GROUPE BCP

ANNUAL RESULTS

TO DECEMBER 2021 ,31

SUMMARY

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GROUPE BCP

COMMENTARY ON THE RESULTS

On February 28, 2022, the Steering Committee of Crédit Populaire du Maroc and the Board of Directors of Banque Centrale Populaire, meeting under the chairmanship of Mr. Mohamed Karim MOUNIR, reviewed the progress of the business and fapproved the accounts as of December 31, 2021.

BCP Group's strong commitment to economic recovery in 2021

Following a 2020 economic downturn, the 2021 fiscal year was all about recovery. Within this context and thanks to its unique mutualistic structure, BCP Group has mobilized its sales force and its distribution network to support its customers in all the countries where it is present. The Group's profit in 2021 thus reflect this dynamic recovery and confirm the resilience of its business model.

Consolidated Net Banking Income increased by 4.1% to MAD 20.1 billion. This change was due to a strong contribution from the net interest margin, which rose by 6.8% to MAD 12.8 billion, mainly as a result of an improvement in refinancing costs. Similarly, the commission margin increased by 5%, driven mainly by the Bank in Morocco and the specialized subsidiaries. Finally, BCP succeeded in renewing its performance in market activities, with a profit of MAD 3.0 billion, despite a more favorable market context in 2020 linked to the strong decrease of Government Bonds rates recorded. General operating expenses decreased by 9.1% to MAD 10 billion, reflecting in particular the non-recurrence of the MAD 1 billion COVID donation in 2020 and the actions undertaken by the Group to streamline costs. In fact, it is worth noting that non-grant costs remained stable and that the cost/income ratio improved significantly to 49.9%. Taking into account the prolonged impacts of the health crisis, the overall cost of risk amounted to MAD 5.5 billion, a 9.7% reduction compared to 2020. As a result, the consolidated Net Profit rose by 112.4% to MAD 2.7 billion, while the Net Profit Group Share increased by 43.6% to MAD 1.8 billion.

Following the same trend, BCP's net profit rose by 9.8% to MAD 2.3 billion, thanks in particular to the resumption of dividends and the non-recurrence of the COVID donation.

At the same time and following the entry into force of the amendments of the law on the reform of the CPM, 2021 saw the continuation of the transfers of BCP's capital by the Banques Populaires Régionales (BPR) to two Moroccan institutions. These transactions had a positive impact on the Group's consolidated shareholders' equity and consequently on its solvency ratios. Currently, the BPRs possess 41.8% of BCP's capital, which is well above the minimum threshold of 34% provided for by law.

Therefore, the consolidated shareholders' equity amounted to MAD 52 billion, up 9.1%.

Relying on a strategy based on proximity to its customers in all the countries where it operates, BCP Group's teams are entering 2022 with optimism and determination to play a full role in the economic recovery, particularly in Morocco, by meeting the ambitious objectives of the new growth model.

Banking activity in Morocco on the rise

Thanks to its regional strength and local presence, the Bank in Morocco continues to support economic actors in an uncertain climate, due to the prolonged impact of the health crisis.

Under these conditions, customer deposits in Morocco increased by MAD 6 billion over the 2021 fiscal year, thus confirming its position as the leading deposit collector in Morocco. In fact, BCP and its regional banks are ranked first in terms of individuals, with a market share of 31%. Capitalizing on this performance, the resource structure continues to improve with a non-remunerated share of 72%.

In terms of utilization, the gross outstanding loans to customers increased by 0.5% to reach MAD 201.5 billion. This evolution is mainly attributable to the dynamics of cash loans (MAD +5.4 billion), reflecting the support given to businesses within an economic recovery context.

Thanks to an improvement in refinancing costs, the customer interest margin increased by 4.5% to MAD 7.9 billion.

A focus on supporting SMEs in Morocco

Aware of the difficulties encountered by the economic structure of small businesses, BCP Group has continued its efforts to support this important component of its long-standing customer base. In fact, 2021 was marked by:

- the closing of the marketing phase of the DAMANE RELANCE loans (end of June 2021), which allowed 19,000 customers (i.e. 38% of the market) of the Banque Populaire to take advantage of this product guaranteed by the State, ensuring de facto the revival of the activity after the challenging 2020 year, marked by the confinement of the population and its corresponding decrease in demand;

- the organization of the road show "LES REGIONALES DE L'INVESTISSEMENT" between May and July 2021, which brought together 4,000 participants, all networks combined, and identified a potential MAD 15 billion in investments;

- and, the launch of the CHAABI INTELAK campaign, which enables meeting the project holders and the young VSE in order to promote the support and financing system set up by the bank.

Consequently, the Bank in Morocco is multiplying its actions in favor of Moroccan businesses, in order to promote the recovery of their business activities in the long term.

Strong growth for specialized subsidiaries in Morocco

Reflecting the economic recovery observed, subsidiaries in Morocco have seen a marked increase in business activity. This is evidenced by an 18% increase in customer loans during the 2021 fiscal year. This performance was mainly driven by the favorable direction of the business operations of VIVALIS and Bank Al Yousr.

In this context, aggregate NBI (Net Banking Income) increased by 10% during 2021, driven by the recovery of the activity of the specialized financing companies (VIVALIS and MAROC LEASING) and of UPLINE GROUP, in particular, stock market intermediation, corporate finance advisory, and asset management activities.

Proven resilience of international subsidiaries

BCP Group's international subsidiaries continue to have a solid profile, thanks to the geographic diversification of their operations and a differentiated business model that takes into account the specificities of each country.

At the end of 2021 and taking advantage of a 10% increase in resources, the net interest margin at the international level rose by 4.5%, reflecting a good dynamic in the treasury activities. As a result, the NBI of the international subsidiaries increased by 2%. It is worth noting the good performance of the new subsidiaries, notably BICEC, BMOI, and BCI, whose banking revenues jointly grew by nearly 4%. The Net Profit of international subsidiaries increased significantly by 32%, largely due to the improvement in the cost of risk and the cost/income ratio.

Sustained efforts in terms of provisioning

After an exceptional year in 2020, the consolidated cost of risk decreased by 9.7% to MAD 5.5 billion at the end of 2021. A level that takes into account three major elements:

- a credit risk still impacted by the prolonged effects of the health crisis;

- an additional provision on non operating assets in connection with the impact of the crisis on real estate prices, in full compliance with the new regulations that came into force in 2021;

- and, a strengthening of Forward Looking provisions on the international sovereign risk.

At individual accounts level, the support fund mechanism, specific to CPM's mutualist structure, continues to show an outstanding amount of MAD 4.2 billion, stable compared to 2020. Similarly, outstanding provisions for general risks remained at MAD 5.3 billion. These reserves reinforce the bank's financial strength and allow it to continue its development.

PRIMARY GROUP INDICATORS AT THE END OF 2021

465 BILLION OF MAD
TOTAL CONSOLIDATED BALANCE SHEET
(+4.7%)

51.8 BILLION OF MAD
CONSOLIDATED SHAREHOLDERS' EQUITY
(+9.1%)

20.1 BILLION OF MAD
NET BANKING INCOME
(+4.1%)

2.7 BILLION OF MAD
CONSOLIDATED NET PROFIT
(+112.4%)

1.8 BILLION OF MAD
NET PROFIT, GROUP SHARE
(+43.6%)

NUMBER OF BANK CUSTOMERS
8.7 MILLION

NETWORK SIZE
6,910 DISTRIBUTION POINTS

GROUP RATING
BB / STABLE / B (S&P)
BA1 / NEGATIVE (MOODY'S)

BCP's Board of Directors expressed its appreciation to all the Group's employees for their commitment to the economic recovery and the support provided to customers. The members of the Board would also like to thank all the members, shareholders, partners, and customers for their sustained contribution to the Group's growth both nationally and internationally.

The Board of Directors of BCP will propose to the General Shareholders' Meeting the payment of a dividend of MAD 8.5 per share, up by 6.3%.

CONSOLIDATED ACCOUNTS

TO DECEMBER 2021 ,31

ACCOUNTING STANDARDS AND PRINCIPLES APPLIED BY THE GROUP

1. GENERAL FRAMEWORK

1.1. BANQUE CENTRALE POPULAIRE

Banque Centrale Populaire (BCP) is a credit institution, in the form of a public limited company with a Board of Directors. It has been listed on the stock exchange since July 8, 2004.

BCP plays a central role within the Group. It has two main missions:

- Credit institution authorized to carry out all banking operations;
- Central banking organization of the Banques Populaires Régionales.

BCP coordinates the group's financial policy, ensures the refinancing of the Regional Popular Banks and the management of their cash surpluses as well as services of common interest on behalf of its organizations.

1.2. BANQUES POPULAIRES REGIONALES

The eight Banques Populaires Régionales (BPRs) are credit institutions authorized to carry out all banking transactions in their respective territorial districts. They are organized in the form of a cooperative with variable capital, a Management Board and a Supervisory Board.

1.3. CREDIT POPULAIRE DU MAROC

The Crédit Populaire du Maroc (CPM) is a group of banks made up of the Banque Centrale Populaire and the Banques Populaires Régionales. It is placed under the supervision of a committee called the Management Committee of Crédit Populaire du Maroc.

1.4. MANAGEMENT COMMITTEE

The Management Committee is the supreme body exercising exclusive supervision over the various entities of the CPM. Its main responsibilities are:

- Define the Group's strategic orientations
- Exercise administrative, technical, and financial control over the organization and management of CPM entities
- Define and control the common operating rules common to the Group
- Take all the measures necessary for the proper functioning of the CPM entities and the safeguard of their financial equilibrium.

1.5. GUARANTEE MECHANISM

Crédit Populaire du Maroc has a support fund designed to preserve the solvency of its entities. This support fund is financed by the BCP and the BPR through a contribution determined by the Management Committee.

2. SUMMARY OF ACCOUNTING PRINCIPLES APPLIED BY THE BANQUE CENTRALE POPULAIRE GROUP

2.1. CONTEXT

International Financial Reporting Standards (IFRS) have been applied to the consolidated accounts of the Banque Centrale Populaire Group as of January1, 2008 with an opening balance sheet and as of January1, 2007, in accordance with the standards of IFRS 1.

"First application of international financial reporting standards", and by the other standards of the IFRS reference system, taking into account the version and interpretations of the standards as adopted by the International Accounting Standards Board (IASB).

The primary objective of the regulatory authorities is to provide credit institutions with an accounting and financial reporting framework that meets international standards in terms of financial transparency and quality of the information provided.

2.2. APPLIED ACCOUNTING STANDARDS

2.2.1. SCOPE OF CONSOLIDATION

The consolidated accounts of the Banque Centrale Populaire Group include all companies under exclusive control, joint control, or significant influence, except those whose consolidation is negligible for the preparation of BCP Group's consolidated accounts.

A subsidiary is consolidated from the date on which BCP Group effectively obtains control. Temporarily controlled entities are also included in the consolidated accounts until the date of their sale. It should be noted that, as of 2010, BPRs have been included in BCP Group's consolidation scope.

Controlled companies: Subsidiaries

Companies controlled by BCP Group are fully consolidated. BCP controls a subsidiary when it is able to direct the financial and operating policies of an entity to benefit from its activities. Control is presumed to exist when BCP Group holds, directly or indirectly, more than half of the subsidiary's voting rights.

It is demonstrated when the Groupe BCP has the power to direct financial and operational policies of the entity by virtue of an agreement, or to appoint, dismiss, or convene the majority of the members of the Board of Directors or equivalent management body.

The determination of the percentage of control takes into account potential voting rights that give access to additional voting rights, as long as they are immediately exercisable or convertible.

2.2.1.1. Jointly-controlled companies: Joint ventures

Jointly controlled companies are consolidated by proportional integration or by the equity method. BCP Group has joint control when, under a contractual agreement, financial and operating decisions require the unanimous agreement of the parties sharing control.

2.2.1.2. Companies under significant influence: Associates

Companies under significant influence are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of an entity without having control.

It is presumed if BCP Group holds, directly or indirectly, 20% or more of the voting rights in an entity. Investments below this threshold are excluded from the scope of consolidation, unless they represent a strategic investment and BCP Group exercises effective significant influence.

Changes in the equity of companies accounted for by the equity method are recognized on the assets side of the balance sheet under the heading "Investments in companies accounted for by the equity method" and on the liabilities side of the balance sheet under the appropriate equity heading.

Goodwill on a company consolidated by the equity method is also shown under the heading "Investments in companies accounted for by the equity method".

If the BCP Group's share in the losses of an equity-accounted company is equal to or greater than its interests in this company, the BCP Group ceases to take into account its share in future losses. The participation is then presented for a zero value. Additional losses of the associated company are provisioned only when BCP Group has a legal or implicit obligation to do so or when it has made payments on behalf of the company.

2.2.1.3. Minority interests

Minority interests are presented separately in the consolidated result, as well as in the consolidated balance sheet within the shareholders' equity.

2.2.2. OPTIONS SELECTED BY THE BANQUE CENTRALE POPULAIRE GROUP

2.2.2.1. Definition of the scope

In order to define the companies to be included in the consolidation scope, the following criteria must be respected:

- BCP Group must hold, directly or indirectly, at least 20% of its existing and potential voting rights.
- One of the following limits is reached:
  - The subsidiary's balance sheet total exceeds 0.5% of the total consolidated balance sheet.
  - The subsidiary's net worth exceeds 0.5% of the consolidated net worth.
  - The subsidiary's turnover or banking income are greater than 0.5% of consolidated banking income.

Equity securities over which BCP Group has no control are not included at the perimeter level, even if their contribution meets the criteria presented above.

It should be noted that the BCP Group has chosen consolidation from the perspective of the parent company.

2.2.2.2. Exception

An entity with an insignificant contribution must be included in the scope of consolidation if it holds shares or interests in subsidiaries that meet any of the above criteria.

2.2.2.3. Consolidation of special-purpose entities

The Fondation Banque Populaire pour le Micro-Crédit has been included in the consolidation scope. The chairmanship of the foundation's Board of Directors is ensured by the Chief Executive Officer of Banque Centrale Populaire following the amendment of its statutes.

Exclusions from the scope of consolidation:

An entity controlled or under significant influence is excluded from the scope of consolidation when, upon acquisition, the securities of this entity are held only with a view to subsequent disposal at short notice. These securities are recognized in the category of assets held for sale and measured at fair value through profit or loss. Equity investments (excluding controlling interests) held by venture capital entities are also excluded from the scope of consolidation as they are classified as financial assets at fair value through profit or loss on option.

2.2.2.4. Consolidation methods

The consolidation methods are set out in IAS 27, 28, and 31 respectively. They result from the type the control exercised by the Banque Populaire group over the entities that can be consolidated, regardless of their activity and whether or not they have legal personality.

Acquisitions of minority interests are accounted for using the

"parent equity extension method", whereby the difference between the price paid and the book value of the share of the net assets acquired is recognized as goodwill.

2.3. FIXED ASSETS

The fixed assets recorded in the Group's balance sheet include tangible and intangible operating and non-operating fixed assets as well as investment properties.

Operating assets are used for the production of services or for administrative purposes.

They include assets other than real estate, leased under operating leases.

Investment properties are real estate held to earn rental income and achieve capital growth.

2.3.1. INITIAL ACCOUNTING

Fixed assets are recorded at their acquisition cost plus directly attributable costs and borrowing costs incurred when the entry into service of fixed assets is preceded by a long period of construction or adaptation.

Software developed in-house, when it meets the capital criteria, is capitalized at its direct development cost, which includes external expenses and personnel costs directly attributable to the project.

2.3.2. SUBSEQUENT EVALUATION AND ACCOUNTING

After initial recognition, fixed assets are valued at their cost less accumulated depreciation and any losses in value. It is also possible to opt for revaluation after initial accounting.

2.3.3. AMORTIZATION

The depreciable amount of an asset is determined after deducting its residual value. Only assets leased under operating leases are deemed to have a residual value, the useful life of operating fixed assets generally being equal to the expected economic life of the asset.

Fixed assets are depreciated on a straight-line basis over the expected useful life of the asset for the company. Depreciation allowances are recognized under the heading "Depreciation, amortization and provisions for depreciation of tangible and intangible assets" in the income statement.

When a fixed asset is made up of several items that can be replaced at regular intervals, have different uses or when they provide economic benefits at different rates, each item is accounted for separately and each component is depreciated according to a depreciation plan of its own.

2.3.4. DEPRECIATION

Depreciable fixed assets are subject to an impairment assessment when, on the closing date, any signs of impairment are identified. Non-depreciable fixed assets as well as goodwill are subject to an impairment assessment at least once a year. If there is such an indication of impairment, the recoverable amount of the asset is compared to the net book value of the fixed asset.

In the event of a loss in value, an impairment loss is recognized in the income statement. Depreciation is reversed in the event of an improvement in the recoverable value or disappearance of signs of depreciation.

Depreciations are recognized as "Depreciation, amortization, and provisions for depreciation of tangible and intangible assets" in the income statement.

2.3.5. GAINS OR LOSSES FROM DISPOSAL

Capital gains and losses from the disposal of operating fixed assets are recorded in the income statement under "Net gains on other assets".

Capital gains and losses on the disposal of investment properties are recorded in the income statement under "Income from other activities" or "Expenses from other activities".

2.3.6. OPTIONS SELECTED BY THE BANQUE CENTRALE POPULAIRE GROUP

Component approach

In corporate financial statements, buildings are depreciated on a straight-line basis over 25 years, although they are made up of several components which do not, in principle, have the same useful lives.

The definition of the standard components of the different categories of constructions was performed following a business experience and a study carried out with some OPIs. The breakdown by components applies differently depending on the type of construction.

Thus, four families of constructions have been defined, and for each of them an average distribution by components has been established. Each component is depreciated over its internally documented useful life.

Evaluation

The Group has opted for the cost model, and the revaluation option provided for in IAS 16 has not been retained.

After being recognized as an asset, a tangible fixed asset must be recognized at cost less accumulated depreciation and accumulated impairment losses.

However, under IFRS 1, an entity may choose to measure any tangible fixed asset at the date of transition to IFRS at its fair value and use that fair value as its deemed cost at that date. This option has been retained for land that has been reassessed by external experts.

2.4. LEASE CONTRACTS

The various companies of the Group can be the lessee or lessor of lease contracts.

2.4.1. THE GROUP IS THE LESSOR

Leases granted by a Group company are treated as finance leases (financial leases, leases with a purchase option and others) or as operating leases.

2.4.1.1. Finance leases

In a finance lease, the lessor transfers almost all the risks and rewards of the asset to the lessee. It is analyzed as financing granted to the lessee for the purchase of an asset.

The present value of the payments due under the contract, increased by the residual value if applicable, is recorded as a receivable.

The net income of the transaction for the lessor corresponds to the amount of interest on the loan and is recorded in the income statement under "Interest and similar income". The rents received are spread over the term of the finance lease, charging them against capital amortization and interest so that the net income represents a constant rate of return on the residual outstanding amount. The interest rate used is the interest rate implicit in the contract.

Depreciations recorded on these loans and receivables, whether individual or collective, follow the same rules as those described for loans and receivables.

2.4.1.2. Operating leases

An operating lease is a contract in which almost all the risks and rewards of the leased asset are not transferred to the lessee.

The asset is recognized as a fixed asset by the lessor and depreciated on a straight-line basis over the lease period after deducting the estimated residual value from its purchase price, if any.

Rents are fully recognized in the income statement on a straight-line basis over the term of the lease.

These rents and depreciation charges are recorded in the income statement under "Income from other activities" and "Expenses from other activities".

2.4.2. THE GROUP IS THE LESSEE

Lease contracts entered into by the Group, with the exception of contracts with a term of 12 months or less and low-value contracts, are recorded in the balance sheet under assets as rights of use. The right of use is amortized on a straight-line basis and the financial liability is amortized actuarially over the term of the lease.

The main assumptions used in the valuation of the rights of use and rental debts are as follows:

EXEMPTIONS :

IFRS 16 provides for exemptions for the recognition of the right of use and the rental debt. In fact, a lease does not qualify for IFRS 16 if the following two conditions are met:

- Leases with a term of 12 months or less.
- Leases with low value: The standard itself does not define a strict threshold for leases involving a low-value asset. However, the basis for conclusion indicates that during the discussions in 2015, for the IASB these were assets with an individual replacement value of around USD $5,000.

The Banque Centrale Populaire Group has chosen to apply exemptions from accounting for rental contracts in accordance with IFRS 1.

DURATION :

Under IFRS 16, the duration of the contract is deemed to be the enforceable term of the contract (period during which the contract cannot be terminated), plus any renewal options that are reasonably certain to be exercised.

The Banque Centrale Populaire Group has chosen to retain the executory term and the renewal option: Period during which the contract is enforceable according to the following model:

Duration of the contract = Non-cancellable period + Contract renewal options + Termination options

Contract renewal options: If the fiscal year is **reasonably certain**

Termination options: **If the lessee is reasonably certain that it will not exercise**

• Concept of "enforceable" :
To assess the non-cancellable period of a contract, an entity must determine the period of time during which it is enforceable;
• A lease agreement is no longer enforceable if:

On the lessee's side		**On the lessor's side**
The lessee can terminate the contract without the permission of the other party (Lessor), subject to at most a negligible penalty*;	**and**	The lessor may terminate the contract without the permission of the other party (lessee), subject to at most a negligible penalty.

Composition of the Banque Centrale Populaire Group's contracts by asset category is as follows

- Commercial and residential leases
- Temporary occupation of the public domain
- Long-term vehicle leases
- IT equipment
- Office furniture

DISCOUNT RATE:

On the start date, the lessee must measure the lease obligation at the present value of the rent payments that have not yet been made. The present value of rent payments should be calculated using the interest rate implicit in the lease agreement if that rate can be readily determined. Otherwise, lessees must use their marginal borrowing rate.

The discount rate used for the valuation of the rental debt of the operating leases is the marginal borrowing rate of debt, which corresponds to the refinancing rate on the financial markets with the following characteristics:

- A duration similar to that of the contract
- A guarantee similar to that of the contract
- A similar economic environment

2.5. FINANCIAL ASSETS

2.5.1. CLASSIFICATION AND EVALUATION

As of January1, 2018, BCP Group applies standard IFRS9 and classifies its financial assets into the following categories:

- Financial assets at amortized cost;
- Financial assets at fair value through profit or loss;
- Financial assets at fair value through equity "fair value through equity".

The classification of financial assets requires a distinction to be made between debt instruments and equity instruments.

2.5.1.1. Debt instruments

A debt instrument is defined as a financial liability from the perspective of the issuer; this is the case, for example, with loans to credit institutions, loans to customers, treasury bills, bonds issued by a private company, trade receivables purchased under non-recourse factoring contracts or even trade receivables of industrial and commercial companies

The classification of debt instruments (loans, receivables, or securities) and their subsequent valuation depend on the following two criteria:

- management model for these assets or portfolios of financial assets,
- characteristics of the contractual flows of each financial asset (SPPI: Solely Payments of Principal & Interests). The 'SPPI' test is a set of criteria, examined cumulatively, to determine whether the contractual cash flows comply with the characteristics of simple financing (repayment of the nominal amount and interest payments on the outstanding nominal amount). The test is satisfied when the financing gives right only to the repayment of the principal and when the payment of the interest received reflects the time value of money, the credit risk associated with the instrument, other costs and risks of a conventional loan contract as well as a reasonable margin, whether the interest rate is fixed or variable.

Based on these two criteria, BCP Group classifies its debt instruments in one of three categories: "amortized cost", "fair value through equity", or "fair value through profit or loss":

- Amortized cost: category in which are recognized debt instruments whose management model is to hold the instrument in order to collect the contractual cash flows and whose contractual cash flows consist solely of payments of principal and interest on the principal (the so-called "basic loan" criterion).
- Fair value through equity: category in which debt instruments are recognized:
- whose management model is both to hold the instrument in order to collect the contractual cash flows and to sell the assets to withdraw "mixed business model" capital gains and,
  - whose cash flows consist solely of payments of the principal and interest on the principal (the "basic loan" criterion). When instruments classified in this category are sold, unrealized gains or losses previously recognized in equity are recognized in the income statement under "Net gains or losses on financial assets at fair value through equity".
  - Fair value through profit or loss: category in which all debt instruments that are not eligible for classification at amortized cost or in the fair value through equity category. This category includes debt instruments whose management aims primarily to obtain sales results from financial assets that do not meet the "basic loan" criterion (e.g., bonds with stock options) and from financial assets that include embedded derivatives. In the latter case, the the embedded derivative is not recognized separately from the host contract and the latter is recognized in its entirety at fair value through profit or loss.

Debt instruments cannot be designated at fair value through profit or loss as an option only if this classification reduces an inconsistency in income ("accounting mismatch").

Debt instruments recognized in the "Amortized cost" and "fair value through equity" categories are subject to depreciation in accordance with the methods specified below in Note 2.9 The resulting depreciation is recognized in the income statement under "cost of risk".

Debt instruments that are not recognized at fair value through profit or loss are initially recognized at their fair value, including accrued interest, plus transaction costs directly attributable to the acquisition.

Changes in the fair value of debt instruments that are recognized at fair value through profit or loss are recorded under "Net gains or losses on financial instruments at fair value through profit or loss".

Changes in the fair value of debt instruments that are recognized at fair value through equity are recorded, excluding accrued income, on a specific line of equity entitled "Gains and losses recognized directly in equity".

Accrued income from fixed-income instruments is calculated using the effective interest rate method, including premiums, discounts, and acquisition costs if they are significant. They are recorded in the income statement under "Interest and similar income", irrespective of their accounting classification as assets.

The Group changes the classification of debt instruments in the portfolio from one category to another if, and only if, the management model for these instruments is changed. The reclassification is effective from the beginning of the accounting period following the one in which the management model is changed. Such changes should only be very rare in practice and no changes in the management model was made during the fiscal year.

2.5.1.2. Equity instruments

A financial instrument is an equity instrument if, and only if, the issuer has no contractual obligation to deliver cash or another financial asset under conditions that would be potentially unfavorable to it. This is particularly the case with shares.

IFRS 9 requires all equity instruments held in the portfolio be recorded at fair value through profit or loss, except for the option to record equity instruments that are not held for trading at fair value through equity. This option is irrevocable. In this case, the change in unrealized gains and losses is recognized in other comprehensive income "Gains and losses recognized directly in equity" without ever affecting income, including in the event of disposal. There is no impairment test for equity instruments in the portfolio, regardless of their accounting classification.

Dividends received and unrealized or realized gains and losses on instruments classified at fair value through profit or loss are recognized under "Net gains or losses on financial instruments at fair value through profit or loss".

Dividends received for equity instruments classified as at fair value through equity that cannot be recycled are also recognized in the income statement under "Net gains or losses on financial instruments at fair value through equity".

Unrealized and realized gains and losses on instruments classified at fair value through equity are recognized in equity under the heading

"Net gains and losses recognized directly in equity".

BCP Group's policy is to recognize the entire portfolio of equity instruments in the "fair value through profit or loss" category, with the exception of certain equity lines which are recorded under the irrevocable option in the category of financial assets at fair value through non-recyclable equity.

UCITS units are also recognized in the category of financial assets at fair value through profit or loss.

2.5.2 OPTIONS SELECTED BY THE BANQUE CENTRALE POPULAIRE GROUP

The options retained for the classification of the various securities portfolios are as follows:

Financial assets at fair value through profit or loss

- Trading securities
- Derivatives
- UCITS and shares
- UCITS securities held (securitization)

Assets at fair value through equity
- Treasury bills classified as investment securities
- Moroccan bonds
- Treasury bills reclassified from investment securities

Securities at amortized cost
- Investment securities (excluding treasury bills reclassified at fair value by OCI)
- Economic housing treasury bills classified as investment securities.

2.6. FINANCING AND GUARANTEE COMMITMENTS

2.6.1. FINANCING COMMITMENTS

Financing commitments are recognized at their fair value, which is generally the amount of the commitment fee received. They are accounted for in accordance with the rules set out above.

A provision for expected credit losses is made in accordance with the principles of IFRS 9.

2.6.2. GUARANTEE COMMITMENTS

Guarantee commitments are recorded at their fair value, which is generally the amount of the guarantee commission received. These commissions are then recognized in the income statement on a pro rata basis over the guarantee period.

A provision for expected credit losses is made in accordance with the principles of IFRS 9.

2.7. DETERMINATION OF FAIR VALUE

2.7.1. GENERAL PRINCIPLES

All financial instruments are measured at fair value, either in the balance sheet (financial assets and liabilities at fair value through profit or loss, including derivatives, and financial assets at fair value through equity) or in the notes to the financial statements for other financial assets and liabilities.

Fair value is the amount for which an asset can be exchanged, a liability discharged, between two knowledgeable, consenting parties acting in a competitive market.

Fair value is the price quoted on an active market when such a market exists or, failing that, the price determined internally using a valuation method that incorporates the maximum amount of observable market data consistent with the methods used by market stakeholders.

2.7.2. PRICES QUOTED ON AN ACTIVE MARKET

When quoted prices in an active market are available, they are used to determine fair market value. Listed securities and derivatives on organized markets such as futures and options are valued in this manner.

2.7.3. PRICES NOT QUOTED ON AN ACTIVE MARKET

When the price of a financial instrument is not quoted on an active market, the valuation is carried out by the use of models generally used by market stakeholders (method of discounting future cash flows, Black-Scholes model for options).

The valuation model incorporates as much observable market data as possible: quoted market prices of similar instruments or underlyings, interest rate curves, currency rates, implied volatility, commodity prices.

The valuation resulting from the models is carried out on a conservative basis. It is adjusted for liquidity risk and credit risk to reflect the credit quality of financial instruments.

2.7.4. MARGIN GENERATED WHEN TRADING FINANCIAL INSTRUMENTS

The margin generated when trading these financial instruments (day one profit):
- Is recognized immediately in profit or loss if the prices are listed in an active market or if the valuation model incorporates only observable market data;
- Is deferred and recognized in profit or loss over the term of the contract, when all the data is not observable on the market; when the unobservable parameters initially become observable; the portion of the margin not yet recognized is then recognized in profit or loss.

2.7.5. UNLISTED SHARES

The fair value of unlisted shares is determined by comparison with a recent transaction in the capital of the company concerned, carried out with an independent third party and under normal market conditions. In the absence of such a reference, the valuation is made either on the basis of commonly used techniques (discounting future cash flows) or on the basis of the Group's share of net assets calculated on the basis of the most recent information available.

Shares with a book value of less than MAD 1 million are not subject to revaluation.

2.8. FOREIGN CURRENCY TRANSACTIONS

2.8.1. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Monetary assets and liabilities correspond to assets and liabilities to be received or paid in a fixed or determinable amount of cash. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency of the relevant group entity at the closing rate.

Exchange differences are recognized in the income statement, except for exchange differences relating to financial instruments designated as instruments for hedging future earnings or hedging net investments in foreign currencies, which are recognized in equity.

Forward exchange transactions are valued at the rate of the remaining term to maturity. Exchange differences are recognized in the income statement except when the transaction qualifies as a cash flow hedge. Exchange differences are then recognized in equity for the effective portion of the hedge and recognized in the income statement in the same manner and at the same frequency as the results of the hedged transaction.

2.8.2. NON-MONETARY ASSETS IN FOREIGN CURRENCIES

Exchange differences relating to non-monetary assets in foreign currencies and measured at fair value (variable income securities) are recognized as follows:

They are recognized in the income statement when the asset is classified in the category "Financial assets at fair value through profit or loss".

They are recognized in equity when the asset is classified in the

"Assets at fair value through equity" category, unless the financial asset is designated as a hedged item in a fair value hedge, in which case the exchange differences are recognized in the income statement.

Non-monetary assets that are not measured at fair value remain at their historical exchange rates.

2.9. DEPRECIATION OF FINANCIAL INSTRUMENTS

2.9.1. CALCULATION OF ANTICIPATED LOSSES

The Group assesses the anticipated credit losses for the following financial instruments:
- loans and receivables to credit institutions at amortized cost,
- loans and receivables to customers at amortized cost,
- securities at amortized cost (treasury bills and other fixed-income securities managed under the "collection of contractual cash flows" model)
- securities classified as "financial assets at fair value through recyclable equity" (treasury bills and other managed fixed-income securities),
- financing commitments not recognized for as derivatives and financial guarantees given within the scope of IFRS 9,
- commercial and rental receivables (classified under "accruals and other assets").

The measure of anticipated credit losses reflects:
- an objective, probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, which can be obtained at the balance sheet date without incurring undue cost or effort.

In accordance with IFRS 9, the financial assets concerned are divided into three categories based on variations in credit risk observed since their initial recognition and a provision for expected credit loss is recorded for each of these categories according to the following methods:

Phase 1 (stage 1) – So-called "healthy" financial assets:

All financial assets that are not in default at the date of acquisition are initially recorded in this category and their credit risk is continuously monitored by the Group.

Phase 2 (stage 2) – Financial assets with a significant deterioration in credit risk

Financial assets that have experienced a significant deterioration in credit risk since appearing in the balance sheet but are not yet in default are transferred to this category. The criteria for assessing a significant deterioration in credit risk are described in the first-time application section of IFRS 9 titled "Financial Instruments".

Phase 3 (stage 3) – Financial assets in default

Financial assets for which a default situation has been identified are downgraded to this category. The application of IFRS 9 does not change the definition of default (or depreciated assets) currently used by BCP Group for loans to credit institutions and loans to customers under IAS 39.

For "healthy" financial assets, the expected credit loss recognized is equal to the portion of the expected credit loss at maturity that would result from default events that could occur within the next 12 months (expected loss at one year). For financial assets in Categories 2 and 3, the expected credit loss is calculated on the basis of expected losses at maturity ("expected loss at maturity"). The first-time application section of IFRS 9 entitled "Financial Instruments" specifies the assumptions and methods used to estimate anticipated losses.

For the measurement of expected credit losses modeled on a collective basis, exposures are grouped by homogeneous risk classes. To obtain these groupings, the criteria used are based on products, customers, guarantees, etc.

One of the fundamental principles of IFRS 9 regarding the measurement of expected losses is the need to take into account projected or "forward-looking" information.

Significant deterioration in credit risk

The Group considers that a financial instrument has experienced a significant deterioration in credit risk when one or more of the following quantitative, qualitative, or backstop criteria are met:

Quantitative criteria

For certain portfolios, the deterioration of credit risk is assessed by comparing the internal ratings at the initial recognition date with the ratings at the closing date. Indicators of significant deterioration in credit risk, when expressed as a change in ratings, are also defined taking into account the variations in the probabilities of default attached to them.

Qualitative criteria

A financial asset is also considered to have experienced a significant deterioration in credit risk when one or more of the following criteria are met:

- Financial assets under surveillance ("Watchlist")
- Restructuring for payment difficulties without being in default
- Existence of unpaid debts
- Significant adverse changes in the economic, commercial, or financial conditions in which the borrower operates
- Identified risks of financial difficulties, etc.

Significant deterioration in credit risk is assessed on a quarterly basis.

The assessment of the deterioration in credit risk is also carried out taking into account forward-looking information.

The credit risk deterioration criteria are reviewed periodically and adjusted where necessary to take into account any observations made.

Presumption of significant deterioration in credit risk

When a financial asset is in arrears for more than 30 days, the Group notes a significant deterioration in credit risk and the asset is classified in Phase 2 / Stage 2, regardless of the quantitative or qualitative criteria above.

Exception for low credit risk

IFRS 9 allows a simplified treatment for exposures to securities considered to be of low credit risk (LCR). It authorizes the use of operational simplification on financial instruments for which the risk is considered low at the closing date. If this operational simplification is used, the instruments are classified in Phase 1 / Stage 1 and are subject to a provision for credit loss at 12 months, without the need to assess whether the credit risk has deteriorated significantly since the initial recognition date.

Restructured receivables

The principles for accounting for restructuring due to financial difficulties remain similar to those under IAS 39.

Calculation of expected credit losses

The expected credit loss (ECL) is calculated on a 12-month basis or at maturity in the event of a significant increase in credit risk since initial recognition or if a financial asset is depreciated.

Where parameter availability permits, the expected credit loss (ECL) is equal to the discounted product of the three risk parameters which are: probability of default (PD), exposure at default (EAD), and loss given default (LGD), as defined below:

- The Probability of Default (PD) represents the probability that a borrower will default on its financial commitments (as defined in the "Definition of Default and Depreciation" above) during the next 12 months (12M PD) or over the remaining maturity of the contract (PD to maturity); these probabilities of default are obtained from internal rating systems (see note 12);
- Exposure in the event of default (EAD: Exposure at Default): it is based on the amount to which the Group expects to be effectively exposed at the time of default, either over the next 12 months or over the remaining maturity. EAD is the exposure of the given contract at the beginning of year;
- Loss given default (LGD) represents the anticipated loss on the exposure that would be in default. LGD varies according to the type of counterparty, the type of claim on that counterparty, the age of the dispute ,and whether or not collateral or guarantees are available. LGD is represented by a percentage loss per unit of exposure at the time of default. LGD is the average percentage loss on the exposure at the time of default, regardless of when the default occurs during the term of the contract.

The risk parameters used in the calculation of expected credit losses take into account forward-looking information. For the procedures of taking this information into account, see the note below.

These risk parameters are reviewed and updated periodically.

In the event that data is not available to calibrate the PD and LGD, the Group has adopted a simplified calculation based on the individual losses or provisions historically observed on the given portfolio to calculate an anticipated loss rate.

2.9.1.1. Financial assets impaired upon acquisition or origination

The assets concerned are those which, as soon as they were acquired or originated, are in default. These assets are classified in Phase 3 on initial recognition and are subject to specific subsequent accounting treatment, taking into account the fact that they are depreciated upon their initial recognition. Therefore:

- depreciation is not recognized on the date of their initial recognition because, in principle, the transaction price already takes into account the expected credit losses;
- interest income should be calculated using the "credit-adjusted effective interest rate", which is calculated on the basis of expected future cash flows, less initially-anticipated credit losses;
- at each closing date, the entity shall recognize in the net income statement a gain or loss in value (in cost of risk), the amount by which anticipated credit losses over the term change from the estimate made on the date of initial recognition;
- interest income is calculated by applying the effective interest rate adjusted for credit risk to the amortized cost of the financial asset since its initial recognition, i.e., after allocation of any provisions for depreciation recorded after the initial recognition date.

The Group has no financial assets that are depreciated upon origination or acquisition.

In accordance with the provisions of IFRS, it is possible to use its expert judgment to correct the collection flows resulting from statistical data and to adapt them to the conditions in force at the time of closing.

2.9.1.2. Risk cost

The risk cost includes the income statement items relating to the recognition of credit losses as defined by IFRS 9, including the portion relating to investments in insurance activities. It includes:

- flows of provisions and depreciations covering losses at twelve months and at maturity relating to:
  - loans and receivables to credit institutions and customers recognized at amortized cost;
  - debt instruments in the portfolio recognized at amortized cost or fair value through equity;
  - financing commitments that do not meet the definition of derivative financial instruments;
  - financial guarantees recognized in accordance with IFRS 9;
- losses on uncollectible receivables and recoveries of receivables previously recognized as losses.

Depreciation is also recognized in risk-related costs in the event of a proven risk of default by counterparties to OTC financial instruments, as well as expenses related to fraud and litigation inherent to the financing operations.

2.10. DEBTS REPRESENTED BY SECURITIES AND TREASURY SHARES

2.10.1. DEBTS REPRESENTED BY A SECURITY

Financial instruments issued by the Group are classified as debt instruments if there is a contractual obligation for the Group company issuing these instruments to deliver cash or a financial asset to the holder of the securities.

The same applies in cases where the Group may be forced to exchange financial assets or liabilities with another entity under potentially unfavorable conditions, or to deliver a variable number of its own shares.

Debts issued represented by a security are initially recorded at their issue value including transaction costs and are subsequently valued at their amortized cost using the effective interest rate method.

Bonds redeemable or convertible into treasury shares are considered to be hybrid instruments comprising both a debt and an equity component, determined at the time of initial recognition of the transaction.

2.10.2. OPTIONS SELECTED BY THE BANQUE CENTRALE POPULAIRE GROUP

According to the internal regulations of the BPRs, the BPRs reserve the unconditional right to respond favorably to the requests for reimbursement from the holders of shares. This provision has the effect of not reclassifying a share of the capital of BPRs as financial liabilities.

2.10.3. TREASURY SHARES

Treasury shares held by the Group are deducted from consolidated shareholders' equity, regardless of the purpose for which they were held, and the related result is eliminated from the consolidated income statement.

2.11. DERIVATIVES AND INCORPORATED DERIVATIVES

All derivative instruments are recorded on the balance sheet at their fair value.

2.11.1. GENERAL PRINCIPLE

Derivatives are recognized at their fair value on the balance sheet under "Financial assets or liabilities at fair value through profit or loss". They are recognized as financial assets when the value is positive, and as financial liabilities when it is negative.

Realized and unrealized gains and losses are recognized in the income statement under "Net gains and losses on financial instruments at fair value through profit or loss".

2.11.2. DERIVATIVES AND HEDGE ACCOUNTING

Derivatives entered into as part of hedging relationships are designated according to their purpose.

- Fair value hedging is used in particular to hedge the interest rate risk on fixed-rate assets and liabilities.
- Cash flow hedging is used in particular to hedge the interest rate risk on variable-rate assets and liabilities and the exchange risk of highly probable future foreign currency revenues.

When the hedging relationship is set up, the Group draws up formal documentation: designation of the instrument and the risk hedged, strategy and nature of the risk hedged, designation of the hedging instrument, and procedures for assessing the effectiveness of the hedging relationship.

In accordance with this documentation, the Group assesses both the retrospective and prospective effectiveness of the hedging relationships in place at the outset and at least every six months.

Retrospective effectiveness testing is designed to ensure that the ratio of actual variations in the value or result of the hedging derivatives to those of the hedged instruments is between 80% and 125%.

The purpose of prospective testing is to ensure that variations in the value or result of derivatives anticipated over the remaining life of the hedge adequately offset changes in the value of the hedged instruments.

Highly probable transactions are assessed in particular through the existence of a history of similar transactions.

If the hedging relationship is discontinued or no longer meets the effectiveness tests, the hedging derivatives are transferred to the transaction portfolio and accounted for in accordance with the principles applicable to this category.

2.11.3. EMBEDDED DERIVATIVES

Where a hybrid contract includes a host contract that is a financial asset within the scope of IFRS 9, the hybrid contract (financial asset) is fully recognized in accordance with the general principles applicable to financial assets.

When an embedded derivative is a component of a hybrid contract that is not a financial asset within the scope of IFRS 9, it must be extracted from the host contract and accounted for separately as soon as the hybrid instrument is not measured at fair value through income statement and the economic characteristics and associated risks of the embedded derivative are not closely related to the host contract.

However, when the compound instrument is recognized in its entirety in the category "Financial assets and liabilities at fair value through profit or loss", no separation is made.

2.12. COMMISSIONS ON SERVICES

Commissions on services rendered are recognized as follows:

- Fees which are an integral part of the effective yield of a financial instrument: application fees, commitment fees, etc. Such commissions are treated as an adjustment of the effective interest rate (except when the instrument is measured at fair value through profit or loss).
- Fees that remunerate a continuous service: rental of safes, custody rights on securities in deposit, telematic subscriptions or bank cards, etc. They are spread in income over the duration of the service as and when the service is provided.
- Fees for one-off services: stock exchange commissions, collection commissions, foreign exchange commissions, etc. They are recognized in the income statement when the service has been rendered.

2.13. EMPLOYEE BENEFITS

The entity must recognize not only the legal obligation arising from the formal terms of the defined benefit plan, but also any implicit obligation arising from its practices. These practices generate an implicit obligation when the entity has no realistic alternative but to pay benefits to employees. For example, there is an implicit obligation if a change in the entity's practices results in an unacceptable deterioration in employee relations.

Type of employee benefits:

The benefits granted to the Banque Populaire group's employees are classified into four categories:

- Short-term benefits such as salaries, annual leave, incentives, profit-sharing, matching contribution, etc.;
- Long-term benefits, which include seniority and retirement bonuses;
- Compensation for the end of the employment contract;
- Post-employment benefits, in particular medical coverage for retirees.

2.13.1. SHORT-TERM BENEFITS

The Group recognizes an expense when services rendered by employees have been used in exchange for the benefits granted.

2.13.2. LONG-TERM BENEFITS

Long-term benefits are those benefits, other than post-employment benefits and termination benefits, which are not due in full within twelve months after the end of the fiscal year in which the employees render the related services.

In particular, this concerns bonuses linked to seniority and retirement. These benefits are provided for in the accounts for the fiscal year to which they relate. The actuarial valuation method is similar to that used for defined post-employment benefits, but actuarial gains and losses are recognized immediately. In addition, the effect of any plan changes considered to relate to past services is recognized immediately.

2.13.3. CONTRACT TERMINATION BENEFITS

Contract termination benefits result from the benefit granted to employees when the Group terminates an employment contract before the legal retirement age or when employees decide to leave voluntarily in exchange for compensation. Contract termination benefits that fall due more than twelve months after the closing date are subject to adjustment.

2.13.4. POST-EMPLOYMENT BENEFITS

The Group distinguishes between defined contribution and defined benefit plans. No provisions have been made for defined contribution plans, which do not represent a commitment for the Group. The amount of contributions called during the fiscal year is recognized as an expense.

Only plans classified as "defined benefit plans" represent a commitment for the Group that gives rise to valuation and provisioning. Classification in one or another of these categories is based on the economic substance of the plan to determine whether or not the Group is bound by the terms of an agreement or by a constructive obligation to provide the promised benefits to employees. The main defined benefit plan identified by the Group is medical coverage for retirees and their families.

Defined post-employment benefits are subject to actuarial valuations taking into account demographic and financial assumptions.

The provisioned amount of the commitment is determined using the actuarial assumptions adopted by the Group and by applying the projected unit credit method. This valuation method takes into account a number of parameters such as demographic assumptions, early departures, salary increases, and discount and inflation rates. The value of any hedging assets is then deducted from the amount of the commitment.

When the amount of the plan assets exceeds the value of the commitment, an asset is recognized if it represents a future economic benefit to the Group in the form of savings on future contributions or an expected reimbursement of a portion of the amounts paid into the plan.

The measurement of a plan's obligation and the value of its plan assets may change significantly from one fiscal year to the next due to changes in actuarial assumptions and result in actuarial gains and losses.

As of June 30, 2013, and in accordance with the revised IAS 19, the Group no longer applies the "corridor" methodology to recognize actuarial gains and losses on these commitments.

The annual expense recognized in personnel costs in respect of defined benefit plans represents the rights acquired during the period by each employee corresponding to the cost of services rendered, the financial cost linked to discounting the commitments, and the expected income from investments.

The calculations performed by the group are regularly reviewed by an independent actuary.

2.13.5. OPTIONS SELECTED BY THE BANQUE CENTRALE POPULAIRE GROUP

In accordance with the option provided for in IFRS 1, the cumulative amount of actuarial gains and losses at the transition date has been charged to shareholders' equity.

At the time of the transition to IFRS, significant commitments for retiree medical coverage and early voluntary departure were provided for for the first time.

In order to perform the actuarial valuations, the basic assumptions of the calculations were determined specifically for each plan.

The discount rates used are obtained by reference to the rate of return on bonds issued by the Moroccan government, to which a risk premium is added, in order to estimate the market yields on bonds of first category companies with a maturity equivalent to the duration of the plans.

The assets of the medical coverage plan are invested exclusively in treasury bills issued by the Moroccan government. The rate of return on investments is therefore that of the latter.

2.14. PROVISIONS FOR LIABILITIES

Provisions recorded in the Group's balance sheet, other than those relating to financial instruments and company commitments, primarily concern provisions for litigation, fines, penalties, and tax risks. A provision is recognized when it is probable that an outflow of resources representing economic benefits will be required to settle an obligation arising from a past event and when the amount of the obligation can be reliably estimated. The amount of this obligation is discounted to determine the amount of the provision, when this discount is significant.

2.14.1. OPTIONS SELECTED BY THE BANQUE CENTRALE POPULAIRE GROUP

Provisions for risks and charges in excess of MAD 1 million have been analyzed to ensure that they meet the requirements of IFRS standards.

2.15. CURRENT AND DEFERRED TAXES

2.15.1. CURRENT TAX

The income tax charge is determined on the basis of the rules and rates in force in each country where the Group companies are located, for the period to which the results relate.

When there is uncertainty about the tax treatment to be applied in the recognition and measurement of income taxes, it is necessary to determine whether the treatment chosen is likely to be accepted by the competent authorities, assuming that they will perform an audit of the treatment in question and will have all the relevant information. This uncertainty must be reflected in the amount of tax assets and liabilities, based on a method that reflects the best estimate of the outcome of the uncertainty.

2.15.2. DEFERRED TAX

Deferred taxes are recognized when there are temporary differences between the book values of assets and liabilities on the balance sheet and their tax values. Deferred tax liabilities are recognized for all taxable temporary differences except:

- Taxable temporary differences arising from the initial recognition of goodwill;
- Taxable temporary differences relating to investments in exclusively controlled and jointly-controlled entities, to the extent that the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse itself in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profits will be available against which the temporary differences and tax losses can be attributed.

Deferred tax assets and liabilities are measured using the liability method at the tax rate that is assumed to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been or will be enacted by the balance sheet closure date. They are not subject to updating.

Deferred tax assets or liabilities are offset when they originate within the same tax group, are subject to the same tax authority, and when there is a legal set-off right.

Current and deferred taxes are recognized as tax income or expense in the income statement, except for those related to unrealized gains and losses on available-for-sale assets and changes in the value of derivatives designated as future cash flow hedges, for which the corresponding deferred taxes are charged to shareholders' equity.

Tax credits on income from receivables and securities portfolios, when they are effectively used to settle the income tax due for the fiscal year, are recognized under the same heading as the income to which they relate. The corresponding tax charge is maintained in the income statement under "Income tax".

2.16. RECYCLABLE AND NON-RECYCLABLE EQUITY

FTA adjustments have been entered in the bank's consolidated accounts as a counterpart to shareholders' equity.

2.17. CASH FLOW STATEMENT

The balance of cash and cash equivalents consists of the net balances of cash accounts, central banks, post office giro institutions (POGIs), as well as the net balances of current loans and borrowings from credit institutions.

Changes in cash generated from operating activities record the cash flows generated by the Group's activities, including those relating to investment properties, held-to-maturity financial assets, and marketable debt securities. Changes in cash generated from investment activities result from cash flows relating to acquisitions and disposals of consolidated subsidiaries, associates, or joint ventures, as well as those relating to acquisitions and disposals of fixed assets, excluding investment properties and leased properties.

Changes in cash and cash equivalents related to financing activities include receipts and disbursements from transactions with shareholders and cash flows related to subordinated debt, bonds, and debt securities (excluding negotiable debt securities).

2.18. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES

When the Group decides to sell non-current assets, and when it is highly probable that the sale will take place within twelve months, these assets are presented separately in the balance sheet under "Non-current assets held for sale".

Any related liabilities are shown separately under the heading "Debts related to non-current assets held for sale".

When classified in this category, non-current assets and groups of assets and liabilities are measured at their book value or fair value less costs to sell, whichever is lower. The assets concerned cease to be depreciated.

If an asset or group of assets and liabilities is depreciated, a depreciation is recognized in the income statement.

Discontinued operations include operations held for sale, discontinued operations, and subsidiaries acquired exclusively with a view to resale. All gains and losses relating to these transactions are presented separately in the income statement under "Net income from operations discontinued or to be di scontinued".

2.19. SECTOR INFORMATION

Banque Populaire Group is organized around three main business divisions:

- Banque Maroc including Crédit Populaire du Maroc, Media Finance, Chaabi International Bank Off Shore, Chaabi Capital Investissement (CCI), Upline Group, Upline Courtage, Maroc Assistance Internationale, Chaabi Bank, Bank Al Amal, Attawfiq Micro Finance, BP Shore Group, FPCT Sakane, Infra Maroc Capital (IMC), Maroc Traitement de Transactions (M2T), Alhif SA, Bank Al Yousr, Al Akaria Invest, Socinvest, BCP International, Africa Stone Management, OPCI Patrimoine Premium, and OPCVMs
- Specialized financing companies including Vivalis, Maroc Leasing, and Chaabi LLD.
- International retail banking including Banque Populaire Maroco-Centrafricaine, Atlantic Bank International, BCP Mauritius, Banque Internationale du Cameroun pour l'Epargne et le Crédit, Banque de Madagascar et de l'Océan Indien, and Banque Commerciale Internationale

Each of these businesses records the expenses and income as well as the assets and liabilities associated with it after elimination of intra-group transactions.

2.20. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of the Group's financial statements requires management and managers to formulate assumptions and make estimates, which are reflected in the determination of income and expenses in the income statement, as in the valuation of assets and liabilities of the balance sheet and in the preparation of the related notes.

This process requires that management exercise judgment and use information available at the date of preparation of the financial statements to make the necessary estimates. The ultimate future results of operations for which management has used estimates may differ from those estimates and have a material effect on the financial statements. This is particularly the case for:

- Depreciations made to cover credit risks;
- Use of internal models for the valuation of financial instruments that are not listed on active markets;
- Calculation of the fair value of unlisted financial instruments classified as "Assets at fair value through equity" or "Financial instruments at fair value through income statement" as assets or liabilities, and more generally the calculation of the market values of financial instruments for which this information must be disclosed in the notes of the financial statements;
- Depreciation tests performed on intangible assets;
- Determination of provisions to cover the risks of losses and expenses.

2.21. PRESENTATION OF FINANCIAL STATEMENTS

2.21.1. FORMAT OF FINANCIAL STATEMENTS

In the absence of a format recommended by IFRS, the Group's financial statements are prepared in accordance with the models prescribed by Bank Al-Maghrib.

2.21.2. RULES FOR OFFSETTING ASSETS AND LIABILITIES

A financial asset and a financial liability are offset, and a net balance is presented in the balance sheet if, and only if, the Group has a legally enforceable right to offset the recognized amounts and intends either to settle the net amount or to realize the asset and settle the liability simultaneously.

GROUPE BANQUE CENTRALE POPULAIRE

CONSOLIDATED ACCOUNTS ACCORDING TO IFRS STANDARDS FOR DECEMBER 31, 2021

CONSOLIDATED IFRS BALANCE SHEET

(in thousands MAD)

CONSOLIDATED IFRS ASSETS	Appendices	31/12/21	31/12/20(*)
Cash in hand, Central Banks, Public Treasury, POGIs	3.11	21 757 204	17 918 030
Financial assets at fair value through profit or loss	3.1	80 534 741	72 350 985
Financial assets held for trading		65 134 119	59 857 145
Other financial assets at fair value through profit or loss		15 400 622	12 493 840
Derivative hedging instruments			
Actifs financiers à la juste valeur par capitaux propres	3.2/3.11	41 593 189	36 711 766
Instruments de dettes comptabilisés à la juste valeur par capitaux propres recyclables		35 867 864	31 781 637
Instruments de capitaux propres comptabilisés à la juste valeur par capitaux propres non recyclables		5 725 325	4 930 129
Titres au coût amorti	3.3	6 590 129	8 107 575
Prêts et créances sur les établissements de crédit et assimilés, au coût amorti	3.4/3.11	17 180 872	19 031 749
Prêts et créances sur la clientèle, au coût amorti	3.5/3.11	259 516 844	255 602 166
Asset revaluation reserve for portfolios hedged against interest rates			
Insurance business investments			
Current tax assets		1 913 244	1 753 534
Deferred tax assets		4 211 890	4 397 193
Accruals and other assets		11 070 459	6 489 474(*)
Non-current assets held for sale			
Investments in equity-consolidated companies		21 344	22 448
Investment properties		7 142 134	8 154 667(*)
Tangible fixed assets	3.6	10 005 786	10 131 199(*)
Intangible assets	3.6	1 094 664	1 166 358
Goodwill	3.7	2 381 660	2 436 921
TOTAL ASSETS		**465 014 160**	**444 274 065**

(in thousands MAD)

IFRS LIABILITIES	Appen-dices	31/12/21	31/12/20
Central Banks, Public Treasury, POGIs		1 923	1 209 867
Financial liabilities at fair value through profit or loss			
Financial assets held for transactional purposes			
Financial liabilities at fair value through profit or loss			
Derivative hedging instruments			
Amounts owed to credit institutions and similar	3.8	36 557 938	33 388 985
Debts owed to customers	3.9	341 889 927	331 638 504
Debt represented by a security			
Debt securities issued		509 203	551 175
Fair value revaluation of portfolios hedged against interest rates			
Current tax liabilities		2 979 957	2 032 035
Deferred tax liabilities		903 108	842 510
Accruals and other liabilities		12 866 278	9 726 943
Debts related to non-current assets held for sale			
Technical provisions for insurance contracts		1 854 526	1 592 027
Provisions for liabilities and expenses	3.10/3.11	5 862 638	5 128 979
Subsidies, allocated public funds, and special guarantee funds		4 216 883	4 250 512
Subordinated debts		9 775 057	10 689 845
Equity		**47 596 722**	**43 222 683**
Capital and related reserves		28 909 705	28 193 802
Treasury shares			
Consolidated reserves		**16 497 881**	**13 935 393**
- Group share		2 320 566	3 178 798
- Share of minority interests		14 177 315	10 756 595
Gains or losses recognized directly in equity		**-536 227**	**-189 662**
- Group share		-340 640	-12 809
- Share of minority interests		-195 587	-176 853
Net income for the fiscal year		**2 725 363**	**1 283 150**
- Group share		1 764 618	1 229 167
- Share of minority interests		960 745	53 983
TOTAL LIABILITIES		**465 014 160**	**444 274 065**

IFRS CONSOLIDATED INCOME STATEMENT

(in thousands MAD)

	Appen-dices	31/12/21	31/12/20
Interest and similar income	4.1	17 301 787	16 846 285
Interest and similar expenses	4.1	-4 538 122	-4 900 293
INTEREST MARGIN		**12 763 665**	**11 945 992**
Commissions received	4.2	4 146 851	3 740 816
Commissions issued	4.2	-579 522	-344 523
MARGIN ON COMMISSIONS		**3 567 329**	**3 396 293**
+/- Net gains or losses resulting from net position hedges			
+/- Net gains or losses on financial instruments at fair value through profit or loss		2 476 907	2 718 433
Net gains or losses on transaction assets/liabilities		2 499 052	2 647 428
Net gains or losses on other assets/liabilities at fair value through profit or loss		-22 145	71 005
+/- Net gains or losses on financial instruments at fair value through equity		520 593	364 906
+/- Net gains or losses on debt instruments recognized in recyclable equity		167 656	34 516
Remuneration of equity instruments recognized in non-recyclable equity (dividends)		352 937	330 390
+/- 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 through profit or loss			
+/- Net gains or losses resulting from the reclassification of financial assets at fair value through equity to financial assets at fair value through profit or loss			
RESULT FROM MARKET ACTIVITIES		**2 997 500**	**3 083 339**
Revenue from other activities		2 089 332	2 310 016
Expenses from other activities		-1 330 527	-1 448 597
NET BANKING INCOME		**20 087 299**	**19 287 043**
General operating expenses		-8 686 729	-9 569 901
Amortization and depreciation of intangible and tangible assets		-1 337 154	-1 460 464
GROSS OPERATING INCOME		**10 063 416**	**8 256 678**
Risk cost	4.3	-5 537 453	-6 129 117
OPERATING INCOME		**4 525 963**	**2 127 561**
Share of net income of companies accounted for by the equity method		-1 117	-2 553
Net gains or losses on other assets		-73 229	-3 750
Changes in the value of goodwill			
INCOME BEFORE TAXES		**4 451 617**	**2 121 258**
Income taxes		-1 726 254	-838 108
NET INCOME		**2 725 363**	**1 283 150**
Minority interests		960 745	53 983
NET INCOME, BCP GROUP SHARE		**1 764 618**	**1 229 167**
Earnings per share (in MAD)		8,68	6,08
Diluted earnings per share (in MAD)		8,68	6,08

CASH FLOW STATEMENT

(in thousands MAD)

	31/12/21	31/12/20(**)
Result before taxes	**4 451 617**	**2 121 258**
+/- Net depreciation of tangible and intangible assets	1 337 154	1 460 464
+/- Net depreciation of goodwill and other fixed assets	661 532	-32 363
+/- Net depreciation of financial assets	1 367 611	4 365 225
+/- Net allocations to provisions	753 716	610 092
+/- Share of profit from companies accounted for by the equity method	1 117	2 553
+/- Net loss/(net gain) from investing activities	-757 136	-870 676
+/- Net loss/(gain) from financing activities		
+/- Other movements	385 120	188 694
Total non-monetary items included in net income before taxes	**3 749 114**	**5 723 989**
+/- Flows related to transactions with credit institutions and similar	2 990 885	-9 340 671
+/- Flows related to customer transactions	6 190 174	22 037 714
+/- Flows related to other transactions affecting financial assets or liabilities	-14 153 636	-11 129 431
+/- Flows related to other transactions affecting non-financial assets or liabilities	-1 189 820	-1 414 390(**)
- Taxes paid	-1 115 063	-1 412 655
Net decrease/(increase) in assets and liabilities from operating activities	**-7 277 460**	**-1 259 433**
Net cash flow from operating activities	**923 271**	**6 585 814**
+/- Flows related to financial assets and investments	1 065 714	2 754 019
+/- Flows related to investment properties	90 047	-272 874(**)
+/- Flows related to tangible and intangible assets	-1 125 744	-1 215 013(**)
Net cash used in investing activities	**30 017**	**1 266 132**
+/- Cash flow from or to shareholders	2 845 991	-348 623
+/- Other net cash flows from financing activities	-959 072	-1 384 264
Net cash flow related to financing activities	**1 886 919**	**-1 732 887**
Effect of exchange rate changes on cash and cash equivalents	**-251 971**	**-150 663**
Net increase/(decrease) in cash and cash equivalents	**2 588 236**	**5 968 396**
Cash and cash equivalents at opening	**26 274 757**	**20 306 361**
Cash, Central Banks, CCP (assets & liabilities)	16 708 163	15 462 521
Accounts (assets & liabilities) and demand loans with credit institutions	9 566 594	4 843 840
Cash and cash equivalents at closing	**28 862 993**	**26 274 757**
Cash, Central Banks, CCP (assets & liabilities)	21 739 528	15 462 521
Accounts (assets & liabilities) and demand loans with credit institutions	7 123 465	4 843 840
Change in net cash position	**2 588 236**	**5 968 396**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31/12/2021

(in thousands MAD)

	Capital	Reserves related to capital	Treasury shares	Reserves and consolidated results	Gains and losses recognized directly in recyclable equity	Gains and losses recognized directly in non-recyclable equity	Shareholders' equity, Group share	Minority interests	Total
Equity at closing on 31/12/2019	**2 022 547**	**26 284 669**		**9 669 093**	**494 603**	**-378 082**	**38 092 830**	**8 911 233**	**47 004 063**
Capital transactions								810 057	810 057
Share-based payments									
Treasury share transactions								376 273	376 273
Allocation of result		2 581 826		-2 581 826					
Dividends		-1 618 038					-1 618 038	409 492	-1 208 546
Results for the fiscal year				**1 229 167**			**1 229 167**	**53 983**	**1 283 150**
Tangible and intangible fixed assets: Revaluations and disposals (D)									
Financial instruments: changes in fair value and transfers to result (E)					109 401	-54 692	54 709	-14 549	40 160
Conversion differences: changes and transfers to result (F)				-67 596	-130 088		-197 684	297	-197 387
Unrealized or deferred gains or losses (D) + (E) + (F)				**-67 596**	**-20 687**	**-54 692**	**-142 975**	**-14 252**	**-157 227**
Change in scope				-509 067	-9 849	-44 102	-563 018	-1 698	-564 716
Other variations		-1 077 202		918 707			-158 495	88 636	-69 859
Equity at closing on 31/12/2020	**2 022 547**	**26 171 255**		**8 658 478**	**464 067**	**-476 876**	**36 839 471**	**10 633 724**	**47 473 195**
Capital transactions	10 578	267 628					278 206	24 103	302 309
Share-based payments									
Treasury share transactions								3 426 508	3 426 508
Allocation of result		2 103 343		-2 103 343					
Dividends		-1 618 037					-1 618 037	188 337	-1 429 700
Results for the fiscal year				**1 764 618**			**1 764 618**	**960 745**	**2 725 363**
Tangible and intangible fixed assets: Revaluations and disposals (D)									
Financial instruments: changes in fair value and transfers to result (E)					-176 432	16 463	-159 969	12 560	-147 409
Conversion differences: variations and transfers to result (F)				205 693	-167 578		38 115	-31 608	6 507
Unrealized or deferred gains or losses (D) + (E) + (F)				**205 693**	**-344 010**	**16 463**	**-121 854**	**-19 048**	**-140 902**
Change in scope				-224 898	852	-1 260	-225 306	-262 834	-488 140
Other variations		-47 609		2 519			-45 090	-9 938	-55 028
Equity at closing on 31/12/2021	**2 033 125**	**26 876 580**		**8 303 067**	**120 909**	**-461 673**	**36 872 008**	**14 941 597**	**51 813 605**

(*) Reclassification of investment properties previously classified under «Tangible fixed assets» and «Other assets» for MAD 5 781 524 thousand and MAD 2 373 143 thousand respectively.

(**) Reclassification of cash flows related to investment properties previously classified as «Cash flows related to tangible and intangible fixed assets» and «Cash flows related to other transactions affecting non-financial assets or liabilities» for MAD 55 519 thousand and -328 393 thousand respectively.

STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

(in thousands MAD)

	31/12/21	31/12/20
Net income	**2 725 363**	**1 283 150**
Items recyclable to net income:	**-168 111**	**-83 195**
Conversion differences	6 507	-197 387
Revaluation of financial assets at fair value through recyclable equity	-174 618	114 192
Revaluation of derivative instruments hedging recyclable items		
Share of gains and losses recognized directly in equity of companies accounted for by the equity method		
Other items recognized in equity and recyclable equity		
Related taxes		
Items non-recyclable to net income:	**27 209**	**-74 032**
Revaluation of fixed assets		
Revaluation (or actuarial gains and losses) for defined benefit plans	49 649	-36 596
Reassessment of own credit risk of financial liabilities accounted for at fair value through profit or loss		
Revaluation of equity instruments carried at fair value through equity	-22 440	-37 436
Share of gains and losses recognized directly in equity of companies accounted for by the equity method that cannot be recycled		
Other items recognized through non-recyclable equity		
Related taxes		
Total gains and losses recognized directly in equity	**-140 902**	**-157 227**
Net income and gains and losses recognized directly in equity	**2 584 461**	**1 125 923**
Of which Group share	1 642 764	1 086 192
Of which minority interests	941 697	39 731

3.1. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in thousands MAD)

	31/12/2021		31/12/2020	
	Financial assets held for transactional purposes	Other financial assets at FV through result	Financial assets held for transactional purposes	Other financial assets at FV through result
Receivables from credit institutions				
Receivables from customers				
Assets representing unit-linked contracts				
Securities received through repurchase agreements				
Government securities and similar	46 454 709		43 290 989	
Bonds and other fixed income securities	2 327 504		2 351 177	
Shares and other variable income securities	15 885 996	7 115 543	13 861 148	6 424 056
Non-consolidated equity securities		8 285 079		6 069 784
Derivative instruments	465 910		353 831	
TOTAL DES ACTIFS FINANCIERS A LA JUSTE VALEUR PAR RESULTAT	**65 134 119**	**15 400 622**	**59 857 145**	**12 493 840**

3.2. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

(in thousands MAD)

	31/12/2021			31/12/2020		
	Balance sheet value	Unrealized gains	Unrealized losses	Balance sheet value	Unrealized gains	Unrealized losses
Financial assets at fair value through equity	**41 593 189**	**1 121 251**	**-1 107 632**	**36 711 766**	**1 452 084**	**-920 249**
Debt instruments recognized for at fair value by recyclable equity	35 867 864	863 647	-82 468	31 781 637	1 171 202	-13 302
Equity instruments recognized for at fair value by non-recyclable equity	5 725 325	257 604	-1 025 164	4 930 129	280 882	-906 947
Debt instruments recognized for at fair value by recyclable equity	**Balance sheet value**	**Unrealized gains**	**Unrealized losses**	**Balance sheet value**	**Unrealized gains**	**Unrealized losses**
Treasury bills and other items eligible for central bank financing (*)	11 292 397	861 596		11 654 176	1 135 007	
Other marketable debt securities (*)	904 084			781 972		
Bonds	23 671 383	2 051	-82 468	19 345 489	36 195	-13 302
Total debt instruments recognized at fair value through recyclable equity	**35 867 864**	**863 647**	**-82 468**	**31 781 637**	**1 171 202**	**-13 302**
Taxes		-319 549	18 432		-433 343	3 325
Gains and losses recognized directly in equity on debt instruments carried at fair value through recyclable equity (net of tax)		544 098	-64 036		737 859	-9 977
Equity instruments recognized for at fair value by non-recyclable equity	**Balance sheet value**	**Unrealized gains**	**Unrealized losses**	**Balance sheet value**	**Unrealized gains**	**Unrealized losses**
Shares and other variable income securities						
Non-consolidated equity securities	5 725 325	257 604	-1 025 164	4 930 129	280 882	-906 947
Total equity instruments recognized at fair value through non-recyclable equity	**5 725 325**	**257 604**	**-1 025 164**	**4 930 129**	**280 882**	**-906 947**
Taxes		-95 314	366 913		-103 926	319 292
Gains and losses recognized directly in equity on equity instruments carried at fair value through non-recyclable equity (net of tax)		162 290	-658 251		176 956	-587 655

3.3. SECURITIES AT AMORTIZED COST

(in thousands MAD)

3.3. Securities at amortized cost	31/12/21	31/12/20
Marketable debt securities	5 761 222	7 180 649
Treasury bills and other items eligible for central bank financing	5 556 275	7 024 466
Other marketable debt securities	204 947	156 183
Bonds	828 907	926 926
TOTAL SECURITIES AT AMORTIZED COST	**6 590 129**	**8 107 575**

3.4. LOANS AND RECEIVABLES FROM CREDIT INSTITUTIONS AT AMORTIZED COST

(in thousands MAD)

3.4.1. Loans and receivables from credit institutions at amortized cost	31/12/21	31/12/20
Current accounts	8 889 396	11 884 084
Loans	8 187 004	7 280 678
Repurchase agreements	187 165	
TOTAL LOANS AND RECEIVABLES FROM CREDIT INSTITUTIONS BEFORE DEPRECIATION	**17 263 565**	**19 164 762**
Depreciation of loans and receivables from credit institutions (*)	82 693	133 013
TOTAL LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS NET OF DEPRECIATION	**17 180 872**	**19 031 749**

(in thousands MAD)

3.4.2. Breakdown of loans and receivables to credit institutions at amortized cost by geographic area	31/12/21	31/12/20
Morocco	12 135 677	13 057 419
Offshore area	608 934	543 536
Africa	4 010 481	4 871 100
Europe	425 780	559 694
TOTAL LOANS AND RECEIVABLES FROM CREDIT INSTITUTIONS NET OF DEPRECIATION (*)	**17 180 872**	**19 031 749**

(*) See note 3.11 Breakdown of depreciation by Bucket under IFRS9

3.5.LOANS AND RECEIVABLES FROM CUSTOMERS AT AMORTIZED COST

(in thousands MAD)

3.5.1. Loans and receivables from customers at amortized cost	31/12/21	31/12/20
Common accounts receivable	16 114 991	17 816 775
Loans granted to customers	248 169 482	245 692 053
Repurchase agreements	6 810 285	4 288 808
Finance lease transactions	17 288 812	16 244 477
TOTAL LOANS AND RECEIVABLES FROM CUSTOMERS AT AMORTIZED COST BEFORE DEPRECIATION	**288 383 570**	**284 042 113**
Depreciation of customer loans and receivables (*)	28 866 726	28 439 947
TOTAL LOANS AND RECEIVABLES TO CUSTOMERS AT AMORTIZED COST NET OF DEPRECIATION	**259 516 844**	**255 602 166**

(in thousands MAD)

3.5.2 Ventilation des créances sur la clientèle au coût amorti par zone géographique	31/12/21	31/12/20
Maroc	210 275 225	205 899 743
ZONE OFF SHORE	4 810 709	3 153 824
AFRIQUE	42 121 097	44 514 303
EUROPE	2 309 813	2 034 296
TOTAL DES PRÊTS CONSENTIS ET CREANCES SUR LA CLIENTELE AU COÛT AMORTI	**259 516 844**	**255 602 166**

3.6 TANGIBLE AND INTANGIBLE FIXED ASSETS

(in thousands MAD)

	31/12/2021			31/12/2020 (**)		
	Gross book value	Accumulated amortization and depreciation losses	Net book value	Gross book value	Accumulated amortization and depreciation losses	Net book value
TANGIBLE FIXED ASSETS	**20 237 106**	**10 231 320**	**10 005 786**	**19 487 693**	**9 356 494**	**10 131 199 (**)**
Land and buildings	9 076 823	3 563 768	5 513 055	8 451 005	2 504 709	5 946 296
Equipment, Furniture, Installations	4 748 383	3 372 531	1 375 852	4 642 540	3 117 514	1 525 026
Movable property leased						
Other fixed assets	4 756 690	2 586 064	2 170 626	4 651 296	3 214 816	1 436 480
Right of use	1 655 210	708 957	946 253	1 742 852	519 455	1 223 397
INTANGIBLE ASSETS	**2 712 796**	**1 618 132**	**1 094 664**	**2 590 715**	**1 424 357**	**1 166 358**
Right to lease	320 074		320 074	314 486		314 486
Patents and brands	123 766		123 766	98 862		98 862
Computer software acquired	2 059 536	1 618 132	441 404	1 927 259	1 424 357	502 902
Other intangible assets	209 420		209 420	250 108		250 108
Right of use						
TOTAL FIXED ASSETS	**22 949 902**	**11 849 452**	**11 100 450**	**22 078 408**	**10 780 851**	**11 297 557**

LEASE CONTRACTS: RIGHTS OF USE - LESSEE

(in thousands MAD)

LEASE CONTRACTS: RIGHTS OF USE - LESSEE	31/12/20	Increase	Decrease	Change in scope	Other	31/12/21
RIGHT OF USE OF OPERATIONAL BUILDINGS	**1 158 885**	**-237 037**	**-1 401**		**-14 054**	**906 393**
Gross Value	1 646 541	9 176	-67 521		-20 661	1 567 535
Amortizations and depreciations	-487 656	-246 213	66 120		6 607	-661 142
RIGHT TO USE FURNITURE AND OPERATIONAL EQUIPMENT	**22 417**	**-9 039**			**-711**	**12 667**
Gross Value	35 285		-3 322		-1 245	30 718
Amortizations and depreciations	-12 868	-9 039	3 322		534	-18 051
RIGHT OF USE OF OTHER OPERATIONAL FIXED ASSETS	**42 095**	**-14 182**			**-720**	**27 193**
Gross Value	61 026		-3 003		-1 066	56 957
Amortizations and depreciations	-18 931	-14 182	3 003		346	-29 764
TOTAL RIGHTS OF USE	**1 223 397**	**-260 258**	**-1 401**		**-15 485**	**946 253**

USER RIGHTS ASSETS - LESSEE

(in thousands MAD)

USER RIGHTS ASSETS - LESSEE	31/12/21	31/12/20 (**)
TANGIBLE FIXED ASSETS	**10 005 786**	**10 131 199 (**)**
Including: Rights of use	946 253	1 223 397
INTANGIBLE ASSETS	**1 094 664**	**1 166 358**
Including: Rights of use		

RENTAL DEBT LIABILITIES

(in thousands MAD)

RENTAL DEBT LIABILITIES	31/12/21	31/12/20
ACCOUNTS AND OTHER LIABILITIES	**12 866 278**	**9 726 943**
Including: Rental debts	1 008 968	1 265 185

DETAILS OF LEASING CONTRACT CHARGES

(in thousands MAD)

DETAILS OF LEASING CONTRACT CHARGES	31/12/21	31/12/20
Interest charges on rental debts	-49 245	-58 240
Amortization on rights of use	-269 434	-292 329

3.7 GOODWILL

(in thousands MAD)

	31/12/20	Change in scope	Conversion difference	Other movements	31/12/21
Gross Value	2 436 921		-55 261		2 381 660
Accumulated depreciation losses					
Net balance sheet value	**2 436 921**		**-55 261**		**2 381 660**

3.8 PAYABLES TO CREDIT INSTITUTIONS

(in thousands MAD)

	31/12/21	31/12/20
Current accounts	1 765 932	2 317 490
Loans	17 144 032	22 765 555
Repurchase agreements	17 647 974	8 305 940
TOTAL PAYABLES TO CREDIT INSTITUTIONS	**36 557 938**	**33 388 985**

(*) See note 3.11 Breakdown of depreciation by Bucket under IFRS9

(**) Reclassification of investment properties previously classified under «Tangible fixed assets» in the amount of MAD 5 781 524 thousand.

3.9. DEBTS TO CUSTOMERS

(in thousands MAD)

3.9.1 Payables to customers	31/12/21	31/12/20
Ordinary accounts payable	230 188 512	216 285 302
Term accounts	53 191 917	54 904 886
Managed Rate Savings Accounts	45 332 127	43 812 188
Cash vouchers	2 013 498	2 089 530
Repurchase agreements	2 192 544	6 104 524
Other amounts payable to customers	8 971 329	8 442 074
TOTAL AMOUNTS PAYABLE TO CUSTOMERS	**341 889 927**	**331 638 504**

(in thousands MAD)

3.9.2 Breakdown of amounts payable to customers by geographical area	31/12/21	31/12/20
Morocco	270 945 624	266 057 718
Offshore area	3 092 005	2 222 919
Africa	66 193 677	61 679 311
Europe	1 658 621	1 678 556
Principal total	**341 889 927**	**331 638 504**

.10 PROVISIONS FOR LIABILITIES AND EXPENSES

(in thousands MAD)

	PROVISIONS FOR EXECUTION RISKS ON SIGNATURE COMMITMENTS (*)	PROVISIONS FOR EMPLOYEE BENEFITS	OTHER PROVISIONS FOR LIABILITIES AND EXPENSES	BALANCE SHEET BOOK VALUE
Amount as of 31/12/2020	**2 359 995**	**1 602 309**	**1 166 675**	**5 128 979**
Endowments	720 168	34 907	331 109	1 086 184
Withdrawals	115 494	76 917	133 924	326 335
Other movements	91 307	-90 066	-27 431	-26 190
AMOUNT AS OF 31/12/2021	**3 055 976**	**1 470 233**	**1 336 429**	**5 862 638**

3.11. BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES BY BUCKET

(in thousands MAD)

AS OF DECEMBER 31, 2021	OUTSTANDING AMOUNT			PROVISIONS			COVERAGE RATE		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
CENTRAL BANKS, PUBLIC TREASURY, POSTAL OFFICE GIRO INSTITUTIONS	**15 218 282**								
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**37 002 796**			**1 134 932**			**3,07%**		
Debt instruments recognized for at fair value by recyclable equity									
Equity instruments recognized for at fair value by non-recyclable equity									
Debt securities	37 002 796			1 134 932			3,07%		
FINANCIAL ASSETS AT AMORTIZED COST	**250 068 832**	**25 968 471**	**29 609 832**	**2 946 135**	**5 405 451**	**20 597 833**	**1,18%**	**20,82%**	**69,56%**
Loans and receivables from credit institutions	17 263 565			82 693			0,48%		
Loans and receivables from customers	232 805 267	25 968 471	29 609 832	2 863 442	5 405 451	20 597 833	1,23%	20,82%	69,56%
Debt securities									
TOTAL FINANCIAL ASSETS	**302 289 910**	**25 968 471**	**29 609 832**	**4 081 067**	**5 405 451**	**20 597 833**	**1,35%**	**20,82%**	**69,56%**
FINANCIAL LIABILITIES	**73 268 048**	**5 858 961**	**2 470 131**	**600 304**	**1 005 394**	**1 450 278**	**0,82%**	**17,16%**	**58,71%**
Off-balance sheet commitments	73 268 048	5 858 961	2 470 131	600 304	1 005 394	1 450 278	0,82%	17,16%	58,71%

AS OF DECEMBER 31, 2020	OUTSTANDING AMOUNT			PROVISIONS			COVERAGE RATE		
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3
CENTRAL BANKS, PUBLIC TREASURY, POSTAL OFFICE GIRO INSTITUTIONS	**10 763 411**								
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**32 744 591**			**962 954**			**2,94%**		
Debt instruments recognized for at fair value by recyclable equity									
Equity instruments recognized for at fair value by non-recyclable equity									
Debt securities	32 744 591			962 954			2,94%		
FINANCIAL ASSETS AT AMORTIZED COST	**244 852 116**	**29 027 578**	**29 327 181**	**3 001 752**	**5 617 799**	**19 953 409**	**1,23%**	**19,35%**	**68,04%**
Loans and receivables from credit institutions	19 164 762			133 013			0,69%		
Loans and receivables from customers	225 687 354	29 027 578	29 327 181	2 868 739	5 617 799	19 953 409	1,27%	19,35%	68,04%
Debt securities									
TOTAL FINANCIAL ASSETS	**288 360 118**	**29 027 578**	**29 327 181**	**3 964 706**	**5 617 799**	**19 953 409**	**1,37%**	**19,35%**	**68,04%**
FINANCIAL LIABILITIES	**58 848 256**	**4 529 778**	**1 262 982**	**501 826**	**694 484**	**1 163 685**	**0,85%**	**15,33%**	**92,14%**
Off-balance sheet commitments	58 848 256	4 529 778	1 262 982	501 826	694 484	1 163 685	0,85%	15,33%	92,14%

4.1 MARGIN OF INTEREST

(in thousands MAD)

	31/12/2021			31/12/2020		
	Products	Charges	Net	Products	Charges	Net
OPERATIONS WITH CUSTOMERS	14 549 238	3 531 305	11 017 933	14 421 785	3 721 448	10 700 337
Accounts and loans/borrowings	13 781 872	3 387 110	10 394 762	13 718 230	3 634 749	10 083 481
Repurchase agreements	19 693	70 391	-50 698	28 907	62 500	-33 593
Finance lease transactions	747 673	73 804	673 869	674 648	24 199	650 449
INTERBANK TRANSACTIONS	388 081	639 095	-251 014	368 881	787 635	-418 754
Accounts and loans/borrowings	129 919	350 395	-220 476	119 461	377 246	-257 785
Repurchase agreements	258 162	288 700	-30 538	249 420	410 389	-160 969
Loans issued by the Group		356 416	-356 416		388 078	-388 078
Financial assets at fair value through equity	2 019 807	11 306	2 008 501	1 597 185	3 132	1 594 053
Financial assets at amortized cost	344 661		344 661	458 434		458 434
TOTAL INCOME AND EXPENSES FROM INTEREST OR SIMILAR ACTIVITIES	**17 301 787**	**4 538 122**	**12 763 665**	**16 846 285**	**4 900 293**	**11 945 992**

(*) See note 3.11 Breakdown of depreciation by Bucket under IFRS9

4.2 NET COMMISSIONS

(in thousands MAD)

	31/12/2021			31/12/2020		
	Products	Charges	Net	Products	Charges	Net
Commissions on securities	445 426	14 195	431 231	354 366	21 961	332 405
Net income on means of payment	638 329	50 745	587 584	544 724	25 492	519 232
Other commissions	3 063 096	514 582	2 548 514	2 841 726	297 070	2 544 656
NET COMMISSION REVENUES	**4 146 851**	**579 522**	**3 567 329**	**3 740 816**	**344 523**	**3 396 293**

4.3 COST OF RISK

(in thousands MAD)

	31/12/21	31/12/20
Allocations net of reversals of depreciation	**2 169 815**	**4 774 004**
Bucket 1: Losses assessed at the amount of expected credit losses for the next 12 months	**251 879**	**1 272 248**
Debt instruments recognized for at fair value by recyclable equity		
Debt instruments recognized at amortized cost	150 976	1 129 969
Commitments by signature	100 903	142 279
Bucket 2: Losses assessed at the amount of anticipated lifetime credit losses	**134 840**	**692 794**
Debt instruments recognized for at fair value by recyclable equity		
Debt instruments recognized at amortized cost	-175 199	376 956
Commitments by signature	310 039	315 838
Bucket 3: Depreciated assets	**1 783 096**	**2 808 962**
Debt instruments recognized for at fair value by recyclable equity		
Debt instruments recognized at amortized cost	1 589 364	2 762 625
Commitments by signature	193 732	46 337
Other provisions for liabilities and expenses	**925 406**	**187 934**
Other changes in provisions	**2 442 232**	**1 167 179**
Realized gains and losses on divestitures of debt instruments recognized in equity and subject to recyclable depreciation		
Realized gains or losses on debt instruments recognized at depreciated amortized cost		
Losses on loans and bad debts	2 536 950	1 268 383
Recoveries on loans and receivables recognized at amortized cost	94 718	101 204
Discounts on restructured loans		
Losses on commitments by signature		
Other losses		
Other products		
Risk cost	**5 537 453**	**6 129 117**

5 SECTOR INFORMATION

(in thousands MAD)

5.1 BALANCE SHEET AS OF DECEMBER 31, 2021	MOROCCO, EUROPE, & OFFSHORE BANKING	SPECIALIZED FINANCING COMPANIES	INTERNATIONAL RETAIL BANKING & INSURANCE	INTERCO	TOTAL
TOTAL BALANCE SHEET	**377 206 552**	**24 171 949**	**91 844 855**	**-28 209 196**	**465 014 160**
Including:					
ASSETS					
Financial assets at fair value through profit or loss	79 000 854		1 533 887		80 534 741
Financial assets at fair value through equity	23 929 383	4 553	25 604 158	-7 944 905	41 593 189
Securities at amortized cost	6 357 273		232 856		6 590 129
Loans and advances to Credit Institutions and similar entities, at amortized cost	32 208 171	803	5 112 341	-20 140 443	17 180 872
Loans and advances to customers, at amortized cost	196 352 749	22 380 658	42 121 795	-1 338 358	259 516 844
LIABILITIES					
Payables to ECs and similar entities	27 835 997	18 409 791	11 303 002	-20 990 852	36 557 938
Amounts owed to customers	274 767 557	928 864	66 380 185	-186 679	341 889 927
EQUITY	**49 242 798**	**2 135 837**	**6 067 452**	**-5 632 482**	**51 813 605**

(in thousands MAD)

5.2 INCOME STATEMENT AS OF DECEMBER 31, 2021	MOROCCO, EUROPE, & OFFSHORE BANKING	SPECIALIZED FINANCING COMPANIES	INTERNATIONAL RETAIL BANKING & INSURANCE	INTERCO	TOTAL
Interest margin	9 067 839	660 755	3 028 813	6 258	**12 763 665**
Commission margins	2 150 054	87 123	1 376 176	-46 024	**3 567 329**
Net banking income	14 592 958	994 571	4 971 275	-471 505	**20 087 299**
Gross operating income	7 452 022	585 908	2 025 486		**10 063 416**
Operating income	3 151 541	202 087	1 172 335		**4 525 963**
Net income	1 624 604	140 735	960 024		**2 725 363**
NET PROFIT, GROUP SHARE	**955 203**	**122 195**	**687 220**		**1 764 618**

CONSOLIDATION SCOPE OF BANQUE POPULAIRE GROUP

PARTICIPATION	Business sector	Country	CONSOLIDATION METHOD	% INTEREST	% CONTROL
Banque Centrale Populaire	Bank	Morocco	TOP		
BP Centre Sud	Bank	Morocco	IG	50,62%	50,62%
BP Fes Taza	Bank	Morocco	IG	51,25%	51,25%
BP Laayoune	Bank	Morocco	IG	51,48%	51,48%
BP Marrakech B Mellal	Bank	Morocco	IG	51,40%	51,40%
BP Nador Al Hoceima	Bank	Morocco	IG	49,63%	49,63%
BP Oujda	Bank	Morocco	IG	51,22%	51,22%
BP Tangier Tetouan	Bank	Morocco	IG	51,41%	51,41%
BP Rabat Kenitra	Bank	Morocco	IG	51,05%	51,05%
CHAABI BANK	Bank	France	IG	100,00%	100,00%
BPMC	Bank	Central African Republic	IG	75,00%	75,00%
MAI	Assistance	Morocco	IG	77,43%	77,43%
CCI	Investment fund	Morocco	IG	77,52%	100,00%
IMC	Investment fund	Morocco	IG	48,56%	50,03%
VIVALIS	Consumer credit	Morocco	IG	87,28%	87,28%
BCP SECURITIES SERVICES (ex MEDIA FINANCE)	Capital market	Morocco	IG	100,00%	100,00%
CHAABI LLD	Long-term rental	Morocco	IG	84,35%	85,00%
CIB	Offshore bank	Free zone	IG	85,17%	100,00%
BANK AL AMAL	Bank	Morocco	IG	43,32%	48,01%
ATTAWFIQ MICRO FINANCE	Micro-credit	Morocco	IG	100,00%	100,00%
M2T	Payment services	Morocco	IG	84,79%	84,79%
ALHIF SA	Holding	Morocco	IG	39,20%	50,56%
UPLINE GROUP	Business banking	Morocco	IG	88,93%	100,00%
UPLINE COURTAGE	Insurance	Morocco	IG	100,00%	100,00%
MAROC LEASING	Leasing	Morocco	IG	87,12%	87,12%
BP SHORE GROUP	Holding	Morocco	IG	78,85%	100,00%
FPCT SAKANE	Real estate	Morocco	IG	49,00%	100,00%
AL AKARIA INVEST	Holding	Morocco	IG	100,00%	100,00%
BANK AL YOUSR	Bank	Morocco	IG	80,00%	80,00%
SOCINVEST	Investment company	Morocco	IG	100,00%	100,00%
UPLINE HORIZON	UCITS	Morocco	IG	97,60%	100,00%
UPLINE OPPORTUNITIES	UCITS	Morocco	IG	99,96%	100,00%
AFRICA STONE MANAGEMENT	OPCI management	Morocco	IG	29,00%	29,00%
BCP INTERNATIONAL	Holding	Morocco	IG	100,00%	100,00%
OPCI PATRIMOINE PREMIUM	OPCI	Morocco	IG	72,92%	100,00%
BCP MAURITIUS	Bank	Ile Maurice	IG	100,00%	100,00%
BANQUE DE MADAGASCAR ET DE L'OCEAN INDIEN	Bank	Madagascar	IG	66,71%	66,71%
BANQUE INTERNATIONALE DU CAMEROUN POUR L'EPARGNE ET LE CREDIT	Bank	Cameroun	IG	78,43%	78,43%
BANQUE COMMERCIALE INTERNATIONALE	Bank	Republic of the Congo	IG	100,00%	100,00%
ATLANTIC BANQUE INTERNATIONAL	Holding	Côte d'Ivoire	IG	79,83%	79,83%
ATLANTIQUE FINANCE	Business banking	Côte d'Ivoire	IG	79,75%	99,91%
ATLANTIQUE ASSET MANAGEMENT	Asset management	Côte d'Ivoire	IG	79,75%	99,91%
BANQUE ATLANTIQUE DU BURKINA FASSO	Bank	Burkina Faso	IG	48,76%	61,08%
BANQUE ATLANTIQUE DU BENIN	Bank	Benin	IG	58,55%	73,35%
BANQUE ATLANTIQUE DE LA COTE D'IVOIRE	Bank	Côte d'Ivoire	IG	79,39%	99,45%
BANQUE ATLANTIQUE DU MALI	Bank	Mali	IG	57,43%	71,94%
BANQUE ATLANTIQUE DU NIGER	Bank	Niger	IG	63,84%	79,97%
BANQUE ATLANTIQUE DU SENEGAL	Bank	Senegal	IG	79,82%	99,99%
BANQUE ATLANTIQUE DU TOGO	Bank	Togo	IG	67,90%	85,06%
BIA NIGER	Bank	Niger	IG	55,49%	69,51%
BPMG	Bank	Guinea	IG	61,67%	77,25%
ATLANTIQUE ASSURANCE COTE D'IVOIRE IARD	Insurance	Côte d'Ivoire	IG	71,84%	90,00%
ATLANTIQUE ASSURANCE COTE D'IVOIRE VIE	Insurance	Côte d'Ivoire	IG	77,22%	96,73%
GROUPEMENT TOGOLAIS ASSURANCE VIE	Insurance	Togo	IG	51,94%	66,69%
GROUPEMENT TOGOLAIS ASSURANCE IARD	Insurance	Togo	IG	77,85%	97,53%

ORGANIZATION AND STRUCTURES DEDICATED TO RISK MANAGEMENT

The Bank has an organization in line with the best international standards. Its integrated governance structure enables it to identify the risks it faces, to implement an adequate and effective internal control system, and to establish a monitoring and readjustment system.

Responsibility for controlling, measuring, and supervising risks is shared between :

- Governance and steering bodies (Management Committee, Board of Directors, Audit Committee, Risk Management Committees, Investment Committee, etc.);
- The Group Risk Management Department and other entities dedicated and/ or involved in risk monitoring (credit, market, financial, and operational);
- Entities under internal audit.

1. CREDIT RISK

Credit risk is the risk of loss inherent in the failure of a borrower to repay its debts (bonds, bank loans, trade receivables, etc.). This risk can be broken down into default risk, which arises in the event of a borrower's failure or delay in paying the principal and/or interest on its debt, recovery risk in the event of default, and the risk of deterioration in the quality of the credit portfolio.

GENERAL CREDIT POLICY

The purpose of the general credit risk management policy adopted by the Bank and approved by its administrative and management bodies is to define a global framework for activities generating a credit risk.

Its principles are applied to ensure the smooth development of the Bank's activities. The credit policy is based on the following principles:

- Standardization of credit risk management at the level of all CPM organizations;
- Security and profitability of operations;
- Risk diversification;
- Respect of the limits in force;
- Strict selection of files at the time of granting;
- Establishment of a file for all credit operations and its review at least once a year for companies;
- Rating of companies/professionals and individuals, and scoring for the granting of real estate and consumer loans;
- Separation of credit sales and risk assessment and control functions;
- Collegiality of decisions through the establishment of committees at all levels of the sector;
- Early detection of counterparty default risk;
- Responsiveness in recovery.

The implementation of the credit policy is based on an extensive body of internal regulations. This covers the entire credit risk management process, via circulars, circular letters, and standards setting the scope and conditions for carrying out risk taking, monitoring, and control activities. It should be noted that a major project to update this corpus is underway.

DECISION SYSTEM

The Bank's decision-making system is based on the following principles:

- An initial analysis of the files by the commercial entities initiating the requests;
- A second risk reading by the counter-study entities at the OPI and BCP level;
- Risk prevention through the decisive role of the Counter-Study function in the filtering of cases and in the decision-making process;
- The exercise of powers within the framework of committees reflecting the collegiality of the decision;
- A multi-dimensional delegate scheme ensuring a balance between the level of risk and the level required for the decision;
- Established jurisdictional limits by related beneficiary group;
- Exclusion from the powers of OPIs and subsidiaries of any credits for the benefit of related parties, regardless of their amount. These are submitted to the internal credit committees held at BCP level;
- Segregation of duties between commercial entities and those responsible for assessing, monitoring, and managing credit risk.

CREDIT RISK MONITORING SYSTEM

The credit risk management and control system is mainly based on the following principles:

- Collegiality of decision making through the establishment of credit committees at all levels (Regional Credit Committees, Subsidiary Credit Committees, BCP Credit Committees including the Internal Credit Committee, the Recovery and Major Risks Committee, etc.);
- Segregation of duties between commercial entities and those responsible for assessment, monitoring, and management of credit risks;
- Definition of the responsibilities and operating procedures of all the committees by means of circulars.

These points are, additionally, structured within a general framework of inspection that meets the regulatory requirements decreed by BAM. Within BCP, the risk management system and the internal control system are subject to the same individualized monitoring of risk-management activities as the Group. This monitoring, implemented at all levels of the Bank, is based on an operational system with three components:

- Independent assessment and monitoring of risk quality;
- Special monitoring of major risks and concentration risks;
- Permanent and close follow-up of sensitive receivables.

The system is supported by a risk governance structure and a firmly established risk management culture. This system is gradually enriched by a risk appetite framework. It ensures regular feedback to the Bank's Management and Governance Entities, thus enabling the implementation of:

- Appropriate policies for controlled development;
- Corrective actions to safeguard the Bank's interests.

INTERNAL RATING SYSTEM

The Bank has implemented a global rating system in line with regulatory requirements for use and purpose, applicable to all counterparties, whether sovereign States, banks, companies, or individuals. Those operating in the real estate development sector are qualified via the rating of projects. Individual customers are also subject to the credit scoring system applicable to consumer loans and real estate loans.

The rating system is the core of the credit risk management system and is based on a series of models appropriate to each asset class. The rating consists of assigning a score to each counterparty according to an internal scale, with each level corresponding to a probability of default. It constitutes one of the key criteria of the credit granting policy. For corporate clients, the rating is assigned at the time the credit application is prepared and is reviewed at least once a year.

In addition, special attention is paid to the consistency between the decisions made and the risk profile identified by each rating as well as the qualitative and quantitative components taken into account in the grid.

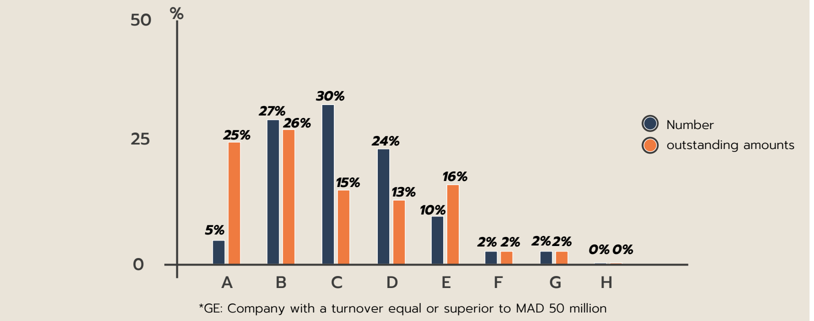
Rating is also an important tool in assessing the quality of the Bank's exposures, through analysis of the rated portfolio and changes in its distribution. Special monitoring is also carried out for counterparties showing a deterioration in risk quality.

In addition, the rating system is a fundamental element of the new IFRS 9 provisioning process.

Finally, as part of the ongoing maintenance of the corporate rating tool, the Group has defined a battery of tests to assess the performance of the rating models in terms of discrimination, default prediction, and stability. These tests, called "back testing", are carried out to ensure the soundness of the rating models and to implement corrective actions if necessary.

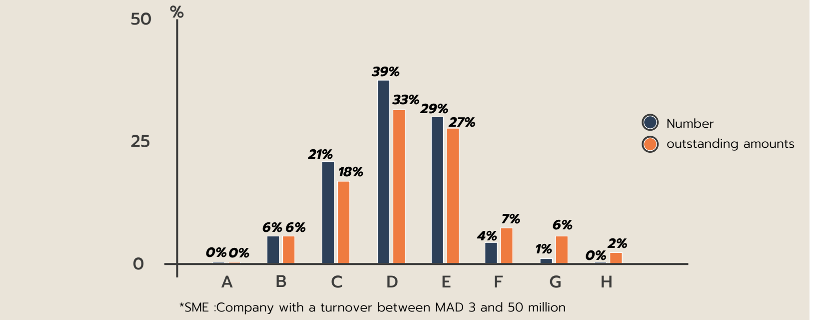
As of December 31, 2021, the distribution of the rated portfolio is as follows:

Distribution of GE* in number and outstanding amounts



*GE: Company with a turnover equal or superior to MAD 50 million

Distribution of SME* in number and outstanding

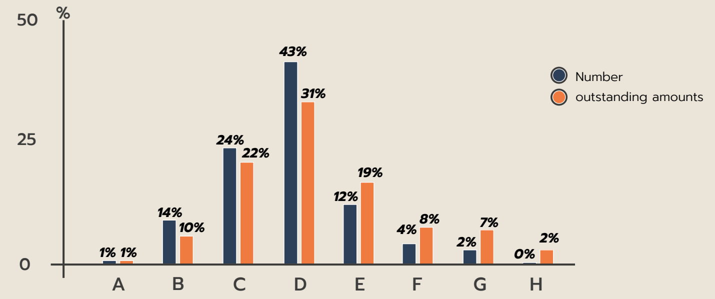


*SME :Company with a turnover between MAD 3 and 50 million

The portfolio analysis of the SME-GE segment shows a reassuring distribution of risks. In fact, the portfolio is concentrated, in number and in outstanding amounts, on ratings between classes A and E.

At the end of December 2021, the A, B, C ratings account for 67% of GE businesses rated in terms of amounts outstanding, corresponding to 62% in number. For SMEs, classes B, C, D, and E represent 84% in terms of outstanding amounts and 95% in terms of number.

Distribution of the VSE-PRO in number and outstanding amounts



The analysis of the distribution of VSEs/PROs shows a concentration on the B-E rating classes, which reveals a controlled level of risk for these two segments. Classes B-E concentrate 93% of the VSE/PROs in number with 82% of the total outstanding amount in this segment.

CONCENTRATION RISK MONITORING SYSTEM

The concentration risk is closely monitored by the Bank in order, on the one hand, to comply with the prudential rules imposed by the requirement of the division of risks and, on the other hand, to ensure the diversification necessary for risk dilution and control.

The management and monitoring system put in place is built around the following elements:

- A portfolio review process based on a risk database built and continuously enriched by the various applications, allowing the feedback of all information necessary for the group review of a given portfolio (base of groups and commitments, central balance sheets specific to the bank, rating bases, etc.);
- A system of sector and individual limits constituting the first basis of the risk appetite framework;
- Particular attention is paid to commitments as soon as their level exceeds 5% of the Bank's own funds;
- A process for reviewing the top 100 risks in the context of a counterparty or group of related counterparties, for all the Bank's entities.

Credits by disbursement in % of CPM productive jobs (*)	
Top 100 CPM risks(*)	61%
Counterparties eligible for BAM declaration(*)	32%

(*) : Excluding subsidiaries

PORTFOLIO REVIEW PROCESS

The portfolio review is an essential tool in the monitoring and management of risks, particularly major and concentration risks. It complements the traditional process of annual review of files and permanent monitoring of commitments based on the customary parameters for assessing credit risk (sector-specific data, qualitative and quantitative elements related to the counterparty and to the group to which it belongs, etc.).

The notion of portfolio concerns a set of assets grouped by business sector, risk class, level of commitments, etc.

Similar to the granular review of the entire credit portfolio carried out in 2020 in the wake of the health crisis, a similar analysis was carried out in 2021. In fact, the estimated impact of the crisis on the portfolio has been updated, enabling a review of the risk cost for the 2021-2022 period.

CREDIT RISK MANAGEMENT SYSTEM

The Group continues to gradually build its comprehensive risk appetite system. To date, the system is available in:

Sectoral concentration limits: The approach to setting sector limits is based on qualitative and quantitative standards, combining the measurement of the degree of loss of the sectors with their development potential. Since 2017, this device has been an important component is an important part of the planning process insofar as it makes it possible to define the strategic orientations in terms of market share in a given sector/sub-sector, pursuant to which targeted and controlled development can be ensured. The sectoral limits are updated once a year. Their monitoring is accompanied by measures depending on the level limit reached and the evolution of the market conditions.

Individual concentration limits: Based on the portfolio review process, the Bank's major risks are analyzed in a grouped manner, resulting in a classification by risk level. On the basis of this classification and by integrating other parameters (type and level of activity, the counterparty's and the Bank's equity, sector limits, etc.), limits by group of counterparties are defined after approval by the appropriate committees.

It should be noted that the definition of limits includes a negotiation process with the business lines. The results from the boundary models are thus examined beforehand with the latter to integrate any possible non-modelled components in the calculations. The proposals resulting from these discussions are submitted to the appropriate committees for decision and arbitration.

one-time revaluation in the event of a significant change in the conditions of the market that may impact the perception or assessment of risk. CHECK HERE FROM SOURCE FRANCAIS Compliance with limits is monitored by the functions concerned using appropriate monitoring and reporting tools.

It should be noted that the methodologies for sectoral and individual limits have been adapted to take into account the particular context of the Covid-19 crisis and its expected impacts on certain business sectors.

MONITORING SYSTEM FOR SENSITIVE RECEIVABLES

The objective of the sensitive risk monitoring system is to identify upstream signals of potential deterioration of a healthy portfolio. This early detection allows the Bank to take more effective and less costly actions to protect its interests. The identification and monitoring of these receivables is carried out jointly by the risk department and the business lines on a monthly basis.

The mechanism put in place consists of a permanent exchange of information with the relationship managers on each situation in order to initiate the necessary negotiations for the possible regularization of the debt. Cases that do not show a favorable evolution of their situation are registered on the "Watch List", after a decision of the competent committees.

This "Watch List", which is the culmination of all monitoring activities, is itself subject to a follow-up mechanism to enable the Bank to preserve its recovery potential over time.

In terms of provisioning, the "Watch List" is an important component in the sizing of provisions both on a corporate basis (PRG) and on a consolidated basis (IFRS 9).

It should be noted that the transitional measures, in the context of the overhaul of Circular 19G on the classification of receivables, continue to be deployed in anticipation of its entry into force. This reform project aims to (i) ensure a homogeneous application in terms of identification, classification, and provisioning of sensitive receivables within the banking sector and to (ii) integrate new criteria in terms of default (overruns, restructurings, etc.).

COUNTRY RISK MONITORING AND MANAGEMENT PROCESS

Country risk management process

Country risk can be defined as the risk that economic, financial, political, legal, or social conditions in a country will affect the Bank's financial interests. It does not constitute a different type of risk from "elementary" risks (credit, market, operational) but an aggregation of risks resulting from vulnerability to a specific political, social, macroeconomic and financial environment.

The country risk measurement and monitoring system in place is based on the following principles:

- A dedicated organization capable of making important choices and necessary arbitrations. In fact, the management of the subsidiaries can be broken down into the following three levels:
  - BCP Strategic Business Review (SBR): Central management tool, dedicated to the monitoring of structuring projects, performance and the review of risks and commitments, on a quarterly basis;
  - ABI Business Review (BR): Management body consisting of ABI and BCP, dedicated to monitoring the achievements of ABI subsidiaries;
  - Business Review subsidiaries: Committee responsible for evaluating commercial and financial performance, examining risk indicators, and monitoring subsidiaries' strategic projects.

- A decision-making and delegation of powers infrastructure (subsidiary, ABI holding, BCP) both in terms of credit granting and investment;

- A country risk management system based on the following four components, regularly presented to the Group's management and governance entities:

  - **Measuring country risk:** The Bank uses an internal rating model to quantify country risk based on economic, financial, political, and regulatory data and indicators. This rating is broken down into four different types of risk: sovereign default risk, non-transfer risk, corporate risk assimilated to a generalized macroeconomic shock, and banking system risk. For each of these types of risk, ratings distinguish between short-term risk (less than 12 months) and medium-term risk (more than 12 months).

  - **Country risk management:** In order to control cross-border risks, the Group has developed a process for setting and monitoring consolidated exposure limits. This system gives the Group's governance bodies an important role in defining these limits, in addition to their arbitration and validation role, notably through an explicit expression of strategic appetite by country. This process makes it possible to set limits by country of exposure as well as their breakdown by major type of borrower (sovereign, bank, and customer).

  - **Risk hedging:** The Group has set up a provisioning process, based on internal ratings, to protect itself against the country risk generated by its international growth strategy. As of January1, 2018, this feature has been integrated into the IFRS 9 depreciation system.

  - **Country monitoring:** The development of country profiles summarizing the key elements of country risk assessment, namely internal and external ratings, the main macroeconomic indicators, and a description of the economic, political, and financial situation of the countries. These sheets are updated at least once a year or when a significant event occurs that could have a positive or negative impact on the risk assessment.

Monitoring process for international subsidiaries

At the level of the WAEMU zone, and in support of the banking subsidiaries, the Group has a regional platform that enables it to ensure uniform deployment of its risk management system at the local level. For newly acquired banks, the central risk function provides direct functional supervision, the purpose being to roll out uniform risk management and supervision standards to all international subsidiaries.

In order to ensure close monitoring, the Group has a system for reporting and consolidating risks at both the local and central levels, which makes it possible to assess areas of risk with a view to implementing mitigation strategies. This system, reinforced by the "Watch List" process, ensures rigorous monitoring:

- the risk profile and portfolio quality for each subsidiary;

- sensitive or outstanding receivables;

- individual and sectoral concentration risk.

2. MARKET RISK

Market risk represents the risk of loss or exposure on the trading portfolio. It results from unfavorable changes in market parameters (exchange rates, interest rates, prices of property titles, commodity prices, volatility of derivative financial instruments).

As a leading financial institution and major player in market activities, the Bank has a market risk management system that covers all activities related to the trading portfolio or those destined to hedge or finance them. This framework is based on clear guiding principles, internal policies and procedures in line with risk tolerance levels and performance objectives, and in line with the Bank's capital base.

The Bank's level of tolerance to market risk is therefore reflected in its limits and delegations of authority. This tolerance level is set so that market risk exposures cannot generate losses that could compromise the Bank's financial strength and expose it to undue or significant risk.

In addition, in order to secure the development of market activities, the Bank has developed, as part of its overall risk management strategy, a culture of rigorous control and monitoring of market risk, based on guiding principles that make it possible to:

- Control market risk on trading exposures;

- Secure the development of the Bank's market activities within the framework of its strategic orientations and in accordance with regulatory provisions;

- Adopt best practices in terms of market risk management for all of the Bank's trading activities.

MARKET RISK MANAGEMENT AND MONITORING SYSTEM

The Bank's market risk management system is designed to control and monitor market risks and is based on the following principles:

- A governance system that includes a clear organization ensuring a well-defined division of responsibilities and guaranteeing independence between operational staff and risk management and control bodies;

- A steering and arbitration activity between the different market activities via the Investment Committee;

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

- An activity of monitoring and surveillance of risk indicators by the entities and market risk control bodies;

- A set of market risk management and control tools.

Limits governing market activities

The limit system governing market activities is reflected in a system of internal limits governing the risks inherent in the trading portfolio, including market limits, transaction limits, and counterparty limits.

The system of market limits consists of defining a market risk appetite based on risk-taking capacity. This maximum tolerance is broken down into authorized market risk envelopes, allocated to each product line or asset class, according to a loss envelope allocation scale based on risk-adjusted performance measures.

The defined loss envelopes are translated into global VaR and portfolio VaR limits, complemented by stop loss limits and sensitivity limits appropriate to each product type. This is done taking into account portfolio sizes and historical shocks to market parameters observed in periods of high volatility.

The system of transaction limits represents the delegations of authority with regard to the amounts of transactions to be processed, depending on the nature of the authorized instruments and the hierarchical rank of the market activity sector.

This system of market and transaction limits is governed by an internal circular that sets out the process for renewing limits and the system for managing waivers.

In addition, market activities are also subject to counterparty limits, with the aim of controlling the risk of exposure resulting from the total or partial inability of the counterparty to honor its commitments during the life of the transactions.

Monitoring and risk management tools

Market risk assessment is based on the combination of two groups of measures to quantify potential risks: The calculation of the value at risk (VaR) on the one hand, and the use of sensitivity measures and stress scenarios on the other.

The Bank has adopted a market risk management and monitoring structure that includes the use of a VaR approach for the entire trading portfolio.

VaR is defined as the maximum theoretical loss that a portfolio can incur in the event of unfavorable movements in market parameters, over a given time span and for a given confidence interval. The Bank uses a 99% confidence interval and a time span of one day, based on two years of historical data. This makes it possible to monitor, on a daily basis, the market risk taken by the Bank on trading activities under normal market conditions.

The method used to calculate VaR is a historical model based on historical scenarios of the risk factors inherent in the trading portfolio. This model implicitly takes into account the correlations between the various risk factors. An overall VaR is calculated for all trading activities, by type of instrument and by risk factor class.

In addition to the VaR indicator, the Bank incorporates sensitivity analyses and limits in its monitoring system. Therefore, impacts in terms of P&L, based on standard scenarios or stress scenarios, The main scenarios retained are:

- A change in interest rates of +/-1 bp, +/-10 bps, +/- 25 bps, +/-50 bps and +/- 100 bps (global shocks and by maturity bracket);
- An extreme change in interest rates of 200 bps;
- A variation in exchange rates of +/- 1% and +/-5%, taking into account the correlation between the EUR and USD in the composition of the MAD basket;
- Extreme variations calculated on the basis of a history of interest rates, the prices of various currencies, and the MASI index.

Risk indicator monitoring system

Market risk is monitored daily by the Middle Office and Risk Management functions. The Group Risk Management Committee periodically reports on exposure levels, risks associated with market activities, compliance with regulatory requirements, and compliance with the limit system. This reporting also includes portfolio sensitivity analysis and simulations in the case of extreme scenarios taking into account both the structure of the portfolios and the correlations between the various risk factors.

In addition to regulatory reporting, the Bank's risk reporting system is implemented through the following two main reports:

- Daily internal reporting on the market risk monitoring and management process, including monitoring of risk and limit consumption indicators by segment and by portfolio;
- Internal reporting on market risk monitoring and management to the Group Risk Management Committee, which meets regularly, and to committees of the governance body. This reporting, structured by asset class at a fairly fine level of detail, is based on the VaR approach and on systematic measurements of portfolio sensitivities to various market parameters. It traces the evolution of exposures and risk indicators over the past year with a daily focus on the last three months. These risk indicators are compared, as are the position measures, with the internal limits set in advance.

CHANGES IN EXPOSURE AND RISK PROFILE

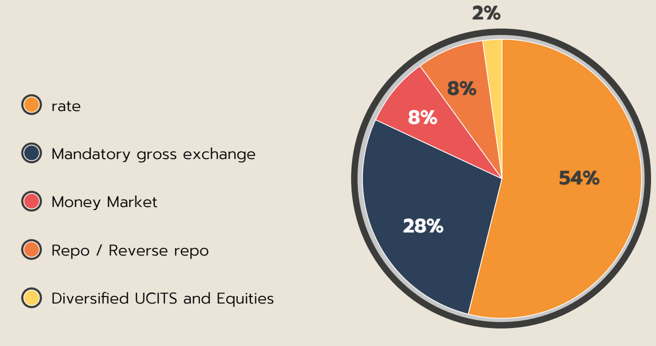
At the end of December 2021, the total gross outstanding amount of the trading portfolio is set at MAD 107 billion, of which 54% is invested in bonds, either directly or via UCITS and 28% on the foreign exchange business. The global VaR (1-Day at 99%) excluding the effect of inter-portfolio diversification is estimated at MAD 99 million.

The estimated VaR is concentrated mainly on the bond portfolio and property securities, and secondarily on forward foreign exchange transactions, foreign currency treasury transactions, and foreign currency derivatives. This is due to the size of these portfolios, the high volatility of the risk factors in them, and their weighting relative to other items in the trading portfolio.

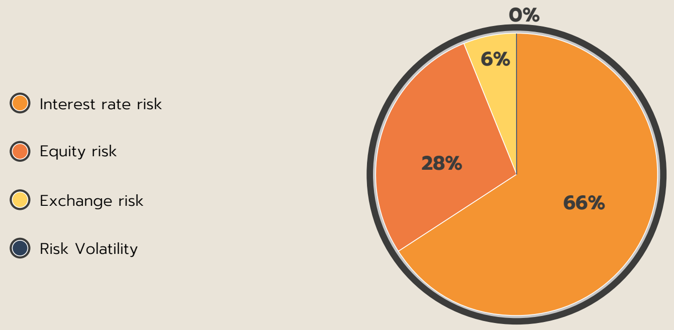
The level of VaR has been trending upwards during thefirst quarter of 2021, mainly due to the acquisition of new trading securities. This trend came to an end in thesecond quarter of the year, when the market parameters stabilized.

The following graphs show the structure of the Bank's trading portfolio at the end of December 2021 and the contribution of each risk factor class to the overall VaR:

Structure of SoM's outstanding amounts



Global VaR by risk factor



3. ALM RISKS

In the course of its business, the Group is exposed to structural interest rate and liquidity risks arising from the mechanisms for converting deposits into loans and refinancing banking activities. These risks are considered the core of the business. As such, the Group attaches particular importance to their monitoring and control.

Risk strategy

The overall interest rate and liquidity risk management strategy is in line with the risk control objective set out in the Group's planned development process.

This strategy is based on the following guiding principles:

- Directing development activities within the framework of a medium-term plan, taking into account interest rate and liquidity risks.
- Maintaining a stable and diversified deposit structure while controlling the growth potential of the Bank's commitments.
- Gradually improving the overall interest rate gap in order to maintain a balance between the various activities in terms of interest rate profile and liquidity.
- Developing variable-rate assets to protect part of the balance sheet against unfavorable changes in interest rates.

Policies and procedures

The overall risk policy is part of the Bank's development plans and monitoring of its traditional activities. It is approved periodically by the administrative and management bodies in the context of the usual committees and meetings for the management of the Institution. The basis of this is provided by internal regulations in the form of circulars and standards that define the scope and conditions of risk control and monitoring activities.

In the specific case of structural risks, the governance bodies are directly involved in the definition of the overall policy when the strategic orientation report is presented to the Management Committee. These guidelines make it possible to set risk objectives to support development plans.

Liquidity risk is covered by a formal policy that sets out the main components of the system for identifying, standardizing, and monitoring liquidity risk, both in the context of normal operations and as part of a contingency plan in the event of a liquidity crisis.

INTEREST RATE AND LIQUIDITY RISK MANAGEMENT SYSTEM

Liquidity risk

This risk may arise from the structure of the balance sheet due to mismatches between the actual maturities of assets and liabilities, the financing requirements of future operations, customer behavior, potential market disruptions, or economic conditions.

Liquidity risk management aims to ensure that the Group has access to the funds necessary to meet its financial commitments as they become due. This risk is managed by maintaining a sufficient level of liquid securities and a stable and diversified supply of funds. The securities portfolio consists mainly of Treasury bills, UCITS, and, to a lesser extent, liquid equity positions.

Liquidity management is based on:

- Monitoring of the regulatory liquidity ratio, the LCR (Liquidity Coverage Ratio) and internally-defined liquidity ratios;
- The development of a liquidity schedule based on dynamic scenarios over the MTP time span as well as a static liquidity schedule providing indications of the Group's liquidity situation in the medium and long term;

- Monitoring of the investment portfolio and cash flow projections;
- Maintaining a diverse range of funding sources and monitoring the concentration of deposits by product type and counterparty with regular monitoring of the concentration of the 10 largest depositors;
- Maintaining privileged relationships with institutional investors and large corporations.

Customer sight deposits (current and savings accounts) constitute a significant proportion of the Group's overall financing, a proportion that has remained stable over the years.

In addition, the Group is a major player in the money and bond markets through its capital markets activities. Its position allows it to use short-term repurchase agreements with BAM, banks, and other financial institutions.

Overall interest rate risk

Overall interest rate risk is the loss caused by adverse changes in interest rates on the Bank's overall balance sheet with respect to its ability to convert savings and resources into productive uses.

Analysis of overall interest rate risk is complex due to the need to make assumptions about depositor behavior regarding the maturity of deposits that are contractually repayable on demand and about assets and liabilities that are not directly interest rate sensitive. When the behavioral characteristics of a product are different from its contractual characteristics, they are evaluated to determine the underlying real interest rate risk.

Overall interest rate risk management system

The process of assessing and controlling the overall level of interest rate risk is carried out:

- Once a quarter at the close of the consolidated statements;
- In support of the planning process (strategic orientation report phase and Medium-Term Financial Plan Framework phase), as a final validation mechanism for the MTP;
- On the occasion of major rate changes to assess their impact.

This monitoring system is based on:

- An evaluation methodology based on the gap approach. This results in a classification of assets and liabilities according to their maturity and interest rate profile (fixed or variable), taking into account factors such as residual maturity and future behavior.
- A quarterly reporting system to the ALM Committee on exposure levels, stress tests in terms of impact on interest margins and equity and forecast changes in regulatory ratios.
- A system of limits in terms of risk impacts, in relation to the interest margin and equity, defined by the ALM Committee and validated by the Management Committee.

The aim of this system is to optimize the impact of a change in interest rates on earnings and equity by calculating static and dynamic gaps.

CHANGES IN EXPOSURE AND RISK PROFILE

Liquidity risk

The total assets of the CPM stood at MAD 365 billion at the end of December 2021 compared to MAD 348 billion in December 2020, i.e., an increase of 4.8%.

During 2021, and taking into account the Covid-19 context, customer loans have experienced a limited increase of MAD 0.7 billion. Financial loans increased by MAD 2.7 billion.

At the same time, the securities portfolio increased by MAD 7.5 billion and equity securities rose by MAD 1 billion. These amounts, as well as the fall in subordinated debt of MAD 0.8 billion and the increase in the BAM account of MAD 4.1 billion were refinanced by:

- An increase in customer checking and current accounts (+8.4 billion MAD)
- An increase in recourse to the money market (+1.7 billion MAD)
- An increase in shareholders' equity (+4.9 billion MAD)
- A decrease in the investment bond portfolio (-1.2 billion MAD)

The level of the regulatory liquidity ratio (LCR) reached a level of 204%, well above the regulatory minimum.

CPM resources collected from customers increased by 2.1% from MAD 263 billion in December 2020 to MAD 269 billion in December 2021. This increase concerns credit sight accounts (+4.4%) as well as passbook accounts (+2.9%). The share of non-remunerated resources increased to 71.6% in December 2021 compared to 69.8% in December 2020.

The transformation ratio was 82.4% in December 2021 compared to 82.8% in December 2020.

Overall interest rate risk

The bank determines the interest rate risk management indicators in accordance with the IRRBB (Interest Rate Risk in the Banking Book). Several interest rate shock scenarios are carried out to determine the impact on the net interest margin and on the economic value of equity.

Under the regulatory scenarios, the most severe impacts are as follows:

- For the change in economic value: -917 million MAD or 2.9% of Tier 1 capital, which is below the regulatory limit of 15%.
- For the variation of the net interest margin: -347 million MAD, i.e., 4.4% of the forecasted NIM, which remains below the Group's risk objectives.

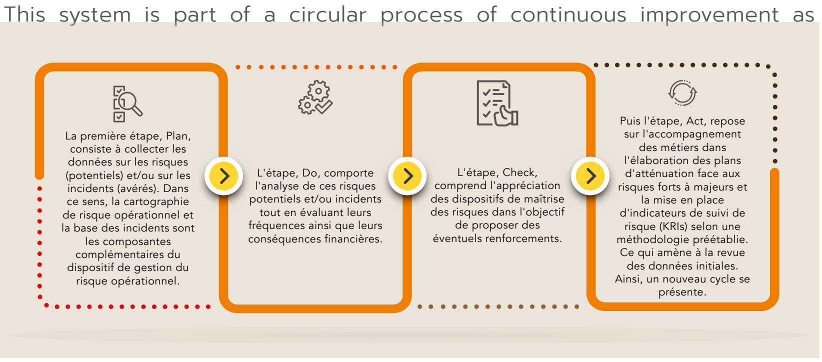
4. OPERATIONAL RISK AND BUSINESS CONTINUITY PLAN

OPERATIONAL RISK MANAGEMENT SYSTEM

In line with regulations, the Banque Populaire Group defines operational risk as the risk of suffering potential harm due to inadequacy or a failure attributable to procedures, people, systems or external events. This definition includes legal risk and image risk arising from operational risk and excludes strategic and reputational risk.

In addition to the regulatory requirements for the allocation of capital for operational risk, the system in place seeks to meet the recommendations of BAM and the practices recommended by the Basel Committee.

This system is part of a circular process of continuous improvement as illustrated below:



ORGANIZATION OF THE OPERATIONAL RISK SECTOR

The operational risk sector within the Group is organized around:

- The central function at the BCP level, which is responsible for designing and piloting methodological and IT tools while ensuring awareness, training, and assistance to the various stakeholders;
- Regional operational risk managers who act as relays for the central function at the level of the Regional Banks;
- Operational risk correspondents designated by business sector as part of the incident collection protocol. The role of these correspondents is to identify operational losses and record them in the operational risk management tool provided to them;
- Counterparts in the subsidiaries who ensure that the methodology and tools for operational risk are implemented in synergy with the system adopted within the Group.

The proper management of operational risk goes beyond the scope of this sector and requires the collective involvement of all the Group's stakeholders, both in the implementation of the regulatory framework and in the day-to-day management of operational risk.

OPERATIONAL RISK MAPS

The review of the operational risk maps is part of the Bank's ongoing efforts to implement an operational risk management system and to ensure that it is controlled and complies with industry regulations. In this context, the review process for operational risk maps is based on the internal process guidelines. Workshops with business experts help identify and evaluate operational risk events. The evaluation of these events is based on the frequency and the average unit impact, according to two grids established for this purpose, each with 5 score levels. The risk management systems are assessed in terms of their relevance and applicability according to the following three levels: satisfactory, satisfactory with reservations, or unsatisfactory.

Au 31 décembre 2021, les cartographies du risque opérationnel s'étendent As of December 31, 2021, the operational risk maps cover almost all of the Bank's processes, providing a prioritized view of potential operational risks. Mitigation plans are defined in order to improve existing risk management systems, thus covering the major to strong risks. With the owner functions and business experts, annual meetings are held to monitor the implementation of these mitigation plans and the annual KRI feedback.

INCREASE IN KRIS

The risk monitoring indicators (KRIs) are an active management tool for anticipating changes in the exposure of a Bank process to identified operational risks. They complete the operational risk maps and are defined in relation to major to strong potential operational risks. This definition complies with pre-established rules and provides for the setting of minimum and maximum thresholds.

As of December 31, 2021, the KRIs were monitored for the 24 indicators with monthly, quarterly, or annual frequency.

INCIDENT COLLECTION

In accordance with regulatory requirements, a system for collecting incidents related to operational risk based on a reporting mechanism has been deployed. This system is managed, in real time, by a dedicated tool. The operational risk correspondents designated at the level of the various business lines and subsidiaries report directly to this tool. Subsequently, a workflow is planned in order to offer managers a permanent monitoring of the occurrence of an operational risk.

The ongoing coordination of the stakeholders in the incident collection process helps improve the quality of statements and provides better visibility on the Bank's risk profile.

MONITORING OF OUTSOURCED ACTIVITIES

To assess the risk incurred by the Bank, two evaluation grids have been put in place:

- Criticality grid consisting of 8 points (service implementation, number of services in the region, service cost, regulatory requirements, etc.) on a scale of 1 to 4, making it possible to rank the services according to their risk exposure;
- Control level grid including 5 points (Financial health, BCP, provider visit, etc.) on a scale from 1 to 4, highlighting the level of risk control between providers of the same activity.

BUSINESS CONTINUITY PLAN MANAGEMENT SYSTEM

The Group defines a business continuity plan (BCP) as a written action plan that outlines the procedures and identifies the processes and systems necessary to continue or restore an organization's operations in the event of a major operational disruption.

The Group's Business Continuity Plan is governed by a policy approved by its management and governance bodies. This business continuity plan policy is aligned with Bank Al Maghrib's regulatory requirements, in particular Directive DN 47/G/2007 and Circular CN 4/W/2014, and with the recommendations of the Basel Committee in this particular area.

The business continuity strategy provides for the identification of critical processes. These processes constitute the scope of business continuity in the event of a disaster, as listed in the mapping of threats that could shut down the Bank.

This strategy covers the threat mapping scenarios, the consequences of which are:

- Unavailability of staff;
- Unavailability of the information system;
- Unavailability of premises;
- Unavailability of essential providers.

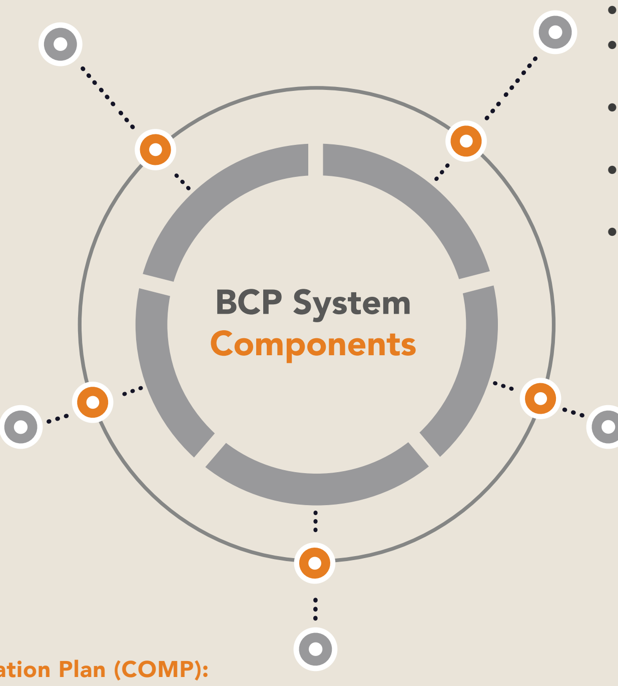
The business continuity plan in place seeks to be thoroughly prepared for the occurrence of a disaster in the Bank's threat map. Thanks to a formalized methodology, the components of this system are presented as follows:

Crisis Management Plan (CMP):

- Based on the crisis unit that is the "control tower" for all the events that take place during the crisis: from the outbreak to the complete resolution of the crisis;
- Crisis unit made up of members of the management bodies for BCP and its subsidiaries and members of the management board for the BPRs.
- Designated Crisis Director.

Business Contingency Plan (BCP):

- Identification of critical processes;
- Impact assessments according to an established grid;
- Estimated MAID (Maximum Allowable Interruption Duration);
- Analysis of business continuity needs according to the threat mapping scenarios;
- Definition of return to normal.



Agency Emergency Plan (AEP):

- Identification of back-up agencies and/or business centers.

Maintenance of Operational Condition Plan (MOCP):

- Test plans and simulations to ensure the proper functioning of the BCP.

Computer Emergency Plan (CEP):

- Definition of all the organizational and technical resources and procedures put in place to rescue the IT, telephone, and telecom resources supporting the Group's critical processes in the event of a major disaster.

Communication Plan (COMP):

- Production of the right information to all stakeholders and organizations affected, directly or indirectly, in the event of a threat mapping disaster.

ACTIVATION OF THE BUSINESS CONTINUITY PLAN

As soon as the first case of Covid-19 in Morocco was announced, the Group's crisis unit met to determine the health and safety plan to be implemented immediately. At the same time, it validated its response plan, which is broken down by pandemic alert level, allowing for a gradual progression of palliative actions, from prevention to the activation of the business continuity plan. The deployment of this action plan is continuously monitored by the crisis unit. In particular, the health and safety plan must be strengthened, while maintaining the "barrier measures" already in place, as well as medical and health monitoring.

In the same vein, the improvement and promotion of the digitalization of the Bank's products is a strong focus of this response plan. Thus, the efforts already undertaken to encourage the use of digital channels continued throughout this period.

Finally, the updating and enhancement of the business continuity plan, taking into account the duration and exceptional nature of this crisis, has been undertaken. As of December 31, 2021, the business continuity plan has not been activated. In fact, the various activities are carried out without significant disruption. In addition, external service providers responded to the pandemic by communicating all of the measures taken to ensure the proper management of services in the midst of the pandemic.

STRESS TESTS

The Group conducts stress tests to assess its ability to withstand unexpected extreme events.

These stress tests are based on a certain number of criteria and make it possible to assess the impact of risk factors on its ability to withstand them in terms of solvency, profitability, or liquidity. These stress tests can be regulatory (imposed by Bank Al Maghrib) or internal.

Default simulations can, for example, involve a type of credit, a sector, counterparties, or groups of counterparties. The Bank defines a comprehensive and reasonably detailed stress test framework, based on an internally defined benchmark and on macroeconomic downturn scenarios of varying severity and a combination of both.

In this context, the types of stress tests adopted are:

- Idiosyncratic Shock: Simulation of a crisis situation impacting the specific risks to which the Group is exposed (an aggravation of the statistical credit risk, the fall of five significant counterparties, a loss of reputation, etc.)
- Systemic Shock: Simulation of a deterioration of the economic situation (very strong pressure on short-term rates, a drain on deposits, an increase in the statistical credit risk, a rise in the Bank's differential, etc.)
- Combined shock: Simulation of the simultaneous occurrence of a systemic crisis and a specific risk.

All these tests enable the governance bodies to assess the impact of the occurrence of the above-mentioned scenarios on a certain number of indicators (solvency ratios, liquidity, profitability, etc.) and to redirect the Bank's strategy, if necessary.

SYSTEM FOR ASSESSING OVERALL CAPITAL ADEQUACY

The equity capital shows the Group's solvency level and its ability to cover unproven risks, while offering depositors and creditors the necessary protection. The Group has sufficient equity to provide the necessary flexibility to support the development of its business through both organic growth and strategic acquisitions.

Since 2007, the Bank calculates solvency ratios according to Basel II standards. As of 2014, the new Basel III capital standards have been adopted by Bank Al-Maghrib. In addition to maintaining high minimums for Tier 1 and Tier 2 ratios (9% and 12% respectively), the new regulations introduce stricter eligibility criteria, particularly for capital increases financed by the Bank, cross-shareholdings with credit institutions, minority interests, etc.

In full compliance with these standards, the Bank always holds a comfortable cushion of capital, enabling it to cover risks and pass regulatory stress tests while remaining above the regulatory minimum. These high equity ratios are mainly attributable to the almost systematic carry forward of results.

Also, with the goal of strengthening the capital management system, in 2018 the Group began work to model its economic capital as part of the Risk Appetite Framework.

Furthermore, the capital adequacy assessment process is an integral part of the strategic plan consistency analyses, which are carried out at least once a year when the impact of the Medium-Term Plan on capital and regulatory ratios is reviewed.

PERMANENT CONTROL

The Permanent Control Group is continuing the process of professionalizing and pooling the second-level permanent control network, in line with BCP Group's strategic orientations, as set forth in the 2021-2026 strategic plan, which provides for the strengthening of inspection networks, particularly the second line of defense. This will be achieved by bringing together the front and back office departments, progressively centralizing CPM permanent control activities, optimizing the resources deployed through the digitalization of inspection, assisting subsidiaries in upgrading their permanent control systems, and strengthening synergies with the Group's internal control entities.

In 2021, permanent inspection work focused mainly on the banking activities of the Bank's operating network, in particular financing activities and flows in accordance with the pre-defined annual inspection plan, with the exception of international operations for which inspection was temporarily suspended due to human resource constraints, as well as on the activities of the trading room, Financial Risk and ALM (corporate and consolidated LCR), Accounting, Logistics, Information Systems, Human Resources, and Compliance departments.

Alongside the regular campaigns, the Permanent Control division has carried out what are known as "thematic inspection campaigns" on specific activities or risks, or at the request of top management, to reassure them about an activity or to support the institution in high-stakes or sensitive projects.

In addition, the optimization and extension of the permanent control system continued during the year 2021, in particular through:

- Deployment of the CP framework on logistics processes (security of physical assets and people), accounting control (SDM), support activities (HR & IS) and internal control (Financial and ALM risks and Compliance),
- Support for subsidiaries in upgrading their permanent inspection systems and in transposing the Group's CP methodology,
- Launch of the review and optimization of the Level 2 inspection framework concerning the means of payment and savings and account areas. This review remains dependent on the widespread deployment of T24, and the dissemination of procedures related to these areas,
- The launch of the Front Control tool upgrade project adapted to the new permanent control approach, via the integration of new metrics.

With regard to synergies with the CP stakeholders at the level of BCP and its subsidiaries, a series of actions have been carried out concerning:

- Supporting and monitoring subsidiaries in carrying out their permanent inspection assignments,
- Carrying out inspections of authority delegations at the level of African subsidiaries,
- Launching of an inspection campaign concerning the postponement of deadlines related to COVID-19 as well as the management of ESCs at the VIVALIS level.

Also, in order to optimize the means for setting up an efficient permanent inspection network, the stabilization and generalization of the Front Control permanent inspection management tool has continued throughout 2021 within the scope of BCP, the Banques Populaires Régionales (BPR), as well as the banking and financial subsidiaries.

Thus, the Front Control tool has been set up to take into account:

- Generalization of the controls of the accounting days on the tool to the OPIs, for better integration and centralization of the results of the inspection campaigns,
- Deployment of the tool at BCP Mauritius, CIB OFFSHORE, and UPLINE SECURITIES.

Moreover, as part of the implementation of the fraud prevention and detection system through permanent inspection, a series of actions have been undertaken, namely:

- Continued permanent control of operations under supervision,
- Development of an e-learning fraud awareness module, recalling the fundamentals of fraud and internal anti-fraud measures and presenting role-playing scenarios illustrating cases of fraud in order to raise awareness of the risks of fraud among network employees,
- Development of a procedure governing the handling of fraud alerts raised by central functions is currently being finalized.

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GROUPE BANQUE CENTRALE POPULAIRE (GBCP) CERTIFICATE OF THE STATUTORY AUDITORS' LIMITED REVIEW OF THE PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR JANUARY1 TO DECEMBER 31, 2021

We have performed a limited review of the accompanying interim financial statements of Banque Centrale Populaire and its subsidiaries (Groupe Banque Centrale Populaire), which consist of the balance sheet, income statement, statement of comprehensive income, statement of cash flows, statement of changes in equity, and selected explanatory notes for the fiscal year from January 1 to December 31, 2021. This provisional statement shows a consolidated equity amounting to KMAD 51,813,605, including a consolidated net profit of KMAD 2,725,363. This provisional status was determined by the Board of Directors on February 28, 2022, in the evolving context of the health crisis of the Covid-19 epidemic, on the basis of information available at that date.

We conducted our limited review in accordance with professional standards applicable in Morocco. Those standards require that we plan and perform the review to obtain moderate assurance about whether the consolidated financial statements are free of material misstatement. A limited review consists primarily of interviews with bank personnel and analytical tests of financial data and therefore provides a lower level of assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the results of operations for the year ended and of the financial position and assets and liabilities of the Banque Populaire Group as of December 31, 2021, in accordance with International Accounting Standards (IAS/IFRS).

Casablanca, March 16, 2022

The Statutory Auditors

FIDAROC GRANT THORNTON	**BDO Audit, Tax & Advisory**
Faïçal MEKOUAR	**Moutai CHAOUKI**
Associé	**Associé**

CORPORATE FINANCIAL STATEMENTS

AS OF DECEMBER 2021 ,31

A1. STATEMENT OF VALUATION METHODS AND PRINCIPLES

At the end of each accounting year, credit institutions are required to prepare summary statements that give a true and fair view of their assets and liabilities, their financial position, the risks they have assumed, and their results.

If the application of these principles and requirements is not sufficient to obtain a true and fair view of the summary statements, the credit institution must provide in the supplementary information statement all the information necessary to achieve the objective of a true and fair view.

A1.1 PRESENTATION:

The financial statements contain the accounts of the head office and the network agencies of Casablanca and El Jadida.

A1.2 GENERAL PRINCIPLES:

Banque Centrale Populaire's financial statements comply with the general accounting principles applicable to credit institutions. They are presented in accordance with the Accounting Plan for Credit Institutions.

3.1 Loans and signed commitments:

- **General presentation of loans**

Loans are mainly divided into two categories: loans to credit institutions and loans to customers and are broken down according to their initial duration and economic purpose.

Loans are broken down as follows:

- Sight and term loans and advances to credit institutions and similar;
- Cash and consumer loans, equipment loans, real estate loans, and other loans;
- Loans acquired by factoring.

Signed commitments recorded as off-balance sheet items correspond to irrevocable financing commitments and guarantee commitments.

Repurchase agreements, in the form of securities or other assets, are recorded under the various headings of the receivables concerned (credit institutions, customers).

Accrued interest on loans is recorded in the related receivables account and offset against the income statement.

- **Outstanding loans to customers**

Outstanding loans to customers are recognized and valued in accordance with current banking regulations.

The main provisions applied are summarized as follows:

After deducting the percentage guarantee provided for in the regulations in force, outstanding loans are provisioned at the following amounts:

- 20% for pre-doubtful loans;
- 50% for bad loans;
- 100% for compromised loans.

Provisions relating to credit risks are deducted from the relevant asset items.

- Once healthy loans have been downgraded to compromised loans, interest is no longer deducted and recorded. They are recognized as income upon receipt.
- Losses on outstanding debts are recognized when the chances of recovery of the outstanding amounts are considered to be non-existent.
- Reversals of provisions for outstanding debts are recognized when there has been a favorable development (actual repayment or restructuring of the debt with partial or total repayment).

3.2 Debts owed to credit institutions and customers:

Debts to credit institutions and customers are presented in the summary statements according to their initial duration or the nature of those debts:

- Sight and term liabilities to credit institutions
- Sight credit accounts, savings accounts, term deposits, and other credit accounts.

Depending on the nature of the counterparty, these various headings include repurchase agreements, evidenced by securities or assets.

Accrued interest on these debts is recorded in the related debts account with a corresponding entry in the income statement.

3.3 Securities portfolio:

- **General presentation**

Securities transactions are recognized and valued in accordance with the provisions of the Accounting Plan for Credit Institutions.

Securities are classified, on the one hand, according to the legal nature of the security (debt security or property security), and on the other hand, according to the intention (trading securities, investment securities, equity securities).

- **Trading securities**

Are securities acquired with a view to resale in the near term and for which the trading market is considered active.

These securities are recorded at purchase value, excluding transaction costs and including accrued interest. At each closing date, the difference resulting from changes in market prices is recorded in the income statement.

- **Investment securities**

Investment securities are defined as fixed- or variable-income securities held for an indefinite period of time and which the institution may sell at any time.

No conditions are required to classify securities in this category.

Debt securities are recorded net of accrued interest. The difference between the purchase price and the redemption price is amortized over the remaining life of the security.

Property titles are recorded at their purchase price less purchase costs.

At each accounting close, the negative difference between the market value and the entry value of the securities is subject to provision for depreciation. Unrealized capital gains are not recorded.

- **Investment securities**

Investment securities are fixed-income securities acquired with the intention of holding them on a long-term basis, in principle until their maturity date.

On the date of purchase, these securities are recorded at their purchase price including costs and accrued interest.

At each accounting close, the securities are maintained at their purchase price, regardless of the market value of the security. As a result, the unrealized profit or loss is not recorded.

- **Equity securities**

Equity securities include securities of which the long-term possession is deemed useful to the bank, whether or not they enable significant control, joint control, or sole control to be exercised over the issuing company.

In accordance with the provisions set forth in the Accounting Plan for Credit Establishments, those securities are broken down into:

- Equity securities
- Equity securities in affiliated companies
- Portfolio activity securities
- Other similar applications

Only unrealized losses give rise, on a case-by-case basis, to provisions for depreciation according to the investment's use value.

- **Repurchase agreements delivered**

Securities sold under repurchase agreements are recorded as assets in the financial statements and the amount received, representing the debt to the transferee, is recorded as a liability in the financial statements. The securities sold continue to be valued according to the rules applicable to their category.

Securities received under repurchase agreements are not recorded in the balance sheet, but the amount disbursed representing the receivable from the transferor is recorded as an asset. No provision is recognized for depreciation of the securities received but the interest accrued on the receivable is recognized.

3.4 Foreign currency transactions

Loans, debts, and signed commitments that are expressed in foreign currency are converted into Moroccan dirhams at the average exchange rate in force on the closing date. The exchange difference on foreign currency loans hedged against exchange rate risks is recorded in the balance sheet under other assets or other liabilities, depending on the nature of the transaction. The exchange difference resulting from the conversion of fixed assets acquired in foreign currencies is recorded as a translation adjustment in the relevant securities categories.

Exchange differences on accounts held in foreign currencies are recorded in the income statement. Income and expenses expressed in foreign currencies are converted at the exchange rate on the day they are recorded.

3.5 Intangible and tangible assets

Intangible and tangible fixed assets are recorded in the balance sheet at their purchase price less accumulated depreciation, calculated on a straight-line basis over their estimated useful lifespans.

Intangible fixed assets, broken down into operating and non-operating assets, are amortized over the following periods:

Nature	Amortization period
Right to lease	Non-amortizable
Patents and brands	Duration of patent protection
Research and development fixed assets	1 year
IT equipment	5 years

Tangible fixed assets, broken down into operating and non-operating assets are composed of and amortized over the following time periods:

Nature	Amortization period
Land	Non-amortizable
Commercial real estate	
Office furniture	10 years
IT equipment	5 years
Rolling stock	5 years
Fixtures, fittings, and installations	10 years
Shares of civil companies	Non-amortizable

3.6. Deferred charges

Deferred charges record expenses which, in view of their significance and nature, can be attached to more than one fiscal year.

3.7 Provisions

This item covers provisions aimed at covering risks and expenses, directly related or not, to banking transactions.

- **Provisions for risks and charges:** recognized in the event of a commitment to a third party at closing, and in the absence of an expected equivalent counterparty.
- **Provisions for general risks:** recognized, subject to assessment by managers, with a view to dealing with future risks relating to banking activity that are not currently identified and that cannot be precisely measured. Provisions thus constituted are subject to tax reintegration.
- **Regulatory provisions:** are recognized pursuant to legal or regulatory provisions, in particular tax provisions.

3.8 Recognition of interest and commissions in the income statement

- **Interest**

Interest is income and expenses calculated on capital actually loaned or borrowed.

Interest is considered to be equivalent to income and expenses calculated on a pro rata temporis basis and which provide remuneration for a risk. This category includes commissions on guarantee and financing commitments (guarantees, documentary credit, etc.).

Accrued interest on capital actually lent or borrowed is recognized in the related receivables and payables accounts that generated it, with a corresponding entry in the income statement.

Similar interest is recognized as income or expense when invoiced.

- **Commissions**

Revenues and expenses that compensate for the provision of a service are recognized as commissions as soon as they are invoiced.

Commissions are recorded according to the type of service.

3.9 Non-current expenses and income

They exclusively represent income and expenses of an extraordinary nature and are, in principle, rare as they are unusual in nature and occur on an exceptional basis.

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

Balance Sheet

(in thousands MAD)

ASSETS	31/12/2021	31/12/2020
Cash in hand, Central Banks, Public Treasury, POGIs	8 430 326	4 409 592
Loans and advances to credit institutions and similar entities	39 656 727	36 266 237
. Current account	7 902 247	9 016 653
. Term deposit	31 754 480	27 249 584
Loans to customers	94 364 869	95 838 163
. Cash and consumer loans and equity financing	23 747 710	23 444 871
. Loans and equity financing for equipment	26 331 339	29 915 827
. Real estate loans and equity financing	23 795 946	25 305 366
. Other loans and equity financing	20 489 874	17 172 099
Receivables acquired by factoring	11 401 396	9 850 391
Trading and investment securities	76 331 111	68 855 130
. Treasury bills and similar securities	39 277 392	40 371 135
. Other debt securities	1 580 675	1 172 685
. Property titles	35 473 044	27 311 310
. Sukuks Certificates	-	-
Other assets	9 723 212	3 853 847
Investment securities	8 075 448	9 235 086
. Treasury bills and similar securities	7 417 253	8 548 285
. Other debt securities	658 195	686 801
. Sukuks Certificates	-	-
Equity securities and similar uses	29 142 226	28 135 061
. Investments in affiliated companies	26 428 507	25 802 144
. Other equity investments and similar uses	2 713 719	2 332 917
. Mudaraba and Musharaka securities	-	-
Subordinated receivables	151 364	274 647
Investment deposits placed	960 000	640 000
Leased and rented fixed assets	3 707	3 867
Fixed assets given in Ijara	555	598
Intangible assets	355 594	415 172
Tangible fixed assets	2 517 668	5 241 258
TOTAL ASSETS	281 114 203	263 019 049

(in thousands MAD)

PASSIF	31/12/2021	31/12/2020
Central Banks, Public Treasury, POGIs	3	6
Payables owed to credit institutions and similar entities	160 092 195	142 720 214
. Current account	132 313 121	123 270 941
. Term deposit	27 779 074	19 449 273
Customer deposits	67 000 231	66 952 991
. Current accounts in credit	46 676 040	44 841 713
. Savings accounts	8 279 277	8 005 724
. Term deposits	9 806 564	12 145 723
. Other accounts payable	2 238 350	1 959 831
Payables to customers on equity products	-	-
Debt securities issued	-	-
. Marketable debt securities issued	-	-
. Bonds issued	-	-
. Other debt securities issued	-	-
Other liabilities	3 498 746	2 438 268
Provisions for liabilities and expenses	5 392 531	5 895 947
Regulated provisions	-	-
Subsidies, allocated public funds, and special guarantee funds	4 168 148	4 168 148
Subordinated debts	9 742 899	10 546 330
Investment deposits received	-	-
Revaluation differences	-	-
Reserves and premiums related to capital	26 362 539	25 704 393
Capital	2 033 125	2 022 547
Shareholders. Unpaid capital (-)	-	-
Retained earnings (+/-)	514 041	466 862
Net income pending allocation (+/-)	-	-
Net income for the fiscal year (+/-)	2 309 745	2 103 343
TOTAL LIABILITIES	281 114 203	263 019 049

INCOME AND EXPENSE ACCOUNT

(in thousands MAD)

	31/12/2021	31/12/2020
BANK OPERATING INCOME	11 858 891	12 373 587
Interest, remuneration, and similar income on transactions with credit institutions	1 086 869	1 099 591
Interest, remuneration, and similar income from customer transactions	4 508 470	4 615 214
Interest and similar income on debt securities	804 318	766 016
Income from securities and Sukuks certificates	1 390 202	1 174 182
Income from Mudaraba and Musharaka securities	-	-
Income from leased and rented fixed assets	176	947
Income on fixed assets given in Ijara	68	505
Commissions on services	754 439	656 605
Other banking products	3 314 349	4 060 527
Transfer of expenses on investment deposits received	-	-
BANK OPERATING EXPENSES	5 383 681	6 211 288
Interest and charges on transactions with credit institutions and similar entities	3 130 760	3 211 980
Interest and expenses on customer transactions	830 145	836 874
Interest and similar expenses on debt securities issued	-	42 674
Expenses from Mudaraba and Musharaka securities	-	-
Expenses on leased and rented fixed assets	160	134
Expenses on fixed assets given in Ijara	42	56
Other bank charges	1 422 574	2 119 570
Transfer of proceeds from investment deposits received	-	-
NET BANKING INCOME	6 475 210	6 162 299
Non-banking operating income	1 622 273	1 831 229
Non-banking operating expenses	15 072	9 886
GENERAL OPERATING EXPENSES	3 156 987	3 129 058
Personnel expenses	1 106 554	1 075 041
Taxes and duties	61 899	54 381
External expenses	1 591 062	1 516 205
Other general operating expenses	147 694	169 532
(+) Amortization and provisions for intangible and tangible fixed assets	249 778	313 899
PROVISIONS AND LOSSES ON BAD DEBTS	4 881 572	2 414 140
Allowances for outstanding receivables and commitments by signature	2 064 684	1 183 918
Losses on bad debts	1 590 681	711 373
Other provisions	1 226 207	518 849
REVERSALS OF PROVISIONS AND RECOVERIES OF AMORTIZED RECEIVABLES	2 436 422	1 171 556
Allowances for outstanding receivables and commitments by signature	1 469 260	1 101 311
Recoveries on amortized receivables	21 177	31 380
Other reversals of provisions	945 985	38 865
CURRENT RESULT	2 480 274	3 612 000
Non-current income	133 489	5 096
Non-current expenses	299 768	791 888
INCOME BEFORE TAXES	2 313 995	2 825 208
Income taxes	4 250	721 865
NET INCOME FOR THE FISCAL YEAR	2 309 745	2 103 343

OFF-BALANCE SHEET

(in thousands MAD)

	31/12/2021	31/12/2020
COMMITMENTS GIVEN	56 330 366	40 577 268
Financing commitments to credit institutions and similar entities	228 737	385 803
Financing commitments given to customers	28 445 009	23 702 456
Guarantee commitments from credit institutions and similar	17 730 910	7 141 345
Customer order guarantee commitments	9 921 952	9 347 664
Securities purchased on repurchase agreements	-	-
Other securities to be delivered	3 758	-
COMMITMENTS RECEIVED	24 796 357	16 804 692
Financing commitments received from credit institutions and similar	2 614	2 714
Guarantee commitments received from credit institutions and similar	21 926 995	14 573 450
Guarantee commitments received from the State and other guarantee bodies	2 866 748	2 228 528
Securities sold under repurchase agreements	-	-
Other securities receivable	-	-
Musharaka and Mudaraba securities receivable	-	-

STATEMENT OF CASH FLOWS

(in thousands MAD)

I - TABLE OF FORMATION OF RESULTS	31/12/2021	31/12/2020
(+) Interest and similar income	6 399 631	6 480 791
(-) Interest and similar expenses	3 960 905	4 091 529
MARGIN OF INTEREST	2 438 726	2 389 262
(+) Income from equity financing	26	30
(-) Expenses on equity financing	-	-
MARGIN ON PARTICIPATORY FINANCING	26	30
(+) Income from leased and rental assets	176	947
(-) Expenses on leased assets	160	133
INCOME FROM LEASING AND RENTAL OPERATIONS	16	814
(+) Income from fixed assets given in Ijara	68	505
(-) Expenses on fixed assets given in Ijara	42	56
RESULT OF IJARA OPERATIONS	26	449
(+) Commissions received	754 439	660 051
(-) Commissions issued	114 926	88 460
MARGIN ON COMMISSIONS	639 513	571 591
(+) Income from trading securities	1 634 010	1 778 627
(+) Income from investment securities transactions	27 069	-27 049
(+) Income from foreign exchange transactions	372 896	334 554
(+) Income from derivative transactions	77 736	48 632
RESULT OF MARKET OPERATIONS	2 111 711	2 134 764
(+/-) Income from Mudaraba and Musharaka securities transactions	-	-
(+) Other miscellaneous banking income	1 400 623	1 183 824
(-) Other miscellaneous bank charges	115 431	118 435
(+/-) Share of investment deposit account holders	-	-
NET BANKING INCOME	6 475 210	6 162 299
(+) Income from transactions on financial assets	-518 545	298
(+) Other non-banking operating income	1 564 311	1 831 229
(-) Other non-banking operating expenses	15 072	9 886
(-) General operating expenses	3 156 987	3 129 058
GROSS OPERATING INCOME	4 348 917	4 854 882
(+/-) Net allocations of reversals to provisions for receivables and other outstanding signature commitments	-2 164 929	-762 600
(+/-) Other provisions net of reversals	296 286	-480 282
CURRENT RESULT	2 480 274	3 612 000
NON-CURRENT RESULT	-166 279	-786 792
(-) Income taxes	4 250	721 865
NET INCOME FOR THE FISCAL YEAR	2 309 745	2 103 343
II - CASH FLOW FROM OPERATIONS	**31/12/2021**	**31/12/2020**
(+) NET INCOME FOR THE FISCAL YEAR	2 309 745	2 103 343
(+) Amortization and provisions for intangible and tangible fixed assets	249 778	313 899
(+) Provisions for depreciation of financial assets	589 510	2 969
(+) Provisions for general risks	-	493 842
(+) Charges to regulated provisions	-	-
(+) Non-current allocations	-	504 000
(-) Reversals of provisions	815 702	14 957
(-) Gain on disposal of intangible assets and tangible fixed assets	4 053	306 894
(+) Losses on disposal of intangible assets and tangible fixed assets	-	6 157
(-) Gain on disposal of financial assets	57 962	-
(+) Loss on disposal of financial assets	-	-
(-) Write-back of investment grants received	-	-
(+) CASH FLOW FROM OPERATIONS	2 271 316	3 102 359
(-) Distributed earnings	1 618 037	1 618 037
(+) SELF-FINANCING	653 279	1 484 322

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

CASH FLOW STATEMENT

(in thousands MAD)

	31/12/2021	31/12/2020
1 (+) Bank operating income received	11 557 520	11 846 783
2 (+) Recoveries on amortized receivables	21 176	31 380
3 (+) Non-banking operating income received	1 562 788	1 529 431
4 (-) Bank operating expenses paid	(8 631 652)	(7 798 084)
5 (-) Non-banking operating expenses paid	(103 841)	(291 618)
6 (-) General operating expenses paid	(2 907 166)	(2 815 115)
7 (-) Income taxes paid	(4 250)	(721 865)
I Net cash flow from the income statement	**1 494 575**	**1 780 912**
Variations of:		
8 (+) Loans and advances to credit institutions and similar entities	(3 390 490)	(1 609 323)
9 (+) Receivables from customers	26 835	6 024 159
10 (+) Trading and investment securities	(7 641 194)	(10 132 074)
11 (+) Other assets	(3 491 654)	(1 231 152)
12 (-) Mudaraba and Musharaka Securities	-	-
13 (+) Leased and rented fixed assets	-	(4 000)
14 (+) Fixed assets given in Ijara	-	-
15 (+) Investment deposits placed with credit institutions credit and similar	(320 000)	(430 000)
16 (+) Payables to credit institutions and similar	17 371 981	25 406
17 (+) Customer deposits	(368)	7 235 748
18 (+) Amounts owed to customers on equity financing	-	-
19 (+) Debt securities issued	-	(2 510 000)
20 (+) Other liabilities	1 060 506	484 277
II Balance of changes in operating assets and liabilities	**3 615 616**	**(2 146 959)**
III NET CASH PROVIDED BY OPERATING ACTIVITIES (I+II)	**5 110 191**	**(366 047)**
21 (+) Proceeds from disposal of financial fixed assets	1 168 779	2 258 162
22 (+) Proceeds from disposals of intangible and tangible fixed assets	19 279	492 666
23 (-) Acquisition of financial fixed assets	(1 521 501)	(2 099 793)
24 (-) Acquisition of intangible and tangible fixed assets	(398 756)	(843 524)
25 (+) Interest income	438 716	558 020
26 (+) Dividends received	1 390 202	1 174 182
IV NET CASH PROVIDED BY INVESTING ACTIVITIES	**1 096 719**	**1 539 713**
27 (+) Grants, allocated public funds, and special guarantee funds received	-	(205 000)
28 (+) Issue of subordinated debt	200 000	1 500 000
29 (+) Investment deposits received	-	-
30 (+) Issuance of shares	278 206	-
31 (-) Repayment of equity and similar	(1 000 000)	-
32 (-) Investment deposits repaid	-	-
33 (-) Interest paid	(46 342)	(282 262)
34 (-) Remuneration paid on investment deposits	-	-
35 (-) Dividends paid	(1 618 037)	(1 618 037)
V NET CASH FLOWS FROM FINANCING ACTIVITIES	**(2 186 173)**	**(605 299)**
VI NET CHANGE IN CASH AND CASH EQUIVALENTS (III+IV+V)	**4 020 737**	**568 367**
VII CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FISCAL YEAR	**4 409 586**	**3 841 219**
VIII CASH AND CASH EQUIVALENTS AT THE END OF THE FISCAL YEAR	**8 430 323**	**4 409 586**

STATUS OF METHOD CHANGES

TYPE OF CHANGE	JUSTIFICATION OF CHANGES	IMPACT ON ASSETS, FINANCIAL POSITION, AND RESULTS OF OPERATIONS
I-Changes in valuation methods	NEANT	NEANT
II-Change in presentation rules		

ETAT DES DEROGATIONS

INDICATIONS OF DEROGATIONS	JUSTIFICATION OF DEROGATIONS	IMPACT ON ASSETS, FINANCIAL POSITION, AND RESULTS OF OPERATIONS
I-Derogations from fundamental accounting principles		
II-Derogations from valuation methods	NEANT	NEANT
III-Derogations from the rules for drawing up and presenting consolidated financial statements		

RECEIVABLES FROM CREDIT INSTITUTIONS AND SIMILIAR

(in thousands MAD)

RECEIVABLES	Bank Al Maghrib, Public Treasury, and POGIs Postal Checks	Banks in Morocco	Other credit institutions and similar in Morocco	Credit institutions abroad	31/12/21	31/12/20
ORDINARY ACCOUNTS RECEIVABLE	7 463 036	1 467 254	662 321	4 470 625	14 063 236	11 791 939
SECURITIES RECEIVED THROUGH REPURCHASE AGREEMENTS	-	715 798	-	-	715 798	-
- call account	-	715 798	-	-	715 798	-
- term deposit	-	-	-	-	-	-
CASH LOANS	-	3 775 444	4 389 593	1 655 142	9 820 179	8 017 384
- call account	-	580 000	-	-	580 000	627 000
- term deposit	-	3 195 444	4 389 593	1 655 142	9 240 179	7 390 384
FINANCIAL LOANS	-	1 199 292	20 971 250	-	22 170 542	19 491 234
OTHER RECEIVABLES	-	235 136	10 714	52	245 902	251 846
ACCRUED INTEREST RECEIVABLE	2 851	8 216	89 942	3 097	104 106	123 561
OUTSTANDING RECEIVABLES	-	-	-	-	-	
TOTAL	7 465 887	7 401 140	26 123 820	6 128 916	47 119 763	39 675 964

RECEIVABLES FROM CUSTOMERS

(in thousands MAD)

RECEIVABLES	Public Sector	PRIVATE SECTOR			31/12/21	31/12/20
		Financial companies	Non-financial companies	Other customers		
CASH CREDITS	767 064	340 942	19 566 230	454 911	21 129 147	20 656 545
- Sight accounts in debit	757 958	340 942	5 844 985	273 895	7 217 780	7 726 431
- Trade receivables on Morocco	-	-	1 953 172	271	1 953 443	1 968 191
- Export credits	-	-	127 841	-	127 841	59 848
- Other cash flow credits	9 106	-	11 640 232	180 745	11 830 083	10 902 075
CONSUMER CREDITS	-	-	-	2 334 302	2 334 302	2 532 543
EQUIPMENT CREDITS	7 609 477	-	18 241 952	211 144	26 062 573	29 540 069
REAL ESTATE LOANS	5 237	-	7 190 005	16 381 002	23 576 244	25 078 889
OTHER CREDITS	2 640 443	13 627 784	1 082 499	280 097	17 630 823	14 490 058
RECEIVABLES ACQUIRED BY FACTORING	9 606 473	-	1 781 224	-	11 387 697	9 834 204
Factoring accrued interest receivable	120 346	100 802	447 533	241 357	910 038	923 830
OUTSTANDING RECEIVABLES	-	21 079	1 621 705	1 092 657	2 735 441	2 632 416
- Pre-doubtful debts	-	14	139 838	183 999	323 851	373 762
- Bad debts	-	180	59 352	138 536	198 068	288 947
- Impaired debts	-	20 885	1 422 515	770 122	2 213 522	1 969 707
TOTAL	20 749 040	14 090 607	49 931 148	20 995 470	105 766 265	105 688 554

BREAKDOWN OF TRADING AND INVESTMENT SECURITIES

(in thousands MAD)

	Gross book value	Current value	Redemption value	Unrealized capital gains	Unrealized capital losses	Provisions
TRADING SECURITIES	60 404 564	60 404 564	29 312 192			
Treasury bills and similar securities	30 629 628	30 629 628	28 958 229			
Bonds	381 847	381 847	353 964			
Other debt securities	-	-	-			
Property titles	29 393 089	29 393 089				
INVESTMENT SECURITIES	16 163 108	15 926 548	9 406 971		236 560	236 560
Treasury bills and similar securities	8 668 039	8 647 765	8 224 704		20 274	20 274
Bonds	1 198 828	1 198 828	1 182 267			
Other debt securities		-	-			
Property titles	6 296 241	6 079 955	-		216 286	216 286
INVESTMENT SECURITIES	8 075 448	8 075 448	7 590 410			
Treasury bills and similar securities	7 417 253	7 417 253	6 944 800			
Bonds	655 393	655 393	642 913			
Other debt securities	2 802	2 802	2 697			
GRAND TOTAL	84 643 120	84 406 560	46 309 573			

BREAKDOWN OF TRADING AND INVESTMENT SECURITIES BY ISSUER CATEGORY

(in thousands MAD)

	Credit institutions and similar	Public issuers	PRIVATE ISSUERS		31/12/21	31/12/20
			Financial	Non-financial		
LISTED SECURITIES	150 369	-	12 393	820 833	983 595	1 096 641
Treasury bills and similar securities		-		-	-	-
Bonds	-	-		-	-	-
Other debt securities	-				-	-
Property titles	150 369	-	12 393	820 833	983 595	1 096 641
UNLISTED SECURITIES	243 856	46 694 646	34 402 571	2 081 892	83 422 965	76 993 575
Treasury bills and similar securities		46 694 646	-	-	46 694 646	48 919 420
Bonds	241 054	-	-	1 995 014	2 236 068	1 854 764
Other debt securities	2 802				2 802	4 722
Property titles	-	-	34 402 571	86 878	34 489 449	26 214 669
TOTAL	394 225	46 694 646	34 414 964	2 902 725	84 406 560	78 090 216

DETAILS OF OTHER ASSETS

(in thousands MAD)

HEADING	31/12/2021	31/12/2020
Optional instruments	6	-
Miscellaneous securities transactions (debit)	-	-
Settled amounts to be recovered from issuers	-	-
Other settlement accounts for securities transactions	-	-
Miscellaneous receivables	**4 132 406**	**855 321**
- Amounts owed by the State	904 528	346 437
- Amounts due to employee benefit organizations	944	1 577
- Miscellaneous amounts owed by staff	17 907	5 502
- Non-banking service accounts receivable	-	-
- Other miscellaneous debits	3 209 027	501 805
Miscellaneous values and uses	**2 771 745**	**195 121**
- Miscellaneous values and uses	2 771 745	195 121
Off-balance sheet adjustment accounts (debit)	**330 196**	**263 478**
Currency and securities difference accounts (debit)	**28**	**19**
Potential losses on unsettled hedging transactions	-	-
Deferred losses on unwound hedges	-	-
Expenses to be spread over several years	**877 991**	**1 137 499**
Liaison accounts between headquarters, branches, and agencies in Morocco (debit)	**38 303**	**107 569**
Receivables and prepaid expenses	**799 625**	**744 337**
- Accrued income	784 499	734 281
- Prepaid expenses	15 126	10 056
Suspense accounts or suspense accounts receivable	**772 912**	**550 503**
Outstanding receivables on miscellaneous transactions	-	-
Provisions for outstanding receivables on miscellaneous transactions	-	-
TOTAL	9 723 212	3 853 847

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

EQUITY INVESTMENTS AND SIMILAR USES

(in thousands MAD)

Name or corporate name of the issuing company	Business sector	Share capital in thousands	Participation rate	Gross book value	Conversion difference	Accrued provisions	Net book value	Extract from the latest consolidated financial statements of the issuing company				PRODUCTS LISTED IN THE CPC
								Fiscal year closing date	Net situation	Net income	Currency	
A) SHAREHOLDING IN AFFILIATED COMPANIES				**26 992 569**	**-308 939**	**873 001**	**26 428 507**					**1 247 294**
CHAABI INTER BANK OFFSHORE (CIB)	Bank	2 200	70,00%	14 292	1 402	-	12 890	30-jui-21	40 801	7 897	USD	74 782
CHAABI BANK (BCDM)	Bank	47 478	100,00%	513 731	-25 501	-	539 232	30-jui-21	52 310	73	EURO	
BPMC	Bank	15 000 000	75,00%	97 760	-3 803	-	101 562	30-jui-21	23 750 380	1 588 540	Franc CFA d'AfriqueCentrale	
ATLANTIC BUSINESS INTERNATIONAL (ABI)	Holding	172 039 570	79,83%	3 505 571	-201 095	-	3 706 665	30-jui-21	388 723 000	17 003 000	Franc CFA (BCEAO)	135 638
BCP BANK MAURITIUS	Bank	2 218 065	100,00%	420 660	-30 040	-	450 700	30-jui-21	2 114 513	-32 825	Roupie mauricienne	
BANQUE COMMERCIALE INTERNATIONALE	Bank	12 870 340	100,00%	94 649	-2 829	-	97 477	30-jui-21	16 164 442	1 724 612	Franc CFA	
BANQUE INTERNATIONAL DU CAMEROUN	Bank	49 080 000	78,43%	719 609	-21 654	-	741 263	30-jui-21	65 929 106	-877 008	Franc CFA	
BANQUE MALGACHE DE L'OCEAN INDIEN	Bank	60 000 000	66,71%	668 902	-24 642	-	693 544	30-jui-21	178 320 774	40 152 574	Ariary Malgache	90 640
BCP MIDDLE EAST	Miscellaneous services	822	100,00%	7 628	-410	-	8 038	31-déc-20	1 748	926	USD	
BANKY FIRST	Bank	13 836 050	50,67%	19 089	-369	-	19 458	31-déc-20	8 585 125	-4 396 620	Ariary Malgache	
BCP SECURITIES SERVICES	Bank	206 403	100,00%	396 852	-	-	396 852	30-jui-21	316 309	33 370	MAD	36 000
VIVALIS SALAF	Consumer Credit	177 000	87,28%	288 133	-	-	288 133	30-jui-21	789 768	69 046	MAD	
BP REM	Real Estate / Development	188 000	43,13%	81 075	-	-	81 075	30-jui-21	207 956	2 266	MAD	
CHAABI LLD	Financial Services	31 450	83,62%	32 352	-	-	32 352	30-jui-21	105 301	11 029	MAD	13 149
MAROC ASSISTANCE INTERNATIONALE	Insurance	50 000	77,43%	71 267	-	-	71 267	30-jui-21	411 914	17 119	MAD	6 194
DAR ADDAMANE	Financial Services	75 000	6,21%	4 694	-	4 694	-				MAD	
STE H. PARTNERS GESTION	Investment funds	5 000	50,00%	2 500	-	-	2 500	31-déc-20	9 373	-5 454	MAD	
UPLINE GROUP	Bank	46 784	77,39%	777 225	-	-	777 225	30-jui-21	959 140	502 262	MAD	116 081
GENEX PARTICIPATIONS	Miscellaneous services	1 250	100,00%	1 360	-	-	1 360	31-déc-20	1 364	156	MAD	
SCI OASIS YVES	Real Estate / Development	15	99,67%	3 282	-	3 282	-				MAD	
SCI OASIS PAPILLONS	Real Estate / Development	8	99,33%	814	-	-	814	31-déc-20	-517	-14	MAD	
SCI OASIS JEAN	Real Estate / Development	15	99,67%	1 936	-	-	1 936	31-déc-20	-138	-2	MAD	
CHAABI CAPITAL INVESTISSEMENT	Investment funds	2 227 900	54,10%	1 205 294	-	192 730	1 012 564	30-jui-21	1 712 900	51 117	MAD	
BANK AL YOUSR	Bank	560 000	80,00%	448 000	-	-	448 000	30-jui-21	255 134	-23 999	MAD	
BANQUE POPULAIRE PATRIMOINE	Real Estate / Development	150 300	100,00%	150 300	-	-	150 300	31-déc-20	147 909	-364	MAD	
AL AKARIA INVEST	Real Estate / Development	1 350 300	100,00%	1 350 300	-	535 574	814 725	30-jui-21	814 725	-389 785	MAD	
Maroc Traitement de Transactions (M2T)	Payment Services	51 497	84,79%	211 782	-	-	211 782	30-jui-21	28 768	-36 068	MAD	
BANK AL AMAL	Bank	740 000	38,50%	329 709	-	-	329 709	30-jui-21	824 456	-11 284	MAD	
SIBA	Real Estate / Development	3 333	90,10%	59 200	-	-	59 200	31-déc-20	10 944	140	MAD	
FONDS MOUSSAHAMA 2	Investment funds	162 880	63,97%	247 690	-	136 722	110 968	31-déc-20	163 044	-3 060	MAD	
MAROC LEASING	Leasing	277 677	53,11%	493 623	-	-	493 623	30-jui-21	936 641	29 614	MAD	17 696
SCI DAIT ROUMI II	Real Estate / Development	10	90,00%	9	-	-	9	31-déc-20	-128	-9	MAD	
BP SHORE GROUP	Holding	5 000	56,80%	2 840	-	-	2 840	30-jui-21	204 890	61 791	MAD	34 079
BP SHORE BACK OFFICE	Miscellaneous services	3 000	1,00%	30	-	-	30	30-jui-21	16 483	5 597	MAD	239
ATLANTIC MICROFINANCE FOR AFRICA	Holding	429 760	100,00%	429 760	-	-	429 760	30-jui-21	415 550	126	MAD	
IMC (INFRA MAROC CAPITAL)	Investment funds	105 333	43,50%	1 766 971	-	-	1 766 971	30-jui-21	4 199 706	152 952	MAD	57 041
BP CENTRE SUD	Bank	1 305 230	50,62%	1 814 645	-	-	1 814 645	31-déc-21	5 233 063	220 133	MAD	51 542
BP FES-MEKNES	Bank	2 213 997	51,25%	2 179 910	-	-	2 179 910	31-déc-21	6 192 941	280 400	MAD	62 413
BP LAAYOUNE	Bank	656 036	51,48%	546 468	-	-	546 468	31-déc-21	1 530 950	96 471	MAD	40 004
BP MARRAKECH-B MELLAL	Bank	1 229 258	51,40%	1 068 208	-	-	1 068 208	31-déc-21	3 456 360	302 767	MAD	102 022
BP NADOR-AL HOCEIMA	Bank	1 029 227	49,63%	1 592 249	-	-	1 592 249	31-déc-21	5 227 806	300 438	MAD	97 355
BP OUJDA	Bank	798 055	51,22%	1 236 335	-	-	1 236 335	31-déc-21	3 474 577	104 264	MAD	36 684
BP TANGER-TETOUAN	Bank	1 118 998	51,41%	1 120 191	-	-	1 120 191	31-déc-21	3 409 552	144 238	MAD	32 578
BP RABAT-KENITRA	Bank	2 253 548	51,05%	2 025 108	-	-	2 025 108	31-déc-21	5 744 894	549 364	MAD	243 155
SOCINVEST SARL		1 500	100,00%	1 500	-	-	1 500	30-jui-21	13 900	33 737	MAD	
BCP INTERNATIONAL	Holding	200 000	100,00%	200 000	-	-	200 000	30-jui-21	199 450	-97	MAD	
AFRICA STONE MANAGEMENT	Miscellaneous services	7 000	29,00%	1 923	-	-	1 923	30-jui-21	8 479	895	MAD	
UPLINE COURTAGE	Insurance	1 500	100,00%	283 200	-	-	283 200	30-jui-21	57 607	24 599	MAD	
HOLDPARTS	Holding	521 538	100,00%	503 944	-	-	503 944				MAD	
B) OTHER EQUITY INVESTMENTS				**565 967**	**-**	**30 491**	**535 475**					**1 203**
ATPS	Miscellaneous services	300	100,00%	2 351	-	686	1 665	31-déc-20	1 665	-43	MAD	
SOGEPOS	Real Estate / Development	35 000	13,20%	4 622	-	-	4 622	31-déc-20	57 460	13 654	MAD	1 203
CENTRE MONETIQUE INTERBANCAIRE	Financial Services	98 200	13,24%	12 853	-	-	12 853	31-déc-20	117 858	-5 575	MAD	
CASABLANCA FINANCE CITY AUTHORITY	Financial Services	500 000	10,00%	50 000	-	-	50 000	31-déc-20	495 337	-11 606	MAD	
CASABLANCA TRANSPORTS	Miscellaneous services	4 000 000	0,38%	15 000	-	6 894	8 106	31-déc-20	2 161 619	-349 884	MAD	
SOCIETE DE BOURSE DE CASABLANCA	Financial Services	387 518	8,00%	31 373	-	-	31 373	31-déc-20	720 000	12 000	MAD	
PART MAMDA RE	Insurance	600 000	16,67%	100 890	-	-	100 890	30-jui-21	623 004	5 094	MAD	
OTHERS				348 878	-	22 912	325 966					
C) SECURITIES PORTFOLIO ACTIVITY				**113 316**	**-4 532**	**-**	**117 848**					**8 745**
AWB MOROCCO MAURITANIE	Holding	22 440	33,03%	77 946	-4 532	-	82 478	31-juil-20	27 205	939	EURO	8 745
UNIVERSITE INTERNATIONALE DE RABAT	Higher education	131 000	27,00%	35 370	-	-	35 370	30-sept-20	60 233	11 684	MAD	
D) SIMILAR USES				**2 113 992**	**-11 741**	**65 336**	**2 060 397**					**35 721**
UBAF	Bank	250 727	4,99%	131 537	-9 341		140 878	31-déc-20	302 509	-2 048	EURO	
BACB	Bank	104 357	6,17%	61 526	-396		61 922	31-déc-20	197 207	19 313	Livre Sterling	
BACB				114 627	12 332	23 659	78 636				USD	
UBAE	Bank	261 186	2,85%	86 897	-6 171	31 497	61 571	31-déc-20	184 803	-57 767	EURO	
BMICE	Bank	150 000	4,00%	55 682	-314		55 996	31-déc-20	133 793	-2 869	USD	
OTHER (INCLUDING C/C)				1 663 722	-7 852	10 180	1 661 394					35 721
GRAND TOTAL				**29 785 843**	**-325 212**	**968 829**	**29 142 226**					**1 292 963**

SUBORDINATED RECEIVABLES

(in thousands MAD)

	Total amount	APPARENTES				31/12/21	31/12/20
		Ets De Cred & Similar	End Eses Non-	Eses No Financial	Other Related		
Subordinated receivables	151 364	150 000				151 364	274 647
Subordinated securities of credit institutions and similar entities	151 364	150 000				151 364	274 647
Subordinated customer securities							
Subordinated loans to credit institutions and similar entities							
Subordinated loans to customers							
Subordinated outstanding receivables							
Restricted cash on subordinated debt							
(-) Provisions for outstanding subordinated receivables							

INTANGIBLE AND TANGIBLE FIXED ASSETS

(in thousands MAD)

FIXED ASSETS	Gross amount at the beginning of the fiscal year	Amount of acquisitions during the year	Amount of disposals or wihdrawals during the fiscal year	Gross amount at the end of the fiscal year	AMORITIZATION AND/OR PROVISIONS				Net amount at the end of the fiscal year
					Amount depreciation and/or provisions at the beginning of the fiscal year	Allowances for the fiscal year	Amount of depreciation on disposed fixed assets	Cumulative	
INTANGIBLE ASSETS	**1 106 732**	**18 020**	**450**	**1 124 302**	**691 560**	**77 148**	**-**	**768 708**	**355 594**
Right to lease	142 601	-	450	142 151	-	-	-	-	142 151
Research and development fixed assets	-	-	-	-	-	-	-	-	-
Other operating intangible assets	964 131	18 020	-	982 151	691 560	77 148		768 708	213 443
Non-operating intangible assets	-	-	-	-	-	-	-	-	-
TANGIBLE FIXED ASSETS	**8 365 561**	**380 736**	**3 312 056**	**5 434 241**	**2 886 848**	**172 699**	**143 529**	**2 916 018**	**2 518 223**
COMMERCIAL REAL ESTATE	**1 858 717**	**305 978**	**-**	**2 164 695**	**734 691**	**32 904**	**-**	**767 596**	**1 397 099**
Operating land	221 030	-	-	221 030	-	-	-	-	221 030
Commercial property offices	1 636 611	305 978	-	1 942 589	733 637	32 900	-	766 537	1 176 052
Commercial buildings, corporate housing	1 075	-	-	1 075	1 054	4	-	1 059	17
FURNITURE AND OPERATING EQUIPMENT	**874 686**	**10 225**	**-**	**884 911**	**723 011**	**40 276**	**-**	**763 286**	**121 625**
Operating office furniture	229 648	890	-	230 538	191 503	8 204	-	199 708	30 831
Operating office equipment	54 534	647	-	55 181	39 849	2 657	-	42 506	12 675
IT equipment	485 352	8 586	-	493 938	393 021	25 509		418 530	75 408
Rolling stock related to operations	2 793	-	-	2 793	2 751	28	-	2 779	13
Other operating equipment	102 359	102	-	102 461	95 886	3 878	-	99 764	2 698
OTHER OPERATING TANGIBLE FIXED ASSETS	**693 172**	**34 189**	**-**	**727 361**	**520 302**	**39 604**	**-**	**559 906**	**167 456**
NON-OPERATING TANGIBLE FIXED ASSETS	**4 938 985**	**30 345**	**3 312 056**	**1 657 274**	**908 844**	**59 915**	**143 529**	**825 230**	**832 044**
Non-operating land	2 819 856	-	2 483 401	336 455	-	-	-	-	336 455
Non-operating properties	1 677 224	946	828 655	849 514	641 951	26 480	143 529	524 902	324 612
Non-operating furniture and equipment	125 142	11 342	-	136 484	78 578	8 993	-	87 571	48 913
Other non-operating tangible fixed assets	316 764	18 057	-	334 821	188 315	24 442	-	212 757	122 064
TOTAL	**9 472 293**	**398 756**	**3 312 506**	**6 558 543**	**3 578 407**	**249 848**	**143 529**	**3 684 726**	**2 873 817**

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

DISPOSALS OF INTANGIBLE AND TANGIBLE ASSETS

(in thousands MAD)

	Gross book value	Accumulated depreciation and/ or provisions for depreciation	Net book value	Proceeds from the sale	Capital gain on disposal	Capital loss on disposal
- INTANGIBLE ASSETS	-	-	-	-	-	-
Right to lease	-	-	-	-	-	-
Fixed assets in research and development	-	-	-	-	-	-
Other operating intangible fixed assets	-	-	-	-	-	-
Non-operating intangible fixed assets	-	-	-	-	-	-
- TANGIBLE FIXED ASSETS	16 136	910	15 226	16 442	4 053	2 836
- COMMERCIAL REAL ESTATE	-	-	-	-	-	-
Operating land	-	-	-	-	-	-
Office buildings	-	-	-	-	-	-
Commercial buildings, corporate housing	-	-	-	-	-	-
- FURNITURE AND OPERATING EQUIPMENT	-	-	-	-	-	-
Operating office furniture	-	-	-	-	-	-
Operating office equipment	-	-	-	-	-	-
IT equipment	-	-	-	-	-	-
Rolling stock related to operations	-	-	-	-	-	-
Other operating equipment	-	-	-	-	-	-
- OTHER OPERATING TANGIBLE FIXED ASSETS	-	-	-	-	-	-
- NON-OPERATING TANGIBLE FIXED ASSETS	16 136	910	15 226	16 442	4 053	2 836
Non-operating land	11 648	-	11 648	11 840	2 362	2 170
Non-operating properties	4 487	910	3 577	4 602	1 691	666
Non-operating furniture and equipment	-	-	-	-	-	-
Other non-operating tangible fixed assets	-	-	-	-	-	-
TOTAL	**16 136**	**910**	**15 226**	**16 442**	**4 053**	**2 836**

DEBTS TO CREDIT INSTITUTIONS AND SIMILAR

(in thousands MAD)

PAYABLES	Other credit institutions and similar in Morocco			Credit institutions abroad	31/12/2021	31/12/2020
	Bank Al Maghrib, Public Treasury, and	Banks in Morocco	Other credit and similar in Morocco			
ORDINARY ACCOUNTS PAYABLE	-	128 492 561	417 377	126 735	129 036 673	116 396 181
REPO SECURITIES	16 433 061	400 103	265 027	-	17 098 191	8 293 383
- call account	-	-	265 027	-	265 027	2 042 219
- term deposit	16 433 061	400 103	-	-	16 833 164	6 251 164
CASH LOANS	1 260 000	1 735 000	4 498 934	386 644	7 880 578	10 612 673
- call account	-	1 215 000	-	185 608	1 400 608	3 176 765
- term deposit	1 260 000	520 000	4 498 934	201 036	6 479 970	7 435 908
FINANCIAL LOANS	-	-	1 061 210	1 967 997	3 029 207	4 357 356
OTHER DEBTS	1 233	1 407 870	222	-	1 409 325	1 390 614
ACCRUED INTEREST PAYABLE	5 285	1 608 717	15 839	8 383	1 638 224	1 670 013
TOTAL	**17 699 579**	**133 644 251**	**6 258 609**	**2 489 759**	**160 092 198**	**142 720 220**

CUSTOMER DEPOSITS

(in thousands MAD)

DEPOSITS	Public Sector	PRIVATE SECTOR			31/12/2021	31/12/2020
		Financial companies	Non-financial companies	Other customers		
CURRENT ACCOUNTS PAYABLE	1 463 649	3 196 430	8 037 531	33 975 607	46 673 217	44 837 664
SAVINGS ACCOUNTS	-	-	-	8 268 415	8 268 415	7 971 404
TERM DEPOSITS	93 698	461 000	1 187 601	7 973 353	9 715 652	12 040 172
OTHER ACCOUNTS PAYABLE	14 863	53 301	1 158 390	1 011 512	2 238 066	1 959 525
ACCRUED INTEREST PAYABLE	967	4 514	11 746	87 654	104 881	144 226
TOTAL	**1 573 177**	**3 715 245**	**10 395 268**	**51 316 541**	**67 000 231**	**66 952 991**

PROVISIONS

(in thousands MAD)

	Outstanding as 31/12/2020	Endowments	Withdrawals	Other variations	Outstanding as 31/12/2021
PROVISIONS DEDUCTED FROM	7 038 986	3 225 138	1 702 318	-104 143	8 457 663
Loans and advances to credit institutions and similar entities					
Loans to customers	6 338 458	1 882 687	1 435 386	-104 143	6 681 616
Investment and investment securities	71 347	182 283	17 070		236 560
Equity securities and similar uses	392 322	589 510	13 003		968 829
Leased and rented fixed assets for rent					
Non-operating tangible fixed assets (*)	236 859			-236 859	-
Other assets (*)	-	570 658	236 859	236 859	570 658
PROVISIONS RECORDED IN	5 895 947	248 037	855 998	104 546	5 392 531
Provisions for risks of execution of commitments by signature	720 883	181 997	33 874	104 546	973 552
Provisions for foreign exchange risks					
Provisions for general risks	4 429 329	-	676 699	-	3 752 630
Provisions for pensions and similar obligations					
Provisions for other risks and	745 735	66 039	145 425	-	666 349
Regulated provisions					
GRAND TOTAL	**12 934 933**	**3 473 175**	**2 558 316**	**402**	**13 850 194**

DETAILS OF OTHER LIABILITIES

(in thousands MAD)

	31/12/2021	31/12/2020
Optional instruments sold	191	749
Securities settlement accounts	-	-
Debts on securities	-	-
Payment to be made on unpaid securities	70 124	86 790
Provisions for financial services to issuers	-	-
Amounts paid by customers to be repaid to issuers	-	-
Miscellaneous receivables	2 073 812	889 867
- Amounts due to the State	473 415	539 882
- Amounts due to employee benefit organizations	126 969	124 722
Miscellaneous amounts due to shareholders and partners	15	15
Amounts due to staff	3	1
- Suppliers of goods and services	2 350	2 136
- Other miscellaneous payables	1 471 060	223 111
Off-balance sheet adjustment accounts	11 648	896
Currency and securities variance accounts		-
Potential gains on unsettled hedging transactions	-	-
Deferred gains on unwound hedges	-	-
Liaison accounts between head office, branches, and agencies in Morocco (credit)	-	-
Accrued expenses and deferred income	1 080 631	805 830
- Accrued expenses	1 041 292	774 371
- Deferred income	39 339	31 459
Accruals and deferrals	262 340	654 136
TOTAL	**3 498 746**	**2 438 268**

SUBSIDIES, EARMARKED PUBLIC FUNDS, AND SPECIAL GUARANTEE FUNDS

(in thousands MAD)

	31/12/2021	31/12/2020
SUBSIDIES AND RESTRICTED PUBLIC FUNDS		
- Investment subsidies received		
- Investment subsidies received		
- Investment subsidies received registered in CPC		
Restricted public funds		
- Restricted public funds		
SPECIAL GUARANTEE FUNDS	4 168 148	4 168 148
Mutual Guarantee Fund		
- Mutual Guarantee Fund		
- Other special guarantee funds		
- CPM Support Fund	4 168 148	4 168 148

DEBT SECURITIES ISSUED ISSUED

(in thousands MAD)

TYPE OF SECURITIES	FEATURESI					31/12/2021
	Date of usage	Date of maturity	Nominal value	rate	Method of	
			NEANT			
TOTAL						

ASSETS LEASED UNDER OPERATING AND FINANCE LEASES

(in thousands MAD)

TYPE	Gross amount at beginning of fiscal year	Amount of acquisitions during the fiscal year	Amount of disposals or withdrawals during the fiscal year	Gross amount, end of fiscal year	Depreciation		Provisions			Net amount, end of fiscal year
					Allowances for fiscal year	Accumulated depreciation	Allowances for fiscal year	Reversal of provisions	Accumulated provisions	
ASSETS LEASED AND RENTED WITH PURCHASE OPTION	**4 000**				**160**	**293**				**3 707**
LEASING OF INTANGIBLE ASSETS	-				160	293				-
EQUIPMENT LEASING	-				-	-				-
Equipment lease in progress	-				-	-				-
Furniture leasing	-				-	-				-
Furniture lease not renewed after termination	-				-	-				-
REAL ESTATE LEASING	4 000				160	293				3 707
Real estate leasing in progress	-				-	-				-
Leased real estate	4 000				160	293				3 707
Real estate lease not renewed after termination	-				-					-
ACCRUED RENTS RECEIVABLE	-				-	-				-
RESTRUCTURED RENTS	-				-	-				-
UNPAID RENTS	-				-	-				-
OUTSTANDING RENTS	-				-	-				-
ASSETS UNDER OPERATING LEASE	**-**				**-**	**-**				**-**
MOVABLE ASSETS UNDER OPERATING LEASE	-				-	-				-
PROPERTIES UNDER OPERATING LEASE	-				-	-				-
ACCRUED RENTS RECEIVABLE	-				-	-				-
RESTRUCTURED RENTS	-				-	-				-
UNPAID RENTS	-				-	-				-
OUTSTANDING RENTS	-				-	-				-
TOTAL	**4 000**				**160**	**293**				**3 707**

(*) Reclassification of Dations, VAR, & VE previously classified under «HE tangible assets» to «other assets»

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

SUBORDINATED DEBTS

(in thousands MAD)

	TOTAL AMOUNT	NOT APPARENT	APPARENTES EST. OF CRED & SIM	APPARENTES FINANCIALS	APPARENTES FINANCIAL DATA	APPARENTES OTHER APPARENT	31/12/21	31/12/20
SUBORDINATED DEBTS	9 742 899	6 627 311	35 505	3 080 083			9 742 899	10 546 330
SUBORDINATED FIXED-TERM DEBT	9 700 000	6 598 300	35 100	3 066 600			9 700 000	10 500 000
Fixed-term subordinated securities							-	-
Fixed-term subordinated loans from credit institutions	35 100		35 100				35 100	35 100
Fixed-term subordinated loans to customers	9 664 900	6 598 300		3 066 600			9 664 900	10 464 900
PERPETUAL SUBORDINATED DEBT								
Perpetual subordinated securities								
Fixed-term subordinated loans from credit institutions								
Fixed-term subordinated loans to customers								
ACCRUED INTEREST PAYABLE	42 899	29 011	405	13 483			42 899	46 330

EQUITY

(in thousands MAD)

	Outstanding as of 31/12/2020	Allocation of result	Other variations	Outstanding as of 31/12/2021
Reserves and premiums related to capi-tal	**25 704 393**	**390 519**	**-**	**26 362 539**
Legal reserve	202 255	-	-	202 255
Other reserves	9 665 591	390 519	-	10 056 110
Additional paid-in capital	15 836 547			16 104 174
Capital	**2 022 547**	**-**	**10 578**	**2 033 125**
Called-up capital	2 022 547	-	10 578	2 033 125
Uncalled capital		-	-	
Investment certificates		-	-	
Endowment Funds		-	-	
Shareholders. Unpaid capital	**-**	**-**	**-**	
Retained earnings (+/-)	**466 862**	**47 179**	**-**	**514 041**
Net income pending allocation (+/-)		**-**	**-**	
Net income for the fiscal year (+/-)	**2 103 343**	**-2 103 343**	**-**	**2 309 745**
Total	**30 297 145**	**-1 665 645**	**10 578**	**31 219 450**

FINANCING AND GUARANTEE COMMITMENTS

(in thousands MAD)

COMMITMENTS	31/12/2021	31/12/2020
FINANCING AND GUARANTEE COMMITMENTS	57 383 203	41 320 604
Financing commitments to credit institutions and similar entities	**228 737**	**385 803**
Import documentary credits	-	-
Acceptances or commitments to pay	-	-
Confirmed opening of credit lines	228 737	165 803
Substitution commitments on issuing securities	-	-
Irrevocable lease commitments	-	-
Other financing commitments given	-	220 000
Financing commitments in favor of customers	**28 445 009**	**23 702 455**
Import documentary credits	8 729 369	5 635 041
Acceptances or commitments to pay	5 991 075	2 013 490
Confirmed opening of credit lines	13 724 565	16 053 924
Substitution commitments on issuing securities	-	-
Irrevocable lease commitments	-	-
Other financing commitments given	-	-
Guarantee commitments from credit institutions and similar entities	**17 730 910**	**7 141 346**
Confirmed export documentary credit	502 097	484 242
Acceptances or commitments to pay	-	-
Credit guarantees given	-	-
Other sureties, endorsements, and guarantees given	17 228 813	6 657 104
Outstanding commitments	-	-
Customer order guarantee commitments	**10 978 547**	**10 091 000**
Credit guarantees given	1 809 160	986 849
Sureties and guarantees in favor of the public administration	3 341 855	3 607 280
Other sureties and guarantees given	4 770 937	4 753 535
Outstanding commitments	1 056 595	743 336
FINANCE AND GUARANTEE COMMITMENTS RECEIVED	24 796 357	16 804 692
Financing commitments received from credit institutions and similar	**2 614**	**2 714**
Confirmed opening of credit lines	2 614	2 714
Substitution commitments on issuing securities	-	-
Other financing commitments received	-	-
Guarantee commitments received from credit institutions and similar	**21 926 995**	**14 573 450**
Credit guarantees	-	-
Other guarantees received	21 926 995	14 573 450
Guarantee commitments received from the State and other guarantee bodies	**2 866 748**	**2 228 528**
Credit guarantees	2 866 748	2 228 528
Other guarantees received		**-**

COMMITMENTS ON SECURITIES

(in thousands MAD)

	31/12/2021	31/12/2020
COMMITMENTS GIVEN	3 758	
Securities purchased on repurchase agreements		
Securities to be delivered	**3 758**	
- Primary market	3 758	
- Gray market		
- Regulated markets		
- Over-the-counter market		
- Other		NEANT
COMMITMENTS RECEIVED		
Securities sold under repurchase agreements		
Securities receivable		
- Primary market		
- Gray market		
- Regulated markets		
- Over-the-counter market		
- Other		

SECURITIES AND COLLATERAL RECEIVED AND PLEDGED

(in thousands MAD)

SECURITIES AND COLLATERAL RECEIVED AS GUARANTEES	Net book value	Asset or off-balance sheet item recording receivables or commitments by signature given	Amounts of receivables and signature commitments given hedged
Treasury bills and similar securities	203 461		
Other securities	28 090 269		
Mortgages	40 359 958		
Other securities and collateral	230 546 154		
TOTAL	299 199 842		
SECURITIES AND COLLATERAL	**Net book value**	**Liability or off-balance sheet item recording debts or commitments by signature received**	**Amounts of debts or commitments by signature received covered**
Treasury bills and similar securities	449 000	-	-
Other securities	-	-	-
Mortgages	-		
Other securities and collateral	-	-	-
TOTAL	449 000		

RESIDUAL MATURITY BREAKDOWN OF ASSETS AND LIABILITIES

(in thousands MAD)

	D≤1 month	1 month<D ≤3months	3 months<D≤1year	1 year<D≤5 years	D≥5 years	TOTAL
ASSETS						
Loans and advances to credit institutions and similar entities	3 995 097	3 158 566	4 984 986	15 171 326	4 100 746	31 410 721
Advances to customers	2 561 108	7 238 070	17 775 329	35 391 588	24 660 591	87 626 686
Debt securities	10 855	2 334 704	6 353 275	24 742 358	46 399 121	79 840 313
Subordinated debts	-	-	-	120 000	30 000	150 000
Investments deposits placed	-	-	645 000	315 000	-	960 000
TOTAL	6 567 060	12 731 340	29 758 590	75 740 272	75 190 458	199 987 720
LIABILITIES						
Liabilities to credit institutions	18 006 429	3 627 120	1 851 566	2 857 226	-	26 342 341
Debt to customers	1 861 694	2 391 473	4 971 104	491 393	-	9 715 664
Debt securities issued	-	-	-	-	-	-
Subordinated loans	-	-	-	3 133 800	6 566 200	9 700 000
TOTAL	19 868 123	6 018 593	6 822 670	6 482 419	6 566 200	45 758 005

BREAKDOWN OF ASSETS, LIABILITIES, AND OFF-BALANCE SHEET ITEMS IN FOREIGN CURRENCIES

(in thousands MAD)

	31/12/2021	31/12/2020
ASSETS		
Cash in hand, Central Banks, Public Treasury, POGIs	-	-
Loans and advances to credit institutions and similar entities	16 298 157	16 765 473
Loans to customers	4 892 353	4 395 605
Trading and investment securities	1 571 014	1 448 273
Other assets	6 319	2 220
Investment securities	9 560	29 823
Equity securities and similar uses	6 950 679	7 208 819
Subordinated receivables	-	-
TOTAL ASSETS	29 728 082	29 850 213
LIABILITIES		
Payables owed to credit institutions and similar entities	8 068 210	9 196 427
Customer deposits	2 301 053	3 092 914
Other liabilities	19 358 819	17 560 872
TOTAL LIABILITIES	29 728 082	29 850 213
OFF-BALANCE SHEET		
COMMITMENTS GIVEN	28 798 839	13 689 738
COMMITMENTS RECEIVED	8 716 876	4 827 292

MARGIN OF INTEREST

(in thousands MAD)

	31/12/2021	31/12/2020
INTEREST ACCRUED	6 399 631	6 480 791
* Interest and similar income on transactions with credit institutions	1 086 843	1 099 561
* Interest and similar income on customer transactions	4 508 470	4 615 214
* Interest and similar income on debt securities	804 318	766 016
INTEREST USED	3 960 905	4 091 528
* Interest and similar charges on transactions with credit institutions	3 130 760	3 211 980
* Interest and similar expenses on customer transactions	830 145	836 874
* Interest and similar charges on debt securities issued	-	42 674
MARGIN OF INTEREST	2 438 726	2 389 263

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES

(in thousands MAD)

	Hedging operations	
	31/12/2021	31/12/2020
FORWARD EXCHANGE TRANSACTIONS	**24 178 157**	**29 151 355**
Foreign currencies receivable	3 023 059	4 883 420
Dirhams to be delivered	213 726	3 036 252
Foreign currencies to be delivered	11 526 998	11 209 980
Dirhams receivable	9 414 374	10 021 703
Including currency swaps		
COMMITMENTS ON DERIVATIVES	**9 632 089**	**4 542 326**
Commitments on regulated interest rate markets		
Commitments on over-the-counter interest rate markets		
Commitments on regulated foreign exchange markets		
Commitments on over-the-counter foreign exchange markets	9 632 089	4 542 326
Commitments on regulated markets of other instruments		
Commitments on over-the-counter markets for other instruments		

GENERAL OPERATING EXPENSES

(in thousands MAD)

	31/12/2021	31/12/2020
GENERAL OPERATING EXPENSES	**3 156 987**	**3 129 058**
PERSONNEL EXPENSES	**1 106 554**	**1 075 041**
Wages and salaries	284 621	290 507
Bonuses and Gratuities	492 165	474 465
Other staff compensation	49 974	32 636
Social security expenses	57 605	55 844
Pension expenses	199 322	190 634
Training expenses	19 508	19 255
Other personnel expenses	3 359	11 700
TAXES AND DUTIES	**61 899**	**54 381**
Urban and municipal taxes	6 038	6 383
Patent	22 149	16 978
Local taxes	21 891	20 517
Registration fees	213	1
Tax stamps and stamp forms	-	-
Vehicle taxes	7	11
Other taxes, duties, and similar fees	11 601	10 491
EXTERNAL EXPENSES	**383 828**	**352 183**
Lease rents	18 391	21 652
Operating lease rentals	102 530	74 851
Maintenance and repair costs	168 499	182 473
Remuneration of temporary staff	3 159	2 905
Remuneration of intermediaries and fees	61 331	39 342
Insurance premiums	8 473	8 223
Legal and litigation costs	1 249	789
Electricity, water, heating and fuel costs	20 196	21 948
EXTERNAL EXPENSES	**1 207 234**	**1 164 022**
Transportation and travel	42 392	39 754
Mission and reception	4 808	6 020
Advertising, publishing, and public relations	59 204	69 815
Postal & telecommunications costs	97 178	89 533
Research and documentation costs	19 615	22 495
Board and meeting expenses	3 300	3 800
Donations and contributions	34 969	31 530
Office supplies and printed materials	7 866	8 091
Other external expenses	937 902	892 984
OTHER OPERATING EXPENSES	**147 694**	**169 532**
Preliminary fees		-
Fixed asset acquisition costs		-
Other deferred charges	141 336	151 709
Penalties and offenses		
Recall of taxes other than income taxes		
Donations and prizes		
Investment and operating grants awarded		
General operating expenses of previous fiscal years	6 358	17 823
Other miscellaneous general operating expenses		
DEPRECIATION, AMORTIZATION, AND PROVISIONS FOR TANGIBLE AND INTANGIBLE FIXED ASSETS	**249 778**	**313 899**

RESULT OF MARKET OPERATIONS

(in thousands MAD)

	31/12/2021	31/12/2020
Gains on trading securities	1 753 449	2 593 544
Losses on trading securities	119 439	814 917
INCOME FROM TRADING SECURITIES	**1 634 010**	**1 778 627**
Capital gains on disposal of investment securities	192 424	3 376
Reversals of provisions for depreciation of investment securities	17 070	2 984
Losses on disposal of investment securities	142	-
Provisions for depreciation of investment securities	182 283	33 409
INCOME FROM INVESTMENT SECURITIES	**27 069**	**-27 049**
Income from securities commitments		
Expenses on securities commitments		
INCOME FROM SECURITIES COMMITMENTS		
Income on derivatives commitments	188 123	125 544
Expenses on derivatives commitments	110 387	76 912
PROFIT OR LOSS ON DERIVATIVES COMMITMENTS	**77 736**	**48 632**
Income from foreign exchange transactions	1 152 862	1 321 990
Expenses on foreign exchange transactions	779 966	987 436
INCOME FROM FOREIGN EXCHANGE TRANSACTIONS	**372 896**	**334 554**

INCOME ON TITLE DEEDS

(in thousands MAD)

	31/12/2021	31/12/2020
INCOME FROM INVESTMENT (OWNERSHIP) SECURITIES	**97 239**	**86 268**
- Dividends on UCITS securities	23	
- Dividends on other property titles	55 681	44 856
- Other income on title deeds	41 535	41 412
INCOME FROM EQUITY INVESTMENTS AND SIMILAR USES	**1 292 963**	**1 087 914**
- Dividends on equity investments	10 848	24 065
- Dividends on related companies	1 247 294	1 024 862
- Other income on title deeds	34 821	38 987

COMMISSIONS RECEIVED AND PAID

(in thousands MAD)

	COMMISSIONS 2021		COMMISSIONS 2020	
	E. CREDIT	CUSTOMERS	E. CREDIT	CUSTOMERS
COMMISSIONS RECEIVED	**28 104**	**726 335**	**30 320**	**629 731**
Commissions on account operation		30 289		31 869
Commissions on means of payment	28 104	287 668	26 874	237 008
Commissions on securities transactions	-	-	-	-
Commissions on securities under management/custody	-	33 470	-	22 494
Commissions on credit services	-	117 375	-	82 290
Income from consulting and assistance activities	-	410	-	2
Other income from services	-	257 123	-	256 068
Commissions on primary market investments			-	-
Primary market guarantee fees			-	-
Commissions on derivatives			-	-
Commissions on foreign exchange transactions			3 446	-
Commissions on foreign exchange transactions			-	-
COMMISSIONS PAID		**114 926**	**-**	**88 460**
Expenses on means of payment		7 069	-	4 832
Commissions on the purchase and sale of securities		-	-	-
Commissions on custodial fees		-	-	-
Commissions and brokerage on market transactions		649	-	1 574
Commissions on securities commitments		-	-	-
Commissions on derivatives		-	-	-
Commissions on foreign exchange transactions		-	-	-
Commissions on foreign exchange transactions		86 468	-	60 581
Other expenses / services		20 740	-	21 473

OTHER INCOME AND EXPENSES

(in thousands MAD)

	31/12/2021	31/12/2020
OTHER BANKING PRODUCTS	**3 314 349**	**4 060 527**
Capital gains on disposal of investment securities	192 424	3 377
Commissions on derivatives	-	3 446
Gains on foreign exchange derivatives	188 123	125 545
Income from foreign exchange transactions	1 152 862	1 321 990
Other miscellaneous banking products	1 763 870	2 603 185
Share of joint banking operations	-	-
Revenue from previous fiscal years	-	2 438
Other miscellaneous banking products	1 763 870	2 600 747
Reversal of provisions for depreciation of investment securities	17 070	2 984
OTHER BANK CHARGES	**1 422 574**	**2 119 570**
Losses on disposal of investment securities	142	-
Expenses on means of payment	7 070	4 832
Miscellaneous expenses on property titles	-	-
Issuance costs of loans	-	-
Other expenses on securities transactions (Trading securities)	119 439	814 917
Losses on foreign exchange derivatives	110 387	76 913
Other expenses on services	21 390	23 046
Expenses on foreign exchange transactions	866 432	1 048 018
Other miscellaneous bank charges	115 431	118 435
Share of banking operations		-
Contribution to the depositors' guarantee fund	113 645	110 260
Retroceded products	-	-
Prior fiscal year expenses	8	8 175
Other miscellaneous bank charges	1 778	-
Provisions for depreciation of investment securities	182 283	33 409
NON-BANKING OPERATING INCOME	**1 622 273**	**1 831 229**
Income from securities and similar uses	4 959	-
Capital gains on disposal of financial assets	57 962	-
Capital gains on disposal of tangible and intangible fixed assets	4 053	306 894
Fixed assets produced by the company for itself	-	-
Ancillary income	1 540 872	1 517 634
Subsidies received	-	-
Other non-banking operating income	14 427	6 701
NON-BANKING OPERATING EXPENSES	**15 072**	**9 886**
Expenses on securities and similar uses	10 999	-
Losses on disposal of financial assets		-
Losses on disposal of tangible and intangible fixed assets		6 156
CPM Support Fund		
Other non-banking operating expenses	4 073	3 730

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

RECONCILIATION OF NET BOOK INCOME TO NET TAX INCOME

(in thousands MAD)

	AMOUNTS	AMOUNTS
I - NET ACCOUNTING INCOME	**2 309 745**	
. Net profit		
. Net loss		
II - TAX REINTEGRATIONS	**120 327**	
1- Current	**39 379**	
- expenses over prescribed fiscal years	2 047	
- non-deductible reorganization of small claims	27 764	
- gifts and promotional items	4 088	
- miscellaneous	1 230	
- corporate income tax	4 250	
2- Non-current	**80 948**	
- IR REMINDER/ year 2018	5 183	
- Social solidarity contribution on profits	68 285	
- IR MRE of 10%	5 148	
- Miscellaneous	2 332	
III - TAX DEDUCTIONS		
1- Current		**1 982 652**
- PRG		676 699
- deduction on participation products		1 305 953
2- Non-current		**435 934**
- COVID-19 recovery		126 000
- reversal of provisions that have been subject to tax reintegration of outstanding receivables		307 028
- Miscellaneous		2 906
TOTAL	**2 430 072**	**2 418 586**
IV - GROSS TAXABLE INCOME		
. Gross profit if T1 > T2 (A)		11 486
. Gross tax deficit if T2 > T1 (B)		
V - IMPUTED LOSSES CARRIED FORWARD (C) (1)		
. Fiscal year n-4		
. Fiscal year n-3		
. Fiscal year n-2		
. Fiscal year n-1		
VI - NET INCOME FOR TAX PURPOSES		**11 486**
. Net taxable income (A - C)		
OU		
. Net tax deficit (B)		
VII - CUMUL DES AMORTISSEMENTS FISCALEMENT DIFFERES		
VIII - CUMUL DES DEFICITS FISCAUX RESTANT A REPORTER		
. Fiscal year n-4		
. Fiscal year n-3		
. Fiscal year n-2		
. Fiscal year n-1		

(1) Within the limit of the amount of the gross taxable profit (A)

DETERMINATION OF CURRENT INCOME AFTER TAX

(in thousands MAD)

I. DETERMINATION OF INCOME		AMOUNT
. Current result according to the income and expense account (+ or -)		2 480 274
. Tax reversals on current transactions	(+)	35 128
. Tax deductions on current transactions	(-)	1 982 652
. Theoretically taxable current result	(=)	532 750
. Theoretical tax on current income	(-)	197 118
. Current income after tax	(=)	2 283 157

II. INDICATIONS OF THE TAX REGIME AND ADVANTAGES GRANTED BY THE INVESTMENT CODES OR BY SPECIFIC LEGAL PROVISIONS

DETAILS OF THE VALUE-ADDED TAX

TYPE	BALANCE AT THE BEGINNING OF FISCAL YEAR 1	ACCOUNTING TRANSACTIONS FOR FISCAL YEAR 2	VAT RETURNS FOR FISCAL YEAR 3	SOLDE FIN D'EXERCICE (1+2-3=4)
A. Collected VAT				
B. Recoverable VAT				
. On expenses				
. On fixed assets				
C. VAT due or credit of VAT = (A-B)				

DUE TO UNIQUE TAXATION THE TABLE IS AVAILABLE AT THE CPM LEVEL

DISTRIBUTION OF BCP'S SHARE CAPITAL

Name of major shareholders or partners	Address	Number of shares held		Percentage of capital held
		Current fiscal year	Previous fiscal year	
BANQUES POPULAIRES REGIONALES		84 927 281	99 768 135	41,77%
GENERAL TREASURY	RABAT	1	1	0,00%
EMPLOYEES		11 515 691	13 195 163	5,66%
MISCELLANEOUS		106 869 500	89 291 357	52,56%
Total		**203 312 473**	**202 254 656**	**100,00%**

APPROPRIATION OF INCOME DURING THE FISCAL YEAR

(in thousands MAD)

	AMOUNTS		AMOUNTS
A- Origin of the allocated results		B- Allocation of results	
Decision of the A.G.O. of 24/06/2021			
Retained earnings	466 862	Legal reserve	
Net results pending appropriation (2)		Other reserves	390 519
Net income for the fiscal year (2)	2 103 343	Dividends	1 618 037
Deductions from profits		Other allocations	47 608
Other deductions		Retained earnings	514 041
TOTAL A	**2 570 205**	**TOTAL B**	**2 570 205**

(in thousands MAD)

	2021 Fiscal Year	2020 Fiscal Year	2019 Fiscal Year
EQUITY AND SIMILAR	45 130 497	45 011 623	43 308 518
OPERATIONS AND RESULTS FOR THE FISCAL YEAR			
1- Net banking income	6 475 210	6 162 299	6 253 000
2- Income before taxes	2 313 995	2 825 208	3 398 416
Income taxes	4 250	721 865	816 590
4- Distributed earnings	1 618 037	1 618 037	1 366 910
5- Retained earnings (placed in reserve or pending appropriation)	514 041	466 862	952 472
EARNINGS PER SHARE (in MAD)			
Net earnings per share	11	10	13
Distributed profit per share year N-1	8	8	8
EMPLOYEES			
Gross remuneration amounts for the fiscal year	1 106 554	1 075 041	1 053 462
Average number of employees employed during the fiscal year	2 663	2 692	2 779

DATES AND SUBSEQUENT EVENTS

I- DATATION	
• Fiscal year end date:	31/12/2021
• Date of preparation of the summary statements:	FEBRUARY 2022
II- EVENTS AFTER 31/12/2021	NONE

WORKFORCE

(in numbers)

	31/12/2021	31/12/2020
Paid staff	2 663	2 692
Number of employees used	2 663	2 692
Full-time equivalent workforce	2 663	2 692
Administrative and technical staff (full-time equivalent)	1 206	1 251
Employees assigned to banking tasks (full-time equivalent)	1 457	1 441
Managers (full-time equivalent)	2 263	2 246
Employees (full-time equivalent)	400	446
including employees abroad	38	40

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR ON DEPOSIT

(in thousands MAD)

	NUMBER OF ACCOUNTS		AMOUNTS	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Securities for which the institution is depositary	101 305	50 999	209 614 940	176 491 563
Securities managed under a management mandate				
UCITS securities for which the institution is the depositary	76	66	136 923 801	124 518 051
UCITS securities managed under a management mandate				
Other assets for which the institution is depositary				
Other assets managed under a management mandate				

NETWORK

(in numbers)

NETWORK	31/12/2021	31/12/2020
Permanent counters	318	331
Periodic counters		
Automatic banking machines and ATMs	378	426
Branches and agencies abroad	54	54
Representative offices abroad	8	8

CUSTOMER ACCOUNTS

(in numbers)

CUSTOMER ACCOUNTS	31/12/2021	31/12/2020
Current accounts	75 395	74 142
Checking accounts of Moroccans living abroad	176 692	174 855
Other checking accounts	1 018 068	1 002 239
Factoring accounts	515	479
Savings accounts	318 631	306 191
Term accounts	14 736	15 994
Cash vouchers	7	7
Other deposit accounts	26 658	27 115

BANQUE CENTRALE POPULAIRE

CORPORATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2021

STATEMENT OF REVENUES

(in thousands MAD)

	31/12/2021	30/06/2021	31/12/2020
REVENUES	11 858 891	6 835 970	12 373 587

STATEMENT OF OUTSTANDING RECEIVABLES AND RELATED PROVISIONS

(in thousands MAD)

	AMOUNT AS OF 31/12/2021	
	By disbursement	By signature
CREANCES	9 417 619	1 056 595
PROVISIONS	6 682 178	973 552

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BANQUE CENTRALE POPULAIRE (BCP)
CERTIFICATE OF THE STATUTORY AUDITORS' LIMITED REVIEW OF THE PROVISIONAL CORPORATE FINANCIAL STATEMENTS
FISCAL YEAR FROM JANUARY1 TO DECEMBER 31, 2021

We have reviewed the accompanying interim financial statements of Banque Centrale Populaire (BCP), which consist of the balance sheet statement, the off-balance sheet statement, the income statement, the cash flow statement, and the supplementary information statement for the period from January 1 to December 31, 2021. This provisional statement, which shows an amount of equity and similar capital totaling KMAD 45 130 497 including a net profit of KMAD 2 309 745, is the responsibility of the Bank's management bodies. This provisional statement was approved by the Board of Directors on February 28, 2022, in the context of the evolving health crisis of the Covid-19 epidemic and based on the available data as of that date.

We conducted our review in accordance with professional standards applicable in Morocco. Those standards require that we plan and perform the review with the aim of obtaining moderate assurance that the provisional financial statements are free of material misstatement. A limited review consists primarily of interviews with bank personnel and analytical tests of financial data and therefore provides a lower level of assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying provisional financial statements do not give a true and fair view of the results of operations for the year ended December 31, 2021 and of the financial position and assets and liabilities of Banque Centrale Populaire (BCP) as of December 31, 2021, in accordance with the generally accepted accounting standards in Morocco.

Casablanca, March 16, 2022

The Statutory Auditors

FIDAROC GRANT THORNTON

Faïçal MEKOUAR
Associé

BDO Audit, Tax & Advisory

Moutai CHAOUKI
Associé

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