liabilities	1.015.619	2.170.746
Provisions for risks and expenses	1.239.293	653.960
Regulated provisions	-	-
Subsidies, allocated public funds, and special guarantee funds	-	-
Subordinated debts	3.564.916	3.565.908
Revaluation differences	-	-
Reserves and premiums related to share capital	1.366.635	1.344.065
Share capital	2.832.474	2.832.474
- Shareholders. Share capital not paid (-)	-	-
Retained earnings (+/-)	554.713	522.430
Net income to be allocated (+/-)	-	-
Net income for the financial year (+/-)	249.345	451.399

Off-balance sheet in Thousand MAD

OFF-BALANCE SHEET		
Designations	DEC-20	DEC-19
COMMITMENTS RECEIVED	10.527.804	7.095.127
Financing commitments received from credit institutions and similar institutions	-	-
Guarantees received from credit institutions and similar institutions	-	-
Guarantee received from the State and other organizations providing guarantees	10.527.804	7.095.127
Securities sold under repurchase agreements	-	-
Other securities to be received	-	-

Income and expense statement as of December 31, 2020 in Thousand MADs

INCOME AND EXPENSE STATEMENT		
	2020.Dec	2019.Dec
OPERATING INCOME FROM BANKING ACTIVITIES	3.654.048	3.197.779
Interest and similar income on transactions with credit institutions	74.130	69.447
Interest and similar income from transactions with customers	2.393.434	2.226.885
Interest and similar income on debt securities	96.089	47.126
Income from equity securities and Sukuk securities	125.254	125.212
Income from Mudaraba and Musharaka securities	-	-
Income from leased and rented fixed assets	-	-
Income from fixed assets given in Ijara	-	-
Fee income provided from services	258.021	251.002
Other banking income	707.120	478.107
Transfer of expenses on investment deposits received	-	-
OPERATING EXPENSES ON BANKING ACTIVITIES	1.398.860	1.181.130
Interest and similar expenses on transactions with credit institutions	154.727	87.548
Interest and similar expenses on transactions with customer	664.923	649.831
Interest and similar expenses on debt securities issued	247.128	261.059
Expenses on Mudaraba and Musharaka securities	-	-
Expenses on leased and rented fixed assets	-	-
Expenses on fixed assets given in Ijara	-	-
Other banking expenses	332.081	182.693
Transfer of income on investment deposits received	-	-
NET BANKING INCOME	2.255.188	2.016.649
Non-banking operating income	340.853	378.461
Non-banking operating expenses	-	5.329
GENERAL OPERATING EXPENSES	1.280.557	1.173.047
Staff costs	578.327	558.435
Taxes	28.322	27.744
External expenses	542.753	439.786
Other general operating expenses	18.463	19.438
Amortization and provisions for intangible and tangible fixed assets	112.692	127.644
PROVISIONS AND LOSSES ON BAD DEBTS	981.345	790.959
Provisions for non-performing loans and signature loans	363.864	458.475
Losses on uncollectible loans	9.996	22.316
Other provisions	607.485	310.169
PROVISIONS WRITE-BACKS AND AMOUNTS RECOVERED ON AMORTIZED LOANS	161.523	253.089
Provision write-backs for non-performing loans and signature-based loans	124.984	187.511
Amounts recovered on amortized loans	14.024	27.110
Other provisions write-backs	22.514	38.469
INCOME FROM ORDINARY ACTIVITIES	495.663	678.864
Non-recurring income	-	36
Non-recurring expenses	30.801	41.162
PRE-TAX INCOME	464.862	637.738
Income tax	215.517	186.338
NET INCOME FOR THE FINANCIAL YEAR	249.345	451.399

Management accounting statement

MANAGEMENT ACCOUNTING STATEMENT		
	2020.Dec	2019.Dec
+ Interest and similar income	2.563.653	2.343.458
- Interest and similar expenses	1.066.779	998.437
INTEREST MARGIN	1.496.874	1.345.021
+ Income from participatory financing	-	-
- Expenses from participatory financing	-	-
MARGIN ON PARTICIPATORY FINANCING	-	-
+ Income from leased and rented fixed assets	-	-
- Expenses from leased and rented fixed assets	-	-
Income from leasing and rental activities	-	-
+ Income from fixed assets given in Ijara	-	-
- Expenses from fixed assets given in Ijara	-	-
Income from Ijara activities	-	-
+ Fees received	276.258	264.389
- Fees paid	96.188	48.205
Fee Income	180.071	216.185
+ Income from trading securities	218.610	179.339
+ Income from investment securities	52.018	20.571
+ Income from foreign exchange activities	237.644	165.774
+ Income from derivatives activities	-	-
Income from market activities	508.271	365.683
+ Income from Mudaraba and Musharaka securities transactions	-	-
+ Other banking income	164.575	168.976
- Other banking expenses	94.603	79.215
NET BANKING INCOME	2.255.188	2.016.649
+ Income from transactions on financial fixed assets	-100	-
+ Other non-banking operating income	340.853	378.461
- Other non-banking operating expenses	-	24
- General operating expenses	1.280.557	1.173.047
GROSS OPERATING INCOME	1.315.385	1.222.039
+Net provisions for reversal of provisions for non-performing loans and signature-based loans	-234.851	-266.170
+Other net provisions net of reversals of provisions	-584.871	-277.005
CURRENT INCOME	495.663	678.864
NON-CURRENT INCOME	-30.801	-41.127
- Income tax	215.517	186.338
NET INCOME FOR THE FINANCIAL YEAR	249.345	451.399

Self-financing capacity

	2020.Dec	2019.Dec
NET INCOME FOR THE FINANCIAL YEAR	249.345	451.399
+ Allocation to depreciation and provisions for intangible and tangible assets	112.692	127.644
+ Allocation to provisions for depreciation of financial assets	100	-
+ Allocation to provisions for general risks	529.922	306.151
+ Allocation to regulated provisions	-	-
+ Non-current provisions	-	-
- Reversals of provisions	18.900	35.794
- Capital gains on disposal of intangible and tangible fixed assets	325.120	361.759
+ Capital losses on disposal of intangible and tangible fixed assets	-	24
- Capital gains on disposal of financial fixed assets	-	-
+ Capital losses on disposal of financial fixed assets	-	5.305
- Write-backs of investment subsidies received	-	-
+ SELF-FINANCING CAPACITY	548.038	492.969
- Profits distributed profits	396.546	372.513
SELF-FINANCING	151.492	120.456

Resolutions

Under the chairmanship of Mr. Lotfi SEKKAT, Chairman and Managing Director of Crédit Immobilier et Hôtelier, a joint-stock company with a share capital of MAD 2,832,473,500 divided into 28,324,735 shares with a nominal value of MAD 100 each, the Ordinary General Meeting was held on June 16, 2021 at 15:00 hours., at the head office of CIH BANK located in Casablanca, 187, Avenue Hassan II.

Having heard the management report of the Board of Directors and the reports of the statutory auditors for the financial year ended December 31, 2020, the Ordinary General Meeting unanimously approved the financial statements for the financial year ended December 31, 2020, as well as all the resolutions submitted to it, as published in the legal gazettes:

- L'Economiste of May 11, 2021 ;
- Le Matin of May 11, 2021 ;
- Les Inspirations Eco of May 11, 2021.

The Ordinary General Meeting decided to set the amount of dividends to be paid for the financial year at :

- A dividend of 08 dirhams per share

The dividend will be paid as from July 01, 2021, in cash.

The result of the votes of the Ordinary General Meeting of Crédit Immobilier et Hôtelier is as follows :

Resolutions	Purpose	Number of shares (d): Present or represented (a)	% of share capital (b)	Votes validly expressed (c)	Vote «Against»		Abstentions	Vote «favorable»		Result of the adoption of the resolution
					Number	%		Number	%	
1 st resolution	Ratification of the terms of the notice to convene	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
2 nd resolution	Approval of the 2020 financial statements	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
3 rd resolution	Discharge to the statutory auditors	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
4 th resolution	Allocation of the result and setting of dividend	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
5 th resolution	Directors' fees	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
6 th resolution	Regulated agreements	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
7 th resolution	Renewal of mandates of directors	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
8 th resolution	Appointment of a new college of statutory auditors	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved
9 th resolution	Powers for legal formalities	22.665.140	80,02%	22.665.140	0	0	0	22.665.140	100 %	Approved

In accordance with the provisions of Article 136 of Law 17-95 as modified and completed by Law 78-12.

- (a) - The number of shares for which votes have been validly cast ;
- (b) - The proportion of the share capital represented by this vote ;
- (c) - The total number of validly cast votes: after exclusion of shareholders who should not take part in the vote under the provisions of Law 17-95 ;
- (d) - One share corresponds to one vote.

Audit report on the consolidated financial statements



07, Boulevard Driss Slaoui
Casablanca, Morocco

COOPERS AUDIT

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20 100 Casablanca
Morocco

To the Shareholders of
CREDIT IMMOBILIER ET HOTELIER (CIH)
187, avenue Hassan II
Casablanca

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FISCAL YEAR FROM JANUARY 01 TO DECEMBER 31, 2020

Audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Crédit Immobilier et Hôtelier and of its subsidiaries (Crédit Immobilier and Hôtelier Group), including the balance sheet as of December 31, 2020, as well as the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and memoranda containing a summary of significant accounting methods and other explanatory memoranda. These consolidated financial statements show an amount of consolidated shareholders' equity totaling KMAD 5,424,245, including a consolidated net profit of KMAD 44,698.

These statements were approved by your Board of Directors on February 22, 2021 in a context of the evolving health crisis linked to the Covid-19 epidemic, based on the elements available at that time.

In our opinion, the consolidated financial statements referred to in the first paragraph above give, in all material respects, a true and fair view of the financial position of the Crédit Immobilier et Hôtelier Group, comprising the entities included in the consolidation as of December 31, 2020, as well as the financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards (IFRS).

Basis of the audit opinion

We conducted our audit in accordance with the Standards of the profession in Morocco. Our responsibilities under these standards are fully described in the section "Auditor's Responsibilities" of this report. We are independent with respect to the Group in accordance with the ethical rules applicable to the audit of consolidated financial statements and we have fulfilled our other ethical responsibilities under these rules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters, which, in our professional judgment, were most significant in the audit of the consolidated financial statements for the period under review. These matters were discussed in the context of our audit of the consolidated financial statements taken as a whole and for the purpose of forming our opinion thereon, and we do not express a separate opinion on these matters.

Assessment of credit risk on customer loans

Identified risk

Loans and advances to customers carry a credit risk that exposes CIH Bank to potential loss if customers or counterparties prove unable to meet their financial commitments. The Crédit Immobilier et Hôtelier Group makes provisions for impairments to cover this risk.

These impairments are determined in accordance with the provisions of IFRS 9 Financial Instruments and the principle of expected credit losses.

The evaluation of expected credit losses for customer loan portfolios requires the exercise of judgment, in particular to:

- Determine the criteria for classifying outstanding loans in bucket 1, bucket 2, or bucket 3;
- Estimate the amount of expected losses based on the different buckets;
- Establish macro-economic projections that are integrated into both the impairment criteria and the measurement of the expected losses.

Information concerning, in particular, the recognition and estimation of credit losses are mainly detailed in the note «Impairment of assets under IFRS 9» of the annex to the consolidated financial statements.

As of December 31, 2020, total outstanding customer loans exposed to credit risk amounted to MAD 66,141 million; the total amount of related depreciation is MAD 2,855 million.

With respect to off-balance sheet commitments to customers, impairment for expected losses amounted to MAD 303 million.

We considered that the assessment of credit risk and the evaluation of impairments and provisions were a key issue for the audit, given (i) the significance of the amount of these provisions (ii) and the fact that these items involve management's judgment and estimates, particularly for financing granted to companies in the most sensitive economic sectors.

Audit response

We have examined the internal control system of the Crédit Immobilier et Hôtelier Group and tested key controls related to credit risk assessment and the evaluation of expected losses.

We focused our work on the most significant customer outstanding loans and/or portfolios and in particular on financing granted to companies in sensitive sectors.

With regard to impairment, our audit work consisted in particular in:

- Studying the compliance with IFRS 9 Financial Instruments of the principles implemented by the group;
- Obtaining an understanding of the governance system and key controls implemented at the group level;
- Conducting tests on a selection of models implemented by the Group;
- Analyzing the main parameters and rules used by the Crédit Immobilier et Hôtelier Group for the classification of outstanding loans as of December 31, 2020 (buckets 1, 2 and 3);
- Testing the calculation of expected losses on a selection of loans in buckets 1 and 2;
- Testing the main assumptions used for the estimation of impairments related to loans classified in bucket 3.

Responsibilities of the bank's management and of the persons in charge of governance for the consolidated financial statements

The bank's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of consolidated financial statements that are free from material misstatement, and making accounting estimates that are reasonable in the circumstances.

In preparing the consolidated financial statements, it is the management's responsibility to assess the group's ability to continue as a going concern, to disclose going concern matters as appropriate, and to apply the going concern basis of accounting unless management intends to liquidate the group or to cease operations, or if there is no realistic alternative.

Those in charge of governance are responsible for monitoring the group's financial reporting process.

Auditor's Responsibilities in the Audit of the Consolidated Financial Statements

Our goals are to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report thereon. Reasonable assurance is a high level of assurance, but does not guarantee that an audit performed in accordance with professional standards will always detect any material misstatement that may exist. Misstatements may result from fraud or error and are considered material when it is reasonable to expect that, individually or in aggregate, they could affect the economic decisions that users of the consolidated financial statements make on their basis.

In an audit performed in accordance with professional standards in Morocco, we exercise professional judgment and critical thinking throughout the audit. In addition, we

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures to respond to those risks, and obtain audit evidence relevant to the audit opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, because fraud may involve collusion, falsification, intentional omissions, misrepresentation, or circumvention of internal control;
- Obtain an understanding of the elements of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether there is any material uncertainty associated with events or circumstances that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of the readers of our report to the information provided in the financial statements about that uncertainty or, if that information is not adequate, to express a modified opinion. Our conclusions are based on evidence obtained up to the date of our report. Future events or circumstances may cause the group to cease operations;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures in the consolidated financial statements, and assess whether the consolidated financial statements present the underlying transactions and events fairly.
- Obtain sufficient appropriate audit evidence regarding the financial information of the group's entities and activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We assume full responsibility for the audit opinion.

We communicate to those in charge of governance, among other things, the planned scope and timing of the audit work and our significant findings, including any significant deficiencies in internal control that we may have identified during our audit.

Casablanca, March 01, 2021

The Statutory Auditors

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Abdelaziz ALMECHATT
Associé

Comptes consolidés

CONSOLIDATED BALANCE SHEET		
IFRS ASSETS	2020.Dec	2019.Dec
Cash in hand, Central banks, Public Treasury, Post office accounts	2.247.453	2.573.522
Financial assets at fair value through profit or loss	8.268.513	8.174.486
Financial assets held for trading	6.955.731	6.890.821
Other financial assets at fair value through profit or loss	1.312.782	1.283.665
Derivative hedging instruments	-	-
Financial assets at fair value through equity	696.314	446.593
Debt instruments carried at fair value through recyclable equity	201.988	37.123
Equity instruments carried at fair value through non-recyclable equity	494.326	409.470
Securities at amortized cost	3.796.436	936.103
Loans and advances to credit institutions and similar institutions, at amortized cost	3.926.548	3.195.065
Loans and advances to customers, at amortized cost	62.983.367	53.097.311
Asset revaluation difference of interest-rate hedged portfolios	-	-
Investments of insurance activities	-	-
Current tax assets	269.063	275.934
Deferred tax assets	445.015	164.544
Accruals accounts and other assets	2.370.571	1.966.277
Non-current assets held for sale	-	-
Investments in companies accounted for using the equity method	462.357	460.754
Investment property	1.253.245	1.260.107
Property, plant and equipment	2.155.605	2.070.588
Intangible assets	392.445	213.567
Goodwill	299.428	299.428
TOTAL ASSETS	89.566.358	75.134.280

CONSOLIDATED BALANCE SHEET		
LIABILITIES IFRS	2020.Dec	2019.Dec
Central banks, Public treasury, Post Office	-	-
Financial liabilities at fair value through profit or loss	-	-
Financial liabilities held for trading	-	-
Financial liabilities at fair value through profit or loss on option	-	-
Derivative hedging instruments	-	-
Debts due credit institutions and similar institutions	12.278.279	7.229.961
Debts due to customers	53.769.117	44.579.283
Debt securities issued	10.175.730	9.743.163
Liabilities revaluation difference of interest-rate risk hedged portfolios	-	-
Current tax liabilities	331.469	290.803
Deferred tax liabilities	237.897	140.828
Accruals accounts and other liabilities	3.117.905	3.528.791
Liabilities relating to non-current assets held for sale	-	-
Technical provisions for insurance contracts	-	-
Provisions for liabilities and expenses	510.452	438.019
Grants and Similar Funds	-	-
Subordinated debts and special guarantee funds	3.721.265	3.695.908
Shareholders' equity	5.424.245	5.487.522
Equity and related reserves	2.832.474	2.832.474
Consolidated reserves	2.493.693	2.254.349
Consolidated reserves - Group share	1.945.508	1.858.320
Consolidated reserves - Minority share	548.185	396.029
Gains and losses recognized directly in equity	53.381	-78
Gains and losses recognized directly in equity - Group share	53.381	-78
Gains and losses recognized directly in equity - Minority share	-	-
Net income of the financial year	44.698	400.778
Net income of the financial year - Group share	80.655	426.382
Net income of the financial year - Minority share	-35.957	-25.604
TOTAL LIABILITIES	89.566.358	75.134.280

CONSOLIDATED IFRS INCOME STATEMENT		
	2020.Dec	2019.Dec
Interest and similar income	3.100.195	2.798.267
Interest and similar expenses	-1.237.121	1.863.074
INTEREST MARGIN	1.863.074	1.632.218
Commissions (income)	345.413	348.983
Commissions (expenses)	- 142.988	- 12.865
MARGIN ON COMMISSIONS	202.425	336.117
Net gains or losses occurred by the hedging of net positions	-	-
Net gains or losses on financial instruments at fair value through profit or loss	552.730	436.730
Net gains or losses on trading assets/liabilities	214.871	177.176
Net gains or losses on other assets/liabilities at fair value through profit or loss	337.859	259.554
Net gains or losses on financial assets at fair value through profit or loss	16.527	2.206
Net gains or losses on debt instruments recognized in recyclable equity	14.613	956
Remuneration of equity instruments recognized in non-recyclable equity (dividends)	1.914	1.250
Net gains or losses on available for sale financial assets	-	-
Net gains or losses on derecognition of financial assets at amortized cost	-	-
Net gains or losses resulting from the reclassification of financial assets at amortized cost to financial assets at Fair Value	-	-
Net gains or losses resulting from reclassification of financial assets at fair value through equity to financial assets at Fair Value.	-	-
Net income from insurance activities	-	-
Income from other activities	324.146	914.189
Expenses from other activities	-199.230	-819.597
NET BANKING INCOME	2.759.674	2.501.863
General operating expenses	-1.533.581	-1.394.828
Depreciation, amortization and impairment of intangible and tangible fixed assets	-162.303	-165.335
GROSS OPERATING INCOME	1.063.790	941.701
Cost of credit risk	-996.600	-249.930
OPERATING INCOME	67.190	691.771
Share of net income from associated companies and joint ventures accounted for using the equity method	-1.645	6.226
Net gains or losses on other assets	46.573	36.258
Variations in the value of goodwill	-	-
PRE-TAX INCOME	112.118	734.255
Income tax	-67.420	-333.477
Net income from discontinued on activities discontinued or in the process of being sold	-	-
NET INCOME	44.698	400.778
Minority interests	-35.957	-25.604
NET INCOME, GROUP SHARE	80.655	426.382
EARNINGS PER SHARE (In MADs)	2,8	15,1
DILUTED EARNINGS PER SHARE (in MADs)	2,8	15,1

	31/12/2020	31/12/2019
Pre-tax income	112.117	734.255
+/- Net depreciation and amortization of tangible and intangible assets	233.039	768.485
+/- Net impairment of financial assets	860.269	215.150
+/- Net allocations to provisions	96.918	(2.694)
+/- Share of net income from companies accounted for using the equity method	1.645	(6.226)
+/- Net loss/(gain) from investment activities	(25.329)	(15.790)
+/- Other movements	(12.016)	(23.704)
Total non-cash items included in net income before taxes and other adjustments	1.154.526	935.221
+/- flows related to transactions with credit institutions and similar institutions	3.839.746	(240.267)
+/- flows related to transactions with customers	(979.739)	723.172
+/- flows related to other transactions affecting assets financial assets or liabilities	(2.647.703)	(977.233)
+/- flows related to other transactions affecting assets non-financial assets or liabilities	(319.602)	861.213
Taxes	(311.648)	(285.644)
Net decrease/(increase) in assets and liabilities from operating activities	(418.946)	81.240
Net cash flow from operating activities	847.697	1.750.716
+/- Flows related to financial assets and investments	(22.460)	(9.644)
+/- Flows related to tangible and intangible assets	(925.938)	(1.001.988)
Net cash flow related to investments activities	(948.398)	(1.011.633)
+/- Cash flow to/from shareholders	(242.964)	101.913
+/- Other net cash flows from financing activities	25.356	48.645
Net cash flows related to financing activities	(217.607)	150.558
Effect of changes in the reclassification and change of method on cash and equivalents		(4.057)
Net increase/(decrease) in cash and cash equivalents	(318.308)	885.585
COMPOSITION OF CASH POSITION		
Cash and cash equivalents at the beginning of the period	2.565.349	1.679.764
Cash, central banks, post office account (assets & liabilities)	2.573.522	1.548.102
Current accounts (assets & liabilities) and sight loans with credit institutions	(8.174)	131.662
Cash and cash equivalents at the end of the period	2.247.041	2.565.349
Cash, central banks, post office account (assets & liabilities)	2.247.453	2.573.522
Current accounts (assets & liabilities) and sight loans with credit institutions	(412)	(8.174)
Variation in net cash position	(318.308)	885.585

SHAREHOLDERS' EQUITY								
	Share capital	Capital reserves	Own shares	Consolidated reserves and earnings	Gains and losses recognized directly in equity	Shareholders' equity, group share	Minority interests	Total shareholders' equity
Shareholders' equity as of: December 2019	2.832.474	-	-	2.461.335	-78	5.293.730	372.798	5.666.528
Other changes in accounting policies and corrections of errors	-	-	-	-136.763	-	-136.763	0	-136.763
Other movements	-	-	-	-39.870	-	-39.870	-2.373	-42.243
Adjusted shareholders' equity : December 2019	2.832.474	-	-	2.284.702	-78	5.117.097	370.425	5.487.522
Capital transactions	-	-	-	-	-	-	180.000	180.000
Share-based payments	-	-	-	-	-	-	-	-
Trading in own shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-396.542	-	-396.542	-26.421	-422.963
Result for the financial year	-	-	-	80.655	-	80.655	-35.957	44.698
Tangible and intangible assets : revaluations and disposals	-	-	-	-	-	-	-	-
Financial instruments : changes in fair value and transfer into the income statement	-	-	-	-	53.459	53.459	-	53.459
Translation differences : changes and transfers into the income statement	-	-	-	-	-	-	-	-
Unrealized or deferred gains or losses	-	-	-	-	53.459	53.459	-	53.459
Change in scope of consolidation	-	-	-	372	-	372	0	372
Shareholders' equity as of : December 2020	2.832.474	-	-	1.969.187	53.381	4.855.041	488.047	5.343.087
Other changes in accounting methods and error corrections	-	-	-	-	-	-	-	-
Other movements	-	-	-	56.977	-	56.977	24.181	81.158
Adjusted shareholders' equity : December 2020	2.832.474	-	-	2.026.164	53.381	4.912.018	512.228	5.424.245

EQUITY HOLDINGS IN COMPANIES ACCOUNTED FOR BY USING THE EQUITY METHOD					
	Equity method value	Income	Total balance sheet	Income from ordinary activities	Share in the income
MOROCCO LEASING	462.187	-4.984	11.989.232	46.972	-3.151
Maghreb Titrisation	2.614	-929	11.283	8.045	-334
AJARINVEST	-2.445	4.599	13.651	18.225	1.840
EQUITY HOLDINGS IN COMPANIES BY USING THE EQUITY METHOD	462.357	-1.314	12.014.167	73.242	-1.645

Company name	Activity sector	31-dec-20		Consolidation method
		% interest	% control	
CIH	Banks and financial activities	100%	100%	Parent company
CIH COURTAGE	Insurance	100%	100%	Full consolidation
CIH PATRIMMO	Real estate	100%	100%	Full consolidation
LANACASH	Payment services	100%	100%	Full consolidation
MAGHREB TITRISATION	Financial activities	35,93%	35,93%	Equity method
MAROC LEASING	Financial activities	34,01%	34,01%	Equity method
SOFAC	Financial activities	66,30%	66,30%	Full consolidation
SOFASSUR	Insurance	66,30%	66,30%	Full consolidation
SOFAC STRUCTURED FINANCE	Financial activities	66,30%	66,30%	Full consolidation
TIVOLI	Tourism	89,36%	89,36%	Full consolidation
CREDITLOG 3	Financial activities	N/A	N/A	Full consolidation
CREDITLOG 4	Financial activities	N/A	N/A	Full consolidation
MNIA BANK	Banks and financial activities	40%	100%	Full consolidation
RHOSN ENNAKHIL	Real estate and tourism promotion	80%	80%	Full consolidation
SANGHO	Real estate and tourism promotion	100%	100%	Full consolidation
AJARINVEST	Financial activities	40%	40%	Equity method

APPENDICES



Social indicators

1/ CIH BANK staff

Category	Reference system	Indicator	2018	2019	2020
Total number of employees	AMMC		1 927	2 044	2 083
Workforce per line of business		Network	1 354	1 459	1 463
		Headquarters	573	585	620
Workforce per seniority		≤ 10 years	1 007	1 059	1 101
		11 - 20 years	137	235	259
		21 - 30 years	734	702	637
		≥ 30 years	49	48	86

Category	Reference system	Indicator	2018			2019			2020		
			Permanent contract	Fixed-term contract	Anapec	Permanent contract	Fixed-term contract	Anapec	Permanent contract	Fixed-term contract	Anapec
Workforce per type of employment contract	GRI 102-8 AMMC	Total	1 796	11	120	1 892	1	151	2 026	1	56
		By gender									
		Women	686	3	45	730	-	64	812	1	20
		Men	1 110	8	75	1 162	1	87	1 214	-	36
	GRI 102-8	By region									
		CASA	1 037	5	52	1 084	1	55	1 153	-	20
		CENTER	214	3	16	224	-	23	240	-	12
		NORTH	101	-	6	110	-	10	116	1	3
		ORIENTAL REGION	88	-	6	93	-	14	100	-	2
		SAISS	123	-	8	131	-	13	137	-	9
		SOUTH	131	1	14	139	-	12	148	-	5
		SOUSS	102	2	18	111	-	24	132	-	5
Workforce per category	AMMC		Executives in charge	Executives	Officers	Executives in charge	Executives	Officers	Executives in charge	Executives	Officers
		Total	50	1 350	527	50	1 434	560	56	1 467	560
		Women	9	567	158	11	609	174	15	634	184
		Men	41	783	369	39	825	386	41	833	376
		Recruitments	2	172	115	1	193	87	2	112	35
		Resignations	-	71	14	2	81	26	2	65	7
		Layoffs	-	1	2	1	3	4	-	2	1

2/ Other social indicators

Category	Reference system	Indicator	2018	2019	2020
Social dialogue	AMMC	Number of members (and alternate members) of staff representatives	40 (39)	40 (39)	40 (39)
		Number of strike days	-	-	-
		Number of social disputes	1	4	2
		Collectives	-	-	-
		Individuals	1	4	2
	GRI 102-41	Employees covered by collective bargaining agreements	-	-	2025
Health and safety	AMMC	Number of work-related accidents	30	39	28
Training	AMMC	Employees who received training	782	946	1112
		Training budget as a percentage of total payroll	2,24 %	2,61 %	2,91 %
		Percentage of training budget consumed in relation to the actual payroll	2,27 %	2,44 %	2,55 %

Category	Reference system	Indicator	2018			2019			2020		
			Executives in charge	Executives	Officers	Executives in charge	Executives	Officers	Executives in charge	Executives	Officers
Employees who received a performance and career development review during the period by gender and category	GRI 404-3	Total	35	961	345	40	1 226	434	44	1 305	474
		Women	7	396	99	8	504	117	9	550	142
		Men	28	565	246	32	722	317	35	755	332

GRI Index

GRI Code	EN - Name of the standard	ESG Report Chapter	Part of the ESG report	Pages	Omissions and reasons or comments
GENERAL INFORMATION					
PROFILE OF THE ORGANIZATION					
102-1	Name of the organization	Presentation of CIH BANK		8 - 9	
102-2	Activities, brands, products and services	Presentation of CIH BANK	A bank that creates sustainable value	12 - 13	
102-3	Geographic location of the headquarters		4 th in terms of coverage		
102-4	Geographical location of the activity sites	Chapter 3	A. Facilitating banking inclusion through digitalization, accessibility and proximity to customers	28	
102-5	Share capital and legal form	Presentation of CIH BANK	A historical bank	10	
102-6	Markets served	Presentation CIH BANK	A bank that creates sustainable value	12 - 13	
102-7	Size of the organization	Presentation of CIH BANK	CIH BANK in figures A bank that creates sustainable value D. Ensure quality and caring customer relations	10 - 13 33	
102-8	Information about employees and other workers	Chapter 6	A. The human profile Social indicator tables	62 - 63 76	
102-9	Supply Chain	Presentation of CIH BANK	A bank that creates sustainable value	12 - 13	
102-10	Significant changes in the organization and its supply chain				Pas de modifications significatives en 2020
102-11	Precautionary principle or preventive approach	Chapter 3 Chapter 5	C. Ensure free basic services and charge a fair price for value-added services in full transparency D. Anticipating and managing systemic risks and crises	31 55 - 57	
102-12	External Initiatives				
102-13	Membership in associations				
STRATEGY					
102-14	Statement from the most senior decision maker	A word from the President		6	
ETHICS AND INTEGRITY					
102-16	Values, principles, standards and rules of conduct	Presentation of CIH BANK Chapter 5	A bank that creates sustainable value B. Respecting Business Ethics and Professional Conduct	12 50-53	
GOVERNANCE					
102-18	Governance structure	Presentation of CIH	A successful governance system	14-16	

STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	Our Responsibility based approach	Dialogue with stakeholders	20
102-41	Collective bargaining agreements	Chapter 6	B. Ensuring the well-being and health of employees	65
102-42	Identification and selection of stakeholders	Our Responsibility based approach	Dialogue with stakeholders	20
102-43	Approach to stakeholder involvement	Our Responsibility based approach Appendices	Dialogue with stakeholders About this report	20 78
102-44	Major issues and concerns raised	Our Responsibility based approach	Materiality assessment	21

REPORTING PRACTICES

102-45	Entities included in the consolidated financial statements	Appendices	About this reporta	78
102-46	Definition of the content of the report and the perimeters of the issue	Appendices Our Responsibility based approach	About this report Materiality assessment	78 21 - 23
102-47	List of relevant issues	Our Responsibility based approach	CSR strategy and contribution to the Sustainable Development Goals (SDGs)	24
102-48	Restatements of information			Non applicable
102-49	Changes in reporting			Enjeux redéfinis en 2020
102-50	Reporting period	Appendices	About this report	78
102-51	Date of most recent report	2020		
102-52	Reporting cycle	Appendices	About this report	78
102-53	Contact point for questions about the report	Appendices	About this report	78
102-54	Reporting statements in accordance with GRI standards	Appendices	About this report	78
102-55	GRI Content Index	Appendices	GRI Content Index	80 - 82
102-56	External Audit	Appendices		

MANAGERIAL APPROACH

103-1	Explanation of the relevant issue and its scope		The entire report	Certaines informations n'ont pu être communiquées car indisponibles ou confidentielles
103-2	The managerial approach and its components			
103-3	Evaluation of the managerial approach			

SPECIFIC ELEMENTS RELATED TO MATERIAL ISSUES

203/ Indirect economic impacts				
203-1	Investments in infrastructure and sponsorship	Chapter 4	B. Supporting the culture, health and social development of communities	40 - 41
204/ Fight against corruption				
205-3	Proven cases of corruption and actions taken	Chapter 5	B. Respecting Business Ethics and Professional Conduct	Informations non disponibles

403/ Occupational health and safety				
403-1	Occupational health and safety management system	Chapter 6	B. Ensuring the well-being and health of employees	65
404/ Training and education				
404-3	Percentage of employees receiving performance and career development reviews	Chapter 6	C. Managing employees' development and their careers	69
417/ Marketing and labelling				
417-3	Cases of non-compliance concerning marketing communications			Informations non disponibles
418/ Confidentiality of customer data				
418-1	Substantiated complaints about breaches of client confidentiality and losses of client data			Informations non disponibles
Finance Sector Supplement				
FS 7	Monetary value of social benefit products and services	Chapter 3	A. Facilitating banking inclusion through digitalization, accessibility, and proximity	28
FS 8	Monetary value of products with environmental benefits	Chapter 4	C. Financing climate change mitigation and adaptation	42
FS 13	Access points in sparsely populated or economically depressed areas	Chapter 3	A. Facilitating banking inclusion through digitalization, accessibility, and proximity	28 - 29
FS 14	Initiatives to improve access to financial services for disadvantaged populations	Chapter 3	A. Facilitating banking inclusion through digitalization, accessibility and proximity C. Ensuring that basic services are free and charging the right price for value-added services with full transparency	31 - 32

AMMC Index

Information extracted from the AMMC circular n°3/19 of 20 February 2020 on financial operations and information

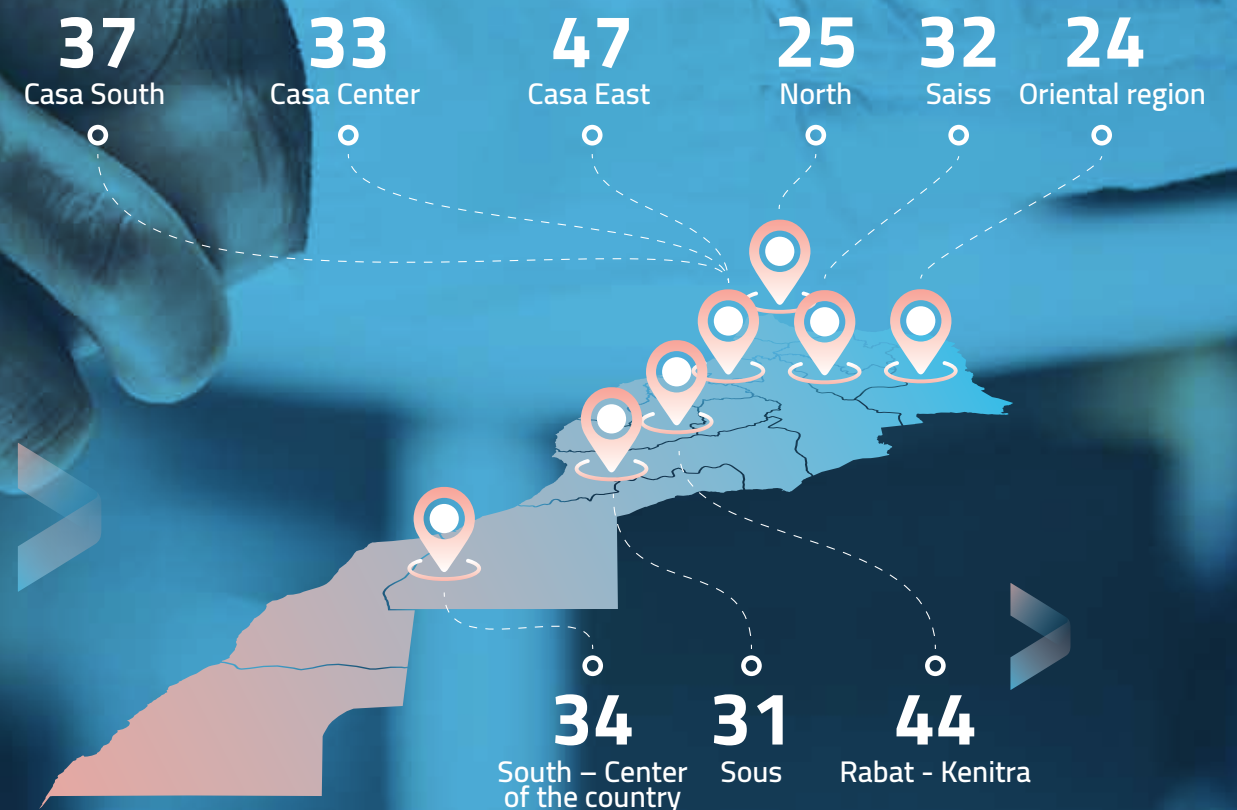
Required information	ESG Report Chapter	Part of the ESG report	Pages
I. GENERAL ELEMENTS			
Describe the profile of the company and of its group, its strategy in terms of social and environmental responsibility, as well as the benchmarks for the preparation of the report, if applicable.	Presentation of CIH BANK	A historical bank CIH BANK in figures A bank that creates value	10 - 13
Describe the scope of ESG reporting and the group entities for which the information is provided, justifying, where appropriate, any deviations from the issuer's scope of consolidation.	Appendices	Respecting business ethics and professional conduct	78
Insert a materiality analysis of the various ESG aspects. This section should explain the analysis underlying the issuer's choice in relation to the ESG areas considered relevant and presented in the ESG report. Present, if applicable, the materiality thresholds adopted.	Our Responsibility based approach	Improving internal processes through digitalization	21 - 23
Insertion of a methodological note describing the process of identifying, collecting, processing and compiling extra-financial information, as well as the limits attached to this methodology. The quantitative indicators as well as the calculation methods used must be clearly defined and specified.	Appendices	Anticipating and managing systemic risks and crises	78
Insert, if applicable, the certification of the external auditor who reviewed the ESG information contained in the report.			
Insert, if applicable, explanations relating to the parts of the framework that are not adopted by the issuer (Complain or explain)			
II. SPECIFIC ELEMENTS			
1. Environmental information			
Present all activities that have an impact on the environment (such as polluting activities)	Chapter 4	C. Financing climate change mitigation and adaptation	42
A description of the issuer's environmental policy, including the measures taken to limit the environmental impact of its activities and the standards and objectives set in this regard	Chapter 4	C. Financing climate change mitigation and adaptation	42 - 43
Describe any litigation or proceedings relating to environmental issues to which the issuer is subject	Chapter 4	C. Financing climate change mitigation and adaptation	43
Indication of the actions and measures implemented to evaluate and minimize the environmental impacts of the activity	Chapter 4	C. Financing climate change mitigation and adaptation	42 - 43
Information on waste management and disposal measures	Chapter 4	C. Financing climate change mitigation and adaptation	43
Indication of the consumption of water, energy and raw materials as well as the measures put in place to optimize these consumptions de ces consommations	Chapter 4	C. Financing climate change mitigation and adaptation	42 - 43
2. Social information			
Outline the human resources management policy, including			
Recruitment	Chapter 6	C. Develop employees and their careers	69

Compensation	Chapter 6	D. Ensuring equitable compensation that is correlated to actual performance	72
Career management	Chapter 6	C. Développer les collaborateurs et leurs carrières	70
Training (including the number of employees who received training during the period as a proportion of the total workforce, as well as the training budget)	Chapter 6	C. Développer les collaborateurs et leurs carrières	71
Measures put in place for the employment and integration of disabled people	Chapter 6	A. The human profile	64
Measures taken for the equality between women and men. Provide the issuer's workforce for the last three fiscal years, indicating :	Chapter 6	A. The human profile	63
Breakdown per line of business	A. The human profile	C. Managing employees' development and their careers	62
Distribution per type of employment contract (permanent, fixed-term, temporary, etc.)	A. The human profile	C. Managing employees' development and their careers	62
Breakdown per category (management, executive, employees.), broken down per gender	Tables of SOCIAL indicators	C. Financing climate change mitigation and adaptation	76
Overall distribution by gender	A. The human profile	C. Financing climate change mitigation and adaptation	63
Distribution by seniority	A. The human profile	C. Financing climate change mitigation and adaptation	64
Indication of any employee profit-sharing scheme, specifying the date, nature and main terms of these contracts as well as the sums allocated for this purpose for each of the last three years	Chapter 6	D. Ensuring equitable compensation that is correlated to actual performance	72
Provide the following indicators for the last three years :			
Number of employee representatives	Chapter 6	B. Ensuring the well-being and health of employees	67
Number of strike days per year	Chapter 6	B. Ensuring the well-being and health of employees	67
Number of work-related accidents per year	Chapter 6	B. Ensuring the well-being and health of employees	66
Number of layoffs per year (by category)	Appendices	Tables of SOCIAL indicators	76
Number of resignations per year (by category)	Appendices	Tables of SOCIAL indicators	76
Number of hires per year (by category)	Chapter 6	C. Managing employees' development and their careers	69
Number and nature of labor disputes (collective or individual) per fiscal year	Chapter 6	B. Ensuring the well-being and health of employees	67
3. Governance			
Composition of the governance body			
Executive and non-executive members	Presentation of CIH BANK	A successful governance system	14
Independent members	Presentation of CIH BANK	A successful governance system	14-15
Criteria used to qualify as independent directors	Presentation of CIH BANK	A successful governance system	15
Dates of appointment of the members of the governance body and expiry of their terms of office	Presentation of CIH BANK	A successful governance system	14

Functions within the governance body, stakeholder representation	Presentation of CIH BANK	A successful governance system	14
Gender parity, and the rules followed in this matter	Presentation of CIH BANK	A successful governance system	14
Number of mandates per director	Presentation of CIH BANK	A successful governance system	14
Existence of specialized committees and their respective compositions	Presentation of CIH BANK	A successful governance system	14-16
Attendance at Board meetings (number of Board meetings during the period, effective attendance rate of each director)	Presentation of CIH BANK	A successful governance system	14-16
Compensation of directors	Presentation of CIH BANK	A successful governance system	17
Executive compensation (overall package, stock options, benefits in kind)	Presentation of CIH BANK	A successful governance system	17
Shareholder relations: Information provided to shareholders	Responsibility approach	A successful governance system	20
Process for evaluating the performance of the governance body in relation to economic, environmental and social issues Ethics, professional conduct and prevention of corruption	Presentation of CIH BANK	A successful governance system	16
Actions taken to prevent corruption	Chapter 5	B. Respecting Business Ethics and Professional Conduct	52
Actions taken in response to incidents of corruption	Chapter 5	B. Respecting Business Ethics and Professional Conduct	52
4. Stakeholder information			
Economic and social impact of the company's activity on the local population and regional development: job creation, investment in health, culture, education	Presentation of CIH BANK Chapitre 3	A bank that creates sustainable value	13
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Impact of investments in infrastructure and public services	Chapter 3	A. Facilitate banking inclusion through digitalization, accessibility and proximity	28 - 29
	Chapter 4	B. Supporting the culture, health and social development of communities C. Financing climate change mitigation and adaptation	40 - 41 44-45
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Conditions for dialogue with stakeholders	Responsibility approach	Dialogue with stakeholders	20
Stakeholder selection policies and criteria (customers, suppliers, partners, etc.)	Chapter 5	B. Respecting Business Ethics and Professional Conduct	53
5. Other			
The issuer's CSR goals and commitments	Social Responsibility-based approach	CSR strategy and contribution to the Sustainable Development Goals (SDGs)	24
Achievements in this area over the last three years		The entire report	

New openings and branch network

With a network that counts
+300 branches
in the kingdom



New openings in 2020

BRANCH NAME	ADDRESS
CASA AL MASSIRA	ANGLE RUES IBNOU YAALA EL IFRANI ETAMINA BINT OUAHBE, CASABLANCA
CASA SAAD EL KHEIR	LOTISSEMENT SAAD EL KHEIR, LOT 162,OULFA, CASABLANCA
CASA LA GIRONDE	ANGLE RUE D'IFNI ET RUE RABIAA EL ADAOUIA, LA GIRONDE, CASABLANCA
DAR BOUAZZA	CENTRE COMMERCIAL MERCATO, ROUTE D'AZEMMOUR, DAR BOUAZZA
FÈS ROUTE D'IMOUZZER	FÈS ARRONDISSEMENT AGDAL, LOT N° 1 ROUTE IMOUZZER (EN FACE DE CARREFOUR MARKET)
TANGER DRADEB	36, AVENUE IMAM MOUSLIM, QUARTIER DRADEB, TANGER

Head office number : 05 22 47 91 11 / 05 22 47 90 00
Customer Relations Centre number : 47 47





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