

## The expansion of Moroccan banks in Africa: The choice of locations and commitment

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## **The expansion of Moroccan banks in Africa: The choice of locations and commitment**

### **Abstract**

Moroccan banks have witnessed rapid growth since the early 2000s in the African continent, particularly in French speaking countries where they have established themselves as important institutions in the financial sector. The purpose of this paper is to study two elements. First, the criteria used, by Moroccan banks, in order to choose the first territories (Countries) of establishment in Africa. Second, the entry mode mobilized in each territory and the evolution of commitment.

To respond the research questions, we adopted a case study design (Multi-case). Within this design, a three-step process was followed. First, we propose and operationalise an explanatory model. Second, we collect secondary data to conduct a longitudinal analysis over the study period. Third, we mobilize the multiple linear regression, the correlation coefficient and the discriminant factor analysis to test the hypotheses.

Three conclusions emerge from our work. First, the cultural distance between Morocco and the host countries influences the choice of the first territories of establishment. Second, Moroccan banks follow each other during their expansion in Africa. Third, the experience gained in a new territory positively affects the evolution of commitment within that territory.

**Keywords:** Strategy; Internationalisation; Commitment; Bank; Africa.

**Classification JEL:** F23, G21, M16

**Paper type:** Empirical Research

## 1. Introduction

Over the past two decades, Morocco has placed the African continent at the heart of its strategic choices. Indeed, it has significantly increased the number of its diplomatic representations on the continent and has given more importance to south-south cooperation.

On the economic level, Morocco's African orientation has taken on a new dimension by being part of a medium and long-term vision. Indeed, the country has developed an economic strategy that encourages its large companies to develop their activities in Africa. Moroccan companies' expansion in Africa has gone through three main stages<sup>1</sup>:

- The first is characterised by the implication of large governmental companies in infrastructure development projects (Infrastructure projects, telecommunications, transportation, electrification, etc.) ;
- The second is characterised by the implication of the large private companies, particularly large companies operating in the service sectors (Banking, insurance, consulting, etc.). During this phase, economic diplomacy played an active role in supporting business initiatives ;
- The third, distinguished by the implementation of a real road map which is part of a medium and long term vision oriented towards the achievement of further regional integration ;

In terms of Foreign Direct Investment (FDI), Morocco has recorded strong growth in its investments in Africa over the last decade. Indeed, the country is among the first African investors in the West African Economic and Monetary Union (UEMOA) and the Economic and Monetary Community of Central Africa (CEMAC). In our opinion, this trend should accelerate in the long term, given Morocco's accession to the African Union (AU) and its request for membership in the Economic Community of West African States (ECOWAS).

In this context, Moroccan banks have not escaped African expansion. Indeed, since the early 2000s, Moroccan banks have experienced rapid growth on the African continent, particularly in French-speaking countries, where they have established themselves as major players in the financial sector. At the end of 2022, they were present in 27 African countries (BAM, 2023, p. 16). During the period from 2000 to 2018, the three banking groups; AttijariWafa Bank (AWB), Banque Centrale Populaire (BCP), and Bank Of Africa (BOA) have significantly increased their coverage of the African continent from no presence to 13 countries, from 3 to 13 countries and from 1 to 19 countries respectively (Nemrouri et al., 2019).

Along with the development of Moroccan banks, the banking system in Africa has undergone remarkable changes. One of the major changes has been the evolution of the ownership structure following the liberalization and privatization process undertaken by several African countries. This change reduced the market share of state banks in favor of new entrants. These entrants are made up of three groups:

- Banks from developed countries. Their presence in Africa dates back to the colonial period. Indeed, during this period each colonial power encouraged its banks to set up in its colonies to ensure the financing of new infrastructure, international trade operations, and settlers. Following independence and benefiting from the privileges resulting from the colonial period, European banks continued to dominate the African banking sector with a concentration of British banks in English-speaking countries, French banks in French-speaking countries, and Portuguese banks. in Portuguese-speaking countries ;
- Banks from developing countries (Outside Africa). These are banks from China, India, Bahrain, or Pakistan. Compared to banks from developed countries, their presence in Africa is a recent phenomenon (Beck et al., 2014, p. 36) ;

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<sup>1</sup> DEPF, *Relations Maroc-Afrique: L'ambition d'une « nouvelle frontières »*, 2015, p. 2-3

- Banks from African countries (Pan-African Banks). These are banks located in an African country. The geographic expansion of these banks, beyond their domestic market, started since the 1990s with an acceleration in the mid-2000.

All these facts highlight the importance of studying the development of Pan-African banks, in general, and Moroccan banks in particular. Indeed, faced with this rapid growth on the continent and the absence of academic publications on the subject<sup>2</sup>, this study will investigate the following research questions:

***RQ1 What are the important criteria used by Banks for choosing the first countries of establishment?***

***RQ2 How does the commitment towards each territory evolve?***

To answer these two questions, we will design and operationalise an explanatory model to test it with empirical reality. This article is organised as follows. In the first section, we will present the literature review. The second the methodology. The third is the data analysis and the results. In the fourth, the discussion and at the end, we will leave room for a conclusion.

## **2. Literature review**

### **2.1 The choice of location**

To the first question, what are the important criteria used by Banks for choosing the first countries of establishment? The international management community mentions four criteria. First, the importance of psychic distance (Defined as “factors preventing or disturbing the flows of information between firm and market. Examples of such factors are differences in language, culture, political systems, level of education, level of industrial development, etc” (Johanson & Wiedersheim-Paul, 1975)) between the country of origin and the host countries. Indeed, banks tend to set up first in countries sharing the same language or colonial history (Hirst & Taylor, 1985; Guillén & Tschoegl, 1999; Blandon, 2001; Fung, et al., 2002; Tschoegl, 2002; Prada, et al., 2009; Kumar Boojihawon & Acholonu, 2013). In support of this assertion, we note that Australian banks started their internationalisation in the British market, the Spanish banks in Latin America and African banks (three Nigerian and one Kenyan) in English-speaking African countries. (Kumar Boojihawon & Acholonu, 2013) note that the African banks, subject of their study, started their expansion in Africa by setting up in the countries that shared their language (English). They then continued their expansion outside Africa by establishing themselves in the British market. The attractiveness for this market is partly explained, according to the authors, by the legal and regulatory similarities and the perceived low psychic distance. Indeed, the language barrier do not exist and banking regulation in Nigeria is largely inspired by the British regulation (due to colonial history) at an extent that the procedures for granting the authorisation to exercise the banking activity are similar.

Second, the importance of potential profit margins in foreign territories. Indeed, given that profit opportunities assessments are based on a comparison of the bank's domestic market with potential host countries markets, relatively higher profit margins abroad can influence the choice of territories to invest in at first (Beck et al., 2014, p. 50). it is worth mentioning at this point that several authors argue that the lack of opportunities of growth at the national level can, on its own, be a significant factor triggering a strategy of international expansion by banks (Fung et al., 2002; José Alvarez-Gil et al., 2003; Prada et al., 2009; Tschoegl, 2002a).

Third, the existence of a phenomenon of following each other between banks originated from the same country (Engwall & Wallenstal, 1988; Hellman, 1994; Marois, 1997; José Alvarez-Gil, et al., 2003; Qian & Delios, 2008; Ekman, et al., 2014). In other words, banks from the

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<sup>2</sup> To the best of our knowledge, this is the first study that examines the choice of locations and entry modes mobilised by Moroccan banks during their expansion in Africa.

same country tend to establish themselves in the same foreign territories. This situation is due to the mechanism of oligopolistic reaction which gives rise to a sequence of international establishments (Knickerbocker, 1973). First, the market leader, then, in a defensive perspective motivated by the preservation of market shares at the national level, the other banks follow the leader. There follows a sort of headlong rush, where each bank invests abroad because the leading competitor is doing so, even if it does not provide any immediate benefit (Except the one of taking part in market sharing). Some economists call this phenomenon a cluster investment (Amelon & Cardebat, 2010).

Fourth, the influence of regulatory constraints in the possible host countries on the choice of expansion territories (Tschoegl, 1981, 2002; Focarelli & Pozzolo, 2001, 2005; Ekman, et al., 2014). Indeed, regulatory restrictions in possible host countries play a crucial role in the process of banks internationalisation. (Focarelli & Pozzolo, 2005) note that banks acquire cross-border stakes in less concentrated markets, characterized by strong judicial systems and where regulatory restrictions on banking activity are weak.

According to the previous literature review, the authors propose the following hypotheses:

***H.I: The growth opportunities affect positively the choice of the first location of establishment.***

***H.II The distance between the country of origin and the host country affect negatively the choice of the first location of establishment.***

***H.III: The banks of the same country follow each other during their international expansion.***

## **2.2 Entry modes and commitment**

Addressing the second question, how does the commitment towards each territory evolve? Which deals with the entry mode mobilised to ensure the establishment and development in each new territory.

The literature suggests that banking institutions prefer to resort to external growth operations through mergers and acquisitions of local banks to lead retail banking activities (Guillén & Tschoegl, 1999; Cardone-Riportella & Cazorla-Papis, 2001; Sanchez-Peinado, 2003; Fiechter, et al., 2011). On the contrary, they resort to organic growth (representative office, branch) to conduct wholesale banking operations (Heinkel & Levi, 1992; Cardone-Riportella & Cazorla-Papis, 2001; Mutinelli, 2001; Sanchez-Peinado, 2003; Fiechter, et al., 2011). According to the literature, these choices are explained by the specificities of each business and in particular the need to have a stable market share from the first year of establishment to operate retail-banking activities. (Engwall, et al., 2001) note that once they start up in a new territory, foreign banks gain market share by accepting the least creditworthy clients, and (Sanchez-Peinado, 2003) conclude that Spanish banks settle through mergers and / or acquisitions of local banks if their establishment is motivated by reaching a certain size and rapidly acquiring market share. (Heinkel & Levi, 1992) argue that, unlike the representative office and the branch, foreign banks respond to different factors when establishing subsidiaries. In fact, unless required to do so by local regulations, a bank does not create a subsidiary to replace another form of establishment. The subsidiaries are often created to carry out activities that would compete with local banks (Example: specialized leasing or consumer credit activity, retail banking activity). (Focarelli & Pozzolo, 2005) assert that financial centers attract branches and not subsidiaries (Acquisition of participations). This last result is consistent with the one of (Brealey & Kaplanis, 1996 Cité dans : Focarelli & Pozzolo, 2005) which show that banks are established in financial centers, mainly, through branches to serve their national customers.

Regarding the evolution of commitment in each new territory with experience, the international management community distinguishes two positions:

- The incremental evolution of commitment due to experience gained over time within

each foreign territory (Ball & Tschoegl, 1982; Heinkel & Levi, 1992; Qian & Delios, 2008). Contrary to the opportunistic development, some authors highlight the gradual evolution of commitment that follows along with the accumulation of experience of the bank within each new territory.

- The opportunistic evolution (Guillén & Tschoegl, 1999; Tschoegl, 2002; Ekman, et al., 2014). In certain territories, banks made their first establishment by making a significant investment, such as the acquisition of a large subsidiary. In others, they opt for rapid development with investments, divestments and high risk-taking (like managing a financial portfolio) (Cardone-Riportella, et al., 2003; Ekman, et al., 2014).

According to the literature review, the authors propose the following hypothesis:

**H. IV: The bank’s experience in a foreign country has a positive impact on the evolution of its commitment within this foreign country.**

According to the literature review and our exploratory study (Nemrouri et al., 2019), we formulate the hypotheses in Table 1 and propose the conceptual model in Figure 1.

*Table 1 – Summary of hypotheses formulated from the literature review*

Research questions	Hypotheses
How do banks expand internationally?	<p><b>(H.I)</b> The growth opportunities affect positively the choice of the first location of establishment.</p> <p><b>(H.II)</b> The distance between the country of origin and the host country affects negatively the choice of the first location of establishment.</p> <p><b>(H.III)</b> The banks of the same country follow each other during their international expansion.</p> <p><b>(H.IV)</b> The bank’s experience in a foreign country has a positive impact on the evolution of its commitment within this foreign country.</p>

Source: Authors

*Figure 1 – Proposed conceptual (Theoretical) model*



Source: Authors

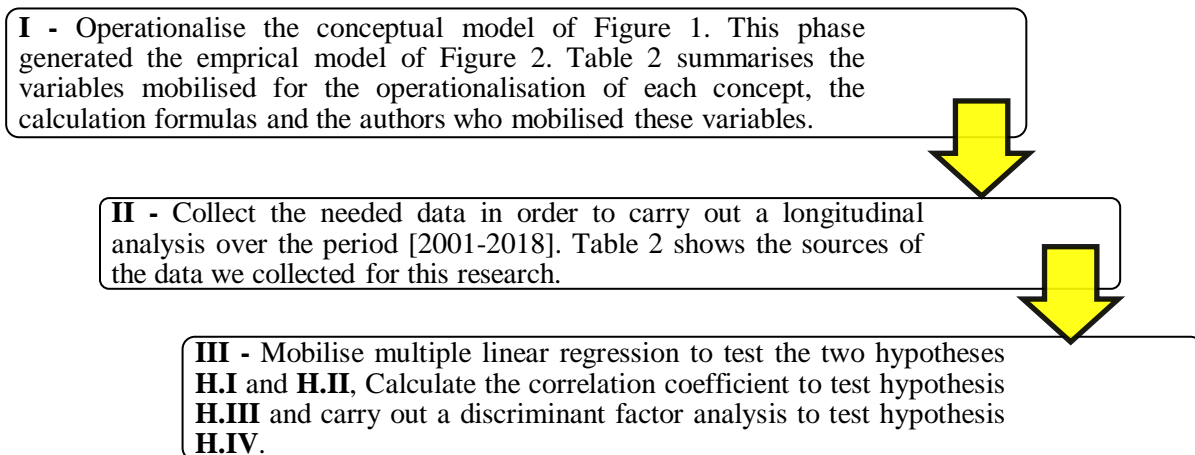
### 3. Research methodology

We adopted a case study design (Multi-case). Within this design, a three-step process was followed to confront the theoretical model to the empirical reality and respond to the research questions. Diagram 1 summarizes each step of the process. We should point out two elements regarding the operationalisation of the “Distance” concept:

- Firstly, given the unavailability of information relating to the 54 African countries and the difficulty of operationalising the Hofstede Index (Cité dans: Engwall & Wallenstal, 1988; Hofstede, 1980, p. 334) and the CAGE model proposed by Ghemawat (Ghemawat, 2001), we excluded these two tools;
- Secondly, as far as we know, there are no indicators for measuring the quality of judicial systems in African countries. Therefore, we eliminated this element. Instead, we introduced a variable that we entitled Diplomatic distance. Indeed, in our exploratory study (Nemrouri

et al., 2019), we identified a factor that can explain the choice of location that we did not identify in our literature review, namely the political factor. Following the comments made by several managers of the banks we studied, we believe it is essential to test the impact of diplomatic distance on the choice of location. In our opinion and given the reputation that characterises the majority of legal systems in African countries, and in order to face up to the risks of expropriation and/or nationalisation (country risk), each company should consider diplomatic ties as a last resort to protect its rights.

**Diagram 1 – Research methodology**



*Source: Authors*

### 3.1 Cases and research data.

The research comprises the three Moroccan banks expanding in Africa (Three cases). Three reasons justify this choice. First, to respond to a major criticism formulated against case studies and relating to the possibility of generalising the results of a single case (Bhattacharjee, 2012, p. 93; Yin, 2018, p. 20). Second, to allow the study of the entire population subject to the research and to carry out inter-case comparisons. Indeed, during the exploratory study, we found that only three Moroccan banks are expanding in Africa. Third, to be able to analytically generalise the results of the study, taking into account certain conditions, to other African banks (Schwandt, 2007, p. 28; Thietart et al., 2014, p. 224; Yin, 2018, p. 21).

The longitudinal study spans a period of approximately two decades, from 2001 to 2018. Two reasons justify this period:

- First, the desire to identify and analyse almost all the investments made by Moroccan banks in Africa since the beginning of the century and until the last period before the Covid crisis<sup>3</sup> ;
- Second, the need to study the environment of the Moroccan banking sector during the period 2000-2005. Indeed, it was during this period (in 2004) that the largest merger operation in the Moroccan banking sector took place between the two banks BCM and Wafa Bank and gave birth to the first Moroccan banking group AWB. It was since 2005 that we noticed the implementation of a sustainable expansion strategy in Africa by the two banks BOA and AWB.

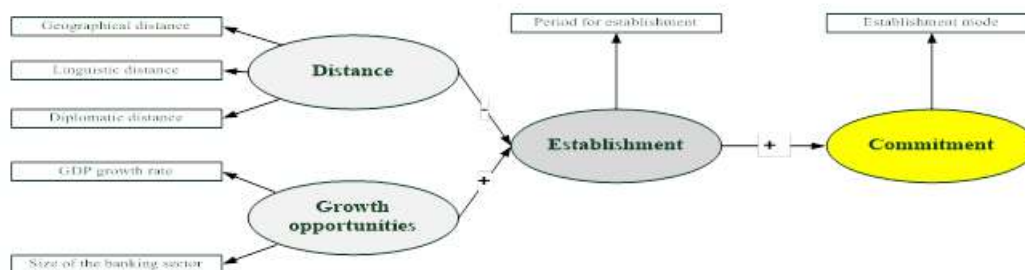
At the level of each of the three cases, we collect and analyse data, both quantitative and qualitative (Yin, 2018, p. 17), to respond to the research questions.

### 3.2 Research model

<sup>3</sup> Since it was published after the Covid crisis (End 2019/Beginning 2020), 2019 bank's financial data were excluded from the study.

Figure 2 shows the research model. Table 2 summarises the variables mobilised for the operationalisation of each concept, the calculation formulas, and the authors who mobilised these variables in previous studies.

*Figure 2 – Proposed empirical model*



*Source: Authors*

### 3.3 Data analysis.

To conduct our analysis, we will proceed as below:

- In order to test our two-research hypothesis H.I and H.II, we apply a multiple linear regression on the collected data for each bank. Our goal is to identify the key environmental factors (attributes of the host countries) that affect the time needed for each bank to set up in a new territory;
- In order to test the H.III hypothesis, we calculate the correlation coefficient of the order of the establishments carried out by each bank in our study;
- In order to verify the impact of the experience (Quantitative variable measured by the number of years of presence in the host country) of banks, in the host countries on their commitment in these countries H.IV, we proceed a discriminant factor analysis. This method will allow controlling whether the quantitative variable « Experience » influence positively the evolution of the mode of establishment and the percentage of stake in the subsidiary (Ordinal variable). Our discriminant analysis involves three steps as follows:
  - Step1: check for the existence of differences between the groups;
  - Step2: check of the validity of the study;
  - Step3: check of the quality of representation of the model.

We need to mention that given the absence of a public database, we carried out manual extraction of the data from several documents. Table 2 shows the sources of the data we collected for this study.



Table 2 – List of research variables

Concepts	Variables	Symbols	Formulas	References	Sources
<b>Variables related to the banks</b>					
Implantation	-First establishment in foreign country	<b>IMP</b>	Period needed to set up in the country during the study period [2001 – 2018]	Engwall & Wallenstal (1988), Ursacki & Vertinsky (1992), Hellman (1994).	Annual reports (AWB, BCP, BOA) Management reports (AWB, BCP, BOA) Briefing notes (AWB, BCP, BOA)
Experience	-Number of years in the host country	<b>EXP</b>	Number of years of presence in the host country	Ball & Tschoegl (1982), Qian & Delios (2008).	Annual reports (AWB, BCP, BOA) Management reports (AWB, BCP, BOA) Briefing notes (AWB, BCP, BOA)
Commitment	-Mode of establishment and the percentage of stake in the subsidiary.	<b>ENG</b>	Ordinal variable (Representative office = 1 ; Branch = 2 ; Affiliated bank ] 0–25% [= 3 ; Affiliated bank [ 25-50% [= 4 ; subsidiary [ 50-75% [= 5 ; subsidiary [ 75-100% [= 6 ; 100% subsidiary= 7)	Engwall & Wallenstal (1988), Hellman (1994).	Annual reports (AWB, BCP, BOA) Management reports (AWB, BCP, BOA) Briefing notes (AWB, BCP, BOA)
<b>Variables related to the environment</b>					
Growth opportunities (Market attractiveness)	-GDP Growth rate	<b>TX_PIB</b>	$(GDP_n - GDP_{n-1}) / GDP_{n-1}$	Qian & Delios (2008), Focarelli & Pozzolo <sup>4</sup> (2005), Caves (1996).	World bank (Online database)
	-Size of the banking sector	<b>TAI_SB</b>	Total domestic credit provided by the financial sector / GDP	Focarelli & Pozzolo <sup>5</sup> (2005), Focarelli & Pozzolo <sup>6</sup> (2001).	World bank (Online database)
Distance	-Geographical distance	<b>DIS_KM</b>	Ln (Distance in Kilometre)	Ball & Tschoegl (1982), Ursacki & Vertinsky (1992), Buch & Lipponer (2007).	Google Maps
	-Linguistic distance	<b>DIS_LIN</b>	Nominal variable (1 = Existence of a common language <sup>7</sup> ; 0 = No common language)	Focarelli & Pozzolo (2005).	Multiple sources
	-Diplomatic distance	<b>DIS_DIP</b>	Nominal variable (1 = Existence of an embassy in the host country; 0 = No embassy in the host country)	<b>Variable identified from our exploratory study.</b>	<a href="https://www.embassypages.com/maroc">https://www.embassypages.com/maroc</a>

Source: Authors

<sup>4</sup> For a better accuracy, the authors use « Expected GDP growth rate ».

<sup>5</sup> For a better accuracy, the authors use the ratio « Total credit to the economy / GDP ».

<sup>6</sup> For a better accuracy, the authors use the ratio « Total credit to the economy / GDP ».

<sup>7</sup> Arabic language or French language.

**Table 3 – Regression on AWB, BCP and BOA data**

The model with all variables	AWB						BCP						BOA					
	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics		Non-standardized coefficients		Student's T	P-Value	Collinearity statistics		Non-standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			A	VIF	A	Standard error			A	VIF	A	Standard error			A	VIF
Constant	20.821	9.638	2.160	.036			9.386	9.975	.941	.352			22.632	12.610	1.795	.079		
Geographical distance	-.289	1.124	-.257	.798	.984	1.016	.945	1.163	.812	.421	.984	1.016	-.555	1.471	-.378	.707	.984	1.016
Linguistic distance	-4.620	1.231	0-3.753	.000	.805	1.243	-3.808	1.274	-2.988	.004	.805	1.243	-5.587	1.611	-3.468	.001	.805	1.243
Diplomatic distance	-2.025	1.307	-1.549	.128	.714	1.401	-1.916	1.353	-1.416	.163	.714	1.401	.005	1.710	.003	.998	.714	1.401
GDP growth	.127	.266	.479	.634	.813	1.230	.272	.275	.991	.327	.813	1.230	-.459	.348	-1.321	.193	.813	1.230
Size of the banking sector	-.016	.019	-.834	.409	.969	1.032	.003	.020	.160	.873	.969	1.032	.011	.025	.420	.677	.969	1.032
The model with a single variable	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics		Non-standardized coefficients		Student's T	P-Value	Collinearity statistics		standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			A	VIF	A	Standard error			A	Standard error	A	VIF				
	Constant	17.667	.721	24.500	.000			17.867	.744	24.016	.000			16.233	.938	17.299	.000	
Linguistic distance	-5.362	1.095	-4.899	.000	1.000	1.000	-4.693	1.129	-4.155	.000	1.000	1.000	-5.451	1.424	-3.826	.000	1.000	1.000

*Source: Authors*

## 4. Data analysis and results

### 4.1 Key factors for the choice of the first host countries

To test our two-research hypothesis H.I and H.II, we apply a multiple linear regression on the collected data for each bank. Our goal is to identify the key environmental factors (Independent variable) that affect the time needed for each bank to set up in a new territory (Dependent variable). This involves the study of the following factors :

- Geographical distance (Quantitative variable, Ln (Distance in kilometre)) ;
- Linguistic distance (Nominal variable (1 = Existence of a common language ; 0 = No common language)) ;
- Diplomatic distance (Nominal variable (1 = Existence of an embassy in the host country ; 0 = No embassy in the host country)) ;
- GDP growth rate (Quantitative variable, Average GDP growth rate during the study period [2001-2018]) ;
- Banking sector size in the host country (Quantitative variable, Average of the Ratio “Total domestic credit provided by the financial sector / GDP” during the study period [2001-2018]).

Table 3 presents the results of the regression with all variables and one single variable. Appendix 1<sup>8</sup> results indicate for the three cases AWB, BCP and BOA, that the estimation with one variable (Linguistic distance) is largely significant at 5% than the estimation with all the variables (Geographical distance, Diplomatic distance, GDP growth rate and Banking sector size). Table 4 presents the estimation of the model with a single explanatory variable (Linguistic distance) for each bank.

*Table 4 – Estimation of the model with Linguistic distance variable*

	Function
AWB	Time needed to set up in a new territory = 17.667 - 5.362 * Linguistic distance (t= - 4,899)
BCP	Time needed to set up in a new territory = 17.867 - 4.693 * Linguistic distance (t= - 4,155)
BOA	Time needed to set up in a new territory = 16.233 - 5.451 * Linguistic distance (t= - 3.826)

*Source: Authors*

### 4.2 The existence of following each other phenomenon between banks

To test the H.III hypothesis, we calculate the correlation coefficient of the order of the establishments carried out by each bank in our study. Table 5 shows the calculation results<sup>9</sup>.

*Table 5 – Correlation coefficient*

	AWB	BCP	BOA
Correlation with AWB's behavior	-	0,38	0,76
Correlation with BCP's behavior	-	-	0,46

### 4.3 The experience-commitment relationship

To verify the impact of the experience (Quantitative variable measured by the number of years of presence in the host country) of banks, in the host countries on their commitment in these countries (H.IV), we proceed a discriminant factor analysis. This method allow controlling whether the quantitative variable « Experience » impact the evolution of the mode of

<sup>8</sup> Appendix 1: Tables 2&3, 5&6, 8&9 show the statistical results of the estimation of the model with all variables and one (Linguistic distance) for, respectively, AWB, BCP and BOA.

<sup>9</sup> Appendix 1: Table 10 & 11 show the history of the establishments of each bank.

establishment and the percentage of stake in the subsidiary (Ordinal variable). Our discriminant analysis involves three steps as follows:

- Step 1 : check for the existence of differences between the groups<sup>10</sup>;
- Step 2 : check of the validity of the study<sup>11</sup>;
- Step 3: check of the quality of representation of the model. Table 6 shows the coefficients of the canonical discriminant functions and the discriminant function of AWB and BCP. For BOA, the canonical discriminant function was not calculated. Indeed, step 1 and step 2 show that the experience-commitment relationship in host countries does not appear to be significant<sup>12</sup>.

*Table 6 – Estimation of the model with Linguistic distance variable*

Function	
AWB	<b>Coefficients of the canonical discriminant functions</b>
	Time of presence in years ( Experience) .350
	Constant -1.848
	<b>Discriminant function</b>
<b>Commitment = -1.848 + 0.350 * Time of presence in years</b>	
BCP	<b>Coefficients of the canonical discriminant functions</b>
	Time of presence in years ( Experience) .260
	Constant -2.098
	<b>Discriminant function</b>
<b>BCP Commitment = -2.098 + 0.260 * Time of presence in years</b>	

Source: Authors

## 5. Discussion

### 5.1 Conclusion of the proposed empirical model

Table 7 summarizes the conclusions generated from the statistical analysis of collected data.

*Table 7 – Results of the hypotheses testing of the proposed model*

N°	Hypotheses	Hypotheses testing for the three banks		
		AWB	BCP	BOA
I	The growth opportunities affect positively the choice of the first location of establishment.	Rejected	Rejected	Rejected
II	The distance between the country of origin and the host country affects negatively the choice of the first location of establishment.	Accepted	Accepted	Accepted
III	The banks of the same country follow each other during their international expansion.	Accepted		
IV	The bank's experience in a foreign country has a positive impact on the evolution of its commitment within this foreign country.	Accepted	Accepted	Rejected

Source: Authors

As stated earlier, the paper aims to understand Moroccan banks' expansion in Africa. For this purpose, we tried to answer two research questions; what are the important criteria banks use for choosing the first countries of establishment? How does the commitment towards each territory evolve? The research results and their discussion regarding the literature review are organized below into four points.

<sup>10</sup> Appendix 1: Table 12&13, 17&18, 22&23 show the statistical results regarding this step for, respectively, AWB, BCP and BOA.

<sup>11</sup> Appendix 1: Table 14,15&16, 19,20&21, 24,25&26 show the statistical results regarding this step for, respectively, AWB, BCP and BOA

<sup>12</sup> Appendix 1: Table 22, 23, 24, 25&26.

## **5.2 Growth opportunities do not positively affect the choice of the first location of establishment (H.I: Rejected).**

The three banks studied show that the two indicators, the GDP growth rate and the size of the banking sector, which measure the growth opportunities in potential African host countries do not have an explanatory power of the time needed for the first establishment. These results allow us to conclude that growth opportunities do not influence the choice of the first host countries.

The conclusions of our study confirm the results found in the literature. Indeed, at the beginning of the process of international expansion, growth opportunities do not explain the choice of the first host countries. At this stage of development, the perception of risk is high and the banks establish their subsidiaries, at first, in countries with a low psychic distance compared to the country of origin, before considering the growth opportunities each country offer. During this phase, the main obstacles to international expansion are the lack of information on foreign markets and the lack of managers' experience. We have identified the same fact among African banks (Three Nigerians and one Kenyan), Spanish banks and Australian banks (Cardone-Riportella et al., 2003; Cardone-Riportella & Cazorla-Papis, 2001; Fung et al., 2002; Guillén & Tschoegl, 1999; Kumar Boojihawon & Acholonu, 2013; Merrett, 2002; Prada et al., 2009; Sanchez-Peinado, 2003).

## **5.3 The distance between the country of origin and the host country negatively affects the choice of the first location of establishment (H.II: Accepted).**

The three banks studied show that linguistic distance is largely significant in explaining the time needed for the first establishment in a host country compared to the other variables. Indeed, the establishment in a country that has at least one common language with Morocco takes less time than the establishment in a country that does not have a common language with the country of origin. According to the calculated functions, the saved time on average is 5.36, 4.69 and 5.45 years, respectively for AWB, BCP and BOA (Table 4).

However, our analysis does not reveal a significant link, on the one hand, between geographical distance and the time needed for the establishment, and on the other hand, between diplomatic distance and the time needed for the establishment. These results allow us to conclude that linguistic distance is the main variable that explains the choice of the first host countries.

Our results confirm the conclusions of the literature, which proclaims the importance of cultural proximity in the choice of the countries of establishment at the start-up of the international expansion strategy of banks. Indeed, Spanish banks have started their international expansion in Latin America and particularly in Spanish-speaking countries (Guillén & Tschoegl, 1999), Australian banks in English-speaking countries (Fung et al., 2002; Hirst & Taylor, 1985; Merrett, 2002) and African banks from English-speaking countries (Nigerian and Kenyan banks) in English-speaking countries (Kumar Boojihawon & Acholonu, 2013). Moreover, given the colonial past, the sharing of English, French or Spanish, as a business language between two African countries is an indicator of legal and regulatory similarities, and of the low perceived psychic distance. In fact, the business regulations, particularly banking regulations, are largely inspired by French regulations in French-speaking countries and English regulations in English-speaking countries. (Kumar Boojihawon & Acholonu, 2013) point out that banking regulations in Nigeria are largely inspired by British regulation, to the extent that the procedures for granting authorization to carry on banking activity are similar. In the case of French-speaking African countries, the similarity is even greater when we know that, over and above legal and regulatory similarities, 15 of the 22 countries listed as French-speaking in Africa are part of the CFA Franc zone, and Moroccan banks are established in 14

of the 15 countries of the CFA Franc zone (10, 9 and 8 establishments for AWB, BCP and BOA respectively).

#### **5.4 Moroccan banks follow each other during their international expansion (H.III: Accepted).**

Data analysis reveals that the three banks subject to our study follow each other. This phenomenon is more notable between AWB and BOA (Correlation coefficient: 0.76). The weak correlation between BCP/AWB (Correlation coefficient: 0.38) and BCP/BOA (Correlation coefficient: 0.46) is explained by the fact that the BCP international expansion started late, in 2010. This date coincides with the beginning of the Moroccan state's withdrawal from the bank's capital, represented by the Treasury, which became nil in 2014.

In addition, data analysis shows that only 29%, 29%, and 45% of their total implantations in Africa are unique implantations<sup>13</sup>, respectively, for AWB, BCP, and BOA. Moreover, it shows that 57%, 64%, and 10% of their total implantations in Africa are follow-up implantations<sup>14</sup>, respectively, for AWB, BCP, and BOA.

The observation that the three largest banks began their expansion in Africa during the same period (2001-2010) and initially set up in the same geographical areas confirms that the oligopolistic reaction mechanism partly explains the phenomenon of Moroccan banks' internationalisation (Knickerbocker, 1973). In fact, in order to reduce risk, the three largest Moroccan banks, which are in an oligopolistic situation, have decided to expand outside the domestic market to avoid destructive competition in the domestic market, on the one hand, and to prevent a competitor from investing abroad on its own and developing a competitive advantage that would enable it to outstrip its main domestic rivals, on the other. Afterward, this reaction gives rise to the phenomenon of following each other. First, the market leader starts expanding into Africa. Then, from a defensive perspective motivated by the preservation of market share and competitive advantage, the other banks follow the leader. In the literature, several authors have reported this phenomenon (Ekman et al., 2014; Engwall & Wallenstal, 1988; Hellman, 1994; José Alvarez-Gil et al., 2003; Marois, 1997; Qian & Delios, 2008).

#### **5.5 The bank's experience in a foreign country has a positive impact on the evolution of its commitment within this foreign country (H.IV: Accepted).**

Data analysis results confirm, for AWB and BCP, that the bank's experience in a host country has a positive impact on the evolution of its commitment in that country. However, it denies this relation in the case of BOA. Indeed, the canonical functions calculated show that, on average and after approximately every 3 years and 4 years of experience in the host country, for AWB and BCP respectively, commitment will increase by one level in the scale proposed for measuring commitment (Table 2 and 6).

The conclusions for AWB and BCP are consistent with the contributions of the Uppsala model and a part of the literature (Ball & Tschoegl, 1982; Heinkel & Levi, 1992; Qian & Delios, 2008). Indeed, Unlike the opportunistic evolution (Cattani & Tschoegl, 2002; Ekman et al., 2014), several authors highlight the gradual evolution of the banks' commitment at the level of each territory while gaining experience in that territory. In addition, the use of external growth<sup>15</sup> operations by Moroccan banks in order to establish themselves in each new territory is consistent with the literature. In fact, banking institutions prefer to resort to external growth operations through mergers and acquisitions of local banks in order to lead retail banking activities (Affiliated bank, subsidiary) (Cardone-Riportella & Cazorla-Papis, 2001; Fiechter et

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<sup>13</sup> Appendix 1: Table 11.

<sup>14</sup> Appendix 1: Table 11.

<sup>15</sup> Appendix 1: Table 10 shows the history of the implantation of each bank and the mode used for the first establishment.

al., 2011; Guillén & Tschoegl, 1999; Sanchez-Peinado, 2003). On the contrary, they resort to organic growth to conduct wholesale banking operations (Representative office, branch) (Cardone-Riportella & Cazorla-Papis, 2001; Fiechter et al., 2011; Heinkel & Levi, 1992; Mutinelli, 2001; Sanchez-Peinado, 2003).

## 6. Conclusion

With ongoing globalisation and the continuous growth and significance of emerging economies, there is a pressing need for Morocco to play a more prominent role in the global economy. Moroccan firms and their international growth is central to this process, but so far we know very little of their ability to expand beyond domestic market borders, their internationalisation behavior, The challenges they face, the kinds of policy support they need, and what this means for their international competitiveness. This study has taken a small step in that direction to shed light on some of the questions underpinning the internationalisation process of Moroccan banks, and it has provided some insights regarding the important criteria used by Banks for choosing the first countries of establishment and the relation experience-commitment. Indeed, one of the unique aspects of this research is that it focused on the internationalisation of Moroccan banks in Africa.

As stated previously, the paper aims to answer two research questions. Firstly, what are the important criteria used by Banks for choosing the first countries of establishment? Secondly, how does the commitment towards each territory evolve?

To these questions, the study provides the following answers. First, linguistic proximity and the need to follow domestic market competitors play a significant role in the choice of the first countries of establishment in Africa. The conclusions of our study confirm the results found in the literature. Indeed, at the beginning of the process of international expansion, growth opportunities do not explain the choice of the first host countries. At this stage of development, the perception of risk is high and banks establish their subsidiaries, at first, in countries with low psychic distance compared to the country of origin, before considering growth opportunities offered by potential host countries. In addition, the need to preserve domestic market share is a key factor explaining banks' international expansion. We identified the same fact among African banks (Three Nigerians and one Kenyan), Spanish banks and Australian banks (Cardone-Riportella et al., 2003; Cardone-Riportella & Cazorla-Papis, 2001; Fung et al., 2002; Guillén & Tschoegl, 1999; Kumar Boojihawon & Acholonu, 2013; Merrett, 2002; Prada et al., 2009; Sanchez-Peinado, 2003). Second, the experience acquired by each bank, in a new territory, affect positively the evolution of its commitment within that territory. This finding aligns with the contributions of the Uppsala model and contradicts the opportunistic international expansion (Cattani & Tschoegl, 2002; Ekman et al., 2014).

Admittedly, there are limitations in our study. First, a case study including the three Moroccan banks expanding in Africa does not allow us to generalize the results to other Moroccan companies or African companies and banks. Nonetheless, this study is only an early effort to understand the internationalisation process of companies from Africa and Morocco particularly. Second, the non-use of retrospective interviews. These interviews could have generated new information and a better understanding of the criteria used for choosing the first countries of establishment and what are the main elements pushing Moroccan banks to increase their commitment within each host country. Third, the absence of data related, on the one hand, to the evolution of the number and geographical distribution of banks' branches at the level of each country, and, on the other hand, to trademark (Brand) used at the level of each country. Fourth, the lack of data related, on the one hand, to the investment amount made during the initial establishment in each new territory and, on the other hand, to the amount of annual profits generated and reinvested in each subsidiary. This information could have shed more light on

the activities<sup>16</sup> developed in priority in each country (Retail banking or corporate banking) and the level of banks' commitment. Anyhow, the conclusions of this study should be interpreted by taking into account the limitation in the availability of the data and the fact that the study has been limited to the African market.

Given the limits and the gray areas that this study has revealed, we believe that the following areas require investigation in future studies. First, carry out retrospective interviews to enrich the results of the current study based exclusively on secondary data. Second, study the importance of diplomatic distance in the choice of the host countries. Indeed, it seems surprising to us that no Moroccan bank has an organisation in Algeria. In this sense, it should be pointed out that, even if, to our knowledge, the academic community does not explicitly advance the diplomatic distance between countries as an explanatory variable for the choice of the first territories of establishment. We believe that faced with the reputation that characterizes the majority of African judicial systems and the risks of expropriation and / or nationalisation (Country risk) under which banks operate in Africa, Moroccan banks should consider diplomatic ties as a last resort to protect their rights against political decisions. Third, carry out a comparative study between the criteria used by Moroccan banks and those used by other pan-African banks for choosing the first territories of establishment in the continent. This call for studies, that compare the expansion of Moroccan banks with the process of the expansion of other pan-African banks, will enable us to generalize our findings to other African banks and contrast, any notable differences, if at all with banks in other emerging or developed contexts, whilst challenging the relevance, application, and extension of internationalisation theories in consideration to Africa environment.

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<sup>16</sup> Retail banking (dedicated to individuals, professionals, and small and medium-sized enterprises) or corporate and investment banking (dedicated to large companies and in particular multinational and pan-African companies, institutional investors, and governments).



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**Appendix 1 – Statistical analysis of the collected data**

- **Hypothesis I: Growth opportunities have a positive impact on the probability of cross border establishment (Rejected).**
- **Hypothesis II: The distance between the country of origin and the country of establishment has a negative impact on the probability of establishment (Accepted).**

The case of AWB.

*Table 1 - Regressions on AWB data*

Model with all variables	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			Tolerance	VIF
Constant	20.821	9.638	2.160	.036		
Geographical distance	-.289	1.124	-.257	.798	.984	1.016
Linguistic distance	-4.620	1.231	0-3.753	.000	.805	1.243
Diplomatic distance	-2.025	1.307	-1.549	.128	.714	1.401
GDP growth	.127	.266	.479	.634	.813	1.230
Size of the banking sector	-.016	.019	-.834	.409	.969	1.032
Model with a single explanatory variable	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			A	VIF
Constant	17.667	.721	24.500	.000		
Linguistic distance	-5.362	1.095	-4.899	.000	1.000	1.000

*Table 2 – Models quality fit for AWB*

Model with all the variables			
R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Durbin-Watson
.602	.362	.294	1.931
Model with a single explanatory variable			
R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Durbin-Watson
.566	.320	.307	2.017

*Table 3 - ANOVA for AWB*

Model with all the variables					
Model	Sum of squares	ddl	Average of squares	F of Fisher	P-value
Regression	423.398	5	84.680	5.332	.001
Residue	746.488	47	15.883		
Total	1169.887	52			
Model with a single explanatory variable					
Regression	374.351	1	374.351	23.999	.000
Residue	795.536	51	15.599		
Total	1169.887	52			

The case of BCP

*Table 4 - Regressions on BCP data*

Model with all variables	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			Tolerance	VIF
Constant	9.386	9.975	.941	.352		
Geographical distance	.945	1.163	.812	.421	.984	1.016
Linguistic distance	-3.808	1.274	-2.988	.004	.805	1.243
Diplomatic distance	-1.916	1.353	-1.416	.163	.714	1.401
GDP growth	.272	.275	.991	.327	.813	1.230
Size of the banking sector	.003	.020	.160	.873	.969	1.032
Model with a single explanatory variable	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			Tolerance	VIF
Constant	17.867	.744	24.016	.000		
Linguistic distance	-4.693	1.129	-4.155	.000	1.000	1.000

*Table 5 - Model's quality fit for BCP*

Model with all the variables s			
R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Durbin-Watson
.543	.295	.220	2.083
Model with a single explanatory variable			
R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Durbin-Watson
.503	.253	.238	2.153

*Table 6 - ANOVA for BCP*

Model with all the variables					
Model	Sum of squares	ddl	Average of squares	F of Fisher	P-value
Regression	333.864	5	66.773	3.925	.005
Residue	799.608	47	17.013		
Total	1133.472	52			
Model with a single explanatory variable					
Regression	286.701	1	286.701	17.268	.000
Residue	846.771	51	16.603		
Total	1133.472	52			

The case of BOA

*Table 7 - Regressions on BOA data*

Model with all variables	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			Tolerance	VIF
Constant	22.632	12.610	1.795	.079		
Geographical distance	-.555	1.471	-.378	.707	.984	1.016
Linguistic distance	-5.587	1.611	-3.468	.001	.805	1.243
Diplomatic distance	.005	1.710	.003	.998	.714	1.401
GDP growth	-.459	.348	-1.321	.193	.813	1.230
Size of the banking sector	.011	.025	.420	.677	.969	1.032
Model with a single explanatory variable	Non-standardized coefficients		Student's T	P-Value	Collinearity statistics	
	A	Standard error			Tolerance	VIF
Constant	16.233	.938	17.299	.000		
Linguistic distance	-5.451	1.424	-3.826	.000	1.000	1.000

Table 8 - Model's quality fit for BOA

Model with all the variables s			
R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Durbin-Watson
.513	.263	.185	2.282
Model with a single explanatory variable			
R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Durbin-Watson
.472	.223	.208	2.353

Tableau 9 - ANOVA for BOA

Model with all the variables					
Model	Sum of squares	ddl	Average of squares	F of Fisher	P-value
Regression	456.124	5	91.225	3.355	.011
Residue	1277.951	47	27.190		
Total	1734.075	52			
Model with a single explanatory variable					
Regression	386.796	1	386.796	14.642	.000
Residue	1347.280	51	26.417		
Total	1734.075	52			

- **Hypothesis III: The banks of the same country follow each other during their international expansion (Accepted).**

*Table 10 – Summary of Moroccan banks' implantations in Africa*

Year of the first establishment	Implantation (Country)	AWB	BCP	BOA
1988	Ivory Coast	2009 / S	1988 / RO	2007 / AB
1990	Guinea	-	1990 / S	-
1990	Central Africa	-	1990 / S	-
2000	Mali	2008 / S	2012 / S	2000 / AB
2003	Senegal	2006 / S	2012 / S	2003 / S
2004	Congo, Republic of	2009 / S	-	2004 / AB
2005	Tunisia	2005 / S	-	2006 / S
2007	Benin	2015 / B	2012 / S	2007 / AB
2007	Burkina Faso	2010 / B	2012 / S	2007 / AB
2007	Niger	2013 / B	2012 / S	2007 / AB
2007	Kenya	-	-	2007 / AB
2007	Madagascar	-	2018 / S	2007 / AB
2007	Uganda	-	-	2007 / AB
2007	Tanzania	-	-	2007 / AB
2008	Burundi	-	-	2008 / AB
2009	Libya	2009 / RO	-	-
2009	Gabon	2009 / S	-	-
2009	Togo	2013 / S	2012 / S	2009 / AB
2010	Mauritania	2010 / S	2010 / BA	-
2010	Cameroon	2010 / S	-	-
2010	Congo, Democratic Republic	-	-	2010 / S
2010	Djibouti	-	-	2010 / S
2011	Ghana	-	-	2011 / S
2014	Ethiopia	-	-	2014 / RO
2014	Morocco	-	2014 / S	2014 / S
2015	Rwanda	-	-	2015 / S
2016	Guinea-Bissau	-	2016 / B	-
2017	Egypt	2017 / S	-	-
2018	Mauritius	-	2018 / S	-

**Note:**

(S) Subsidiary  
(AB) Affiliated bank  
(RO) Representation office  
(B) Branch

Source: Authors (Based on annual reports, management reports, information notes and data available on the websites of each bank and its subsidiaries).

*Table 11 – Oligopolistic behaviour trend*

		AWB	BCP	BOA
<b>Number of new implantations</b>		14	14	20
<b>Number of first implantations</b>		6 (43%)	5 (36%)	18 (90%)
<b>Number of unique implantations</b>		4 (29%)	4 (29%)	9 (45%)
<b>Number of follow-up implantations</b>		8 (57%)	9 (64%)	2 (10%)
<b>Median response time (In years)</b>	<b>- 1988 - 2018</b>	7,25	5,56	10,00
	<b>- 2001 - 2018</b>	4,83	4,75	1,00
<b>Correlation with AWB's behavior</b>		-	<b>0,38</b>	<b>0,76</b>
<b>Correlation with BCP's behavior</b>		-	-	<b>0,46</b>

- **Hypothesis IV: The bank’s experience in a foreign country has a positive impact on the evolution of its commitment within this foreign country (Accepted).**

The case of AWB

*Table 12 – Group statistics for AWB*

AWB commitment		Mean	Standard deviation	N valid (list)	
				Unweighted	Unweighted
Representation office	Experience AWB	4.50	2.449	8	8.000
Branch	Experience AWB	4.00	2.380	19	19.000
Affiliated bank [25-50%]	Experience AWB	3.43	1.718	7	7.000
Subsidiary [50-75%]	Experience AWB	5.48	3.211	73	73.000
Subsidiary [75-100%]	Experience AWB	8.90	1.370	10	10.000
Subsidiary with 100%	Experience AWB	1.50	.707	2	2.000
<b>Total</b>	<b>Experience AWB</b>	<b>5.28</b>	<b>3.113</b>	<b>119</b>	<b>119.000</b>

*Table 13 – Group means equality tests for AWB*

	Lambda of Wilks	F	ddl1	ddl2	Significance
Time of implantation for AWF	.805	5.458	5	113	.000

*Table 14 – Box test results for AWB*

M of Box		13.910
F	Approximatively	2.560
	ddl1	5
	ddl2	717.853
	Significance	.026

*Table 15 – Eigenvalues for AWB*

Function	Eigenvalue	% of the variance	Cumulated %	Canonical correlation
1	.242 <sup>a</sup>	100.0	100.0	.541

a: the analysis uses the first canonic discriminant functions.

*Table 16 – Lambda of Wilks for AWB*

Function (s) test	Lambda of Wilks	Khi-deux	ddl	Significance
1	.805	24.770	5	.000

The case of BCP

*Table 17 - Group statistics for BCP*

BCP commitment		Mean	Standard deviation	N valid (list)	
				Unweighted	Unweighted
Representation office	Experience BCP	6.00	3.317	11	11.000
Branch	Experience BCP	2.00	1.000	3	3.000
Affiliated bank [25-50%]	Experience BCP	5.00	2.739	9	9.000
Subsidiary [50-75%]	Experience BCP	8.85	4.838	34	34.000
Subsidiary [75-100%]	Experience BCP	16.22	1.394	9	9.000
Subsidiary with 100%	Experience BCP	2.67	1.633	6	6.000
<b>Total</b>	<b>Experience BCP</b>	<b>8.06</b>	<b>5.320</b>	<b>72</b>	<b>72.000</b>

*Table 18 - Group means equality tests for BCP*

	Lambda of Wilks	F	ddl1	ddl2	Significance
Time of implantation for BCP	.484	14.061	5	66	.000

**Table 19 - Box test results for BCP**

<b>M of Box</b>		<b>23.233</b>
<b>F</b>	<b>Approximatively</b>	<b>4.392</b>
	<b>ddl1</b>	<b>5</b>
	<b>ddl2</b>	<b>1388.218</b>
	<b>Significance</b>	<b>.001</b>

**Tableau 20 - Eigenvalues for BCP**

<b>Function</b>	<b>Eigenvalue</b>	<b>% of the variance</b>	<b>Cumulated %</b>	<b>Canonical correlation</b>
<b>1</b>	<b>1.065<sup>a</sup></b>	<b>100.0</b>	<b>100.0</b>	<b>.718</b>

*a: the analysis uses the first canonic discriminant functions.*

**Table 21 - Lambda of Wilks for BCP**

<b>Function (s) test</b>	<b>Lambda of Wilks</b>	<b>Khi-deux</b>	<b>ddl</b>	<b>Significance</b>
<b>1</b>	<b>.484</b>	<b>48.954</b>	<b>5</b>	<b>.000</b>

### The case of BOA

**Table 22 - Group statistics for BOA**

<b>BCP commitment</b>		<b>Mean</b>	<b>Standard deviation</b>	<b>N valid (list)</b>	
				<b>Unweighted</b>	<b>Unweighted</b>
<b>Affiliated bank [0-25%[</b>	<b>Experience BOA</b>	<b>6.00</b>	<b>3.317</b>	<b>11</b>	<b>11.000</b>
<b>Affiliated bank [25-50%[</b>	<b>Experience BOA</b>	<b>8.57</b>	<b>6.241</b>	<b>7</b>	<b>7.000</b>
<b>Subsidiary [50-75%[</b>	<b>Experience BOA</b>	<b>5.92</b>	<b>3.202</b>	<b>24</b>	<b>24.000</b>
<b>Subsidiary with 100%</b>	<b>Experience BOA</b>	<b>9.05</b>	<b>4.552</b>	<b>19</b>	<b>19.000</b>
<b>Total</b>	<b>Experience BOA</b>	<b>7.21</b>	<b>4.255</b>	<b>61</b>	<b>61.000</b>

**Table 23 - Group means equality tests for BOA**

	<b>Lambda de Wilks</b>	<b>F</b>	<b>ddl1</b>	<b>ddl2</b>	<b>Signification</b>
<b>Time of implantation for BOA</b>	<b>.877</b>	<b>2.668</b>	<b>3</b>	<b>57</b>	<b>.056</b>

**Table 24 - Box test results for BOA**

<b>M of Box</b>		<b>6.466</b>
<b>F</b>	<b>Approximatively</b>	<b>2.077</b>
	<b>ddl1</b>	<b>3</b>
	<b>ddl2</b>	<b>3341.225</b>
	<b>Significance</b>	<b>.101</b>

**Table 25 - Eigenvalues for BOA**

<b>Function</b>	<b>Eigenvalue</b>	<b>% of the variance</b>	<b>Cumulated %</b>	<b>Canonical correlation</b>
<b>1</b>	<b>0.140<sup>a</sup></b>	<b>100.0</b>	<b>100.0</b>	<b>.351</b>

*a: the analysis uses the first canonic discriminant functions.*

**Table 26 - Lambda of Wilks for BOA**

<b>Function (s) test</b>	<b>Lambda of Wilks</b>	<b>Khi-deux</b>	<b>ddl</b>	<b>Significance</b>
<b>1</b>	<b>.877</b>	<b>7.555</b>	<b>3</b>	<b>.056</b>