



ir-bankofafrica.ma

BANK OF AFRICA
BMCE GROUP



ANNUAL RESULTS

DECEMBER 31, 2020

BANK OF AFRICA GROUP'S ANNUAL RESULTS FINANCIAL YEAR 2020

Monday 29 March 2021



Contents

FINANCIAL YEAR 2020: MAIN TAKEAWAYS

3

MACROECONOMIC ENVIRONMENT AROUND THE
WORLD AND IN AFRICA

9

MACROECONOMIC ENVIRONMENT IN MOROCCO

14

MOROCCAN BANKING INDUSTRY

17

KEY FIGURES FOR FINANCIAL YEAR 2020

20






A SOCIALLY RESPONSIBLE BANK

45

MAIN TAKEAWAYS 2020





Strongly committed and fully mobilised in support of the Moroccan and African economies against a backdrop of the global pandemic

- 
- Under Chairman Othman Benjelloun's leadership, BANK OF AFRICA made a **MAD 1 billion contribution to the COVID-19 pandemic management fund** established by **His Majesty King Mohammed VI**, an initiative which reflects the Group's strong commitment to the national cause during this period
- 
- A series of measures implemented aimed at **supporting the domestic economy and helping to save jobs** by assisting companies and households encountering difficulties, consistent with the Group's **values as a socially responsible organisation promoting solidarity**, in particular, by **mobilising branch networks (704 in total) and ATMs for the benefit of hundreds of thousands of citizens in Morocco**
- 
- **Mobilising support for customers by launching two new products** guaranteed by the Caisse Centrale de Garantie – ***Damane Oxygène***, enabling COVID-19-stricken small businesses to finance current and operating expenses and ***Damane Relance***, helping business customers with their recovery
- 
- Assistance and support for nearly **10,000 Moroccan small businesses** in the form of almost **MAD 12 billion** of funding since the beginning of 2020 as a result of the pandemic
- 
- ***Crédit Entrepreneurs Covid-19*** launched for entrepreneurs encountering difficulties and strong support for the economy, **accounting for 30% of all loan applications under Maroc PME's *Imtiaz* and *Istitmar* programmes designed to help small businesses fund investment in technology**

Initiatives promoting investment

- 
- **EUR 10 million facility granted by the European Bank for Reconstruction and Development and the Green Climate Fund**, taking the form of a secondary loan to local SMEs planning to invest in energy efficiency and resource optimisation projects, as well as enabling them to participate in regional value chains

- 
- **Memorandum of Understanding** signed with **Zhejiang China Commodity City Group (CCC Group)** on the occasion of the 3rd China International Import Expo (CIIE), aimed at providing financial support to the Chinese group in its overseas development, particularly in Africa, through trade and logistics parks

- 
- **Memorandum of Understanding** signed with **Export-Import Bank of India (EXIM Bank)**, aimed at supporting Moroccan and Indian companies and promoting investment in innovative industries



Measures benefiting entrepreneurship


- Renewed commitment from the **Entrepreneurship Observatory**, an integrated ecosystem of around **sixty public and private sector partners**, to support entrepreneurs by providing specialised non-financial services

- A series of high-impact value-generating measures introduced, including a website providing a **wealth of financial and non-financial information**, **bespoke and diploma-based training courses** with partner universities, as well as non-financial services through mentoring modules and **networking** programmes

- **Agreements signed with local authorities**, calls for expression of interest initiated in support of **small businesses and cooperatives** and the **Blue Space** incubator network rolled-out




Accelerated digital transformation benefiting customers



BANK OF AFRICA strongly committed to being a **'bank which is connected to the future'**, offering customers a **simpler, digitised experience** in the form of **online, practical and secure solutions**, enabling them to carry out banking transactions with free-of-charge payments, withdrawals, money transfers and card-less cash withdrawals



Digital banking development accelerated by (i) improving customer experience across all distribution channels whilst developing new revenue streams, (ii) BANK OF AFRICA underlining its growing reputation as a leading player in digital banking and innovation, (iii) digitising front-to-back business processes aimed at improving operational efficiency



New scalable remote banking services rolled out aimed at enhancing and offering new functionality. Practical and secure remote banking solutions enabling customers to carry out their banking transactions quickly and easily with a number of transactions free of charge

Crédit Habitat online portal launched – www.credithabitat.ma – an online mortgage subscription platform:

1st bank to provide customer service via WhatsApp, a new mode of customer interaction, making it easier to access information and provide an instant response to customer requests

Improved customer experience in the latest version of BMCE Direct, offering a more user-friendly approach and additional services

BMCE Exclusive service improved and renamed as *Exclusive by BANK OF AFRICA* in order to revitalise the product

BK Financial Bot launched by BMCE Capital, the first specialised investment banking chatbot in the sector

Subscription-free access to all BMCE Capital's digital platforms to encourage use of digital channels

Two remote banking services launched by BTI Bank, *BTI Connect* for retail banking customers and *BTI Business Connect* for businesses

New Board Directors at BANK OF AFRICA Group

- 
- The Board of Directors shall propose to the forthcoming Annual General Meeting of Shareholders the appointment of two independent Directors, **Mr Mohamed Kabbaj** and **Mrs Nezha Lahrichi**, as well as the internal appointment of **Mrs Myriem Bouazzaoui** as Director

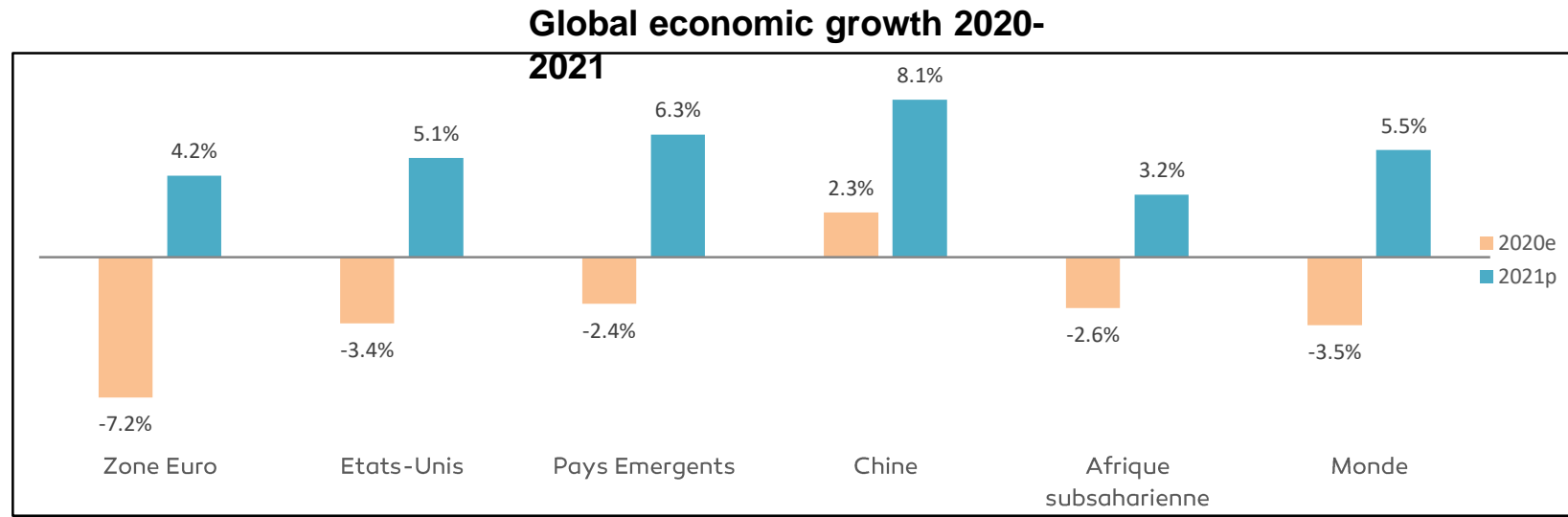
- 
- The Annual General Meeting shall also acknowledge the resignation of two foreign independent Directors, **Messrs Philippe De Fontaine Vive** and **Christian De Boissieu**, to whom the Chairman and the entire Board of Directors pay tribute and convey their warmest regards



MACROECONOMIC ENVIRONMENT AROUND THE WORLD AND IN AFRICA



Global economy: a recovery on the horizon despite the prevailing uncertainty

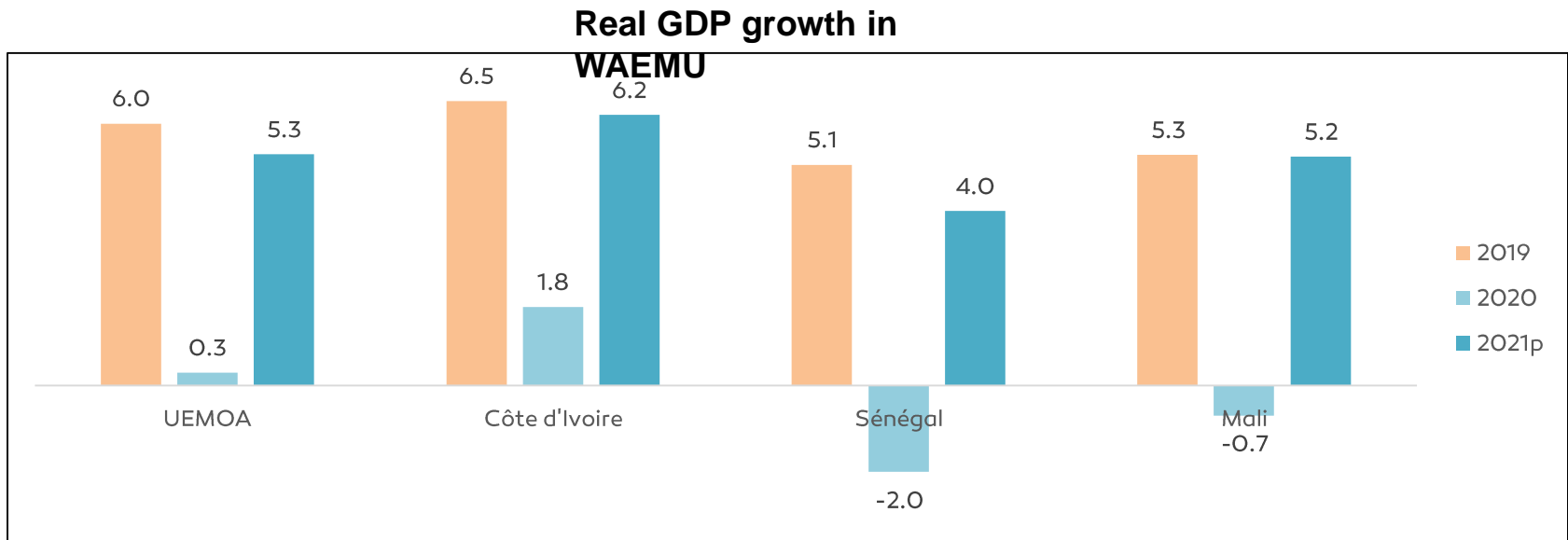


Source: IMF, January 2021

- 🌐 **Global economic growth expected to recover by 5.5% in 2021** after contracting by 3.5% in 2020 due to the Covid-19 pandemic, with growth driven by an accelerated vaccine roll-out and massive aid plans by a number of major economies.
- 🌐 **Economic growth rebound anticipated for major economies** in 2021 given the large-scale intervention by public authorities: **Eurozone +4.2%** vs. -7.2% in 2020 and **United States +5.1%** vs. -3.4% thanks to the economic support measures adopted by these economies.
- 🌐 **Recovery trends for emerging and developing countries likely to diverge: China and India** expected to post a robust recovery in 2021 of around 8.1% and 11.5% respectively while prospects for petroleum exporting countries and tourism destinations are positive with oil prices likely to recover and international travel to return to normal.



WAEMU: outlook positive growth despite the Covid-19 pandemic



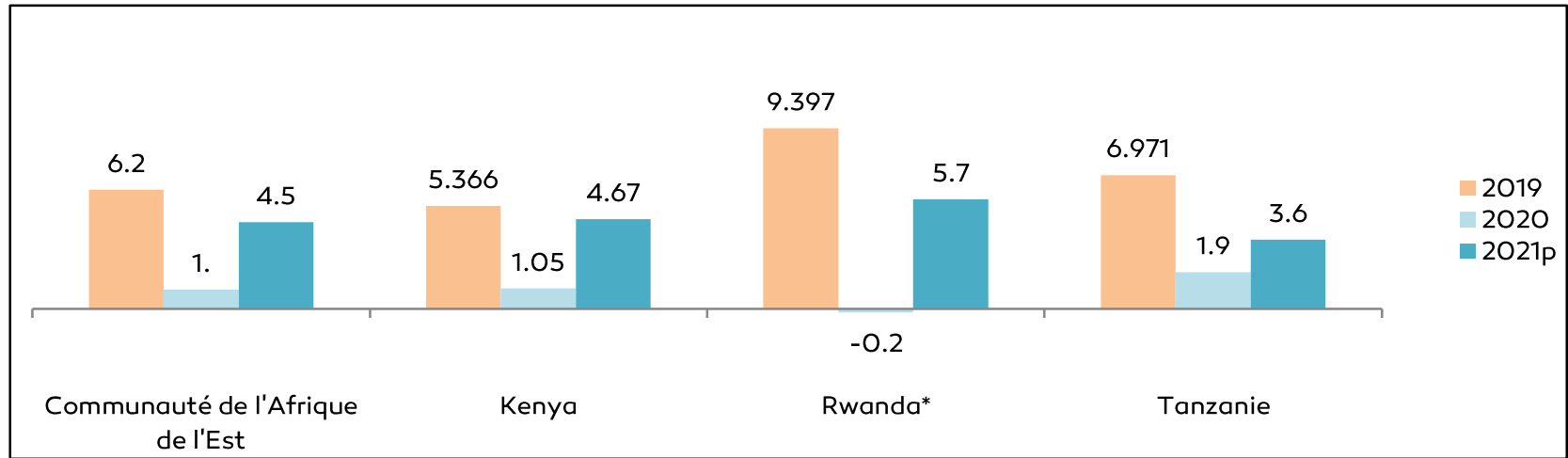
Source: IMF, October 2020

- ① Despite the impact from the pandemic, the **WAEMU economy has proved relatively resilient**, growing by around 0.3% in 2020. In 2021, the regional economy is expected to rediscover its pre-pandemic dynamism with growth forecast to be 5.3%, driven largely by raw material exports.
- ① **Ivory Coast** is one of a handful of sub-Saharan African countries which has successfully maintained positive growth in 2020, expected to be 1.8%, due to its solid pre-crisis macroeconomic fundamentals, its relatively diversified economy and budgetary relaxation measures.
- ① In **Senegal**, the economic contraction expected in 2020 (-2%) might yet be avoided due to a general recovery which began in second half. As long as the current political situation remains stable, the pick-up is likely to continue through 2021, with growth forecast to be around 5%.



East Africa: resilience underpinned by economic diversification

Real GDP growth in the East African Community



(*) Data: IMF, January 2021

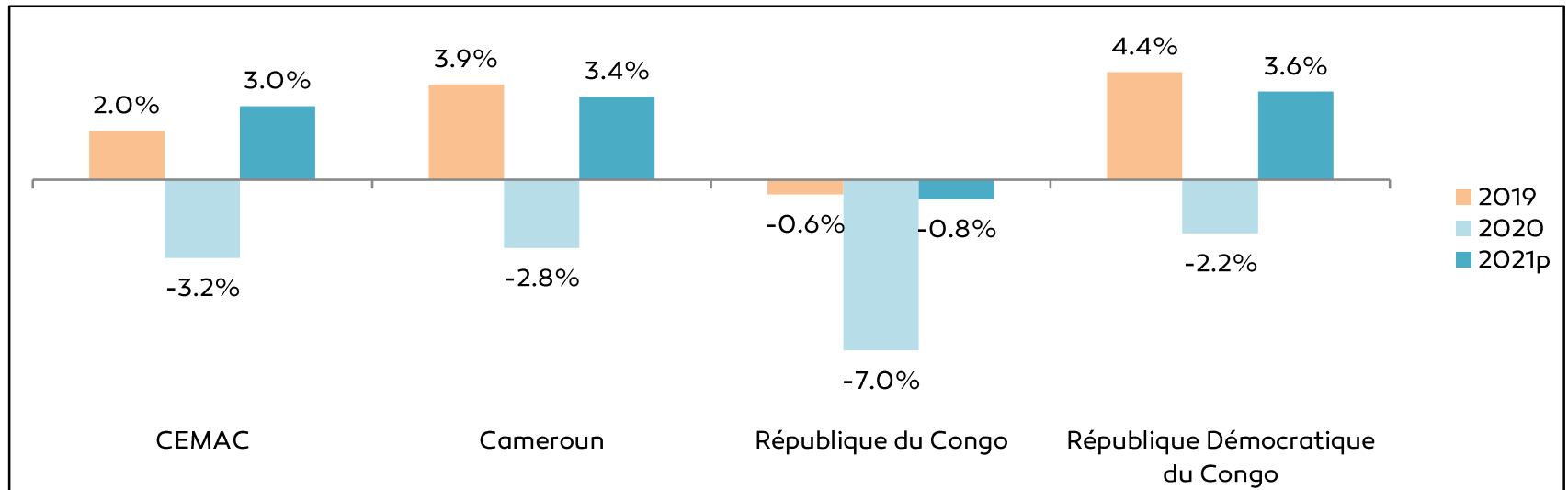
Source: IMF, October 2020

- 📍 **The economies of the East African Community (EAC) have proved relatively resilient** during the pandemic, largely due to their comparative economic diversification. Economic growth is expected to remain positive in 2020 (1%), before accelerating to 4.5% in 2021.
- 📍 Impacted by the pandemic, a number of economies across the region such as **Tanzania (+1.9%)** and **Kenya (+1%)** have posted slower growth. By contrast, countries such as **Rwanda (-0.2%)** and **Uganda (-0.3%)** are likely to contract modestly in 2020.
- 📍 Economic growth expected to rebound in 2021 for countries across the region, although growth is likely to remain below the long-term potential. **Rwanda** is expected to register the strongest growth within the community at 5.7%.



CEMAC: buffeted by its reliance on raw materials and the risk of higher borrowing levels

Real GDP growth in CEMAC



Source: IMF, October 2020

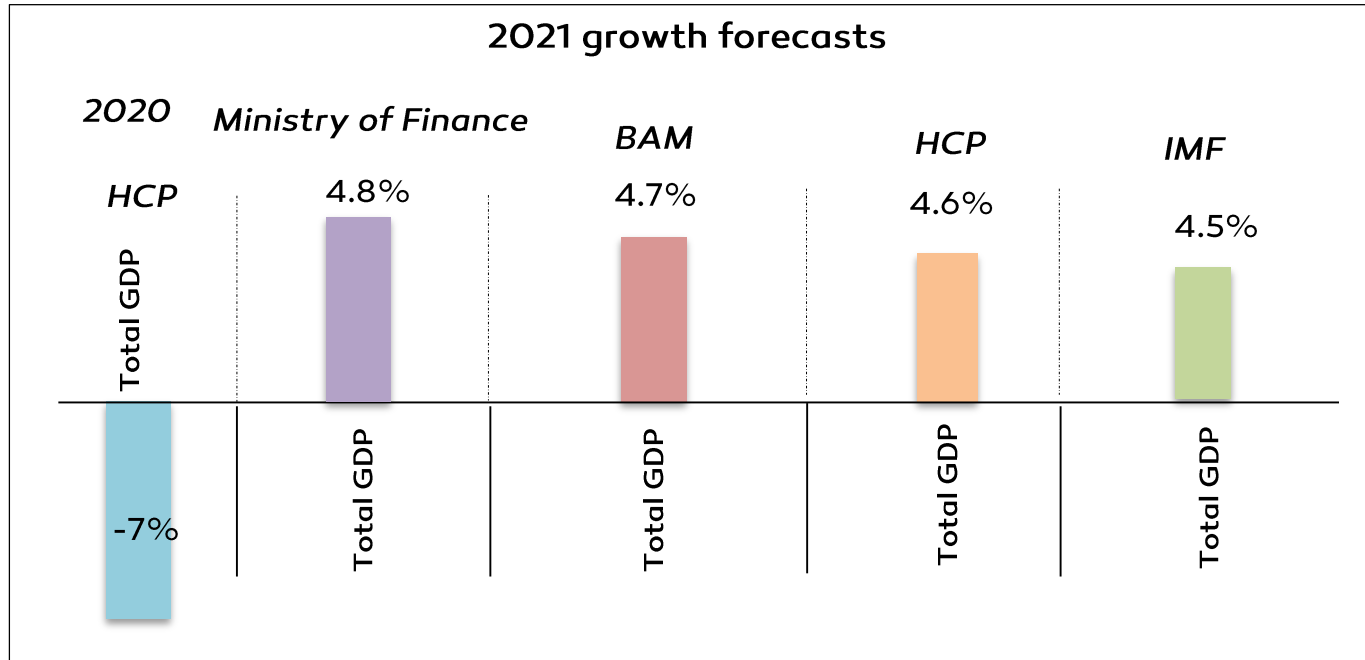
- 📍 **CEMAC's economy is likely to have contracted by 3.2% in 2020** with the majority of the economies within the region exposed to the fall in oil prices – Republic of Congo (-7%), Gabon (-2.7%) and Equatorial Guinea (-6%).
- 📍 Despite the **rise in borrowing levels seen in a number of countries**, **regional economic growth is expected to recover to 3%** in 2021, driven primarily by the performance of non-oil sectors and a potential recovery in oil prices.
- 📍 With the exception of the **Republic of Congo (-0.8%)**, the majority of the region's economies are likely to resume growth in 2021, although the rate will still be below pre-pandemic levels.



MACROECONOMIC ENVIRONMENT IN MOROCCO



Morocco: economic recovery underway



- After contracting sharply by about 7% in 2020 due to a combination of the global pandemic and drought, the **Moroccan economy is expected to resume growth in 2021 (between +4.5% and +4.8%)**, driven by a promising outlook for 2020-21 cereal production.
- At industry level, the **chemicals, specialty chemicals and energy industries continue to perform well**, whilst the **mining sector** is seeing a gradual recovery. By contrast, other sectors such as automobiles, aeronautics and tourism have been impacted by the pandemic.



Foreign trade: a relatively positive outcome for Morocco

| MAD millions | 2020 | 2019 | Change (%) |
|------------------------------------|---------|---------|------------|
| Merchandise imports | 421 868 | 490 953 | -14.1% |
| Merchandise exports | 263 179 | 284 496 | -7.5% |
| Foreign trade coverage ratio | 62.4% | 57.9% | - |
| Travel receipts | 36 364 | 78 752 | -53.8% |
| Receipts from Moroccan expatriates | 67 997 | 64 779 | +5.0% |
| Net FDI flows | 15 540 | 15 379 | +1.0% |

Source: Office des Changes

- ① Impacted by the global pandemic, Morocco's **main trade indicators were mixed** in 2020. **Merchandise exports and imports fell by 14.1% and 7.5%** respectively last year.
- ① By contrast, the **country's trade deficit** stood at just under MAD 158.7 billion in 2020, **down 23.1%** year-on-year and benefiting from a pick-up from Q3. The **foreign trade coverage ratio similarly showed significant improvement**, up from 57.9% to 62.4% over the same period.
- ① **Receipts from Moroccan expatriates and net FDI flows proved relatively resilient** despite the pandemic, rising by 5% and 1% respectively in 2020.



MOROCCAN BANKING INDUSTRY



Bank Al Maghrib's relaxation measures to counter the effects of the global pandemic



- To counter the effects of the COVID-19 pandemic and to support the economy, the regulatory authorities adopted a number of initiatives in 2020 which impacted the Bank: (i) **Key lending rate cut** from 2.25% to 1.5% (ii) **Mandatory Monetary Reserve (RMO) eliminated** (versus 2% previously)

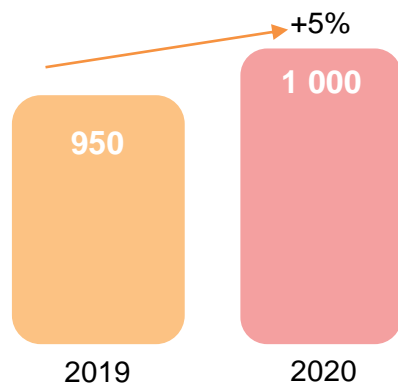
- **Loan suspension authorised** for loans experiencing payment deferrals in 2020

- Inclusion of High-Quality Liquid Assets authorised when **calculating the Liquidity Coverage Ratio (LCR ratio) below 100%**

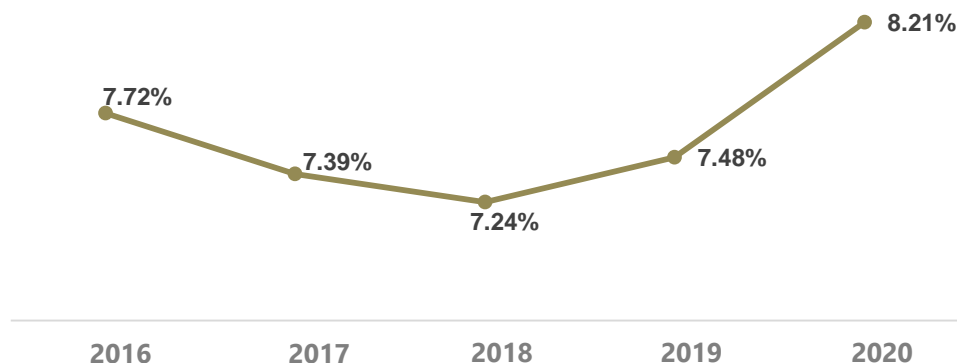


Trend in deposits and loans within the banking industry

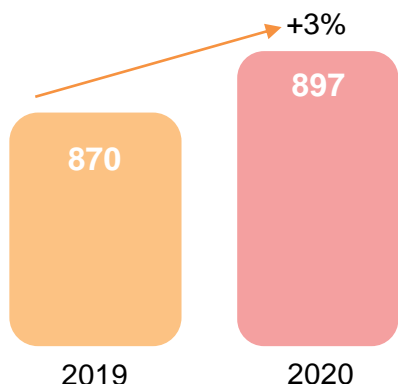
Customer deposits
(MAD billions)



Non-performing loan ratio at 31 December 2020



Customer loans and advances
(MAD billions)



- The banking industry saw **customer deposits increase by 5% year-on-year** to MAD 1,000 billion versus MAD 950 billion the previous year.
- **3% growth in customer loans to MAD 897 billion** at 31 December 2020.
- **Increase in non-performing loans** in 2020 with the non-performing loan ratio rising from 7.48% at 31 December 2019 to 8.21% at 31 December 2020.



BANK OF AFRICA: KEY FIGURES FOR FINANCIAL YEAR 2020



Results resilient despite the global pandemic

- **BANK OF AFRICA Group's business activity proved resilient with consolidated net banking income up by a modest 1% at 31 December 2020, driven by 5% growth in net interest income and a 3% rise in income from market operations;** this was due to a combination of: (i) **strong momentum by market operations** in 2020 against a backdrop of lower interest rates and (ii) a **reduction in the cost of funding**
- **Strong commercial performance with 4% growth in outstanding consolidated loans** to MAD 194.2 billion at 31 December 2019, **driven by a 4.4% increase in loans from Banking in Morocco** (vs. +1.4%) to MAD 117 billion. Consolidated customer deposits also performing strongly, up 2% to MAD 207.1 billion at 31 December 2020
- **Contraction in Group earnings with net income attributable to shareholders of the parent company down by 29% (excluding donation) and net income at parent level down by 1% (excluding donation)** after factoring in (i) a **MAD 1 billion** overall contribution to the COVID-19 special fund (ii) a **57% increase in the consolidated cost of risk**; including the donation, net income attributable to shareholders of the parent company fell by 62% and the Bank's net income by 47%



CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020



Consolidated financial figures at 31 December 2020

BALANCE SHEET

Total ASSETS
+5% to MAD 332 billion

Customer deposits
+2% to MAD 207 billion

Outstanding loans
+4% to MAD 194.2 billion

**1,868 points of sale at 31
December 2020**

INCOME STATEMENT

Net banking income
+1% to MAD 14,002 million

General expenses
+9% to MAD 8,800 million
-3% to MAD 7,800 million (excluding
donation)

Gross operating income
-10% to MAD 5,202 million
+7% to MAD 6,202 million
(excluding donation)

Cost of risk
+57% to MAD 3,452 million

**Net income attributable to
shareholders of the parent
company**
-62% to MAD 738 million
-29% to MAD 1,368 million
(excluding donation)

REGULATORY CAPITAL RATIOS

**Common Equity Tier 1 ratio
(CET1) of 8.6%**

Tier 1 ratio of 9.5%

Capital adequacy ratio of 12.3%

**Liquidity coverage ratio of
167%**

**Financial profitability: RoE of 6.2%
and RoA of 0.6% (excluding
donation)**

**Cost-to-income ratio of 55.7%
(excluding donation)**

Scope of consolidation: a well-diversified group

| % d'intérêt | dec 2019 | dec 2020 |
|-------------------------------------|----------|----------|
| Intégration Globale | | |
| BMCE CAPITAL | 100% | 100% |
| BMCE CAPITAL GESTION | 100% | 100% |
| BMCE CAPITAL BOURSE | 100% | 100% |
| MAROC FACTORING | 100% | 100% |
| MAGHREBAIL | 52,47% | 52,47% |
| SALAFIN | 60,80% | 61,96% |
| LOCASOM | 97,39% | 97,39% |
| RM EXPERTS | 100% | 100% |
| BMCE BANK INTERNATIONAL HOLDING | 100% | 100% |
| BMCE EUROSERVICES | 100% | 100% |
| BOA GROUP | 72,41% | 72,41% |
| LCB BANK | 37% | 37% |
| OPERATION GLOBAL SERVICES | 100% | 100% |
| FCP OBILIGATIONS PLUS | 100% | 100% |
| BOA UGANDA | 77,65% | 78,63% |
| Mise en équivalence | | |
| BANQUE DE DEVELOPPEMENT DU MALI | 32,38% | 32,38% |
| EULER HERMES ACMAR | 20% | 20% |
| EURAFRIC INFORMATION | 41% | 41% |
| CONSEIL INGENIERIE ET DEVELOPPEMENT | 38,9% | 38,9% |
| AFRICA MOROCCO LINK | 51% | 51% |
| BTI | 51% | 51% |

- The Group's scope of consolidation **was unchanged** between 31 December 2019 and 31 December 2020

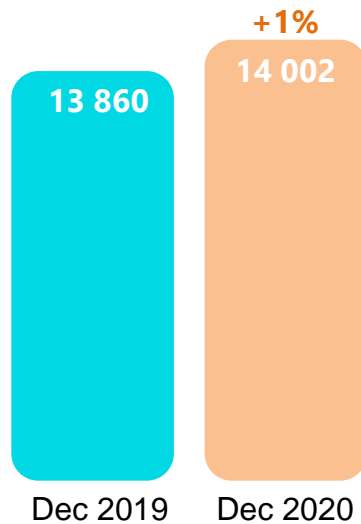
Consolidated results (Group) at 31 December 2020

| MAD MILLIONS | 31 Dec 2019 | 31 Dec 2020 | YoY CHANGE | 31 Dec 2020* | YoY CHANGE |
|--|-------------|-------------|---------------|--------------|---------------|
| NET BANKING INCOME | 13 860 | 14 002 | +1% | 14 002 | +1% |
| GENERAL OPERATING EXPENSES | - 8 065 | -8 800 | +9% | -7 800 | -3% |
| GROSS OPERATING INCOME | 5 796 | 5 202 | -10% | 6 202 | +7% |
| NET COST OF RISK | -2 196 | -3 452 | +57% | -3 452 | +57% |
| OPERATING INCOME | 3 599 | 1 750 | -51% | 2 750 | -24% |
| PRE-TAX INCOME | 3 656 | 1 877 | -49% | 2 877 | -21% |
| CORPORATION TAX | -1 080 | -514 | -52% | -884 | -18% |
| NET INCOME (GROUP) | 2 576 | 1 364 | -47% | 1 994 | -23% |
| MINORITY INTEREST | 655 | 626 | -4% | 626 | -4% |
| NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY | 1 922 | 738 | -62% | 1 368 | -29% |

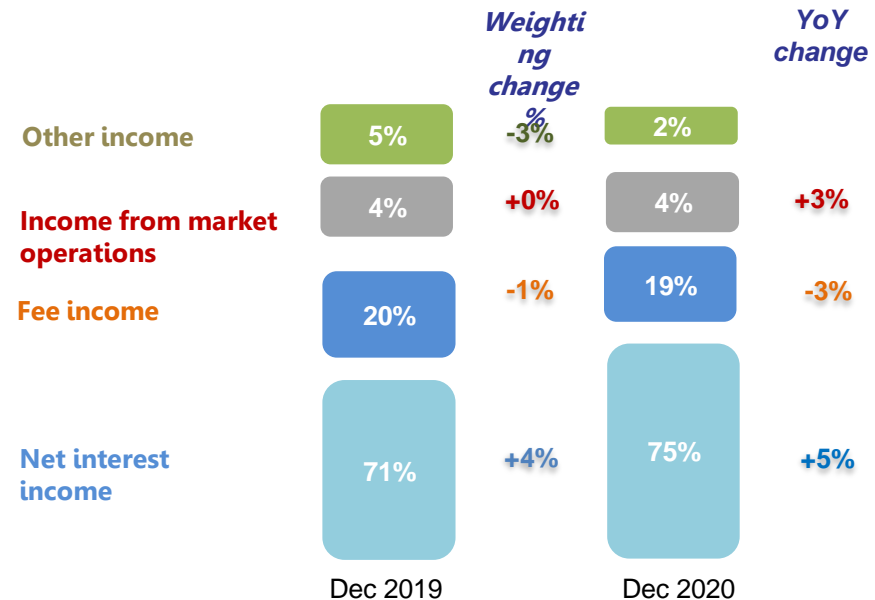
* Excluding the impact from the MAD 1 billion donation

Consolidated net banking income: core business remains healthy

Net banking income
(MAD millions)

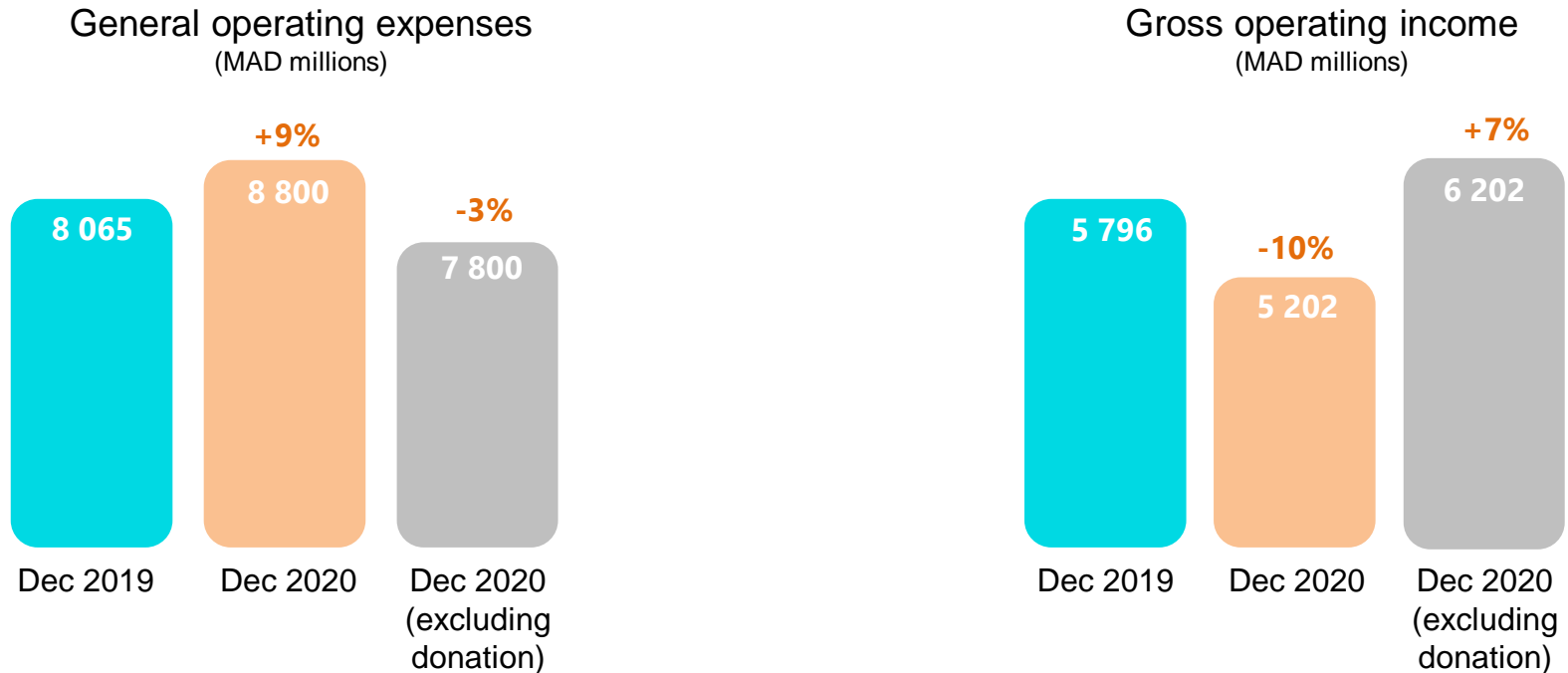


Breakdown of consolidated net banking income



- **Net banking income rose by a modest 1% year-on-year to MAD 14 billion** at 31 December 2020, driven by **5% growth in net interest income** and a **3% rise in income from market operations**, despite a fall in the other income streams

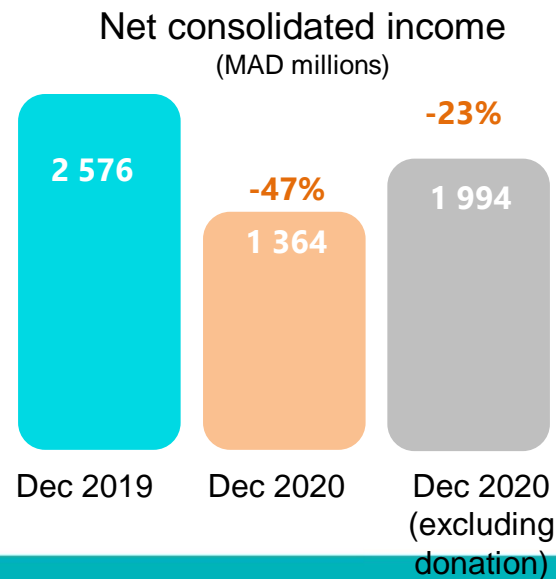
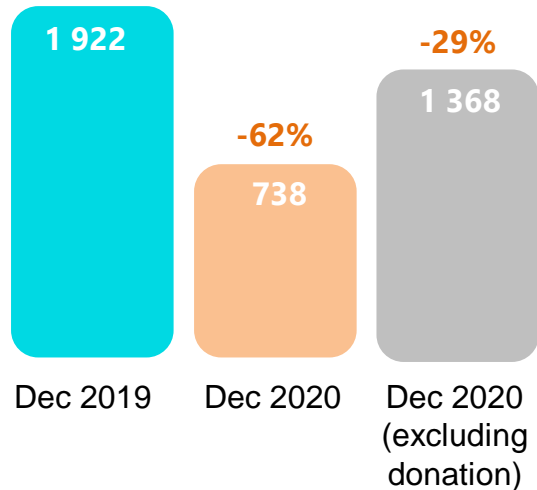
General operating expenses held in check



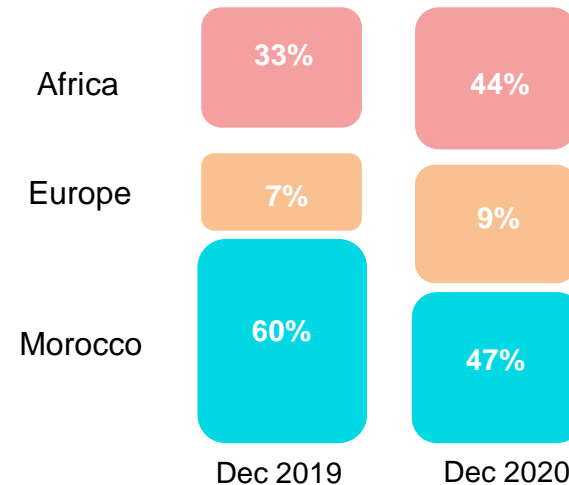
- **General operating expenses held in check, down 3%** (excluding the impact from the donation), resulting in 7% growth in gross operating income and a cost-to-income ratio of 55.7%

Group net income impacted by the Covid-19 global pandemic

Net income attributable to shareholders of the parent company
(MAD millions)



Breakdown of net income attributable to
shareholders of the parent by geographical
region
(excluding donation)



Contribution to net income attributable to shareholders of the parent company* by geographical region

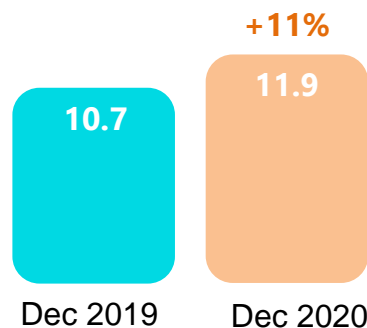
| CONTRIBUTION | 31 Dec 2019 | % | 31 Dec 2020 | % | YoY CHANGE |
|---|-------------|------|-------------|------|------------|
| Moroccan Operations | 1 146 | 60% | 634 | 47% | -45% |
| BANK OF AFRICA | 900 | 47% | 518 | 38% | -42% |
| Subsidiaries | 246 | 13% | 116 | 8% | -53% |
| SPECIALISED FINANCIAL SERVICES | 140 | 7% | 44 | 3% | -69% |
| ASSET MANAGEMENT & INVESTMENT BANKING | 113 | 6% | 83 | 6% | -27% |
| OTHERS** | -6 | 0% | -11 | -1% | |
| International Operations | 775 | 40% | 734 | 53% | -5% |
| Europe | 137 | 7% | 129 | 9% | -6% |
| Africa | 638 | 33% | 605 | 44% | -5% |
| Net income attributable to shareholders of the parent company * | 1 922 | 100% | 1 368 | 100% | -29% |

* Net income attributable to shareholders of the parent company: excluding impact from donation

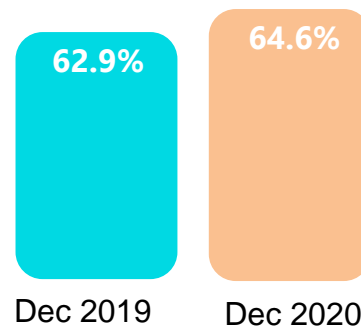
** Others: Locasom, EAI, CID, AML and BTI

Trend in risk indicators

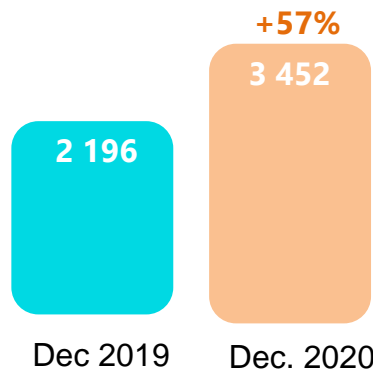
Loan loss provisions
(Bucket 3)
(MAD billions)



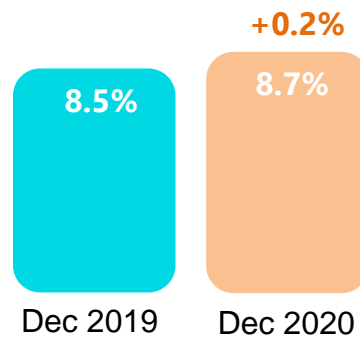
Loan loss coverage ratio
(Bucket 3)



Consolidated net cost of risk
(MAD millions)



Non-performing loan ratio



- **11% increase in loan loss provisions** to MAD 11.9 billion at 31 December 2020.
- **The loan loss coverage ratio rose to 64.6% and the non-performing loan ratio to 8.7%.**

PARENT FINANCIAL STATEMENTS AT 31 DECEMBER 2020



Parent financial figures at 31 December 2020

BALANCE SHEET

Total ASSETS
+7.1% to MAD 215 billion

Customer deposits
+0.2% to MAD 129 billion

Outstanding loans
+4.4% to MAD 116 billion

Branch network comprising
704 branches at 31
December 2020

INCOME STATEMENT

Net banking income
-2.7% to MAD 6,301 million

General expenses
-5.9% to MAD 3,432 million

Gross operating income
+10.7% to MAD 3,271 million

Overall cost of risk
+66.7% to MAD 1,509 million

Parent net income -47,2% to
MAD 724 million; restated for the
donation to the COVID-19 Special
Fund, net income **fell by 1.3% to**
MAD 1,354 million

REGULATORY CAPITAL RATIOS

Common Equity Tier (CET1)
ratio of 9.6%

Tier 1 ratio of 9.9%

Capital adequacy ratio of 15.2%

Liquidity coverage ratio of
172%

Strong operational efficiency: cost-
to-income ratio of 47.6%

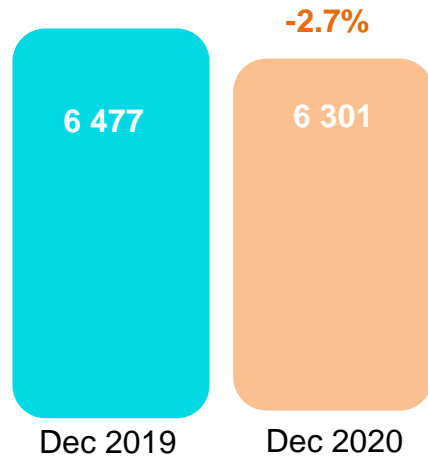
Breakdown of parent net income

| <u>MAD MILLIONS</u> | Dec 2019 | Dec 2020 | YoY CHANGE |
|--------------------------------|----------|----------|---------------|
| Net Banking Income | 6 477 | 6 301 | -2.7% |
| GENERAL OPERATING EXPENSES | - 3 646 | - 3 432 | -5.9% |
| Gross Operating Income | 2 953 | 3 271 | +10.7% |
| NET COST OF RISK | -906 | -1 509 | +66.7% |
| Recurring Income | 2 048 | 1761 | -9.2% |
| NON-RECURRING INCOME | -35 | - 762 | - |
| Corporation tax | -641 | -275 | -57.1% |
| Net income | 1 372 | 724 | -47.2% |
| Net income excluding donation* | 1 372 | 1 354 | -1.3% |

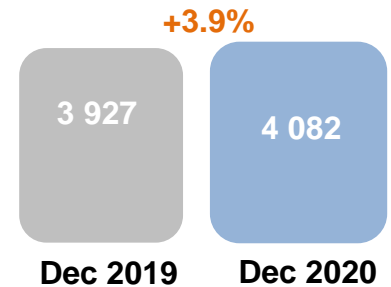
(*) Restated for the donation to the COVID-19 Special Fund amounting to MAD 1,000 million at 31 December 2020

Modest decline in net banking income

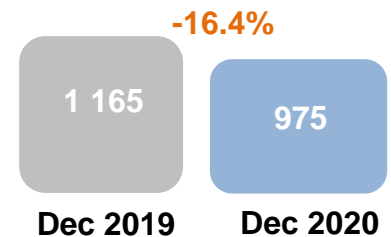
Net banking income
(MAD millions)



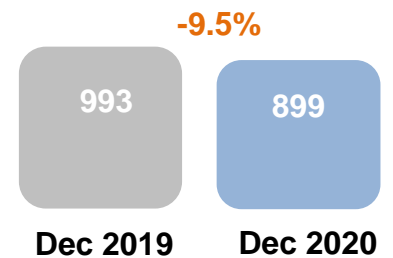
Net interest income
(MAD millions)



Fee income
(MAD millions)



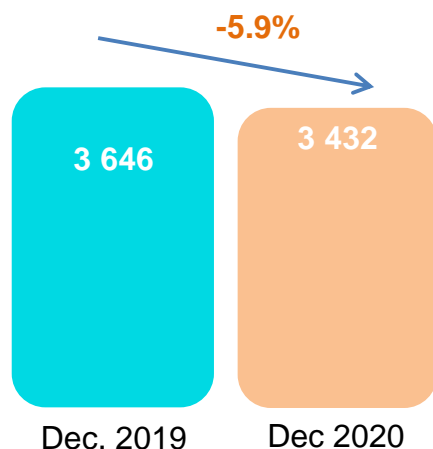
Income from
market operations
(MAD millions)



- **Net banking income: -2.7% to MAD 6.3 billion**, driven by a 3.9% increase in net interest income, offsetting the impact from a 16.4% fall in fee income and a 9.5% decline in income from market operations

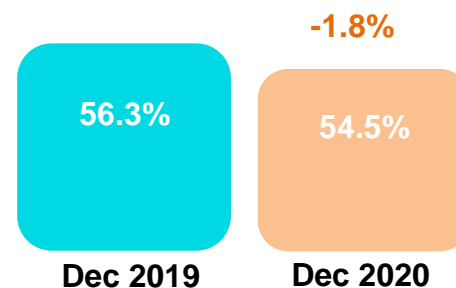
General operating expenses held in check

General operating expenses
(MAD millions)



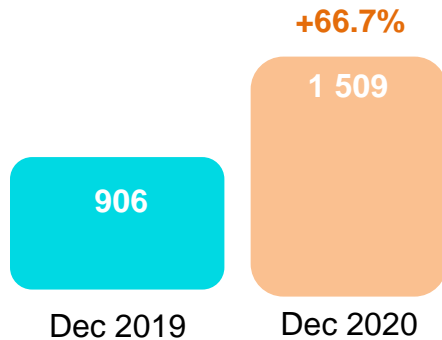
- **General operating expenses of MAD 3.4 billion: down 5.9%**, after taking into account the ongoing efforts by the Bank to make cost savings on the one hand despite the impact, on the other, from the COVID-19 pandemic on a number of expenses items – communication, travel and accommodation expenses, postage etc.

Cost-to-income ratio



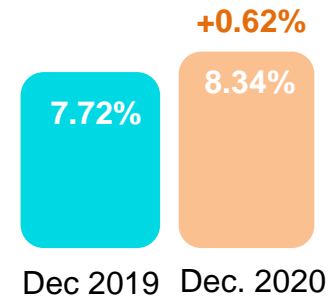
Increased cost of risk due to the global pandemic

Net cost of risk
(MAD millions)

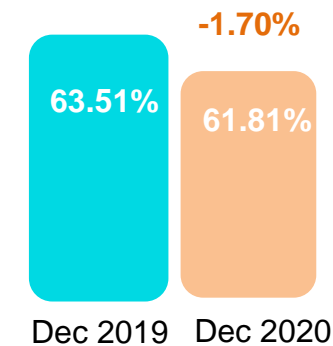


- Net cost of risk up 66.7% to MAD 509 million at 31 December 2020

Non-performing loan ratio



Loan loss coverage ratio



SHARE OF THE DEPOSIT AND LOAN MARKETS



Trend in sources of funding* (parent level)

| MAD MILLIONS | December 2020 | | | |
|-------------------------------|---------------|------------|-------------------|----------------------------|
| | OUTSTANDINGS | YOY CHANGE | INDUSTRY CHANGE** | MARKET SHARE |
| Sources of funding | 139 530 | +0.6% | +4.9% | 13.47% -0.49% 12.99% |
| Finance companies | 325 | -68% | +53% | 29.65% -21.54% 8.10% |
| Customer deposits | 128 757 | +0.2% | +5.7% | 13.62% -0.61% 13.00% |
| Cheque accounts | 59 166 | +9.2% | +9.7% | 12.66% -0.05% 12.61% |
| Current accounts | 24 258 | +6.9% | +13.8% | 14.12% -0.74% 13.39% |
| Passbook savings accounts | 25 027 | +2.2% | +1.8% | 14.79% +0.05% 14.84% |
| Term deposits | 15 862 | -30.4% | -8.5% | 14.64% -3.09% 11.54% |
| External financial borrowings | 2 953 | +100% | +8.7% | 0% +23.66% 23.66% |
| Debt securities issued | 7 495 | -19.1% | -7.4% | 12.53% -1.41% 11.12% |

* Compared to December 2019

** Excluding Bank Of Africa

Trend in customer loans* (parent level)

| December 2020 | | | | |
|---------------------------------|--------------|------------|-------------------|--------------------------|
| MAD MILLIONS | OUTSTANDINGS | YOY CHANGE | INDUSTRY CHANGE** | MARKET SHARE |
| Loans to the economy | 116 542 | +4.4% | +2.5% | 12.28% → 12.48% (+0.20%) |
| Finance companies | 6 182 | +12.4% | -4.1% | 9.99% → 11.51% (+1.52%) |
| Customer loans | 110 360 | +4.0% | +2.9% | 12.43% → 12.54% (+0.11%) |
| Operating | 29 175 | +13.2% | +6.3% | 13.60% → 14.35% (+0.76%) |
| Equipment | 16 363 | -11.7% | +0.5% | 8.86% → 7.87% (-1.00%) |
| Consumer | 7 639 | -6.4% | -4.3% | 14.76% → 14.49% (-0.27%) |
| Mortgages (property developers) | 9 723 | -3.7% | -0.1% | 16.70% → 16.18% (-0.52%) |
| Mortgages (individuals) | 31 235 | +1.5% | +1.6% | 14.70% → 14.69% (-0.01%) |
| Other loans | 16 226 | +26.8% | +8.3% | 9.82% → 11.30% (+1.49%) |

* Compared to 31 December 2019

** Excluding Bank Of Africa

INTERNATIONAL DEVELOPMENT AFRICAN OPERATIONS: SPOTLIGHT ON BOA



Consolidated figures for BOA Group at 31 December 2020*

18**
countries

6,256
staff

556
bank
branches

4.3
million
accounts

TOTAL ASSETS

EUR 8.7 billion

CUSTOMER LOANS

EUR 4.2 billion

**NET BANKING
INCOME**

EUR 573.6 million

**SHAREHOLDERS'
EQUITY** attributable to
shareholders of the parent company

EUR 585 million

CUSTOMER DEPOSITS

EUR 6.2 billion

NET INCOME

EUR 102.7 million

Exchange rate at end-December 2020: Euro/MAD= 10.9351

African business maintaining strong growth



BOA branch network rationalised with the total number of branches standing at **556 units**



More than 187,000 accounts opened between 31 December 2019 and 31 December 2020, taking the total to **4.3 million accounts**



EUR 4.2 billion of customer loans, down 4% compared to 31 December 2019



6% growth in customer deposits to EUR 6.2 billion between 31 December 2019 and 31 December 2020

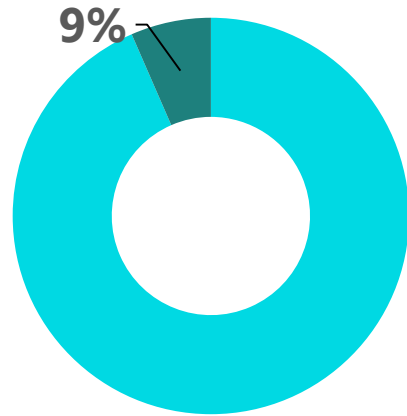
INTERNATIONAL DEVELOPMENT EUROPEAN OPERATIONS



European operations: contribution to net income unchanged at 9%

Contribution to net income

attributable to shareholders of the parent company* **BMCE Bank International Holding**



BIH, the Group's European platform which brings together the operations of its two European subsidiaries, BBI London and BBI Madrid, contributed 9% or MAD 129 million to net income attributable to shareholders of the parent company at 31 December 2020

BBI London & Paris

BBI London's **parent net income stood at GBP 1.69 million at 31 December 2020** vs. GBP 2.85 million at 31 December 2019, impacted by a decline in income and a deterioration in the cost of risk

BBI Madrid


BBI Madrid's **parent net income stood at EUR 10.3 million at 31 December 2020**, up 11% compared to 31 December 2019, due to a significant fall in the cost of risk

* Net income attributable to shareholders of the parent company: excluding impact from donation


A SOCIALLY RESPONSIBLE BANK




BMCE Bank Foundation benefiting education and the environment in Africa




Dr Leïla Mezian-Benjelloun awarded the **Officer medal of France's *Légion d'honneur*** and ICESCO's African-ness Award, as well as being appointed Honorary President of Teach for Morocco, an NGO




Nearly **200 specialised pre-school and primary education units** built and fully equipped, covering Morocco's 16 regions and work started on 60 fully-equipped pre-school classrooms in the Temara, Fez and Al-Hoceima regions




63 schools providing a pre-school and primary education to approximately 11,060 pupils from socially disadvantaged backgrounds




480 teachers, 46% of whom are women, supervised and managed and **22,000 pupils schooled**, 50% of whom are girls



BMCE Bank Foundation's operations in sub-Saharan Africa bolstered, taking the total number of schools to 6, in Senegal, Congo Brazzaville, Mali, Rwanda, Djibouti and 1 socio-educational centre in Senegal



Partnership agreements entered into **between BMCE Bank Foundation and the Paris Education Authority and the French Institute of Morocco** aimed at (i) enhancing the quality of teaching across the Medersat.com network, (ii) supporting the training of supervisors, (iii) improving the French language skills of teachers in BMCE Bank Foundation schools, and (iv) promoting staff enrolment in distance learning training courses.




Partnership with Teach For Morocco, a member of Teach For All, a New York-based international NGO, which will see **TFM provide preschool education (2nd and 3rd years of kindergarten) in eighteen network schools**


A key player in sustainable development

- **Women in Business** programme launched, a **EUR 20 million** funding and assistance programme promoting female entrepreneurship in Morocco, making it easier for women to access funding and technical assistance; similarly, sustainable financing lines extended and relaxed – **Cap Valoris**, in partnership with the EIB and the FMO and **Cap Bleu**, in partnership with the AFD; in addition, BANK OF AFRICA financed the first phase of construction of the Taza wind farm
- BANK OF AFRICA, in partnership with the EBRD, contributing to the **strategy of the Climate Action in Financial Institutions initiative** and the **European Union's new Sustainable Finance Strategy** as well as publishing the **Morocco Map** of priority financing needs relating to SDGs, the **first of its kind within UNEP FI's Positive Impact Initiative framework**
- **CSR Charter roll-out** extended to each of the Group's subsidiaries in Morocco and overseas and **CSR Contact Persons Club** redynamised
- **Promoting gender equality** with a gender equality roadmap introduced aimed at promoting equal opportunity, consistent with the Bank's 'Gender and Inclusion' policy. Signed up to the Women's Empowerment Principles, a joint initiative established by UN Global Compact and UN Women

Performance in sustainable development and CSR widely recognised and strategic partnerships



Partnership agreement signed with the **European Bank for Reconstruction and Development (EBRD)** for a **EUR 145 million finance facility**, the first of its kind in the forty or so countries in which this multilateral financial institution has operations, available within the framework of the EBRD's 'resilience framework', in response to the global health crisis




Partnership agreement signed with International Finance Corporation aimed at bolstering the Group's climate finance capabilities, including analysing the climate impact from its funding activity



Climate change aspect incorporated within the Group's Risk Policy and a working group set up to provide an initial analysis of the climate risks to which its commercial loan portfolio is exposed



Analysis of the Bank's and the Group's portfolio from a Positive Impact aspect and the **Morocco Country Needs Mapping** initiative carried out by BANK OF AFRICA published in November 2020 by UNEP FI



Participated in **UNEP FI's Annual Global Roundtable** as well as the **UN Global Compact Conference** on Sustainable Development Goals in Africa



BANK OF AFRICA partnering Energy Efficiency Magazine, a new international English language publication – Made in Morocco – the result of a partnership between AOB Group and Energy Efficiency Global Alliance (EEGA)

BANK OF AFRICA, a universal banking group



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

RATINGS



International certifications renewed



BANK OF AFRICA in the **top 2% of all global companies rated by Vigeo Eiris** (4,880 in total) and 1st out of 90 in the banking sector – ‘Retail & Specialised Banks – Emerging Markets’ category – following the first **corporate sustainability rating** to be undertaken in Morocco, thereby underlining its leadership status in CSR. BANK OF AFRICA awarded an A1+ rating (Advanced level) based on an overall score of 64/100, thereby underlining its reputation as a leader in CSR

BANK OF AFRICA named ‘Top Performer CSR 2020’ for the 7th consecutive year by Vigeo Eiris, a non-financial rating agency. BANK OF AFRICA topped the rankings within the emerging markets’ banks sector (1st out of 101 banks). It was also ranked first among 897 companies within the region and 65th in the world



- COVID-19 prevention **Safeguard label** awarded by Veritas Group, underlining the Group’s overseas social undertakings as well as reassuring stakeholders about the effectiveness of its business recovery plan, consistent with world health, hygiene and safety standards

- **ISO 14001 certification** for environmental management successfully renewed for the 9th consecutive year with the scope of certification extended to the Bank’s ESMS; **OHSAS 18001** certification for occupational health and safety risk management renewed for the 3rd consecutive year



- The Group’s **Anti-Corruption Management System** awarded **ISO 37001 international certification**

Domestic and international awards



- BANK OF AFRICA named '**Best Bank in Morocco 2021**' by Global Finance magazine; this award provides just recognition for the Group's growing reputation as an African bank and its remarkable success across the continent



- Wins the '**Best Customer Service Award Morocco 2021**' in the Banking category for the fourth consecutive year, reflecting the strong commitment by each of the Bank's businesses to existing and prospective customers and to improving the quality of the service provided



- **BMCE Capital Conseil** an award-winner in the '**Single Deal Local Advisor**' category of the '**Private Equity Africa 2020 Awards**', earning recognition for its support for one of Morocco's leading private healthcare providers in a flagship transaction, thereby underlining its reputation as a benchmark financial advisor to companies and institutions for their strategic deals



- Eurafric Information, BANK OF AFRICA Group's IT subsidiary, named 'Top Employer' for the 2nd consecutive year by the **Top Employers Institute**, a prestigious international organisation, in recognition of its ongoing efforts to develop a robust, consistent and employee-focused human resources strategy, thereby underlining its reputation as a highly attractive employer.



- BANK OF AFRICA an award-winner for the 7th consecutive year at the 2020 Arabia CSR Awards in Dubai in the Financial Services category

BANK OF AFRICA GROUP LAUNCHES THE DIGITAL INSTITUTIONAL PRESENTATION

Find out

**The Group's entire financial communication publications
may be found on the website**

www.l-r-bankofafrica.ma