BANK OF AFRICA
BMCE GROUP

ANNUAL FINANCIAL REPORT

2019

FINANCIAL REPORT

BANK OF AFRICA MORE THAN 60 YEARS OF CONTINUOUS DEVELOPMENT

1959 – 1994 FROM A STATE-OWNED BANK

- 1959: Bank established
- 1972: Opens its 1st overseas operations, a branch office in Paris
- 1975: Listed on the Casablanca stock exchange

1995 – 2006 ...TO A UNIVERSAL BANK

- 1995: Bank privatised
- 2000: Representative offices opened in London and Beijing
- 2004: 1st non-European bank in morocco to be awarded a Corporate Social Responsibility rating

2007 – 2020 ...AND NOW A MULTINATIONAL GROUP

- 2007: BBI London starts operations
- 2008: Acquires 35% stake in BANK OF AFRICA
- 2013: USD 300 Million Eurobond issued on international markets
- 2015: - New corporate name adopted, BMCE BANK OF AFRICA Group, thereby bolstering the Group's African credentials
  - Stakes raised in boa to 75%, in Banque de Développement du Mali to 32.4% and in LCB bank to 34%
  - Launch of the African Entrepreneurship Award
- 2016: 1st bank to issue a 'Green Bond' at the Cop 22 Conference
- 2017: Participates in the official launch of the 'Principles for Positive Impact Finance' initiative
- 2019: BMCE Shanghai Branch office opens
- 2020: BMCE BANK OF AFRICA becomes **BANK OF AFRICA**

BANK OF AFRICA, **MORE THAN 60 YEARS OF CONTINUOUS DEVELOPMENT**

1959-1994

A BANK WITH GLOBAL ASPIRATIONS IS BORN

Banque Marocaine du Commerce Extérieur was founded in 1959 at the instigation of His Majesty the late King Mohammed V. Its purpose was to develop Morocco's overseas trade.

1995-2006

A UNIVERSAL BANK TO SUPPORT MOROCCO'S DEVELOPMENT

After being privatised in 1995, the Bank became a subsidiary of FinanceCom Group. This milestone proved to be a turning-point in its history as it began to expand its portfolio of business interests. Building on its initial expertise as a specialist international trade bank, BANK OF AFRICA adopted a universal banking business model and rapidly began to play a major role in the Kingdom's economic development.

BANK OF AFRICA accelerated the development of its international business.

2007-2020

FRESH IMPETUS, PAN-AFRICAN AND INTERNATIONAL AMBITIONS

With the African continent showing significant growth potential, BANK OF AFRICA fulfilled its goal of becoming a pan-African bank with an international outlook. Other acquisitions followed, underlining its longstanding ambition of establishing itself as a major player on the continent.

Bolstered by its overseas successes, BANK OF AFRICA has continued to expand, establishing operations in China and continuing to serve Africa. The Bank recently changed its corporate name to 'BANK OF AFRICA', a natural choice. The Group has emerged as one of Africa's key economic and financial institutions with a powerful network and operations in 20 countries.

BANK OF AFRICA
TODAY

A BANKING GROUP WITH AN EXTENSIVE PORTFOLIO OF BUSINESS LINES AND BRANDS

BANK OF AFRICA is one of Africa's main pan-African financial groups. With an extensive portfolio of brands and subsidiaries, its universal banking business model has seen it diversify into a variety of business lines including commercial banking, investment banking as well as specialised financial services such as leasing, factoring and consumer credit.

AN INTERNATIONAL BANK WITH AN AFRICAN FOCUS

BANK OF AFRICA is today Morocco's leading banking group in terms of international exposure with operations in 31 countries in Africa, Europe, Asia and North America.

The Group employs more than 15,200 staff around the world and has more than 1,800 points of sale, serving just fewer than 6.6 million customers.

BACKED BY A POWERFUL GROUP

BANK OF AFRICA is a subsidiary of FinanceCom, a Moroccan private group with a portfolio of businesses in a variety of high-growth and other sectors. Its regional and international ambitions are primarily structured around 5 divisions: finance, insurance, real estate, telecommunications and tourism.

A MEMBER OF FINANCECOM GROUP

FINANCE COM

CORE BUSINESS

- BANK OF AFRICA

A universal bank, Morocco's 3rd private sector bank with a 12.4% share of the loan market and a 13.5% share of the deposit market.

- RMA

One of Morocco's leading insurance companies with a 15% market share.

GROWTH DRIVERS

- MEDI TELECOM / ORANGE

Morocco's second mobile telecoms operator providing internet, mobile and landline telephony services to 15.9 million subscribers (as of end of December 2019).

- GREEN OF AFRICA

Company specialising in investment in renewable energy.

- CTM

An industry leader in Morocco's passenger transport and messaging sectors.

- RANCH ADAROUCH

Africa's largest bovine breeder.

- BIO BEEF

Morocco's leading private red meat slaughtering, cutting and processing industrial operation, meeting ONSSA health standards.

PRIVATE EQUITY

- FINATECH

A holding company specialising in new information technologies structured around four business lines:

- Energy & Infrastructure
- Systems &Technologies.

- AIR ARABIA MAROC

Morocco's leading low-cost airline.

- BRICO INVEST

DIY equipment and home improvement retail chain.

REAL ESTATE & INVESTMENTS

- ARGAN INVEST

Division managing FinanceCom Group's investment funds

- CAP ESTATE

The Group's real estate subsidiary with share capital of MAD 225 million

- REVLY'S

A joint venture between FinanceCom Group and Aman Resort specialising in funding tourism projects

- VILLAJENA

A company developing a 10-hectare land reserve in Marrakech in which it aims to build villas developed under the Aman brand.

- RISMA

Management Company managing Accor's hotel chain in Morocco

- O TOWER

Joint venture between BANK OF AFRICA, RMA and FinanceCom, overseeing the Mohamed VI Tower project

INTERNATIONAL

- FINANCECOM INTERNATIONAL

Subsidiary overseeing the Group's asset management and real estate companies around the world

A SOCIALLY RESPONSIBLE AND COMMITTED BANKING GROUP

One of BANK OF AFRICA's distinguishing characteristics is its strong commitment to the environment and to social and societal responsibility. The Group's activism started more than 25 years ago via its BMCE Bank Foundation. To this day, the latter continues to innovate, rolling out a growing number of initiatives promoting education and environmental causes as well as supporting African start-ups. In addition, the BOA Foundation's various initiatives – through its subsidiaries operating in seven countries – are aimed at improving access to care in every region of each country as well as improving the quality of care provided.

Leveraging the various undertakings and achievements of its Foundations, their approach and their processes which are underpinned by sustainability principles, BANK OF AFRICA has established a team of sustainable development and CSR professionals. As a result, environmental and social criteria are now fully integrated into the Bank's decision-making processes. The Bank also plays an active role in major international initiatives in this area e.g. the UNEP FP's Principles for Positive Impact Finance, the Equator Principles, the United Nations Global Compact, Mainstreaming Climate Action and the Green Investment Principles for the Belt and Road. In applying the highest international standards, BANK OF AFRICA has acquired a reputation for its leadership and performance with regard to ESG in Morocco and around the world.

BANK OF AFRICA COMMITTED TO SUSTAINABLE DEVELOPMENT AND CSR FOR MORE THAN 20 YEARS

INTERNATIONAL UNDERTAKINGS

UNEP Finance Initiative – Innovative financing for sustainability

BANK OF AFRICA the **first African signatory** in **2000** to UNEP FI's Statement of Commitment by Financial Institutions on the Environment and Sustainable Development.

IFC International Finance Corporation – World Bank Group

Environmental and Social (E&S) Risk Management System adopted in conjunction with the **IFC** in **2008.**

EQUATOR PRINCIPLES

Equator Principles (EP) voluntarily adopted by BANK OF AFRICA in May 2010. These provide a framework for determining, assessing and managing environmental and social (E&S) risks in funded projects of USD 10 million or more.

UN GLOBAL COMPACT

United Nations Global Compact signed by BANK OF AFRICA, underlining its support for the ten principles relating to human rights, social and labour standards, environmental protection and combating corruption. First report, 'Communication on Progress' put online in October 2017 after obtaining **'Global Compact Active COPs'** status in 2016.

Climate Action in Financial Institutions – PRINCIPLES FOR MAINSTREAMING CLIMATE ACTION

BANK OF AFRICA's commitment to climate action is underlined by joining the 'Mainstreaming Climate Action within Financial Institutions' initiative in 2016.

UNEP FINANCE INITIATIVE – PRINCIPLES FOR RESPONSIBLE BANKING – +IMPACT

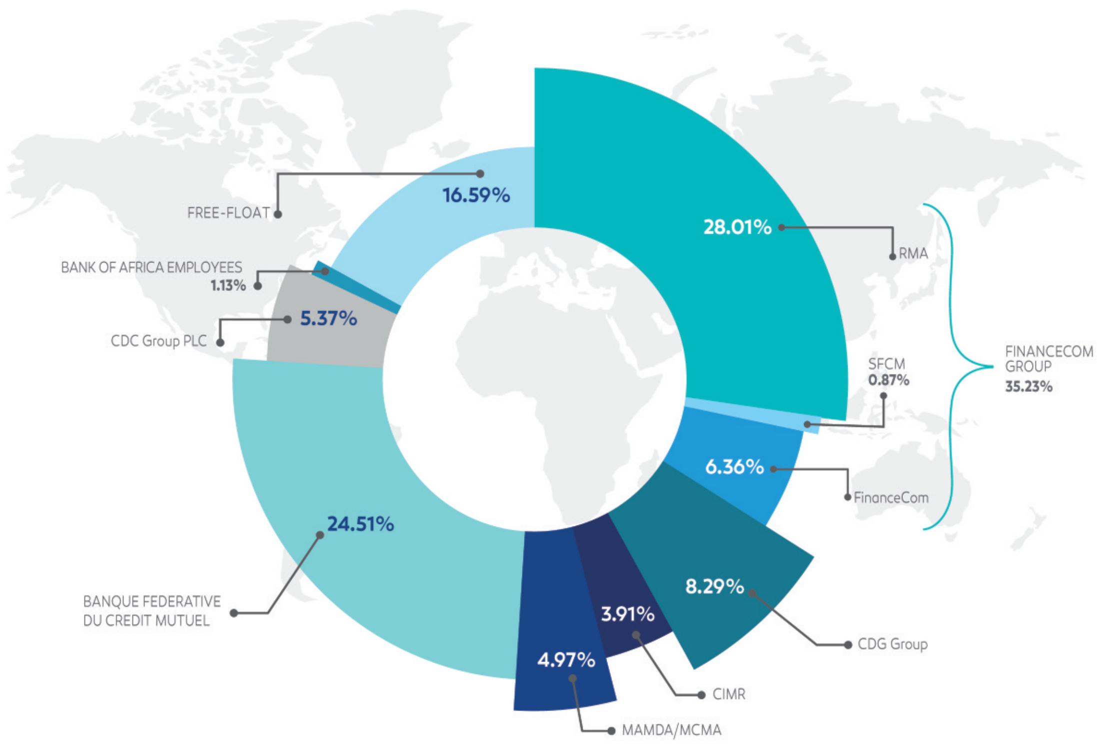
Founding member of Principles for Responsible Banking in 2019 and Principles for Positive Impact Finance in 2017.

GIP Green Investment Principles

BANK OF AFRICA the first African bank to support China's 'Green Investment Principles for the Belt and Road (GIP)' initiative.

SHAREHOLDERS

THE SHAREHOLDER STRUCTURE AS OF DECEMBER 31ST, 2019



INTRODUCING THE MAIN SHAREHOLDERS

RMA

One of North Africa's leading insurance companies, RMA has forged a reputation as a solid yet ambitious player due to its extensive distribution network and strong emphasis on innovation.

FINANCECOM

A leading Moroccan industrial and financial group with operations in a variety of high growth sectors.

CDG GROUP

A Moroccan public institution whose purpose is to invest in and support large-scale projects aimed at bolstering Morocco's economic development and infrastructure.

BFCM - CM-CIC GROUP

BFCM is a leading French banking group with international operations. It is a holding company with retail banking, bank-insurance and bank card operations.

CDC GROUP PLC

Established in 1948, CDC Group is the UK's leading development finance institution with an investment portfolio of more than USD 6 billion. Its main focus is to invest in businesses in Africa.

BANK OF AFRICA
GROUP'S BUSINESS LINES

COMPLEMENTARY BUSINESS LINES AND MULTI-NATIONAL COVERAGE

BANK OF AFRICA has built a portfolio of complementary banking and financial business lines including commercial banking, investment banking, insurance and financial services.

In addition, consistent with its initial vocation, the Group has continued to develop its overseas operations, first in Europe, then in Africa and, most recently, in China. BANK OF AFRICA has become a reference banking group thanks to its solid footprint in Morocco and the rest of the African continent.

No. 3
BANK BY TOTAL ASSETS
with a 12,4%share of the loan market and a 13.48% share of the deposit market

No. 2
BANK-INSURER
with a product penetration ratio of 34.53%

No. 3
ASSET MANAGER
with a 12,8% market share

Morocco

Commercial Banking
BANK OF AFRICA – BMCE Group

Specialised Financial Services
Maroc Factoring 100%
Maghrebail 52,5%
Salafin 60,79%
RM Experts 100%

Investment Banking
BMCE Capital 100%
BMCE Capital Gestion 100%
BMCE Capital Bourse 100%

Others
Locasom 97,4%
Euler Hermes Acmar 20%
Eurafric Information 41%
Conseil Ingénierie et Développement 38,90%
Africa Morocco Links 51%

International

AFRICA
BANK OF AFRICA 72,41%
LCB Bank 37%
Banque de Développement du Mali 32,4%

EUROPE
BMCE International Holding 100%
BMCE Euroservices 100%

Asia

BMCE Shanghai Branch Office

GEOGRAPHICAL **PRESENCE**

A POWERFUL NETWORK IN MOROCCO AND OVERSEAS

With operations in 31 countries, including 20 in Africa and with more than 1,800 points of sale, BANK OF AFRICA is a ‘made-in-Morocco’ model for international development. In particular, the Group has fostered strong ties with the African continent, enabling it to play an important role in some of the continent’s most important investment projects. It was also the first Moroccan bank to open a representative office in China in 2000.

15,200
Employees

31
Countries

1,800
Points of sales

6.6
Million Clients

A PAN-AFRICAN **VOCATION**

2nd PAN-AFRICAN GROUP IN TERMS OF GEOGRAPHICAL COVERAGE

BOA-BENIN
Established: 1990
Number of branches: 50

BOA-BURKINA FASO
Established: 1997
Number of branches: 52

BOA-COTE D'IVOIRE
Established: 1996
Number of branches: 40

BOA-GHANA
Established: 2011
Number of branches: 26

BOA-MALI
Established: 1983
Number of branches: 57

BOA-NIGER
Established: 1994
Number of branches: 30

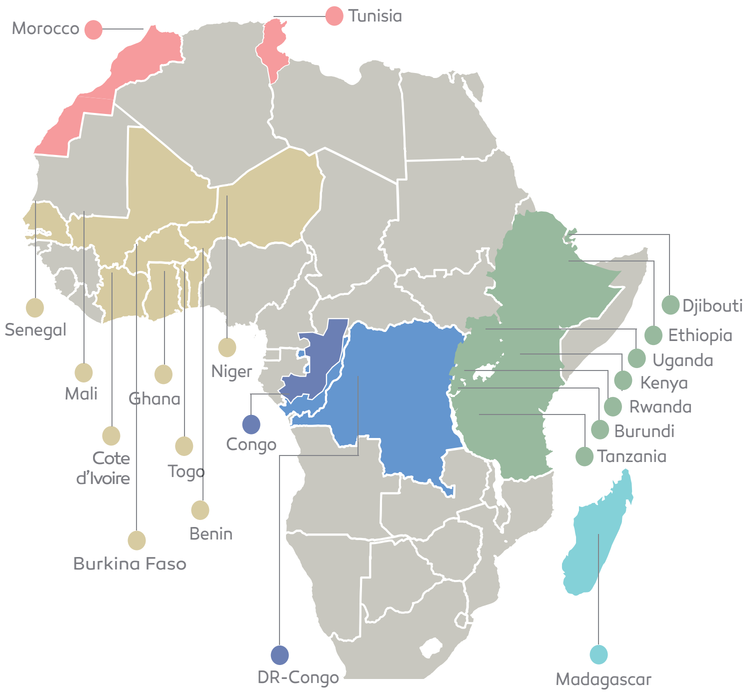
BOA-TOGO
Established: 2013
Number of branches: 13

BDM SA-MALI
Established: 1983
Number of branches: 59

BANK OF AFRICA
Established: 1959
Number of branches: 732

TUNISIA
Established: 2006
BMCE Capital Tunisia

BOA-RWANDA
Established: 2015
Number of branches: 14



BOA SENEGAL
Established: 2001
Number of branches: 58

LCB BANK
Established: 2010
Number of branches: 17

BOA-DRC
Established: 2010
Number of branches: 16

BOA MADAGASCAR
Established: 1999
Number of branches: 92

BOA-ETHIOPIA
Established: 2014
Representative Office

BOA-MER ROUGE
Established: 2010
Number of branches: 10

BURUNDI
Banque de Crédit du Bujumbura : 2008
Number of branches: 23

BOA-UGANDA
Established: 2006
Number of branches: 35

BOA-TANZANIA
Established: 2007
Number of branches: 26

BOA-KENYA
Established: 2004
Number of branches: 31

- East Africa
- Central Africa
- Southern Africa
- West Africa
- North Africa

2ND
pan-African group by geographical coverage – 20 countries and 4 economic zones

1sr
Moroccan bank to establish operations in sub-Saharan Africa

3
notable African subsidiaries – BOA Group, Banque de Développement du Mali and LCB Bank

GROUP'S FINANCIAL BASE BOLSTERED AT END-2019

CONSOLIDATED FINANCIAL STATEMENTS

22% increase in BANK OF AFRICA's shareholders' equity attributable to shareholders of the parent company to MAD 22.5 billion at 31 December 2019 versus MAD 18.4 billion in 2018.

MAD 3.6 billion raised via a capital increase, in two tranches, by (i) converting dividends in respect of financial year 2018 into shares, amounting to MAD 0.7 billion and (ii) a MAD 1 billion public offering as well as a MAD 1.9 billion capital increase reserved exclusively for new shareholder CDC Group Plc.

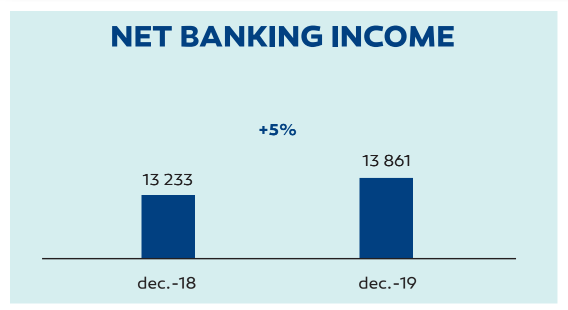
5% growth in net income attributable to shareholders of the parent company to MAD 1.9 billion with Moroccan operations contributing 60% and the international business 40%, comprising Africa (33%) and Europe (7%).

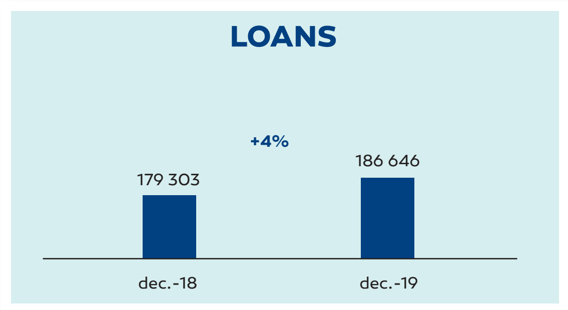
Consolidated net banking income up 5% to MAD 13.9 billion, primarily due to growth in income from market operations and fee income.

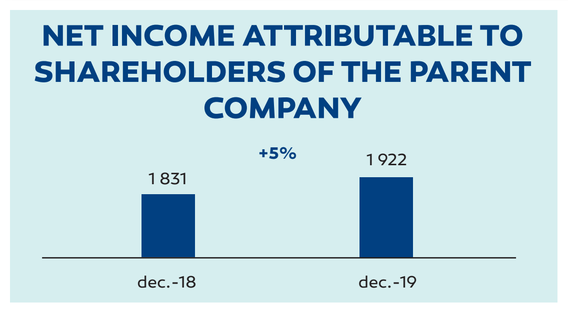
Strong commercial performance with consolidated customer loans up 4% and customer deposits growing by 5.4%.

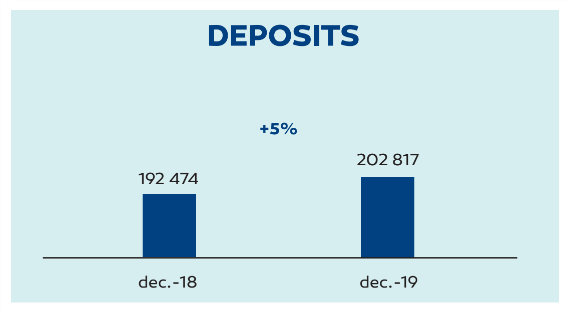
Improvement in the Group's operational efficiency, with the rise in general operating expenses contained at +3%, resulting in a consolidated cost-to-income ratio of 58.2% versus 59.1% in 2018.

CONSOLIDATED BUSINESS ACTIVITY (MAD MILLION)









PARENT FINANCIAL STATEMENTS

2% growth in the Banking in Morocco business' net income to MAD 1.4 billion.

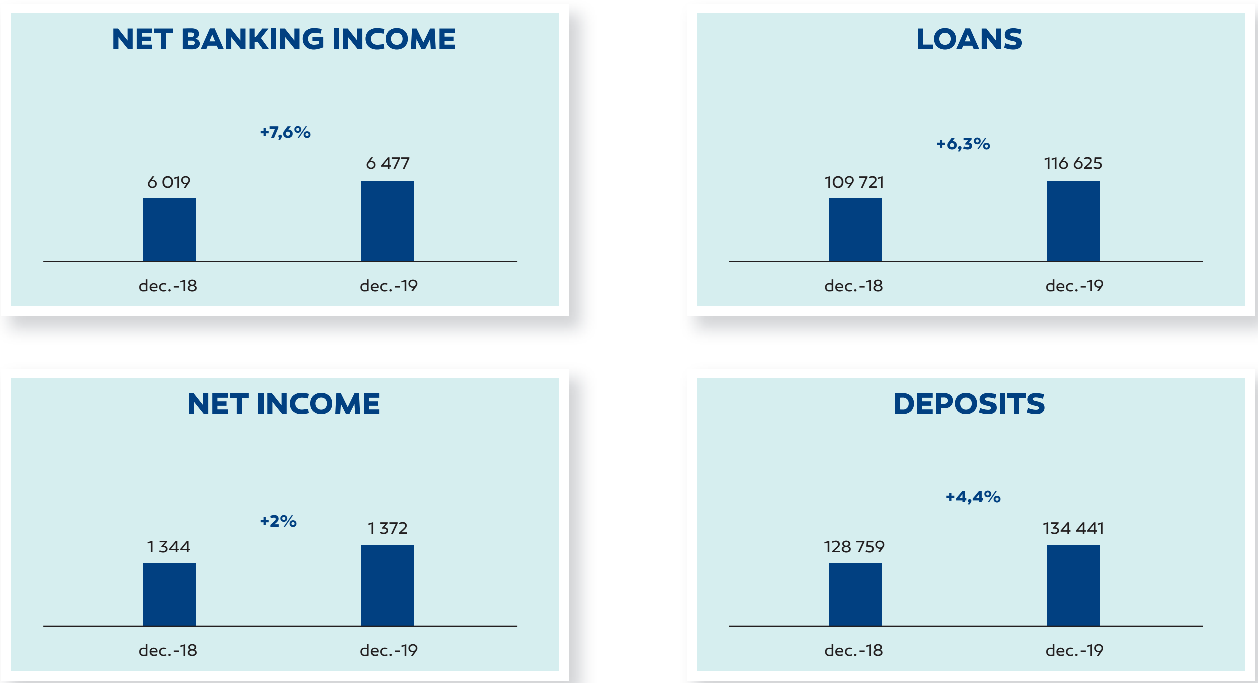
Parent net banking income up 7.6% thanks to a healthy performance by market operations and 6.7% growth in fee income.

6% increase in customer loans.

4.6% growth in the parent company's customer deposits, resulting in a 22-basis points improvement in market share to 13.62% at 31 December 2019 versus 13.40% at 31 December 2018.

Significant improvement in the parent cost-to-income ratio to 56.3% versus 59.7% in 2018, primarily due to a modest 1.4% rise in general operating expenses.

PARENT BUSINESS ACTIVITY (MAD MILLION)



CORPORATE NAME CHANGED TO BANK OF AFRICA, UNDERLINING A COMMITMENT TO BEING A PAN-AFRICAN BANK

Change in corporate name to BANK OF AFRICA, abbreviated to 'BOA', approved by shareholders at an Extraordinary General Meeting 5 March 2020, further underlining a commitment to developing the Bank and the Group's pan-African profile.

DIGITAL TRANSFORMATION ONGOING

Accelerating implementation of the digitalisation strategy to provide effective support to customers as they adopt new methods of accessing banking services by:

(i) Entirely revamping the BMCE Direct Web online banking platform – flexible loans, bank transfers, re-vitalising the DabaPay facility;

(ii) Introducing an online home loan platform;

(iii) Launching the BMCE Business Online Global Banking portal for corporate customers – cash management and trade finance.

PROMOTING FINANCIAL INCLUSION BY PROVIDING SUPPORT AND FINANCE FOR ENTREPRENEURS AND SMALL BUSINESSES

CAP TPE 2020 launched, consistent with the strategic guidance provided by His

Majesty, for the purpose of providing a package of financial and non-financial measures in support of the self-employed, entrepreneurs and small businesses.

A strong commitment for the past 10years to providing non-financial support by:

(i) Promoting access to financing by creating and heading up a leading ecosystem comprising 40 partners and the Blue Space incubator network;

(ii) Supporting small businesses through the Entrepreneurship Observatory, regional conference series, the SME Club, the Entrepreneurship Club and the Women in Business credit line;

(iii) Supporting the general public by educating college and high school students, employed persons and households in financial matters.

A BANK WHICH CONTINUES TO STAND OUT

BANK OF AFRICA wins the 'Best Customer Service Award 2020' for the third consecutive year in the Banking category.

BANK OF AFRICA named 'Top Employer' for the third consecutive year by the Top

Employers Institute. EAI, the Group's technology subsidiary, also named as a Top Employer alongside 1,500 similarly recognised organisations in more than 118 countries from around the world.

Mr Othman Benjelloun, founder of BMCE Bank Foundation and Dr Leila Mezian Benjelloun, Foundation chair, awarded the Visionary Award from the Middle

East Institute (MEI), a US-based centre of learning.

Dr Leïla Mezian-Benjelloun, Chairman of BMCE Bank Foundation, awarded the

Officer medal of France's Légion d'honneur, in recognition of her commitment to promoting culture and education.

BANK OF AFRICA, Africa's leading supporter of the Future of Sustainable Data Alliance.

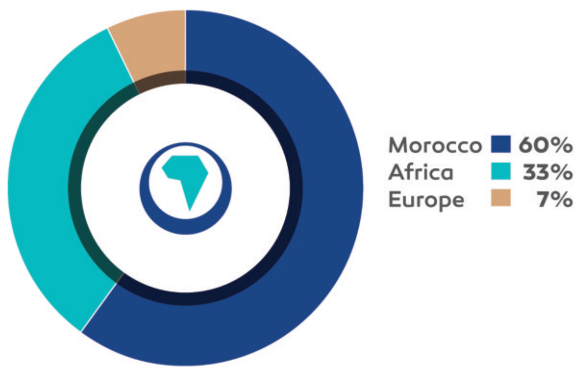
BANK OF AFRICA, one of the founding signatories of the United Nations' Principles for Responsible Banking (PRB), at the United Nations General Assembly and the UN Climate Action Summit in New York. The PRBs herald a new alliance between the UN and the global banking sector.

BANK OF AFRICA signs up to the Chinese Belt & Road initiative's 'Green Investment Principles' (GIP), becoming the first Moroccan and African bank to support the GIPs.

Partnership with the World Environment Center to promote resource efficiency within the corporate sector.

NET BANKING INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

AT 31 DECEMBER 2019 BY GEOGRAPHICAL REGION



BOARD OF DIRECTORS' DRAFT MANAGEMENT REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders, Ladies and Gentlemen,

We are honoured to invite you to the Annual General Meeting of Shareholders in accordance with the Memorandum and Articles of Association and the amended and completed Act 17-95 relating to limited companies and Articles 29 et seq. of BANK OF AFRICA's Memorandum and Articles of Association to report on BANK OF AFRICA's business activity and results for the period ended 31 December 2019 and its future prospects and to submit, for your approval, the balance sheet and financial statements for the said period.

These financial statements are attached to this report.

The statutory notices have been sent to you on a regular basis and all documents and items as required by the applicable regulations have been made available to shareholders within the requisite deadlines.

CONSOLIDATED RESULTS AND BALANCE SHEET INDICATORS

BANK OF AFRICA GROUP'S FINANCIAL PERFORMANCE

BANK OF AFRICA Group's total assets stood at MAD 316 billion at 31 December 2019, an increase of 7% compared to 31 December 2018.

BANK OF AFRICA Group's shareholders' equity rose by 22% to MAD 22.5 billion in 2019 versus MAD 18.4 billion in 2018. BANK OF AFRICA Group raised MAD 3.6 billion of fresh capital in the second half of the year with a high percentage of dividends converted into shares (MAD 0.7 billion), a MAD 1 billion injection from existing shareholders as well as a MAD 1.9 billion capital increase reserved exclusively for CDC Group.

The scope of consolidation was broadly unchanged between 2018 and 2019. OGS, a new services subsidiary established in first half 2019 following the spin-off of bank processing operations, was included within the scope of consolidation.

Consolidated outstanding loans rose by 4% from MAD 179.3 billion in 2018 to MAD 186.6 billion in 2019. Restated for repurchase agreements, loans and advances to customers grew by 2.3%.

Customer deposits increased by 5.4% over the same period to MAD 202.8 billion versus MAD 192.5 billion in 2018.

As far as consolidated financial performance was concerned, net banking income rose by 5% to MAD 13.9 billion in 2019 versus MAD 13.2 billion in 2018, primarily due to growth in net interest income and in income from market operations.

Gross operating income stood at MAD 5.8 billion, an increase of 7%.

The cost of risk was MAD 2.2 billion in 2019 versus MAD 1.8 billion in 2018, an increase of 20%.

Net income attributable to shareholders of the parent company came in at MAD 1,922 million in 2019, up 5%.

CONTRIBUTION BY BUSINESS LINE TO NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

The following table shows contributions to net income attributable to shareholders of the parent company by business line (MAD millions):

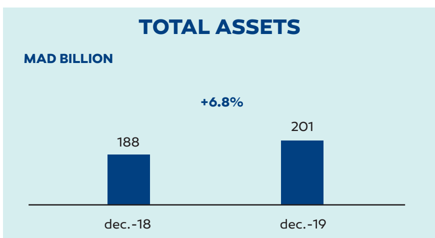
CONTRIBUTIONS TO NET INCOME attributable to shareholders of the parent company MAD millions	Dec.19	% weighting	Dec.18	% weighting	Change
MAROC	1 146	60%	883	48%	29,9%
BANK OF AFRICA	**900**	**47%**	**665**	**36%**	**35,2%**
FILIALES	**246**	**13%**	**217**	**12%**	**13,5%**
SFS	140	7%	113	6%	23,7%
GABA	113	6%	98	5%	15,4%
AUTRES	-6		6		na
ETRANGER	775	40%	949	52%	-18,3%
EUROPE	**137**	**7%**	**113**	**6%**	**20,8%**
AFRIQUE	**638**	**33%**	**835**	**46%**	**-23,6%**
RESULTAT NET PDG	1 922	100%	1 831	100%	4,9%

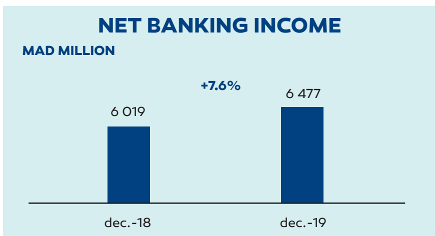
NB: The new OGS subsidiary has been included within BANK OF AFRICA's contribution as it involves the spin-off of the latter's back-off operations. Its contribution was offset by the reciprocal transactions with BANK OF AFRICA.

The contribution from Moroccan operations, up 30%, accounted for 60% of net income attributable to shareholders of the parent company versus 48% in 2018.

The contribution from international operations, which accounted for 40% of overall net income attributable to shareholders of the parent company, fell by 18%.

African operations accounted for 33% of net income attributable to shareholders of the parent company, down 24% compared to 2018.



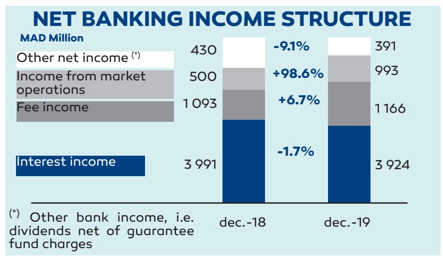


RESULTS AND CONTRIBUTIONS FROM BANK OF AFRICA – BMCE GROUP SA'S OPERATIONS

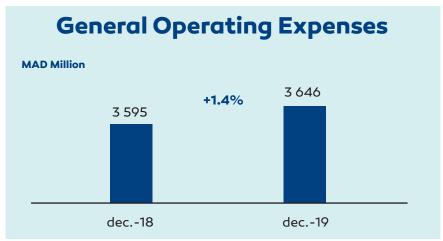
The Bank's total assets stood at MAD 201 billion at 31 December 2019 versus MAD 188 billion at 31 December 2018, up 6.8%.

The Bank's net banking income rose by 7.6% from MAD 6,019 million at 31 December 2018 to MAD 6,477 million at 31 December 2019. This was primarily due to a combination of:

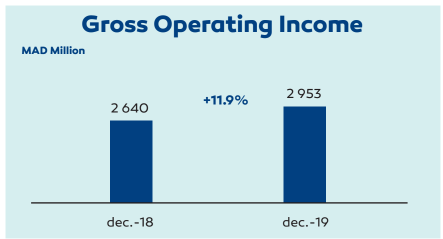
- Substantial growth (+99%) in income from market operations due to the performance of the fixed income portfolio in a context of lower interest rates in addition to an increase in assets;
- Growth of almost 6.7% in fee income;
- A decline of almost 1.7% in net interest income between 2018 and 2019.



General operating expenses rose by only 1.4% year-on-year to MAD 3,646 million at 31 December 2019. The resulting cost-to-income stood at 56.3% in 2019 versus 59.7% in 2018, an improvement of 3.4 percentage points.

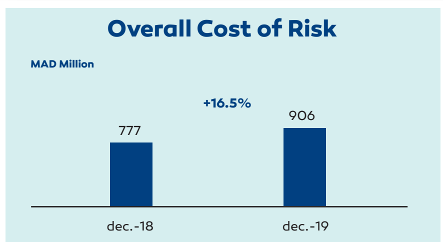


Gross operating income stood at MAD 2,953 million at 31 December 2019 versus MAD 2,640 million at 31 December 2018, an increase of 11.9%.

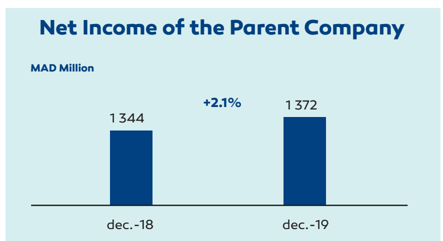


The overall cost of risk amounted to MAD 906 million at 31 December 2019 versus MAD 777 million at 31 December 2018 due to:

- A 7.9% fall in loan-loss provisions to MAD 890 million at 31 December 2019 versus MAD 965 million at 31 December 2018;
- A general risk provision of MAD 291 million recognised at 31 December 2019 (MAD 462 million gross) versus MAD 132 million at 31 December 2018;
- A 6% fall in write-backs to MAD 303 million versus MAD 322 million



BANK OF AFRICA - BMCE Group SA's net income rose by 2.1% to MAD 1,372 million at 31 December 2019 versus MAD 1,344 million at 31 December 2018.



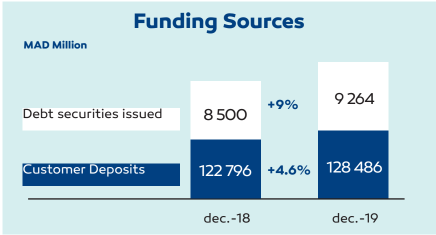
HIGHLIGHTS OF THE BANK'S MOROCCAN OPERATIONS

The Banks' funding sources

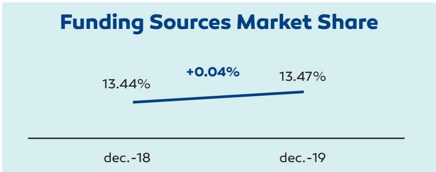
The Bank's funding sources rose by 4.6% to MAD 139 billion at 31 December 2019 versus MAD 133 billion at 31 December 2018.

The Bank's share of the funding market rose by 0.04 percentage points to 13.47% at 31 December 2019 versus 13.44% at 31 December 2018.

Customer deposits increased by 4.6% to MAD 128 billion at 31 December 2019 versus MAD 123 billion at 31 December 2018, resulting in a 0.22 percentage points gain in market share to 13.62% in 2019 versus 13.40% in 2018.

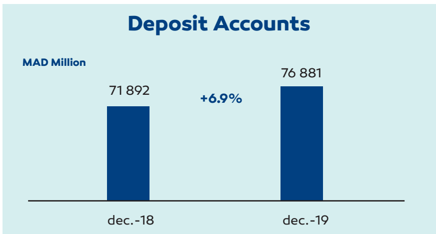


As far as the structure of the Bank's funding sources was concerned, non-interest-bearing deposits accounted for almost 59% of total sources at 31 December 2019 versus 57% at 31 December 2018.



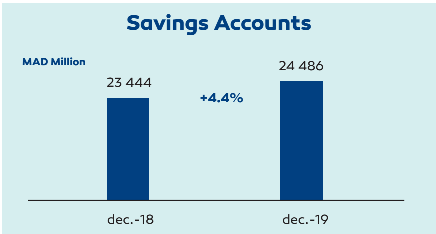
Sight deposit accounts in credit rose by 6.9%. Cheque account outstandings increased by 3.8% to MAD 54.2 billion at 31 December 2019. Similarly, current accounts registered growth of 15.1% to MAD 22.7 billion.

The Bank's share of sight deposit accounts in credit rose from 12.88% at 31 December 2018 to 13.06% at 31 December 2019, an increase of 0.18 percentage points.



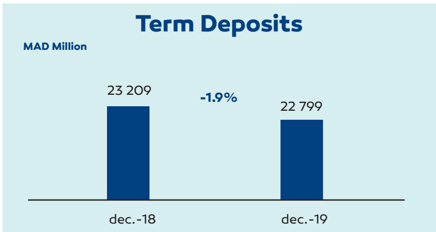
Passbook savings accounts grew by 4.4% from MAD 23.4 billion at 31 December 2018 to MAD 24.5 billion at 31 December 2019.

The Bank's share of passbook savings accounts fell by a modest 0.02 percentage points to 14.79% at 31 December 2019 versus 14.81% at 31 December 2018.



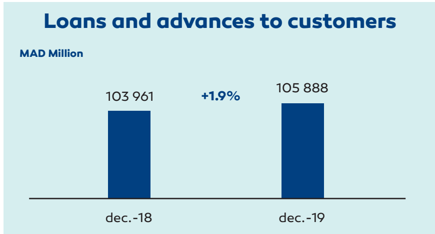
Term deposits declined by 1.9% to MAD 22.8 billion at 31 December 2019 versus MAD 23.2 billion at 31 December 2018.

The Bank's share of terms deposits rose, however, by 0.52 percentage points to 14.64% at 31 December 2019 versus 14.11% at 31 December 2018.

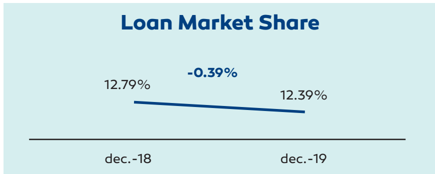


Loans and advances to customers

Customer loans rose by 1.9% to MAD 106 billion at 31 December 2019 versus MAD 104 billion at 31 December 2018.

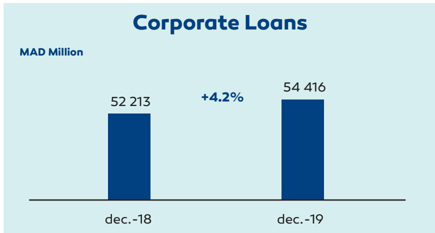


The Bank's share of the loan market share fell by 0.39 percentage points, however, from 12.79% at 31 December 2018 to 12.39% at 31 December 2019.



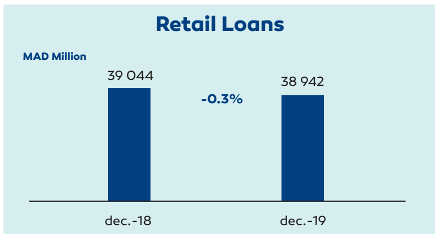
Corporate loans registered growth of 4.2% to MAD 54.4 billion 31 December 2019, driven primarily by a 9.1% increase in operating loans and a 0.6% rise in equipment loans.

The Bank's share of the corporate loan market contracted by 0.12 percentage points, however, to 11.85% at 31 December 2019 versus 11.97% at 31 December 2018



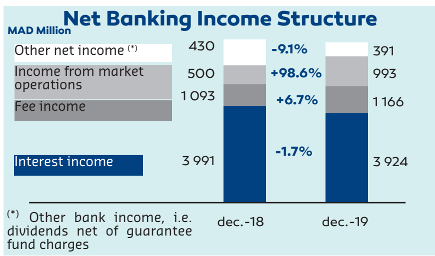
Retail loans registered a modest decline of 0.3% to MAD 39 billion at 31 December 2019. This was due to growth of almost 1.9% in retail mortgages being offset by a 7.6% fall in consumer loans.

The retail loans market share fell by 0.52p% to 14.71% at the end of December 2019 compared to 15.23% at the end of December 2018



NET BANKING INCOME

BANK OF AFRICA's net banking income stood at MAD 6,477 million at 31 December 2019 versus MAD 6,019 million at 31 December 2018, up 7.6%.



Net interest income fell by 1.7% to MAD 3,924 million at 31 December 2019 versus MAD 3,991 million at 31 December 2018 due to:

i) A modest 0.7% contraction in the Bank's intermediation margin on customer loans, primarily due to a combination of:

- A modest decline of 1% or just under MAD 1 billion in average outstanding loans, primarily equipment loans (-8.9%) and consumer loans (-10%). Similarly, the loan yield registered a fall of almost 14 basis points;

- At the same time, average deposits fell by 2% between 2018 and 2019, primarily due to a 7.8% decline in interest-bearing deposits, particularly term deposits, which fell by 19%;

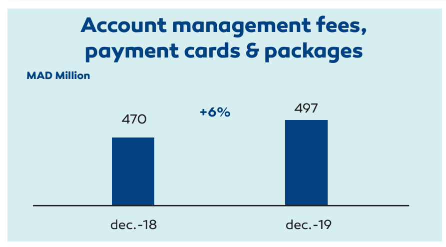
In addition, non-interest-bearing deposits rose by 2.9% or MAD 2 billion, including current accounts (+5.9%) and cheque accounts (+1.5%). As a result, the Bank's cost of funding improved by 13 basis points compared to 31 December 2018.

(ii) The cash margin being broadly unchanged due to the maturing of the international bond (November 2018 maturity) together with increased reliance on money market funding.

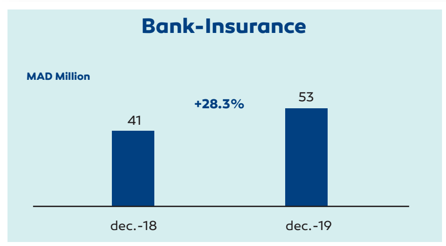
Fee Income

Fee income rose by almost 6.7% to MAD 1,165 million at 31 December 2019 versus 1,093 million at 31 December 2018, primarily driven by:

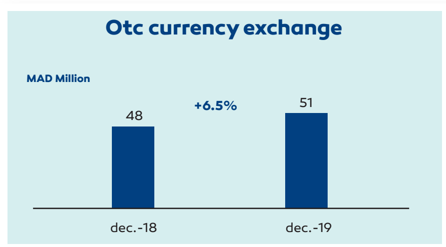
- A 6% increase in fees from packages, payment cards and account management, in turn due to:
- 9.6% growth in fees from payment cards, primarily due to the fact that the World Elite card began to be marketed in 2019. The increase in payment card fees was also due to the introduction in 2019 of a new fee, 'ATM access', as well as a higher volume of payments and withdrawals in Morocco;



- An increase of almost 6% in fees from packages between 2018 and 2019 due to the stock of packages growing by 51,112 packages.
- A 28.3% rise in bank-insurance fees, underpinned by 10% growth in the income protection product. Similarly, the increase in fees from the Crescendo product was due to volume growth of almost 23%;

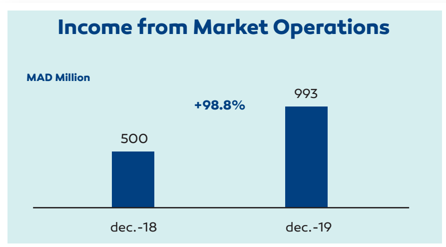


- A 6.5% increase in OTC currency exchange fees in line with growth in currency exchange volumes in 2019.



Income From Market Operations

Income from market operations jumped by 99% to MAD 993 million at 31 December 2019 versus MAD 500 million at 31 December 2018, due to:



- The mutual fund portfolio's assets growing from MAD 15.5 billion at 31 December 2018 to MAD 19 billion at 31 December 2019,
- The yield rising from 1.6% to 3.10%, generating MAD 469 million of net capital gains between 31 December 2018 and 31 December 2019. This was due to a decline in rates across all maturities between 31 December 2018 and 31 December 2019.

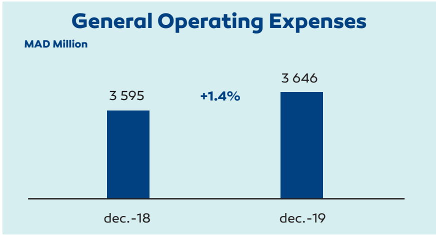
General Operating Expenses

General operating expenses stood at MAD 3,646 million in 2019, up 1.4% compared to 31 December 2018.

Employee expenses rose by 1.7%, to MAD 1,631 million at 31 December 2019 due to:

i) Employee expenses from the new Shanghai branch office being included in 2019;

ii) Permanent employee salaries remaining broadly unchanged between 2018 and 2019 while performance-related pay rose in 2019.



Other operating expenses increased by 1.2% to MAD 2,015 million, primarily due to the Shanghai branch office being included in 2019, which resulted in additional operating expenses.

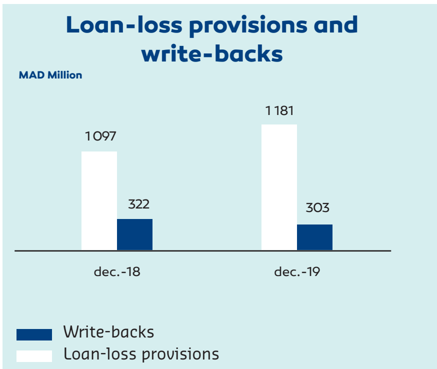
The Bank also opted to curtail its branch opening programme with only 2 new branches opened between 2018 and 2019, taking the total number of branches in the network to 732 at 31 December 2019.

As a result of the series of measures adopted by the Bank in recent years to reduce its operating expenses, the cost-to-income ratio stood at 56.3% at 31 December 2019 versus 59.7% at 31 December 2018, an improvement of 3.4 percentage points.

Cost Of Risk

The overall cost of risk stood at MAD 906 million at 31 December 2019 versus MAD 777 million at 31 December 2018.

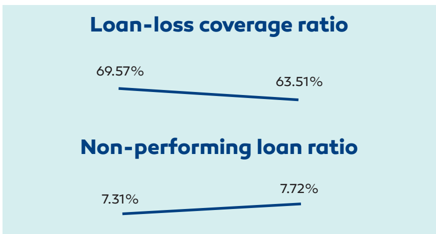
Additional loan-loss provisions increased by 7.7% to MAD 1,181 million at 31 December 2019 comprising MAD 890 million of additional provisions and a MAD 291 million net general risk provision versus MAD 1,097 million at 31 December 2018.



Write-backs fells by 6% to MAD 303 million at 31 December 2019 versus MAD 322 million at 31 December 2018.

The loan-loss provision coverage ratio declined from 69.57% at 31 December 2018 to 63.51% at 31 December 2019.

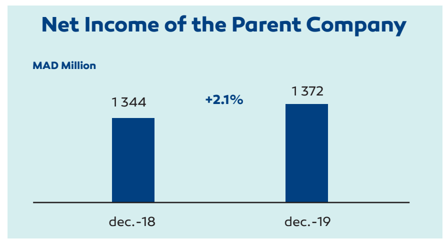
The non-performing loan ratio rose from 7.31% at 31 December 2018 to 7.72% at 31 December 2019.



Outstanding provisions for non-performing loans fell by 3.1% from MAD 5,630 million in 2018 to MAD 5,456 million in 2019.

Resultat Net

BANK OF AFRICA - BMCE Group SA's net income rose by 2.1% to MAD 1,372 million at 31 December 2019 versus MAD 1,344 million at 31 December 2018.



SPECIALISED FINANCIAL SERVICES

Contribution	SFS		Salafin		Maghrébail		M.Factoring		RM Experts		Euler Hermes Acmar	
in million MAD	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	723	724	322	348	389	355	12	18	-0,8	3,0	na	na
Change		0%		-7%		10%		-33%				
General Expenses	-240	-269	-125	-139-	71	-70	-21	-19	-23,6	-41,5	na	na
Change		-11%		-10%		1%		13%		-43%		
Cost of risk	-210	-348	-101	-147	-100	-199	-9,8	-1,9	na	na	na	na
Change		-40%		-31%		-50%						
Net income attributable to shareholders of the parent company	140	113	69	65	68	42	-2,0	3,4	-0,4	-1,2	4,4	3,4
Change		24%		6%		64%						32%

The Specialised Financial Services business line accounted for 7% of net income attributable to shareholders of the parent company. Its contribution rose by 24% compared to 31 December 2018.

Salafin's parent net income fell by 9% year-on-year to MAD 116 million in 2019 due to the impact of post-merger integration costs following the acquisition of Taslif relating to organisational aspects, revamping HR as well as the convergence of processes and the product programme.

Maghrebail's parent net income rose by 6% year-on-year to MAD 106.6 million while its contribution to net income attributable to shareholders of the parent company increased by 63.7%

Maroc Factoring's parent net income increased by 18% year-on-year to MAD 4 million in 2019. However, its contribution to net income attributable to shareholders of the parent company was negative due to a restatement under IFRS for the cost of risk.

RM Experts' parent net income was MAD 0.4 million in the red in 2019 versus a profit of MAD 5 million in 2018. Its business model is currently under review with some of its operations insourced to the Bank.

ACMAR, a credit insurance subsidiary in which the Group has a 20% stake, and which is accounted for under the equity method, posted parent net income of MAD 22.2 million in 2019 versus MAD 16.9 million in 2018.

INVESTMENT BANKING AND ASSET MANAGEMENT

Contribution	GABA		BMCE Capital		BK Bourse		BK Gestion	
in million MAD	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	362,7	348,2	196,9	190,2	15,2	7,5	150,6	150,5
Change		4%		4%		104%		0%
General Expenses	-306,7	-295,7	-234,2	-231,1	-33,8	-16,8	-38,7	-47,9
Change		4%		1%		101%		-19%
Cost of risk	-9,3	0,0	-7,3	0,0	0,0	0,0	-2,0	0,0
Change								
Net income attributable to shareholders of the parent company	113,2	98,2	52,8	52,1	1,8	-12,2	58,6	58,2
Change		15%		1,2%				1%

The Investment Banking & Asset Management business line comprises BMCE Capital, BMCE Capital Bourse and BMCE Capital Gestion.

The Investment Banking & Asset Management business line accounted for 6% of net income attributable to shareholders of the parent company in 2019. Its contribution to net income increased by 15% from MAD 98 million in 2018 to MAD 113 million in 2019.

BMCE Capital saw its consolidated net income grow by 3.5% from MAD 52 million in 2018 to MAD 53.8 million in 2019.

BMCE Capital Bourse registered a profit of MAD 1.9 million in 2019 versus a loss of MAD 12 million in 2018.

BMCE Capital Gestion's net income was broadly unchanged at MAD 58.9 million at 31 December 2019.

OTHER MOROCCAN OPERATIONS

BANK OF AFRICA Group's 'Other operations' comprise Locasom, EAI, CID, AML and BTI.

Contribution	Other		Locasom		EAI		CID		AML		bti Bank	
in million MAD	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	125,9	143,3	125,9	143,3	na	na	na	na	na	na	na	na
Change		-12%		-12%								
General Expenses	-98,9	-100,2	-98,9	-100,2	na	na	na	na	na	na	na	na
Change		-1%		-1%								
Cost of risk	3,8	-10,7	3,8	-10,7	na	na	na	na	na	na	na	na
Change												
Net income attributable to shareholders of the parent company	-6,5	6,2	22,0	22,9	0,0	-6,6	0,7	9,6	1,1	8,6	-30,2	-28,2
Change				-4%		-99%		-93%		-87%		

Locasom, a specialist vehicle leasing subsidiary, saw its parent net income rise by 10% to MAD 22 million.

EAI, a technology subsidiary, registered a profit of MAD 5 million.

CID, an engineering company specialising in civil engineering, building, transport and hydraulic projects, registered net income of MAD 1.7 million in 2019 versus MAD 18.7 million in 2018. This was primarily due to a downward readjustment in production in its hydro development projects division.

Africa Morocco Link or 'AML', founded in 2016 as a joint venture with a Greek shipping company, Attica Group, is a subsidiary specialising in maritime transport. It registered a profit of MAD 2.17 million in 2019 versus MAD 8.3 million in 2018.

Bank Al-Tamweel Wa Al-Inma or 'BTI' is the Group's participatory bank established in December 2017 in partnership with Al Baraka Bank Group. It registered a loss of MAD 59.2 million in 2019 versus a loss of MAD 55 million in 2018.

RESULTS AND CONTRIBUTIONS FROM OVERSEAS OPERATIONS

Contribution	International		Europe		Africa	
in million MAD	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	6 687	6 424	575	518	6 112	5 905
Change		4%		11%		4%
General Expenses	-4 051	-3 906	-258	-238	-3 794	-3 669
Change		4%		8%		3%
Cost of risk	-999	-369	-5	-34	-994	-336
Change		170%		-86%		196,1%
Net income attributable to shareholders of the parent company	775	949	137	113	638	835
Change		-18%		21%		-24%

In 2019, the contribution from overseas operations to consolidated net income attributable to shareholders of the parent company fell by 18% from MAD 949 million to MAD 775 million, accounting for 40% of overall net income attributable to shareholders of the parent company.

This decline was due to the performance of African operations, which saw their contribution to consolidated net income attributable to shareholders of the parent company decline by 24% due to a significant deterioration in their cost of risk.

EUROPEAN OPERATIONS

BIH saw its contribution to net income attributable to shareholders of the parent company rise by 21% year-on-year to MAD 137 million in 2019. BBI Madrid's parent net income in local currency terms rose by 17% from EUR 7.9 million to EUR 9.3 million. BBI UK saw its parent net income increase by 52% to GBP 3.5 million in 2019 versus GBP 2.3 million in 2018.

AFRICAN OPERATIONS

Contribution	Africa		BOA		LCB		BDM	
in million MAD	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	6 112	5 905	5 891	5 619	221	286	na	na
Change		4%		5%		-23%		
General Expenses	-3 794	-3 669	-3 611	-3 473	-183	-196	na	na
Change		3%		4%		-6%		
Cost of risk	-994	-336	-851	-353	-143	17	na	na
Change				141%				
Net income attributable to shareholders of the parent company	638	835	602	732	-39	40	75	64
Change		-24%		-18%				18%

BOA subsidiaries' contribution to net income attributable to shareholders of the parent company fell by 18% compared to 2018, accounting for 31% of total net income attributable to shareholders of the parent company in 2019 (vs 40% in 2018).

The contribution to overall net banking income stood at MAD 5,891 million, up 5% compared to 2018. The contribution to the cost of risk, after restatements under IFRS, amounted to -MAD 851 million.

The net income attributable to shareholders of the parent company of BOA subsidiaries, based on local accounting standards, fell by 17% to EUR 68.9 million in 2019 versus EUR 82.6 million in 2018.

BANK OF AFRICA raised its equity stake in its BOA Uganda subsidiary. Its interest in this subsidiary rose from 47.48% in 2018 (via BOA) to 77.65%. This acquisition was partially achieved through an exchange of BOA Group shares with FMO. As a result, its shareholding in the BOA Group holding company declined modestly from 72.85% to 72.41%.

La Congolaise des Banques registered a loss of EUR 15.6 million in 2019 versus a loss of EUR 5 million in 2018 due to an 18% fall in its net banking income and a 42% increase in additional loan-loss provisions.

Banque de Développement du Mali, accounted for under the equity method, registered growth of 16% in its net income from EUR 18.5 million in 2018 to EUR 21.4 million in 2019.

THE BANK'S GROWTH PROSPECTS

BANK OF AFRICA Group is continuing to bolster its operations both:

i) In Morocco, by attracting new customers, fostering customer loyalty, continuing to grow its deposit base and promoting its banking services based on a 'phygital' hybrid business model, consisting of a network of physical branches as well as a digital approach.

ii) As well as overseas, by

- Expanding and rationalising the Group's operations in Africa
- Optimising the Group's European operations.

In addition, against a backdrop of resource rationalisation, the Bank introduced a series of measures in 2018 aimed at reducing its operating expenses. These included adopting ISO quality principles at branch level in line with the Bank's strategy.

In such a growth environment, the Bank bolstered its capital in 2019 with a successful refinancing plan. MAD 3.6 billion of fresh capital was raised with (i) a high percentage of dividends in respect of financial year 2018 converted into shares (+MAD 0.7 billion), (ii) a capital injection from existing shareholders (+MAD 1.0 billion) as well as (iii) a capital increase which enabled CDC Group to acquire a stake in BANK OF AFRICA (+MAD 1.9 billion).

ASSET-LIABILITY MANAGEMENT AT 31 DECEMBER 2019

LIQUIDITY RISK

The Liquidity Coverage Ratio (LCR) stood at 314% on an individual basis and 254% on a consolidated basis at 31 December 2019, above the 100% regulatory threshold set by Bank Al-Maghrib.

INTEREST RATE RISK

The results of stress tests carried out at 31 December 2019 on the impact from a 200-basis points change in interest rates on net interest income and the economic value of shareholders' equity complied with the limits set by the ALCO committee.

At 31 December 2019, if the trading book portfolio were excluded, the impact from a 200-basis points change in interest rates on net interest income was estimated to be MAD 0.365 billion or 9.3% of projected net interest income.

The change in the economic value of shareholders' equity, if the trading book portfolio were excluded, in the event of a 200-basis points shock was estimated to be MAD 0.412 billion or 2.9% of regulatory capital.

THE LIST OF DIRECTORS' APPOINTMENTS IS AVAILABLE IN THE ESG REPORT

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11, Avenue Bir Kacem
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To the Shareholders of
BANK OF AFRICA BMCE GROUP
140 Avenue Hassan II
Casablanca

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

We have audited the attached consolidated financial statements of BANK OF AFRICA BMCE GROUP and its subsidiaries (BANK OF AFRICA GROUP BMCE GROUP), comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and notes providing a summary of the main accounting policies and other explanatory notes for the period from 1 January to 31 December 2019. These financial statements show consolidated shareholders' equity of MAD 27,796,103 K, including consolidated net income of MAD 2,576,017 K. These financial statements were drawn up against the evolving backdrop of the Covid-19 pandemic on the basis of the available information at that time.

MANAGEMENT'S RESPONSIBILITY

It is Management's responsibility to prepare and present these financial statements to give a true and fair view of the company's financial position in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control procedures regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement as a result of fraud or error and for making accounting estimates that are reasonable under the circumstances.

AUDITORS' RESPONSIBILITY

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements as a result of fraud or error.

In making these risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity regarding the drawing up and presentation of the financial statements so as to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE FINANCIAL STATEMENTS

BANK OF AFRICA BMCE GROUP possesses a stock of non-operating property assets that were acquired as dation-in-payment and valued at MAD 4.8 billion at 31 December 2019. Given the risks inherent in these real estate assets, particularly uncertainties about their resale value and the period of time required to liquidate them, we are therefore unable to give an opinion about the value of these assets at 31 December 2019.

Pending the outcome of the situation described above, in our opinion, the consolidated financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the financial position of BANK OF AFRICA GROUP BMCE GROUP, comprising the persons and entities included within the scope of consolidation at 31 December 2019 as well as its financial performance and cash flows over the same period, in accordance with International Financial Reporting Standards (IFRS).

ANOTHER POINT

As far as the events occurring after the balance sheet date as well as the information known in relation to the effects of the Covid-19 crisis are concerned, we have been informed by Management that these will be discussed at the Annual General Meeting convened to approve the financial statements.

Casablanca, 28 April 2020

The Independent Auditors

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37, Boulevard Abdellatif Ben Kaddour
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Abdeslam BERRADA ALLAM
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Télécopie : 212 5 37 63 37 11
Fouad LAHGAZI
Associé

BALANCE SHEET, CONSOLIDATED INCOME STATEMENT, STATEMENT OF NET INCOME, STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, CHASH FLOW STATEMENT AND SUMMARY OF ACCOUTING POLICIES

CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 31 december 2019 were approved by the board of directors on 27 march 2020.

(In thousand MAD)

AIFRS ASSETS	31/12/2019	31/12/2018
Cash and amounts due from central banks and post office banks	**14 450 591**	**14 310 554**
Financial instruments at fair value through profit or loss	-	-
- Financial assets held for trading	*29 913 430*	*25 104 686*
- Other financial assets at fair value through profit or loss	*794 295*	*1 011 536*
Derivatives used for hedging purposes	-	-
Financial assets at fair value through equity	-	-
- Debt instruments recognised at fair value through recyclable equity	*1 667 868*	*1 402 639*
- Equity instruments reported at fair value through non-recyclable equity	*4 446 599*	*3 986 053*
Securities at amortized cost	**30 042 750**	**25 315 848**
Loans and receivables from credit institutions and similar, at amortized cost	**22 403 739**	**21 250 394**
Loans and receivables from customers, at amortized cost	**186 645 591**	**179 302 874**
Revaluation difference of hedged portfolios	-	-
Investments in insurance activities	-	-
Current tax asset	**920 499**	**783 556**
Deferred tax asset	**1 767 563**	**1 615 532**
Accruals and other assets	**6 631 296**	**7 199 267**
Non-current assets held for sale	-	-
Investments in companies accounted for by the equity method	**930 990**	**874 360**
Investment properties	**3 800 224**	**3 730 378**
Property, plant and equipment	**9 222 503**	**7 640 031**
Intangible assets	**1 079 156**	**987 571**
Goodwill	**1 032 114**	**1 032 114**
TOTAL IFRS ASSETS	**315 749 207**	**295 547 393**

(In thousand MAD)

IFRS LIABILITIES	31/12/2019	31/12/2018
Central Banks, Treasury, Postal Check Service	-	-
Financial liabilities at fair value through profit or loss	-	-
- Financial liabilities held for trading purposes	-	-
- Financial liabilities at fair value through profit or loss on option	-	-
Derivatives hedging	-	-
Debt securities issued	**16 346 393**	**13 582 981**
Debts due to credit institutions and similar	**45 071 844**	**43 725 210**
Debts to customers	**202 816 657**	**192 474 205**
Revaluation difference of hedged portfolios	-	-
Current tax liability	**1 396 103**	**769 014**
Deferred tax liability	**1 179 957**	**1 179 765**
Accruals and other liabilities	**10 379 406**	**9 350 024**
Debts related to non-current assets held for sale	-	-
Liabilities relating to insurance activity contracts	-	-
Provisions for risks and charges	**1 172 574**	**1 039 395**
Subsidies - public funds allocated and special guarantee funds	-	
Subordinated debt	**9 590 170**	**9 585 289**
TOTAL DEBTS	**287 953 104**	**271 705 883**
Equity		
Capital and related reserves	**18 473 069**	**14 365 774**
Consolidated reserves	-	-
- Group share	1 474 765	1 584 607
- Minority share	4 149 154	3 977 575
Gains and losses recognized directly in equity	-	-
- Group share	*618 563*	*593 531*
- Minority share	*504 535*	*511 300*
Earning for the exercise	-	-
- Group share	*1 921 510*	*1 831 171*
- Minority share	*654 507*	*977 552*
TOTAL CONSOLIDATED EQUITY	**27 796 103**	**23 841 510**
TOTAL LIABILITIES IFRS	**315 749 207**	**295 547 393**

1.2. CONSOLIDATED INCOME STATEMENT

(In thousand MAD)

CONSOLIDATED INCOME STATEMENT	dec.-19	dec.-18
Interest and similar income	15 350 928	14 934 916
Interest and similar expense	- 5 436 906	- 5 252 749
Net Interest income	**9 914 022**	**9 682 167**
Fees received and commission income	3 240 485	2 990 545
Fees paid and commission expense	- 529 236	- 477 341
Net fee income	**2 711 249**	**2 513 204**
Net gains or losses resulting from net position hedges	-	-
Net gain on financial instruments at fair value through profit or loss	**353 259**	**136 275**
Net gains or losses on transaction assets/liabilities	*343 728*	*138 632*
Net gains or losses on other assets/liabilities at fair value through profit or loss	*9 531*	*- 2 357*
Net gains on financial instruments at fair value through equity	**231 334**	**226 865**
Net gains or losses on debt instruments recorded as recyclable CP	*19 627*	-
Remuneration of equity instruments recognised as non-recyclable CP	*211 707*	*226 865*
Net gains on derecognised financial assets at amortised cost		-
Gains or losses resulting from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss		-
Gains or losses resulting from the reclassification of financial assets by CP as financial assets at fair value through profit or loss		-
Net income from insurance activities		-
Net income from other activities	1 235 176	1 137 982
Expenses from other activities	- 584 437	- 463 024
Net Banking Income	**13 860 603**	**13 233 468**
General Operating Expenses	- 7 117 766	- 7 194 827
Allowances for depreciation and amortization PE and intangible assets	- 947 015	- 620 980
Gross Operating Income	**5 795 821**	**5 417 661**
Cost of Risk	- 2 196 435	- 1 833 379
Operating Income	**3 599 386**	**3 584 281**
Share in net income of companies accounted for by equity method	69 866	61 804
Net gains or losses on other assets	- 13 106	6 210
Change in goodwill	-	-
Pre-tax earnings	**3 656 146**	**3 652 295**
Corporate income tax	- 1 080 129	- 843 574
Tax Net income from discontinued activities or operations held for sale		-
Net Income	**2 576 017**	**2 808 722**
Non-controlling interests	654 507	977 552
Net income attributable to parent	**1 921 510**	**1 831 170**

1.3 STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY

(In thousand MAD)

	31/12/2019	31/12/2018
Net income (loss)	**2 576 017**	**2 808 722**
Gains and losses recognised directly in equity and subsequently reclassified to income	**27 964**	**28 168**
Transfer to earnings	27 964	28 168
Financial assets at fair value through recyclable equity		
Revaluation differences		
Gains and losses recognised directly in equity and which will not subsequently be reclassified to income	**68 026**	**-63 583**
Actuarial gains and losses on defined benefit plans		
Items measured at fair value through non-recyclable equity	68 026	-63 583
Share of gains and losses recognised directly in equity on companies accounted for by the equity method		
Total gains and losses recognized directly in equity	**95 990**	**-35 415**
Net income and gains and losses recognised directly in equity	**2 672 007**	**2 773 307**
Group share	2 006 084	1 827 885
Minority interests' share	665 923	945 422

1.4 STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY 31/12/2019

(In thousand MAD)

	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Noncontrolling interests	Total
Ending balance of adjusted Shareholder's Equity 12.31.2017	**1 794 634**	**11 953 769**	**0**	**5 409 550**	**-449 872**	**18 708 081**	**5 976 343**	**24 684 424**
Change in the accounting methods				-1 574 096		-1 574 096	-1 012 491	-2 586 587
Beginning Balance of Shareholder's Equity 12.31.2017	**1 794 634**	**11 953 769**	**0**	**3 835 454**	**-449 872**	**17 133 985**	**4 963 852**	**22 097 837**
Operations on capital		617 371		-617 371		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-563 957	-1 461 274
Net Income				**1 831 171**		**1 831 171**	**977 552**	**2 808 723**
Changes in assets and liabilities recognized directly in equity					-409	-409	-371	-780
Transfer to earnings					-40 068	-40 068	-42 226	-82 295
Unrealized or deferred gains or losses	**0**	**0**	**0**	**0**	**-40 478**	**-40 478**	**-42 597**	**-83 075**
Change in the scope of consolidation				**194 375**		**194 375**	**257 949**	**452 325**
Others				**153 346**		**153 346**	**-126 372**	**26 974**
Ending balance of Shareholder's Equity 12.31.2018	**1 794 634**	**12 571 140**	**0**	**4 499 659**	**-490 350**	**18 375 083**	**5 466 427**	**23 841 511**
Recognition of expected credit losses (on financial instruments)								
Beginning balance of Shareholder's Equity 01.01.2019	**1 794 634**	**12 571 140**	**0**	**4 499 659**	**-490 350**	**18 375 083**	**5 466 427**	**23 841 511**
Operations on capital	203 571	3 903 724		-445 698		3 661 597		3 661 597
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-600 722	-1 498 039
Net Income				**1 921 510**		**1 921 510**	**654 507**	**2 576 017**
Changes in assets and liabilities recognized directly in equity					67 246	67 246		67 246
Transfer to earnings					-23 149	-23 149	-31 181	-54 330
Unrealized or deferred gains or losses	**0**	**0**	**0**	**0**	**44 096**	**44 096**	**-31 181**	**12 915**
Change in the scope of consolidation				**-170 937**		**-170 937**	**33 527**	**-137 410**
Others				**-446 127**		**-446 127**	**-214 362**	**-660 489**
Ending balance of Shareholder's Equity 12.31.2019	**1 998 205**	**16 474 864**	**0**	**4 461 090**	**-446 253**	**22 487 906**	**5 308 196**	**27 796 102**

1.5 CASH FLOW STATEMENTS

(In thousand MAD)

CASH FLOW STATEMENTS	NOTE	31/12/2019	31/12/2018
Net Income before Tax		**3 656 146**	**3 652 296**
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2.6	956 552	630 876
+/- Impairment of goodwill and other non- current assets		-	-
+/- Impairment of financial assets		118 603	- 15 026
+/- Net allowances for provisions		693 860	1 523 643
+/- Share of earnings in subsidiaries accounted for by equity method	4.10	- 55 210	- 61 366
+/- Net loss (income) from investing activities		- 507 520	- 465 450
+/- Net loss (income) from financing activities		-	-
+/- Other movements		34 548	470 864
Non monetary items included in pre-tax net income and other adjustments		**1 240 832**	**2 083 541**
+/- Cash flows related to transactions with credit institutions		2 949 832	217 244
+/- Cash flows related to transactions with customers		1 762 667	- 7 885 804
+/- Cash flows related to transactions involving other financial assets and liabilities		- 9 109 225	10 541 583
+/- Cash flows related to transactions involving non financial assets and liabilities		600 504	- 4 878 370
+/- Taxes paid		- 1 131 214	- 641 628
Net decrease / (increase) in assets and liabilities from operating activities		**- 4 927 436**	**- 2 646 975**
Net Cash Flows from Operating Activities		**- 30 458**	**3 088 862**
+/- Cash Flows related to financial assets and equity investments		22 037	- 418 474
+/- Cash flows related to investment property		- 98 686	95 806
+/- Cash flows related to PP&E and intangible assets		- 865 878	- 477 724
Net Cash Flows from Investing Activities		**- 942 527**	**- 800 392**
+/- Cash flows related to transactions with shareholders		2 158 929	- 949 034
+/- Cash flows generated by other financing activities		2 731 844	- 5 109 235
Net Cash Flows from Financing Activities		**4 890 773**	**- 6 058 269**
Effect of movements in exchange rates on cash and equivalents		- 33 948	- 248 827
Net increase/(decrease) in cash and cash equivalents		**3 883 840**	**- 4 018 626**
Net Balance of demand loans and deposits- credit institutions		**16 989 829**	**21 008 455**
Loan and loan of cash	4.1	14 310 554	14 490 894
Ending Balance of Cash and Equivalents		2 679 275	6 517 561
Net Balance of cash accounts and accounts with central banks and post office banks		**20 873 669**	**16 989 829**
Net Balance of demand loans and deposits- credit institutions	4.1	14 450 591	14 310 554
Loan and loan of cash		6 423 079	2 679 275
Net increase in cash and equivalents		**3 883 840**	**- 4 018 626**

SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

1.6.1 Applicable accounting standards

The first consolidated financial statements to be prepared by BANK OF AFRICA Group in accordance with international accounting standards (IFRS) were those for the period ended 30 June 2008 with an opening balance on 1st January 2007.

The consolidated financial statements of BANK OF AFRICA Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as approved by the IASB.

The Group has not opted for early adoption of the new standards, amendments and interpretations adopted by the IASB where retrospective application is permitted.

The consolidated financial statements at 30 June 2019 have been prepared in accordance with IFRS standards, with first-time application of two new IFRS standards as of 1 January 2019:

- The IFRIC 23 interpretation, which clarifies the manner in which uncertainty over income tax treatments must be accounted for in the Group's financial statements;
- IFRS 16, which changes the way in which leases are accounted for.

IFRIC Interpretation 23:

This interpretation is intended to clarify IAS 12 'Income taxes', which contains measures relating to recognition and measurement of current or deferred tax assets or liabilities.

This interpretation deals with income tax-related risks. The interpretation is to be applied to determine income tax-related items when there is uncertainty over income tax treatments by an entity under the applicable tax provisions. Tax risk naturally arises from uncertainty regarding a tax position adopted by the entity that might be questioned by the tax authority.

The interpretation provides a choice of two transition methods as follows:

- Full retrospective approach, provided that the company is in possession of the necessary information without taking into account circumstances that have occurred over time; or
- Modified retrospective approach, by recognising the cumulative impact under opening shareholders' equity for the financial period in which the interpretation is first applied, in which case, the comparative information for the financial period in which the interpretation is first applied is not restated.

The Group has opted for the modified retrospective approach in respect of this interpretation by recognising the cumulative impact under opening shareholders' equity at 1 January 2019.

IFRS 16:

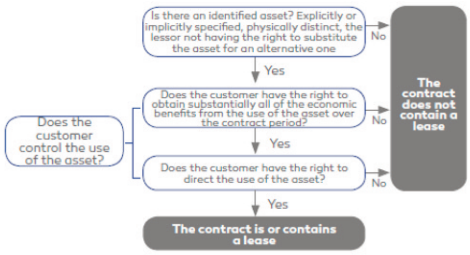
IFRS 16 'Leases' will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

For all lease agreements, the lessee will be required to recognise a right-of-use asset on its balance sheet representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. In its income statement, the lessee will separately recognise the depreciation of the right-of-use asset and the interest expense on the lease liability. This treatment, which is currently applied by lessees to finance-lease transactions, will subsequently be extended to operating leases.

Policies adopted:

The transition method chosen by BANK OF AFRICA Group is the modified retrospective approach by which the lease liability is recognised at the present value of remaining lease payments at the time of first-time application (01/01/2019) with a right-of-use asset of an equivalent amount recognised at the same time. Consequently, first-time application of IFRS 16 had no impact on shareholders' equity.

To identify leases that fall within the scope of this standard, the following criteria shall apply:



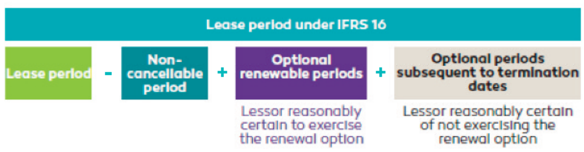
The Group has adopted two simplification measures provided for under IFRS 16 regarding short-term contracts (up to 12 months) and contracts whose underlying assets are of limited value. The IASB recommends a guideline threshold of USD 5,000 or less.

The lease period:

The period during which the Group has previously used particular types of property (leased or owned) and the underlying economic reasons thereof have been used to determine whether the group is reasonably certain of exercising an option or not.

The lease periods applied therefore depend on the type of property:

- For commercial leases, a period of 9 years on average has been applied;
- For residential leases, a period of 3 years;
- For leased vehicles, the period applied is that of the contract.



The liability related to the lease is equal to the present value of the lease payments and estimated payments at the end of the contract (early termination penalties if applicable and/or residual value guarantees if applicable).

The rate used to discount these payments is the incremental borrowing rate which is the rate of interest that a lessee would have to pay to borrow over a similar term to that of the lease liability.

1.6.2. 1. Consolidation principles

a. Scope of consolidation

The scope of consolidation includes all Moroccan and foreign entities in which the Group directly or indirectly holds a stake.

BANK OF AFRICA Group includes within its scope of consolidation all entities, whatever their activity, in which it directly or indirectly holds 20% or more of existing or potential voting rights. In addition, it consolidates entities if they meet the following criteria:

- The subsidiary's total assets exceed 0.5% of the parent company's;
- The subsidiary's net assets exceed 0.5% of the parent company's;
- The subsidiary's banking income exceeds 0.5% of the parent company's ;
- "Cumulative" thresholds which ensure that the combined total of entities excluded from the scope of consolidation does not exceed 5% of the consolidated total.

b. Consolidation methods

The method of consolidation adopted (fully consolidated or accounted for under the equity method) will depend on whether the Group has full control, joint control or exercises significant influence.

At 31 December 2019, no Group subsidiary was jointly controlled.

c. Consolidation rules

The consolidated financial statements are prepared using uniform accounting policies for reporting like transactions and other events in similar circumstances.

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated companies, and the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired.

Translation of financial statements prepared in foreign currencies

BANK OF AFRICA Group's consolidated financial statements are prepared in dirhams. The financial statements of companies whose functional currency is not the dirham are translated using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expenditures are translated at the average rate for the period.

d. Business combinations and measurement of goodwill

Cost of a business combination

The cost of a business combination is measured as the aggregate fair value of assets acquired, liabilities incurred or assumed and equity instruments issued by the acquirer in consideration for control of the acquired company. Costs attributable to the acquisition are recognised through income.

Allocating the cost of a business combination to the assets acquired and liabilities incurred or assumed

The Group allocates, at the date of acquisition, the cost of a business combination by recognising those identifiable assets, liabilities and contingent liabilities of the acquired company which meet the criteria for fair value recognition at that date.

Any difference between the cost of the business combination and the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised under goodwill.

Goodwill

At the date of acquisition, goodwill is recognised as an asset. It is initially measured at cost, that is, the difference between the cost of the business combination over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities.

The Group has adopted from 2012 the "full goodwill" method for new acquisitions. This method consists of measuring goodwill based on the difference between the cost of the business combination and minority interests over the fair value of the identifiable assets, liabilities and contingent liabilities.

It is worth noting that the Group has not restated business combinations occurring before 1 January 2008, the date of first-time adoption of IFRS, in accordance with IFRS 3 and as permitted under IFRS 1.

Measurement of goodwill

Following initial recognition, goodwill is measured at cost less cumulative impairment.

In accordance with IAS 36, impairment tests must be conducted whenever there is any indication of impairment that a unit may be impaired and at least once a year to ensure that the goodwill recognised for each CGU does not need to be written down.

As of December 31, 2019, the group carried out impairment tests to ensure that the book value of the cash-generating units is always lower than the recoverable value.

The recoverable amount of a cash-generating unit is the higher of the net fair value of the unit and its value in use.

Fair value is the price that is likely to be obtained from selling the CGU in normal market conditions.

Value in use is based on an estimate of the current value of future cash flows generated by the unit's activities as part of the Bank's market activities:

- If the subsidiary's recoverable amount is more than the carrying amount, then there is no reason to book an impairment charge;
- If the subsidiary's recoverable amount is less than the carrying amount, the difference is recognised as an impairment charge. It will be allocated to goodwill as a priority and subsequently to other assets on a pro-rata basis.

The Bank has employed a variety of methods for measuring CGU value in use depending on the subsidiary. These methods are based on assumptions and estimates:

- A revenue-based approach, commonly known as the "dividend discount model", is a standard method used by the banking industry. The use of this method depends on the subsidiary's business plan and will value the subsidiary based on the net present value of future dividend payments. These flows are discounted at the cost of equity.
- The "discounted cash flow method" is a standard method for measuring firms in the services sector. It is based on discounting available cash flows at the weighted average cost of capital.

Step acquisitions

In accordance with revised IFRS 3, the Group does not calculate additional goodwill on step acquisitions once control has been obtained.

In particular, in the event that the Group increases its percentage interest in an entity which is already fully consolidated, the difference at acquisition date between the cost of acquiring the additional share and share already acquired in the entity is recognised in the Group's consolidated reserves.

1.6.3. 2. Financial assets and liabilities

a.Loans and receivables

Loans and receivables include credit provided by the Group.

Loans and receivables are initially measured at fair value or equivalent, which, as a general rule, is the net amount disbursed at inception including directly attributable origination costs and certain types of fees or commission (syndication commission, commitment fees and handling charges) that are regarded as an adjustment to the effective interest rate on the loan.

Loans and receivables are subsequently measured at amortised cost. The income from the loan, representing interest plus transaction costs and fees and commission included in the initial value of the loan, is calculated using the effective interest method and taken to income over the life of the loan.

b.Securities

Classification of securities

IFRS 9 replaces the classification and valuation models for financial assets provided for in IAS 39 by a model comprising only 3 accounting categories :

- Depreciated cost;
- Fair value through equity: changes in fair value of the financial instrument are impacted in «other items of the comprehensive income» («fair value by OCI»);
- Fair value through profit or loss: changes in the fair value of the instrument are impacted in net income.

The classification of a financial asset in each category is based on:

- business model defined by the company
- and the characteristics of its contractual cash flows (the «cash flow» criterion) solely payments of principal and interest», or «SPPI»).

The management methods relate to the way the company manages its financial assets in order to generate cash flows and create cash flow and value. The business model is specified for an asset portfolio and does not constitute an intention on a case-by-case basis for an individual financial asset.

IFRS 9 distinguishes three management models:

- The collection of contractual cash flows, the business model «Collection»;
- The collection of contractual flows and the sale of assets, the model of management « Collection and Sale «;
- Other management intentions, i.e. the «Other / Sale» management model.

The second criterion («SPPI» criterion) is analysed at the contract level. The test is satisfied when the funding is only eligible for reimbursement of the principal and when the payment of interest received reflects the value of the time of money, credit risk associated with the instrument, other costs and risks of a traditional loan agreement as well as a reasonable margin, whether the interest rate is fixed or variable.

The criteria for classifying and measuring financial assets depend on the nature of the financial asset, as qualified:

- debt instruments (i.e. loans and fixed or determinable income securities) ; or
- equity instruments (i.e. shares).

The classification of a debt instrument in one of the asset classes is a function of the management model applied to it by the company and the characteristics of the contractual cash flows of the instrument (SPPI criterion). Debt instruments that respond to the SPPI criterion and the «Collection» management model are classified as follows amortised cost. If the SPPI criterion is verified but the business model is the collection and sale, the debt instrument is classified at fair value by equity (with recycling). If the SPPI criterion is not verified and the business model is different, the debt instrument is classified as fair value value by result.

Under IFRS 9, equity instruments held by (stocks) are:

- always measured at fair value through profit or loss,
- except those not held for trading for which the standard allows the irrevocable election to be made at the time of recognition of each financial asset, to recognise it at fair value by counterpart of other comprehensive income (fair value through profit or loss OCI), with no possibility of recycling by result. Assets classified in this category will not be depreciated. In the event of a transfer, these changes are not recycled to the income statement, the gain or loss on disposal is recognised in shareholders' equity. Only dividends are recognised in result.

IFRS 9 provides for models for classifying and measuring financial liabilities according to 3 accounting categories:

- financial liability at amortised cost;
- financial liability at fair value through profit or loss;
- financial liability at fair value through profit or loss on option.

On the initial recognition date, a financial liability may be designated, on irrevocable option, at fair value through profit or loss:

- under certain conditions when the liability contains embedded derivatives ; or
- if this leads to more relevant information as a result of the elimination or the significant reduction of a distortion of accounting treatment (« mismatch»); or
- whether the liabilities are managed with other financial instruments that are measured and managed at fair value in accordance with an investment policy or risk management and that information is communicated on this to key management personnel within the meaning of IAS 24.

In addition, for these liabilities, the standard allows for the recognition of the change in fair value attributable to the change in credit risk in other comprehensive income. However, this processing is only possible to the extent that it does not contribute to creating or aggravate an accounting mismatch

Dividends received on variable-income securities are presented in the aggregate "Remuneration of equity instruments recognized in non-recyclable CP" when the Group's right to receive them is established.

Temporary acquisitions and sales

Repurchase agreements

Securities subject to repurchase agreements are recorded in the Group's balance sheet in their original category.

The corresponding liability is recognised in the under "Borrowings" as a liability on the balance sheet.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables".

Securities lending and borrowing transactions

Securities lending transactions do not result in de-recognition of the lent securities while securities borrowing transactions result in recognition of a debt on the liabilities side of the Group's balance sheet.

Date of recognition of securities transactions

Securities recognised at fair value through income or classified under held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (recognised as loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

These transactions are carried on the balance sheet until the Group's rights to receive the related cash flows expire or until the Group has substantially transferred all the risks and rewards related to ownership of the securities.

c. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the income statement, except for those arising from financial instruments earmarked as a cash flow hedge or a net foreign currency investment hedge, which are recognised in shareholders' equity.

d. Impairment and restructuring of financial assets

IFRS 9 introduces a new model for the recognition of impairment of financial assets based on expected credit losses.

Under IFRS 9, the portfolio is segmented into three Buckets in using the notion of significant degradation from the beginning:

- Bucket 1» consists of all sound financial assets that do not are not significantly degraded since the beginning and for which it will be calculated an expected credit loss within 1 year.
- Bucket 2» includes assets for which the credit risk has significantly increased since the beginning. A credit loss must then be calculated over the remaining useful life of the asset, or residual maturity.
- «Bucket 3» corresponds to all assets in default or those for which credit quality will deteriorate to the point that the recoverability of the is threatened. Bucket 3 corresponds to the scope of the provision under IAS 39. The entity recognises a demonstrated credit loss at maturity. Thereafter, if the conditions for the classification of instruments financial instruments in bucket 3 are no longer respected, these instruments are reclassified as bucket 2 and then as bucket 1 depending on the improvement of credit risk quality.

The definition of default is consistent with the one outlined in Circular 19G with a rebuttable assumption of default occurring when amounts are no later than 90 days past due.

The definition of default is used consistently to assess whether there is an increase in credit risk and to measure expected credit losses.

The monitoring of risk degradation is based on the monitoring systems of the internal risks, including in particular the monitoring of receivables and unpaid bills.

The significant increase in credit risk may be assessed on an individual or collective basis (by grouping together financial instruments based on common credit risk characteristics), taking into account all reasonable and supportable information and comparing the risk of default of the financial instrument at the reporting date with the risk of default of the financial instrument at the date of initial recognition.

Each instrument is assessed to ascertain whether there has been a significant increase in credit risk based on indicators and thresholds that vary depending on the kind of exposure and counterparty type.

A financial asset is also considered to have undergone a significant increase in credit risk if one or more of the following criteria are met:

- Financial asset placed on the watchlist
- Reorganised due to payment difficulties, although not defaulting

- Past-due event
- There are material adverse changes in the borrower's economic, commercial or financial operating environment
- Risks of financial difficulties have been identified, etc.

In order to compensate for the fact that some factors or indicators may not be available at a financial instrument level, on an individual basis, the standard allows for the entity to carry out an assessment as to whether there has been a significant increase in credit risk on appropriate groups or portions of a portfolio of financial instruments.

Shared credit risk characteristics may be used to constitute portfolios for the purpose of carrying out an assessment as to whether there has been a significant increase in credit risk on a collective basis. Shared credit risk characteristics include instrument type, credit risk ratings, collateral type, date of initial recognition, remaining term to maturity, industry, the borrower's geographical location, the value of the collateral relative to the financial asset if it has an impact on the probability of default occurring (for example, non-recourse loans in some countries, or on loan-to-value ratios), the distribution channel, the reason for raising finance, etc..

Expected credit losses are defined as being an estimate of credit losses weighted by the probability of their occurring over the financial instrument's expected lifetime. They are measured on an individual basis, for each exposure.

The calculation of impairment losses is based on three main criteria:

Probabilities of Default (PD)

The Probability of Default (PD) is the likelihood of a borrower defaulting on its financial obligations over the subsequent 12 months (1-year PD) or over the contract's remaining maturity (lifetime PD). The PD is the probability of a borrower defaulting over a particular time horizon 't'. The PD used to estimate expected losses according to IFRS 9 is calculated for each homogeneous risk class.

For financial assets that are in 'Bucket 1' (i.e. healthy, non-sensitive), a 12-month PD is calculated i.e. the probability of default occurring in the 12 months following the reporting date.

For financial assets in 'Bucket 2' (i.e. healthy, sensitive), a PD to maturity is calculated. And, by definition, financial assets in 'Bucket 3' (i.e. defaulting) have a PD of 1.

In order to calculate the 1-year PD for a given loan, BANK OF AFRICA has divided the portfolios' loans into homogeneous risk classes that are segmented on the basis of external ratings or delinquency classes.

Lifetime PDs are calculated by applying rating migration matrices to 1-year PDs, the latter resulting from external credit rating systems or delinquency classes. Rating migration matrices are determined by modelling, for each portfolio, how defaults develop between the date of initial recognition and a contract's maturity. Rating migration matrices are developed on the basis of statistical observations.

Loss Given Default (LGD)

The Loss Given Default (LGD) is the expected credit loss as a percentage of the exposure at default. The Loss Given Default is expressed as a percentage of EAD and is calculated using Global Recovery Rates (GRRs). GRRs are assessed by homogeneous risk class for a certain type of collateral based on historical recovery rates.

For sizeable loans in difficulty, if statistical modelling is not possible (limited number of observations, special characteristics, etc.), the expected future recoverable flows are estimated by BANK OF AFRICA Group's recovery subsidiary. The LGD is the difference between the contractual cash flows and the estimated expected cash flows (including principal and interest).

Exposure At Default (EAD)

It is based on the amount to which the Group expects to be actually exposed at the time of default, either over the subsequent 12 months or over the remaining period to maturity.

The Group draws on existing concepts and systems to set these parameters. Expected credit losses on financial instruments are measured as the product of these three parameters.

Under IFRS 9, recognition of expected credit losses is based on forward-looking macroeconomic conditions.

The parameters are adjusted after factoring in the prevailing economic conditions based on macroeconomic research provided by in-company industry experts. As a result of this research and the expert opinion provided, PDs may be revised (upwards or downwards depending on the outlook) over a three-year horizon. The inclusion of other macroeconomic indicators is currently being phased in.

The organisational and management approach used to determine these scenarios is the same as that adopted for the budgeting process. These are reviewed annually based on suggestions from the economic research team and are validated by the General Management Committee.

For securities (which are overwhelmingly sovereign securities), the calculation of the depreciation is determined according to the following principles:

- When acquiring shares: all shares are considered as part of Bucket 1 regardless of the issuer's rating,
- In subsequent evaluations:
- In the event of a downgrade of the issuer's rating, the security changes to bucket 2
- On the basis of credit losses proven to be at maturity if the counterparty is in default - Bucket 3

Forbearance

The Bank complies with IFRS requirements in matters of forbearance agreements, particularly with regard to discounts applied to restructured loans.The amount deducted is recognised under cost of risk. If the restructured loan is subsequently reclassified as a performing loan, it is reinstatedunder net interest income over the remaining term of the loan.

Restructuring of assets classed as "Loans and receivables"

An asset classified in "Loans and receivables" is considered to be restructured due to the borrower's financial difficulty when the Group, for economic or legal reasons related to the borrower's financial difficulty, agrees to modify the terms of the original transaction that it would not otherwise consider, resulting in the borrower's contractual obligation to the Group, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The decrease in the asset value is recognised through income under "Cost of risk".

For each loan, the discount is recalculated at the renegotiation date using original repayment schedules and renegotiation terms.

The discount is calculated as the difference between :

- The sum, at the renegotiation date, of the original contractual repayments discounted at the effective interest rate; and
- The sum, at the renegotiation date, of the renegotiated contractual repayments discounted at the effective interest rate. The discount, net of amortisation, is recognised by reducing loan outstandings through income. Amortisation will be recognised under net banking income.

e. Issues of debt securities

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or liabilities with another entity on terms that are potentially unfavourable to the Group, or to deliver a variable number of the Group's treasury shares.

In the Group's case, this concerns certificates of deposit issued by Group banks such as BMCE BANK and BANK OF AFRICA as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

f. Treasury shares

"Treasury shares" refer to shares issued by the parent company, BANK OF AFRICA SA, or by its fully consolidated subsidiaries. Treasury shares held by the Group are deducted from consolidated shareholders' equity regardless of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated income statement.

As of December 31st, 2019, the Group does net hold any treasury shares.

g. Derivative instruments

All derivative instruments are recognised in the balance sheet on the trade date at the trade price and are re-measured to fair value on the balance sheet date.

Derivatives held for trading purposes are recognised "Financial assets at fair value through income" when their fair value is positive and in "Financial liabilities at fair value through income" when their fair value is negative.

Realised and unrealised gains and losses are recognised in the income statement under "Net gains or losses on financial instruments at fair value through income".

h. Fair value measurement of own credit default risk (DVA) / counterparty risk (CVA)

Since the value of derivative products has not been material until now, the Bank will continue to monitor the extent to which this factor is significant in order to take into consideration fair value adjustments relating to its own credit default risk (DVA) / counterparty risk (CVA).

i. Determining the fair value of financial instruments

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets classified under "Financial assets at fair value through income" and "Available-for-sale financial assets" are measured at fair value.

Fair value in the first instance relates to the quoted price if the financial instrument is traded on a liquid market.

If no liquid market exists, fair value is determined by using valuation techniques (internal valuation models as outlined in Note 4.15 on fair value).

Depending on the financial instrument, these involve the use of data taken from recent arm's length transactions, the fair value of substantially similar instruments, discounted cash flow models or adjusted book values.

Characteristics of a liquid market include regularly available prices for financial instruments and the existence of real arm's length transactions.

Characteristics of an illiquid market include factors such as a significant decline in the volume and level of market activity, a significant variation in available prices between market participants or a lack of recent observed transaction prices.

j. Income and expenses arising from financial assets and liabilities

The effective interest rate method is used to recognise income and expenses arising from financial instruments, which are measured at amortised cost.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

k. Cost of risk

"Cost of risk" includes impairment provisions net of write-backs and provisions for credit risk, losses on irrecoverable loans and amounts recovered on amortised loans as well as provisions and provision write-backs for other risks such as operating risks.

l. Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Grouphas a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6.4. 1. Property plant and equipment and intangible assets

a. Property, plant and equipment

The Group has opted for the cost model to measure property, plant and equipment and intangible assets.

It is worth noting that, in application of the option provided under IFRS 1, the Group has chosen to measure certain items of property, plant and equipment at the transition date at their fair value and use this fair value as deemed cost at this date.

In accordance with IAS 23, borrowing costs directly attributable to the acquisition are included in the acquisition cost of items of property, plant and equipment.

As soon as they are available for use, items of property, plant and equipment are amortised over the asset's estimated useful life.

Given the character of BANK OF AFRICA Group's property, plant and equipment, it has not adopted any residual value except for transport equipment owned by LOCASOM, a subsidiary.

In respect of the Group's other assets, there is neither a sufficiently liquid market nor a replacement policy over a period that is considerably shorter than the estimated useful life for any residual value to be adopted.

This residual value is the amount remaining after deducting from the acquisition cost all allowable depreciable charges.

Given the Group's activity, it has adopted a component-based approach for property. The option adopted by the Group is a component-based amortised cost method by applying using a component-based matrix established as a function of the specific characteristics of each of BANK OF AFRICA Group's buildings.

Component-based matrix adopted by BANK OF AFRICA

	Head office property		Other property	
	Period	Share	Period	Share
Structural works	80	55%	80	65%
Façade	30	15%		
General & technical installations	20	20%	20	15%
Fixtures and fittings	10	10%	10	20%

Impairment

The Group has deemed that impairment is only applicable to buildings and, as a result, the market price (independently-assessed valuation) will be used as evidence of impairment.

b. Investment property

IAS 40 defines investment property as property held to earn rentals or for capital appreciation or both. An investment property generates cash flows that are largely independent from the company's other assets in contrast to property primarily held for use in the production or supply of goods or services.

The Group qualifies investment property as any non-operating property.

BANK OF AFRICA Group has opted for the cost method to value its investment property. The method used to value investment property is identical to that for valuing operating property.

In accordance with the requirements of paragraph 79(e) of IAS 40, the Group has investment properties whose acquisition cost is deemed to be substantially material valued by external surveyors at each balance sheet date (cf. 4.15 on fair value).

c. Intangible assets

Intangible assets are initially measured at cost which is equal to the amount of cash or cash equivalent paid or any other consideration given at fair value to acquire the asset at the time of its acquisition or construction.

Subsequent to initial recognition, intangible assets are measured at cost less cumulative amortisation and impairment losses.

The amortisation method adopted reflects the rate at which future economic benefits are consumed.

Impairment is recognised when evidence (internal or external) of impairment exists. Evidence of impairment is assesses at each balance sheet date.

Given the character of the intangible assets held, the Group considers that the concept of residual value is not relevant in respect of its intangible assets. As a result, residual value has not been adopted.

1.6.5. 2. Leases

Group companies may either be the lessee or the lessor in a lease agreement.

Leases contracted by the Group as lessor are categorised as either finance leases or operating leases.

a. Lessor accounting

Finance leases

In a finance lease, the lessor transfers the substantial portion of the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a receivable.

The net income earned from the lease by the lessor is equal to the amount of interest on the loan and is taken to the income statement under "Interest and other income". The lease payments are spread over the lease term and are allocated to reducing the principal and to interest such that the net income reflects a constant rate of return on the outstanding balance. The rate of interest used is the rate implicit in the lease.

Individual and portfolio impairments of lease receivables are determined using the same principles as applied to other loans and receivables.

Operating leases

An operating lease is a lease under which the substantial portion of the risks and rewards of ownership of an asset are not transferred to the lessee.

The asset is recognised under property, plant and equipment in the lessor's balance sheet and depreciated on a straight-line basis over the lease term. The depreciable amount excludes the asset's residual value. The lease payments are taken to the income statement in full on a straight-line basis over the lease term.

Lease payments and depreciation expenses are taken to the income statement under "Income from other activities" and "Expenses from other activities".

b. Lessee accounting

Leases contracted by the Group as lessee are categorised as either finance leases or operating leases.

Finance leases

A finance lease is treated as an acquisition of an asset by the lessee, financed by a loan. The leased asset is recognised in the balance sheet of the lessee at the lower of fair value or the present value of the minimum lease payments calculated at the interest rate implicit in the lease.

A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets after deducting the residual value from the amount initially recognised over the useful life of the asset. The lease obligation is accounted for at amortised cost.

Operating leases

Operating leases are now under IFRS 16 (see paragraph 1.1.1).

1.6.6 Non-current assets held for sale and discontinued activities

An asset is classified as held for sale if its carrying amount is obtained through the asset's sale rather than through its continuous use in the business.

At 31 December 2019, the Group did not recognise any assets as held for sale or discontinued activities.

1.6.7 Employee benefits

Classification of employee benefits

a. Short-term benefits

Short-term benefits are due within twelve months of the close of the financial year in which employees provided the corresponding services. They are recognised as expenses in the year in which they are earned.

b. Defined-contribution post-employment benefits

The employer pays a fixed amount in respect of contributions into an external fund and has no other liability. Benefits received are determined on the basis of cumulative contributions paid plus any interest and are recognised as expenses in the year in which they are earned.

c. Defined-benefit post-employment benefits

Defined-benefit post-employment benefits are those other than defined-contribution schemes. The employer undertakes to pay a certain level of benefits to former employees, whatever the liability's cover. This liability is recognised as a provision.

The Group accounts for end-of-career bonuses as defined-benefit post-employment benefits: these are bonuses paid on retirement and depend on employees' length of service.

d. Long-term benefits

These are benefits which are not settled in full within twelve after the employee rendering the related service. Provisions are recognised if the benefit depends on employees' length of service.

The Group accounts for long-service awards as long-term benefits: these are payments made to employees when they reach 6 different thresholds of length of service ranging from 15 to 40 years.

e. Termination benefits

Termination benefits are made as a result of a decision by the Group to terminate a contract of employment or a decision by an employee to accept voluntary redundancy. The company may set aside provisions if it is clearly committed to terminating an employee's contract of employment.

Principles for calculating and accounting for defined-benefit post-employment benefits and other long-term benefits

a. Calculation method

The recommended method for calculating the liability under IAS 19 is the "projected unit credit" method. The calculation is made on an individual basis. The employer's liability is equal to the sum of individual liabilities.

Under this method, the actuarial value of future benefits is determined by calculating the amount of benefits due on retirement based on salary projections and length of service at the retirement date. It takes into consideration variables such as discount rates, the probability of the employee remaining in service up until retirement as well as the likelihood of mortality.

The liability is equal to the actuarial value of future benefits in respect of past service within the company prior to the calculation date. This liability is determined by applying to the actuarial value of future benefits the ratio of length of service at the calculation date to length of service at the retirement date.

The annual cost of the scheme, attributable to the cost of an additional year of service for each participant, is determined by the ratio of the actuarial value of future benefits to the anticipated length of service on retirement.

b. Accounting principles

A provision is recognised under liabilities on the balance sheet to cover for all obligations.

Actuarial gains or losses arise on differences related to changes in assumptions underlying calculations (early retirement, discount rates etc.) or between actuarial assumptions and what actually occurs (rate of return on pension fund assets etc.) constitute.

In accordance to IAS 19R, these actuarial diffrences are no longer amortised. They are recognised in unrealised gains and losses.

The past service cost is spread over the remaining period for acquiring rights.

The annual expense recognised in the income statement under “Salaries and employee benefits” in respect of defined-benefit schemes comprises:

- The rights vested by each employee during the period (the cost of service rendered) ;
- The interest cost relating to the effect of discounting the obligation ;
- The expected income from the pension fund’s investments (gross rate of return);
- The effect of any plan curtailments or settlements.

1.6.8 Share-based payments

The Group offers its employees the possibility of participating in share issues in the form of share purchase plans.

New shares are offered at a discount on the condition that they retain the shares for a specified period.

The expense related to share purchase plans is spread over the vesting period if the benefit is conditional upon the beneficiary’s continued employment.

This expense, booked under “Salaries and employee benefits”, with a corresponding adjustment to shareholders’ equity, is calculated on the basis of the plan’s total value, determined at the allotment date by the Board of Directors.

In the absence of any market for these instruments, financial valuation models are used that take into account performance-based criteria relating to the BANK OF AFRICA share price. The plan’s total expense is determined by multiplying the unit value per option or bonus share awarded by the estimated number of options or bonus shares acquired at the end of the vesting period, taking into account the conditions regarding the beneficiary’s continued employment.

1.6.9 Provisions recorded under liabilities

Provisions recorded under liabilities on the Group’s balance sheet, other than those relating to financial instruments and employee benefits mainly relate to restructuring, litigation, fines, penalties and tax risks.

A provision is recognised when it is probable that an outflow of resources providing economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made about the obligation’s amount. The amount of such obligations is discounted in order to determine the amount of the provision if the impact of discounting is material.

A provision for risks and charges is a liability of uncertain timing or amount.

The accounting standard provides for three conditions when an entity must recognise a provision for risks and charges:

- A present obligation towards a third party ;
- An outflow of resources is probable in order to settle the obligation;
- The amount can be estimated reliably.

1.6.10 Current and deferred taxes

The current income tax charge is calculated on the basis of the tax laws and tax rates in force in each country in which the Group has operations.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

A deferred tax liability is a tax which is payable at a future date. Deferred tax liabilities are recognised for all taxable temporary differences other than those arising on initial recognition of goodwill or on initial recognition of an asset or liability for a transaction which is not a business combination and which, at the time of the transaction, has not impact on profit either for accounting or tax purposes.

A deferred tax asset is a tax which is recoverable at a future date. Deferred tax assets are recognised for all deductible temporary differences and unused carry-forwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

The Group has opted to assess the probability of recovering deferred tax assets.

Deferred taxes assets are not recognised if the probability of recovery is uncertain. Probability of recovery is ascertained by the business projections of the companies concerned.

1.6.11 Cash flow statement

The cash and cash equivalents balance is composed of the net balance of cash accounts and accounts with central banks and the net balances of sight loans and deposits with credit institutions.

Changes in cash and cash equivalents related to operating activities reflect cash flows generated by the Group’s operations, including cash flows related to investment property, held-to-maturity financial assets and negotiable debt instruments.

Changes in cash and cash equivalents related to investing activities reflect cash flows resulting from acquisitions and disposals of subsidiaries, associates or joint ventures included in the consolidated group, as well as acquisitions and disposals of property, plant and equipment excluding investment property and property held under operating leases.

Changes in cash and cash equivalents related to financing activities reflect the cash inflows and outflows resulting from transactions with shareholders, cash flows related to subordinated debt, bonds and debt securities (excluding negotiable debt instruments).

1.6.12 Use of estimates in the preparation of the financial statements

Preparation of the financial statements requires managers of business lines and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet and in the disclosure of information in the notes to the financial statements.

This requires the managers in question to exercise their judgement and to make use of information available at the time of preparation of the financial statements when making their estimates.

The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates depending on market conditions. This may have a material impact on the financial statements.

Those estimates which have a material impact on the financial statements primarily relate to:

- Impairment (on an individual or collective basis) recognised to cover credit risks inherent in banking intermediation activities ;

Other estimates made by the Group's management primarily relate to :

- Goodwill impairment tests ;
- Provisions for employee benefits;
- The measurement of provisions for risks and charges.

II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

2.1 NET INTEREST INCOME

includes net interest income (expense) related to customer and interbank transactions, debt securities issued by the Group, the trading portfolio (fixed income securities, repurchase agreements, loan / borrowing transactions and debts securities), available for sale financial assets and held-to-maturity financial assets.

In thousand MAD

	31/12/2019			31/12/2018		
	Income	Expense	Net	Income	Expense	Net
Customer Items	**10 682 959**	**2 842 525**	**7 840 434**	**10 818 793**	**2 830 855**	**7 987 938**
Deposits, loans and borrowings	9 881 189	2 814 604	7 066 585	10 199 494	2 799 843	7 399 651
Repurchase agreements	0	27 921	-27 921	0	31 012	-31 012
Finance leases	801 770	0	801 770	619 299	0	619 299
Interbank Items	**1 302 310**	**1 752 496**	**-450 186**	**1 289 625**	**1 464 925**	**-175 300**
Deposits, loans and borrowings	1 050 914	1 376 191	-325 277	1 084 082	1 194 800	-110 718
Repurchase agreements	251 396	376 304	-124 909	205 543	270 125	-64 582
Borrowings issued by the Group		**841 885**	**-841 885**	**0**	**956 969**	**-956 969**
Instruments at fair value through equity			**0**			**0**
Debt instruments	**3 365 659**		**3 365 659**	**2 826 498**		**2 826 498**
TOTAL INTEREST INCOME/(EXPENSE)	**15 350 928**	**5 436 906**	**9 914 022**	**14 934 916**	**5 252 749**	**9 682 167**

2.2 NET FEE INCOME

In thousand MAD

	31/12/2019			31/12/2018		
	Income	Expense	Net	Income	Expense	Net
Net fee on transactions	**2 432 925**	**215 140**	**2 217 785**	**2 243 610**	**248 194**	**1 995 416**
With credit institutions			-			-
With customers	1 680 163		1 680 163	1 537 760	-	1 537 760
On custody	216 541	63 970	152 571	216 942	73 617	143 325
On foreign exchange	536 221	151 170	385 051	488 908	174 577	314 331
On financial instruments and off balance sheet			-			-
Banking and financial services	**807 560**	**314 096**	**493 464**	**746 935**	**229 147**	**517 788**
Income from mutual funds management			-			-
Income from electronic payment services	418 497	95 724	322 773	388 448	88 300	300 148
Insurance			-	-	-	-
Other	389 063	218 372	170 691	358 487	140 847	217 640
NET FEE INCOME	**3 240 485**	**529 236**	**2 711 249**	**2 990 545**	**477 341**	**2 513 204**

Net fee income covers fees from interbank market and the money market, customer transactions, securities transactions, foreign exchange transactions, securities commitments, financial transactions derivatives and financial services.

2.3 NET GAINS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

This entry includes all items of income (excluding interest income and expenses, classified under «Net interest income» as described above) relating to financial instruments managed within the trading book.

This covers gains and losses on disposals, gains and losses related to mark-to-market, as well as dividends from variable-income securities.

In thousand MAD

	31/12/2019			31/12/2018		
	Trading Book	Assets measured under the fair value option	Total	Trading Book	Assets measured under the fair value option	Total
Fixed income and variable income securities	474 042	9 531	483 573	199 404	-2 357	197 047
Derivative instruments	-130 314	0	-130 314	-60 772	0	-60 772
Repurchase agreements						
Loans						
Borrowings						
Remeasurement of interest rate risk hedged portfolios						
Remeasurement of currency positions						
TOTAL	**343 728**	**9 531**	**353 259**	**138 632**	**-2 357**	**136 275**

2.4 NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

In thousand MAD

	dec 19	dec 18
Remuneration of equity instruments recognised as non-recyclable equity instruments (Dividends)	211 707	226 865
TOTAL	**211 707**	**226 865**

2.5 NET INCOME FROM OTHER ACTIVITIES

In thousand MAD

	31/12/2019			31/12/2018		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities			-			-
Net income from investment property	-	-	-	-	-	-
Net income from assets held under operating leases	254 340	122 711	131 629	277 075	121 348	155 727
Net income from property development activities	-	-	-	-	-	-
Other banking income & expenses	694 425	378 380	316 046	486 955	325 604	161 351
Other operating income	286 411	83 347	203 064	373 952	16 072	357 880
TOTAL NET INCOME FROM OTHER ACTIVITIES	**1 235 176**	**584 437**	**650 739**	**1 137 982**	**463 024**	**674 958**

2.6 GENERAL OPERATING EXPENSES

In thousand MAD

	dec 19	dec 18
Staff expenses	3 896 797	3 779 625
Taxes	302 176	304 419
External expenses	2 671 462	2 970 647
Other general operating expenses	247 332	140 136
Allowances for depreciation and provisions of tangible and intangible assets	947 015	620 980
General Operating Expenses	**8 064 782**	**7 815 807**

2.7 COST OF RISK

	31/12/2019	31/12/2018
Net allocations for depreciations	**- 694 114**	**- 1 571 517**
BUCKET 1	**- 116 931**	**130 261**
Including loans and receivables on EC and OA	*- 5 853*	*2 950*
Including customer loans and receivables	*37 726*	*48 024*
Including off-balance-sheet commitments	*- 52 650*	*85 051*
Including debt instruments	*- 96 154*	*- 7 326*
Including debt instruments accounted for by JV and recyclable CP	*-*	*1 562*
BUCKET 2	**- 71 331**	**121 767**
Including loans and receivables on EC and OA	*- 1 167*	*- 1 303*
Including customer loans and receivables	*- 68 815*	*82 405*
Including off-balance-sheet commitments	*- 1 366*	*2 691*
Including debt instruments	*17*	*37 974*
Including debt instruments accounted for by JV and recyclable CP	*-*	*-*
BUCKET 3	**- 505 852**	**- 1 823 545**
Including loans and receivables on EC and OA	*- 40 169*	*360*
Including customer loans and receivables	*- 454 464*	*- 1 767 952*
Including off-balance-sheet commitments	*- 17 783*	*- 78 329*
Including debt instruments	*6 564*	*22 377*
Including debt instruments accounted for by JV and recyclable CP		*-*
Amounts recovered from amortized loans	**94 599**	**52 617**
Losses on bad debt	**- 1 548 430**	**- 365 896**
Other	**- 48 490**	**51 417**
COST OF RISK	**- 2 196 435**	**- 1 833 379**

2.8 NET GAINS ON OTHER ASSETS

(In thousand MAD)

	31/12/2019	31/12/2018
PP&E and intangible assets used in operations	**8 878**	**-17 398**
Capital gains on disposals	15 796	
Capital losses on disposals	6 918	17 398
Others	-21 984	23 608
Net Gain/Loss on Other Assets	**-13 106**	**6 210**

2.9 INCOME TAX

2.9.1 CURRENT AND DEFERRED TAX

(In thousand MAD)

	31/12/2019	31/12/2018
Current tax	920 499	783 556
Deferred tax	1 767 563	1 615 532
Current and deferred tax assets	**2 688 062**	**2 399 088**
Current tax	1 396 103	769 014
Deferred tax	1 179 957	1 179 765
Current and deferred tax liabilities	**2 576 060**	**1 948 779**

2.9.2 NET INCOME TAX EXPENSE

(In thousand MAD)

	31/12/2019	31/12/2018
Current tax expense	-1 238 767	-1 003 034
Net deferred tax expense	158 638	159 460
Net Corporate income tax expense	**-1 080 129**	**-843 574**

2.9.3 EFFECTIVE TAX RATE

(In thousand MAD)

	31/12/2019	31/12/2018
Net income	2 576 017	2 808 722
Net corporate income tax expense	-1 080 129	-843 574
Average effective tax rate	**41,9%**	**30,0%**

ANALYSIS OF EFFECTIVE TAX RATE

(In thousand MAD)

	31/12/2019	31/12/2018
Standard tax rate	37,0%	37,0%
Differential in tax rates applicable to foreign entities		
Reduced tax rate		
Permanent differences		
Change in tax rate		
Reportable deficit		
Other items	4,9%	-7,0%
Average effective tax rate	**41,9%**	**30,0%**

III. SEGMENT INFORMATION

BANK OF AFRICA Group is composed of four core business activities for accounting and financial information purposes:

- **Banking in Morocco:** BANK OF AFRICA's Moroccan business;
- **Asset management and Investment banking:** BMCE Capital, BMCE Capital Bourse and BMCE Capital Gestion;
- **Specialised financial services:** Salafin, Maghrébail, Maroc Factoring, RM Experts and Acmar;
- **International activities:** BMCE International Holding, Banque de Développement du Mali, La Congolaise de Banque, BOA Group.

3.1 EARNINGS BY BUSINESS LINE

(In thousand MAD)

	31/12/2019						31/12/2018					
	Activity in Morocco	Investment Banking	Specialised Financial Services	Others	International Activities	Total	Activity in Morocco	Investment Banking	Specialised Financial Services	Others	International Activities	Total
Net interest Income	4 417 685	64 541	681 730	-5 929	4 755 996	9 914 022	4 208 303	30 416	693 085	-14 454	4 764 817	9 682 167
Net Fee income	1 200 251	159 570	21 665	0	1 329 763	2 711 249	1 153 827	160 521	23 045	0	1 175 811	2 513 204
Net Banking Income	5 951 214	362 732	722 703	115 983	6 707 972	13 860 603	5 593 863	343 167	729 591	143 272	6 423 575	13 233 468
General Operating Expenses & allowances for depreciation and amortization	-3 367 955	-306 697	-239 943	-98 892	-4 051 295	(8 064 782)	-3 244 194	-295 744	-269 192	-100 197	-3 906 480	(7 815 807)
Operating Income	2 583 259	56 035	482 759	17 091	2 656 677	5 795 821	2 349 669	47 423	460 399	43 075	2 517 095	5 417 661
Corporate income tax	-544 388	-52 301	-153 086	-9 954	-320 399	(1 080 129)	-380 412	-41 378	-113 199	-9 364	-299 221	(843 574)
Net Income Attributable to shareholders of the parent	899 925	113 233	139 594	-6 450	775 208	1 921 510	665 151	98 154	112 808	6 159	948 898	1 831 170

3.2 ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

(In thousand MAD)

	31/12/2019						31/12/2018					
	Activity in Morocco	Investment Banking	Specialised Financial Services	Others	International Activities	Total	Activity in Morocco	Investment Banking	Specialised Financial Services	Others	International Activities	Total
TOTAL ASSETS	192 052 523	1 242 527	18 163 535	216 902	104 073 720	315 749 206	178 593 133	863 975	17 876 020	200 249	98 014 015	295 547 392
ASSETS ITEMS												
Available for sale assets	2 763 938	10 470	20 768	20 621	3 298 671	6 114 467	2 325 525	6 823	19 618	22 550	3 014 176	5 388 692
Customer loans	118 488 373	0	16 783 701	1	51 373 516	186 645 591	112 536 900	70	16 132 363	0	50 633 541	179 302 874
Financial assets at fair value	29 913 430	110 161	861	0	683 273	30 707 725	25 104 686	97 566	861	0	913 109	26 116 222
Held to maturity assets	4 410 000	0	0	0	25 632 750	30 042 750	3 832 558	0	0	0	21 483 289	25 315 847
LIABILITIES &												
SHAREHOLDERS												
EQUITY ITEMS							0	0	0	0	0	
Customer deposits	134 325 817	0	949 775	0	67 541 065	202 816 657	128 441 420	0	895 925	0	63 136 860	192 474 205
Shareholder's Equity	18 597 007	399 863	1 669 895	(168 950)	7 298 292	27 796 107	14 761 599	363 228	1 730 403	(132 498)	7 118 779	23 841 511

IV. NOTES TO THE BALANCE SHEET AS OF 31 DECEMBER 2019

4.1 CASH, AMOUNTS DUE FROM CENTRAL BANKS, BANKS AND THE POST OFFICE

(In thousand MAD)

	31/12/2019	31/12/2018
Cash	**4 281 536**	**4 283 818**
CENTRAL BANKS	*10 097 007*	*9 703 011*
TREASURY	*67 333*	*318 964*
GIRO	*4 715*	*4 761*
CENTRAL BANKS, TREASURY, GIRO	**10 169 055**	**10 026 736**
Cash, Central Banks, Treasury, Giro	**14 450 591**	**14 310 554**

4.2 ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(In thousand MAD)

	31/12/2019			31/12/2018		
	Trading book	Assets designated at fair value through profit or loss	Total	Trading book	Assets designated at fair value through profit or loss	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable certificates of deposits	**17 130 180**	**-**	**17 130 180**	**7 850 145**	**-**	**7 850 145**
Treasury bills and other eligible for central bank refinancing	16 673 191		16 673 191	7 577 675		7 577 675
Other negotiable certificates of deposits	456 989		456 989	272 470		272 470
Bonds	**2 425 052**	**-**	**2 425 052**	**1 432 273**	**-**	**1 432 273**
Government bonds	1 285 666		1 285 666	999 176		999 176
Other bonds	1 139 386		1 139 386	433 096		433 096
Equities and other variable income securities	**10 392 716**	**794 295**	**11 187 011**	**15 832 484**	**1 011 536**	**16 844 020**
Repurchase agreements	-		-	-		-
Loans	-		-	-		-
To credit institutions			*0*			*0*
To corporate customers			*0*			*0*
To private individual customers			*0*			*0*
Trading Book Derivatives	**-34 518**	**-**	**-34 518**	**-10 215**	**-**	**-10 215**
Currency derivatives	-34 518		-10 215	-10 215		-10 215
Interest rate derivatives			0			0
Equity derivatives			0			0
Credit derivatives			0			0
Other derivatives			0			0
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**29 913 430**	**794 295**	**30 707 725**	**25 104 686**	**1 011 536**	**26 116 222**
Of which loaned securities						
Excluding equities and other variable-income securities						
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						
Borrowed securities and short selling						
Repurchase agreements						
Borrowings						
Credit institutions						
Corporate customers						
Debt securities						
Trading Book Derivatives						
Currency derivatives						
Interest rate derivatives						
Equity derivatives						
Credit derivatives						
Other derivatives						
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						

4.3 FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

(In thousand MAD)

	31/12/2019			31/12/2018		
	Balance Sheet Value	Unrealized gains	Unrealized losses	Balance Sheet Value	Unrealized gains	Unrealized losses
Debt instruments recognised at fair value through recyclable equity	1 667 868	5 756	- 986	1 402 639	901	- 17 345
Equity instruments recognised at fair value through non-recyclable equity	4 446 599	1 624 365	- 528 048	3 986 053	1 582 357	- 545 052

4.4 SECURITIES AT AMORTISED COST

(In thousand MAD)

	31/12/2019	31/12/2018
Treasury bills and other bills mobilisable with central banks	**6 666 681**	**5 066 899**
Treasury bills and other bills mobilisable with central banks	5 798 982	5 023 497
Other negotiable debt securities	867 699	43 402
Bonds	**23 625 022**	**20 397 838**
Government bonds	21 537 841	16 420 029
Other Bonds	2 087 182	3 977 809
Depreciations	**-248 954**	**-148 889**
TOTAL DEBT INSTRUMENTS VALUED AT AMORTISED COST	30 042 750	25 315 848

4.5 INTERBANK TRANSACTIONS, RECEIVABLES AND AMOUNTS DUE FROM CREDIT INSTITUTIONS

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

(In thousand MAD)

	31/12/2019	31/12/2018
Demand accounts	8 927 092	7 339 328
Loans	12 522 277	13 968 918
Including cash loans	*1 162 815*	*304 165*
Repurchase agreements	1 058 308	37 630
Total loans and receivables due from credit institutions, before impairment provisions	**22 507 677**	**21 345 876**
Provisions for impairment of loans and receivables due from credit institutions	-103 938	-95 482
Total loans and receivables due from credit institutions, net of impairment provisions	**22 403 739**	**21 250 394**

AMOUNTS DUE TO CREDIT INSTITUTIONS

(In thousand MAD)

	31/12/2019	31/12/2018
Demand accounts	3 722 868	2 905 998
Borrowings	28 000 311	28 317 243
Including cash borrowings	*982 242*	*1 047 509*
Repurchase agreements	13 348 666	12 501 969
TOTAL	**45 071 844**	**43 725 210**

4.6 LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

(In thousand MAD)

	31/12/2019	31/12/2018
Demand accounts	22 366 723	22 879 106
Loans to customers	149 857 647	145 939 070
Repurchase agreements	13 272 162	9 815 519
Finance leases	15 393 383	14 594 299
Total loans and receivables due from customers, before impairment provisions	**200 889 916**	**193 227 994**
Impairment of loans and receivables due from customers	-14 244 325	-13 925 121
Total loans and receivables due from customers, net of impairment provisions	**186 645 590**	**179 302 874**

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS ACTIVITY

(In thousand MAD)

	31/12/2019	31/12/2018
Activity in Morocco	118 488 373	112 536 900
Specialized Financial Services	16 783 701	16 132 363
International Activities	51 373 516	50 633 541
Investment Banking	0	70
Other Activities	1,00	-
Total	**186 645 590**	**179 302 874**
Allocated Debts		
Value at Balance sheet	**186 645 590**	**179 302 874**

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

(In thousand MAD)

	31/12/2019	31/12/2018
Morocco	135 272 075	128 669 333
Africa	47 463 182	46 281 694
Europe	3 910 334	4 351 847
Total	**186 645 591**	**179 302 874**
Allocated Debts		
Value at Balance sheet	**186 645 591**	**179 302 874**

BREAKDOWN OF LOANS & RECEIVABLES AND COMMITMENTS BY BUCKET

(In thousand MAD)

	31/12/2019							
	Receivables and commitments				Depreciation			
	BUKET 1	BUKET 2	BUKET 3	TOTAL	BUKET 1	BUKET 2	BUKET 3	TOTAL
Financial assets at fair value through equity	**1 670 649**	**-**	**-**	**1 670 649**	**2 781**	**-**	**-**	**2 781**
Debt instruments accounted for by JV at recyclable CP	1 670 649			1 670 649	2 781			2 781
Financial assets at amortized cost	**221 226 961**	**15 371 015**	**17 091 320**	**253 689 296**	**1 516 007**	**2 301 870**	**10 779 341**	**14 597 218**
Loans and receivables from credit institutions	22 452 542	0	55 134	22 507 676	42 491	0	61 447	103 938
Loans and receivables from customers	168 550 807	15 302 923	17 036 186	200 889 916	1 225 658	2 300 774	10 717 894	14 244 326
Debt instruments	**30 223 612**	**68 092**		**30 291 704**	**247 858**	**1 096**		**248 954**
Total assets	**222 897 610**	**15 371 015**	**17 091 320**	**255 359 945**	**1 518 788**	**2 301 870**	**10 779 341**	**14 599 999**
Total off-balance sheet	**42 625 611**	**299 696**	**304 150**	**43 229 457**	**218 489**	**2 934**	**74 153**	**295 576**

	31/12/2018							
	Receivables and commitments				Depreciation			
	BUKET 1	BUKET 2	BUKET 3	TOTAL	BUKET 1	BUKET 2	BUKET 3	TOTAL
Financial assets at fair value through equity	**1 403 746**	**-**	**-**	**1 403 746**	**1 107**	**-**	**-**	**1 107**
Debt instruments accounted for by JV at recyclable CP	1 403 746			1 403 746	1 107			1 107
Financial assets at amortized cost	**206 823 803**	**17 375 491**	**15 839 314**	**240 038 608**	**1 441 164**	**2 235 683**	**10 492 645**	**14 169 492**
Loans and receivables from credit institutions	21 282 989		62 887	21 345 876	32 606		62 876	95 482
Loans and receivables from customers	160 551 174	16 900 393	15 776 427	193 227 995	1 263 393	2 231 959	10 429 769	13 925 121
Debt instruments	24 989 640	475 097		25 464 737	145 165	3 724		148 889
Total assets	**208 227 549**	**17 375 491**	**15 839 314**	**241 442 354**	**1 442 271**	**2 235 683**	**10 492 645**	**14 170 599**
Total off-balance sheet	**41 302 875**	**167 523**	**143 605**	**41 614 003**	**165 838**	**1 568**	**122 802**	**290 209**

AMOUNTS DUE TO CUSTOMERS

(In thousand MAD)

	31/12/2019	31/12/2018
On demand deposits	110 457 223	104 025 228
Term accounts	37 779 950	35 272 676
Savings accounts	38 630 433	36 360 381
Cash certificates	5 160 093	6 216 003
Repurchase agreements	841 915	914 037
Other items	9 947 043	9 685 880
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	**202 816 657**	**192 474 205**

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS ACTIVITY

(In thousand MAD)

	31/12/2019	31/12/2018
Activity in Morocco	134 325 817	128 441 420
Specialized Financial Services	949 775	895 925
International Activities	67 541 065	63 136 860
Investment Banking	0	0
Other Activities	0	0
Total	**202 816 657**	**192 474 205**
Allocated Debts		
Value at Balance sheet	**202 816 657**	**192 474 205**

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

(In thousand MAD)

	31/12/2019	31/12/2018
Morocco	135 275 592	129 337 345
Africa	65 790 252	61 510 364
Europe	1 750 813	1 626 496
Total	**202 816 657**	**192 474 205**
Allocated Debts		
Value at Balance sheet	**202 816 657**	**192 474 205**

4.7 DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

(In thousand MAD)

	31/12/2019	31/12/2018
Other debt securities	**16 346 393**	**13 582 981**
Negotiable certificates of deposit	15 846 393	13 082 981
Bond issues	500 000	500 000
Subordinated debts	**9 590 170**	**9 585 289**
Subordinated debt	9 590 170	9 585 289
Redeemable subordinated debt	*6 590 170*	*6 585 289*
Undated subordinated debt	*3 000 000*	*3 000 000*
Subordinated Notes	**0**	**0**
Redeemable subordinated notes		
Undated subordinated notes	0	0
Public Funds and special guarantee funds		
Total	**25 936 563**	**23 168 270**

4.8 CURRENT AND DEFERRED TAX

(In thousand MAD)

	31/12/2019	31/12/2018
Current tax	920 499	783 556
Deferred tax	1 767 563	1 615 532
Current and deferred tax assets	**2 688 062**	**2 399 088**
Current tax	1 396 103	769 014
Deferred tax	1 179 957	1 179 765
Current and deferred tax liabilities	**2 576 060**	**1 948 779**

4.9 ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

(In thousand MAD)

	31/12/2019	31/12/2018
Guarantee deposits and bank guarantees paid	144 667	144 340
Settlement accounts related to securities transactions	38 429	86 594
Collection accounts	429 990	405 489
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	817 509	811 606
Other debtors and miscellaneous assets	4 887 004	5 301 929
Inter-related Accounts	313 697	449 310
TOTAL ACCRUED INCOME AND OTHER ASSETS	**6 631 296**	**7 199 268**
Guarantee deposits received	9 252	20 444
Settlement accounts related to securities transactions	749 006	1 009 167
Collection accounts	1 332 305	1 410 897
Accrued expenses and deferred income	1 106 873	1 088 065
Other creditors and miscellaneous assets	7 181 970	5 821 451
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	**10 379 405**	**9 350 024**

4.10 INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

(In thousand MAD)

	31/12/2019	31/12/2018
Euler Hermes Acmar	26 029	21 586
Banque de Développement du Mali	570 719	537 969
Eurafric	- 20 954	- 20 949
Africa Morocco Link	- 12 829	- 9 600
Société Conseil Ingenierie et Développement	148 073	153 270
Bank Al Tamwil wal Inmaa	128 106	107 288
Inverstments in equity methods companies belonging to BOA	91 845	84 796
Investments in associates	**930 990**	**874 360**

FINANCIAL DATA OF THE MAIN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

(In thousand MAD)

	Total Assets as of Dec 2019	Net Banking Income or Net Revenues as of Dec 2019	Company Income	Contribution in Net Income attributable to the parent company as of Dec 2019
Acmar	600 180	194 580	22 216	4 443
Banque de Développement du Mali	14 552 231	649 346	230 856	74 842
Africa Morocco Link	287 056	267 839	2 170	1 107
Eurafric	226 451	249 718	5 021	-49
Société Conseil Ingenierie et Développement	652 705	233 585	1 681	654
Bank Al Tamwil wal Inmaa	516 994	8 043	-59 180	-30 182

4.11 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS AND INVESTMENT PROPERTY

(In thousand MAD)

	31/12/2019			31/12/2018		
	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
PP&E	**16 399 314**	**7 176 811**	**9 222 503**	**13 776 687**	**6 136 656**	**7 640 031**
Land and buildings	5 206 424	749 254	4 457 170	3 844 214	261 415	3 582 799
Equipment, furniture and fixtures	4 738 934	3 036 637	1 702 297	4 349 154	2 731 219	1 617 935
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other PP&E	6 453 955	3 390 920	3 063 036	5 583 319	3 144 022	2 439 297
Intangible Assets	**2 510 479**	**1 431 323**	**1 079 156**	**2 083 805**	**1 096 234**	**987 571**
Purchased software	1 635 013	1 126 441	508 571	1 346 753	872 690	474 063
Internally-developed software	0	0	0	0	0	0
Other intangible assets	875 466	304 881	570 585	737 052	223 544	513 508
Investment Property	**3 926 892**	**126 668**	**3 800 224**	**3 822 825**	**92 447**	**3 730 378**

CHANGE IN PROPERTY, PLANT AND EQUIPMENT

(In thousand MAD)

	31/12/2019	31/12/2018
Net value as of January 1st	**7 640 031**	**7 302 800**
Acquisition of the year	2 932 893	423 480
First time consolidations	-	-
Depreciation, Amortization of impaiment	(981 318)	(513 740)
Disposal of the year	(85 907)	(41 272)
Other variations	(283 195)	468 763
NET VALUE AT END OF PERIOD	**9 222 503**	**7 640 031**

CHANGE IN INTANGIBLE ASSETS

(In thousand MAD)

	31/12/2019	31/12/2018
Net value as of January 1st	**987 571**	**937 808**
Acquisition of the year	395 318	221 397
First time consolidations	-	-
Depreciation, Amortization of impaiment	(100 490)	(86 885)
Disposal of the year	(31 675)	(77 046)
Other variations	(171 568)	(7 703)
NET VALUE AT END OF PERIOD	**1 079 157**	**987 571**

CHANGE IN INVESTMENT PROPERTIES

(In thousand MAD)

	31/12/2019	31/12/2018
Net value as of January 1st	**3 730 378**	**3 824 439**
Acquisition of the year	157 190	70 141
First time consolidations		
Depreciation, Amortization of impaiment	(29 264)	(20 462)
Disposal of the year	(41 610)	(143 740)
Other variations	(16 469)	-
NET VALUE AT END OF PERIOD	**3 800 225**	**3 730 378**

CHARGES OF RENTAL CONTRACTS

	31-Dec-19
Interest expense on rental debts	-54 400
Depreciation charges for user fees	-221 276

ASSET RELATED TO RIGHTS OF USE

	31/12/2019	31/12/2018
Property, plant and equipment	9 222 503	7 640 031
Including rights of use	1 190 571	

LIABILITIES RELATED TO RENTAL DEBT

	31/12/2019	31/12/2018
Adjustment account and other liabilities	10 379 406	9 350 024
Including rental debt	1 199 456	

4.12 GOODWILL

(In thousand MAD)

	31/12/2019	31/12/2018
Gross value at start of period	**1 032 114**	**852 310**
Accumulated impairment at start of period		
Carrying amount at start of period	**1 032 114**	**852 310**
Acquisitions		
Cessions		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements		179 804
Gross value at end of period	**1 032 114**	**1 032 114**
Accumulated impairment at end of period		
CARRYING AMOUNT AT END OF PERIOD	**1 032 114**	**1 032 114**

THE FOLLOWING TABLE PROVIDES A BREAKDOWN OF GOODWILL

(In thousand MAD)

	Net book value Dec 19	Net book value Dec 18
Maghrébail	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	184 978	184 978
Maroc Factoring	1 703	1 703
Bmce Capital Bourse	2 618	2 618
Bmce International (Madrid)	3 354	3 354
Bank Of Africa	711 976	711 976
LOCASOM	98 725	98 725
CID	14 555	14 555
GROUP TOTAL	**1 032 114**	**1 032 114**

SENSITIVITY TO CHANGES IN ASSUMPTIONS

(In thousand MAD)

	BANK OF AFRICA Group	LOCASOM
Cost of capital	**18%**	**8.5%**
Unfavorable change of 200 basis points	-1 615 624	-157 670
Favorable change of 200 basis points	2 085 999	337 902

4.13 PROVISIONS FOR CONTINGENCIES AND CHARGES

(In thousand MAD)

	31/12/2019	31/12/2018
Total provisions at start of period	**1 039 395**	**1 087 637**
Additions to provisions	293 296	109 315
Reversals of provisions	-165 979	-152 609
Effect of movements in exchange rates and other movements	5 862	-4 947
TOTAL PROVISIONS AT END OF PERIOD	**1 172 573**	**1 039 395**

	Legal and fiscal risks	Obligations for post-employment benefits	Loan commitments and guarantees	Onerous contracts	Other provisions	Total book value
Opening balance	**23 484**	**441 583**	**295 711**	**0**	**278 617**	**1 039 395**
Provisions	22 054	23 879	71 814	0	175 549	293 296
Amounts used	-5 751	0	-86 892	0	-73 336	-165 979
Other activity	-170	0	20 446	0	-14 414	5 862
Closing balance	**39 617**	**465 462**	**301 079**	**0**	**366 416**	**1 172 574**

4.14 FAIR VALUE

4.14.1 FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

(In thousand MAD)

	31/12/2019		31/12/2018	
	Book value	Estimated market value	Book value	Estimated market value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions valued at amortized cost	22 403 739	22 412 197	21 250 394	21 264 422
Loans and receivables due from customers valued at amortized cost	186 645 591	187 710 345	179 302 874	179 601 283
Securities valued at amortized cost	30 042 750	30 279 750	25 315 848	25 366 370
Investment properties	3 800 224	3 869 864	3 730 378	3 800 018
FINANCIAL LIABILITIES				
Loans and receivables due to credit institutions	45 071 844	45 071 844	43 725 210	43 725 210
Loans and receivables due to customers	202 816 657	202 816 657	192 474 205	192 474 205
Debt securities	16 346 393	16 346 393	13 582 981	13 582 981
Subordinated debts	9 590 170	9 590 170	9 585 289	9 585 289

4.14.2 BREAKDOWN BY MEASUREMENT METHOD OF FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE PRESENTED IN ACCORDANCE WITH IFRS 7 RECOMMENDATIONS

(In thousand MAD)

	31/12/2019				31/12/2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Financial instruments at-fair value through profit or loss held for trading	30 707 725	-	-	30 707 725	26 116 222	-	-	26 116 222
of which financial assets at-fair-value through profit or loss	29 913 430			29 913 430	25 104 686			25 104 686
of which derivative financial instruments	794 295			794 295	1 011 536			1 011 536
Financial instruments designated as at-fair-value through profit or loss	1 987 249	-	4 127 218	6 114 467	1 555 495	-	3 833 196	5 388 692
Derivatives used for hedging purposes	1 667 868			1 667 868	1 402 638			1 402 638
Available for sale financial assets	319 381		4 127 218	4 446 599	152 857		3 833 196	3 986 054
FINANCIAL LIABILITIES								
Financial instruments at-fair-value through profit or loss held for trading							-	-
Financial instruments designated as at-fair value through profit or loss							-	-
Derivatives used for hedging purposes								

4.14.3 FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES RECOGNISED AT AMORTISED COST

(In thousand MAD)

	31/12/2019				31/12/2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Loans and receivables due from credit institutions			22 412 197	22 412 197			21 264 422	21 264 422
Loans and receivables due from customers			187 710 345	187 710 345			179 601 283	179 601 283
Held-to-maturity financial assets			30 279 750	30 279 750			25 366 370	25 366 370
LIABILITIES								
Due to credit institutions			45 071 844	45 071 844			43 725 210	43 725 210
Due to customers			202 816 657	202 816 657			192 474 205	192 474 205
Debt securities issued			16 346 393	16 346 393			13 582 981	13 582 981
Subordinated debt			9 590 170	9 590 170			9 585 289	9 585 289

(In thousand MAD)

	31/12/2019							31/12/2018						
	From	D-Day to 3 months after	3 months to 1 year	1 to 5 years	5+ years	Non-fixed term	Total	From	D-Day to 3 months after	3 months to 1 year	1 to 5 years	5+ years	Non-fixed term	Total
Cash values, central banks, public treasury, postal check service	14 451						14 451	14 311						14 311
Financial assets at fair value through profit or loss							0							0
Financial assets held for trading						29 913	29 913						25 104	25 104
Other financial assets held for trading						794	794						1 011	1 011
Hedging derivatives							0							0
Financial assets at fair value through equity							0							0
Debt instruments accounted for at fair value through recyclable equity	0	283	57	780	548	0	1 668			533	870			1 403
Equity instruments accounted for at fair value through nonrecyclable equity						4 447	4 447						3 986	3 986
Securities at amortized cost		2 767	4 943	16 393	5 939		30 043		1 965	3 775	14 350	5 226		25 316
Loans and receivables from credit and similar institutions, at amortized cost	12 057	1 897	1 517	3 518	0	3 415	22 404	8 900	1 812	1 861	4 783	718	3 177	21 250
Loans and receivables from customers at amortized cost	22 955	32 724	24 429	47 295	43 871	15 372	186 646	22 437	27 351	24 619	46 866	42 960	15 070	179 303
Fair value revaluation of portfolio hedge							0							0
Insurance businesses investments							0							0
Payable tax asset						920	920						784	784
Deferred tax asset						1 768	1 768						1 616	1 616
Adjustment accounts and other assets						6 631	6 631						7 199	7 199
Interests in companies valued using the equity method						931	931						874	874
Investment properties						3 800	3 800						3 730	3 730
Tangible capital asset acquisitions						9 223	9 223						7 640	7 640
Intangible capital asset acquisitions						1 079	1 079						988	988
Goodwill						1 032	1 032						1 032	1 032
TOTAL ASSETS	**49 463**	**37 671**	**30 946**	**67 987**	**50 358**	**79 325**	**315 750**	**45 647**	**31 127**	**30 788**	**66 869**	**48 905**	**72 211**	**295 547**
Central banks, public treasury, postal check service							0							0
Financial liabilities at fair value through profit or loss							0							0
Amounts due to credit and similar institutions	5 615	28 759	4 641	5 228	516	312	45 072	5 038	25 900	4 667	7 297	823	0	43 725
Amounts due to customers	159 766	17 163	24 139	1 441	0	308	202 817	151 145	14 923	24 784	1 622	0	0	192 474
Debt securities issued		2 321	4 739	9 286	0	0	16 346		1 485	6 633	5 466	0	0	13 583
Payable tax liabilities						1 396	1 396						769	769
Deferred tax liabilities						1 180	1 180						1 180	1 180
Adjustment accounts and other liabilities						10 379	10 379						9 350	9 350
Provisions						1 173	1 173						1 039	1 039
Subordinated debt and special guarantee funds		0	0	2 200	7 390	0	9 590		0	0	1 199	8 386	0	9 585
Equity						27 797	27 797						23 842	23 842
TOTAL LIABILITIES	**165 381**	**48 244**	**33 519**	**18 155**	**7 906**	**42 544**	**315 749**	**156 183**	**42 308**	**36 084**	**15 583**	**9 209**	**36 180**	**295 547**
LIQUIDITY GAPS	**-115 918**	**-10 573**	**-2 573**	**49 831**	**42 452**	**36 782**	**0**	**-110 536**	**-11 181**	**-5 296**	**51 286**	**39 696**	**36 031**	**0**

V. FINANCING AND GUARANTEE COMMITMENTS

5.1 FINANCIAL COMMITMENT

(In thousand MAD)

	31/12/2019	31/12/2018
Financing commitments given	**11 977 829**	**10 433 663**
- To credit institutions	1 709 943	1 152 550
- To customers:	10 267 886	9 281 113
Confirmed letters of credit		
Other commitments given to customers		
Financing commitments received	**1 307 891**	**2 518 082**
From credit institutions	1 307 891	2 518 082
From customers	-	-

» Financing commitments given to credit and similar institutions

This entry relates to commitments to make liquidity facilities available to other credit institutions such as refinancing agreements and back-up commitments on securities issuance.

» Financing commitments given to customers

This entry relates to commitments to make liquidity facilities available to customers such as confirmed credit lines and commitments on securities issuance.

» Financing commitments received from credit and similar institutions

This entry relates to financing commitments received from credit and similar institutions such as refinancing agreements and backup commitments on securities issuance.

5.2 GUARANTEE COMMITMENTS

(In thousand MAD)

	31/12/2019	31/12/2018
Guarantee commitments given	**31 251 628**	**31 180 340**
To credit institutions	10 465 226	10 742 293
To customers:	20 786 402	20 438 048
Sureties provided to tax and other authorities, other sureties		
Other guarantee commitments to customers		
Guarantee commitments received	**87 615 861**	**97 549 646**
From credit institutions	85 858 844	95 300 914
From the State and guarantee institutions	1 757 017	2 248 732

» Guarantee commitments given to credit and similar institutions.

This entry relates to commitments to assume responsibility foran obligation entered into by a credit institution if the latter is not satisfied with it. This includes guarantees, warranties and other guarantees given to credit and similar institutions.

» Guarantee commitments given to customers

This entry relates to commitments to assume responsibility for an obligation entered into by a customer if the latter is not satisfied with it. This includes guarantees given to government institutions and real estate guarantees, among others, real estate guarantees, etc.

» Guarantee commitments received from credit and similar institutions

This entry includes guarantees, warranties and other guarantees received from credit and similar institutions..

» Guarantee commitments received from the State and other organisations

This entry relates to guarantees received from the State and other organisations.

VI. SALARY AND EMPLOYEE BENEFITS

6.1 DESCRIPTION OF CALCULATION METHOD

Employee benefits relate to long-service awards and end-of career bonuses.

The method used for calculating the liability relating to both these benefits is the “projected unit credit” method as recommended by IAS 19.

» Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) scheme

The Caisse Mutualiste Interprofessionnelle Marocaine (CMIM) is a private mutual insurance company. The company reimburses employees for a portion of their medical, pharmaceutical, hospital and surgical expenses. It is a post-employment scheme providing medical cover for retired employees.

The CMIM is a multi-employer scheme. As BANK OF AFRICA is unable to determine its share of the overall liability (as is the case for all other CMIM members), under IFRS, expenses are recognised in the year in which they are incurred. No provision is recognised in respect of this scheme.

6.2 SYNTHESIS AND DESCRIPTION OF PROVISIONS OF EXISTING SCHEMES

6.2.1 PROVISIONS IN RESPECT OF POST-EMPLOYMENT AND OTHER LONGTERM BENEFITS PROVIDED TO EMPLOYEES

(In thousand MAD)

	31/12/2019	31/12/2018
Retirement allowances and equivalents	464 981	441 583
Special seniority premiums allowances		
Other		
TOTAL	**464 981**	**441 583**

NB : the provision for employee benefits measured in accordance with IAS 19 is recognised in the «Provisions for contingencies and charges» caption of the liabilities item..

6.2.2. BASIC ASSUMPTIONS UNDERLYING CALCULATIONS

End of career allowance	Rate variation -50 pb	Rate Variation +50 pb
Discount rate	- 11 309	10 302
Wage growth rate	11 912	- 13 039

Honoured Labour Medal	Rate variation -50 pb	Rate Variation +50 pb
Discount rate	- 13 337	12 395
Wage growth rate	16 691	- 17 932

Economic assumptions	31/12/2019
Discount rate	3,30%
Long-term wage growth (inflation included)	3%

Demographic assumptions	
Retirement terms	Voluntary resignation
Retirement age	60
Mortality table	PM 60/64 - PF 60/64

The discount rate is based on secondary market Treasury benchmark bond yields - Duration: about 22 years.

6.2.3 COST OF POST-EMPLOYMENT PLANS

(In thousand MAD)

	31/12/2019	31/12/2018
Normal cost	9 228	3 224
Interest cost	14 170	13 536
Expected returns of funds		
Additional allowances		
Other		
Net cost of the period	**23 398**	**16 760**
Including costs related to retirement benefits and other similar costs		
Others ...		

6.2.4 CHANGES IN THE PROVISION RECOGNISED ON THE BALANCE SHEET

(In thousand MAD)

	31/12/2019	31/12/2018
Actuarial liability, beginning of the period	**441 583**	**424 824**
Normal cost	33 600	32 526
Interest cost	14 170	13 536
Experience gains/ losses	-	-
Other actuarial gains/ losses		-
Depreciation of net gains/losses		-
Paid benefits	- 24 372	- 29 302
Additional benefits	0	0
Other	-	-
Actuarial liability, end of the period	**464 981**	**441 584**
Including costs related to retirement benefits and other similar costs		
Others		

VII. ADDITIONAL INFORMATION

7.1 CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

7.1.1 SHARE CAPITAL TRANSACTIONS

(In thousand MAD)

	31/12/2019	31/12/2018
Share capital (in mad)	1 998 205 000	1 794 633 900
Number of common shares outstanding during the year	199 820 500	179 463 390
Net income attributable to the sharholder's of the parent (in mad)	1 921 509 992	1 831 169 832
Basic ernings per share (in mad)	9,62	10,20
Diluted earning per share (in mad)	9,62	10,20

7.1.2 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period

TRANSACTIONS ON CAPITAL	In number	Unit value	In MAD
Number of shares outstanding at 31 December 2016	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2017	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2018	179 463 390	10	1 794 633 900
Number of shares outstanding at 31 December 2019	199 820 500	10	1 998 205 000

The Bank does not have any dilutive instruments for conversion into ordinary shares. As a result, diluted earnings per share equates to basic earnings per share.

7.2 SCOPE OF CONSOLIDATION

Denomination	Business line	% of control	% of interest	Consolidation method
BANK OF AFRICA	Bank			Parent company
BMCE CAPITAL	Investment Bank	100,00%	100,00%	F.C
BMCE CAPITAL GESTION	Assets Management	100,00%	100,00%	F.C
BMCE CAPITAL BOURSE	Stock Brokerage	100,00%	100,00%	F.C
MAROC FACTORING	Factoring	100,00%	100,00%	F.C
MAGHREBAIL	Leasing	52,47%	52,47%	F.C
SALAFIN	Consumer Loan	60,79%	60,79%	F.C
BMCE EUROSERVICES	Financial Institution	100,00%	100,00%	F.C
LCB Bank	Bank	37,00%	37,00%	F.C
BMCE BANK INTERNATIONAL HOLDING	Bank	100,00%	100,00%	F.C
BOA GROUP	Banking Holding	72,41%	72,41%	F.C
LOCASOM	Car Rental	100,00%	97,39%	F.C
RM EXPERTS	Debt Collection	100,00%	100,00%	F.C
OPERATION GLOBAL SERVICE	Services Back-Office Bancaire	100,00%	100,00%	F.C
FCP OBLIGATIONS PLUS	OPCVM	100,00%	100,00%	F.C
BOA UGANDA	Bank	91,25%	77,65%	F.C
BANQUE DE DEVELOPPEMENT DU MALI	Bank	32,38%	32,38%	E.M
EULER HERMES ACMAR	Insurance	20,00%	20,00%	E.M
EURAFRIC INFORMATION	IT System	41,00%	41,00%	E.M
CONSEIL INGENIERIE ET DEVELOPPEMENT	Engineering	38,90%	38,90%	E.M
AFRICA MOROCCO LINKS	Maritime Transport	51,00%	51,00%	E.M
BANK AL TAMWIL WAL INMAA	Participating Bank	51,00%	51,00%	E.M

BANK OF AFRICA holds 37% of La Congolaise de Banque's voting rights and has a controlling interest in this subsidiary as per the criteria outlined in IFRS 10.

Power: BANK OF AFRICA derives its effective rights from the management contract entrusted to it by the other shareholders. It has a majority on the Board of Directors with three directors followed by the Congolese State which has two directors.

Returns: BANK OF AFRICA is exposed, or has rights, to the profits generated by LCB pro-rata to its shareholding in the company.

Link between power and returns: BANK OF AFRICA is responsible for appointing LCB's senior management as well as being able to influence this entity's returns.

7.2.1 RELATED-PARTY BALANCE SHEET ITEMS

Relationship between BANK OF AFRICA and consolidated companies and the Parent Company.

Naturally transactions with consolidated companies are fully eliminated with regard to the outstandings at the end of the period. Outstandings at end of period under transactions with companies consolidate under the equity method and the Parent Company are maintained in the consolidated financial statements.

7.3 REMUNERATION PAID TO THE MAIN DIRECTORS

7.3.1 REMUNERATION PAID TO THE MAIN DIRECTORS

	31/12/2019	31/12/2018
Short-term benefits	24 878	21 061
Post-employment benefits	1 956	1 568
Other long-term benefits	6 383	6 179

Short-term employee benefits represent the fixed remuneration paid to directors for the year 2019 (employers' social contributions included).

Post-employment benefits represent the remaining vacation days payed in case of employee departure from the company. End of employment indemnities include end of career bonuses and work medals paid to employees upon their departure.

7.3.2 LOANS GRANTED TO THE MAIN EXECUTIVE CORPORATE OFFICERS

	31/12/2019	31/12/2018
A. Consumer loans	56 019	37 492
B. Mortgage loans	17 764	12 965
TOTAL	**73 783**	**50 457**

7.3.3 DIRECTORS' FEES PAID TO MEMBERS OF THE BOARD OF DIRECTORS

	31/12/2019			31/12/2018		
	Gross amount	With holding tax	Net income paid	Gross amount	With holding tax	Net income paid
Physical and legal persons resident in Morocco	3 842	992	2 850	3 485	885	2 600
Physical and legal persons non resident in Morocco	3 235	485	2 750	3 823	573	3 250
TOTAL	**7 077**	**1 477**	**5 600**	**7 308**	**1 458**	**5 850**

7.4 RELATED PARTY

7.4.1 RELATED PARTY PROFIT AND LOSS ITEMS

(In thousand MAD)

	Parent company (FinanceCom)	Sister companies	Companies consolidated according to the equity method	Companies consolidated through full integration
Asset				
Loans, advances and securities	**1 519 233**	**4 525 782**	**48 251**	**11 143 448**
Current accounts	1 519 233	2 675 762	18 952	973 471
Loans		566 694	29 299	10 169 977
Securities		1 283 325		- 0
Capital lease				
Miscellaneous assets				**19 347**
Total	**1 519 233**	**4 525 782**	**48 251**	**11 162 795**
Liability				
Deposits	**-**	**2 182 656**	**8 193**	**10 950 630**
Current accounts		2 182 656	8 193	973 465
Other borrowings				9 977 165
Debts represented by a security				199 819
Miscellaneous liability				12 346
Total	**-**	**2 182 656**	**8 193**	**11 162 795**
Financing and guarantee commitments				
Commitments given				1 630 205
Commitments received				1 630 205

7.4.2 RELATED PARTY PROFIT AND LOSS ITEMS

(In thousand MAD)

	Parent company (FinanceCom)	Sister companies	Companies consolidated according to the equity method	Companies consolidated through full integration
Interest and similar income		- 52 733	- 2 866	- 329 436
Interest and similar ex¬penses				401 712
Fees (income)		- 52 733		- 345 963
Fees (expens¬es)				65 176
Services provided				
Services pro¬cured	41 871			
Lease income		- 53 133	- 8 527	- 211 742
Other		88 073		420 247

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To the Shareholders of
BANK OF AFRICA BMCE GROUP
140 Avenue Hassan II
Casablanca

STATUTORY AUDITORS' GENERAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the attached financial statements of BANK OF AFRICA BMCE GROUP, comprising the balance sheet, the off-balance sheet statement, the income statement, the management accounting statement, the cash flow statement and the additional information statement for the financial year ended 31 December 2019. These financial statements show shareholders' equity and equivalent of MAD 29,435,162 K, including net income of MAD 1,371,848 K. These financial statements were drawn up by the Board of Directors 27 March 2020 against the evolving backdrop of the Covid-19 pandemic on the basis of the available information at that time.

MANAGEMENT'S RESPONSIBILITY

It is Management's responsibility to draw up and present these financial statements to give a true and fair view of the company's financial position in accordance with the generally accepted accounting principles and procedures applicable in Morocco. This responsibility includes drawing up, implementing and maintaining internal control procedures regarding the drawing up and presentation of the financial statements to ensure that they free of material misstatement and for making accounting estimates that are reasonable under the circumstances.

AUDITORS' RESPONSIBILITY

It is our responsibility to express an opinion on these financial statements based on our audit. We carried out our audit in accordance with Moroccan accounting standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit involves implementing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures adopted depend on the auditor's judgement, including an assessment of the risks of material misstatement in the financial statements.

In making those risk assessments, the auditor takes into consideration the internal control procedures adopted by the entity regarding the drawing up and presentation of the financial statements so as to determine appropriate audit procedures under the circumstances and not for the purpose of expressing an opinion on the effectiveness of the said procedures. An audit also consists of assessing whether the accounting policies adopted are appropriate and whether the accounting estimates made by senior management are reasonable, as well as assessing the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE FINANCIAL STATEMENTS

BANK OF AFRICA BMCE GROUP possesses a stock of non-operating property assets that were acquired as dation-in-payment and valued at MAD 4.8 billion at 31 December 2019. Given the risks inherent in these property assets, particularly uncertainties about their resale value and the period of time required to liquidate them, we are therefore unable to give an opinion about the value of these assets at 31 December 2019.

Pending the outcome of the situation described above, in our opinion, the financial statements referred to above in the first paragraph give, in all material aspects, a true and fair view of the income from operations for the financial year ended 31 December 2019 and of the financial position of BANK OF AFRICA BMCE GROUP in accordance with the generally-accepted accounting principles and procedures applicable in Morocco.

SPECIFIC CHECKS AND INFORMATION

We also carried out specific checks required by law and we are satisfied that the Bank's financial statements are consistent with the information provided in the Board of Directors' management report for shareholders drawn up 27 March 2020.

As far as the events occurring after the balance sheet date as well as the information known in relation to the effects of the Covid-19 crisis are concerned, we have been informed by Management that these will be discussed at the Annual General Meeting convened to approve the financial statements.

Furthermore, in accordance with the provisions of Article 172 of Act 17-95 as amended and completed, we hereby inform you that, in 2019, the Bank:

- Acquired a 24.99% stake in BMCE CAPITAL REAL ESTATE for MAD 1,250 K
- Acquired a 47.41% stake in BOA UGANDA for MAD 137,410 K

Casablanca, 28 April 2020

The Statutory Auditors

ERNST & YOUNG

ERNST & YOUNG
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CASABLANCA
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To the Shareholders of
BANK OF AFRICA – BMCE Group
140 Avenue Hassan II
Casablanca

STATUTORY AUDITORS' SPECIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

As your company's statutory auditors, we hereby present to you our report on related party agreements in accordance with the provisions of Articles 56-59 of Act No. 17-95 as amended and completed by Act No. 20-05 and Act No. 78-12 and their application decrees.

It is our responsibility to present to you the main terms and conditions of the agreements that have been disclosed to us by the Chairman of the Board or ascertained when carrying out our assignment, without commenting on their relevance or substance or searching for any undisclosed agreements. Under the provisions of the above Act, it is your responsibility to determine whether these agreements should be approved.

We performed the procedures that we deemed necessary in accordance with Moroccan accounting standards. These procedures consisted of checking that the information given to us was consistent with the underlying documents.

1. AGREEMENTS ENTERED INTO DURING 2019

1.1 Shareholders' agreement between CDC, FinanceCom, RMA, BANK OF AFRICA – BMCE Group and BOA Group

Person(s) concerned:

- Mr Othman BENJELLOUN is Chairman of RMA's Supervisory Board, Chairman and Chief Executive Officer of FinanceCom and also Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group
- Mr Zouheir BENSAID, Chief Executive Officer of RMA and a Director of FinanceCom, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Hicham EL AMRANI, Delegated General Manager of FinanceCom and a Director of RMA, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Brahim BENJELLOUN-TOUIMI, a Director of RMA, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group.

Main terms and conditions:

With CDC Group acquiring a stake in BANK OF AFRICA – BMCE Group, a shareholder agreement was signed with CDC Group.

The Shareholders' Agreement primarily aims to bolster and/or broaden existing practices in social and environmental responsibility (CSR) and business integrity, consistent with international standards, while ensuring the equal treatment of shareholders.

The limited rights to which CDC is entitled as an investor comprise standard defensive rights affording it a minimum level of protection and ensuring that it is able to monitor the fundamental aspects of its investment without getting involved in the strategic, operational or day-to-day management decisions of BANK OF AFRICA - BMCE Group.

The Shareholders' Agreement does not therefore contain (i) a voting agreement between FinanceCom/RMA and CDC for the purpose of influencing the decisions of BANK OF AFRICA - BMCE Group, (ii) a power of veto benefiting CDC, (iii) a reinforced quorum or majority rule benefiting CDC, or (iv) an obligation to act in concert on financial markets to acquire or sell voting rights attached to BANK OF AFRICA - BMCE Group's shares. Similarly, FinanceCom / RMA will not be under any obligation to purchase the shares in BANK OF AFRICA - BMCE Group held by CDC. Lastly, no liquidity or profitability guarantee has been granted to CDC.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

1.2 Contract between BANK OF AFRICA – BMCE Group, O'Tower and Société Générale Marocaine de Banque to open a line of credit

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group, is also Chairman of O'Tower's Board
- Mr Zouheir BENSAID, Director of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower
- Mr Hicham EL AMRANI, Director of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower
- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower
- Mr Mounir CHRAIBI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower

Main terms and conditions:

The purpose of this contract, entered into 21 January 2019, is to establish the terms and conditions by which SGMB will open a line of credit for O'Tower, secured by a first demand guarantee by BANK OF AFRICA – BMCE Group, amounting to MAD 830 million, incurring a 0.25% fee and 2% interest at maturity 30 September 2022.

O'Tower is responsible for paying annual fees which will debited from its account on a monthly basis. O'Tower expressly undertakes to constitute the relevant provision as soon as the said guarantee comes into force.

The amount of cash collateral constituted by the guarantee for SGMB must at all times cover the outstanding guarantee issued by the latter.

O'Tower undertakes to repay the amounts, comprising principal, fees, expenses and incidentals, called up in respect of the guarantees, prior to the date on which the letter of guarantee relating to the payment expires.

This Contract, which is for a fixed 4-year period, will take effect from the date that it is signed by the Parties.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 576 K for the period ended 31 December 2019.

1.3 Addendum to the subordinated loan contract between BANK OF AFRICA – BMCE Group and BMCE BANK INTERNATIONAL

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Director of BMCE BANK INTERNATIONAL Plc, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Mohammed AGOUMI, Director of BMCE BANK INTERNATIONAL Plc, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this addendum entered into in May 2019, agreement was reached to extend the maturity date of the EUR 17,700,000 subordinated loan granted in 2010 by BANK OF AFRICA – BMCE Group to BBI.

The rate of interest will increase from 2% to 4% and repayment will occur on the sixteenth rather than thirteenth anniversary.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 5,447 K for the period ended 31 December 2019.

1.4 Financing agreement between BANK OF AFRICA – BMCE Group and BMCE Bank International

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Director of BMCE BANK INTERNATIONAL Plc, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Mohammed AGOUMI, Director of BMCE BANK INTERNATIONAL Plc, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this agreement signed in May 2019, BANK OF AFRICA – BMCE Group shall provide BBI with a financing line of up to USD 315 million, to be drawn down in one or more instalments. This funding will enable BBI to satisfy its internal needs as well as complying with regulatory capital requirements.

As far as remuneration is concerned, interest payable on the loans will be agreed by the parties based on market conditions.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 66,470 K for the period ended 31 December 2019

1.5 Addendum to the services contract between BANK OF AFRICA – BMCE Group and BMCE Euroservices (2018)

Person(s) concerned:

- Mr Brahim BENJELLOUN TOUIMI, Chairman of BMCE EuroServices' Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Messrs Driss BENJELLOUN, Mohamed AGOUMI and Mounir CHRAIBI, Directors of BMCE EuroServices, are also Delegated General Managers of BANK OF AFRICA – BMCE Group

Main terms and conditions:

This addendum to the agreement between BANK OF AFRICA – BMCE Group and BMCE Euroservices, entered into 15 June 2018, provides the latter with the option of offering certain customers a higher rate of interest on their deposits compared to the standard rate offered by BANK OF AFRICA – BMCE Group. The resulting additional financial cost will be borne by BMCE Euroservices by way of a reduction in its remuneration.

Amount(s) recognised:

The impact from this agreement is included in the remuneration paid to BES (cf. 2.43).

1.6 Services agreement between BANK OF AFRICA – BMCE Group and RM Experts relating to debt recovery

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of RM EXPERTS
- Mr M'Fadel EL HALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also Chairman and Chief Executive Officer of RM EXPERTS
- Mr Khalid LAABI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of RM EXPERTS

Main terms and conditions:

In the wake of the changes made in June 2019 to RM Experts' governance, an agreement was entered into to establish the terms and conditions by which (i) BANK OF AFRICA - BMCE Group will mandate RM EXPERTS to manage recovery from its customers of non-performing loans either amicably or by taking legal action or by any other procedure deemed useful for recovering the amounts due (ii) RM EXPERTS will help BANK OF AFRICA - BMCE Group establish an efficient entity responsible for recovering non-performing loans from its customers.

This agreement, signed 13 February 2020, covers the costs incurred by RM Experts over the period from 13 June 2019 to 13 December 2019, when carrying out debt recovery on behalf of BANK OF AFRICA - BMCE Group.

The said agreement is for a fixed period ending 31 December 2019.

Amount(s) recognised:

The impact from this agreement is included in the remuneration paid by BANK OF AFRICA – BMCE Group to RM EXPERTS (cf. 2.40).

2. AGREEMENTS ENTERED INTO IN PREVIOUS YEARS WHICH REMAINED IN FORCE DURING 2019

2.1 Management agreement between BANK OF AFRICA – BMCE Group and Maroc Factoring

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of Maroc Factoring's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Driss BENJELLOUN, a member of Maroc Factoring's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr M'Fadel EL HALAISSI, a member of Maroc Factoring's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Following on from the agreement entered into with Maroc Factoring in 2016, a management agreement was signed in March 2018 by which BANK OF AFRICA – BMCE Group shall fully and exclusively entrust Maroc Factoring with the management of its factoring business on its behalf.

As far as remuneration is concerned, Maroc Factoring shall receive a management fee based on a pre-set formula (receivables assigned, general operating expenses etc.). A minimum management fee has been agreed which will be no less than the total fees invoiced in 2017 i.e. MAD 14.7 million exclusive of taxes.

This agreement is for a 1-year period and may be automatically renewed by a further year.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 20,610 K for the period ended 31 December 2019.

2.2 Lease contract between BANK OF AFRICA – BMCE Group and RM Experts

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts
- Mr M'Fadel EL HALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts

Main terms and conditions:

Under the terms of this contract, BANK OF AFRICA – BMCE Group shall lease to RM Experts mezzanine office space covering a total surface area of 86.40 m² and office space covering a total surface area of 243.87m² on the first floor of the Lina 250 building in Sidi Maarouf, Casablanca, whose land title number is No. 1,477/47.

The monthly rental payment is set at MAD 14,967.68 inclusive of taxes, including the communal services tax charged at a rate of 10.5% of the rental amount exclusive of taxes. This may be revised annually at a rate of 3.5% of the rental amount exclusive of taxes.

This lease contract is for a 3-year period and may be automatically renewed from 1 April 2018.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 156 K for the period ended 31 December 2019.

2.3 Agency agreement between BANK OF AFRICA – BMCE Group and Damane Cash

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of Damane Cash, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Messrs M'Fadel EL HALAISSI and Omar TAZI, Directors of Damane Cash, are also Delegated General Managers of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this agency agreement entered into with Western Union Network for the purpose of offering Western Union-branded money transfer services in Morocco, Damane Cash is entitled to entrust the provision of these services to BANK OF AFRICA – BMCE Group.

BANK OF AFRICA – BMCE Group shall therefore undertake to offer a money transfer service across its entire network in compliance with applicable legislation and in accordance with the terms and conditions outlined in Western Union's fee schedules, International Service Reference Guide, policies and regulations.

As far as payment terms are concerned, BANK OF AFRICA – BMCE Group shall retrocede to Damane Cash the principal amount for each money transfer services transaction carried out via the Bank, as well as any fees or other charges invoiced in connection with the said transaction.

This agreement is for a 5-year period, taking effect on the date that it is signed. It may be automatically renewed for successive 1-year periods.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.4 Shareholders' current account advance agreement between BANK OF AFRICA – BMCE Group and FARACHA IMMO

Person(s) concerned:

- Mr Mounir CHRAIBI, co-manager FARACHA IMMO, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

The purpose of this agreement is to establish the terms and conditions by which BANK OF AFRICA – BMCE Group shall provide FARACHA IMMO with a shareholders' current account advance amounting to MAD 299,142 K net, repayable at the maximum statutory rate of interest rate applicable for shareholders' current account advances in 2018 of 2.2%, as determined by order of the Minister of the Economy and Finance No. 589-18 of 27 February 2018.

This agreement will take effect from the date that it is signed by the Parties.

It shall expire, except in the event of early termination, when FARACHA IMMO has repaid the advance to BANK OF AFRICA – BMCE Group in full.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.5 Shareholders' current account advance agreement between BANK OF AFRICA – BMCE Group and NEJIMI IMMO

Person(s) concerned:

Mr Mounir CHRAIBI, co-manager of NEJIMI IMMO, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

The purpose of this agreement is to establish the terms and conditions by which BANK OF AFRICA – BMCE Group shall provide NEJIMI IMMO with a shareholders' current account advance amounting to MAD 60,217 K net, repayable at the maximum statutory rate of interest rate applicable for shareholders' current account advances in 2018 of 2.2%, as determined by order of the Minister of the Economy and Finance No. 589-18 of 27 February 2018.

This agreement will take effect from the date that it is signed by the Parties.

It shall expire, except in the event of early termination, when NEJIMI IMMO has repaid the advance to BANK OF AFRICA – BMCE Group in full.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised repayment of sums totalling MAD 60,217 K for the period ended 31 December 2019.

2.6 Shareholders' current account advance agreement between BANK OF AFRICA – BMCE Group and KRAKER IMMO

Person(s) concerned:

Mr CHRAIBI, co-manager of KRAKER IMMO, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

The purpose of this agreement is to establish the terms and conditions by which BANK OF AFRICA – BMCE Group shall provide KRAKER IMMO with a shareholders' current account advance amounting to MAD 53,432 K net, repayable at the maximum statutory rate of interest rate applicable for shareholders' current account advances in 2018 of 2.2%, as determined by order of the Minister of the Economy and Finance No. 589-18 of 27 February 2018.

This agreement will take effect from the date that it is signed by the Parties.

It shall expire, except in the event of early termination, when KRAKER IMMO has repaid the advance to BANK OF AFRICA – BMCE Group in full.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised repayment of sums totalling MAD 53,432 K for the period ended 31 December 2019.

2.7 Amendment to the agreement between BANK OF AFRICA – BMCE Group and RM Experts

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts;
- Mr M'Fadel EL HALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts

Main terms and conditions:

Entered into 24 December 2010, the agreement exclusively appoints RM EXPERTS to recover the non-performing loan dossiers entrusted to it by BANK OF AFRICA – BMCE Group.

Under the terms of this amendment, BANK OF AFRICA – BMCE Group shall appoint RM Experts to undertake any enquiry requested of it into the financial situation or assets of individuals, legal entities or companies or for any other information.

RM Experts must thereby provide BANK OF AFRICA – BMCE Group with all possible information, regardless of its nature, to enable BANK OF AFRICA – BMCE Group to gain an insight into the situation of such persons, prior to it granting the loan.

RM Experts is authorised by BANK OF AFRICA – BMCE Group to carry out any investigation that may be required to successfully carry out the assignment entrusted to it, either directly by its own means or by calling upon other service providers if needed.

The services will be priced on the basis of the region and type of asset in question.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.8 Services agreement between BANK OF AFRICA – BMCE Group and GNS Technologies

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of GNS Technologies' Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr M'Fadel EL HALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of GNS Technologies
- Mr Omar TAZI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of GNS Technologies

Main terms and conditions:

The purpose of this services agreement, entered into in August 2017, is to define the contractual framework governing the relationship between BANK OF AFRICA – BMCE Group and GNS Technologies by clarifying the scope and terms and conditions for undertaking the services provided, as well as each party's obligations.

Under the terms of this agreement, GNS Technologies shall undertake to provide each of the services specified in the said agreement's annex.

As far as remuneration is concerned, it is agreed that GNS Technologies will receive an annual fee of MAD 100,000 exclusive of taxes, a fee of 6 dirhams exclusive of taxes per completed transaction in providing the Rapido service as well as fees in relation the card and payment business. BANK OF AFRICA – BMCE Group shall retrocede to GNS Technologies any fees relating to local and international prepaid card transactions.

This agreement is for a 3-year period. At the end of this initial period, the agreement may be automatically renewed from one year to the next.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.9 Agency agreement between BANK OF AFRICA – BMCE Group and Damane Cash, a money transfer company, relating to transactions carried out by credit institutions

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of Damane Cash, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

- Mr M'Fadel EL HALAISSI, a Director of Damane Cash, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr Omar TAZI, a Director of Damane Cash, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

BANK OF AFRICA – BMCE Group shall entrust to Damane Cash, a wholly-owned indirect subsidiary of the Bank, an agency mandate relating to transactions carried out by credit institutions within the framework of marketing domestic and international prepaid bank cards to BANK OF AFRICA – BMCE Group customers and to approved partners within the Damane Cash network which shall undertake to comply with the Bank's vigilance and compliance requirements.

This is a five-year automatically renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.10 Sales and lease-back agreement financed by MAGHREBAIL in favour of BANK OF AFRICA – BMCE Group

Person(s) concerned:

- Mr Azeddine GUESSOUS, Chairman of Maghrebail, is also a Director of BANK OF AFRICA – BMCE Group
- Messrs Othman BENJELLOUN, Zouheir BENSAID and Brahim BENJELLOUN-TOUIMI, Directors of Maghrebail, are also respectively Chairman and Chief Executive Officer, Director and Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr M'Fadel EL HALAISSI, a Director of Maghrebail, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of the agreement, BANK OF AFRICA – BMCE Group shall enter into a sale and lease-back transaction with MAGHREBAIL relating to a series of IT programmes and solutions.

The agreement, entered into at end-December 2017, relates to equipment lease finance of MAD 561,938 K inclusive of taxes over a 60-month period, with the unitary rental payment set at MAD 8,794 K exclusive of taxes.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 109,965 K for the period ended 31 December 2019.

2.11 Agreement between BANK OF AFRICA – BMCE Group and BMCE Capital Bourse

Person(s) concerned:

- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this agreement entered into in February 2016, BMCE Capital Bourse shall delegate to BANK OF AFRICA – BMCE Group the operational and technical handling of its asset custody business.

In consideration, BMCE Capital Bourse shall pay an annual fee of MAD 50,000 exclusive of taxes. Furthermore, it shall remain liable to Maroclear for all membership fees and taxes.

This is a one-year automatically renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.12 Advisory mandate between BANK OF AFRICA – BMCE Group and BMCE Capital Titrisation relating to the securitisation of mortgage-backed securities

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this agreement, BANK OF AFRICA – BMCE Group shall entrust to BMCE Capital Titrisation the securitisation of the Group's mortgage-backed securities.

This agreement is for a 12-month period taking effect on the date that it is signed and may be automatically renewed by 3-month periods if required.

As far as remuneration is concerned, a flat-rate fee of MAD 1 million exclusive of taxes will be charged on the date that the agreement is signed and shall end as soon as the deal is completed.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.13 Mandate between BANK OF AFRICA – BMCE Group and BMCE Capital Titrisation to arrange a real estate asset securitisation deal

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group

- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group

- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

- Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

In a context of optimising limited resources, BANK OF AFRICA – BMCE Group intends to manage its balance sheet as effectively as possible in relation to its sizeable real estate assets.

By transferring its real estate assets, BANK OF AFRICA – BMCE Group will be able to: (i) free up a portion of the capital mobilised on its balance sheet under liabilities in respect of these assets and (ii) generate fresh cash reserves by ceding these assets.

Under the terms of this agreement, BMCE Capital Titrisation is appointed as arranger for the Group's first real estate securitisation deal. This inaugural deal will be for a sum of between MAD 500 million and MAD 1 billion exclusive of taxes.

This agreement is for a 12-month period taking effect on the date that it is signed. It may be automatically renewed by additional 3-month periods, if required, and shall end as soon as the deal is completed.

As far as the structuring fee is concerned, a retainer fee of MAD 1 million exclusive of taxes will be charged on the date that the mandate is signed. A success fee of 0.4% exclusive of taxes will be paid in the event that the deal is completed successfully.

As far as the placing fee is concerned, remuneration of 0.2% exclusive of taxes of the total deal size will be paid at the delivery/settlement date.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.14 Addendum to the agreement relating to the management of financial market and custody operations

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group

- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group

- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group

- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

- Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

The purpose of this addendum, entered into 29 April 2016, is to amend the scope of delegated activities to enable BMCE Capital to provide to BANK OF AFRICA – BMCE Group with any type of specialised service or benefit in terms of research, analysis or financial appraisal.

This agreement is for an indefinite period.

The annual remuneration shall remain unchanged at 15% of the surplus, by comparison with MAD 100 million, of the gross operating income generated by BANK OF AFRICA – BMCE Group's capital market operations and will be between MAD 20 million and MAD 30 million.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 59,743 K in respect of the delegated management component and MAD 34,386 K in respect of the variable remuneration component for the period ended 31 December 2019.

2.15 Agreement between BANK OF AFRICA – BMCE Group and FinanceCom to provide assistance and services

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman of FinanceCom, is also Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group
- Mr Zouheir BENSAID is a Director of both companies
- Mr Brahim BENJELLOUN-TOUIMI, a Director of FinanceCom, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of the agreement entered into by BANK OF AFRICA – BMCE Group and FinanceCom, the latter shall undertake to provide BANK OF AFRICA – BMCE Group with assistance in drawing up its Strategic Plans, research, implementing partnerships in Morocco and overseas, generating commercial synergies and support.

This agreement is automatically renewable.

Remuneration shall amount to 0.3% of BANK OF AFRICA – BMCE Group's net banking income, in addition to re-invoicing for FinanceCom staff seconded to the Bank for a pre-determined period and any justifiable expenses incurred.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised a total expense of MAD 43,630 K for the period ended 31 December 2019.

2.16 Shareholders' current account advance agreement in favour of O'TOWER between FINANCECOM, BANK OF AFRICA – BMCE GROUP and RMA

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group, is also Chairman of O TOWER's Board
- Mr Zouheir BENSAID, a Director of BANK OF AFRICA – BMCE Group, is also a Director of O TOWER
- Mr Mounir CHRAIBI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of O TOWER

Main terms and conditions:

Under the terms of this agreement entered into 1 January 2015, BANK OF AFRICA – BMCE GROUP, FINANCECOM and RMA WATANYA, shareholders in O TOWER, with FINANCECOM holding a 15% stake, RMA WATANYA a 37% stake and BANK OF AFRICA – BMCE GROUP a 48% stake, shall accept to provide O TOWER with a shareholders' current account advance at 2.21% interest. The purpose of this current account advance is to provide temporary funding for O TOWER's operations.

This agreement has been entered into for a twelve-month (12) period beginning 1 January 2015. Subsequently, it may be automatically renewed by further one-year (1) periods on 31 December of each year.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group converted the sum of MAD 47,898 K from its shareholders' current account into O'TOWER shares.

2.17 Addendum to the agreement between SALAFIN and BANK OF AFRICA – BMCE GROUP relating to establishing a customer file recovery management system

Person(s) concerned:

- Mr Brahim BENJELLOUN TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Messrs Mamoun BELGHITI and Amine BOUABID, members of SALAFIN's Supervisory Board, are also Directors of BANK OF AFRICA – BMCE Group
- Messrs Driss BENJELLOUN and Omar TAZI, members of SALAFIN's Supervisory Board, are also Delegated General Managers of BANK OF AFRICA – BMCE Group

Main terms and conditions:

As part of the project for adopting a joint approach to loan recovery, BANK OF AFRICA – BMCE Group and Salafin entered into a framework agreement 15 September 2008, subsequently modified 5 June 2009, which shall define the terms for establishing a dedicated loan recovery system.

The revised loan recovery policy at the commercial level recommends that the banking network becomes involved by assuming responsibility for the first and second missed payments for all types of product.

The purpose of this amendment is to define the new terms and remit of each party.

As far as remuneration is concerned, since 1 July 2015, Salafin will intervene from the third missed payment and will invoice 13% of the amount recovered with a minimum payment of 60 dirhams exclusive of taxes per customer.

A customer file is managed on the Salafin system until all arrears have been recovered or transferred to those entities defined under the recovery strategy. In the event that the number of customers in arrears is halved, the remuneration will be 5% of the amount recovered with a minimum payment of 60 dirhams exclusive of taxes per customer.

Text messages are invoiced at the same rate as for customer files not managed by Salafin.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 11,866 K for the period ended 31 December 2019.

2.18 Deed of sale of the current account between ALLIANCES DARNA and BANK OF AFRICA – BMCE GROUP

Person(s) concerned:

- Mr M'Fadel ELHALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of RIYAD ALNOUR

Main terms and conditions:

Previously, ALLIANCES DARNA held a shareholders' current account with a balance of MAD 250,143 K against RIYAD ALNOUR, a real estate developer in which BANK OF AFRICA – BMCE Group acquired a holding as part of a sale with a buy-back option.

A deed of transfer was signed 21 July 2015 by Alliances Darna and BANK OF AFRICA – BMCE Group, as a result of which the latter became owner of the said shareholders' current account.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 5,630 K for the period ended 31 December 2019.

2.19 Services agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

BANK OF AFRICA – BMCE Group and BMCE Capital entered into a services agreement 27 November 2015 effective 1 January 2015.

This agreement shall provide for legal and regulatory assistance in carrying out specific transactions within BANK OF AFRICA – BMCE Group and the drawing up of deeds in BANK OF AFRICA – BMCE Group's name and on its behalf.

This is a one-year automatically renewable agreement.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.20 Shareholders' current account agreement between RIYAD ALNOUR and BANK OF AFRICA – BMCE GROUP

Person(s) concerned:

- Mr M'Fadel ELHALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of RIYAD ALNOUR

Main terms and conditions:

Under the terms of this agreement entered into 22 December 2015, BANK OF AFRICA – BMCE Group shall agree to provide RIYAD ALNOUR with a shareholders' current account advance of MAD 221,500 K at 2.21% interest. The purpose of this advance is to enable RIYAD ALNOUR to entirely clear its debts towards BANK OF AFRICA – BMCE Group regarding short- and medium-term loans and overdrawn balances. The amount advanced under the shareholders' current account will be fully repaid in fine on exercising the buy-back option.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 4,986 K for the period ended 31 December 2019.

2.21 Addendum to the agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL relating to financial market and custody operations

Person(s) concerned:

- Mr Brahim BENJELLOUN TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Amine BOUABID, a Director of BANK OF AFRICA – BMCE Group, is also Member of BMCE Capital's Supervisory Board
- Mr Zouheir BENSAID, a Director of BANK OF AFRICA – BMCE Group, is also Member of BMCE Capital's Supervisory Board

- Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Delegated General Managers of BANK OF AFRICA – BMCE Group, are also Members of BMCE Capital's Supervisory Board

Main terms and conditions:

This addendum, entered into 18 December 2014, amends the terms and conditions for remunerating BMCE Capital in respect of its management of BANK OF AFRICA – BMCE Group's financial market and custody operations as stipulated in the initial contract of 1999 and in subsequent amendments.

This is a one-year automatically renewable addendum.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.22 Shareholders' current account advance agreement between BANK OF AFRICA – BMCE GROUP and BMCE IMMOBILIER (EX MABANICOM)

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr M'Fadel EL HALAISSI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr Omar TAZI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this agreement entered into 13 February 2014, BANK OF AFRICA – BMCE Group shall agree to provide BMCE IMMOBILIER (ex MABANICOM) with a shareholders' current account advance in the total net sum of MAD 38,000,000 at 2.21% statutory interest in respect of the period ended 31 December 2013.

The advance has been agreed for a one-year renewable period and it will be repaid by appropriating income arising on the sale of property units acquired by means of the said advance to the company Pack Energy on a gradual basis.

Entered into for a renewable one-year period, the agreement shall expire when BMCE IMMOBILIER (ex MABANICOM) has repaid BANK OF AFRICA – BMCE Group in full.

Amount(s) recognised:

In respect of this agreement, BMCE BANK OF AFRICA recognised income of MAD 855 K for the period ended 31 December 2019.

2.23 Cooperation agreement between BANK OF AFRICA – BMCE GROUP and BMCE IMMOBILIER

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex MABANICOM), is also Delegated General Manager of BANK OF AFRICA – BMCE Group

- Mr M'Fadel EL HALAISSI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr Omar TAZI, a Director of BMCE IMMOBILIER (ex MABANICOM), is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Entered into 3 February 2014, the purpose of this agreement is to carry out the following assignments in consideration for remuneration on an individual assignment basis:

- Real estate brokerage services when requested or required by BANK OF AFRICA – BMCE Group in respect of leasing, purchasing or selling real estate assets owned by or on behalf of BANK OF AFRICA – BMCE Group and BMCE Group;
- Collecting rents and lease payments due to BANK OF AFRICA – BMCE Group and BMCE Group;
- Providing real estate valuation services, researching real estate projects, and notifying the customer of special conditions when requested or required in respect of valuing real estate assets on behalf of BANK OF AFRICA – BMCE Group and BMCE Group;

This agreement is for a period of 3 years.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 15,095 K for the period ended 31 December 2019.

2.24 Draft agreement between BANK OF AFRICA – BMCE GROUP and MEDI TELECOM SA relating to establishing an operational partnership regarding the Mobile Money service

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group, is also a Director of MEDI TELECOM
- Mr Zouheir BENSAID, a Director of MEDI TELECOM, is also a Director of BANK OF AFRICA – BMCE Group

Main terms and conditions:

This draft agreement entered into 26 June 2012, prior to establishing a definitive contract, shall establish the project's purpose, strategic guidelines and principles for doing business.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.25 Delegated responsibility agreement between BANK OF AFRICA – BMCE GROUP and BMCE INTERNATIONAL S.A.U relating to the management of BMCE EUROSERVICES

Person(s) concerned:

- Mr Mohamed AGOUMI, Chairman of BMCE International SAU's Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group and a Director of BMCE EuroServices
- Messrs Azzedine GUESSOUS and Mohammed BENNANI are Directors of BANK OF AFRICA – BMCE Group and of BMCE International SAU
- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of BMCE International SAU and Chairman of the Board of BMCE EuroServices

Main terms and conditions:

The purpose of this contract, entered into 10 April 2012, is to formalise intra-Group relations between the parties regarding the responsibility assumed by BMCE INTERNATIONAL SAU in relation to services carried out by BMCE EuroServices, its wholly-owned subsidiary, under the orders of BANK OF AFRICA – BMCE Group, of which the former is indirectly a wholly-owned subsidiary.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.26 Management mandate between BANK OF AFRICA - BMCE GROUP and BOA France

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group's Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Azeddine GUESSOUS is a Director of BOA Group and of BANK OF AFRICA – BMCE Group
- Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Driss BENJELLOUN, a Director of BOA Group, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr Mohamed AGOUMI, a Director of BOA Group, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

This agreement, entered into 6 June 2012 between BANK OF AFRICA – BMCE Group and BOA France, a subsidiary of BOA Group, establishes the terms and conditions by which BANK OF AFRICA – BMCE Group mandates BOA France, in consideration for the payment of fees, to handle on its behalf financial transactions for Moroccan customers living abroad. The contract shall also define the operating terms and conditions of the BANK OF AFRICA – BMCE Group account held in the ledgers of BOA France.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.27 Agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL GESTION PRIVÉE to manage structured product margin calls

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under this agreement, entered into 29 June 2012, BMCE Capital Gestion Privée shall undertake to monitor the risk of fluctuation in the structured products contracted between the Parties by adopting a margin call system for the said structured products.

Remuneration for margin calls on behalf of BANK OF AFRICA – BMCE Group is based on dirham-denominated money market rates.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised a net expense of MAD 200 K for the period ended 31 December 2019.

2.28 Services contract between BANK OF AFRICA – BMCE GROUP and RMA

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman of RMA's Supervisory Board, is also Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group
- Mr Zouheir BENSAID is Chairman of RMA's Supervisory Board and a Director of BANK OF AFRICA – BMCE Group
- Mr Brahim BENJELLOUN-TOUIMI is a Member of RMA's Supervisory Board and is Group Executive Managing Director of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Entered into in April 2012 effective 1 October 2011, this contract shall define general and specific terms and conditions regarding the provision of premises, miscellaneous services and equipment by BANK OF AFRICA – BMCE Group to RMA.

It also establishes the terms and conditions of use by the latter of the resources made available in consideration for a flat-rate payment.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 121 K for the period ended 31 December 2019.

2.29 Technical support agreement between BANK OF AFRICA – BMCE GROUP and AFH SERVICES

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Driss BENJELLOUN, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of AFH Services

Main terms and conditions:

Under the terms of this one-year automatically-renewable agreement entered into in 2012, BANK OF AFRICA – BMCE Group shall provide intra-Group technical support to AFH aimed at providing BOA Group with business line expertise.

In consideration, AFH will be invoiced for these services on the basis of man days, at a rate of €1,200 exclusive of taxes per man day.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.30 Services agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Amine BOUABID, a Director of BANK OF AFRICA – BMCE Group, is also Member of BMCE Capital's Supervisory Board
- Mr Zouheir BENSAID, a Director of BANK OF AFRICA – BMCE Group, is also Member of BMCE Capital's Supervisory Board
- Mr Driss BENJELLOUN, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also Member of BMCE Capital's Supervisory Board
- Mr M'Fadel EL HALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also Member of BMCE Capital's Supervisory Board

Main terms and conditions:

Entered into 20 November 2012 effective 1 January 2012, this one-year automatically-renewable agreement establishes the terms and conditions by which BANK OF AFRICA – BMCE Group shall remunerate BMCE Capital for technical support provided to BOA Group via its legal division.

Remuneration for the said services, invoiced on an annual basis, is calculated on the basis of man days, at a rate of €100 per man day.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.31 Subordinated loan contract between BANK OF AFRICA – BMCE GROUP and BMCE BANK INTERNATIONAL (BBI)

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, a Director of BMCE BANK International Plc, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group

- Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this agreement entered into 30 May 2010, BANK OF AFRICA – BMCE Group shall provide BBI with a subordinated loan in the euro equivalent sum of £15,000,000 at an annual fixed rate of 4% in respect of Tier 2 capital.

The loan's repayment date is ten years after the agreement's effective date under the terms of an amendment entered into 25 July 2012.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 5,447 K for the period ended 31 December 2019.

2.32 Agreements between BANK OF AFRICA – BMCE GROUP and SALAFIN

Person(s) concerned:

- Mr Brahim BENJELLOUN TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group

- Messrs Mamoun BELGHITI and Amine BOUABID are members of Salafin's Supervisory Board and Directors of BANK OF AFRICA – BMCE Group

- Messrs Omar TAZI and Driss BENJELLOUN are members of Salafin's Supervisory Board and Delegated General Managers of BANK OF AFRICA – BMCE Group

- Services contract between BANK OF AFRICA – BMCE GROUP and SALAFIN

This three-year automatically-renewable services contract, entered into in 2009, shall define the terms and conditions by which BANK OF AFRICA – BMCE GROUP shall provide SALAFIN with a certain number of services and equipment as well as the terms governing usage.

BANK OF AFRICA – BMCE GROUP shall receive a flat royalty payment of MAD 1,000 inclusive of taxes per desk. Royalties are paid on a quarterly basis in advance.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 96 K for the period ended 31 December 2019.

- Agreement that SALAFIN establishes an on-demand credit compliance control system for BANK OF AFRICA – BMCE Group's customer files as well as hosting a management system on an ASP basis (via its ORUS subsidiary)

Entered into in 2011, the purpose of this agreement between BANK OF AFRICA – BMCE Group and SALAFIN is to establish a back-office system to ensure customer file compliance, send reminders to the network to correct non-compliant customer files and report on operational risks. The system also centralises and processes customer declarations of death and disability insurance subscriptions and digitises and archives customer loan files that have been transferred to an entity appointed by the Bank.

The agreement also relates to hosting, running and maintaining on a daily basis a customer file management system based on the Immédiat system which is interfaced with the Bank's information systems as well as providing BMCE BANK OF AFRICA with a maintenance centre.

The remuneration paid by BANK OF AFRICA – BMCE Group is calculated on the basis of the number of customer files actually processed by the system based on a pricing structure.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 213 K for the period ended 31 December 2019.

- Agreement between BANK OF AFRICA – BMCE Group and SALAFIN relating to services, technical support and application hosting

Entered into 15 January 2009, this agreement relates to the implementation of a recovery service by which SALAFIN shall undertake to carry out the assignments entrusted to it by BANK OF AFRICA – BMCE Group (recovery system support and set-up, provision of a user licence for the management module for attributing portfolios to agents and the telecommunications management module, development of interfaces with BANK OF AFRICA – BMCE Group's information systems, dedicated hosting and running of the recovery software solution on a daily basis and the provision of a maintenance centre).

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 1,088 K for the period ended 31 December 2019.

- Amendment to the agreement that SALAFIN establishes an on-demand credit compliance control system for BANK OF AFRICA – BMCE Group's customer files

Entered into 1 July 2011, this amendment to the agreement between BANK OF AFRICA – BMCE Group and SALAFIN modifies the remuneration terms, established by the distribution agreement entered into in 2006, by ensuring joint management by both Parties in respect of new consumer loans distributed to retail customers. As a result, interest income will be split as follows: 80% to the entity which bears the risk and 20% to the other entity. This amendment also specifies the services provided by SALAFIN for all outstandings managed by one or both Parties.

Amount(s) recognised:

In respect of this agreement and its amendment, BANK OF AFRICA – BMCE Group recognised an overall expense of MAD 85,310 K and overall income of MAD 13,486 K for the period ended 31 December 2019.

2.33 Agreements between BANK OF AFRICA – BMCE GROUP and EURAFRIC INFORMATION (EAI)

- Draft agreement between BANK OF AFRICA – BMCE Group and Eurafric Information (EAI) relating to invoicing software licences and related services

Entered into 2 December 2011, the purpose of this agreement is for EAI to provide BANK OF AFRICA – BMCE Group with a certain number of licences as described in the contract (Briques GRC, E-Banking Cyber Mut, Poste Agence Lot 1) for use by the latter's employees.

In consideration, BANK OF AFRICA – BMCE Group must pay EAI the dirham equivalent of €4,800,370.40 for CRM services, €3,303,063.20 for CRM licences, €201,976.60 for the Poste Agence Lot 1 licence, €729.504 for Poste Agence Lot 1 services, €500,000 for E-Banking licences and €768,672 for E-Banking services. These amounts exclude taxes, to which must be added an additional 10% in respect of a government withholding tax deducted at source.

BANK OF AFRICA – BMCE Group must also pay licence maintenance costs including €545,004.80 for CRM maintenance, €105,694 for the Poste Agence Lot 1 contract and €162,801 for maintenance of E-banking Cyber Mut.

- Amendment No.2 APPENDIX III to the services contract between BANK OF AFRICA - BMCE GROUP and EAI

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Zouheir BENSAID, a Director of BANK OF AFRICA – BMCE Group, is also a member of EAI's Supervisory Board
- Messrs Driss BENJELLOUN and Mounir CHRAIBI, Directors of EAI, are also Delegated General Managers of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Entered into 10 March 2011 effective 1 January, this amendment modifies the services provided by EAI to BANK OF AFRICA – BMCE Group as well as the pricing structure and the terms and conditions of payment. The amendment offers the possibility of revising on an annual basis the man-hour rate applicable to services provided under the initial contract.

Amount(s) recognised:

In respect of both these agreements entered into with EAI in 2011, BANK OF AFRICA – BMCE Group recognised the following amounts for the period ended 31 December 2019:

- Recurring services (expenses): MAD 69,934 K
- Maintenance (expenses): MAD 15,358 K
- Non-recurring services (SIBEA prepayments): MAD 100,734 K

2.34 Agreement between BANK OF AFRICA – BMCE GROUP and GLOBAL NETWORK SYSTEMS SA ("GNS") relating to Carte MPOST – PASSPORT

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Delegated General Manager of BANK OF AFRICA – BMCE Group.
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Delegated General Managers of BANK OF AFRICA – BMCE Group, are also Directors of GNS Technologies

Main terms and conditions:

Entered into 1 February 2011, the purpose of this agreement is for BANK OF AFRICA – BMCE Group to provide GNS with prepaid cards as well as determining the terms for recharging, personalising and using these cards.

For each card delivered, the Bank is credited an amount previously agreed by both Parties.

The cost of recharging the card is debited against the customer's bank account held with BANK OF AFRICA – BMCE Group. All other expenses are debited against the card's balance.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA Group's financial statements for the period ended 31 December 2019.

2.35 Services contract between BANK OF AFRICA – BMCE GROUP and EURAFRIC GED SERVICES

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Entered into in 2011 for an initial three-month automatically-renewable period prior to establishing a definitive contract when authorisation is obtained from Bank Al Maghrib, the purpose of this contract is to define the terms and conditions by which BANK OF AFRICA – BMCE Group entrusts to Eurafric GED Services document digitisation services.

Monthly invoices are issued based on volume. The cost is 0.86 dirhams per digitised page, 0.68 dirhams per video-encoded document, 5 dirhams per document for the return of any previously unreturned document to the service provider, 3 dirhams per document communicating the index in the event that the document has been returned to BANK OF AFRICA – BMCE Group (prices quoted exclude taxes).

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 1,228 K for the period ended 31 December 2019.

2.36 Partnership agreement between BANK OF AFRICA – BMCE GROUP and BMCE BANK INTERNATIONAL Plc (BBI) relating to sub-contracting clearing services

Person(s) concerned:

- Mr Brahim BENJELLOUN-TOUIMI, a Director of BMCE BANK International Plc, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group

- Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Under the terms of this agreement entered into 4 October 2011, BMCE BANK International shall provide BANK OF AFRICA – BMCE Group with a number of banking services including:

- Cheques drawn on French- or foreign-domiciled banks

- Inter-bank transfers to BANK OF AFRICA – BMCE Group or its customers

- International SWIFT transfers

- Bills of exchange domiciled with BANK OF AFRICA – BMCE Group and payable in France

- Documentary credit confirmations

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.37 Agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL GESTION to promote and market mutual funds via the BANK OF AFRICA – BMCE GROUP branch network

Person(s) concerned:

- Mr Amine BOUABID, a Director of BMCE Capital Gestion, is also a Director of BANK OF AFRICA – BMCE Group

- Mr Driss BENJELLOUN, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of BMCE Capital Gestion

Main terms and conditions:

Entered into 1 March 2011 for an automatically-renewable 12-month period, the purpose of this agreement is to determine the terms and conditions for cooperation between the Parties relating to the marketing by BANK OF AFRICA – BMCE Group of a specific number of BMCE Capital Gestion products via the BANK OF AFRICA – BMCE Group branch network. In this regard, the Parties give a mutual undertaking to allocate the necessary human, material, technical and logistical resources to develop and promote the mutual funds.

BANK OF AFRICA – BMCE Group's remuneration is calculated on the basis of the volume of subscriptions/redemptions generated by the branch network with BMCE CAPITAL GESTION retroceding a share of the entry/exit fees at the rates set out in an appendix to the agreement.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 1,856 K for the period ended 31 December 2019.

2.38 Agreements relating to leasing premises

These agreements relate to the leasing of premises or offices to the following companies:

Company	Date	Type	Location	Amount 2019 (MAD K)
BMCE Capital	01/10/2009	Office space	142, avenue Hassan II aux 4th, 7th and 8th floor, Casablanca	**3,253**
MEDITELECOM	01/08/2012	Building patio	Essaouira	**109**
BMCE Capital	01/07/2002	Office space	BANK OF AFRICA – BMCE Group Branch, Agadir Ville	**37**
EURAFRIC INFORMATION	15/10/2009	279 m² apartment. TF No.36929/C, property known as « GAMECOUR ».	243 Bd Mohamed V, Casablanca	**Not applicable Contract cancelled 30/09/16**
EURAFRIC INFORMATION	01/10/2016	Office space Block A2 – 3,624m2	Bouskoura Green City TF No.18827/47	**4,357**
EURAFRIC INFORMATION	01/10/2016	Office space Block B2 – 3,822m2	Bouskoura Green City TF No.18827/47	**4,582**
EURAFRIC INFORMATION	01/01/2017	DATA CENTER 1,735 M2	Bouskoura Green City TF No.18827/47	**2,080 Premises partially occupied**
RM EXPERTS	01/01/2019	Office space	Casa SIDI MAAROUF LOTISSEMENT ATTAOUFIK	**149**
O.G.S.	01/01/2019	Office space	GREEN CITY BOUSKOURA	**5,236**

The leases will be renewed automatically.

2.39 Amendment to the BMCE EDIFIN agreement between BANK OF AFRICA – BMCE GROUP and GLOBAL NETWORK SYSTEMS GNS), now GNS TECHNOLOGIES SA

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Holding, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Delegated General Managers of BANK OF AFRICA – BMCE Group, are also Directors of GNS Holding

Main terms and conditions:

Entered into 2 April 2010 and effective 1 January 2010, the purpose of this amendment, as part of the Bank's policy to extend BMCE EDIFIN services to all commercial relations and enhance profitability, is to revise the monthly payment for GNS' Value-Added Network services. In this regard, BANK OF AFRICA – BMCE Group shall assume the role of wholesaler as well responsibility for marketing the services acquired from GNS.

A second amendment, entered into 30 December 2011 and effective January 2012, sees the annual payment made by BANK OF AFRICA – BMCE Group to the service provider reduced to MAD 2,750,000 exclusive of taxes which corresponds to the minimum volume that it undertakes to acquire from 2,000,000 transaction entries.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an overall expense of MAD 3,187 K for the period ended 31 December 2019.

2.40 Services contract between BANK OF AFRICA – BMCE GROUP and RM EXPERTS relating to debt recovery

Person(s) concerned:

- Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts
- Mr M'Fadel EL HALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts

Main terms and conditions:

Entered into 24 December 2010 between RECOVERY INTERNATIONAL MANAGEMENT AND EXPERTISE (RM EXPERTS) and BANK OF AFRICA – BMCE Group, the agreement mandates RM EXPERTS on an exclusive basis to recover the non-performing loans entrusted to it by BANK OF AFRICA – BMCE Group.

The contract is for a five-year period which is automatically renewable in subsequent two-year periods.

BANK OF AFRICA – BMCE Group shall undertake to make available to the service provider, on a secondment basis, all staff working in the Remedial Management Division from the contract date. These employees will be paid directly by BANK OF AFRICA – BMCE Group.

BANK OF AFRICA – BMCE Group will invoice the service provider for these employees' salaries and other items of remuneration plus a 20% margin.

RM EXPERTS will invoice BANK OF AFRICA – BMCE Group for "managing its human resources".

As part of this agreement, for each customer file for which the amount to be recovered is less than two hundred thousand dirhams, BANK OF AFRICA – BMCE Group will be invoiced for the sum of five hundred dirhams exclusive of taxes in respect of related expenses. RM EXPERTS shall also receive from BANK OF AFRICA – BMCE Group success fees payable on a quarterly basis depending on the sums repaid or recovered.

In the event of non-recovery, BANK OF AFRICA – BMCE Group shall undertake to reimburse RM EXPERTS for all actual costs incurred by the latter.

Amount(s) recognised:

BANK OF AFRICA – BMCE Group paid RM EXPERTS success fees of MAD 21,032 K and management fees of MAD 329 K for the period ended 31 December 2019.

2.41 Agreement between BANK OF AFRICA – BMCE GROUP and MAGHREBAIL

Person(s) concerned:

- Mr Azeddine GUESSOUS, Chairman of Maghrebail, is a Director of BANK OF AFRICA – BMCE Group

- Messrs Othman BENJELLOUN, Zouheir BENSAID and Brahim BENJELLOUN TOUIMI, Members of the Board of Maghrebail, are respectively Chairman, Director and Group Executive Managing Director of BANK OF AFRICA – BMCE Group

- Mr M'Fadel EL HALAISSI, a Director of Maghrebail, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

Entered into 8 May 2009, the purpose of this agreement is to determine the terms and conditions governing BANK OF AFRICA – BMCE Group's marketing of MAGHREBAIL's formatted lease products, the BMCE Bail product, the BMCE Immobail Entreprise product and standard leasing products, regardless of whether or not they are severally and jointly backed by BANK OF AFRICA – BMCE Group.

The terms and conditions of this agreement are as follows:

- MAGHREBAIL shall pay BANK OF AFRICA – BMCE Group agency fees as set out in a price list
- MAGHREBAIL shall undertake to pay quarterly agency fees in respect of BANK OF AFRICA – BMCE Group's remuneration.
- MAGHREBAIL shall undertake to pay annual success fees calculated on the basis of achieving sales targets that are independently confirmed by a steering committee.
- MAGHREBAIL shall undertake to remunerate BANK OF AFRICA – BMCE Group for its guarantee at the annual rate of interest in respect of formatted products. The rate of interest charged on the guarantee is determined on a case-by-case basis in respect of standard leasing products, regardless of whether or not they are severally and jointly backed; it is calculated annually on the amount of MAGHREBAIL's financial outstandings guaranteed by BANK OF AFRICA – BMCE Group (financial outstandings x proportion of bank guarantee).

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised overall income of MAD 14,096 K for the period ended 31 December 2019.

2.42 Partnership agreement between BANK OF AFRICA – BMCE GROUP and BUDGET LOCASOM

Person(s) concerned:

- Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Delegated General Managers of BANK OF AFRICA – BMCE Group and Mr Azzedine GUESSOUS, a Director of BANK OF AFRICA – BMCE Group, are also Directors of Budget Locasom

Main terms and conditions:

Entered into 29 May 2009, the purpose of this agreement is to determine the terms and conditions governing marketing by BANK OF AFRICA – BMCE Group of LOCASOM's BMCE LLD product (a vehicle leasing product for acquiring and managing a fleet of vehicles). Under this agreement, BANK OF AFRICA – BMCE Group will steer its customers towards this product while LOCASOM will follow up with interested customers by providing the necessary support. This product will be marketed via the BANK OF AFRICA – BMCE Group branch network.

The terms and conditions of this agreement are as follows:

- BANK OF AFRICA – BMCE Group shall solely undertake to encourage BMCE LLD customers to make regular lease payments (by directly debiting the customer's account etc.)
- BANK OF AFRICA – BMCE Group shall receive a fee ranging from 0.15% to 0.40% calculated on the basis of the vehicle's budgeted amount and the lease period.

Amount(s) recognised:

This agreement did not have any impact on BANK OF AFRICA – BMCE Group's financial statements for the period ended 31 December 2019.

2.43 Services contract between BANK OF AFRICA – BMCE GROUP and BMCE EUROSERVICES

Person(s) concerned:

- Mr Brahim BENJELLOUN TOUIMI, Chairman of the Board of BMCE EuroServices, is also Group Executive Managing Director of BANK OF AFRICA – BMCE Group
- Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Messrs Driss BENJELLOUN, Mohamed AGOUMI and Mounir CHRAIBI, Directors of BMCE EuroServices, are also Delegated General Managers of BANK OF AFRICA – BMCE Group

Main terms and conditions:

The purpose of this contract, entered into in 2013, is to clarify the underlying terms and conditions by which BANK OF AFRICA – BMCE Group will pay half-yearly fees to the Service Provider in consideration for the latter developing the Moroccans living abroad customer segment in Morocco.

Remuneration of Head Office and Branch Offices will be based on two criteria: a percentage of the net banking income earned by BANK OF AFRICA – BMCE Group in the Moroccans living abroad segment and a percentage of the funds transferred to BANK OF AFRICA – BMCE Group accounts in Morocco.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 167,591 K for the period ended 31 December 2019.

2.44 Commercial lease contract between BANK OF AFRICA- BMCE GROUP and GNS TECHNOLOGIES

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Delegated General Managers of BANK OF AFRICA – BMCE Group, are also Directors of GNS Technologies

Main terms and conditions:

Under the terms of this agreement, effective 1 January 2013 for an automatically-renewable 3-year period, BANK OF AFRICA – BMCE Group shall lease to GNS Technologies office space on the 2nd floor of a building located at 239 Boulevard Mohammed V in Casablanca whose land title number is No.36.829/C with a surface area of 276 m^2 whose land title number is in turn No.75.965/C, a property known as “GAMECOUR 4”.

The monthly rental payment relating to this office space is set at MAD 16.6 K for the first year, MAD 19.3 K for the second year and MAD 22 K for the third year. To that is added a local council tax of 10.5% payable monthly as well as rental charges to maintain and manage the building's common areas which are invoiced pro-rata to the surface area rented.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 322 K for the period ended 31 December 2019.

Casablanca, 28 April 2020

The Statutory Auditors

ERNST & YOUNG	KPMG
ERNST & YOUNG 37, Boulevard Abdellatif Ben Kaddour CASABLANCA Tél : (212-2) 2 95.79.00 - Fax : (212-2) 2 39.02.26	K.P.M.G 11, Avenue Bir Kacem, Souissi - Rabat Téléphone : 212 5 37 63 37 02 (à 06) Télécopie : 212 5 37 63 37 11
Abdeslam BERRADA ALLAM **Associé**	**Fouad LAHGAZI** **Associé**

FUNDAMENTAL ACCOUNTING PRINCIPLES

1.1- Credit institutions are obliged to publish financial statements each financial year which give a true and fair view of their assets, financial position and results.

1.2- Providing a true and fair view will necessarily depend on compliance with seven fundamental accounting principles recommended under General Accounting Standards.

1.3- When transactions, events and positions are accounted for in compliance with fundamental accounting principles and recommendations from Accounting Standards for Credit Institutions, the financial statements are presumed to give a true and fair view of the credit institution's assets, financial position, assumed risks and results.

1.4- In the event that, after applying these principles, the financial statements do not give a true and fair view, the credit institution is obliged to provide all necessary information in the additional information statement so as to be able to give a true and fair view.

1.5- In the exceptional event that, after strictly applying one of these principles or recommendations, the financial statements do not give a true and fair view, the credit institution is obliged to depart from established accounting principles.

Any eventual departure must be mentioned in the additional information statement and must be duly justified. It must also indicate the impact on the credit institution's assets, financial position, assumed risks and results.

1.6- The main fundamental accounting principles adopted are listed hereafter:

- Going concern principle
- Consistency principle
- Historical cost principle
- Time period principle
- Prudence principle
- Objectivity principle
- Materiality principle

2.1. Presentation

The financial statements comprise:

- Head office accounts
- The accounts of domestic branches
- The accounts of overseas branches and representative offices (Paris branch, Tangier Offshore)

Any transactions or balances between group entities are eliminated on consolidation.

2.2 General principles

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of BANK OF AFRICA's financial statements complies with Accounting Standards for Credit Institutions.

2.3 Amounts due from credit institutions and customers and signature loans

General presentation of amounts due

- Amounts due from credit institutions and customers are classified on the basis of their initial maturity or economic purpose:
  - Demand or term deposits in the case of credit institutions;
  - Operating loans, equipment loans, consumer loans, property loans and other loans in the case of customers.
- Off-balance sheet signature loans relate to irrevocable funding commitments and guarantees.
- Repurchase agreements involving securities are recognised under the relevant receivables entry (credit institutions, customers).
- Values awaiting collection, which are only credited to the remitter on actual receipt or after a contractual period, are not recognised on the balance sheet but are accounted for materially.
- Accrued interest on these receivables is recognised under "Related receivables" through the income statement.

Non-performing customer loans

- Non-performing customer loans and advances are recognised and measured in accordance with applicable banking regulations.
- The main applicable provisions can be summarised as follows:
  - Non-performing loans and advances are, depending on the level of risk, classified as "substandard", "doubtful" or "irrecoverable".
  - After deducting the proportion of the guarantee required under current legislation, provisions are recognised as follows:
  - 20% in the case of substandard loans;
  - 50% in the case of doubtful loans;
  - 100% in the case of irrecoverable loans.

Impairment provisions for credit risks on assets are deducted from the assets' carrying amount.

- On downgrading healthy loans and advances as non-performing loans, interest thereon is no longer calculated and recognised. It is only recognised as income when received.
- Losses on irrecoverable loans are recognised when the possibility of recovering non-performing loans is deemed to be nil.
- Provision write-backs for non-performing loans are recognised when the latter undergo an improvement, are effectively repaid or restructured with partial or total loan repayment.

2.4 Amounts owing to credit institutions and customers

Amounts owing to credit institutions and customers are classified in the financial statements on the basis of their initial maturity or type:

- Demand or term deposits in the case of credit institutions;
- Demand accounts in credit, savings accounts, term deposits and other customer accounts in credit.

Included under these various headings, depending on the category of counterparty, are repurchase agreements involving securities or movable assets.

Interest accrued on these payables is recognised under "Related payables" through the income statement.

2.5 Securities portfolio

2.5.1 General presentation

Securities transactions are recognised and measured in accordance with the provisions of the Credit Institutions Accounting Plan.

Securities are classified according to their legal type (debt security or equity security) as well as the purpose for which they were acquired (trading securities, available-for-sale securities, held-to-maturity securities and long-term investment securities).

2.5.2 Trading securities

Securities are considered to be Trading securities if they are:

- Bought or sold with the express intention of selling them or repurchasing them in the near future to make a profit;
- Held by the credit institution in the context of its role as market-maker, their classification as trading securities being conditional on them seeing significant trading volume as a function of market conditions;
- Acquired or sold in the context of specialised portfolio management activity comprising derivative instruments, securities or other instruments managed together with recent evidence that a short-term profit-taking approach has been adopted;
- The subject of a sales undertaking in the context of arbitrage activity.

Trading securities are recognised at cost less dealing charges plus accrued interest, where applicable. Dealing charges are recognised directly through the income statement. Securities that have been sold are valued on the basis of the same rules.

2.5.3 Available-for-sale securities

Fixed income or floating rate securities are considered to be Available-for-sale securities if they are acquired with a view to being held for an indefinite period and that the institution may decide to sell them at any time.

By default, this category includes securities that fail to satisfy the criteria for recognition under another category of securities.

Available-for-sale securities are recognised at cost plus charges and accrued interest.

Securities transferred from the "Portfolio securities" and "Equity securities and Investments in related companies" categories are valued either prior to or at the time of transfer based on the rules relating to their original category. They are reclassified under Available-for-sale securities on the basis of this carrying amount.

Securities transferred from the "Held-to-maturity securities" category are reclassified at their net carrying amount at the time of transfer.

2.5.4 Held-to-maturity securities

Held-to-maturity securities are debt securities which are acquired or which have been transferred from another category of securities for the purpose of being held until maturity in order to generate regular income over the long-term.

These securities are recognised ex-coupon at the time of acquisition.

At each balance sheet date, the securities are valued at cost, regardless of their market value. Accordingly, unrealised profit or loss is not recognised.

2.5.5 Long-term investment securities

This category comprises securities whose long-term ownership is deemed useful to the Bank. These securities are categorised according to the provisions established by Accounting Standards for Credit Institutions as follows:

- Equity securities;
- Investments in related companies;
- Portfolio securities
- Other similar assets.

At each balance sheet date, they are valued on the basis of generally-accepted criteria such as utility value, share of net assets, future earnings prospects and share price performance. Impairment provisions are booked for unrealised losses on a case by case basis.

2.5.6 Repurchase agreements

Securities delivered under repurchase agreements are recognised on the balance sheet. The amount received, which represents the liability to the transferee, is recognised on the balance sheet under liabilities.

Securities received under reverse repos are not recognised on the balance sheet, although the amount received, which represents the receivable due from the transferor, is recognised on the balance sheet under assets.

2.6. Foreign currency-denominated transactions

Receivables, amounts owing and signature loans denominated in foreign currencies are translated into dirhams at the average exchange rate prevailing at the balance sheet date.

Foreign currency differences on contributions from overseas branches and on foreign currency borrowings hedged against exchange rate risk are recorded on the balance sheet under other assets or other liabilities as appropriate. Any translation gains and losses arising from the translation of non-current securities acquired in a foreign currency are recorded as translation differences under the category of securities in question.

Foreign currency differences on other accounts held in foreign currencies are recognised through the income statement.

Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are recognised.

2.7. Translation of financial statements denominated in foreign currencies

The 'closing rate' method is used to translate financial statements denominated in foreign currencies.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of the foreign entity (Paris Branch) are translated based on the exchange rate prevailing at the closing date.

Shareholders' equity (excluding net income for the financial year) is measured at different historical rates (additional charges) and constitutes reserves. The difference arising from this correction (closing rate less historical rate) is recorded under "Translation differences" under shareholders' equity.

Translation of income statement items except for depreciation and amortisation expenses and provisions, which are translated at the closing rate, are translated at the average exchange rate for the financial year. However, income statement items have been translated at the closing rate since this method does not result in any material difference by comparison with the average exchange rate method.

2.8. General risk provisions

These provisions are booked, at the discretion of the management, to address future risks relating to banking operations which cannot be currently identified or accurately measured.

Provisions booked are added back for taxation purposes.

2.9. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognised on the balance sheet at cost less accumulated amortisation and depreciation, calculated using the straight line method over the estimated life of the assets in question.

Intangible assets are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Lease rights	Non-amortisable
Patents and brands	For the period under patent protection
Research & development assets	1 year
IT software	5 years
Other goodwill items	Non amortisable

Plant, property and equipment are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Land	Non amortisable
Operating premises:	
Built before 1986	20 years
Built after 1986	40 years
Office furniture	10 years
IT hardware	5 years
Vehicles	5 years
Fixtures, fittings and equipment	10 years
Shares in non-profit companies	Non amortisable

2.10 Deferred charges

Deferred charges comprise expenses which, given their size and nature, are likely to relate to more than one financial year.

2.11 Statutory provisions

Statutory provisions, particularly those relating to taxation, are booked in application of statutory or regulatory requirements. The decision as to whether or not to book such provisions is effectively a management decision motivated, in particular, by a desire to derive a tax benefit.

If the criteria for booking and utilising such provisions are met and they have been booked to be able to benefit from a definite tax break, statutory provisions, with the exception of accelerated amortisation reserves, are treated as tax-free reserves.

2.12 Recognition of interest income and fee income on the income statement

Interest income

Income and expenditure earned on capital actually lent or borrowed are considered as interest income.

Income and expenditure earned on an accruals basis, which remunerates risk, are considered as interest equivalent. This category includes fees on guarantee and financing commitments (guarantees, collateral etc.).

Interest accrued on capital actually lent or borrowed is recognised under related receivables and payables accounts through the income statement.

Interest equivalent is immediately recognised through the income statement upon invoicing.

Fee income

Income and expenditure, calculated on a flat-rate basis, which remunerate a service provided, are recognised as fees upon invoicing.

2.13 Non-recurring income and expenditure

This consists exclusively of income and expenditure arising on an exceptional basis. Such items are rare, in principle, as they are unusual by nature and occur infrequently.

2.14 Retirement obligations

Retirement obligations (Wissam Al Choghl, compensation payments for early retirement) not covered by pension schemes and managed by external independent providers (non-mandatory) are not provisioned.

BALANCE SHEET

(in thousand MAD)

ASSETS	31/12/2019	31/12/2018
Cash, central banks, treasury, giro accounts	**5 110 572**	**5 625 922**
Loans to credit institutions and equivalent	**22 149 097**	**20 645 443**
. Demand	7 698 907	5 076 685
. Time	14 450 190	15 568 758
Loans and advances to customers	**116 625 100**	**109 721 074**
. Cash and consumer loans	35 594 227	33 015 606
. Equipment loans	22 104 094	21 811 901
. Mortgage loans	40 527 424	40 456 856
. Other loans	18 399 355	14 436 711
Advances acquired by factoring	**2 283 749**	**2 515 204**
Transaction and marketable securities	**30 005 813**	**25 180 944**
. Treasury bonds and equivalent securities	10 154 073	8 643 121
. Other debt securities	506 783	610 039
. Title deeds	19 267 730	15 832 484
. Sukuks Certificates	77 227	95 300
Other assets	**3 459 599**	**4 205 962**
Investment securities	**4 375 064**	**3 770 452**
. Treasury bonds and equivalent securities	2 125 081	1 453 364
. Other debt securities	2 249 983	2 317 088
. Sukuks Certificates	-	-
Equity investments and equivalent uses	**10 691 682**	**10 719 322**
. Investments in joint ventures	8 630 476	8 121 778
. Other equity securities and similar assets	2 061 206	2 597 544
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	**192 807**	**198 469**
Placed investment deposits	-	-
Leased and rented fixed assets	**191 147**	**151 266**
Ijara leased assets	-	-
Intangible fixed assets	**410 050**	**232 960**
Tangible fixed assets	**5 470 550**	**5 143 410**
TOTAL ASSETS	200 965 233	188 110 428

(in thousand MAD)

LIABILITIES	31/12/2019	31/12/2018
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	**22 630 542**	**19 869 938**
. Demand	1 932 813	1 441 442
. Time	20 697 729	18 428 496
Customer deposits	**134 441 241**	**128 759 406**
. Demand deposits	79 783 847	74 862 064
. Savings deposits	24 562 835	23 519 703
. Time deposits	23 723 341	23 982 912
. Other deposits	6 371 218	6 394 727
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	**9 372 817**	**8 595 966**
. Negotiable debt securities	8 872 817	8 095 966
. Bond loans	500 000	500 000
. Other debt securities issued	-	-
Other liabilities	**3 968 135**	**4 727 486**
Provisions for liabilities and charges	**1 117 336**	**863 291**
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	**9 590 170**	**9 584 871**
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	**16 474 865**	**12 571 143**
Capital	**1 998 204**	**1 794 634**
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	**75**	**37**
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	**1 371 848**	**1 343 654**
TOTAL LIABILITIES	200 965 233	188 110 428

OFF-BALANCE SHEET

(in thousand MAD)

	31/12/2019	31/12/2018
GIVEN COMMITMENTS	**19 446 241**	**22 457 705**
Financing commitments on behalf of credit institutions and equivalent	182 309	628 306
Financing commitments on behalf of customers	6 217 752	4 828 204
Guarantee commitments given to credit institutions and equivalent	2 742 845	3 587 105
Guarantee commitments given to customers	10 132 584	10 295 288
Securities repos purchased	78 357	78 357
Other securities to be delivered	92 394	3 040 445
RECEIVED COMMITMENTS	**13 300 541**	**18 181 253**
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	11 315 888	16 072 674
Guarantee commitments received from the State and various guarantee bodies	1 984 260	1 892 562
Securities repos sold	-	-
Other securities to be received	393	216 017
Moucharaka and Moudaraba securities to be received	-	-

STATEMENT OF INCOME AND EXPENSES

(in thousand MAD)

	31/12/2019	31/12/2018
BANK OPERATING INCOME	**11 145 100**	**10 594 778**
Interests and assimilated revenues on transactions with credit institutions	761 414	702 881
Interests and assimilated revenues on transactions with customers	5 467 179	5 625 747
Interests and assimilated revenues on debt securities	511 501	501 987
Revenue from property securities (1) and Sukuks certificates	658 083	699 212
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	16 627	16 190
Revenue from leased assets (Ijara)	-	-
Fees on provided services	1 265 476	1 189 821
Other banking revenues	2 464 820	1 858 940
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	**4 668 371**	**4 575 473**
Interests and assimilated expenses on transactions with credit institutions	1 279 079	993 554
Interests and assimilated expenses on transactions with customers	1 282 212	1 450 090
Interests and assimilated expenses on debt securities issued	255 028	396 364
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	13 568	10 466
Expenses from leased assets (Ijara)	-	-
Other banking expenses	1 838 484	1 724 999
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	**6 476 731**	**6 019 302**
Non-banking operating revenues	190 578	239 596
Non-banking operating expenses	63 685	11 573
GENERAL OPERATING EXPENSES	**3 645 941**	**3 594 893**
Staff expenses	1 631 096	1 603 716
Tax expenses	117 836	105 306
External expenses	1 617 320	1 627 598
Other general operating expenses	8 994	9 538
Allowances for depreciation and provisions for intangible and tangible fixed assets	270 695	248 735
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	**2 122 518**	**1 119 460**
Allowances for non performing loans and commitments	858 615	941 496
Loan losses	930 178	24 656
Other allowances for provisions	333 725	153 308
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	**1 212 727**	**330 158**
Provision write-backs on non performing loans and commitments	1 171 684	291 902
Recovery on amortised debts	30 543	31 156
Other provision write-backs	10 500	7 100
CURRENT INCOME	**2 047 889**	**1 863 133**
Non-current revenues	-	-
Non-current expenses	35 100	-
PRE-TAX EARNINGS	**2 012 789**	**1 863 133**
Corporate tax	640 941	519 477
NET EARNINGS FOR THE YEAR	**1 371 848**	**1 343 654**

EARNINGS FORMATION TABLE

(in thousand MAD)

	31/12/2019	31/12/2018
(+) Interests and equivalent revenues	6 740 094	6 830 615
(-) Interests and equivalent expenses	2 816 318	2 840 009
NET INTEREST INCOME	**3 923 776**	**3 990 606**
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	**-**	**-**
(+) Profit from leasing and renting operations	16 627	16 190
(-) Expenses from leasing and renting operations	13 568	10 465
INCOME FROM LEASING AND RENTAL OPERATIONS	**3 059**	**5 725**
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
INCOME FROM IJARA OPERATION (1)	**-**	**-**
(+) Fees received	1 570 234	1 450 018
(-) Fees paid	404 709	357 368
FEE INCOME (1)	**1 165 525**	**1 092 650**
(+) Income from trading securities	743 976	262 796
(+) Income from investment securities	- 14 934	- 63 377
(+) Income from payload operations	394 452	361 350
(+) Income from by-product operation	- 130 313	- 60 770
INCOME FROM MARKET TRANSACTIONS (1)	**993 181**	**499 999**
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	658 083	699 212
(-) other banking expenses	266 893	268 890
(+/-) HOLDERS' SHARE IN INVESTMENT DEPOSIT ACCOUNTS	**-**	**-**
NET BANKING INCOME	**6 476 731**	**6 019 302**
(+) Income from financial asset operations (2)	17 104	- 12 304
(+) Other non-banking operating revenues	168 460	239 376
(-) Other non-banking operating expenses	62 874	11 152
(-) General operating expenses	3 645 941	3 594 893
GROSS OPERATING INCOME	**2 953 480**	**2 640 329**
(+) Allowances for non performing loans and commitments (net of write-backs)	- 586 567	- 643 094
(+) Other allowances net of provision write-backs	- 319 024	- 134 105
CURRENT INCOME	**2 047 889**	**1 863 130**
NON-CURRENT INCOME	**- 35 100**	**-**
(-) Corporate tax	640 941	519 477
NET EARNINGS FOR THE YEAR	**1 371 848**	**1 343 654**

CASH-FLOW	31/12/2019	31/12/2018
(+) NET EARNINGS FOR THE YEAR	**1 371 848**	**1 343 654**
(+) Allowances for depreciation and provisions for intangible and tangible fixed assets	270 695	248 735
(+) Allowances for provisions for equity investments depreciation	4 720	12 665
(+) Allowances for provisions for general risks	295 747	131 850
(+) Allowances for regulated provisions	-	-
(+) Non-current allowances	-	-
(-) Provision write-backs	518	562
(-) Capital gains on disposals of intangible and tangible fixed assets	47 797	163 331
(+) Capital losses on disposals of intangible and tangible fixed assets	-	-
(-) Capital gains on disposals of equity investments	22 117	220
(+) Capital losses on disposals of equity investments	811	421
(-) Write-backs of investment subsidies received	-	-
(+) FINANCING	**1 873 390**	**1 573 211**
(-) Dividends distributed	-	-
(+) CASH-FLOW	**1 873 390**	**1 573 211**

STATEMENT OF CASH FLOW

(in thousand MAD)

	31/12/2019	31/12/2018
(+) Operating income received from banking operations	10 452 239	9 845 282
(+) Recovery of amortised debts	30 543	31 156
(+) Non-banking revenues received	190 578	239 596
(-) Banking operating expenses paid	4 940 728	5 272 231
(-) Non-banking operating expenses paid	63 685	11 573
(-) General operating expenses paid	3 375 246	3 346 158
(-) Corporate tax paid	640 940	519 477
I.Net Cash Flows from the Income Statement	**1 652 761**	**966 595**
Change in:		
(+) Loans to credit institutions and equivalent	- 1 503 654	4 664 605
(+) Loans to customers	- 6 672 571	5 864 886
(+) Debt and marketable securities	- 4 824 869	8 709 160
(+) Other assets	876 455	- 1 513 397
(-) Moudaraba and Moucharaka securities	-	-
(+) Leasing and renting operations	- 39 881	- 48 147
(+) Ijara operations	-	-
(+) Investments placed through credit institutions and equivalent	-	-
(+) Amounts owed to credit institutions and equivalent	2 760 604	- 612 330
(+) Customer deposits	5 681 835	- 7 055 739
(+) Customer borrowings on participatory financing	-	-
(+) Debt securities issued	776 851	- 3 969 945
(+) Other liabilities	- 717 718	- 4 283 400
II.Balance of changes in operating assets and liabilities	**- 3 662 948**	**1 755 693**
III.Net cash flows from operating activities (I + II)	**- 2 010 187**	**2 722 288**
(+) Revenues from equity investments (1) (4)	432 351	200 175
(+) Revenues from disposals of intangible and tangible fixed assets (4)	179 800	465 442
(-) Acquisitions of equity investments (1)	1 328 397	723 594
(-) Acquisitions of intangible and tangible fixed assets	942 301	467 860
(+) Interests received	250	94 095
(+) Dividends received	575 280	611 817
IV.FLUX DE TRESORERIE NETS PROVENANT DES ACTIVITES D'INVESTISSEMENT	**- 1 083 017**	**180 076**
(+) Subsidies, public funds and guarantee funds received	-	-
(+) Issues of subordinated debts		5 299
(+) Received investment deposits		-
(+) Stock issues		2 970 415
(-) Repayment of shareholders equity and equivalent	-	1 862 311
(-) Reimbursed investment deposits (2)		-
(-) Interests paid	397 860	395 426
(-) Rémunérations versées sur dépôts d'investissement (3) (4)	-	
(-) Dividends paid	-	897 317
V.Net Cash Flows from Financing Activities	**2 577 854**	**- 3 155 054**
VI.Net Change In Cash (III + IV + V)	**- 515 350**	**- 252 690**
VII.Cash & Cash Equivalent at Beginning of Year	**5 625 922**	**5 878 612**
VIII.Cash & Cash Equivalent at Year-end	**5 110 572**	**5 625 922**

(1) Other than Moucharaka and Moudaraba securities

(2) Including IRR

(3) Including PER

(4) Other than from cash flows from income statement

LOANS TO CREDIT INSTITUTIONS AND EQUIVALENT

(in thousand MAD)

	Bank Al-Maghrib, Treasury and giro accounts	Banks in Morocco	Other credit institutions and equivalent in Morocco	Foreign credit institutions	TOTAL 31/12/2019	TOTAL 31/12/2018
Ordinary accounts in debit	3 303 846	225 880	1 093 212	6 041 432	10 664 369	10 668 714
Securities received as pledges	-	1 029 412	-	-	1 029 412	23 148
- Overnight	-	1 029 412	-	-	1 029 412	-
- Time	-	-	-	-	-	23 148
Short-term loans	-	1 038 373	2 900 827	2 381 110	6 320 310	4 906 563
- Overnight	-	1 038 373	19 186	-	1 057 559	-
- Time	-		2 881 641	2 381 110	5 262 751	4 906 563
Financial loans	-	1 247 214	4 406 945	187 033	5 841 192	7 566 819
Other loans	2 895 760	349 719	-	118 885	3 364 364	3 080 642
Receivables accrued interest	-	29 203	6 235	4 580	40 017	25 474
Non performing loans	-	-	4	-	4	5
TOTAL	6 199 606	3 919 800	8 407 223	8 733 039	27 259 669	26 271 365

LOANS TO CUSTOMERS

(in thousand MAD)

	Public Sector	Private Sector			TOTAL 31/12/2019	TOTAL 31/12/2018
		Financial companies	Non-financial companies	Other customers		
Short-term loans	409 839	2 128 580	22 106 461	2 416 894	27 061 774	23 799 428
- Deposit accounts in debit	369 226	2 128 580	12 471 603	1 744 545	16 713 954	16 165 784
- Commercial loans in Morocco	18 746	-	3 354 649	109 291	3 482 686	3 476 205
- Export loans	-	-	583 764	467 767	1 051 531	324 597
- Other cash loans	21 867	-	5 696 445	95 291	5 813 603	3 832 842
Consumer loans	-	-	-	8 162 481	8 162 481	8 830 232
Equipment loans	5 083 177	535 775	14 785 231	1 413 575	21 817 758	21 569 962
Mortgage loans	4 773	-	10 047 117	30 388 847	40 440 737	40 372 880
Other loans	-	13 447 547	1 770 216	46 479	15 264 242	11 974 241
Advances acquired by factoring	1 977 072	-	306 677	-	2 283 749	2 515 204
Receivables accrued interest	73 484	45 299	472 208	152 003	742 995	711 861
Non performing loans	130	-	1 694 527	1 429 392	3 135 112	2 462 470
- Substandard loans	-	-	3 422	516 590	520 012	396 723
- Doubtful loans	-	-	778 864	287 110	1 065 974	634 094
- Loss loans	130		923 304	625 692	1 549 126	1 431 653
TOTAL	7 548 475	16 157 201	51 182 437	44 009 671	118 908 849	112 236 278

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER

(in thousand MAD)

	Credit Institutions and Equivalent	Public Issuers	Private Issuers Financial companies	Private Issuers Non-financial companies	TOTAL 31/12/2019	TOTAL 31/12/2018
Quoted securities	**6 709**	**4 156 001**	**19 245 740**	**31 830**	**23 440 279**	**28 766 368**
- Treasury bonds and equivalent securities	-	2 867 631	-	-	2 867 631	10 022 245
- Bonds	-	1 288 369	-	19 687	1 308 057	2 450 467
- Other debt securities	-	-	-	-	-	369 304
- Title deeds	6 709	-	19 245 740	12 143	19 264 591	15 829 053
Certificats de Sukuks						95 300
Titres non côtés	**618 393**	**9 621 521**	**53 325**	**647 360**	**10 940 599**	**196 092**
- Treasury bonds and equivalent securities	-	9 312 684	-	-	9 312 684	-
- Bonds	298 808	25 000	50 000	624 400	998 208	-
- Other debt securities	314 664	-	-	14 271	328 935	-
- Title deeds	-	-	-	-	-	-
Certificats de Sukuks	-	77 227	-	-	77 227	-
Accrued interest	4 920	206 609	3 325	8 690	223 545	196 092
TOTAL	**625 102**	**13 777 521**	**19 299 065**	**679 190**	**34 380 877**	**28 962 460**

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT

(in thousand MAD)

	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Transaction securities	**27 852 089**	**27 852 089**	**-**	**-**	**-**	**-**
Treasury bonds and equivalent securities	8 143 976	8 143 976	-	-	-	-
Bonds	84 400	84 400	-	-	-	-
Other debt securities	381 526	381 526	-	-	-	-
Title deeds	19 164 959	19 164 959	-	-	-	-
Sukuks certificates	77 227	77 227	-	-	-	-
Marketable securities	**2 196 686**	**2 153 724**	**2 196 686**	**-**	**42 962**	**42 962**
Treasury bonds and equivalent securities	2 053 058	2 010 096	2 053 058	-	42 962	42 962
Bonds	-	-	-	-	-	-
Other debt securities	40 858	40 858	40 858	-	-	-
Title deeds	102 770	102 770	102 770	-	-	-
Investment securities	**4 375 455**	**4 375 064**	**4 223 950**	**-**	**390**	**-**
Treasury bonds and equivalent securities	2 125 082	2 125 082	1 996 277	-	-	-
Bonds	2 222 255	2 222 255	2 199 556	-	-	-
Other debt securities	28 118	27 728	28 118	-	390	-
TOTAL	**34 424 230**	**34 380 877**	**6 420 637**	**-**	**43 352**	**42 962**

DETAIL OF OTHER ASSETS

(in thousand MAD)

	31/12/2019	31/12/2018
Optional instruments	**- 59 121**	**- 13 033**
Miscellaneous transactions on securities	**276 293**	**303 697**
Other Debtors	**1 066 599**	**945 775**
- Sums due by the state	912 464	811 721
- Sums due by provident companies	-	-
- Receivables from staff	107 590	90 641
- Receivable for non-banking services	-	-
Other debtors	46 545	43 413
Other securities and assets	**9 403**	**9 405**
Adjustment accounts	**2 166 424**	**2 960 119**
Off-balance sheet adjustment accounts	54 670	57 172
Currency discrepancy accounts	54 670	57 172
Derivatives discrepancy accounts	-	-
Securities discrepancy accounts	-	-
Currency and securities Goodwill	-	-
Income on hedging transactions	-	-
Deferred expenses	176 716	138 188
Liaison accounts between the head office, subsidiaries and branches in Morocco	313 697	449 310
Accrued income and prepayment	330 432	320 266
Accrued income	321 662	303 356
Prepayment	8 770	16 910
Transitory accounts	-	-
Other adjustment accounts	1 290 909	1 995 183
Non performing loans on miscellaneous transactions	**-**	**-**
TOTAL	**3 459 599**	**4 205 962**

SUBORDINATED DEBTS

(in thousand MAD)

	Amount				Included linked and related Companies	
		31/12/2019		31/12/2018	31/12/2019	31/12/2018
	Gross	Provisions	Net	Net	Net	Net
Subordinated loans to credit institutions and similar	190 532	-	190 532	193 859	190 532	193 859
Subordinated loans to customers	-	-	-	-	-	-
TOTAL	**190 532**	**-**	**190 532**	**193 859**	**190 532**	**193 859**

EQUITY INVESTMENTS

(in thousand MAD)

Name of the issuing company	Sector of activity	Number of shares	Share capital	Equity holding as %	Overall acquisition price	Provisions	Net book value
EQUITY OF THE ISSUING COMPANY							
RADIO MEDITERRANEE	Media	708 260	196 650 000	36,02	70 827	-	70 827
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Center Management	500 000	400 000 000	12,50	50 000	-	50 000
TANGER MED ZONES	Development company	640 577	706 650 000	9,06	64 058	-	64 058
EMAT	Holding Company	80 473	8 047 300	100,00	30 365	30 365	-
FONCIERE EMERGENCE	Real Estate	338 436	372 172 274	8,06	33 844	-	33 844
ECOPARC DE BERRECHID	Development company	120 000	55 000 000	21,82	12 000	-	12 000
CENTRE MONETIQUE INTERBANCAIRE	Electronic payment management	109 990	98 200 000	11,20	11 000	-	11 000
Fonds de garantie de la commande publique	Investment funds	100 000	100 000 000	10,00	10 000	-	10 000
MOROCAN INFORMATION TECHNO PARC CIE	Real estate management	56 500	46 000 000	12,28	5 650	-	5 650
BMCE Capital Real Estate	Real estate management	12 495	5 000 000	24,99	1 250	-	1 250
MARTKO (MAGHREB ARAB TRADING C°)	Financial institution	12 000	600 000 USD	20,00	971	971	-
AFRICA CO-DEVELOPMENT GROUP	Insurance	20 001	10 000 000	20,00	500	-	500
MITC CAPITAL	Fund MNF	4 000	2 000 000	20,00	400	400	-
STE RECOURS	Debt collection	3 750	2 500 000	15,00	375	375	-
511 EQUITY AFFILIATES					**291 238**	**32 110**	**259 128**
SECURITIES RELATED COMPANIES					-	-	-
BOA Group	Foreign credit institution	435 192	93 154 535	72,41	2 914 961	-	2 914 961
BBI	Foreign credit institution	157 659 285	157 659 285	100,00	1 993 759	-	1 993 759
STE SALAFIN	Consummer credit	1 790 432	294 507 400	60,79	628 635	-	628 635
LITTORAL INVEST	Leasing	26 000	2 600 000	100,00	450 000	-	450 000
MAGHREBAIL	Leasing	726 220	138 418 200	52,47	370 770	-	370 770
LOCASOM	Long Term Car Rental	784 768	83 042 900	94,50	336 882	-	336 882
AFRICA MOROCCO LINKS	Maritime transport	1 632 000	320 000 000	51,00	163 200	30 000	133 200
O TOWER	Development company	9 600 000	2 000 000 000	48,00	675 003	-	675 003
BANK AL-TAMWEEL WA AL-INMA - BTI	Participative Bank	2 040 000	400 000 000	51,00	204 000	-	204 000
BOA UGANDA	Foreign credit institution	22 176 454	46 775 206 000 UGX	47,41	137 410	-	137 410
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 726	25 000 000 000 FCFA	32,38	135 773	-	135 773
HANOUTY	Distribution	76 486	16 767 900	45,60	121 815	121 815	-
BMCE CAPITAL	Investment Bank	100 000	100 000 000	100,00	100 000	-	100 000
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Study Office	155 437	40 000 000	38,85	90 192	-	90 192
CONGOLAISE DES BANQUES	Foreign credit institution	370 000	10 000 000 000 FCFA	37,00	75 621	-	75 621
RIYAD ALNOUR	Hotel	3 000	300 000	100,00	78 357	-	78 357
SOCIETE D'AMENAGEMENT TANGER TECH - SA-TT	Development company	4 000 000	500 000 000	80,00	62 500	-	62 500
MAROC FACTORING	Factoring	450 000	45 000 000	100,00	51 817	-	51 817
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116 000	11 600 000	100,00	46 591	-	46 591
EUROSERVICES	Service company	3 768	4 831 000	78,00	40 561	-	40 561
BMCE IMMOBILIER	SCI	200 000	20 000 000	100,00	29 700	-	29 700
RM EXPERT	Debt collection	200 000	20 000 000	100,00	20 000	-	20 000
DOCUPRINT (STA)	Service company	50 000	5 000 000	100,00	19 000	-	19 000
ACMAR	Service company	100 000	50 000 000	20,00	10 001	-	10 001
SONORMA	Real estate	600	100 000	60,00	8 280	8 280	-
BMCE CAPITAL BOURSE (maroc inter titres)	Stock brokerage	67 500	10 000 000	67,50	6 750	-	6 750
STE FINANCIERE Italie	Financial institution	600 000	600 000 EURO	100,00	6 459	6 459	-
BMCE CAPITAL GESTION (marfin)	Mutual fund management	250 000	25 000 000	100,00	6 443	-	6 443
Eurafric Informatique	Service company	41 000	10 000 000	41,00	4 100	-	4 100
BMCE ASSURANCES	Insurance	15 000	1 500 000	100,00	3 025	-	3 025
OPERATION GLOBAL SERVICES SA OGS	Sces Back-office	50 000	5 000 000	100,00	5 000	-	5 000
IT International service	IT	3 100	31 000 EURO	100,00	334	-	334
AKENZA IMMO	Real estate	100	10 000	100,00	10	-	10
SAISS IMMO NEJMA	Real estate	100	10 000	100,00	10	-	10
SUX HILL PRIMERO	Real estate	100	10 000	100,00	10	-	10
SUX HILL SECONDO	Real estate	100	10 000	100,00	10	-	10
SUX HILL TERCIO	Real estate	100	10 000	100,00	10	-	10
NOUACER CITY IMMO	Real estate	100	10 000	100,00	10	-	10
MOHIT IMMO	Real estate	100	10 000	100,00	10	-	10
FARACHA IMMO	Real estate	100	10 000	100,00	10	-	10
KRAKER IMMO	Real estate	100	10 000	100,00	10	-	10
IKAMAT TILILA	Real estate	1 000	100 000	100,00	0	-	0
512 EQUITY INVESTMENTS					**8 797 030**	**166 554**	**8 630 476**
SECURITIES / ACTIVITIES OF THE PORTFOLIO					-	-	-
PROPARCO	International credit institution	1 082 935	693 079 200 EUR	2,50	172 711	-	172 711
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	171 633	171 633	-
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	147 748	147 748	-
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	159 860 800 EUR	4,34	71 308	-	71 308
AMETHIS FINANCE Luxembourg	Investment company in risk capital	4 503	214 778 488 EUR	2,10	48 465	-	48 465
AMETHIS II	Investment company in risk capital	1 125	84 618 000 EUR	1,33	12 266	-	12 266
BOURSE DE CASABLANCA	Stock exchange	310 014	387 517 900	8,00	31 373	-	31 373
MAROC NUMERIC FUND	Investment fund	150 000	75 000 000	20,00	15 000	7 566	7 434
MAROC NUMERIC FUND II	Investment fund	78 431	40 000 000	19,61	3 922	-	3 922
SEAF MOROCCO GROWTH FUND		60 000	84 120 000	7,13	4 854	-	4 854
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4,00	28 780	-	28 780
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107 500	150 000 000	7,17	10 750	5 395	5 355
INMAA SA	Service company	53 333	20 000 000	26,67	5 333	2 323	3 010
AFREXIM BANK (African Import Export)	Credit institution/foreign	30	506 300 000 USD	0,059	2 959	-	2 959
FONDS MONETAIRE ARABE(ARAB TRADE FINANCING PROGRAM)	Financial institution	50	987 920 000 USD	0,03	2 878	-	2 878
FIROGEST	Investment fund	2 500	2 000 000	12,50	250	-	250
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guaranteee funds	588	1 000 000	5,88	59	-	59
515 SECURITIES/ACTIVITIES OF THE PORTFOLIO					**730 288**	**334 665**	**395 622**
OTHER					-	-	-
CFG GROUP	Investment Bank	285 065	442 817 300	6,44	103 997	-	103 997
Mutandis SCA	Investment fund	832 458	799 673 700	10,41	96 807	-	96 807
Mutandis AUTOMOBILE SCA	Automobile distribution	846 892	630 000 000	13,44	91 359	4 240	87 120
ROYAL RANCHES MARRAKECH	Real Estate and tourism	106 667	800 000 000	13,33	60 000	-	60 000
VIGEO	Financial advisory	94 000	14 362 235 EUR	3,27	8 935	3 875	5 059
SOGEPOS	Development company	46 216	35 000 000	13,20	4 622	-	4 622
LA CELLULOSE DU MAROC	Paper pulp	52 864	700 484 000	0,75	3 393	3 393	-
SMAEX	Insurance and service	22 563	50 000 000	4,51	1 690	-	1 690
FRUMAT	Agri-industry	4 000	13 000 000	3,08	1 450	1 450	-
STE IMMOBILIERE SIEGE GPBM	Real Estate	12 670	19 005 000	6,67	1 267	-	1 267
STE D'AMENAGEMENT DU PARC INDUSTRIE	Real Estate	10 000	60 429 000	1,65	1 000	-	1 000
MAROCLEAR	Central custodian	803	100 000 000	4,02	803	-	803
STE IPE	Editin & printing	8 013	10 000 000	8,01	801	-	801
CASABLANCA PATRIMOINE S.A	Local development	5 000	31 000 000	1,61	500	-	500
GECOTEX	Industry	5 000	10 000 000	5,00	500	500	-
SOCIETE ALLICOM MAROC	Industry	5 000	20 000 000	2,50	500	500	-
DAR ADDAMANE	Guarantee bodies	1 922	75 000 000	0,64	481	481	-
PORNET	Service company	1 800	11 326 800	1,59	180	-	180
SINCOMAR	Agribusiness	494	37 440 000	0,13	49	49	-
SWIFT	Service company	23	434 020 000 EUR	0,01	23	-	23
DYAR AL MADINA	Real Estate	640	20 000 000	0,32	9	-	9
RMA WATANYA	Insurance	5	1 796 170 800	0,00	2	-	2
RISMA	Tourism	10	1 432 694 700	0,00010	2	-	2
MEDI 1 TV	Audiovisuel	59 774	199 245 600	3,00	0	-	0
516-9 Other Equity Investment					**378 371**	**14 488**	**363 882**
ASSOCIATES CURRENT ACCOUNT					-	-	-
RYAD ENNOUR					471 643	-	471 643
FARACHA IMMO					301 026	-	301 026
IT International Service ITIS					51 670	-	51 670
AKENZA IMMO					46 931	-	46 931
SUX HILL SECONDO					49 314	-	49 314
SAISS IMMO NEJMA					36 481	-	36 481
BMCE IMMOBILIER					38 000	-	38 000
SUX HILL PRIMERO					25 780	-	25 780
SUX HILL TERCIO					15 522	-	15 522
MARTCO					1 500	1 500	-
Siège G.P.B.M.					723	-	723
ALLICOM MAROC					552	552	-
HANOUTY					1 615	-	1 615
MOHIT IMMO					3 850	-	3 850
NOUACER CITY IMMO					20	-	20
Others					**1 044 626**	**2 052**	**1 042 574**
TOTAL					**11 241 552**	**549 870**	**10 691 682**

FIXED ASSETS ON LEASING, WITH OPTION TO PURCHASE, AND WITH SIMPLE LEASE

(in thousand MAD)

	Gross amount beginning of the year	Acquisitions of the year	Cessions of the year	Readjustement	Gross Amount year ended	Depreciation		Provisions			Net amount year ended
						Depreciation	Total Depreciations	Provisions	Write-backs	Total provisions	
Fixed Leasing Assets	172 197	206 241	152 679	- 113	225 646	13 568	34 499	-	-	-	191 147
Leasing on intangible assets	6 572	-	-	- 113	6 459	-	-	-	-	-	6 459
Furniture leasing	86 933	-	-	- 12 933	74 000	10 466	31 397	-	-	-	42 603
- In progress	-	-	-	-	-	-	-	-	-	-	-
- Leased	86 933	-	-	- 12 933	74 000	10 466	31 397	-	-	-	42 603
- Non Leased after termination	-	-	-	-	-	-	-	-	-	-	-
Real leased leasing	74 774	202 668	145 188	12 933	145 188	3 102	3 102	-	-	-	142 086
- In progress	74 774	57 480	145 188	12 933	0	-	-	-	-	-	0
- Leased	-	145 188	-	-	145 188	3 102	3 102	-	-	-	142 086
- Non leased after termination	-	-	-	-	-	-	-	-	-	-	-
Leased to perceive	3 918	3 573	7 492	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-	-
Fixed assets given on simple	-	-	-	-	-	-	-	-	-	-	-
Furniture given on simple lease	-	-	-	-	-	-	-	-	-	-	-
Real-estate given on simple lease	-	-	-	-	-	-	-	-	-	-	-
Leases to perceive	-	-	-	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-	-
TOTAL	172 197	206 241	152 679	- 113	225 646	13 568	34 499	-	-	-	191 147

TANGIBLE AND INTANGIBLE FIXED ASSETS

(in thousand MAD)

	Gross amount at the beginning of the year	Gross reclassification of the year	Acquisitions of the year	Disposals or withdrawls of the year	Gross amount at the end of the year	Depreciation and/or Provisions					Net amount at the end of the year
						Depreciation and/or provisions at the beginning of the year	Reclassification of the year	Allowances for the year	Depreciation on fixed assets withdrawn	Total	
Intangible fixed assets	735 319	- 364	315 163	98 784	951 333	502 359	- 153	39 077	-	541 283	410 050
Leasehold rights	97 091	- 18	-	-	97 073	-	-	-	-	-	97 073
Investment in research and development	-	-	-	-	-	-	-	-	-	-	-
Other operating intangible assets	638 228	- 346	315 163	98 784	854 260	502 359	- 153	39 077	-	541 283	312 977
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-
Tangible fixed assets	9 073 898	- 10 870	684 679	123 705	9 624 001	3 930 488	- 5 120	231 618	3 535	4 153 451	5 470 550
Operating buildings	1 343 952	- 1 616	269 416	354	1 611 397	406 807	- 850	33 115	-	439 071	1 172 326
Operating land	185 362	- 284	53 862	-	238 940	-	-	-	-	-	238 940
Operating buildings offices	1 158 589	- 1 332	215 554	354	1 372 457	406 807	- 850	33 115	-	439 071	933 386
Operating buildings. Staff housing	-	-	-	-	-	-	-	-	-	-	-
Operating furniture and equipment	1 865 071	- 50	189 914	80 689	1 974 246	1 618 309	- 27	57 402	2 463	1 673 220	301 025
Operating office furniture	509 596	-	126 915	80 591	555 920	376 495	-	18 414	2 365	392 544	163 376
Operating office equipment	213 935	- 50	3 179	-	217 064	187 022	- 11	9 145	-	196 155	20 908
Computer equipment	980 028	-	38 540	-	1 018 568	932 336	- 16	17 881	-	950 201	68 367
Operating vehicles	54 397	-	20 906	-	75 303	35 725	-	8 849	-	44 574	30 729
Other operating equipment	107 115	-	375	98	107 392	86 731	-	3 113	98	89 746	17 645
Other operating tangible	2 127 861	- 5 420	73 816	-	2 196 257	1 628 385	- 46	104 056	-	1 732 396	463 861
Non operating tangible	3 737 014	- 3 784	151 533	42 663	3 842 102	276 987	- 4 197	37 045	1 071	308 764	3 533 338
Non-operating land	3 031 550	284	32 958	26 481	3 038 311	-	-	-	-	-	3 038 311
Non-operating buildings	566 287	- 4 068	108 390	16 181	654 427	168 995	- 4 197	30 950	1 071	194 677	459 750
Non-operating furniture and equipment	63 691	-	5 336	-	69 027	48 624	-	2 997	-	51 622	17 405
Other non-operating tangible fixed assets	75 487	-	4 850	-	80 337	59 368	-	3 097	-	62 465	17 871
TOTAL	9 809 217	- 11 234	999 842	222 489	10 575 335	4 432 847	- 5 273	270 695	3 535	4 694 735	5 880 600

DISPOSAL OF TANGIBLE AND INTANGIBLE FIXED ASSETS

(in thousand MAD)

Sale or withdrawal date	Nature	Gross book value	Accumulated depreciation and/or provisions	Net book value	Revenues from disposals	Capital gain on disposals	Capital loss on disposal
14/01/2019	Parc cycles	90	90	-	9	9	
22/03/2019	Office furniture	1 581	1 581	-	119	119	
04/06/2019	Parc cycles	8	8	-	1	1	
30/06/2019	Land	22 436	-	22 436	69 000	46 564	
18/07/2019	OFfice furniture	784	784	-	59	59	
18/10/2019	Office spaces	1 577	666	911	1 200	289	
27/11/2019	Villa	18 650	406	18 244	19 000	756	
		45 126	3 535	41 591	89 387	47 797	

DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

(in thousand MAD)

Debts	Bank Al-Maghrib Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco	Credit institutions abroad	TOTAL 31/12/2019	TOTAL 31/12/2018
Ordinary credit accounts	**-**	**30 877**	**387 808**	**854 223**	**1 272 908**	**851 441**
Securities pledged	**12 000 048**	**1 347 617**	**-**	**-**	**13 347 665**	**12 501 789**
- Overnight	-	-	-	-	-	
- Time	12 000 048	1 347 617	-	-	13 347 665	12 501 789
Cash Borrowings	**-**	**122 000**	**2 997 697**	**2 252 527**	**5 372 224**	**4 211 147**
- Overnight	-	67 000	38 373	554 531	659 904	590 000
- Time	-	55 000	2 959 324	1 697 996	4 712 320	3 621 147
Financial borrowings	**-**	**58 716**	**1 417 104**	**-**	**1 475 820**	**1 772 134**
Other debts	**9 212**	**399**	**56 024**	**1 074 437**	**1 140 072**	**506 730**
Payable accrued interests	**939**	**565**	**11 496**	**8 852**	**21 852**	**26 698**
TOTAL	**12 010 199**	**1 560 174**	**4 870 129**	**4 190 039**	**22 630 542**	**19 869 938**

CUSTOMER DEPOSITS

(in thousand MAD)

	Public sector	Private sector			TOTAL 31/12/2019	TOTAL 31/12/2018
		Financial companies	Non financial companies	Other companies		
Demand acredit accounts	3 238 644	1 079 335	17 588 326	57 866 802	79 773 107	73 361 105
Saving accounts	-	-	-	24 486 071	24 486 071	24 129 793
Time Deposits	1 584 239	7 185 229	1 127 891	13 461 237	23 358 596	23 482 126
Other credit accounts (*)	2 935 683	449 204	2 266 566	719 766	6 371 219	7 308 764
Payable accrued interests	25 445	109 968	19 897	296 938	452 248	477 617
TOTAL	**7 784 011**	**8 823 736**	**21 002 680**	**96 830 814**	**134 441 241**	**128 759 405**

DEBT SECURITIES ISSUED

In thousand MAD

Type of securities	Starting date	Maturity date	Characteristics Nominal unit value	Rate
CD BANK OF AFRICA- BMCE GROUP	29/03/2017	29/03/2020	2,80%	250 000,00
CD BANK OF AFRICA- BMCE GROUP	23/11/2019	23/11/2020	2,79%	134 000,00
CD BANK OF AFRICA- BMCE GROUP	18/12/2017	18/12/2020	3,00%	120 000,00
CD BANK OF AFRICA- BMCE GROUP	09/03/2018	09/03/2020	2,82%	200 000,00
CD BANK OF AFRICA- BMCE GROUP	29/03/2018	29/03/2020	2,75%	440 000,00
CD BANK OF AFRICA- BMCE GROUP	17/04/2018	17/04/2020	2,75%	185 000,00
CD BANK OF AFRICA- BMCE GROUP	28/12/2018	28/12/2020	2,90%	60 000,00
CD BANK OF AFRICA- BMCE GROUP	28/03/2019	26/03/2020	2,59%	655 000,00
CD BANK OF AFRICA- BMCE GROUP	28/03/2019	28/03/2021	2,76%	340 000,00
CD BANK OF AFRICA- BMCE GROUP	16/04/2019	14/04/2020	2,61%	255 000,00
CD BANK OF AFRICA- BMCE GROUP	16/04/2019	16/04/2021	2,74%	805 000,00
CD BANK OF AFRICA- BMCE GROUP	30/04/2019	30/04/2021	2,71%	365 000,00
CD BANK OF AFRICA- BMCE GROUP	08/05/2019	06/05/2020	2,59%	316 000,00
CD BANK OF AFRICA- BMCE GROUP	08/05/2019	08/05/2021	2,68%	15 000,00
CD BANK OF AFRICA- BMCE GROUP	29/05/2019	27/05/2020	2,60%	250 000,00
CD BANK OF AFRICA- BMCE GROUP	27/06/2019	25/06/2020	2,63%	500 000,00
CD BANK OF AFRICA- BMCE GROUP	02/08/2019	31/07/2020	2,60%	70 000,00
CD BANK OF AFRICA- BMCE GROUP	02/08/2019	02/08/2021	2,70%	160 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/2019	09/03/2020	2,45%	30 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/2019	07/09/2020	2,58%	125 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/2019	09/09/2021	2,68%	50 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/2019	09/09/2022	2,76%	225 000,00
CD BANK OF AFRICA- BMCE GROUP	10/10/2019	08/10/2020	2,57%	200 000,00
CD BANK OF AFRICA- BMCE GROUP	15/10/2019	14/01/2020	2,45%	400 000,00
CD BANK OF AFRICA- BMCE GROUP	15/10/2019	13/10/2020	2,57%	388 000,00
CD BANK OF AFRICA- BMCE GROUP	15/10/2019	15/10/2022	2,79%	765 000,00
CD BANK OF AFRICA- BMCE GROUP	03/12/2019	02/06/2020	2,55%	252 300,00
CD BANK OF AFRICA- BMCE GROUP	03/12/2019	01/12/2020	2,58%	244 000,00
CD BANK OF AFRICA- BMCE GROUP	03/12/2019	03/12/2021	2,67%	350 000,00
CD BANK OF AFRICA- BMCE GROUP	03/12/2019	03/12/2022	2,75%	615 000,00
TOTAL				**8 764 300**

DETAIL OF OTHER LIABILITIES

(in thousand MAD)

	31/12/2019	31/12/2018
Provisions, deducted from assets, on :	**- 37 162**	**- 2 172**
Loans to credit institutions and equivalent	**187 427**	**1 025 665**
Loans and advances to customers	**1 590 158**	**1 345 519**
Doubtful interest	1 232 875	1 024 003
Marketable securities	45 153	54 221
Equity investments and equivalent assets	178 784	159 063
Leased and rented fixed assets	12	3 674
Other assets	418	12 973
Provisions Recorded under liabilities	132 916	91 585
Provisions for risks of fulfilment of commitments	**2 227 712**	**2 358 474**
Contingent liabilities	2 578	14 893
Provisions for general risks	-	-
Provisions for retirement pensions and similar obliga-	-	-
tions	290 130	303
Other contingent liabilities (E.C)	281 298	308 871
Regulated provisions	1 653 706	2 034 407
TOTAL	**3 968 135**	**4 727 486**

PROVISION

(in thousand MAD)

	Amount 31/12/2018	Allowances	Write back	Other changes	Outstanding 31/12/2019
Provisions, deducted from assets, on :	**6 205 240**	**1 001 317**	**1 138 204**	**5 876**	**6 062 477**
Loans to credit institutions and equivalent	58 616		7 000		51 616
Loans and advances to customers	5 557 148	857 823	1 120 394	243	5 294 334
Doubtful interest	27 502	95 812	10	-	123 304
Marketable securities	10 149	42 962	10 282	- 133	42 962
Equity investments and equivalent assets	550 908	4 720		5 758	549 870
Leased and rented fixed assets	-	-	-		-
Other assets	916	-	518	8	390
Provisions Recorded under liabilities	**863 291**	**308 318**	**54 270**	**4**	**1 117 335**
Provisions for risks of fulfilment of commitments	55 985	792	44 289		12 488
Contingent liabilities	-	-	-	-	-
Provisions for general risks	778 855	295 747	-	-	1 074 602
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	28 451	11 779	9 981	4	30 245
Regulated provisions	-	-	-	-	-
TOTAL	**7 068 531**	**1 309 635**	**1 192 474**	**5 880**	**7 179 812**

SUBORDINATED DEBTS

(in thousand MAD)

Currency	Debt amount	Closing exchange rate	Interest rate	Term anticipated	Conditions for Montant reimbursement, subordinated and convertibility	Debt amount in thousands MAD
MAD	150 000	1	6,95%	Perpetual		150 000
MAD	850 000	1	4,44%	Perpetual		850 000
MAD	950 000	1	3,37%	Perpetual		950 000
MAD	50 000	1	5,30%	Perpetual		50 000
MAD	160 000	1	6,18%	10 years		160 000
MAD	50 000	1	6,18%	10 years		50 000
MAD	790 000	1	3,63%	10 years		790 000
MAD	154 500	1	5,64%	10 years		154 500
MAD	845 500	1	3,51%	10 years		845 500
MAD	626 000	1	4,74%	10 years		626 000
MAD	1 374 000	1	3,46%	10 years		1 374 000
MAD	447 200	1	3,74%	10 years		447 200
MAD	78 900	1	3,74%	10 years		78 900
MAD	1 473 900	1	3,28%	10 years		1 473 900
MAD	200 000	1	7,05%	Perpetual		200 000
MAD	800 000	1	5,62%	Perpetual		800 000
MAD	400 000	1	3,29%	5 years		400 000
						9 400 000

SHAREHOLDER'S EQUITY

(in thousand MAD)

	Amount 31/12/2018	Allocation of earning	Other changes	Outstanding 31/12/2019
Revaluation reserve	**-**	**-**	**-**	**-**
Additional paid-in capital	**12 571 143**	**446 300**	**3 457 422**	**16 474 866**
Legal reseve	460 306	-	-	460 306
Other reserves	7 204 419	446 300	- 3 280	7 647 439
Issuance, merger and contribution premiums	4 906 418	-	3 460 702	8 367 120
Capital	**1 794 634**	**-**	**203 571**	**1 998 205**
Called-up capital	1 794 634	-	203 571	1 998 205
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	**-**	**-**	**-**	**-**
Retained earnings (+/-)	**37**	**38**	**-**	**75**
Net earnings being appropriated (+/-)	**-**	**-**	**-**	**-**
Net earnings for fiscal year(+/-)	**1 343 654**	**- 1 343 654**	**-**	**1 371 848**
TOTAL	**15 709 468**	**- 897 316**	**3 660 993**	**19 844 993**

FINANCING AND GUARANTEE COMMITMENTS

(In thousand MAD)

	31/12/2019	31/12/2018
Financing and guarantee commitments given	**19 275 490**	**19 338 903**
Financing commitments on behalf of credit institutions and equivalent	**182 310**	**628 306**
- Import letters of credit	-	-
- Payment acceptances or commitments	-	-
- Opening of confirmed credit	182 310	628 306
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	-	-
Financing commitments on behalf of customers	**6 217 752**	**4 828 204**
- Import letters of credit	2 538 217	1 966 305
- Payment acceptances or commitments	766 203	482 908
- Opening of confirmed credit	1 539 861	1 246 318
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	6 859	67 437
- Other financing commitments given	1 366 613	1 065 235
Guarantee commitments for credit institutions and equivalent	**2 742 845**	**3 587 105**
- Confirmed export letters of credit	3 942	19 098
- Payment acceptances or commitments	3 503	3 096
- Credit guarantees given	-	-
- Other securities, endorsments and guarantees given	492 334	285 906
- Non performing commitments	2 243 066	3 279 005
Guarantee commitments for customers	**10 132 583**	**10 295 288**
- Credit guarantees given		-
- Securities and guarantees given on behalf of the public administration	6 321 773	6 313 050
- Other securities and guarantees given	3 810 810	3 982 238
- Non performing commitments		-
Financing and guarantee commitments received	**13 300 148**	**17 965 237**
Financing commitments received from credit institutions and equivalent	**-**	**-**
- Opening of confirmed credit	-	-
- Substitution commitments on issuing of securities	-	-
- Other financing commitments received	-	-
Guarantee commitments received from credit institutions and equivalent	**11 315 888**	**16 072 674**
- Credit guarantees	2 285 546	2 304 661
- Other guarantees received	9 030 342	13 768 013
Guarantee commitments received from the state and other guarantee institutions	**1 984 260**	**1 892 563**
- Credit guarantees	1 135 773	655 773
- Other guarantees received	848 487	1 236 790

COMMITMENTS ON SECURITIES

(In thousand MAD)

	Montant
Given commitments	**170 751**
Securities repos purchased	78 357
Other securities to be delivered	92 394
Received commitments	**393**
Securities repos sold	-
Other securities to be received	393

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES

(In thousand MAD)

	Holding transaction		Other transaction	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Forward exchange transactions	**26 050 310**	**22 776 744**	**-**	**-**
Currency to be received	8 991 084	5 364 223	-	-
Currency to be delivered	5 506 159	2 265 582	-	-
Dirhams to be received	7 485 710	9 069 748	-	-
Dirhams to be delivered	4 067 357	6 077 191	-	-
Of which financial currency swaps	-	-	-	
Commitments on derivatives	**2 593 504**	**2 747 533**	**-**	**-**
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	1 512 474	1 545 629	-	-
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	-	162 029	5 001	-
Commitments on regulated markets for other instruments	-	-	-	-
Commitments on OTC markets for other instruments	1 081 030	1 039 875	-	-

SECURITIES RECEIVED AND GIVEN AS COLLATERAL

(In thousand MAD)

Securities received as collateral	Net book value	Loans or given committments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	10 689 746		
Other securities	6 578 493		
Mortgages	94 246 843		
Other securities received as collateral	231 586 205		
TOTAL	**343 101 287**		

Securities given as collateral	Net book value	Loans or given committments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	12 000 048		
Other securities	776 934		
Mortgages			
Other securities received as collateral			
TOTAL	**12 776 982**		

BREAKDOWN OF USES AND RESOURCES ACCORDING TO RESIDUAL MATURITIES

(In thousand MAD)

	D < 1 month	1 month < D ≤ 3 month	3 month < D ≤ 1 year	1 an < D ≤ 5 year	D > 5 year	TOTAL
ASSETS						
Loans to credit institutions and equivalent	2 486 882	4 716 219	2 464 782	3 556 938	1 185 672	14 410 492
Loans and advances to customers	23 473 320	8 540 028	11 678 966	37 276 516	34 913 275	115 882 105
Debt securities	2 225 611	15 130		26 592		2 267 333
Subordinated loans	2 678 858	93 001	4 161 479	5 965 530	2 214 280	15 113 148
Leasing and equivalent	-	-	-	-	190 532	190 532
TOTAL	**30 864 670**	**13 364 378**	**18 305 227**	**46 825 576**	**38 503 758**	**147 863 610**
LIABILITIES						
Liabilities to credit institutions and equivalent	13 536 648	4 587 491	2 235 118	309 279	7 340	20 675 876
Debts to customers	5 330 470	6 358 536	10 289 994	1 262 412	117 185	23 358 597
Debt securities issued	-	630 000	4 264 300	3 870 000	500 000	9 264 300
Subordinated borrowings	-	-	-	-	9 400 000	9 400 000
TOTAL	**18 867 118**	**11 576 026**	**16 789 413**	**5 441 691**	**10 024 525**	**62 698 773**

CONCENTRATION OF RISK ON THE SAME BENEFICIARY

(In thousand MAD)

Number	Total amount of risks	Amount of risk by passing 10% of capital		
		Operating loans	Contracting loans	Amount of securities held in the capital of the beneficiary
13	34 238 786	26 887 901	2 867 186	535 674

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY

(In thousand MAD)

	AMOUNT
ASSETS	**35 567 049**
Cash, central banks, treasury, giro accounts	266 354
Loans to credit institutions and equivalent	16 906 071
Loans and advances to customers	7 932 205
Transaction, marketable and investment securities	4 712 865
Other assets	142 094
Equity investments and equivalent uses	5 340 406
Subordinated loans	190 532
Fixed assets leased and rented	73 673
Intangible and tangible fixed assets	2 849
LIABILITIES	**27 968 933**
Central banks, treasury, giro accounts	-
Liabilities to credit institutions and equivalent	20 730 221
Customer deposits	6 623 146
Debt securities issued	595 419
Other liabilities	20 147
Subordinated debts	-
Subsidies, assigned public funds and special guarantee funds	-
OFF-BALANCE SHEET	-
Given commitment	5 434 850
Received commitment	1 680 054

NET INTEREST INCOME

(In thousand MAD)

	31/12/2019	31/12/2018
Interest received	**6 740 094**	**6 830 615**
Interest and similar income on transactions with credit institutions	761 414	702 881
Interest and similar income on transactions with customers	5 467 179	5 625 747
Interest and similar income on debt securities	511 501	501 987
Interest paid	**2 816 319**	**2 840 008**
Interest and similar fees on transactions with credit institutions	1 279 079	993 554
Interest and similar fees on transactions with customers	1 282 212	1 450 090
Interest and similar fees on debt securities	255 028	396 364

NON-PERFORMING LOANS TO SOCIAL CUSTOMERS

(In thousand MAD)

	31/12/2019		31/12/2018	
	Credit lines	Provisions for credit lines	Credit lines	Provisions for credit lines
Pre-doubtful loans	583 342	63 330	446 206	49 482
Non performing loans	2 123 458	1 057 483	1 423 937	789 843
Doubtful debts	5 897 572	4 348 445	6 235 597	4 803 940
TOTAL	**8 604 372**	**5 469 259**	**8 105 740**	**5 643 265**

REVENUES FROM INVESTMENT SECURITIES

(In thousand MAD)

	31/12/2019	31/12/2018
Equity Securities	14 630	10 596
Equity in affiliates	561 465	595 686
Equity in portfolio	2 914	5 535
Other securities	79 074	87 395
TOTAL	658 083	699 212

COMMISSIONS

(In thousand MAD)

	31/12/2019	31/12/2018
Fees received	**1 570 234**	**1 450 018**
On transactions with credit institutions		-
On transactions with customers	446 240	454 438
Concerning operations on the primary securities markets	304 758	260 197
On derivatives	45 575	43 829
On transactions on securities under management and custody	-	-
On means of payment	23 963	24 458
On consulting and assistance	417 736	387 641
On sales of insurance products	-	-
On other services	52 733	41 101
Fees paid	279 229	238 354
On transactions with credit institutions	**404 709**	**357 368**
On transactions with customers		-
Concerning operations on the primary securities markets		-
On derivatives	137 641	143 362
On transactions on securities under management and custody	-	-
On means of payment	13	19
On consulting and assistance	15 278	126 154
On sales of insurance products	95 220	87 833
On other services		-
On sales of insurance products		-
On other services	156 557	-

INCOME FROM MARKET TRANSACTIONS

(in thousand MAD)

	31/12/2019	31/12/2018
Revenues	**2 160 064**	**1 598 741**
Gains on transactions securities	1 058 990	550 621
Capital gains on disposals of marketable securities	21 993	6 328
Provision write-backs on depreciation of marketable securities	10 282	5 151
Gains on derivatives	112 851	107 139
Gains on exchange transactions	955 948	929 502
Expenses	**1 166 882**	**1 098 741**
Losses on transaction securities	315 014	287 824
Capital losses on disposals of marketable securities	4 246	64 550
Provisions for depreciation of marketale securities	42 962	10 306
Losses on derivatives	243 165	167 909
Losses on exchange transactions	561 495	568 152
Earning	**993 181**	**500 000**

GENERAL OPERATING EXPENSES

(in thousand MAD)

	31/12/2019	31/12/2018
Staff expenses	1 631 096	1 603 716
Taxes	117 836	105 306
External expenses	1 626 313	1 637 136
Allowances for depreciation and provision for intangible and tangible fixed assets	270 695	248 735

OTHER REVENUES AND EXPENSES

(in thousand MAD)

	31/12/2019	31/12/2018
Revenues and expenses		
Other banking revenues and expenses	626 336	133 941
Other banking revenues	2 464 820	1 858 940
Other banking expenses	1 838 484	1 724 999
Non-banking operating revenues and expenses	**126 892**	**228 023**
Non-banking operating revenues	190 578	239 596
Non-banking operating expenses	63 685	11 573
Other expenses		
Allowances for provisions and loan losses	2 122 518	1 119 460
Other revenues		
Provision write-backs and recoveries on amortised debts	1 212 727	330 158

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS

(in thousand MAD)

	Montant
I- Net book earning	
Net gain	***1 371 848***
Net loss	
II- Tax reintegration	**1 445 035**
1- Current	***163 155***
Non-deductible expenses	57 312
Provision for general risks	105 843
2- Non-current	***640 940***
Corporate taxes	**640 940**
III- Tax deductions	**586 420**
1- Current	
Dividendes	586 420
2- Non-current	
VI- Net income tax	**2 230 463**
Corporate taxes	**640 940**
VI- Net income tax	
Provisions Write-backs for investments	

DETERMINATION OF CURRENT EARNINGS AFTER-TAX

(in thousand MAD)

I- EARNINGS DETERMINATION	MONTANT
Current earnings according to the income statement	2 047 890
(+) Tax reintegration to current transactions	163 155
(-) Tax deductions on current transactions	586 420
(=) Current earnings theoretically taxable	1 624 625
(-) Theoretical tax on current earnings	601 111
(=) Current earnings after tax	1 446 779
II. INDICATIONS OF THE TAX SYSTEM AND THE INCENTIVES GRANTED BY THE INVESTMENT CODES OR BY SPECIFIC PROVISIONS	

DETAIL ON VALUE ADD TAX

(in thousand MAD)

CATEGORY	Balance at the beginning of the fiscal year 1	Accounting operations of the fiscal year 2	VAT claims for the fiscal year 3	VAT claims for the end of the fiscal year (4=1+2-3)
A. VAT Collected	**100 013**	**643 693**	**646 483**	**97 223**
B. VAT to be Recovered	**53 030**	**441 098**	**442 020**	**52 107**
* On expenses	44 815	397 820	393 447	49 189
* On fixed assets	8 214	43 278	48 573	2 919
C. T.V.A = (A - B)	**46 983**	**202 595**	**204 463**	**45 116**

DISTRIBUTION OF THE SHARE CAPITAL

AMOUNT OF THE CAPITAL : 1 998 204 600 DH

NOMINAL VALUE : 10 MAD

(in thousand MAD)

Name of the main shareholders	Address	Number of shares Preivous year	Number of shares Current year	(%) of capital held	(%) of voting rights
A- Moroccan shareholders					
Royale Marocaine d'Assurances	83, Avenue de l'Armée Royale 20000 - Casablanca	53 600 192	55 964 419	28,01%	28,01%
Holding Benjelloun Mezian	67-69, Avenue de l'Armée Royale 20000 - Casablanca	-	1 111 218	0,56%	0,56%
Societe Financiere du Crédit du Maghreb	67-69, Avenue de l'Armée Royale 20000 - Casablanca	1 159 205	1 746 960	0,87%	0,87%
FINANCECOM	81-83, Avenue de l'Armée Royale 20000 - Casablanca	10 453 351	11 580 100	5,80%	5,80%
Caisse Interprofessionnelle Marocaine de Retraites	100, Boulevard Abdelmoumen-20340-Casablanca	7 371 263	7 803 996	3,91%	3,91%
Caisse de Dépôt et de Géstion	Place Moulay El Hassan - Ex piétri -BP 408 - Rabat	15 638 328	16 556 383	8,29%	8,29%
Groupe MAMDA/MCMA	Angle Avenue Mohammed VI et Rue Houmane El Fatouaki - Rabat	9 395 940	9 947 519	4,98%	4,98%
Personnel BANK OF AFRICA - BMCE Group		2 452 440	2 258 693	1,13%	1,13%
SBVC et divers		32 363 617	33 154 821	16,59%	16,59%
TOTAL (1)		132 434 336	140 124 109	70,13%	70,13%
B- Foreigh shareholders					
Banque Fédérative du Crédit Mutuel	4 Rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg - France	47 029 054	48 972 796	24,51%	24,51%
CDC Group Plc	123, Victoria street, Londres SW1E 6DE, Royaume-Uni	-	10 723 555	5,37%	5,37%
TOTAL (2)		47 029 054	59 696 351	29,87%	29,87%
TOTAL		**179 463 390**	**199 820 460**	**100%**	**100%**

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR

(in thousand MAD)

A- Origin of the earnings allocated	Amount	B- Income allocation	Montant
Decision of: 28 May 2019			
Retained earnings	37	Legal reserves	-
Net earnings being allocated	-	Dividends	897 317
Net earnings for the fiscal year	1 343 654	Other allocations	446 374
Withdrawals from earnings	-		
Other withdrawals	-		
TOTAL A	**1 343 691**	**TOTAL B**	**1 343 691**

EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS

(in thousand MAD)

	31/12/2019	31/12/2018	31/12/2017
Equity capital and equivalent	**29 435 162**	**25 294 339**	**26 683 739**
Operations and earnings for the fiscal year			-
1- Net banking income	6 476 729	6 019 305	6 208 130
2- Pre-tax earnings	2 012 790	1 863 133	1 938 774
3- Corporate tax	640 940	519 477	608 137
4- Dividends distributed	897 317	897 317	897 317
5- Earnings not distributed	446 300	590 800	427 700
Earnings per share (in MAD)		-	-
Net earnings per share	6,87	7,49	8,29
Earnings distributed per share	5	5	5
Staff		-	-
Gross remunerations for the year	1 631 096	1 603 716	1 611 041
Average number of staff employed during the fiscal year	5 099	5 328	5 370

DATING AND SUBSEQUENT EVENTS

(in thousand MAD)

I- DATING	
Date of the end of the fiscal year (1)	31/12/2019
Date of financial statements performance (2)	
(1) Justification in case of a change in the date of the end of the fiscal year	
(2) Justification in case of an overrun on the statutory period of three months allowed for drawing up the financial statements	
II. EVENTS OCCURRING SUBSEQUENT TO THE END OF THE FISCAL YEAR NOT CHARGED TO THIS YEAR AND KNOWN BEFORE THE 1ST EXTERNAL DISCLOSURE OF THE FINANCIAL STATEMENTS	
Dates	Event's Indication
	Favorable
	Unfavorable

STAFF NUMBERS

(In number)

	31/12/2019	31/12/2018
Staff remunerated	5 099	5 328
Staff employed	5 099	5 328
Equivalent full time staff	5 099	5 328
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	4953	5 147
Employees (full-time equivalent)	94	181
Of which employees working abroad	52	51

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR UNDER CUSTODY

(in thousand MAD)

	Number of accounts		Amounts	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Securities of which the institution is custodian	38 343	37 091	227 531 051	216 069 197
Securities managed under mandate		-		-
Mutual funds of which the institution is custodian	92	88	108 546 820	101 381 421
Mutual funds managed under mandate	-	-	-	-
Other assets of which the institution is custodian	-	-	-	-
Other assets managed under mandate	-	-	-	-

NETWORK

(In number)

	31/12/2019	31/12/2018
Permanent branches	735	736
Temporary branches	-	-
ATMs	887	883
Main branches and branches abroad	41	41
Representative offices abroad	5	5

NUMBER OF CUSTOMER ACCOUNTS

(In number)

	31/12/2019	31/12/2018
Customer accounts	122 624	118 211
Current accounts	238 666	285 455
Check accounts excluding Moroccan expatriates	1 317 982	1 274 498
Factoring accounts	-	-
Savings accounts	832 251	931 516
Time deposits	9 016	9 606
Interest-bearing notes	1 549	1 563
Other desposit accounts	-	-

BALANCE SHEET

(in thousand MAD)

ASSETS	31/12/2019	31/12/2018
Cash, central banks, treasury, giro accounts	**2 332**	**1 917**
Loans to credit institutions and equivalent	**5 894 899**	**5 219 273**
. Demand	928 663	583 840
. Time	4 966 236	4 635 433
Loans and advances to customers	**3 910 009**	**2 563 111**
. Cash and consumer loans	673 805	157 581
. Equipment loans	3 236 204	2 405 530
. Mortgage loans	-	-
. Other loans	-	-
Advances acquired by factoring	**-**	**-**
Transaction and marketable securities	**1 995 953**	**1 237 791**
. Treasury bonds and equivalent securities	1 887 787	1 065 446
. Other debt securities	-	20 000
. Title deeds	108 166	152 345
. Sukuks Certificates	-	-
Other assets	**505 802**	**356 423**
Investment securities	**1 321 903**	**1 704 611**
. Treasury bonds and equivalent securities	-	-
. Other debt securities	1 321 903	1 704 611
. Sukuks Certificates	-	-
Equity investments and equivalent uses	**-**	**-**
. Investments in joint ventures	-	-
. Other equity securities and similar assets	-	-
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	**-**	**-**
Placed investment deposits	**-**	**-**
Leased and rented fixed assets	**73 673**	**19 505**
Ijara leased assets	**-**	**-**
Intangible fixed assets	**2 037**	**2 463**
Tangible fixed assets	**812**	**1 124**
TOTAL ASSETS	13 707 423	11 106 218

(in thousand MAD)

LIABILITIES	31/12/2019	31/12/2018
Central banks, treasury, giro accounts	**-**	**-**
Liabilities to credit institutions and equivalent	**11 342 536**	**8 912 750**
. Demand	524 440	278 659
. Time	10 818 096	8 634 091
Customer deposits	**1 646 838**	**1 489 600**
. Demand deposits	1 267 308	1 164 887
. Savings deposits	-	-
. Time deposits	335 204	274 211
. Other deposits	44 326	50 502
Customer borrowings and deposits on participatory products	**-**	**-**
Debt securities issued	**-**	**-**
. Negotiable debt securities	-	-
. Bond loans	-	-
. Other debt securities issued	-	-
Other liabilities	**462 790**	**379 135**
Provisions for liabilities and charges	**565**	**568**
Regulated provisions	**-**	**-**
Subsidies, assigned public funds and special guarantee funds	**-**	**-**
Subordinated debts	**-**	**-**
Received investment deposits	**-**	**-**
Revaluation reserve	**-**	**-**
Reserves and premiums related to capital	**112 079**	**112 170**
Capital	**4 797**	**4 783**
Shareholders unpaid-up capital (-)	**-**	**-**
Retained earnings (+/-)	**-**	**-**
Net earnings being appropriated (+/-)	**-**	**-**
Net earnings for the year (+/-)	**137 819**	**207 212**
TOTAL LIABILITIES	13 707 423	11 106 218

OFF-BALANCE SHEET

(in thousand MAD)

	31/12/2019	31/12/2018
Given commitments	**658 167**	**1 313 822**
Financing commitments on behalf of credit institutions and equivalent	-	-
Financing commitments on behalf of customers	7 869	65 438
Guarantee commitments given to credit institutions and equivalent	544 923	656 734
Guarantee commitments given to customers	105 375	24 221
Securities repos purchased	-	-
Other securities to be delivered	-	567 429
Received commitments	**1 620 849**	**1 559 081**
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	1 082 837	686 024
Guarantee commitments received from the State and various guarantee bodies	538 012	657 065
Securities repos sold	-	-
Other securities to be received	-	215 992
Moucharaka and Moudaraba securities to be received	-	-

STATEMENT OF INCOME AND EXPENSES

(in thousand MAD)

	31/12/2019	31/12/2018
BANK OPERATING INCOME	**736 859**	**793 399**
Interests and assimilated revenues on transactions with credit institutions	278 044	267 861
Interests and assimilated revenues on transactions with customers	129 645	103 464
Interests and assimilated revenues on debt securities	125 448	145 756
Revenue from property securities (1) and Sukuks certificates	1 573	2 102
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	777	793
Revenue from leased assets (Ijara)	-	-
Fees on provided services	9 579	13 200
Other banking revenues	191 793	260 223
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	**482 349**	**462 247**
Interests and assimilated expenses on transactions with credit institutions	285 835	172 860
Interests and assimilated expenses on transactions with customers	12 171	9 714
Interests and assimilated expenses on debt securities issued	-	-
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	1 279	-
Expenses from leased assets (Ijara)	-	-
Other banking expenses	183 064	279 673
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	**254 510**	**331 152**
Non-banking operating revenues	-	122
Non-banking operating expenses	10	-
GENERAL OPERATING EXPENSES	**6 230**	**6 351**
Staff expenses	3 520	3 662
Tax expenses	-	-
External expenses	1 687	1 546
Other general operating expenses	-	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	1 023	1 143
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	**21 524**	**12**
Allowances for non performing loans and commitments	-	-
Loan losses	44	12
Other allowances for provisions	21 480	-
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	**518**	**562**
Provision write-backs on non performing loans and commitments	-	-
Recovery on amortised debts	-	-
Other provision write-backs	518	562
CURRENT INCOME	**227 264**	**325 473**
Non-current revenues	-	-
Non-current expenses	7 991	-
PRE-TAX EARNINGS	**219 273**	**325 473**
Corporate tax	81 456	118 261
NET EARNINGS FOR THE YEAR	**137 819**	**207 212**

EARNINGS FORMATION TABLE

(in thousand MAD)

	31/12/2019	31/12/2018
(+) Interests and equivalent revenues	533 136	517 081
(-) Interests and equivalent expenses	298 006	182 574
NET INTEREST INCOME	**235 130**	**334 507**
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	**-**	**-**
(+) Profit from leasing and renting operations	777	793
(-) Expenses from leasing and renting operations	1 279	-
INCOME FROM LEASING AND RENTAL OPERATIONS	**- 502**	**793**
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
INCOME FROM IJARA OPERATION (1)	**-**	**-**
(+) Fees received	10 076	13 557
(-) Fees paid	1 551	1 359
FEE INCOME (1)	**8 525**	**12 198**
(+) Income from trading securities	- 17 647	20 161
(+) Income from investment securities	- 14 934	- 63 377
(+) Income from payload operations	32 879	26 512
(+) Income from by-product operation	9 693	- 1 743
INCOME FROM MARKET TRANSACTIONS (1)	**9 991**	**- 18 447**
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	1 574	2 102
(-) other banking expenses	206	-
(+/-) HOLDERS' SHARE IN INVESTMENT DEPOSIT ACCOUNTS	**-**	**-**
NET BANKING INCOME	**254 512**	**331 153**
(+) Income from financial asset operations (2)	518	562
(+) Other non-banking operating revenues	-	122
(-) Other non-banking operating expenses	10	-
(-) General operating expenses	6 230	6 351
GROSS OPERATING INCOME	**248 790**	**325 486**
(+) Allowances for non performing loans and commitments (net of write-backs)	- 44	- 13
(+) Other allowances net of provision write-backs	- 21 480	-
CURRENT INCOME	**227 266**	**325 473**
NON-CURRENT INCOME	**- 7 991**	**-**
(-) Corporate tax	81 456	118 261
NET EARNINGS FOR THE YEAR	**137 819**	**207 212**

CASH-FLOW	31/12/2019	31/12/2018
(+) NET EARNINGS FOR THE YEAR	**137 819**	**207 212**
(+) Allowances for depreciation and provisions for intangible and tangible fixed assets	1 023	1 143
(+) Allowances for provisions for equity investments depreciation	-	-
(+) Allowances for provisions for general risks	-	-
(+) Allowances for regulated provisions	-	-
(+) Non-current allowances	-	-
(-) Provision write-backs	518	562
(-) Capital gains on disposals of intangible and tangible fixed assets	-	-
(+) Capital losses on disposals of intangible and tangible fixed assets	-	-
(-) Capital gains on disposals of equity investments	-	-
(+) Capital losses on disposals of equity investments	-	-
(-) Write-backs of investment subsidies received	-	-
(+) FINANCING	**138 324**	**207 793**
(-) Dividends distributed	-	-
(+) CASH-FLOW	**138 324**	**207 793**

FEES PAID TO THE STATUTORY AUDITORS 2017-2019

	Ernst & Young					
	Amount per year			% per year		
	2019	2018	2017	2019	2018	2017
Statutory audit	1 548 000	1 548 000	1 548 000	81%	40%	59%
Other services relating to the statutory auditors' assignment*	359 216	2 295 276	1 080 192	19%	60%	41%
Other services provided	0	0	0	0%	0%	0%
TOTAL	**1 907 216**	**3 843 276**	**2 628 192**	**100%**	**100%**	**100%**

	KPMG					
	Amount per year			% per year		
	2019	2018	2017	2019	2018	2017
Statutory audit	1 548 000	1 548 000	1 548 000	91%	71%	93%
Other services relating to the statutory auditors' assignment*	144 000	624 000	120 000	9%	29%	7%
Other services provided	0	0	0	0%	0%	0%
TOTAL	**1 692 000**	**2 172 000**	**1 668 000**	**100%**	**100%**	**100%**

* For 2018, additional services carried out by EY relate primarily to the IFRS 9 FTA impact amounting to MAD 1.5 million and the end-March quarterly review for MAD 0.3 million

RISK CONTROL BODIES

Group Risk Management

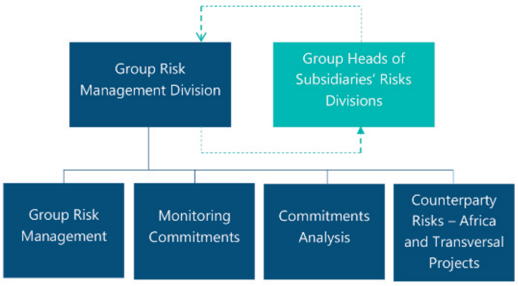
One of the missions assigned to the Group Risk Management is to strengthen the monitoring and control of credit, market, country and operational risks. It is also responsible for:

- Defining BANK OF AFRICA Group's risk policy ;
- Definition and management taking and monitoring of commitments ;
- Implementing of a credit risks control system, market transactions and operational risks ;

The Group Risk Management is composed of four entities :

- Group Risk Management
- Monitoring Commitments
- Commitments Analysis
- Counterparty risks - Africa & transversal projects

GOVERNANCE BODIES



Group Risk Committee

The Group Risk Committee BANK OF AFRICA is an instance from the Board of Directors of BANK OF AFRICA, whose prerogatives are extended to direct and indirect subsidiaries included in the scope of consolidation of the Group.

This Committee assists the Board on strategy and risk management, including ensuring that the global risk strategy is adapted to the risk profile of the bank and the Group, to the degree of risk aversion, its systemic importance, its size and its financial basis.

Group Audit and Internal Control committee

BANK OF AFRICA Group's Audit and Internal Control Committee is an instance from the Board of Directors of BANK OF AFRICA, whose prerogatives are extended to subsidiaries and other entities included in the scope of consolidation.

Group Audit and Internal Control Committee assists the Board of Directors on internal control, by ensuring the existence and maintenance of an internal control system adapted to the Group's organization, the reliability of financial information intended for the Board of Directors and third parties, the examination of the corporate and consolidated accounts before their submission to the Board of Directors.

General Management Committee

The Group Management Committee is responsible for the declination in equity and operational measures of the Group's strategy and monitoring.

This Committee, whose periodicity is weekly, has main tasks the management of the business of the bank, the conduct of internal control and risk management, monitoring the HR component, commercial communication policy, institutional and financial

The Steering Committee and Group Risk Management

After the BANK OF AFRICA Group's General Management Committee, the Steering Committee and Risk Management assists in the management and monitoring of effective and operational of piloting device Group risks (BANK OF AFRICA S.A and its direct and indirect subsidiaries) and the consistency of Group activities with the policies fixed of risks and limitations:

This Committee ensures the efficiency of the piloting device of the risks (credit, market, country and operational) and its adequacy with the level of risk appetite defined within the framework of the risk management policy.

Credit Committees

Senior Credit Committee

The Senior Credit Committee reviews and approves, on a weekly basis, credit applications from customers of the Bank and of the Group within its delegated powers. Operating rules and powers differ depending on the degree of risk incurred as well as the nature of the Bank's credit portfolio segment in question - Business, Corporate or Personal & Professional Banking customers.

The Credit Committee's scope also covers Group entities. It assesses and issues, via the Senior Credit Committee - Group Entities, decisions regarding risk-taking with regard to certain counterparties or groups of counterparties within the banking and trading portfolio in respect of domestic operations as well as for individual counterparties in respect of overseas operations based on predefined thresholds by subsidiary.

This committee is chaired by the Bank's Chairman and Chief Executive Officer with the Group Executive Managing Director. It is sub-divided by market segment into two committees, one specialising in Corporate Banking, the other in Personal and Professional Banking. These committees meet twice-weekly and include senior managers of the Bank.

Regional Credit Committee

The Regional Credit Committee (CCR) enjoys delegated powers enabling it to rule on counterparties at a regional level in accordance with the existing scheme of delegation. The Committee meets on a weekly basis. Each region's Regional Director decides on when the CCR will meet and informs all members accordingly.

Regional Directors decide on meeting dates and inform committee members.

Loan Commitments Monitoring Committee (CSE)

As part of its portfolio monitoring remit, the Loan Commitments Monitoring Committee (CSE) (at head office or on a select basis) meets on a monthly basis to follow up on the various initiatives implemented for the purpose of resolving, recovering and cleaning-up accounts showing anomalies. The Committee also reviews customer dossiers that are eligible for downgrade and decides on what action to take.

Bodies responsible for following up and monitoring, operating at four levels, three of which are at head office, oversee the process of monitoring the loan commitments situation.

CREDIT RISK

The Bank's credit activity is part of the general credit policy approved by the Bank's senior management. Among the guiding principles include the Group's requirement related to ethics, attribution of responsibilities, the existence and adherence to procedures and rigour in risk analysis.

This policy is available in specific policies and procedures appropriate to the nature of activities and counterparties.

Credit decision cycle

General principles

The approval process at BANK OF AFRICA Group level respects the "Troïka" principle and is based on the following principles:

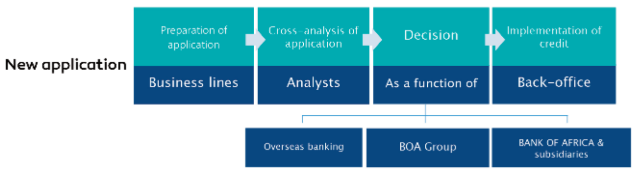
- All credit requests adhere to the same approval process which ensures that the Troïka principle is respected (minimum requirement). Therefore, at least 3 people, one of which is from the Risk Division, should approve all credit requests except for some predefined specific cases;

- The decision, jointly taken by the Risk and Commercial Divisions – which includes at least one preliminary counterfactual analysis – applies to the applications assigned to the local decision committees as well as to the central decision committees. This involves a multi-level pyramid structure, where the higher level acts as an arbitrator in the event that consensus is not reached;

- The Risk Division can use the escalation procedure (n+1) if there is a disagreement with the Commercial Division.

Credit approval process

The following diagram provides an overview of the credit approval process :



- The Commercial Division in charge of customer relations is responsible for preparing the credit application;
- Counterfactual analysis of the credit application is performed by credit analysts from the entity's Risk Division;
- The decision is jointly taken by the Risk and Commercial Divisions, based on their respective levels of delegation;
- The loan is actually implemented by the back-office, which is a unit independent from the Risk and Commercial Divisions.

Decision making and choice of circuits

In order to facilitate the reporting exercise, the principle of a single decision for each credit proposal should be respected.

Credit decisions are made either by circulation file, or by holding a Credit Committee, via a manual or electronic process.

Delegation

The credit decision process is based on a delegation system whereby an entity's Board of Directors delegates powers to its employees or a group of employees by setting limits, as it sees fit.

The delegation may in turn involve a sub-delegation depending on the organisation, volume, products and risks.

The delegation of authority to employees is assigned intuitu personae on the basis of their decision-making ability, experience, personal skills, professional skills and training.

Approval rules

The credit approval decision is sent for consideration to the Troïka or to Credit Committees depending on the approval levels required.

The present delegation system defines the following decision levels:

- At local branch level;
- At "hub" level (BOA Group and Europe);
- At central BANK OF AFRICA level.

The local branch level may involve a sub-delegation depending on the entity's organisation, volume, products and risks.

Credit application contents

All requests for obtaining credit should meet the product's eligibility criteria as defined in the product factsheets. All credit decisions are taken on the basis of a standard credit application whose format is defined in consultation with the Commercial Division and Risk concerned and in coordination with the Group Risk Division.

A credit application is prepared for each counterparty or transaction to which the entity wishes to make a commitment or for which the entity has already made a commitment in the case of an annual review or renewal. This is done on the basis of the documents mentioned in the product checklist and provided by the client.

The document checklist to be sent by the client and the analysis form should be identical to the one at Group level and these will be modified based on the type of credit. The contents of the credit application should provide the decision-makers with the necessary information as well as the quantitative and qualitative analysis required for taking the credit decision.

The Commercial Division is responsible for preparing the credit application and its contents.

The credit application shall remain the single point of reference for any credit decision; it should contain all the signatures or stamps that guarantee the accuracy of the information provided therein.

CREDIT RISK CONTROL AND MONITORING PROCEDURE

Credit risk control and monitoring ensures the second-level checking, separate from daily monitoring by the Commercial Division.

This procedure may be adapted depending on how each subsidiary is organised in consultation with the Group Risk Division.

Commercial Division is responsible for risk monitoring. Indeed, the credit manager in the Commercial Division is responsible to the daily monitoring of transaction risks. To fulfill this mission, the Commercial Division is helped by the risks which play an alert role.

The risk Division's main objective is to ensure the efficiency running of a forward-looking alert system that allows the Commercial Division to optimize risk management as well as anticipating potential risks so that the bank's portfolio may be properly managed. The risk Division also ensures that the Commercial Division is monitoring properly and provides alerts for accounts in default.

- Performs pre-checks ;
- Performs post-checks ;
- Identifies and monitors the portfolio of commitments based on several factors : products, maturities, beneficiaries, business sectors, branches, geographical regions etc.;
- Fixes and monitors concentration limits;
- Detects and monitors accounts showing anomalies and high-risk accounts;
- Categorised the portfolio based on regulatory criteria and proposes provisioning;
- Performs stress tests;
- Produces regulatory reports and internal steering reports.

Pre-checks

Pre-checks include all compliance checks carried out prior to a credit mine's initial authorisation and use. These checks are performed in addition to automatic checks and checks carried out by the Commercial Division, Back-office and Legal Department etc.

These checks are implemented by the Risk Division. They mainly relate to:

- Credit proposal data:
- Compliance with the appropriate delegation level;
- Legal documentation compliance;
- Conditions and reservations expressed before initial use of funds or the facility ;
- Data entered in the information systems.

Post-checks

Like pre-checks, post-checks are also performed by the Risk Division.

These checks are aimed at ensuring measurement, control and monitoring of credit risks in terms of the entire portfolio and not just the counterparty. Special attention is therefore paid to credit quality, anticipating and preventing irregularities and risks as well as controlling and monitoring risks by the Commercial Division.

Portfolio monitoring

Group's portfolio Monitoring commitments and its entities is performed through several indicators, both on the risks to the granting and during the life of the credit records.

The first post-check consists of identifying and monitoring the entity's total commitments based on several factors including products, maturities, customers, business groups, customer segments, counterparty ratings, loan categories (healthy loans and non-performing loans), industries, branches, geographical regions, type of collateral etc. The multi-criteria analysis is a credit risk management tool.

The production of multi-criteria analysis commitments portfolio is the responsibility of the Credit Risk die which also ensures the reporting of credit risks, both internally and vis-à-vis the Risk Committees and management, that external, vis-à-vis the regulators.

System for detecting risks and anomalies

High-risk accounts and those showing anomalies represent a risk that is likely to subsequently increase and therefore generate a cost for the Bank. These consist of customer loan commitments that are still healthy, but which reveal:

- Either a visible deterioration in risk quality as measured against quantitative criteria (Doubtful - in arrears, Sub-standard, frozen (lack of any ledger entry and overdrawn), persistent overruns, etc.);

The main examples of this type include:

- Debit balances on demand accounts for which no actual credit entry has been recorded, covering at least the overdraft fees charged to these accounts as well as a significant part of the said debit balances;
- Outstanding amortised loans that have not been settled within 30 days of their maturity date;
- Outstanding loans that are repayable by means of a single repayment and that have not been honoured within 30 days of their maturity date;
- Trade receivables discounted by the Bank and returned unpaid;
- Persistent overruns, beyond one month, by comparison with the authorisations granted. So as to avoid incurring any operational risks, however, the entities will monitor, on a weekly basis, the authorised overruns of a certain level (at each local entity's discretion).

- Or a potential deterioration in risk quality as measured against qualitative criteria that is likely to subsequently deteriorate and therefore generate a cost for the Bank. These indicators may include incidents of a legal nature (garnishee orders, attachments, etc.) or account-related (loss of income, overdrawn balances, authorisations or guarantees maturing, etc.) or negative information specific to a counterparty (non-performing loans at a competitor bank, deterioration in either its financial position, its credit quality or collateral), or incidents and disputes relating to the main shareholders (death, receivership or liquidation, etc.) or difficulties encountered in a counterparty's business sector etc.

Furthermore, other risk criteria relating to credit dossiers are rigorously monitored by the Bank's various entities such as:

- Loan arrears committees;
- Unsecured collateral (beyond expiry of the notary public's commitment period);
- Credit lines that remain unused for more than 6 months;
- Funded projects revealing irregularities or difficulties that may impact the ability or likelihood of repayment;
- Etc.

These criteria represent the minimal conditions imposed on the Bank as far as detection and monitoring is concerned under BAM Circular 19/G. In fact, the Risk and Commercial functions detect, monitor and submit for analysis and review by the Loan Commitments Monitoring Committee each dossier that they consider sufficiently sensitive for it to be discussed.

As such, Group Risks' General Management, via Permanent Monitoring of Commitments (PSPE), is the designated reference data source relating to risk criteria detection and has prerogatives relating to analysing and qualifying these data.

Classification of credits

After monthly reviews of the Bank's portfolio and the analysis of risky files, each subsidiary reviews its regulatory classification of loans in line with local regulatory requirements.

This review is carried out within the framework of the monitoring committee of accounts in anomaly and the reclassification committee, based on the Risk management of each entity. The decisions of these committees are implemented in the execution and monitoring of the transfer of healthy accounts to the corresponding category of non-performing loans as well as their provisioning.

RATING MODEL

BANK OF AFRICA has an internal rating tool covering several customer segments.

Key rating rules

Rating's uniqueness

The rating is established for each client, provided as a third code group. The rating process is thus carried out for each third code group so that a third party has one and only one ratings. Thus, BANK OF AFRICA ensures the uniqueness of the rating attributed to each assessed counterparty.

Rating's integrity

As per the regulatory principles, the attribution of the rating and its periodic review should be carried out or approved by a party that does not benefit directly from the credit approval. It is for this reason that the rating is validated in the back office by the Group Risk Management Division following initial attribution by front-office commercial operations. The rating's integrity is a key component in the credit risk management process and should reinforce and encourage independence in the rating process.

Rating's singularity

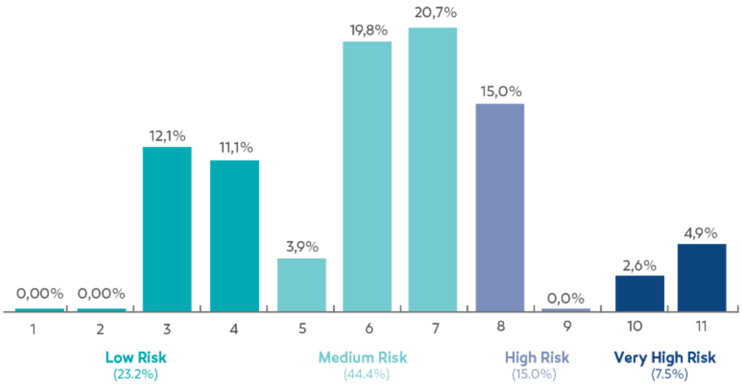
A counterparty code is assigned to each of the Bank's counterparties. The rating of each third party is carried out using the counterparty reference code in such a manner that, for all third parties (the counterparty type is single and unique), the assessment will be carried out by using a single rating model but with data specific to each counterparty. BANK OF AFRICA thus ensures the rating's singularity for each counterparty.

Rating scale

BANK OF AFRICA Group has adopted an 11-level rating scale to attribute a final counterparty rating :

	Category	Class	Definition
Investment grade	Limited Risk	1	Extremely stable short- and medium-term; very stable long-term; solvent despite serious disruptions;
		2	Very stable short- and medium- term; stable long-term; sufficiently solvent despite persistently negative events;
		3	Solvent short- and medium-term despite significant difficulties; moderately negative developments can be withstood long-term;
		4	Very stable short-term; no expected change to threaten the loan in the coming year; sufficiently solid medium-term to be able to survive; long-term outlook still uncertain;
	Medium Risk	5	Stable short-term; no expected change to threaten the loan in the coming year; can only withstand small negative developments medium-term;
		6	Ability limited to withstand unexpected negative developments;
		7	Ability very limited to withstand unexpected negative developments;
Sub-investment grade	High Risk	8	Ability limited to repay interest and principal on time; any change in internal and external economic and commercial conditions will make it difficult to fulfil obligations;
		9	Incapable of repaying interest and principal on time; fulfilling obligations dependent on favourable internal and external commercial and economic conditions;
	Very High risk	10	Very high risk of default; incapable of repaying interest and principal on time; partial default in repayment of interest and capital;
		11	Total default in repayment of interest and capital.

AS OF 31 DECEMBER 2019, THE BREAKDOWN OF THE PORTFOLIO BY ASSET CLASS WAS AS FOLLOWS :



Retail customer scoring system

Scoring for the Retail Customer segment consists of modeling statistics of default and risk behaviour.

Two types of score have been introduced, a behavioural score and a credit approval score.

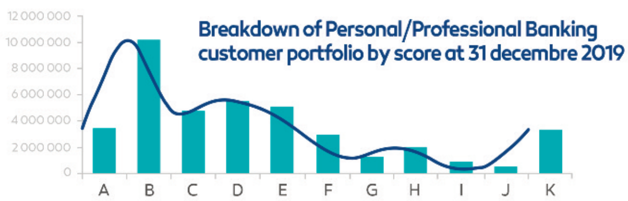
The behavioural score, for open accounts, is a dynamic risk assessment based on a customer's behaviour.

Only customers that are known to the Bank may be assigned a behavioural score.

Each of the Bank's customers is assigned a rating from A to K which is updated on a monthly basis and on a daily basis in the event of any incident.

Class	Description	E-	High risk
A	Very low risk	F	
A-		F-	Very high risk
B	Low risk	G	Major risk
B-		G-	
C	Average risk	H	Proven risk
C-		H-	
D	Average-high risk	I	Sub-standard
D-		J	Doubtful
E		L	Loss

Four separate behavioural scoring models have been introduced for specific market segments: personal banking customers, professional banking customers, Moroccans living abroad and small businesses.



The credit approval score is a one-off rating that is assigned on opening a line of credit.

A decision support system has been introduced for approving consumer loans.

Guarantees

The Group receives different types of guarantee in consideration for loan outstandings. As a general rule, the guarantees required are based on the following two factors: the loan type and the counterparty quality.

Thus, for all property loans (home purchase loans and real estate development loans), the Group systematically possesses mortgages on the financed property as well as insurance cover.

Similarly, the financing of public contracts, merchandise, equipment and trade premises is systematically guaranteed by collateral in respect of the financed items as well as through insurance cover.

In addition to these guarantees, the Group generally secures its position by requesting personal guarantees from counterparties whenever deemed necessary, depending on the quality of such counterparties.

Concentration limits

Credit Risk Management has adopted a policy of analysing business line strategies from a risk perspective, especially in respect of new activities or product launches, by setting formal limits on these risks. Credit concentration risk incurred by BANK OF AFRICA Group can arise from exposure to :

- Individual counterparties ;

- Interest groups ;

- Counterparties belonging to the same industry or country.

Individual counterparties

The Group proceeds monthly monitoring of individual concentrations, on social and consolidated basis, and ensures close monitoring of the commitments of its 10, 20 and first 100 customers with the greatest commitments.

The following table shows commitments to the bank's main debtors at the end of December 2019:

	December 2019	
	Amount	% of the total
Commitments to 10 largest customers	14 869	13%
Commitments to 20 largest customers	21 776	20%
Commitments to 100 largest customers	41 607	37%

Diversification of the portfolio by counterparty is monitored on a regular basis, notably under the Group's individual risk concentration policies. Credit risks that result from concentration on a single counterparty or group of counterparties with a relative high level of outstandings (more than 5% of shareholders' equity) are specifically monitored from an individual as well as consolidated perspective.

In addition, monitoring of major risks also ensures that the aggregate exposure to each beneficiary does not exceed 20 % of the Group's net consolidated shareholders' equity capital as recommended by the Moroccan banking regulations. BANK OF AFRICA remains well below the concentration limits defined by the Bank Al Maghrib directive.

Counterparties belonging to the same company

The Group has a methodology for setting sector limits based on a statistical model based on the historical default rate and the number of counterparties by business sector and risk class (rating).

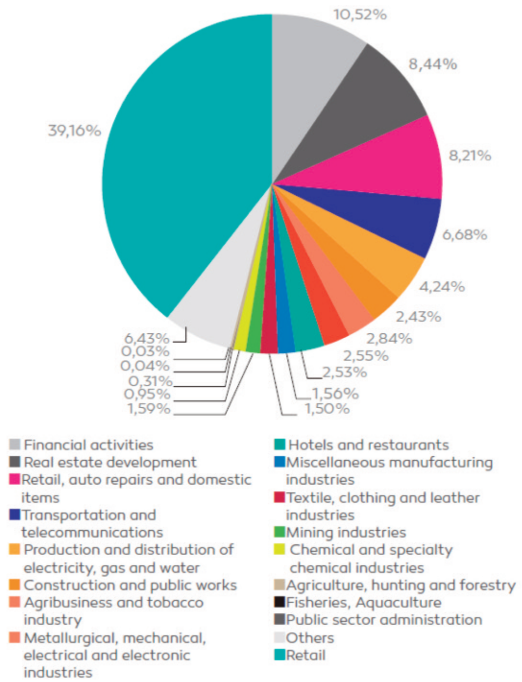
The objective is to model default risk using appropriate econometric techniques, using a random variable dependent, whose value is the result of the enumeration of realization of fault events.

The approach is based on assumptions of the independence of the counterparties and the non-correlation of defaults. Thus, the key notion of this methodological approach is the probability of default of a counterparty given. This probability is measured through the use of the rate failure of the rating pair / business sectors.

The model also allows you to calibrate the envelopes to be allocated to each business sector, particularly in view of the development plan of the bank and the sector's loss experience. This approach adopted by the Group Risk Management is completed by the implementation of back Testing of the model every six months.

The review of the sectoral limits is carried out every six months in consultation with the commercial sector and the Intelligence Centre The bank's economics, which provide their business vision and costing of the macroeconomic and sectoral perspectives. The opinions of these entities thus make it possible to challenge and further strengthen the relevance of the model in relation to the economic context.

The breakdown of the Group's customer commitments by sector The breakdown of activities at the end of December 2019 is as follows:



Stress-tests Conduct

Every six months, BANK OF AFRICA Group conducts crisis simulations (stress tests) to assess the vulnerability of its credit portfolio in the event of an adverse event or deterioration of the quality of its counterparties.

The stress tests are conducted in order to assess the Bank's resilience in the face of unexpected, extreme events. Operationally, they consist of simulating scenarios relating to the default of a certain percentage of the Group's counterparties. The ultimate objective is to measure the impact on provisions and, as a result, on profitability and the prudential shareholders' equity.

The various scenarios are reviewed regularly and at least twice per year to ensure that they are relevant. This assessment is carried out on the basis of the objectives set for conducting stress tests and whenever the market conditions suggest any potentially adverse changes that are likely to seriously impact the Group's ability to withstand them.

The results of the stress test are made known to the Steering Committee and Group Risk Management and the Group Risk Committee.

Level of exposure to counterparty risk based on methods applied to off-balanced sheet items

CREDIT RISK-WEIGHTED ASSETS	31/12/2019
Type of Exposure	Risk-Weighted Assets post-CRM
Balance-sheet items	164 825 530
Off balance sheet items: financing commitments	4 624 202
Off balance sheet items : warranty commitments	11 081 817
Counterparty Risk: temporary disposals of securities relating to the bank portfolio	-
Counterparty Risk: temporary disposals of securities relating to the trading portfolio	140 490
Counterparty Risk: derivative products relating to the bank portfolio	-
Counterparty Risk: derivative products relating to the trading portfolio	397 939
Other assets/Other items	28 264 495
Settlement Risk	330 884
Total	**209 665 357**

MARKET RISK

Market risk management at BANK OF AFRICA Group adheres to regulatory standards as defined by supervisory authorities and in application of best international management practices as defined by the Basel Accords.

Market risk is defined as the risk of loss on balance sheet and off-balance sheet positions due to changes in market prices. For BANK OF AFRICA, these risks encompass the following:

- Interest rate risk;
- Foreign currency risk;
- Credit risk on market transactions.

Mapping of financial instruments

The following table shows products traded as part of BANK OF AFRICA Group's trading portfolio, mapped by risk factor :

Governance

The main contributors to BANK OF AFRICA Group's market risk management policy are as follows:

Foreign Exchange Instruments	Cash instruments
	Spot Foreign Exchange
	Forward Foreign Exchange
	Foreign exchange Derivatives
	Foreign exchange Swaps
Equity Instruments	Equity shares
	Derivatives on equity or and Indices
	Mutual funds on equities
Fixed income Instruments	I- Corporate and Interbank loans and borrowing
	Fixed rate (in MAD and Foreign Currency)
	Floating Rate (in MAD and Foreign Currency)
	II- Negotiable Debt Securities and bonds
	II-1 Sovereign Debt (Including bonds issued by the Kingdom of Morocco)
	Fixed rate (in MAD)
	Floating Rate (in MAD and Foreign Currency)
	II-2 Securities issued by Credit institutions and Companies
	Fixed rate (in MAD and Foreign Currency)
	Floating Rate (in MAD and Foreign Currency)
	III- Loans / borrowing of Securities
	Loans / borrowing of securities
	Repo / Reverse repo
	IV- Rate Derivatives
	Rate Swaps
	Rate Futures
	Forward Rate Agreement
	V- Fixed income mutual funds
	Money market mutual funds
	Debt mutual funds
Commodity Products	Commodity futures
	Commodity futures options
	Credit Default Swap (CDS)
	Credit Linked Note (CLN)

- General Management, which implements market risk management strategies and policies approved by the Board of Directors;

- Group Market Risk Committee, which defines Group market risk management policy and validates any amendment to the steering of market risk across the entire Group;

- The Group Market Risk entity, which ensures the efficiency of the Market Risk Management System of the BANK OF AFRICA and its adequacy with the risk management policy of Group market;

- Group Market Risk Department, which centralises market risk management for BANK OF AFRICA Group as a department which is independent from the Group's front-offices. This gives it maximum objectivity in steering market risks and arbitrating between the Group's various market activities;

- Risk Management Units of BANK OF AFRICA Group entities, which provide a first level check on market activities within their entity and send regular reports to Group Risk Management;

- Internal Audit, which ensures implementation of the market risk management policy and rigorous compliance with procedures.

Description of the Market Risk Management Policy

BANK OF AFRICA Group's market risk management policy is based on four main factors:

- Limits ;

- Risk indicators ;

- Capital requirements ;

Limits

Counterparty limits in market transactions

The process for approving limits for counterparties and applications to exceed those limits in market transactions is governed within BANK OF AFRICA Group by a system of delegation of powers within a framework of procedures specific to each counterparty type.

Market transactions are subject to a fixing priori limits, according to a delegation scheme based on the principle of the Troika.

Market limits

In order to control market risk within BANK OF AFRICA Group and to diversify the trading portfolio, a set of market limits has been adopted. These limits reflect the Group's risk profile and help to steer market risk management by arbitrating between the Group's various market activities.

BANK OF AFRICA Group's set of market limits are as follows :

- Stop-loss limits by activity over different time horizons;

- Position limits by activity;

- Transaction limits.

VaR limits are in the process of being defined and will be included in the project relating to adoption of the advance approach in respect of market risks. This is a dynamic limit management policy that takes into account fluctuations in different risk factors as well as existing correlations in order to assess more accurately the diversification of the portfolio.

Regulatory limits

In addition to the limits adopted for internal purposes, BANK OF AFRICA Group also complies with regulatory limits defined by Bank Al-Maghrib such as:

- Limits on foreign currency positions which should not exceed 10% of shareholders' equity ;

- Limit on the overall foreign exchange position which should not exceed 20% of shareholders' equity.

Risk indicators

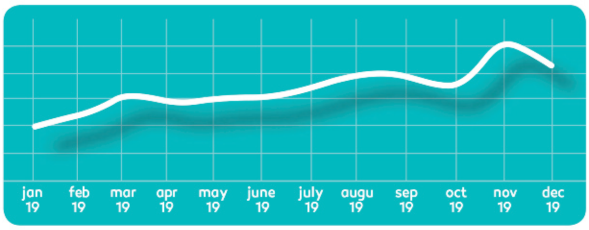
Different risk indicators reflecting the level of exposure to market risks are used within BANK OF AFRICA Group as follows :

Overall Value-at-Risk (VaR) and VaR by asset class

Value-at-Risk is a probability-based technique used to measure overall market risk. It helps to measure the risk incurred by calculating the potential loss a given time horizon and degree of probability.

Unlike traditional risk indicators, Value-at-Risk combines several risk factors and measures their interaction, thereby taking into consideration the diversification of portfolios.

BANK OF AFRICA Group uses KVar software to calculate overall Value-at-Risk and VaR by asset class as well as back-testing by using different methods.



Stress-testing by risk factor

BANK OF AFRICA Group conducts stress tests to assess the vulnerability of the Group's trading portfolio to extreme scenarios. Stress tests cover all components of the trading portfolio by simulating all risk factors which have an impact on the portfolio. The results of stress tests for interest rate risks and exchange rate risks on the trade portfolio are described below :

As at December 31, 2019, the results of the stress tests were as follows:

a- Fixed income portfolio

1st scenario: A 25 basis point parallel shift in the yield curve.

This scenario would result in a MAD 65 million impact on the P&L.

2nd scenario: A 50 basis point parallel shift in the yield curve.

This scenario would result in a MAD 129 million impact on the P&L.

b- Equity portfolio

1st scenario: A 15% fall in the value of the equity portfolio.

This scenario would result in a MAD 9 million impact on the P&L.

2nd scenario: A 25% fall in the value of the equity portfolio.

This scenario would result in a MAD 14 million impact on the P&L.

c- Foreign exchange

1st scenario: A 2.5% rise or fall in the value of the dirham.

This scenario would result in a MAD 126 million impact on the P&L.

2nd scenario: A 5% rise or fall in the value of the dirham.

This scenario would result in a MAD 252 million impact on the P&L.

The results of the stress tests show that the Group has adequate capital to withstand adverse stress scenarios and to be able to comply with regulatory standards, even in crisis situations.

CAPITAL USE

BANK OF AFRICA Group uses Risk Authority software to calculate capital requirements under the standardised approach for market risks. This enables it to meet regulatory requirements in terms of reporting and monitor capital requirements regarding the Group's trading portfolio.

The Group's consolidated capital requirements in respect of market risk at 31 December 2018 were as follows :

CAPITAL REQUIREMENTS BY TYPE	CAPITAL REQUIRED
Capital required in respect of fixed income risk	621 549
Capital required in respect of equity risk	101 107
Capital required in respect of foreign exchange risk	12252
Total capital required in respect of market risk	**734907**
Total market risk-weighted assets	**9186342**

METHOD FOR VALUING TRADING PORTFOLIO ITEMS

Dirham-denominated fixed income and money market instruments

Market values of fixed income and money market assets are calculated on Kondor+ using the dirham yield curve for fixed income and money market assets on the basis of the dirham rate curve published by Bank Al-Maghrib and on each transaction's characteristics.

Money Market and fixed income mutual funds

A number of mutual funds publish net asset values on a daily basis while others are updated weekly.

Mutual funds are valued on the basis of net asset value calculated on a daily or weekly basis.

Foreign currency-denominated fixed income products

Foreign currency-denominated fixed income products are valued on Kondor+ on the basis of the yield curves for the foreign currencies in question and on each transaction's characteristics.

Foreign exchange options

Foreign exchange options are valued on the following basis: volatility curve, yield curves (EUR, MAD and USD) and foreign exchange crosses for the three currencies.

The foreign exchange options position is included in the overall foreign exchange position using the delta equivalent method.

Overall foreign exchange position

Branch-based foreign exchange transactions are executed at BANK OF AFRICA's fixing rate (non-negotiable rate).

A final statement of orders awaiting execution is transmitted to the Foreign Exchange Desk on day

«N» which deals with it immediately. On «N+1» in the morning, the Middle Office receives a statement comprising possible amendments to branch network positions and updates Kondor+.

Positive Fair Value of Contracts (Warranties)

Warranties relating to market risks relate to "repo" agreements. The latter are securities sold under repurchase agreements in order to raise funds.

COUNTRY RISK

In a constantly changing world and within the constraints of the Group's overseas growth strategy and regulatory requirements, the introduction of a country risk management system will enable the Group to identify, measure and control its crossborder risks.

The Country Risk unit's adopted methodology is based on the following points :

Country risk management policy

The country risk management policy aims to define a framework for overseeing all overseas business activities that generate risks for the Bank. It establishes management standards and rules in order to harmonise regulatory requirements and in company governance.

Country risk reporting

Monthly reporting by overseas subsidiaries and the parent company enables the Group Risks Division to assess each country's potential risk factors and help to establish risk-mitigation strategies.

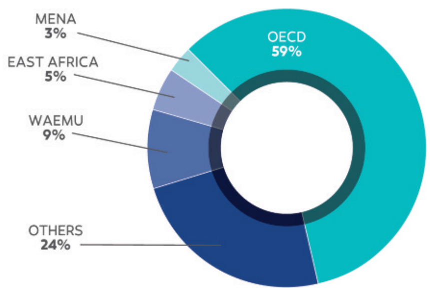
Identifying cross-border risks

BANK OF AFRICA Group is exposed to international risks through the various types of commitment made by the Bank to non-resident counterparties in dirhams or in foreign currencies.

These include :

- Loans to non-residents ;
- Trade finance business ;
- Foreign assets ;
- Market operations.

BREAKDOWN OF BOA GROUP SA'S RISK EXPOSURE BY GEOGRAPHICAL ZONE AT 31/12/2019



Consolidation

Country risk commitments are identified in such a way as to establish a position for each subsidiary as well as for the Group, providing an overview of the Group's overall exposure to cross-border risks.

Alerts system introduced

This system consists of monitoring regulatory, economic and financial factors by tracking all the prominent events occurring during the week. These items are disseminated to all interested parties in a Monthly Report.

An additional module monitors country risk trends and consists of specific research and in-company requests.

Ratings system

BANK OF AFRICA Group bases its country risk assessments on the ratings of external agencies such as Coface, S&P and Moody's...

Setting limits

When establishing country limits for loan commitments, BMCE Bank of Africa Group takes into consideration :

- An assessment of an issuer's risk profile ;
- Risk appetite ;
- The breakdown and diversification of the loan portfolio of each subsidiary and of the Group, while complying with the maximum permitted concentration by country based on a percentage of Tier 1 capital.

These limits are monitored on a permanent basis.

Requests to exceed country limits are assessed on the basis of the levels of decision-making powers in force.

Stress tests

Stress tests are conducted on a regular basis to ensure that the Bank is able to withstand scenarios of extreme deterioration in country risk and to quantify the impact on the Bank's balance sheet and profitability.

Provisioning

A provision is recognised for country risk whenever it materialises, in the event of debt rescheduling, a political crisis or any other factor which may negatively impact the Bank's profitability.

An annual review is systematically carried out to reassess the country supposedly in default, which may potentially require the Group to recognise a provision.

OPERATIONAL RISK

Operational risk is defined as the risk of loss due to inadequate or failed internal procedures, employee error, systems failure or external events, liable to impact the smooth running of the business.

Operational risk management objective

The operational risk management policy has the following objectives:

- Assess and prevent operational risks;
- Assess controls;
- Implement preventive and/or corrective action for major risks.

The management of operational risks through the implementation of preventive actions and / or corrective address the identified major risks.

The risk management system is regularly reviewed and monitored, allowing continuous improvement of said device.

Classification

Operational risks or losses can be analysed and categorised on the basis of two factors and it is important to differentiate between them: cause and effect, in terms of their financial or other impact. They are classified under Basel by event type.

Links to other risk types (market/credit risks)

The management of operational risks is potentially linked to the management of other risks (market/credit risks) at two levels:

- Overall level, analysis of the Bank's overall level of risk aversion (and in terms of allocation of capital) must be carried and monitoring of "trans-risks";
- Detailed level, some operational risks can be directly linked to market and credit risk management.

Operational risk management organisation

The framework governing operational risk management within BANK OF AFRICA Group is based on three main objectives:

- Define a target policy consistent with BANK OF AFRICA Group's business organisation and inspired by best practice;
- Involve and empower business lines and subsidiaries in the day-to-day management of operational risk management;
- Ensure that Audit/Control function is separate from the Operational Risk Management function.

Operational risk management at BANK OF AFRICA Group involves four major entities :

- BANK OF AFRICA's Group Operational Risk Direction;
- BANK OF AFRICA network;
- BANK OF AFRICA business divisions;
- Subsidiaries.

Operational risks coordinators have been appointed by the aforementioned entities. These include:

- Operational Risk Correspondents (CRO);
- Operational Risk Coordinators (CORO);
- Operational Risk Liaison Officers (RRO).

The operational risk management's remit includes other Group subsidiaries.

Governance of operational risk management

Governance of operational risks within BANK OF AFRICA Group is organised by three Operational Risk Committees:

- Group Operational Risks Committee;
- Operational Risk Monitoring (Business Lines) Committee;
- Operational Risk (Subsidiaries) Committee.

These committees are tasked with periodically:

- Reviewing changes in the exposure to operational risks and in the environment for controlling such risks;
- Identifying the main areas of risk, in terms of activities and risk types;
- Defining preventive and corrective action required to reduce the level of risk ;
- Reviewing the amount of capital to be allocated to operational risks, the cost of preventive action required and the costs of insurance.

Fundamental methodology principles

BANK OF AFRICA Group's operational risk management policy has two strategic objectives:

- Reduce exposure to operational risks;
- Optimise capital requirements relating to operational risks.

The internal system for measuring operational risks is closely linked to the Group's day-to-day risk management process via:

- Collecting risk events;
- Mapping operational risks,
- Key risk indicators.

The data produced are part of the process of monitoring and control of operational risk profile.

The management of the entity in question, general management and the board of directors are regularly notified of operational risk exposure and losses incurred. Management systems are properly documented, ensuring compliance with a formalised set of controls, internal procedures and corrective measures in the event of non-compliance.

Internal and/or external auditors are invited to periodically review management processes and systems for measuring operational risk. These audits relate to units' activities and the independent operational risk management function.

Management of operational risks at BANK OF AFRICA Group is entirely automated by means of a dedicated system, "MEGA GRC". The collection of risk events, the mapping of operational risks and the key risk indicators are currently managed by this system which is used at Bank level as well as by Moroccan and European subsidiaries.

Operational risk control and mitigation

Several types of action may be taken to manage operational risks:

- Reinforce checks;
- Hedge risks, especially through insurance contracts;
- Avoid risks, in particular, by redeploying activities;
- Draw up business continuity plans.

BANK OF AFRICA Group has a very strong control policy, resulting in a significant reduction in operational risks. However, in terms of operational risk management and via its dedicated policy, the Group is at liberty to identify optimal behaviour, on a case by case basis, depending on the different types of risks described above.

Additionally, the Group has insurance policies to mitigate risks such as damage to office buildings, fraud, theft of valuable items and third-party liability cover etc.

Business continuity plan

The Business Continuity Plan is a response to the rising demand to minimise the impact in the event of any interruption to the Bank's operations. This is due to a growing reliance on the resources underpinning those operations, including human, IT or logistical resources.

The Plan comprises a set of measures and procedures aimed at ensuring that the Bank, under different crisis scenarios such as a major shock, is able to maintain essential services in fail-soft mode on a temporary basis, prior to the planned resumption of normal operations.

A targeted rescue organisation has been set up, along with alternative locations and backup systems. A specific project is underway at Group level, with disaster avoidance planning a priority.

The strategic transversal principles underpinning the Business Continuity Plan are as follows:

- BANK OF AFRICA has a moral responsibility to allow its customers access to the funds that they have entrusted to it. Any breach of this obligation in times of crisis may have an impact on public order.

This principle shall prevail above any other.

- BANK OF AFRICA must guarantee its commitments towards Morocco's interbank clearing system;
- BANK OF AFRICA intends, as a priority, to comply with every one of the existing legal and contractual commitments entered into (relating to loans and other commitments) before it enters into any other commitment;
- BANK OF AFRICA intends to maintain its international credibility by guaranteeing, as a priority, its commitments vis-à-vis foreign correspondents;
- BANK OF AFRICA Group's existing customers take priority over all others benefiting from its services.
- Services are provided along the entire chain from front-office to back-office e.g. from branch level up until recognition in accounting terms.

Corporate Social Responsability

CSR issues are an integral part of the operational risk management system, through a management approach of identification, analysis and evaluation and risk monitoring.

The systems for identifying and measuring internal CSR risk analyzes are now closely linked to the day-to-day management of operational risks.

Measurement of capital adequacy

The BANK OF AFRICA Group has opted for the standardised approach as outlined in Bank Al Maghrib circulars (BAM).

The latter require banks to have a Tier 1 capital ratio of 9% and a solvency ratio of 12% at both the parent company and consolidated levels.

These threshold calculated for the BANK OF AFRICA Group comply with the regulatory prerogatives established by Bank Al- Maghrib.

Main characteristics of items constituting shareholders' equity

BANK OF AFRICA's share capital stood at MAD 1 998 204 600 made up of 199 820 460 ordinary shares, each with a nominal value of 10 dirhams. The shares are fully paid-up. Each ordinary share entitles the holder to one voting right.

At December 31, 2019, fixed maturity subordinated debt stood at almost MAD 6.2 billion.

Measurement of capital adequacy

BANK OF AFRICA Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib circulars (BAM):

Since 30 June 2014, capital adequacy ratios have been calculated in accordance with Basel III regulatory standards as defined by BAM.

The method for calculating capital was reviewed in the light of these new regulations and temporary measures have been adopted for a period until 2019.

The circulars governing these declarations are as follows:

- Circular No. 26/G/2006 relating to calculating capital requirements based on the standardised approach for hedging credit institutions' credit, market and operational risks;
- Circular No. 8/G/2010 relating to calculating capital requirements based on internal approaches for hedging credit institutions' credit, market and operational risks;
- Circular No. 14/G/13 relating to capital requirements for credit institutions

Composition of capital and capital adequacy ratio

Tier 1 capital	22 988 684
Items to be included in Tier 1 capital	**26 887 264**
Share Capital	1 998 205
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	19 467 975
Retained earnings	24 500
Net income for the previous period	1 737 963
Minority interests	3 658 621
Items to be deducted from Tier 1 capital	**3 898 581**
Good will	1 032 114
Other adjustments to Tier 1 capital	1 690 261
Immobilisations	1 035 931
Other deductions	140 274
Additional core capital	**1 800 000**
Perpetual subordinated debt	1 800 000
Tier 2 capital	7 185 754
Perpetual subordinated debt	6 223 562
Revaluation differences	760 617
Hidden reserves	201 575
Items to be deducted from capital	**29 000**
Other deductions	29 000
Total	**31 945 439**

Equity requirements by type of risk	Dec. 2019
Weighted credit risks	209 665 357
Weighted market risks	9 186 342
Weighted operational risks	24 492 864
Total weighted assets	243 344 564
Tier 1 capital	24 788 684
Tier 1 fund ratio	10.2%
Total eligible capital	31 945 439
Solvency Ratio	13.1%

RISK MANAGEMENT SYSTEM DEPLOYMENT FOR INTERNATIONAL SUBSIDIARIES

Throughout 2019, the Group Risk Management Department strengthened the monitoring and control of credit, market, country and operational risks at the BANK OF AFRICA Group level.

The year was also marked by the launch of the transformation program in line with the Bank's strategic vision. The objective of this program is to strengthen the dynamics and growth of the "Risks" Sector and, in turn, that of the Group.

Credit risk system

Lot 1: Organization, delegated scheme, management and reporting

The rollout of the Credit Risk system (Lot 1) is finalized for all of the subsidiaries except BCB.

Lot 2: Stress tests and concentration ratios

The Credit Risk system is rolled out across all subsidiaries, except BCB. Deployment is underway within BBI UK.

Operational risks

- The deployment of lots 1 and 2 of the Operational Risk system are finalized for subsidiaries.
- The deployment of lot 2 is underway within the Moroccan subsidiaries. The deployment is pending for BBI London.
- The RO system is pending for BCB.

Group Risk Community

The Group Risk Community reached a perceptible level of maturity thanks to policies and common risk practices. The main achievements of the Group Risk Community for the 2019 financial year relate to ARM (Associate in Risk Management) certification training delivered by Business Risk Academy:

- ARM 55 (Edition 1): 11 English-speaking participants with an average success rate of 82%;
- ARM 55 exam (Edition 2 for French speakers): with a success rate of 70%;
- ARM 54 (Edition 4): 11 French-speaking participants.

The exam is scheduled for September 2019.

MANAGEMENT OF GROUP RISK TRANSVERSAL PROJECTS

In 2019, the work of the Group Risk IT Systems and Support unit focused on the following main projects in line with BANK OF AFRICA's Group Risk General Management:

- Implementation of the latest version of the Group Loan Commitments Database (BEG) at BOA subsidiaries (14/17);
- Implementation of the Risk Authority software solution for calculating capital requirements and generating regulatory declarations at BOA subsidiaries within the WAEMU zone;
- A number of invitations to tender issued for IT systems (recovery of sub-standard and non-performing loans at the commercial level, IFRS, internal ratings);
- Completion of a number of project components (CDL, OSCA, BGI).

Risk projects portfolio:

The Group Risk General Management's project portfolio consists of about 20 projects grouped together under 3 headings – Transformation Projects, Regulatory Projects and Transversal Projects.

GROUP RISK PROJECTS

1 TRANSFORMATION PROJECTS

- IT system for sub-standard and non-performing loans _ post-approval adopted
- Software solution for calculations under IFRS acquired
- ICAAP implemented
- BEG project – to establish a reference system for third parties and loan commitments at Group level
- BGI – loan defaults database
- Ratings system acquired for large enterprises and SMEs
- Scoring models implemented at GRC level (SMEs and personal and professional banking customers)
- Management matrices and risk indicators automated
- Review and steering of Scheme of Delegation

2 REGULATORY PROJECTS

- Country risk management system automated
- Use of the SAS solution optimised, and its environment extended
- BAM recommendations for Risk Authority
- Stream 2 system optimised for calculating the capital adequacy r atio and risk steering
- Management of business groups
- Early detection of high-risk accounts automated – SFDs produced
- Management of doubtful and contentious loans (new CDL)
- Deterioration in NPL balance
- Operational risk management
- Operational risks mapped – risk scoring standards (BOA subsidiaries and LCB BANK).

3 TRANSVERSAL PROJECTS

- OVO improved
- Processes for managing and monitoring the Bank's loan commitments improved – authorisations
- Credit committee documentation Q2/Q3 reviewed
- ONDs managed
- IDCE alerts
- CID handling process revamped
- SharePoint platform introduced

SEVERAL PROJECTS WERE COMPLETED IN 2019 WHILE OTHERS REMAIN IN PROGRESS:

- The Group Loan Commitments Database (BEG) is an indispensable solution enabling the Group Risk function to steer and monitor credit risk at the consolidated level for all financial entities included within BANK OF AFRICA – BMCE Group's scope of consolidation (23 subsidiaries – BANK OF AFRICA, 16 BOA subsidiaries, 3 Moroccan subsidiaries, LCB, BBI Madrid and BBI London).

The BEG consolidates third parties and loan commitments:

- Management information – third parties, authorisations, outstandings, incidents, warranties and provisions;
- Accounting information – accounting balances enabling management information to be reconciled.

With the BEG playing an integral role in transformation projects, 85% of the updated version implemented, aimed at satisfying Bank Al-Maghrib's regulatory requirements and BANK OF AFRICA's internal steering needs:

- The Risk Authority software solution implemented for calculating capital requirements and generating regulatory declarations at BOA subsidiaries within the WAEMU zone in accordance with Basel II/Basel III regulatory requirements;
- Schemes of delegation for credit approval and overruns reviewed as well as their system settings;
- Scoring and rating models reviewed and bolstered with a fresh invitation to tender issued to acquire a new internal ratings solution;
- IT solution for recovering sub-standard and non-performing loans at the commercial level implemented and the choice of publisher finalised;
- Work on enhancing and cleaning up the BGI incidents database – improving the reliability of accounts in arrears, automating processes for dealing with frozen accounts and persistent overruns;
- Work on stabilising and improving the OSCA solution for monitoring accounts showing anomalies;
- Work on introducing a new solution for managing doubtful and contentious loans (CDLs);
- Processes optimised for calculating the consolidated cost of risk (IFRS9), invitation to tender issued, candidates scored, and decision-making process drawn up;
- Convergence project ongoing (ICAAP, PRCI, loan defaults included, subsidiaries' reporting), Batch 1 - 'Market risk' implemented at BOA Benin subsidiary.
- Work on migration towards the latest version of the MEGA CRM operational risk management system;
- Project initiated resulting in the Loan Commitments Analysis Division adopting SharePoint, a web-based collaborative platform for managing document and monitoring committee projects.

ESG
REPORT

BMCE BANK FOUNDATION
A 25-YEAR COMMITMENT TO PROMOTING EDUCATION AND THE ENVIRONMENT

"For more than twenty years, BMCE Bank Foundation for Education and the Environment has been committed to initiatives in support of Morocco's most disadvantaged communities. Our educational blueprint is founded on the principle that education should be a catalyst for social and cultural development as well as economic development.

We are convinced that a society in which every individual has been given an opportunity to find his or her rightful place is a healthy one.

That is why we have chosen to support the public authorities in the fight against illiteracy, pupils dropping out of school and the non-enrolment of girls in education. We are more than aware that we are fighting against the inevitable consequences of educational inequalities such as isolation and the impoverishment of rural communities, exacerbated in the digital era."

Dr Leila Mezian Benjelloun,
BMCE Bank Foundation Chair

ONE MISSION: Striving for equal opportunities

BANK OF AFRICA established BMCE Foundation for Education and the Environment in 1995 with the aim of promoting education in rural and disadvantaged regions and of acting to protect the environment.

Fully aware of the importance of education to Morocco's development, the Group wished to underline its firm commitment by pursuing practical and sustainable initiatives via its Foundation.

By establishing 'Medersat.com', a programme focused on preschool and elementary education, the Foundation has endeavoured to improve access to education among rural communities. Each year, Medersat.com provides an education to more than 10,000 children from disadvantaged backgrounds in Morocco and sub-Saharan Africa.

This educational programme, which espouses values such as tolerance, modernity and open-mindedness, encourages foreign language learning as well as promoting the use of mother tongues such as Tamazight. This ground-breaking initiative in Morocco has seen Medersat.com team up with a number of partners. These include Hassan II University's Confucius Institute and the Chinese Embassy for Mandarin Chinese teaching, which is provided either face-to-face or by distance-learning at a number of schools, the French Institute in Morocco for high-quality French teaching and IRCAM, renowned for its expertise in teaching Tamazight.

The remarkable and innovative work accomplished by the Foundation has not gone unnoticed nationally and internationally. In 2016, Dr Leila Mezian Benjelloun, the Foundation's Chair was awarded the Al Arsh Wissam, one of Morocco's most prestigious distinctions, by His Majesty King Mohammed VI, in recognition of her exceptional commitment to education in Morocco. One of this year's highlights was Mr and Mrs Benjelloun being awarded the Visionary Award by the Middle East Institute in Washington.

As in previous years, BMCE Bank Foundation's commitment to environmental causes was further highlighted in the Eco-Schools programme, in partnership with the Mohammed VI Foundation for Environmental Protection. In addition to incorporating environmental aspects into the construction of schools, the Eco-Schools programme is an educational project that educates pupils in sustainable development and invites them to adopt eco-friendly behaviour.

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A BRIEF HISTORY OF BMCE BANK FOUNDATION

1995
- BMCE Bank Foundation for Education and the Environment established

1998
- Medersat.com programme launched

2000
- First schools in rural communities set up

2013
- Awarded the 'WISE Award' by the Qatar Foundation at the World Innovation Summit for Education (WISE) in Doha
- *L'Ecole de la Palmeraie*, a documentary produced for the Foundation, awarded a 'Gold Dolphin' in the Education category at the Cannes Corporate Media & TV Awards

2014
- Mandarin Chinese teaching introduced after a partnership was formed with Hassan II University's Confucius Institute and the Chinese Embassy

2016
- Partnership agreement formed with the French Institute of Morocco to deliver French lessons to Medersat.com network teachers
- Awarded the Rockefeller Foundation's 'Bridging Leadership Award' in New-York
- Dr Leila Mezian Benjelloun, the Foundation's Chair, awarded the Al Arsh Wissam by His Majesty King Mohammed VI

2017
- Partnership agreement signed with the Mohammed VI Foundation for Environmental Protection as part of the Eco-Schools programme

2018
- Partnership agreement signed with the Ministry of National Education to build pre-school units in public institution

2019
- Medersat.com school opened in Rwanda as well as the Daara-Rama Franco-Arab College in Diamniadio, Dakar
- Cooperation bolstered with the Confucius Institute to extend face-to-face Mandarin Chinese teaching to Boujdour school pupils

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THE FOUNDATION AND ITS STRATEGIC GOALS

BMCE BANK FOUNDATION SUPPORTING EDUCATION AND THE ENVIRONMENT IN AFRICA

Nearly 200 units built and fully equipped, specialising in pre-school and primary education, covering Morocco's 16 regions

62 schools providing a pre-school and primary education to approximately 10,400 pupils from socially disadvantaged backgrounds

22,000 pupils schooled, 50% of whom are girls and high school diplomas awarded to 1,465 students since 2012

500 teachers, 48% of whom are female, supervised and supported

230 hours/year of in-house training provided to teachers in a variety of disciplines (languages/sciences/pre-school)

BMCE Bank Foundation's operations in sub-Saharan Africa expanded, taking the total number of schools to 6, in Senegal, Congo Brazzaville, Mali, Rwanda, Djibouti and 1 socio-educational centre in Senegal

The Eco-school label of the Mohammed VI Foundation for Environmental Protection awarded to new Medersat.com network schools. A total of 25 Medersat.com network schools proud to have been awarded the Eco-School label.

ADAPTING TO AN EVER-CHANGING NATIONAL, CONTINENTAL AND INTERNATIONAL ENVIRONMENT

In an increasingly complex global environment, BANK OF AFRICA is committed to meeting the great challenges of our century.

The global approach advocated by the Bank's Chairman, Mr Othman Benjelloun, is inspired by a public-spirited commitment to modernisation. The Bank therefore makes a positive and solid contribution to the development of the banking system in Morocco and in Africa. An emphasis on inclusiveness underpins this multi-faceted approach, which embraces economic, social as well as cultural aspects.

More than half of the financing 'gap' needed to achieve Sustainable Development Goals (SDGs), USD 2.5 trillion according to UN estimates, is concentrated in Africa. Furthermore, the continent's population is set to double by 2050. The basic needs of communities are far from being met, while the continent is suffering more than others from climate change.

Bridging this gap is not just a financial challenge. Economic crises resulting from health crises will further emphasise the need to drastically improve the economic efficiency of social and environmental investments.

BANK OF AFRICA is convinced that economic activity should systematically prioritise and look to bring about positive social impact, particularly when it comes to generating jobs and to developing a harmonious socio-economic fabric. In response to the longstanding challenges facing it, the African continent has developed its own specific business models, characterised by increased local production of goods and services and shorter production, storage, transportation and consumption circuits.

The 4th industrial revolution should hopefully provide us with the insight required to meet the challenges of social inclusion, health, education, food security, housing, financial inclusion, access to water, energy, connectivity, mobility, and more.

This is the kind of world that BANK OF AFRICA wants to help create alongside public authorities, companies and communities, that are themselves, existing or prospective customers.

COMPLIANCE

HIGHLY COMMITTED IN EVERY ASPECT

BANK OF AFRICA is inherently committed to complying with laws and regulations and has extremely high standards when it comes to compliance. Its entire operations are governed by a robust compliance policy which ensures that financial and banking industry regulations are strictly complied with.

The compliance policy extends to each of the Group's subsidiaries by way of a genuine compliance culture that governs the behaviour of the Group entire staff at all times. Group Compliance, which is closely linked to risk management, plays a key role in ensuring the that all stakeholders, particularly BANK OF AFRICA's customers, are fully protected.

COMPLIANCE – A STRATEGIC ROLE

In 2019, BANK OF AFRICA finalised a range of policies enabling international and domestic subsidiaries to adopt the Compliance system. As part of the Group's convergence programme, a number of solutions were introduced during implementation that are likely to enhance the systems that are already in place. The Group also pursued efforts at extending a Compliance culture to all subsidiaries.

In addition, the Group continued to play its part in combating money laundering and terrorist financing, as well as complying with FATCA legislation and maintaining high standards of ethics and professional conduct. Against such a backdrop, the Bank fostered ties with both internal and external partners – Bank Al-Maghrib, the UTRF, the AMMC, the CNDP, the IRS (United States), foreign banking correspondents as well as its network of branches and business centres.

Lastly, BANK OF AFRICA initiated a number of cornerstone projects in response to regulatory requirements relating to AML/CFT (anti-money laundering). These projects and tools are designed to enhance Know Your Customer procedures, introduce a control strategy and undertake risk assessment.

COMPLIANCE INCORPORATED AT GROUP LEVEL

In 2019, in accordance with the Convergence project, BANK OF AFRICA continued to roll out Compliance across the Group through a number of initiatives and projects.

Roll out completed at subsidiary level

A significant number of subsidiaries implemented the Group Compliance system in 2019. As a result, every European subsidiary, 100% of BOA entities including BCB-Bujumbura as well Salafin in Morocco have now adopted the Group's Compliance system. BANK OF AFRICA also shared Group standards with BMCE Shanghai and provided assistance to European subsidiaries undergoing audits by local regulatory authorities.

The Compliance Community seminar was held for the third consecutive year in March 2019. This event aims to foster a culture of dialogue and encourage information-sharing among the Group's subsidiaries.

Lastly, in accordance with the new regulations introduced in 2019 and in compliance with the auditors' recommendations, BANK OF AFRICA will initiate a far-reaching project to update existing standards and processes. This project will span 2020 and 2021.

Post-roll out assistance

BANK OF AFRICA's Group Compliance project will now transition to the post-roll out phase by identifying the actions needed to enable each subsidiary to comply. In particular, this involves upgrading the body of standards at subsidiaries within the WAEMU region, enhancing the screening system for customers and transactions and adopting a new risk-based approach within screening systems at European subsidiaries. Lastly, subsidiaries are also being called upon to satisfy FATCA requirements and set up an anti-bribery management corruption system.

Other corrective actions have been implemented by subsidiaries to resolve the technical malfunctions of the screening and profiling systems caused by the introduction of a number of new IT projects at BOA Group (Banking, new Banking Accounting Plan).

Lastly, Group Compliance has made its subsidiaries aware of the need to resize their Compliance teams to ensure that the newly implemented systems are efficient and to improve the processing rates for profiling alerts.

Assistance for audited subsidiaries

Subsidiaries frequently undergo audit inspections by their regulatory authorities. 19 entities or 63% of the Group's subsidiaries have been audited over the past three years. It should be noted that these audit inspections did not result in any sanction by the regulatory authorities.

In response to these audits, Group Compliance has set up a support system for its subsidiaries. This system is intended to assist subsidiaries by providing training to staff working in the Compliance function, producing deliverables, reviewing of systems and solutions and monitoring corrective action.

In addition, Group Compliance continued to provide assistance to subsidiaries by helping them with their post-audit remediation plan.

SUSTAINABLE DEVELOPMENT **AND CSR GOVERNANCE**

ENVIRONMENTAL, SOCIAL AND SOCIETAL RESPONSIBILITY

ENVIRONMENTAL, SOCIAL AND SUSTAINABILITY (ESS) COMMITTEE ESTABLISHED

As far as governance was concerned, an Environmental, Social and Sustainability Committee was established in 2019, chaired by the Group Executive Managing Director.

A GROUP-WIDE CHARTER TO ENSURE CONSISTENCY OF ACTION

After concerting with each of its stakeholders, BANK OF AFRICA formalised its commitments in the form of a Social Responsibility Charter. Introduced in March 2018, this Charter, which aims to meet ethical, environmental and social challenges, is part of a reflective process at Group level. The Charter provides a framework enabling each subsidiary to make an effective contribution to six major undertakings in the following areas:

1. Business ethics and responsible customer relations
2. Sustainable finance and social entrepreneurship
3. Responsible employer
4. Governance and risk management
5. Environment
6. Community interest and dialogue with stakeholders

COMPLYING WITH THE HIGHEST INTERNATIONAL STANDARDS

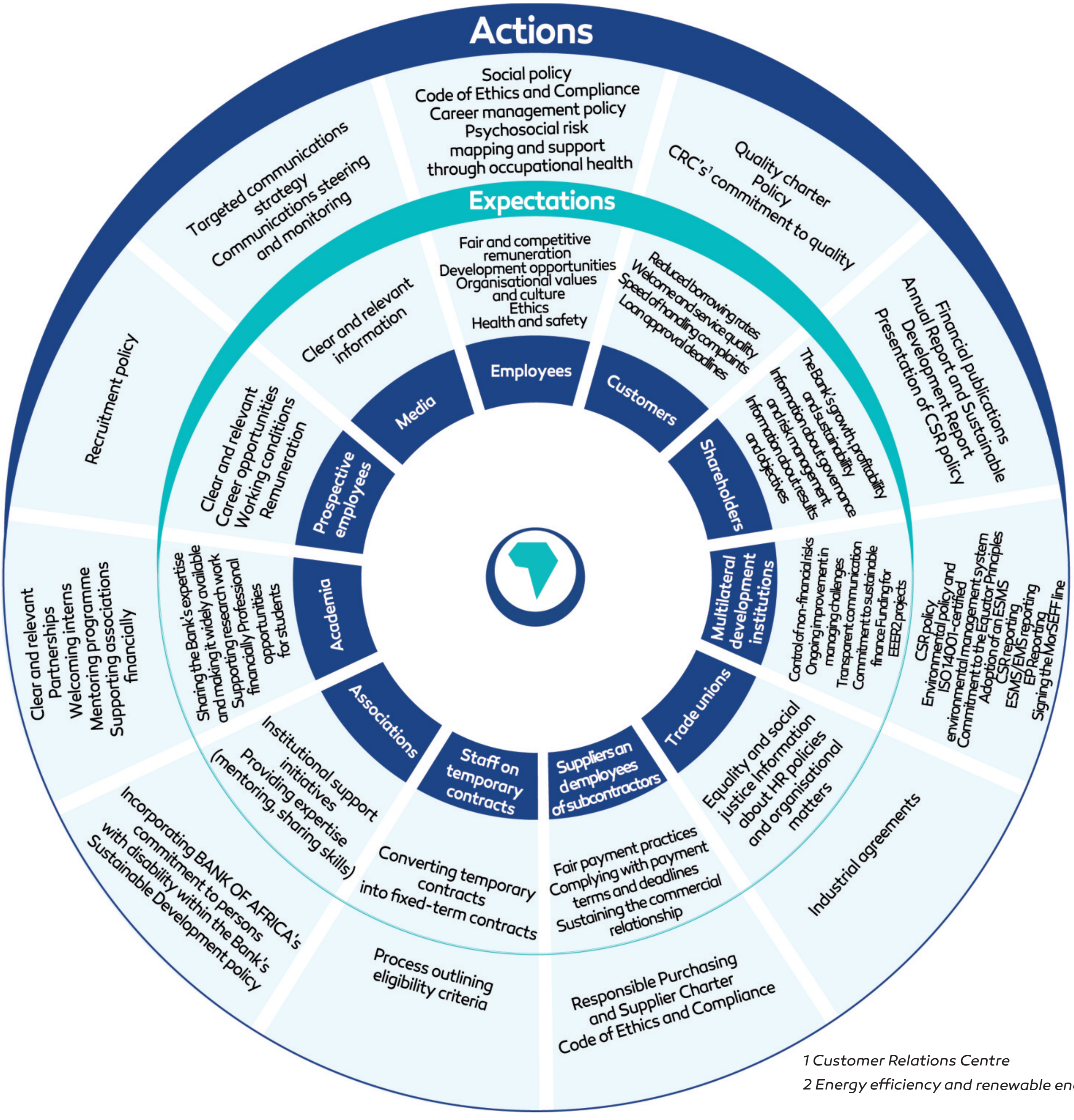
BANK OF AFRICA adheres to the main international benchmarks used to achieve sustainable development goals – the United Nations' Principles for Positive Impact Finance, the Global Compact, the Equator Principles based on the IFC's sustainability policy and Environmental and Social Management System, the Climate Action in Financial Institutions Initiative and the Green Investment Principles for the Belt and Road, among others. By adopting these international undertakings, BANK OF AFRICA has established a framework enabling it to incorporate environmental aspects into its operations.

BANK OF AFRICA'S CSR CHARTER

SUSTAINABLE DEVELOPMENT STAKEHOLDERS AND CHALLENGES

FOSTERING CLOSER TIES WITH STAKEHOLDERS

No CSR approach can be truly effective without listening attentively to one's stakeholders. BANK OF AFRICA maintains an ongoing dialogue with the different entities that make up its internal and external ecosystem.



1 Customer Relations Centre

2 Energy efficiency and renewable energy

RISKS AND OPPORTUNITIES

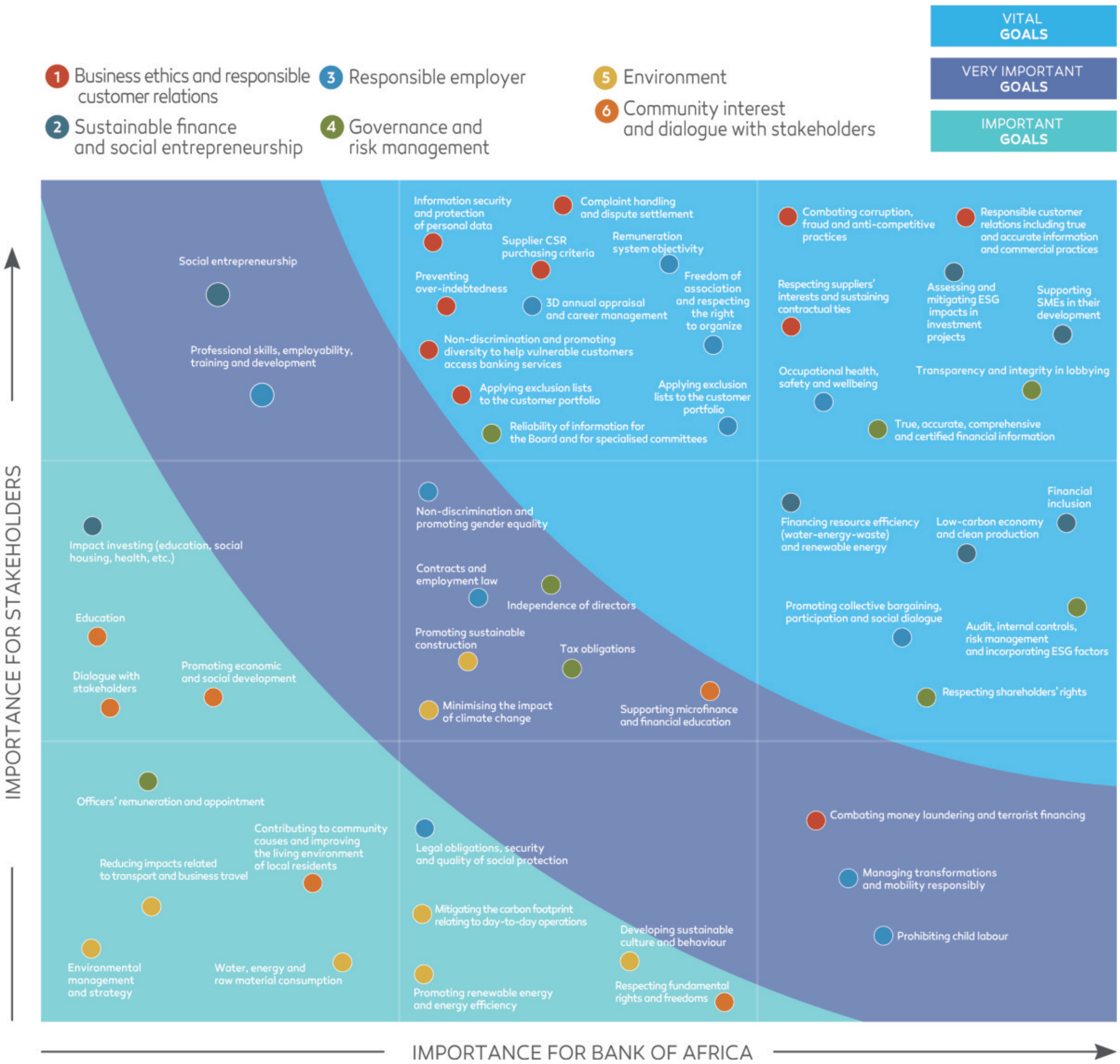
A CONCERTED APPROACH TO CO-DEVELOPMENT – MATERIALITY ANALYSIS

Materiality analysis is a key component in drawing up CSR strategy. It enables the Group to identify the environmental, social and governmental challenges that it faces while taking into account stakeholders' expectations and the Bank's business challenges.

Represented by a matrix, the correlation between these two main lines enables the Group to identify the major CSR challenges and draw up a deliverable strategy.

BANK OF AFRICA's CSR policy has therefore been established on the basis of a concerted exercise in materiality, involving internal departments, non-financial performance experts and independent third parties. The aim is to respond as best as possible to the expectations expressed as part of an ongoing process of listening to every stakeholder.

THE CSR CHARTER'S 6 UNDERTAKINGS



GOAL 2. PROMOTING SUSTAINABLE FINANCE AND SOCIAL ENTREPRENEURSHIP

BANK OF AFRICA's initial commitment to sustainable finance saw it sign up to a number of international frameworks. In May 2010, the Group adopted the Equator Principles (EP), which provided it with a suitable framework for incorporating environmental and social risk in funded projects. Signing the Positive Impact Manifesto in October 2015 and becoming a member of the Positive Impact Finance Initiative in 2017 accelerated the Group's commitment to sustainable finance.

BANK OF AFRICA is heavily involved in UNEP-FI's Positive Impact movement. This initiative has now reached a stage where BANK OF AFRICA will be able to conduct impact analysis of its entire portfolio and adopt an impact-based approach to economic development.

Bridging the Sustainable Development Goals ('SDGs') financing gap is not just a financial challenge. Business models themselves are under scrutiny. Economic crises resulting from health crises will further emphasise the need to drastically improve the economic efficiency of social and environmental investments.

An 'impact-based' economy is one in which income is created by social and environmental impacts and related income. The environmental and social impacts generated are therefore intrinsic to the 'business model' and measurement of the impact ceases to be non-financial (questionable therefore, or not proven).

GOAL 3. BEING A RESPONSIBLE EMPLOYER, ATTENTIVE TO ITS EMPLOYEES AND SUPPORTING THEIR DEVELOPMENT

WOMEN'S EMPOWERMENT

The Group is determined to encourage more women into the workforce and has adopted specific recruitment measures to meet this goal. The Group is also doing everything it can to increase the proportion of women in managerial posts.

CAREER MANAGEMENT

The Group is particularly attentive to the mobility and career management of its employees. It encourages retraining and promotion as well as international mobility. The Group also supports skills development through major training programmes, primarily delivered by a specialised entity, BANK OF AFRICA Academy. The training focuses on the banking professions but is also aimed at developing managerial and commercial skills. BANK OF AFRICA ensures that a large majority of its employees benefit from at least one training course per year.

HEALTH, SAFETY AND WELL-BEING

As part of its occupational health and safety policy, BANK OF AFRICA carries out a number of awareness and prevention initiatives on health and hygiene issues. The Group is fully aware that occupational well-being is a performance driver, which is why it implemented a cornerstone initiative to manage workplace stress and reduce psychosocial risks.

COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

Social dialogue enables the Group to build trust-based relationships and foster an atmosphere that is conducive to improving each employee's quality of life at work. A number of committees exist within BANK OF AFRICA's Human Resources department which engage in ongoing discussions about a variety of issues including training, appraisals, remuneration, managing staff loans, occupational health and employee benefits. The Group acts with transparency and actively encourages collective bargaining and decision-making.

GOAL 4. EXERCISING GOVERNANCE AND RISK MANAGEMENT WITH DILIGENCE

BANK OF AFRICA adheres to the main international benchmarks for achieving sustainable development goals – the United Nations' Principles for Positive Impact Finance, the Global Compact, the Equator Principles, the Climate Action in Financial Institutions initiative and the IFC's Environmental and Social Management System. These international undertakings have led BANK OF AFRICA to establish a framework enabling it to incorporate environmental aspects into its operations.

In 2019, the Bank thus continued to focus its efforts in E&S risk management.

The Bank also enhanced its E&S risk management system by identifying and clarifying its scope of application (investment loans) and by better defining roles and responsibilities when analysing customer dossiers. BANK OF AFRICA also made progress in developing operational tools that are adapted to the new ESMS.

GOAL 5. PROTECTING THE ENVIRONMENT REDUCING THE CARBON FOOTPRINT ACROSS THE GROUP

WOMEN'S EMPOWERMENT

In order to contribute to the collective effort to combat global warming, BANK OF AFRICA bolstered its CSR strategy by adopting an ISO 14001-certified environmental management system in 2011 and a genuine environmental and energy policy within the Group. The Bank has also adopted a number of programmes to reduce the carbon footprint from its operations.

BANK OF AFRICA was the first bank to obtain ISO 50001 certification for its Energy Management System.

BANK OF AFRICA also implemented a sustainable construction policy which applies to renovation and construction projects for buildings and new sites. The HQE-certified BANK OF AFRICA Academy building was designed in such a way so as to reduce the impact from construction on the environment while providing occupants with a healthy and comfortable indoor environment. This multi-criteria approach combines eco-construction and eco-management with comfort and health.

Alongside its environmental policy, the Bank is keen to develop a culture and awareness of the challenges of sustainable development at Group level. Various training initiatives and internal campaigns are regularly implemented to encourage employees to adopt good habits and behaviour.

BANK'S PERFORMANCE IN SUSTAINABLE DEVELOPMENT AND CSR **WIDELY RECOGNISED**

OVERALL PERFORMANCE

BANK OF AFRICA's longstanding commitment to adopting a responsible approach to its ecosystem and to its partners is widely recognised with the Bank regularly winning a number of awards.

GHG ASSESSMENT ($T\ CO_{2e}$/EMPLOYEE)

5.16

PERCENTAGE OF WOMEN EMPLOYED BY THE BANK

40%

GHG EMISSION SAVINGS (MORSEFF + GREEN BOND $T\ CO_2$/YEAR)

45,000

PERCENTAGE OF LOCAL COMPANIES MANDATED BY THE BANK ACROSS ALL PROJECTS

95%

ENERGY SAVINGS (ISO 50001 PROJECT)

14%

SAVINGS DUE TO THE WASTE RECYCLING PROGRAMME AND A STRATEGY OPTIMISING BUSINESS TRAVEL

250,000 $T\ CO_2$

COMPLIANCE

Compliance benefiting from innovation

In 2019, BANK OF AFRICA initiated a number of cornerstone projects in response to various regulatory requirements applicable to the financial sector. The latter include the fight against money laundering and terrorist financing, tax obligations for foreign accounts, data protection etc. These projects involve implementing more reliable and effective IT solutions and systems that are adapted to the new legal requirements.

Improved communication with the UTRF

To further streamline communication with the Financial Information Processing Unit (UTRF), the Go-AML application, which is already operational, was enhanced with a view to automating extraction from operating systems more effectively. After several months of stabilisation, the new version of the app became operational in September 2019.

KYC activities chain revamped

To meet the expectations of the regulatory authorities, BANK OF AFRICA has bolstered its KYC system to better identify customers, beneficial owners and business relationships. As such, the Bank revamped its KYC value chain by delegating control operations to a new subsidiary, OGS (Operation Global Services). This system revamp now enables the Bank to automate the account opening process and make it more secure. The following operations have no been centralised with OGS:

- Comprehensive control to ensure data accuracy
- Completion of post-EER dossiers, with anomalies updated and/or corrected in the event of any documentary irregularities.

A dedicated control solution has also been developed internally and made available to OGS to assist it in this new assignment. This solution was piloted at a number of branches in Casablanca and will be rolled out from 2020.

Control strategy revamped on SIRON AML

The control strategy on SIRON AML (profiling solution), which is the cornerstone of the Group's AML/CFT anti-money laundering system, has been redesigned in several stages – file input data that are fed into the SIRON AML solution have been reviewed, corrected and enhanced, the new AML strategy configured within the solution and acceptance testing carried out. Thanks to this new strategy, this solution will enable the Group to obtain more accurate results. For example, alerts have been made more relevant by refining the search and target criteria and extending the scope of control to include operations that have either not been covered or insufficiently covered, while the highest international standards have been adopted by adopting a risk-based approach.

AML/CFT risk assessment

In accordance with the current regulations, BANK OF AFRICA conducts an annual analysis and assessment of AML/CFT risks relating to different customer categories, countries or geographic zones as well as products, services, operations and distribution channels. In conducting this analysis, all relevant risk factors are assessed prior to determining the overall risk level. This enables the Bank to identify the appropriate measures that need to be taken so as to mitigate these risks. These include setting limit systems by product and service, by period, transaction, distribution channel and zone.

Compliance with US FATCA legislation

Phase II of this project was launched in 2019, enabling the Bank to file reports for each of the Group's subsidiaries. As a result, during this second phase, 7 new subsidiaries registered with the Internal Revenue Service (IRS) (US tax authorities) – BOA CI, BOA BF, BOA Togo, BOA RDC, BOA Tanzania, BOA Capital Asset Management and BOA Capital Securities. Remediation work on customers with indicia of US-person status but as yet undocumented continues to be closely monitored and regularly reported on.

Relations with foreign correspondent banks

In 2019, BANK OF AFRICA processed questionnaires relating to its anti-money laundering system from foreign correspondents. Requests for information about joint transactions and requests for additional information on KYC and OFAC risks were also processed.

Relations with the distribution network

As part of its ongoing relationship with the distribution network, the Compliance department is ready to respond to any request for advice and assistance from the branch and business centre network. In 2019, it dealt with unusual transaction reports relating to transactions involving embargoed countries as well as instructing on trade finance applications. In addition, Compliance continued to raise awareness by publishing a number of notes and providing training to more than 1,635 employees.

Know Your Customer (KYC)

KYC, considered to be the core component of the Compliance system, begins as soon initial contact is made with a prospective customer (EER). Much of the KYC work therefore focuses on the following:

- Obtaining reliable information about customers under investigation
- Carrying out controls of 'high risk' customers upon initial contact
- Monitoring OSCAF reliability campaigns relating to controls, ensuring consistency between KYC and GRC data
- Processing PPE and Adverse Media alerts.

Compliance also implemented a number of initiatives to improve the EER control system. These included organising various workshops, introducing a data dictionary (creating new fields, requalifying occasional customers, etc.), a project to integrate the KYC factsheet within the GRC (automating the process of entering every field from the KYC factsheet).

Transaction monitoring

In 2019, BANK OF AFRICA bolstered its AML/CFT solutions for monitoring and filtering transactions. As a result, Compliance was able to process, in real time, every alert generated by screening incoming and outgoing SWIFT messages. It also carried out batch filtering of alerts relating to account openings. In total, 94% of alerts generated by the SIRON AML profiling solution were investigated with 95% of risky alerts processed. It is worth noting that those profiling indicators generating the most alerts are sizeable one-off cash payments, transfers and cheque deposits and remittances.

Ethics and professional conduct

In accordance with the relevant requirements, BANK OF AFRICA duly filed its ethics activity reports with the Moroccan Capital Markets Authority. In addition to these reports, the Authority was provided with an updated list of persons with insider knowledge in accordance with the agreed procedures. Furthermore, the periodic reporting statements relating to transactions by insiders did not reveal any atypical or suspicious transactions.

2019 also saw the Bank's anti-bribery management system obtain ISO 37001 certification. The system consists of a series of procedures and means of control relating to corruption risks to which the Bank is exposed. In addition, a system was adopted to communicate, raise awareness and train stakeholders about corruption risk. In obtaining this certification, BANK OF AFRICA is playing a pioneering role in the fight against corruption, becoming the first banking group in Africa to obtain this award. This certification, which Is renewed annually, will impact other subsidiaries in 2020 and 2021 – 4 Group subsidiaries, including 3 in Africa and 1 in Europe.

Personal data protection

In accordance with the provisions of Act 09-08 relating to the protection of personal data, BANK OF AFRICA continued to implement its action plan ensuring compliance:

- New data protection procedures introduced and approved – response plan, CNDP declaration and authorisation process
- Two solutions proposed to meet the requirements of the regulatory authority on the matter of a biometric information policy
- New notifications and applications for processing authorisation filed with the CNDP (FATCA, offshore network, data transfers to correspondents).

A project to ensure compliance with the new General Data Protection Regulation (RGPD) was also initiated in 2019. The aim is to produce an 'RGPD kit' which can then be rolled out to other subsidiaries within the Group.

Responsible purchasing

As part of an ongoing commitment to promoting and supporting the fundamental principles of social and environmental responsibility in its day-to-day operations, the Group has adopted a 'responsible purchasing' approach.

Consistent with its CSR policy, BANK OF AFRICA's Responsible Purchasing Charter is a code of conduct governing the relationship with suppliers as part of the purchasing processes. This Charter, which has now been signed by 100% of the Bank's suppliers, aims to promote principles relating to human rights, labour law, environmental protection and the fight against corruption.

A supplier appraisal system, adopted by BANK OF AFRICA in 2014 and ISO 9001:2015-certified since 2018, now plays a vitally important role in the purchasing process.

GOAL 2. PROMOTING SUSTAINABLE FINANCE AND SOCIAL ENTREPRENEURSHIP

Arabia CSR Awards – sustainable finance

For the 6th consecutive year, BANK OF AFRICA was a double award-winner at the CSR Arabia Awards. The Group was awarded the highest rating in the Financial Services category in recognition of its commitment of more than 20 years to sustainable finance. The Bank was ranked second runner-up in the Partnerships and Collaborations category for adopting a highly structured governance process based on ethics, responsibility and transparency. The Arabia CSR Awards, which were launched in 2008, aim to recognise and honour outstanding Sustainable Development and CSR initiatives in the Arab region.

African Banker Award

The Bank was named 'Socially Responsible Bank of the Year 2018' for the 2nd time at the African Banker Awards ceremony 2018".

MORSEFF, special recognition for BANK OF AFRICA from the EBRD

At MorSEFF's awards ceremony in April 2019, BANK OF AFRICA was presented with a special award for its excellent contribution to the programme and its leadership in sustainable finance.

BANK OF AFRICA, A KEY PLAYER IN IMPACT FINANCE

CAP ENERGY
Energy efficiency/ Renewable energy

- Morocco's 1st financing line specifically for energy efficient or renewable-energy projects as part of the Moroccan Sustainable Energy Financing Facility (MorSEFF) programme. An overall budget of EUR 55 million, includes free technical assistance with customers qualifying for a 10% subsidy.
- A EUR 65 million funding mechanism for businesses wanting to invest in energy-efficient or renewable-energy projects.
- EUR 10 million extension to the MorSEFF and the Green Economy Financing Facility ('GEFF') programme.

CAP BLEU
Wastewater treatment and sanitation

- An exclusive solution on the market, a EUR 20 million financing line in partnership with the AFD and the EIB for public or private sector companies, enabling them to finance water treatment and sanitation projects in Morocco, technical assistance provided to help finance water resource projects – access, optimisation and treatment of water.
- In partnership with the French Development Agency and the European Investment Bank, CAP BLEU also provides free technical assistance.

WOMEN IN BUSINESS
Financial inclusion

- Financing programme for Moroccan women entrepreneurs, in partnership with the EBRD in Morocco, EUR 20 million with free technical assistance and mentoring.

CAP VALORIS
Circular economy/ Waste management

- EUR 20 million financing line in partnership with the FMO and the EIB, enabling Moroccan businesses to fund solid waste management projects – waste collection, recycling and recovery – with free technical assistance for customers including advice relating to environmental impact studies.

FCP Capital ISR
Socially responsible investing

- Morocco's 1st socially responsible investment (SRI) fund investing in companies selected on the basis of their social responsibility practices. Vigeo, a non-financial ratings agency, selects companies based on CSR/sustainable development criteria.

Sustainable and inclusive positive impact finance programmes

Consistent with its commercial goals and working alongside the Group's commercial staff, the Sustainable Development & CSR team has developed a number of sustainable finance positive impact programmes in conjunction with development agencies.

In just a few years, BANK OF AFRICA has emerged as a genuine market leader in responsible and inclusive finance. Its green and sustainable investments promoting energy transition amount to just under MAD 4 billion, in particular, in renewable energy, energy efficiency, waste management and recovery, sanitation and wastewater treatment as well as in female entrepreneurship and African SMEs.

Female entrepreneurship

Through its 'Women in Business' programme, BANK OF AFRICA is pursuing its strategy of supporting women entrepreneurs. This programme, run in partnership with the EBRD, comprises a EUR 20 million funding line offering preferential terms for day-to-day banking operations together with training and coaching initiatives.

Launched in October 2019, the offer also involves a non-financial component comprising training, coaching and seminars providing networking opportunities.

The Group has designed an assistance package in partnership with the EBRD called 'Women in Business' (WIB), which aims to generate an economic as well as social impact. This programme, which comprises a MAD 200 million funding line, offers women entrepreneurs a comprehensive solution. In addition to the funding aspect, the WIB package meets the needs of women entrepreneurs in terms of banking services, training and advice.

Supporting investment in SMEs

As part of a national framework to create a vibrant small business sector, BANK OF AFRICA has forged a reputation as one of the first banks to proactively commit to supporting entrepreneurs.

In response to His Majesty's speech in October 2019, the banking industry has accelerated introduction of financing offers for SMEs, particularly those wanting to expand their business on the continent.

Following the success of the Istitmar Croissance programme, BANK OF AFRICA is now heavily involved in the CAP TPE 2020 project. These programmes are available to every type of entrepreneur – sole trader, micro-entrepreneur or legal entity – who may be starting-up or developing their business. CAP TPE 2020 was rolled out in February 2020.

Funding a desalination plant

BANK OF AFRICA has arranged funding for one of the world's largest drinking water desalination and irrigation plants. This infrastructure, located in the Agadir region, meets the region's irrigation and drinking water needs. The possibility also exists of using wind energy as a source of power, thereby further strengthening the project's goals, which are to preserve underground resources and promote green energy.

Green Bond

BANK OF AFRICA was the first Moroccan bank to issue a green bond (classified as a 'positive impact bond') via a public offering on the domestic market. This MAD 500 million green bond, issued in November 2016, was approved by the agency, Vigeo Eiris, thereby underlining the Bank's socially responsible sustainable development credential and its willingness to finance domestic eco-responsible projects and initiatives that protect natural resources.

FCP CAPITAL ISR

Benefiting from the performance of Morocco's first SRI investing in socially responsible stocks

At 31 December 2019, FCP Capital ISR, the first SRI fund to be launched by BMCE Capital Gestion, had gained +18.37% since launch in March 2015 versus a return of +8.70% for the Moroccan equity market as a whole over the same period.

It is worth recalling that the FCP Capital SRI fund invests in shares of companies that are selected on the basis of non-financial analysis as well as an appraisal, carried out by Vigeo Eiris, a leading international non-financial ratings agency, of each company's environmental, social and governance (ESG) aspects.

The fund aims to reconcile financial performance with consideration for each company's (i) quality of governance, (ii) carbon footprint and (iii) social footprint, when selecting and managing the underlying investments.

FCP Capital ISR thereby enables investors to grow their capital by investing in a vehicle that is consistent with their own social and ethical beliefs, while promoting socially responsible corporate behaviour and sustainable development.

CAP ENERGIE MORSEFF:

100+

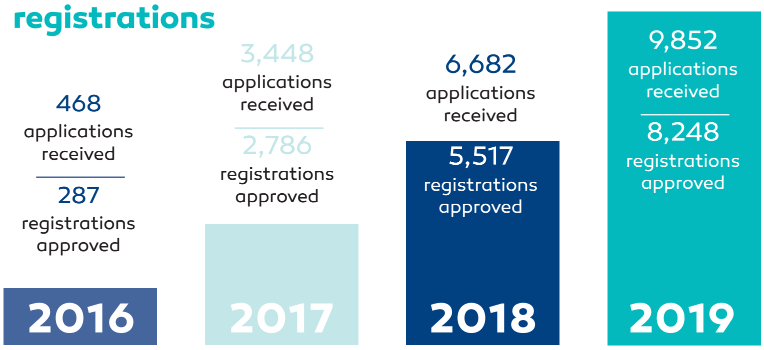
PROJECTS FINANCED TOTALLING EUR 44 MILLION

CAP VALORIS:

3

PROJECTS FINANCED AND 2 UNDER CONSIDERATION TOTALLING EUR 14 MILLION

Trend in micro-entrepreneur registrations



4

ANNUAL ROADSHOWS FOR TRADESPEOPLE AND 3 FOR MICRO-ENTREPRENEURS

73

MICRO-ENTREPRENEUR INFORMATION SEMINARS ORGANISED

BANK OF AFRICA's commitment to supporting small businesses comprises financial as well as non-financial assistance, thereby satisfying a number of goals:

- Bolstering the advice and support aspect
- Helping small businesses master rudimentary banking and finance techniques
- Creating networking and experience-sharing platforms between small businesses
- Organising training and mentoring programmes run by banking industry professionals and university professors
- Helping small businesses to be energy efficient and to optimise resources
- Supporting and helping entrepreneurs to develop their business
- Organising financial education training

GOAL 3. BEING A RESPONSIBLE EMPLOYER, ATTENTIVE TO ITS EMPLOYEES AND SUPPORTING THEIR DEVELOPMENT

TOP EMPLOYER 2019

BY TOP EMPLOYER INSTITUTE, AN INTERNATIONAL CERTIFICATION BODY

31%

OF EMPLOYEES BENEFITING FROM TRAINING

2/5

FEMALE-MALE GENDER RATIO

40.2%

OF DIRECT EMPLOYEES ARE FEMALE

FIRST BANK IN MOROCCO TO BE

OHSAS CERTIFIED

64.5%

JOB SATISFACTION RATIO ACROSS THE GROUP ACCORDING TO THE SOCIAL AUDIT

HR excellence

For the 3rd consecutive year, BANK OF AFRICA was awarded 'Top Employer 2019' certification by Top Employers Institute, an international certification body. This international award recognises the Bank's excellent HR practices.

Drawing up a Group-wide human resources policy

In 2019, as part of the Group Transformation Programme, BANK OF AFRICA made considerable progress in establishing a Group-wide HR policy and handbook, which brings together management-approved guidelines on minimum standards for HR policies and procedures.

Ensuring job satisfaction and professional development

In 2019, nearly 1,600 internal transfers were recorded at BANK OF AFRICA, which resulted in either a change in business line or post, in what was a sideways move or a promotion.

In 2019, 32% of the workforce benefited from at least one training initiative. Nearly 500 training courses were provided i.e. around 8,000 training days.

Promoting equal opportunity

BANK OF AFRICA BMCE Group is proactively pursuing a policy of promoting diversity and gender equality between women and men, in line with its undertakings. This has proved to be a major performance driver of Group strategy, which regards diversity as a catalyst for collective prosperity, social cohesion and economic efficiency.

In keeping with an approach to Sustainable Development and CSR that originated almost two decades ago, in 2019, BANK OF AFRICA adopted a policy of proactively promoting gender equality and female autonomy. This initiative is also consistent with the Bank's resolute commitment, under the leadership of its Chairman, Mr Othman Benjelloun, to realise the United Nations' Sustainable Development Goals.

Through its Gender Equality & Inclusion Policy, the Group is committed to ensuring equality between women and men and empowering women by incorporating a gender perspective in all processes and procedures, equality between women and men and achieving gender parity within the Group's overall workforce, its managerial functions and on its governance bodies, promoting women's financial inclusion through specific programmes and products and protecting women's fundamental rights.

The Bank is fully aware of the relationship that exists between economic and financial performance on the one hand and the proportion of women employed across the entire Group, including its subsidiaries, in the other. That is why women occupy a prominent place, accounting for almost half of employees worldwide. Women in fact account for 41.8% of the Group's total workforce – some 6,336 women out of BANK OF AFRICA Group's 15,160 employees, according to the 2019 Social Audit. The number of women employed is not just a social statistic of which BANK OF AFRICA is proud. Women play a vital role and are central to strategy, striving day-by-day to grow the business, enhance its performance and protect its reputation.

Mitigating health and safety risks

BANK OF AFRICA places a high degree of emphasis on preventive healthcare. That is why the Bank has participated for a number of years in 'Pink October', a global communications campaign to raise awareness about screening for breast cancer. BANK OF AFRICA also celebrated World Diabetes Day in 2019 by organising a campaign offering free screening for employees. A special one-day health and wellbeing conference was also held for retired staff, providing an opportunity to highlight a number of welfare benefits relating to seniors' health and wellbeing.

Fostering a healthy and friendly workplace environment

A number of sporting and cultural events were organised in 2019. The Group's staff had the opportunity of meeting informally at tennis and five-a-side football tournaments. The BANK OF AFRICA Club also continues to organise a large number of artistic activities for employees' children.

Encouraging an innovative mindset

To encourage staff to get involved in its digital programme, BANK OF AFRICA has launched IN'PULSE, an in-company intrapreneurship programme encouraging innovation. This programme enables employees to submit innovative ideas that might be used within the company as a growth driver or enable the Group to stand out from its peers.

Human capital indicators

No. of employees	2017	2018	2019
BANK OF AFRICA Group	14 841	15 248	15 283
BANK OF AFRICA Morocco indicators			
No. of employees	5 411	5 328	5 047
Of whom women	2 082	2 099	2 027
By contract type			
Permanent	5 097	5 061	4 929
Fixed term	314	267	118
By category			
Managers	3 332	3 336	3 203
Employees	216	181	94
Graded	1 587	1 522	1 434
Unclassified	276	289	316
By length of service			
Fewer than 5 years	24%	31%	25%
5-10 years	21%	14%	12%
10-20 years	40%	45%	47%
More than 20 years	15%	11%	17%
Recruits & departures			
Recruits	384	287	98
Resignations	146	182	217
Redundancies	46	54	46
Employee-related disputes			
Social dialogue			
Number of days lost to due to strikes	0	1	0
No. of employee representatives Full members	88	88	84
Replacement members	71	69	62
Occupational health and safety			
Number of occupational accidents	46	69	59
Training			
Budget in MAD billions	46	69	59

GOAL 4. PROTECTING THE ENVIRONMENT

Reducing the carbon footprint across the Group

Customer satisfaction has always been one of BANK OF AFRICA's top priorities. In particular, customers must perceive added value in terms of service quality.

For three consecutive years, BANK OF AFRICA has won the 'Best Customer Service of the Year – Morocco' award in the Banks category.

1ST BANK TO OBTAIN ISO 50001-CERTIFICATION

FOR ITS ENERGY MANAGEMENT SYSTEM

-1,012,745 KW

ENERGY SAVINGS IN 2019

-4.2%

REDUCTION IN WATER CONSUMPTION IN 2019

-7.2%

REDUCTION IN TONS CO_2 PER EMPLOYEE IN 2019

170

GROUP EMPLOYEES BENEFITED FROM TRAINING ABOUT E&S RISKS IN 2019

	2017	2018	2019
Energy consumption in kWh	19 563 024	24.610 710	23 847 440
CO_2 emissions per employee in T CO_2 eq.	5.06	5.16	5.16
Waste assessment			
Paper and archives (t)	-	53	34
IT equipment (units)	-	579	667
Cooking oils (kg)	-	867	990
Cartridges (kg)	-	3860	3548
Maintenance (kg)	-	1 643	2120

GOVERNANCE REPORT

— Board of directors
— Corporate governance
— Information provided to shareholders

A HEALTHY, EFFICIENT AND SOLID GOVERNANCE SYSTEM

BANK OF AFRICA has established a highly robust and exemplary governance system to protect the long-term interests of all its stakeholders. The Group continues to meet the most stringent of standards when it comes to governance practices, as well as ensuring that it is fully compliant with domestic and international statutory requirements. Furthermore, given its strategic role within the economy, the Group is under an obligation to ensure that its operations are entirely secure and to adopt adequate control mechanisms.

As part of a process of ongoing improvement, BANK OF AFRICA's governance system is underpinned by a number of decision-making and supervisory bodies as well as committees which are responsible for drawing up the Group's main strategic and operational policies.

GOVERNANCE CHARTER

Consistent with its role as a responsible organisation with a strong emphasis on ethical standards, BANK OF AFRICA has adopted a Governance Charter, drawn up in accordance with Bank Al-Maghrib's Directive 1/W/2014.

This Charter defines the powers of each body, where those powers stop and how they interact. The Charter enables BANK OF AFRICA to organise more effectively the functioning and the decision-making processes of its most important decision-making bodies – the Annual General Meeting of Shareholders, the Board of Directors and Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors' primary responsibility is to maintain a balance between shareholders' interests and growth prospects, between long-term value creation and depositor protection.

This body is responsible for strategic planning, for determining and managing risk, internal control, governance and the Corporate Social Responsibility Charter.

BANK OF AFRICA's Board of Directors is renowned for taking a collegial approach to decision making and for its mix of domestic and international banking and finance experts. The Board comprises thirteen Directors, four of whom are Independent Directors.

Like other international listed companies, BANK OF AFRICA has adopted Internal Rules which define the Board of Directors' modus operandi, thereby enhancing the Bank's credibility and stature vis-a-vis each of its stakeholders. These Internal Rules specify:

1. The composition and responsibilities of the Board of Directors
2. The Board of Directors' modus operandi
3. The special mandates and specialised committees which report directly to the Board
4. The rules of ethics and professional conduct that apply to Directors (Ethics Charter for Directors)

The Board comprises thirteen Directors, four of whom are Independent Directors.

Othman BENJELLOUN
BANK OF AFRICA's Chairman and Chief Executive Officer
Date initially appointed: 1995[1]
Current term of office: 2019-2025

BANQUE FÉDÉRATIVE DU CREDIT MUTUEL– GROUPE CM-CIC*
Represented by Lucien MIARA
Date initially appointed: 2005
Current term of office: 2014-2020
(*) Reappointment to be put before the 2020 AGM

CAISSE DE DÉPÔT ET DE GESTION
Represented by
Abdellatif ZAGHNOUN
Date initially appointed[2]: 2010
Current term of office: 2016-2022

RMA
Represented by Zouheir BENSAID
Date initially appointed: 1994
Current term of office: 2019-2025

FINANCECOM
Represented by Hicham EL AMRANI
Date initially appointed: 2001
Current term of office: 2015-2021

CDC GROUP PLC**
Represented by Marc BEAUJEAN
Date initially appointed: 2019
Current term of office: 2019-2024
(**) Co-opted onto the Board of Directors 22 November 2019 and appointment to be put before the 2020 AGM for approval

Azeddine GUESSOUS
Intuitu Personae
Date initially appointed: 2017[3]
Current term of office: 2017-2023

François HENROT
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

Brian C. McK. HENDERSON
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

Philippe DE FONTAINE VIVE
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

Christian de BOISSIEU
Independent Director
Date initially appointed: 2016
Current term of office: 2016-2022

Abdou BENSOUDA
Intuitu Personae
Date initially appointed: 2018
Current term of office: 2018-2024

Brahim BENJELLOUN - TOUIMI
Group Executive Managing Director and Chairman of the Board of BOA Group (Luxembourg)
Date initially appointed: 2004
Current term of office: 2016-2022

[1] *Each term of office shall take effect from the date on which the Annual General Meeting is held to rule on the previous year's financial statements.*

[2] *CDG had a seat on BMCE Bank's Board of Directors from 1966 to 1997 and was then reappointed at the Annual General Meeting of 26 May 2010.*

[3] *Mr Azeddine GUESSOUS sat on the Board as an Intuitu Personae Director from 2005 to 2008, then as RMA's permanent representative before being appointed again as an Intuitu Personae Director in 2017.*

BOARD OF DIRECTORS – MAIN INDICATORS 2019

No. of Board members	13*
No. of Board meetings	8
Overall attendance rate	93%

(*) As of the Board meeting of 22 November 2019 at which CDC Limited, represented by Mr Marc Beaujean, was co-opted onto the Board

Generally speaking, should a Director be unable to attend a Board meeting, then they may delegate their powers to another Director.

Othman Benjelloun	100%
BFCM, Mr Lucien Miara	63%
CDG, Mr Abdellatif Zaghnoun	63%
RMA, Mr Zouheir Bensaid	100%
FINANCECOM, Mr Hicham El Amrani	100%
CDG Limited, Mr Marc Beaujean	100%**
Mr Azeddine Guessous	100%
Mr François Henrot	100%
Mr Brian Henderson	100%
Mr Philippe De Fontaine Vive	88%
Mr Christian de Boissieu	100%
Mr Abdou Bensouda	100%
Mr Brahim Benjelloun Touimi	100%

(**) Co-opted onto the Board of Directors 22 November 2019

INDEPENDENCE CRITERIA

BANK OF AFRICA complies with the regulatory provisions relating to independence criteria as stipulated in Bank Al-Maghrib Circular 5/W/2016.

REMUNERATION

DIRECTORS' FEES

In consideration of their contribution to the Board of Directors and the Specialised Committees, each Director receives directors' fees.

The overall amount allocated for Directors' fees is set annually by the Annual General Meeting, upon the proposal of the Board of Directors.

	31/12/19*			31/12/18*		
	GROSS amount	Tax withheld	Net amount paid	GROSS amount	Tax withheld	Net amount paid
Morocco-domiciled individuals and legal entities	3 842	992	2 850	3 485	885	2 600
Foreign-domiciled individuals and legal entities	3 235	485	2 750	3 823	573	3 250
TOTAL	**7 077**	**1 477**	**5 600**	**7 308**	**1 458**	**5 850**

(*) Previous year's Directors' fees

BOARD OF DIRECTORS' SELF-APPRAISAL PROCESS

An annual self-appraisal regarding the structure, powers, remit and functioning of the Board of Directors is carried out by each Director.

This process is overseen by the Governance, Appointments and Remuneration Committee, a body reporting directly to the Board of Directors and comprising independent and non-executive Directors. The work of the Board is appraised on the basis of an individual questionnaire comprising thirty or so questions relating to the composition of the Board and the Specialised Committees, meeting frequency, the quality of the minutes, the Board discussions, the documentation made available to the Directors and timeframes, the choice of topics on the agenda including CSR-related matters etc.

On completing the self-appraisal process, a summary report of the results of the appraisal is submitted to the Board of Directors and an action plan drawn up.

The self-appraisal questionnaire, which is drawn up by the Governance, Appointments and Remuneration Committee, is frequently updated to take into account any regulatory changes, Board meeting discussions and recommendations made in previous questionnaires.

BOARD OF DIRECTORS – MAIN INDICATORS 2019

Group Risks Committee	No. of meetings	4
	No. of members	8*
	Independence	50%
	Attendance rate	86%
Group Audit and Internal Control Committee	No. of meetings	4*
	No. of members	6
	Independence	67%
	Attendance rate	90%
Governance, Appointments and Remuneration Committee	Number of meetings	4
	Independence	50%

(*) As of 2020, due to CDC Limited being co-opted as a Director by the Board at its meeting 22 November 2019 and its appointment as a member of the Group Risks Committee and the Governance, Appointments and Remuneration Committee.

SPECIALISED COMMITTEES REPORTING TO THE BOARD OF DIRECTORS

GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

COMPOSITION

CHAIRMAN

Mr François HENROT, Independent Director

STANDING MEMBERS

Mr Azeddine GUESSOUS, Intuitu Personae Director

CDC Ltd, represented by Mr Marc BEAUJEAN*

Mr Brian HENDERSON, Independent Director

(*) from 2020

INVITED MEMBERS

The Corporate Governance, Appointments and Remuneration Committee may invite, at its discretion, any member or non-member of BANK OF AFRICA or of its Group, depending on the items proposed for discussion on the agenda, including those matters to be dealt with by committees in relation to agreements, appointments or remuneration.

WORK OF THE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

The Governance, Appointments and Remuneration Committee was scheduled to meet during first half 2020 in order to discuss matters relating to the 2019 financial year. It was decided to postpone meetings until the Committee's composition had stabilised, following the death, in December 2018, of the late Mr Michel Lucas, until then Chairman of the said Committee, and the acquisition of a stake by a new shareholder.

GROUP RISKS COMMITTEE

COMPOSITION

CHAIRMAN

Mr Philippe DE FONTAINE VIVE, Independent Director

STANDING MEMBERS

- RMA, represented by Mr Zouheir BENSAID
- FinanceCom, represented by Mr Hicham EL AMRANI
- CDC Ltd, represented by Mr Marc BEAUJEAN*
- Mr Azeddine GUESSOUS, Intuitu Personae Director
- Mr François HENROT, Independent Director
- Mr Brian HENDERSON, Independent Director
- Mr Christian DE BOISSIEU, Independent Director
  (*) from 2020

ASSOCIATE MEMBERS

- Group Executive Managing Director
- Delegated General Manager responsible for Group Finance
- Delegated General Manager responsible for Group Risks
- Adviser to General Management
- Group General Controller
- Deputy Managing Director, responsible for Finance & Investments

INVITED MEMBERS

- The Committee may invite any person who is a member of the Group's managing staff or any manager whose functions come within its remit, depending on the items for discussion on the Committee's agenda.

COMMITTEE SECRETARY

Delegated General Manager responsible for Group Risks

WORK OF THE GROUP RISKS COMMITTEE

In 2019, the Group Risks Committee met on four occasions.

At these meetings, the Committee reviewed changes to credit risk indicators on a parent and consolidated basis, the overall risk limits for 2019, prudential ratios, the Watch List, the Internal Crisis Recovery Plan and the mortgage securitisation project.

Similarly, the Committee approved the 2019 General Risk Management Policy and the amendments to the Group Risks Committee's Operating Charter in response to regulatory changes in this regard.

The Committee also took note of (i) the new arrangements for post-approval loan commitments and (ii) the systems adopted for managing IT security and cyber security.

The Committee continued (i) work on the regulatory project to implement ICAAP and (ii) continued to implement the Convergence project in 2019 with regard to credit, operational and market risk.

In addition, the Committee regularly monitors how recommendations made at previous Committee meetings are handled.

GROUP AUDIT AND INTERNAL CONTROL COMMITTEE

COMPOSITION

CHAIRMAN

Mr Brian HENDERSON*, Intuitu Personae Director

STANDING MEMBERS

- RMA, represented by Mr Zouheir BENSAID
- Mr Azeddine GUESSOUS**, Intuitu Personae Director
- Mr François HENROT, Independent Director
- Mr Philippe DE FONTAINE VIVE, Independent Director
- Mr Christian de BOISSIEU, Independent Director

ASSOCIATE MEMBERS

- Group Executive Managing Director
- Delegated General Manager responsible for Group Finance
- Delegated General Manager responsible for Group Risks
- Adviser to General Management
- Group General Controller
- Deputy Managing Director, responsible for Finance & Investments

INVITED MEMBERS

- External auditors
- Heads of Permanent Control and Compliance
- The Committee may invite any person who is a member of the managing staff or any manager whose functions come within its remit, depending on the items for discussion on the Committee's agenda.

COMMITTEE SECRETARY

- BANK OF AFRICA – BMCE Group's General Inspector

(*) from 2020

(**) until 2020, Committee Chairman

WORK OF THE GROUP AUDIT AND INTERNAL CONTROL COMMITTEE

The Group Internal Audit and Control Committee (Group CACI) met on 4 occasions in 2019.

At these meetings, the main issues dealt with included reviewing BANK OF AFRICA Group's consolidated and parent performance, reviewing the Statutory Auditors' Report, monitoring implementation of the strategy for managing non-operating real estate assets and the project to reorganise BANK OF AFRICA Group's European operations in the context of Brexit.

As far as internal control was concerned, the Group CACI reviewed Group General Control's 2019 Annual Audit Plan as well as the main activity indicators for BANK OF AFRICA's Permanent Control function. Similarly, the Committee approved the Internal Control Annual Report for 2018.

In addition, the Group CACI oversaw implementation of the various recommendations made by the regulatory authority, Bank Al-Maghrib, the Statutory Auditors, the said CACI body and Group General Control. As such, it acknowledged the main items of correspondence with the regulatory authorities at Group level and the main conclusions and recommendations made by the Supervisory College.

As far as compliance was concerned, the Group CACI reviewed the 2018 Group Compliance Report and the progress made in implementing the Foreign Account Tax Compliance Act (FATCA) system.

CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
OTHMAN BENJELLOUN

BRAHIM BENJELLOUN-TOUIMI
Group Executive Managing Director

DRISS BENJELLOUN
Delegated General Manager responsible for Group Finance

M'FADEL EL HALAISSI
Delegated General Manager responsible for Financial Engineering, Debt Collection and Specific Assignments

MOUNIR CHRAIBI
Delegated General Manager responsible for Group Operations

OMAR TAZI
Delegated General Manager responsible for Banking in Morocco

MOHAMMED AGOUMI
Delegated General Manager responsible for International Coordination

KHALID LAABI
Delegated General Manager responsible for Group Risks

KHALID NASR
Head of the Corporate & Investment Banking Division

GROUP EXECUTIVE COMMITTEE

COMPOSITION

CHAIRMAN

Chairman and Chief Executive Officer

VICE-CHAIRMAN

Group Executive Managing Director

STANDING MEMBERS

- Delegated General Manager responsible for Group Finance
- Delegated General Manager responsible for Financial Engineering, Debt Collection and Specific Assignments
- Delegated General Manager responsible for Group Operations
- Delegated General Manager responsible for Banking in Morocco
- Delegated General Manager responsible for International Coordination
- Delegated General Manager responsible for Group Risks
- Chief Executive Officer of BOA Group
- Head of the Corporate & Investment Banking Division

WORK OF THE GROUP EXECUTIVE COMMITTEE

The Executive Committee continued the work carried out in 2018, overseeing execution of the financing plan in support of the 2019-21 Strategic Development Plan. The Bank raised MAD 1.7 billion of fresh capital in two tranches by converting dividends into shares and through a cash injection. Just under MAD 2 billion was raised via a second capital increase reserved exclusively for CDC Group.

Other work carried out by the Committee included launching the Transformation Programme, an ambitious and multi-faceted project to ensure that the Group's Strategic Development Plan was a success and restructuring the Group's European operations in the context of Brexit.

GROUP GENERAL MANAGEMENT COMMITTEE

COMPOSITION

CHAIRMAN

Group Executive Managing Director

STANDING MEMBERS

- Delegated General Manager responsible for Group Finance
- Delegated General Manager responsible for Financial Engineering, Debt Collection and Specific Assignments
- Delegated General Manager responsible for Group Operations
- Delegated General Manager responsible for Banking in Morocco
- Delegated General Manager responsible for International Coordination
- Delegated General Manager responsible for Group Risks
- Chief Executive Officer of BOA Group
- Head of the Corporate & Investment Banking Division
- Adviser to General Management
- Deputy Chief Executive Officer, Group General Control
- Deputy Chief Executive Officer, Finance & Investments
- Deputy Chief Executive Officer, Governance

ADDITIONAL MEMBERS CO-OPTED ONTO AN EXPANDED GENERAL MANAGEMENT COMMITTEE

- Deputy Chief Executive Officer, International Coordination General Management
- Deputy Chief Executive Officer, Head of Group Communications
- Deputy Chief Executive Officer, Personal and Professional Banking
- Deputy Chief Executive Officer, Specialised Business Synergies
- Deputy Chief Executive Officer, Group Compliance
- Deputy Chief Executive Officer, Group Human Capital
- Head of Group Transformation

COMMITTEE SECRETARY

Deputy Chief Executive Officer, Group Governance and Development

WORK OF THE GROUP GENERAL MANAGEMENT COMMITTEE

In 2019, the Committee met on 39 occasions. It also met twice for a strategy seminar to brainstorm and draw up the Group Transformation Plan.

The General Management Committee continued its work in 2019 in line with the undertakings given vis-à-vis the Bank's decision-making bodies and the regulatory authorities. Priority was given to matters relating to determining the best way of allocating financial, operational and human resources to kick-start the Group's transformation and further develop the Group's commercial activities.

The General Management Committee oversaw the drawing up of the 2019-2021 Strategic Development Plan and its financing plan, approved by the Board of Directors. As a result, in 2019, MAD 1.7 billion of fresh capital was raised. In addition, as far as cost control is concerned, the parent company was ahead of the projections outlined in the 2019-21 Strategic Development Plan.

The Committee continued to address another of the Bank's major concerns, that of complying with the ongoing raft of regulatory and prudential changes and with international standards. Two certifications were obtained, namely, certification of the FATCA system and of the new anti-bribery management system (ISO 37001).

Similarly, in 2019, BMCE SA's Internal Crisis Recovery Plan was updated and an impact study carried out on the effect that Bank al-Maghrib's new regulations would have on capital consumption. Regulatory changes include the draft amendment to Circular 26G relating to dations-in-payment and repos.

In addition, to provide a fillip to the Bank's range of financing products, the Committee approved a new commercial approach aimed at promoting the small business sector, consistent with His Majesty's directives. The Bank also launched a range of new products for businesses including CAP Mezzanine & IS Factor which will also help the Bank optimise its capital usage.

Another factor impacting the development of the Group's commercial activities has been the implementation of a multichannel strategy. A series of online banking solutions and services have been launched such as DabaPay, a mobile payment solution, the trade portal and the BMCE Business Online Cash portal.

Some of the Bank's other priorities include enhancing its human capital and managing the challenges associated with transformation. The Committee also ensured (i) that remuneration is consistent with the Bank's strategic priorities and (ii) continued to develop employee employability by carefully managing internal mobility in a context of organisational transformation.

OPERATING COMMITTEE

COMPOSITION

CHAIRMAN

- Delegated General Manager responsible for Group Operations

STANDING MEMBERS

- Group General Control
- Personal and Professional Banking
- SME Banking
- Group Human Capital
- Technology Processes and Group Organisation
- Group Permanent Control
- Casa North Regional Division
- Casa South Regional Division
- Governance and Management
- Global Services Operations
- Group Risk Management

COMMITTEE SECRETARY

Group Quality

ASSOCIATE MEMBERS

In addition to the above standing members, associate members include all divisional and departmental heads. They attend meetings to discuss issues that they have submitted to the Operating Committee for deliberation.

WORK OF THE OPERATING COMMITTEE

In 2019, the Operating Committee met on 25 occasions.

Of the thirty or so topics discussed, 21 were completed, representing 70% of the dossiers presented with 286 recommendations made.

As far as operational efficiency was concerned, the Committee's work was largely focused on the procedures for managing and monitoring deductions at source for civil servants, improving the handling of remittances from overseas and centralising level 1 warranty notification on the basis of digitised documents.

As far as cost control and risk management were concerned, the Committee dealt with various issues including the increase in visa fees, cleaning up unsettled Bank Al-Maghrib transactions and the stock of damaged banknotes, bolstering the fraud prevention system for online payments, the accounting aspect of unsettled transactions across the Network and the renewal of maturing warranties, as well as reviewing the process for dealing with savings certificates.

Turning to regulatory matters, the main issues reviewed included implementing the FATCA system, measures relating to issuing 'A/C payee only' cheque forms to solicitors' accounts, presenting the complaints management solution, requalifying and screening occasional customers and screening prospective customers on initial contact in real-time, customer-initiated account closures, managing unclaimed accounts, the process for managing payment institutions' cantonment accounts, re-establishing the Customer Relations Committee and the business travel budget.

The Committee also dealt with a number of issues regarding the support provided for business development, including negotiating with MasterCard regarding its Smart Data tool, the performance of Free Banking Services, the performance of ATMs, overhauling the Education Plus loan and monitoring implementation of a solution for digitising cheques and bills of exchange by large remitters.

GROUP INTERNAL CONTROL COORDINATION COMMITTEE

COMPOSITION

CHAIRMAN

Chairman of the Group General Management Committee and, in his absence, the Group General Controller

STANDING MEMBERS

- Delegated General Manager responsible for Group Finance
- Delegated General Manager responsible for Group Operations
- Delegated General Manager responsible for Group Risks
- Group General Controller
- Deputy Chief Executive Officer, responsible for Finance & Investments
- Deputy Chief Executive Officer, responsible for Group Compliance
- Head of Group Permanent Control

COMMITTEE SECRETARY

Deputy Chief Executive Officer, responsible for Group Compliance

ASSOCIATE MEMBERS

- Head of Subsidiaries' Risk, Internal Control and Compliance functions, depending on the items on the Committee's agenda for discussion
- Group Governance and Development division
- The Committee may invite, at its discretion, any member or non-member of BANK OF AFRICA or of the Group, depending on the items on the Committee's agenda for discussion

WORK OF THE GROUP INTERNAL CONTROL COODINATION COMMITTEE

The Group Internal Control Coordination Committee met twice in 2019.

As part of its work, the Committee acknowledged the significant progress made on the project to automate communication with the UTRF in relation to suspicious transaction reports and requests for information. It also reviewed the progress made in complying with Bank Al-Maghrib's Circular 5/W/2017, prioritising projects relating to real-time scanning of prospective customers on initial contact, finalising the Compliance data warehouse, bolstering KYC controls, in particular, through Permanent Control, continuing to run awareness campaigns across the Network about Compliance-related matters and managing occasional customers.

The Internal Control Coordination Committee also dealt with issues relating to permanent control, including reviewing the Control Plan for the Network, a subject which will remain on the agenda when the Committee meets in 2020.

In addition, the Committee closely monitored the roll out the FATCA system, acknowledging the draft body of FATCA procedures, certification of eligible entities as well as the proposed timeframe for other Group entities to be certified up until 2021.

Lastly, the Committee decided to place greater emphasis on subsidiaries at forthcoming meetings, by discussing, at each meeting, the progress made on the control and compliance work carried out by certain subsidiaries.

GROUP RISK STEERING AND MANAGEMENT COMMITTEE

COMPOSITION

CHAIRMAN

- Group Executive Managing Director

STANDING MEMBERS

- Delegated General Manager responsible for Group Finance
- Delegated General Manager responsible for Financial Engineering, Debt Collection and Specific Assignments
- Delegated General Manager responsible for Banking in Morocco
- Delegated General Manager responsible for Group Operations
- Delegated General Manager responsible for International Coordination
- Delegated General Manager responsible for Group Risks
- Chief Executive Officer of BOA Group
- Head of Corporate & Investment Banking Division
- Adviser to General Management
- Group General Controller
- Deputy Chief Executive Officer, responsible for Finance & Investments

COMMITTEE SECRETARY

- Head of Group Risk Management.

ASSOCIATE MEMBERS

- The Chairmen and Chief Executive Officers of the subsidiary in question
- Any other person in connection with the item for discussion by the Committee

WORK OF THE GROUP RISK STEERING AND MANAGEMENT COMMITTEE

The Group Risk Steering and Management Committee, meeting as an offshoot of the General Management Committee, met on 7 occasions in 2019.

The Committee's work was largely focused on analysing the latest trends in credit, market, operational and country risk indicators, on reviewing and approving overall risk limits, prudential ratios, carrying out the annual update of the internal crisis recovery plan, allocating capital between capital market operations and other operations, managing capital and the ICAAP project.

Work also involved reviewing dossiers placed on the Watch List, the programme for revamping the post-approval loan commitments chain and the mortgage securitisation project, in addition to reviewing Bank Al-Maghrib's amendments and draft circulars (26G, 19G, AIHE etc.) and information for Members relating to Bank Al Maghrib's on-site missions and following-up on its recommendations.

GROUP ALM COMMITTEE

COMPOSITION

CHAIRMAN

- Group Executive Managing Director

STANDING MEMBERS

- Delegated General Manager responsible for Group Finance
- Delegated General Manager responsible for Banking in Morocco
- Delegated General Manager responsible for International Coordination
- Delegated General Manager responsible for Group Risks
- Head of Corporate & Investment Banking Division
- Adviser to General Management
- Deputy Chief Executive Officer, Finance & Investments

COMMITTEE SECRETARY

- Deputy Chief Executive Officer, Finance & Investments

ASSOCIATE MEMBERS

- Head of Group ALM
- Heads of Group subsidiaries or their appointed proxies, depending on the items on the agenda for discussion
- Any person, at the Committee's discretion, depending on the items on the agenda for discussion

WORK OF THE GROUP ALM COMMITTEE

The ALM Group Committee, meeting as an offshoot of the General Management Committee, met twice in 2019.

The ALM Group Committee dealt with specific points relating to the Group's foreign currency funding requirements as well as the process of updating its system of ALM limits and run-off assumptions, following adoption of the so-called IRRBB or 'Interest rate risk in the banking book' standard (IRRBB), the monitoring of ALM risk indicators, in particular, the results of stress tests and the impact on the overall portfolio in terms of interest rate risk, the Bank's liquidity risk profile and its foreign currency liquidity risk profile.

In response to a letter from Bank Al-Maghrib, particular attention was also paid to drawing up the action plan in respect of the ALM risk management system in foreign currencies, ahead of transitioning to a more flexible exchange rate regime.

Lastly, issues relating to management of the Group's financial balances/ALM are regularly monitored by the General Management Committee, particularly as part of the process of drawing up the three-year Strategic Development Plan.

ENVIRONMENTAL, SOCIAL AND SUSTAINABILITY COMMITTEE

COMPOSITION

CHAIRMAN

- Group Executive Managing Director

STANDING MEMBERS

BANK OF AFRICA BMCE Group

- Delegated General Manager responsible for Group Finance
- Deputy Chief Executive Officer, responsible for Group Governance and Development
- Deputy Chief Executive Officer, responsible for Group Human Capital
- Head of Sustainable Development & CSE
- Head of Group Coordination

BOA Group

- Secretary General (Group)
- Head of Social and Environmental Risks (Group)

CDC

- Head of Social and Environmental Responsibility

COMMITTEE SECRETARY

Head of Sustainable Development & CSR

WORK OF THE ENVIRONMENTAL, SOCIAL AND SUSTAINABILITY COMMITTEE

At its first meeting in November 2019, the ESS Committee reviewed the progress made on the environmental and social risk management system, the progress made in rolling out the CSR Charter at BANK OF AFRICA and at its subsidiaries and the development of new positive impact financial products and services.

REMUNERATION OF THE MAIN OFFICERS

	Dec 19	Dec 18
Short-term benefits	24 878	21 061
Post-retirement benefits	1 956	1 568
Other long-term benefits	6 383	6 179

It is worth noting that short-term employee benefits relate to the fixed remuneration, inclusive of employer social security contributions, received by Officers in 2019.

Post-retirement benefits relate to outstanding leave reimbursed in the event that that employee were to leave the company, while termination benefits include end-of-career bonuses and long-service awards payable to those in question on leaving the company.

OFFICERS' BORROWINGS

	Dec 19	Dec 18
A. Short-term outstanding loans	56 019	37 492
B. Outstanding property loans	17 764	12 965
TOTAL OUTSTANDING LOANS	**73 783**	**50 457**

BIOGRAPHIES

MR OTHMAN BENJELLOUN | Chairman & Chief Executive Officer

Mr Othman BENJELLOUN is Chairman and Chief Executive Officer of BANK OF AFRICA Group, formerly Banque Marocaine du Commerce Extérieur, which was privatised in 1995. He is also Chairman of FinanceCom, the Bank's holding company.

He has been the Chairman of the Moroccan Banking Association (GPBM) since 1995 and was Chairman of the Union of North African Banks from 2007 to 2009.

Mr BENJELLOUN founded BMCE Bank Foundation with a dual aim:

- Education, primarily combating illiteracy by building and managing community schools in rural areas in Morocco and Africa and
- Environmental protection.

Mr BENJELLOUN was appointed as Chancellor of Al Akhawayn University of Ifrane between 1998 and January 2004 by His Majesty the late King Hassan II.

In 2007, he was awarded an Honorary Fellowship by King's College, London.

Since 1981, he has been an Adviser to the Washington-based Center for Strategic International Studies (CSIS) that was formerly overseen by Dr Henry Kissinger. In 2013, the CSIS conferred upon him the prestigious title of Honorary Trustee.

Mr BENJELLOUN has received a number of decorations including Officer of the Order of the Throne by His Majesty the late King Hassan II and Commander of the Order of the Polar Star by His Majesty the King of Sweden.

Other distinctions include Commander of the National Order of the Republic of Senegal, Commander by Number of the Order of Isabella the Catholic by His Majesty King Juan Carlos of Spain, Commander of France's Order of Arts and Letters and, more recently, Commander of the Order of the Grand Star by the Republic of Djibouti.

On 7^{th} April 2010, Mr BENJELLOUN was elevated to the rank of Commander of the Order of the Throne by his Majesty King Mohammed VI.

Born in 1932 in Casablanca, he is a graduate of École Polytechnique Fédérale de Lausanne in Switzerland.

Mr BENJELLOUN is married to Dr Leïla Mezian Benjelloun, an ophthalmologist. They have two children, Dounia and Kamal.

APPOINTMENTS LIST

Chairman and Chief Executive Officer	Chairman of the Board of Directors	Chairman of the Supervisory Board	Director	Manager
FinanceCom	BMCE International Holding (B.I.H)	Financière Yacout[1]	Argan Invest	Holding Abbas Benjelloun (H.A.B)
FinanceCom Afrique	Africa Co-Development Group	Saida Star Auto[2]	Casablanca Finance City Authority	
Cap Estate	Medi Telecom			
Holding Benjelloun Mezian (H.B.M)	M.B.T		Financecom International	
Internationale de Financement et de Participation (INTERFINA)	Revly's Marrakech			
	RMA		Maghrebail	
O Tower	RMA Alternative Investments		MEDI 1 Radio[3]	
Ranch Adarouch	RMA Asset Management		Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires	
Société Financière du Crédit du Maghreb (S.F.C.M)	RMA Capital			
Cap d'Argent	RMA Mandates Société d'Aménagement Tanger Tech			

1. Also, representative of Holding Benjelloun Mezian (H.B.M.)

2. Also, representative of Holding Abbas Benjelloun (H.A.B.)

3. FinanceCom's representative

LUCIEN MIARA | Banque Fédérative du Crédit Mutuel's Permanent Representative

Mr Lucien MIARA is Banque Fédérative du Crédit Mutuel's Permanent Representative.

Mr Lucien Miara has been the Chairman of Fédération du Crédit Mutuel Méditerranéen and Caisse Régionale du Crédit Mutuel Méditerranéen since 2014.

He began his career at Crédit Mutuel du Centre in 1973 before moving to Crédit Mutuel Méditerranée in 1978. From 1995 to 2014, he was Chief Executive of Crédit Mutuel Méditerranéen.

He has also been a Director of Confédération Nationale du Crédit Mutuel since 1994 and Chairman of Confédération Nationale du Crédit Mutuel's Risk Committee since 2016

He is a technology graduate of the University of Nice Alpes Maritime with an elective in corporate administration.

APPOINTMENTS LIST

Chairman of the Board of Directors	Director	Member of the Supervisory Board	Other appointments
Fédération du Crédit Mutuel Méditerranéen	Banque Fédérative du Crédit Mutuel	Euro-Information Production	Censor of the Crédit Industriel et Commercial
Caisse régionale du Crédit Mutuel Méditerranéen	Centre International du Crédit Mutuel[1]		
Caisse de Crédit Mutuel de Villeneuve Loubet	Assurance du Crédit Mutuel Vie SAM[2]		
Caisse de Crédit Mutuel Montpellier Alco	Assurance du Crédit Mutuel Vie[2]		
Caisse de Crédit Mutuel Marseille Saint Loup	Confédération Nationale du Crédit Mutuel		
Caisse de Crédit Mutuel Frontignan	Caisse Fédérale de Crédit Mutuel		
Caisse de Crédit Mutuel Marseille Prado	Caisse Centrale du Crédit Mutuel		
Camefi			

1. FCM Méditerranéen's representative

2. CRCM Méditerranéen's representative

ABDELLATIF ZAGHNOUN | Caisse de Dépôt et de Gestion's Permanent Representative

Mr Abdellatif ZAGHNOUN has been Chairman and Chief Executive Officer of Caisse de Dépôt et de Gestion since 2015.

After graduating in 1982 from the Ecole Mohammedia des Ingénieurs with a specialisation in mining, Abdellatif ZAGHNOUN began his career at the Office Chérifien des Phosphates (OCP), where he held a number of positions of responsibility until 2004.

In 2004, he was appointed as head of the Directorate General of Customs and Indirect Taxes. In 2007, Mr ZAGHNOUN became Vice-Chairman of the World Customs Organization (WCO) and Chairman of the WCO MENA region. In 2008, he was appointed as Chairman of the World Customs Organization's Audit Committee. In 2010, he became Director-General of the Directorate General of Taxes.

In January 2015, Mr ZAGHNOUN was appointed by His Majesty as Chief Executive Officer of the Caisse de Dépôt et de Gestion (CDG).

Mr Abdellatif ZAGHNOUN is married and has 3 children.

APPOINTMENTS LIST

Chairman of the Board of Directors	Vice-Chairman of the Board of Directors	Chairman of the Supervisory Board	Member of the Supervisory Board	Director
CDG Capital	CIMAR	Université Internationale de Rabat	AL BARID BANK[1]	CIH
CDG Développement	Société Marocaine de Valorisation des Kasbahs	MEDZ	TMSA	BARID AL MAGHRIB
CDG INVEST	SONADAC			CFCA
CGI				ORANGE
Fipar Holding				TMPA[1]
Foncière Chellah				FMP
FONDATION AHLY				OCD
FONDATION CDG				
Institut Marocain des Administrateurs				
MADAEF				
NOVEC				
PATRILOG				
SAZ				
SCR				
Société d'Aménagement Ryad				
Société de Développement de Saidia				
Société d'Aménagement et de Promotion de la Station de Taghazout				
AUDA				

1. CDG's permanent representative

ZOUHEIR BENSAID | RMA's Permanent Representative

Mr Zouheir BENSAID is currently CEO of RMA, the insurance arm of FinanceCom Group, of which he was Deputy Chief Executive Officer between January 2005 and December 2014. He sits on the Boards of several companies including BANK OF AFRICA BMCE Group, Maghrebail, RISMA, LYDEC, CTM and other Group subsidiaries, as well as being a member of several audit committees.

Mr Zouheir BENSAID has a wealth of experience spanning more than 35 years of the banking, financial and manufacturing industries. In the mid '80s, after assuming responsibility for financial institutions at CITIBANK Maghreb, he spearheaded the expansion of ABN AMRO's branch network.

In 1994, after a three-year period in which he headed up an agri-business, Mr Zouheir BENSAID returned to the financial sector and played an active role in reforming Morocco's capital markets.

He became Chief Executive Officer of Maroc Inter Titres (MIT), BMCE Bank's brokerage firm, where he oversaw the latter's first capital-raising transactions as well as being involved in privatisations and initial public offerings on the Moroccan Stock Exchange.

Mr Zouheir BENSAID was Vice-Chairman of the Professional Association of Brokerage Firms (APSB) between 1996 and 1998. Between 1998 and 1999, he was Chairman of the Casablanca Stock Exchange, overseeing the development and modernisation of Morocco's capital markets.

A former student of Cornell, Mr Zouheir BENSAID graduated in Finance from the University of Nevada in 1985. He is a member of the Phi Kappa Phi Honour Society.

APPOINTMENTS LIST

Chairman of the Board of Directors	Chairman and Chief Executive Officer	Chairman	Member of the Supervisory Board	Director
Infra Invest	Medium Finance	RMA Capital International	BMCE Capital	Air Arabia
RMA Assistance	RMA Asset Management Abidjan			Argan Invest
RMA Investment Partners	RMA Casa Anfa			BMCE Capital Bourse
	RMA Elan			Cap Estate
	Terrasses de l'Océan			CFG
				CTM
				FinanceCom
				RMA[1]
				MBT[2]
				RMA Alternative Investment[2]
				RMA Asset Management[2]
				RMA Capital[2]
				RMA Mandates[2]
				SFCM[3]
				DBM Media Group[4]
				Decrow Capital
				EurAfric Information
				FinanceCom International
				Finatech
				Lydec
				Maghrebail
				Mutandis
				Mutandis Automobile
				Mutatis
				O'Tower
				Revly's
				Risma
				Saemog
				T Capital
				Tanger Med Zones
				Villa Roosevelt
				Villajena[5]

1. Executive General Manager • 2. Chief Executive Officer • 3. Deputy Chief Executive Officer • 4. FinanceCom's representative • 5. RMA's representative

Hicham EL AMRANI | FinanceCom's Permanent Representative

Mr Hicham EL AMRANI has more than 24 years' experience of private equity investment, financing and corporate strategy across a wide range of industries.

When FinanceCom was founded in 2001, Mr EL AMRANI assumed responsibility for the Technologies & Telecommunications division.

Appointed as Director of Strategy & Development between 2005 and 2008, Mr EL AMRANI was subsequently promoted to the post of Deputy Chief Executive Officer in 2008. He then went on to become the holding company's Chief Executive Officer in June 2010. He has been responsible for adopting best practice in steering the performance of the various entities within the holding company's portfolio.

He also spearheaded a number of M&A deals, LBOs and restructurings as part of a process of rationalising the holding company's portfolio and reducing debt.

In 2009, Mr EL AMRANI coordinated the process that enabled Portugal Télécom and Téléfonica to acquire a stake in Medi Telecom and the sale of a 40% stake in this company to France Telecom Orange in 2010. He is a Director and standing member of Medi Telecom-Orange's various governing bodies.

In addition to these roles, Mr EL AMRANI is a Director of RMA, CTM, Risma, Air Arabia, Finatech, Colliers International Morocco and Chairman of the Audit Committee of Air Arabia Morocco, Meditel, RISMA and CTM.

Mr Hicham EL AMRANI is an engineering graduate of Ecole Hassania des Travaux Publics and holds an MBA and a Graduate Certificate in Manufacturing and Service Management from Southern New Hampshire University, Singularity University's Executive Program and Yale University's Leadership Executive Program.

Born in 1973, Mr EL AMRANI is married and has two children.

APPOINTMENTS LIST

Chairman and Chief Executive Officer	Vice-Chairman of the Board of Directors	Director	Other appointments
Argan Invest	DBM Media Group (ex-Africa Teldis & Communication)	RMA	FinanceCom[5]
		FinanceCom Africa	Cap Estate[5]
		FinanceCom International	Financière Yacout[6]
		MediTelecom	Saida Star Auto[6]
		Finatech Group	
		CTM	
		CTM Messagerie	
		Internationale de Financement et de Participation (INTERFINA)[1]	
		O Tower[2]	
		Revly's Marrakech[3]	
		Risma	
		Africa Co-Development Group	
		Blackpearl Finance	
		Brico Invest[2]	
		Colliers International Maroc[4]	

1. Deputy Chief Executive Officer
2. Permanent representative of FinanceCom
3. Permanent representative of INTERFINA
4. Permanent representative of Argan Invest
5. Deputy Managing Director
6. Member of the Management Board

BIOGRAPHIES

MARC BEAUJEAN | CDC Limited's Permanent Representative

Mr Marc BEAUJEAN is the founder, in 2019, and main partner of Beaujean & Partners, a strategic consulting firm specialising in banking and insurance. He is also Chief Operating Officer of CBP Quilvest, a Luxembourg-based private bank.

From 1993 to 2012, he was Senior Partner and Director at McKinsey & Co, with responsibility for developing customer relationships in North Africa and in Western Europe – France, Belgium, Switzerland and Luxembourg – in retail banking, private banking, investment funds, life insurance and non-life insurance.

From 1997 to 2014, Mr BEAUJEAN was co-founder and non-executive Director at Geneva-based BlueOrchard, now one of the world's leading inclusive finance institutions specialising in micro-finance. The firm was recently sold to Schroders Asset Management. One of his main responsibilities was strategic thinking and partnerships.

From 2012 to 2018, he was Executive Director at P&V Assurances, Belgium, a systemically important financial institution as defined by the European Central Bank. As Director of Operations, which included overseeing IT and Human Resources, he was responsible for redesigning the group's core insurance systems and for transformation programmes in general.

Mr BEAUJEAN is also a co-investor in Profinpar, a EUR 40 million fund specialising in financing the growth, transmission and optimisation of mature SMEs with development potential.

He has also been a lecturer at HEC Liège since 2010.

Born in 1965, Mr BEAUJEAN holds an MBA from Columbia Business School and a Bachelor of Business Administration from Liège's School of Business Administration.

APPOINTMENT

Director, BOA Group, CDC Limited's representative

AZEDDINE GUESSOUS | *Intuitu Personae* Director

Mr Azeddine GUESSOUS has been Chairman and Chief Executive Officer of Maghrébail since 2004.

He also sits on the Boards of a number of companies including RMA, BANK OF AFRICA (formerly BMCE Bank), BOA Group, BMCE Bank International Madrid, Risma, Al Mada, Sonasid, Lydec and Imperial Tobacco Morocco. He is also a director of Al Akhawayn University.

Between 2010 and 2012, Mr GUESSOUS was Chairman of Risma's Supervisory Board. In 2001, he became Chairman and Chief Executive Officer of Al Watanya, an insurance company and, in 1995, Caisse Interprofessionnelle Marocaine de Retraite (CIMR).

Between 1978 and 1994, Mr GUESSOUS held a number of senior government positions including Minister of Trade, Industry and Tourism in 1978, Minister responsible for relations with the European Economic Community in 1985 and Morocco's Ambassador to Spain between 1986 and 1995.

Mr GUESSOUS has received a number of decorations including Officer of the Order of Wissam, Spain's Order of Civil Merit and Grand Cross, France's National Order of Merit and the Order of the British Empire.

Mr GUESSOUS was born in 1941.

APPOINTMENTS LIST

Director
BMCE INTERNATIONAL MADRID
BOA GROUP
ROYALE MAROCAINE D'ASSURANCE
SETTAVEX
LYDEC
AL MADA
SONASID
RISMA
MAROCAINE DES TABACS
ALMA PACK
ALMA BAT

Abdou BENSOUDA | *Intuitu Personae* Director

Mr Bensouda has more than 25 years' experience across a number of disciplines including asset management, private equity, mergers & acquisitions and corporate restructuring.

He is currently Chief Executive Officer of FinanceCom International, a company which steers FinanceCom Group's overseas asset management and investment advisory operations.

Since 2008, Mr Bensouda has held a number of positions of responsibility within FinanceCom Group including those of Chairman & Chief Executive Officer of Finatech Group, a systems integrator specialising in digital and energy infrastructure.

Prior to this, he was a founding partner of Finaventures Advisors in California where he helped set up a technology fund in partnership with TL Ventures, an asset management company. His experience in private equity dates back to 1995 in New York.

He began his career at Westinghouse where he worked as an engineer and project leader.

Mr Bensouda has a degree in information systems engineering from Boston University and a Master of Business Administration (MBA) specialising in finance and entrepreneurship from Babson College, Massachusetts.

APPOINTMENTS LIST

Chairman of the Board of Directors	Chairman	Vice-Chairman	Director	Manager
Olkad Group	Group FinanceCom Capital	FinanceCom	FinanceCom International[1]	FCOMI-L
	FinanceCom Europe	Green Investments	Decrow Capital	SCI FinanceCom
			Africa Investments Holdings	Global Strategic Holdings
			Argan Infrastructure Fund	B4A Advisory
			Infra Invest	
			Argan Infra	
			Dounia Productions	
			Bridges for Africa	
			Finatech Group	
			Green of Africa	

1. *Chief Executive Officer*

FRANCOIS HENROT | Independent Director

Mr François HENROT is a leading figure in the world of European finance.

He has held several important positions within the Rothschild Group, including Chairman of the investment bank and Vice-Chairman of Rothschild & Co.'s Supervisory Board, of which he is currently a non-voting member. He is also an Advisory Director and Vice-Chairman of the Board of Rexel, a global leader in the distribution of low-voltage electrical products, Chairman of the Board of COPEBA, a Belgian privately held investment company.

He began his career in the public sector at France's Council of State and then at the Directorate General for Telecommunications before moving to the private sector with Compagnie Financière de Paribas and, for the past 20 years, Rothschild Group.

Having a keen interest in cultural affairs, Mr HENROT was Chairman of France's Ecole Nationale Superieure des Arts Décoratifs and is a member of the Association pour le Rayonnement de l'Opéra de Paris.

He has co-authored a number of works including 'the Banker and the Philosopher' which discusses the 2008 financial crisis.

Born in 1949, Mr François HENROT is a graduate of Ecole Nationale d'Administration (ENA) and Stanford University.

APPOINTMENTS LIST

Chairman of the Board of Directors	Member of the Supervisory Board	Other appointments
Cobepa (Belgium)	Rexel SA	Censor of the Supervisory Board of Rothschild & Co

BRIAN MCK. HENDERSON | Independent Director

Mr Brian C. McK. HENDERSON is the Founding Partner of Henderson International Advisors, LLC.

During a career spanning 43 years in international banking, he has forged significant client relationships in both the private and public sectors as well as acquiring expertise in management and corporate governance.

At Merrill Lynch, where he spent a large part of his career, Mr HENDERSON held several positions of responsibility including Executive Assistant to the Chairman and Chief Executive Officer, Vice-Chairman of Merrill Lynch Europe, Middle East and Africa and Chairman of the Global Public-Sector division. He also served as Chairman of Prime Merrill S.p.a Italy and as member of the Board of Merrill Lynch South Africa Pty Ltd.

Mr HENDERSON began his career at Chase Manhattan Bank where he held a number of important positions within the Group's European Institutions division, including Vice-Chairman and Director of the sub-Saharan Africa region as well as within the Investment Banking division. He was also a Board member of Banque Ivoirienne du Développement Industriel and Chase Bank Cameroon SA.

He is currently non-executive Chairman of Augustea Bunge Maritime Ltd., Malta, Advisor to Cremades & Calvo Sotelo, Madrid and Senior Advisor to Rockefeller Capital Management.

His public engagements include those of Vice-President and Treasurer of the Atlantic Council of the United States, the Chatham House Foundation, Honouring Nations' Board of Governors, American-Indian Economic Development at Harvard University's JFK School of Government and Director of the Fort Apache Heritage Foundation.

Mr HENDERSON holds a Bachelor of Science degree in International Economic Relations from Georgetown University, School of Foreign Service, Washington DC.

APPOINTMENTS LIST

Director	Non-Executive Chairman	Vice-Chairman	Other appointments
Fort Apache Heritage Foundation	Augustea Bunge Maritime Ltd., Malta	Middle East institute – Washington	Member of The International Advisory Board First Avenue Investment Managers, South Africa
Harvard Project on American Indian Economic Development, Honoring Nations			Member of the Departmental Disciplinary Committee for the First Judicial Department, Supreme Court Appellate Division, State of New York
Metropolitan Club of New York			Advisor to Cremades & Calvo Sotelo, Madrid
			Senior Adviser to Rockefeller Capital Management
			Founding partner of Henderson International Advisors, LLC

PHILIPPE DE FONTAINE VIVE | Independent Director

Mr Philippe DE FONTAINE VIVE was Vice-Chairman of the European Investment Bank where he was responsible for operations in France, the Mediterranean region, the innovation sector and matters relating to corporate social responsibility.

He was also Senior Advisor at Oliver Wyman, a consulting firm. He is currently Chief Executive Officer of Compagnie Financière Richelieu.

During his career, he has held several important positions within the Ministry of the Economy, Finance and Industry and the Treasury Department, where he was successively responsible for Banks, Insurance, Transport and Urban Planning, Debt and Emerging Markets Development, State Holdings and Financing the State and the Economy.

He was also Vice-Chairman of the Paris Club, Adviser on International Affairs to France's Minister of the Economy and Finance, International Affairs Advisor to the Ministry of Economy and Finance in Paris and Senior Adviser at the World Bank in Washington.

Born in 1959, Mr Philippe DE FONTAINE VIVE is a graduate of the Ecole Nationale d'Administration and the Institut d'Etudes Politiques in Paris. He holds a degree in econometrics.

APPOINTMENT

Fund
Euromena

CHRISTIAN de BOISSIEU | Independent Director

Mr Christian DE BOISSIEU is an Emeritus Professor at Paris I (Panthéon-Sorbonne) and at the College of Europe in Bruges. As consultant to international and multi-lateral financial institutions, he has carried out a number of assignments for the Moroccan and Tunisian monetary authorities.

He is well known for his contribution to developing conceptual frameworks in international finance and the work accomplished by France's Economic Advisory Council which he chaired between 2003 and 2012. He also served as a member of the Attali Commission for stimulating economic growth and the 'Big Loan' Commission, as well as being a Board member of France's Financial Markets Regulator (AMF).

Christian DE BOISSIEU has written numerous books and articles on money, finance and banking, economic policy issues, European integration, international monetary issues and on emerging countries and development.

He is Commander of the Legion of Honour, Commander of the *Ouissam Alaouite*, Grand Officer of Senegal's Order of the Lion and Officer of the British Empire (OBE) in addition to a number of other French and foreign distinctions. He is also a member of France's National Academy of Technologies and the Royal Academy of Belgium.

Mr Christian DE BOISSIEU is Senior Advisor to Amundi and sits on the Board of Aaqius Geneva and SUNU Participations Holding in Paris. He is also Chairman of the Institute of Finance and Governance's Advisory Board in Beirut.

Mr Christian DE BOISSIEU, born in 1947, is a Doctor of Economic Science, holds a professorial diploma in Law and Economic Sciences, a higher educational degree in Public Law and is a graduate of Institut d'Etudes Politiques de Paris. He was a post-doctoral fellow at Northwestern University and at Harvard in 1973-1974 and was subsequently Visiting Scholar on a number of occasions to the Federal Reserve in Washington.

APPOINTMENTS LIST

Chairman	Director	Other appointments
Advisory Board of the institute of Finance and Governance (Central Bank of Lebanon)	AAQIUS	Chairman of the ENEDIS Stakeholder Council
	SUNU Participations Holding	Vice president of AMF's scientific board
	Land'Or (Tunisia)	Member of the AMMC's scientific board
	French Red Cross Foundation	

Brahim BENJELLOUN-TOUIMI | Group Executive Managing Director

Mr Brahim BENJELLOUN-TOUIMI is Group Executive Managing Director of BANK OF AFRICA Group.

He is Chairman of the General Management Committee, Vice-Chairman of the Group Executive Committee and Vice-Chairman of the Senior Credit Committee.

As part of BANK OF AFRICA Group's overseas strategy, Mr Brahim BENJELLOUN-TOUIMI is Chairman of BOA, a banking group in which BANK OF AFRICA has a stake of just under 73%, with operations in 17 countries in Africa. He is also Director of the Group's European banking subsidiaries.

As far as his other functions are concerned, he is Chairman or Director of a number of Group companies in Morocco in investment banking, specialised financial services – factoring, consumer credit, leasing and loan recovery – and insurance brokerage.

Within the framework of strategic partnerships with reference shareholders, Mr Brahim BENJELLOUN-TOUIMI is a Director of RMA, an insurance company and FinanceCom, its holding company. He is also Chairman of the Supervisory Board of EurAfric Information, a technology company and Director of Euro Information in France, a technology subsidiary of Crédit Mutuel Group.

Reflecting the Group's commitment to corporate social responsibility, Mr Brahim BENJELLOUN-TOUIMI is a Director of BMCE Bank Foundation for Education and the Protection of the Environment.

He also sits on the Board of Proparco, a development finance institution as well as being a Director of the Casablanca Stock Exchange.

Born in 1960, Mr Brahim BENJELLOUN-TOUIMI is a Doctor of Money, Finance and Banking from Université Paris I Panthéon Sorbonne. He began his career in financial markets in France and went on to become Head of Research within the Securities division at one of France's leading investment banks. He joined BANK OF AFRICA in 1990.

He is married and has 3 children.

APPOINTMENTS LIST

Chairman of the Board of Directors	Vice-Chairman of the Board of Directors	Chairman of the Supervisory Board	Director
BOA GROUP	BTI BANK	EURAFRIC INFORMATION	RMA
BOA WEST AFRICA		BMCE CAPITAL	FINANCECOM
BMCE EUROSERVICES		SALAFIN	BMCE BANK FOUNDATION
BMCE ASSURANCES		MAROC FACTORING	EURO INFORMATION
		OPERATIONS GLOBAL SERVICES	BMCE BANK INTERNATIONAL UK
			BMCE INTERNATIONAL HOLDINGS
			BMCE INTERNATIONAL MADRID
			MAGHREBAIL
			RM EXPERTS
			CASABLANCA STOCK EXCHANGE*
			O TOWER
			SOCIETE D'AMENAGEMENT TANGER TECH
			PROPARCO*

(*) Representative of BANK OF AFRICA BMCE Group

DRISS BENJELLOUN | Delegated General Manager responsible for Group Finance

Mr Driss BENJELLOUN is Delegated General Manager Officer responsible for Group Finance at BANK OF AFRICA. He is also a Director of BANK OF AFRICA Group subsidiaries including BOA Benin, BOA Madagascar and BMCE Capital.

After joining BMCE Bank Group of Africa in 1986, Mr Driss BENJELLOUN was asked to oversee the project to set up a Management Control entity aimed at improving the steering of operations. In 1990, he assumed responsibility for a project to set up an Audit and Management Control department. After BMCE Bank was privatised in 1995, Mr Driss BENJELLOUN became Head of the Banking Production division.

In 1998, he was appointed as Deputy Chief Executive Officer responsible for a number of departments that make up the Bank's Group Support division – Banking Production, Information Systems, Organisation, General Services and Safety.

In 2003, Mr Driss BENJELLOUN became Head of the Group Financial Division with a remit to integrate BANK OF AFRICA's various subsidiaries in Morocco, Europe and Africa. He also helped restructure of Banque de Developpement du Mali and steered the latter's merger with Banque Malienne de Crédits et de Dépôts.

Mr BENJELLOUN is a Doctor of Finance from Université Paris Dauphine in addition to postgraduate studies in accounting.

M'FADEL EL HALAISSI | Delegated General Manager responsible for Financial Engineering, Debt Collection & Specific Assignments

Mr M'Fadel EL HALAISSI, Delegated General Manager has been responsible for the Financial Engineering, Debt Collection and Special Assignments division since January 2019. His main responsibilities include hands-on management of the Bank's portfolio of sub-standard and non-performing loans, carrying out specific assignments mandated by the Chairman and representing the Bank at a number of subsidiaries.

Previously, Mr M'fadel EL HALAISSI was Delegated General Manager responsible for Corporate Banking, Morocco. This division, which comes under General Management's remit, brings together corporate customers, SMEs and Large Enterprises. This specific responsibility for corporate banking was entrusted to him after a career spanning more than 25 years at BANK OF AFRICA in credit, investment finance, loan restructuring and long-term financing solutions.

On joining BMCE Bank, he was entrusted with the responsibility of setting up the investment loans restructuring department.

He subsequently went on to become Head of Investment and Corporate Markets division in 1998. In April 2002, he was appointed as Deputy Chief Executive Officer responsible for Corporate Banking, a division which was then subsequently expanded to include overseas operations.

Mr M'fadel EL HALAISSI is a Doctor of Economics from Lille University.

He is married and has 2 children.

MOUNIR CHRAIBI | Delegated General Manager responsible for Group Operations

Mr Mounir Chraibi is Delegated General Manager responsible for Group Operations. He joined BANK OF AFRICA in 2010.

Mr Mounir CHRAIBI is responsible for all of BANK OF AFRICA's technology, legal affairs, logistics, quality and banking processing divisions.

As such, he oversees strategic projects such as designing the Banking and Insurance information system (SIBEA), converging the information systems of BANK OF AFRICA's overseas subsidiaries and automating the Bank's back offices.

Mr CHRAIBI is Chairman of the Board of BMCE Immobilier, a subsidiary responsible for actively managing BANK OF AFRICA's non-operating property portfolio and Chairman of the Board of Damancash, a Morocco-based money transfer company.

He began his career in 1987 as Project Manager of Crédit du Maroc's information systems master plan and then, from 1989 to 1994, was made Head of Organisation and Information Systems of the Office d'Exploitation des Ports.

In 1994, he was appointed as Chief Executive Officer of the Office de la Formation Professionnelle et de la Promotion du Travail and then, in 2001, as Chief Executive Officer of the Caisse Nationale de la Sécurité Sociale.

In 2005, Mr CHRAIBI was appointed as Wali (governor) of the Marrakesh Tensift Al Haouz region which, during his tenure, attracted high levels of private sector investment and saw the launch of several major flagship public projects. Mr Mounir CHRAIBI is a graduate engineer of Ecole Polytechnique de Paris and Ecole Nationale Supérieure des Télécommunications de Paris. He was decorated Commander of the Order of *Al Arsh Wissam* by His Majesty the King in 2008. He is also a Commander of Belgium's Order of Leopold.

OMAR TAZI | Delegated General Manager responsible for Banking in Morocco

Mr Omar TAZI is Delegated General Manager responsible for Banking in Morocco which, since January 2019, encompasses (i) Personal and Professional Banking which, in turn, incorporates a pool of specialised marketing competencies organised by market segment – Personal Banking, Professional Banking, Private Banking and Migrant Banking – the BMCE Euroservices subsidiary, a payments institution and Multi-channel banking and (ii) SME Banking which encompasses Investment, Financial Engineering and Corporate Banking as well as (iii) the 8 Regional Divisions.

Previously, Mr Omar TAZI was Delegated General Manager responsible for Personal and Professional Banking.

Mr Omar TAZI began his career at the Banque de Développement du Canada. In 1992, he joined Wafa Bank as Head of Treasury.

From 1993 to 2005, Mr Omar TAZI held a number of posts of responsibility within Société Générale Maroc, including Head of the Specialised Finance and Industrial Research Division, Head of the retail, professional and corporate banking network and then Deputy Chief Executive Officer responsible for Retail Banking.

During this period, he was also Director, Vice Chairman or Chairman of a number of Société Générale subsidiaries, including its leasing, consumer credit, securities brokerage, asset management and insurance subsidiaries.

From 2005 to 2010, Mr Omar TAZI was Chief Executive Officer of AFMA Group.

Mr Omar TAZI joined BANK OF AFRICA Group in June 2011 with a remit to boost retail banking operations and improve the effectiveness of the Bank's sales force.

Mr Omar TAZI holds a master's degree in finance from the University of Sherbrooke, Canada.

Mohammed AGOUMI | Delegated General Manager responsible for Coordinating Overseas Operations

Mr Mohammed AGOUMI is Delegated General Manager of BANK OF AFRICA with responsibility for Coordinating Overseas Operations.

As such, he is responsible for coordinating the Group's various overseas subsidiaries and, in some cases, has direct responsibility for them. He also has direct responsibility for each of the Group's European corporate entities and its offshore network in Morocco. He is also responsible for Banque de Developpement du Mali.

Mr AGOUMI chairs BBI Madrid's Board of Directors and is a member of the boards of BBI Plc, BMCE International Holding and Banque de Developpement du Mali.

He joined BANK OF AFRICA Group in 2012, after a long international career in audit and consulting.

Prior to that, he held a number of functions and positions of responsibility at Credit Agricole France Group (CASA). He was appointed Delegated General Manager of Le Crédit Lyonnais (LCL) in 2006 and was a member of CASA Group's Executive Committee. He was responsible for operations, strategy and the Loan Commitments Division. In 2008, he was appointed to CASA Group's Executive Committee with responsibility for overseeing the Group's overseas development.

In 2010, he founded Europa Corporate Business Group (ECBG). He is also the Chairman of ECBG's Moroccan subsidiary, Financing Access Morocco.

Mr Mohammed AGOUMI is a graduate of ESSEC (1979) and holds a DEA in Mathematical Economics and Econometrics (1980). He qualified as a chartered accountant in Paris in 1993 and taught for two years at ESSEC.

Khalid LAABI | Delegated General Manager responsible for Group Risks

Khalid LAABI, Delegated General Manager has been responsible, since January 2019, for Group Risks, which encompasses risk management, risk analysis and monitoring loan commitments.

In 2018, Mr Khalid LAABI was appointed as Delegated General Manager responsible for Group General Control.

Mr LAABI has a wealth of experience acquired over more than 33 years within the Group, during which he has held a number of positions of responsibility, including Director of inspection of central services, the branch network and the overseas network and Chief Director responsible for the Audit and General Inspection Division.

As far as his functions are concerned, he is Associate Member and Secretary of the Group Risks Committee, Associate Member of the Group Audit and Internal Control Committee and Member of the Group Internal Control Coordination Committee.

He is also a Permanent Member of the Audit and/or Risks Committees of several BANK OF AFRICA Group subsidiaries, particularly in sub-Saharan Africa, as well as being a Director of both BOA Mali and BTI Bank, the Group's participatory banking subsidiary.

Since 2015, he has overseen implementation of the Convergence Programme for the Internal Control functions within 25 subsidiaries. This is a major programme aimed at structuring the Group.

In addition, he is a highly regarded keynote conference speaker, sharing his expertise on a wide range of subjects including finance, risk management, internal audit, internal control and compliance.

Mr Khalid LAABI is an Economic Science graduate specialising in The Theory of the Firm. He has undertaken training in a variety of disciplines, both in Morocco and overseas. He is married and has two children.

Khalid NASR | Head of the Corporate & Investment Banking Division

Mr Khalid NASR is Head of BANK OF AFRICA's Corporate & Investment Banking business. He is also Chairman of the Supervisory Board of BMCE Capital, the Group's investment banking subsidiary. He is a member of BANK OF AFRICA BMCE Group's Executive Committee and General Management Committee. He also holds a number of directorships at Group entities such as Director, BOA Group, Chairman of the Board, BOA Capital and Director, Maghrebail.

Mr Khalid NASR has more than 25 years' experience of finance, the majority of which has been spent in senior management positions. He began his career in France at one of Europe's leading insurance companies. After gaining experience in capital markets at a Moroccan bank, Mr Khalid NASR then joined BMCE Capital when it was founded in 1998. He was responsible for developing its capital markets businesses as Head of Fixed Income Trading and then, from 2005, as Head of the Dealing Room. In 2010, Mr Khalid NASR was appointed Chairman of BMCE Capital's Supervisory Board, overseeing the entire Investment Banking business – Capital Markets, Asset Management, Private Portfolio Management, Financial Advisory, Custody, Securities Brokerage, Financial Research and Securitisation. Since January 2019, Mr Khalid NASR has been responsible for BANK OF AFRICA's Corporate & Investment Banking business.

Mr Khalid NASR holds an Executive MBA from ESSEC Business School, Paris, a Master's in Finance from ESC Marseilles and a Master's in Mathematics from Marseilles' Saint Charles University. He is also the holder of a number of certificates in specialised disciplines such as Asset & Liability Management (ALM) and Market Risk Management.

Born in 1967, Mr Khalid NASR is married and has three children.

INFORMATION PROVIDED TO SHAREHOLDERS

The Bank maintains regular contact with its shareholders via a variety of communication channels and events organised during the year.

In accordance with current regulations, each Shareholder has access to all the necessary information prior to the Annual General Meeting of Shareholders.

'You're a shareholder' is a page on the Bank's website, www.ir-bankofafrica.ma, specifically for shareholders. The following information is readily available: (i) the Shareholder Report, which includes the Management Report, the Statutory Auditors' reports – General Report, Audit Report and Special Report, and highlights (ii) the Shareholder Guide, an informative document enabling shareholders to better understand their rights, how income from securities is taxed, the Bank's key indicators, a list of the Bank's Directors, (iii) the Annual General Meeting Notice, (iv) a postal voting form, (v) powers, (vi) a recent breakdown of the Bank's share capital, (vii) a statement on AGM proceedings and its outcome, (viii) voting results, in addition to documentation made available to shareholders at the Bank's head office.

Periodic information mainly comprises financial and non-financial press releases relating to the closure of the annual and half-yearly financial statements as well as a review of the quarterly financial statements, published on the Bank's financial communications website and in a journal containing legal notices. The annual and half-yearly results presentations given at financial information meetings for analysts and the press are also posted online together with speeches made by the Chairman of the Board of Directors and the Group Chief Executive Officer at these meetings.

Given our diverse shareholder base, the Bank publishes its Annual Report and Sustainable Development Report each year in a number of different languages including French, Arabic and English. These reports provide shareholders with information about the Bank's activities and financial performance as well as governance over the previous year.

Since 2019, the Bank has published the Reference Document each year in accordance with the Directives of the Moroccan Capital Markets Authority (AMMC). This document contains detailed information about the Bank's business, financial situation and prospects.

Information regarding BANK OF AFRICA's governance, financial and non-financial information and the main corporate actions carried out by the Bank is regularly updated on the Bank's website, www.ir-bankofafrica.ma.

LIST OF FINANCIAL RELEASES PUBLISHED IN 2019

Annual results report for the period ended 31 December 2018
Annual results press release for the period ended 31 December 2018
Annual results report for the period ended 31 December 2018 in Arabic
BMCE BANK OF AFRICA – CDC partnership
Notice of the Annual General Meeting of 28 May 2019
Q1 2019 quarterly results
Press release relating to registration of BMCE Bank's Reference Document for financial year 2018 and first half 2019
Notice of new issue in the form of a capital increase in two tranches – for cash and by dividend conversion
Invitation to the AGM of 4 September 2019
Post-AGM press release of 4 September 2019
Results of the capital increase in two tranches
Q2 2019 quarterly results
Half-yearly results report for the period ended 30 June 2019
Half-yearly results press release for the period ended 30 June 2019
Half-yearly results report for the period ended 30 June 2019 in Arabic
Press release confirming visa approval of the capital increase for cash reserved for CDC Group
Notice of capital increase in two tranches – for cash and by dividend conversion – and consequential amendment of the Bank's Memorandum and Articles of Association
Press release relating to the results of the capital increase for cash reserved for CDC Group
Press release relating to Q3 2019 quarterly results
Notice of capital increase reserved for CDC Group and consequential amendment of the Bank's Memorandum and Articles of Association

BANK OF AFRICA'S ENVIRONMENTAL AND ENERGY POLICY

BANK OF AFRICA Group's commitment to environmental protection and sustainable development has been deeply embedded in its strategy since the Bank was privatised, on the initiative of its Chairman, Mr Othman BENJELLOUN. This is best illustrated by the various initiatives carried out over more than 20 years by BMCE Bank Foundation for Education and the Environment, under the leadership of Dr Leila Mezian BENJELLOUN, BMCE Bank Foundation's Chair.

The Bank's social responsibility policy has underlined the importance of environmental and energy issues. Over the years, this has become a source of pride with the Bank regularly winning a number of awards.

We must manage our business in such a way so as to ensure that we have the resources, information and skills needed to comply with the undertakings set out in our Environmental & Energy Policy, the Equator Principles, the IFC's environmental and social management system, and our commitment to complying with domestic and international regulatory changes.

We have provided fresh impetus to our commitment to Sustainable Development by incorporating within the existing ISO 14001 Environmental Management System, an Energy Management System based on the ISO 50001 standard and by obtaining High Environmental Quality certification for our buildings.

The key to the project's success over the coming years will lie in the commitment shown by each and every one of us to continuing to embrace a culture of ongoing improvement as far as BANK OF AFRICA's environmental and energy performance is concerned. In doing so, we will be making our contribution to the fight against climate change and the protection of the environment, today and for future generations.

Mr Brahim BENJELLOUN-TOUIMI,
Group Executive Managing Director and President of BOA

8 priority goals underpin the Group's environmental and energy policy:

E1. Comply with regulatory requirements relating to the environment and energy

- E1.1 Ensure that BANK OF AFRICA's assets comply with current environmental and energy regulations

E2. Incorporate environmental criteria in financing activities

- E2.1 Ensure that we comply with our institutional undertakings such as UNEP-FI, IFC and the Equator Principles
- E2.2 Help customers implement recommendations and mitigate the negative environmental impacts in funded projects

E3. Promote sustainable finance, including Green Business

- E3.1 Design and develop 'green' products
- E3.2 Promote 'green' investments across sustainable development business lines

E4. Prevent and limit environmental pollution and reduce consumption of natural resources

- E4.1 Reduce CO2 emissions related to business travel
- E4.2 Increase our waste recycling rate
- E4.3 Organise the waste management and recycling process more effectively
- E4.4 Reduce our water consumption
- E4.5 Reduce our paper consumption

E5. Continue to improve energy performance

- E5.1 Improve management of significant energy uses (SEUs)
- E5.2 Improve the energy performance of SEUs
- E5.3 Improve monitoring of energy supply

E6. Develop a 'sustainable' corporate culture and employee behaviour

- E6.1 Encourage staff to adopt eco-friendly behaviour
- E6.2 Develop in-company communication about environmental and energy issues
- E6.3 Enhance employees' skills regarding SEUs and environmental issues

E7. Promote responsible procurement and energy savings

- E7.1 Encourage our service providers to be environmentally sensitive
- E7.2 Be committed to incorporating environmental and energy requirements in all new contracts

E8. Promote 'sustainable construction'

- E8.1 Take environmental and energy criteria into account in the design, construction, maintenance and renovation of buildings

BANK OF AFRICA
BMCE GROUP