

**BANK OF AFRICA**  
BMCE GROUP



**ANNUAL  
FINANCIAL  
REPORT  
2021**



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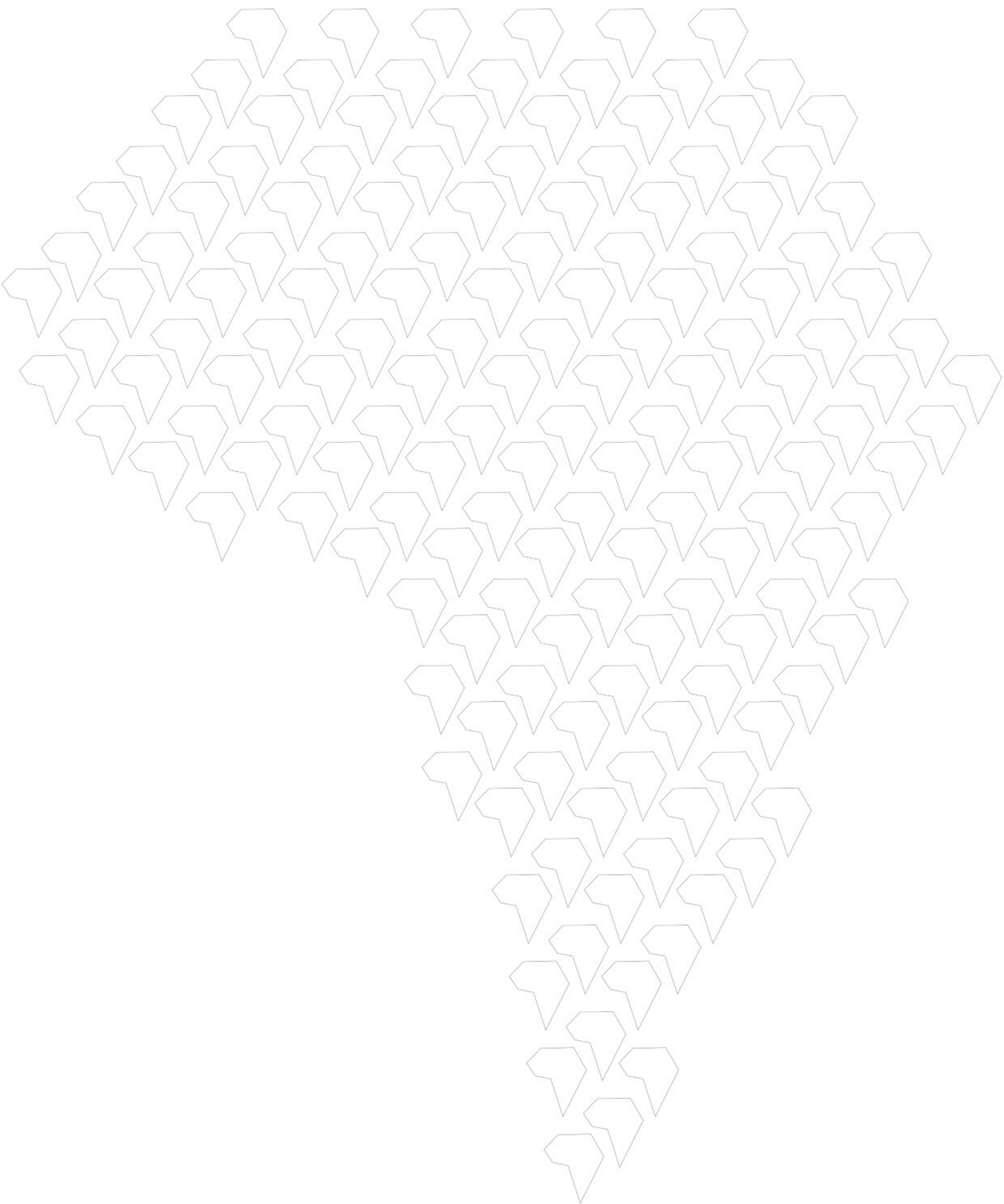
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# PRESENTING **BANK OF AFRICA GROUP**

## BANK OF AFRICA, A MULTI-BUSINESS BANKING GROUP WITH A GLOBAL OUTLOOK

Over the past 60 years, BANK OF AFRICA has undergone a transformation, becoming a multi-national group with multiple business lines. Established in 1959 by Royal Decree as 'Banque Marocaine du Commerce Extérieur', it became 'BANK OF AFRICA' in 2020.

BANK OF AFRICA is today a universal bank, a continental group, leveraging its know-how in the pursuit of innovation, progress and excellence. Adopting a global outlook and possessing one of the continent's leading banking networks, the Bank's longstanding ambition is to ensure that the 21<sup>st</sup> century belongs to Africa.

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

BANK OF AFRICA is one of continent'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.

### BACKED BY A POWERFUL GROUP

Bank of Africa is a subsidiary of O Capital Group, 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.

### AN INTERNATIONAL BANK WITH AN AFRICAN FOCUS

Bank of Africa is today one of Morocco's leading banking groups in terms of international exposure, with operations in 32 countries in Africa, Europe, Asia and North America with a comprehensive network across the African continent.

The Group employs more than 14,900 staff around the world and has more than 2,000 points of sale, serving just under 6.6 million customers.

### COMPLEMENTARY BUSINESS LINES AND MULTI-NATIONAL COVERAGE

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

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

3<sup>rd</sup>

#### **Bank by total assets**

with a 12.73% share of the loan market and a 13.24% share of the deposit market

2<sup>nd</sup>

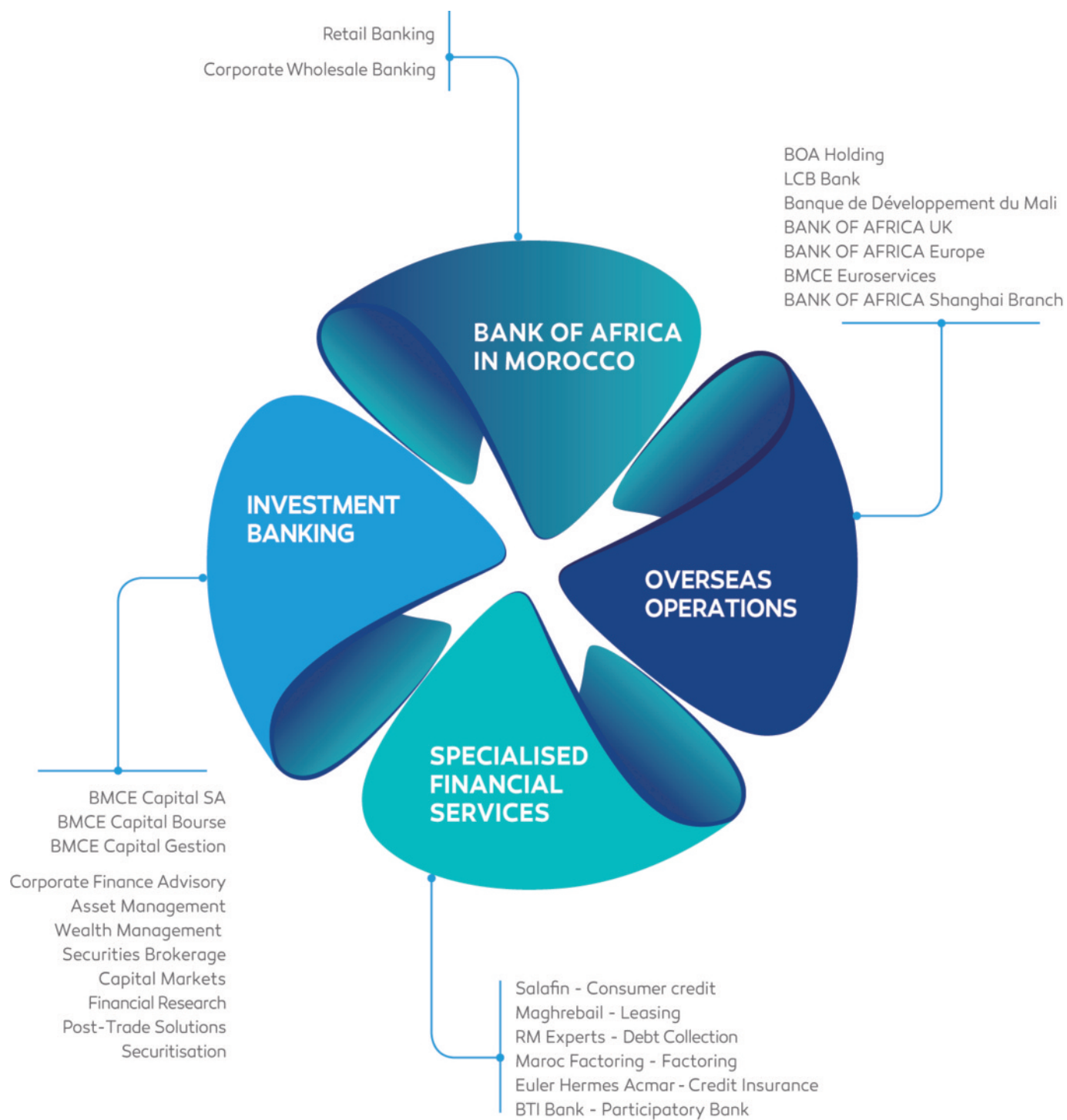
#### **Bank-insurer**

with a product penetration ratio of 34.53%

3<sup>rd</sup>

#### **Asset manager**

with 13.5% market share



## **BANK OF AFRICA,** A MULTI-BUSINESS BANKING GROUP WITH A GLOBAL OUTLOOK

### **A POWERFUL NETWORK IN MOROCCO AND OVERSEAS**

With operations in 32 countries, including 20 in Africa and with more than 2,000 points of sale, BANK OF AFRICA is a 'made-in-Morocco' model of international development.

In particular, the Group has fostered strong ties with the African continent, enabling it to play a major 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.



**14,900**

EMPLOYEES

**32**

COUNTRIES

**2,000**

POINTS OF SALE

**6.6  
million**

CUSTOMERS

**MAD  
345  
billion**

TOTAL ASSETS





**A1+**  
**NON-FINANCIAL  
RATING**



**BA1,**  
**NEGATIVE  
OUTLOOK**



**BB,**  
**STABLE  
OUTLOOK**

## BANK OF AFRICA, A MEMBER OF ONE OF THE REGION'S LEADING BUSINESS GROUPS

BANK OF AFRICA is a subsidiary of O CAPITAL Group, which owns a diversified portfolio of businesses in industries including finance, insurance, real estate, telecommunications and tourism.

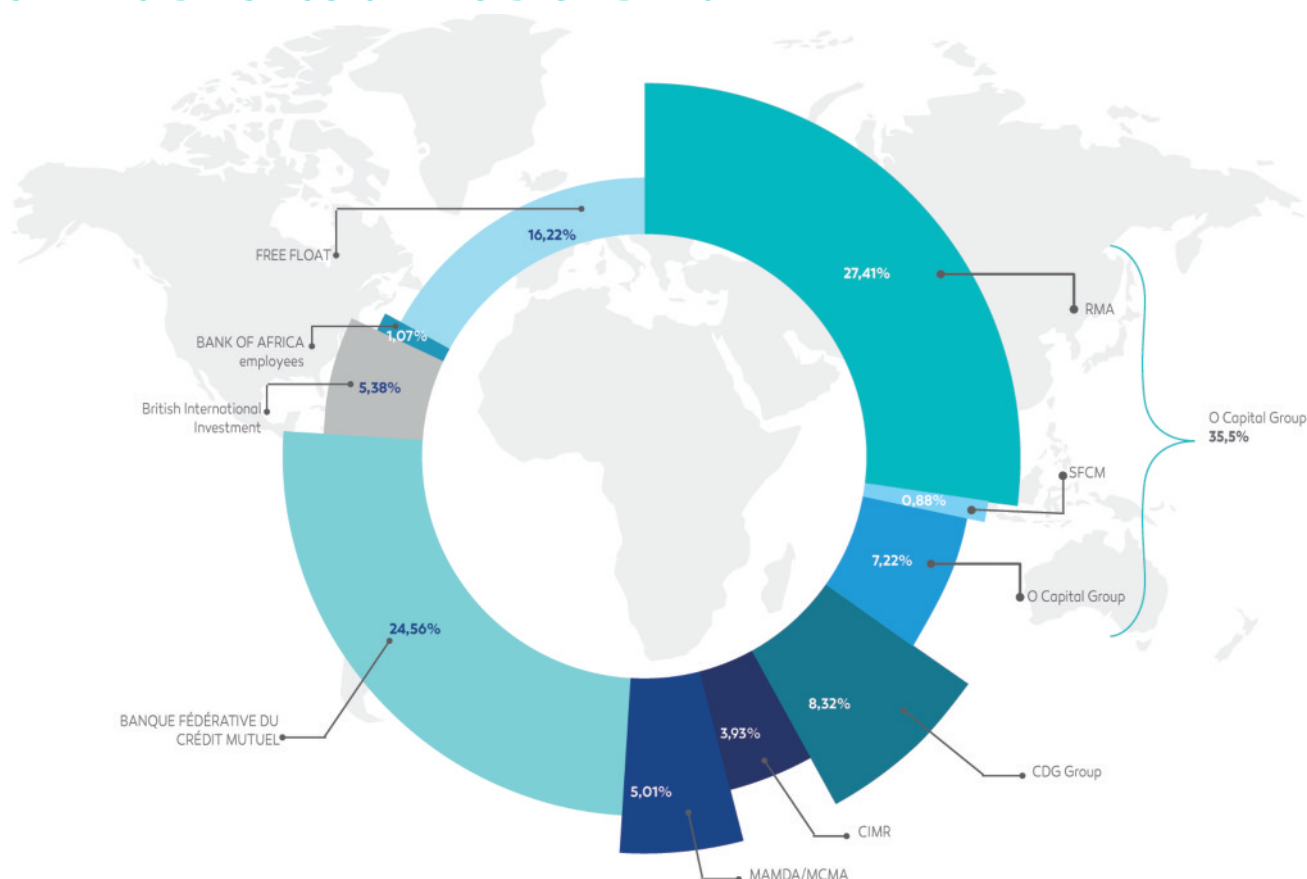
O CAPITAL Group is structured as follows:

CORE BUSINESS	GROWTH DRIVERS	PRIVATE EQUITY	REAL ESTATE & INVESTMENTS	INTERNATIONAL
<p><b>RMA</b></p> <p>Established following a merger between Royale Marocaine d'Assurances and Al Wataniya in January 2005, RMA is Morocco's second largest insurance company in terms of premiums written.</p> <p><b>BANK OF AFRICA</b></p> <p>Morocco's third private-sector banking group with operations in more than thirty countries and a strong pan-African presence, particularly via the BOA Holding network.</p>	<p><b>MEDITELCOM</b></p> <p>Established in 1999, MEDI TELECOM is a telecoms operator whose range of customers include retail customers, SMEs and large enterprises. Since December 2016, MEDI TELECOM's products and services have been marketed under the Orange brand.</p> <p><b>CTM</b></p> <p>Industry leader in Morocco's passenger transport and messaging sectors and the first to be floated on the Casablanca Stock Exchange in 1993.</p> <p><b>RANCH ADAROUCHE</b></p> <p>Africa's largest breeder of Santa Gertudis beef cattle with around 2,898 heads as at end-December 2021. Cattle are raised extensively over an area of more than 11,000 hectares.</p> <p><b>BIO BEEF</b></p> <p>Morocco's leading red meat slaughtering, cutting and processing operation, meeting ONSSA's hygiene standards.</p> <p><b>GREEN OF AFRICA DEVELOPMENT</b></p> <p>Company specialising in project development, financing, building and operating renewable power plants.</p> <p><b>GREEN OF AFRICA INVESTMENT</b></p> <p>A joint venture between O Capital Group and Akwa Group, GOA Invest aims to generate potential synergies with other members of its grouping in the financial, energy and manufacturing industries, by becoming a vitally important player in green electricity generation.</p>	<p><b>FINATECH Group</b></p> <p>A major player in energy and digital information and communication technologies. Established in June 2007, FINATECH Group is a leading systems integrator providing global solutions and infrastructure from design and production to maintenance and operations.</p> <p><b>AIR ARABIA MAROC</b></p> <p>Morocco's leading low-cost airline established in 2009 in partnership with Air Arabia and Holmarcom.</p> <p><b>BRICO INVEST</b></p> <p>DIY equipment and home improvement retail chain based in several towns across the Kingdom and trading under the Mr Bricolage brand.</p>	<p><b>ARGAN INVEST</b></p> <p>Argan Invest is an investment company specialising in real estate management. It owns 100% of Actif Invest and 50% of Colliers International Maroc.</p> <p><b>CAP ESTATE</b></p> <p>O Capital Group's real estate subsidiary.</p> <p><b>COLLIERS INTERNATIONAL MAROC</b></p> <p>Subsidiary established in partnership with Colliers International Group specialising in delegated project management.</p> <p><b>REVLV'S</b></p> <p>A joint venture holding company between O Capital Group and Aman Resort owning the Amanjena Hotel.</p> <p><b>RISMA</b></p> <p>Listed on the Casablanca Stock Exchange, RISMA manages Accor's hotel chain in Morocco comprising the Sofitel, SuiteHotel Pullman, Novotel and Ibis brands.</p> <p><b>O TOWER</b></p> <p>Joint venture between BANK OF AFRICA, RMA and O Capital Group, overseeing construction of the mixed-use tower in Rabat's Bouregreg Valley.</p> <p><b>VILLAJENA</b></p> <p>Joint venture holding company with AMAN Group owning land reserves within the Amelkis golf resort site with a view to developing Aman-branded luxury villas.</p>	<p><b>O CAPITAL EUROPE (formerly FinanceCom International)</b></p> <p>Luxembourg-registered company specialising in strategic advisory services and private wealth management for ultra-high-net-worth individuals and families.</p> <p><b>O Capital France</b></p> <p>Subsidiary providing support and strategic coordination to O Capital Group's main international development businesses in Africa, Middle East and Europe.</p> <p><b>FCOMI-L GLOBAL CAPITAL</b></p> <p>European multi-strategy management fund.</p>



## BANK OF AFRICA, A STABLE AND WELL-DIVERSIFIED SHAREHOLDER BASE

### SHAREHOLDER STRUCTURE AT 31 DECEMBER 2021



### INTRODUCING THE GROUP'S MAIN SHAREHOLDERS

#### O Capital Group

O Capital Group, established in 2021 as a result of Holding Benjelloun Mezian acquiring FinanceCom, is a leading Moroccan industrial and financial group with operations in a variety of high growth sectors.

#### RMA

One of North Africa's leading insurance companies, having forged a reputation as a solid yet ambitious player by leveraging its extensive distribution network and constantly focusing on innovation.

#### 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 – CRÉDIT MUTUEL GROUP – ALLIANCE FÉDÉRALE

BFCM is a leading banking group with operations in France and overseas and businesses ranging from retail banking, bank-insurance to bank card operations.

#### BRITISH INTERNATIONAL INVESTMENT

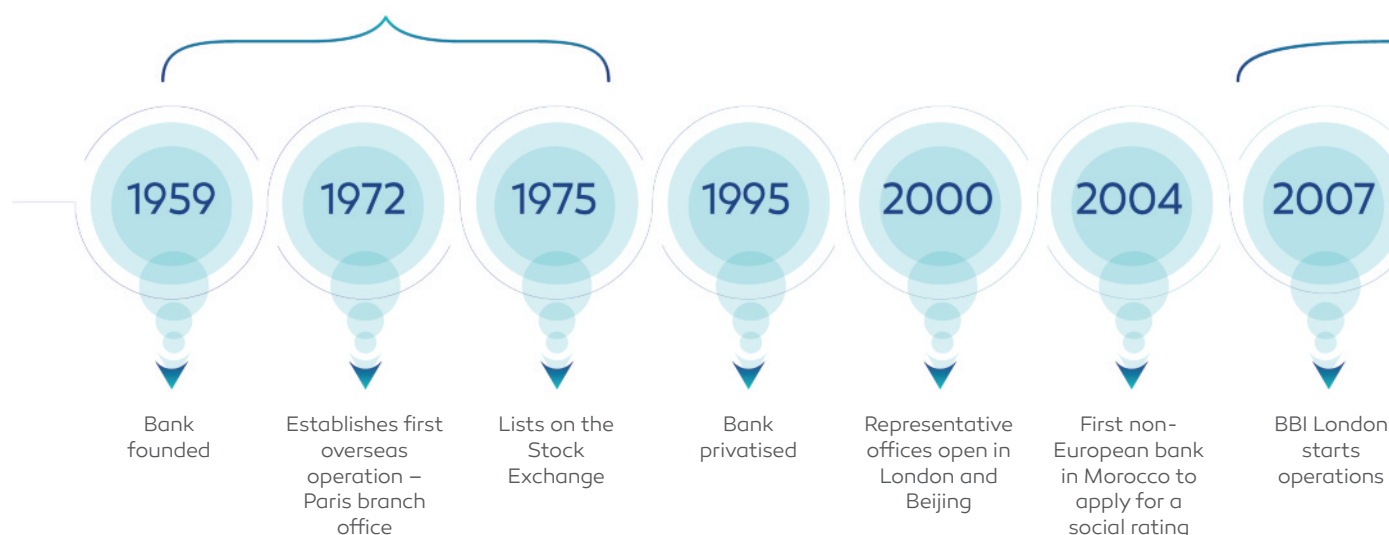
Founded in 1948, British International Investment (ex-CDC Group PLC) is the UK's development finance institution and impact investing fund. It works to promote sustainable economic, social and environmental development in the countries in which it operates by investing capital to support private sector growth and innovation.

## BANK OF AFRICA, SERVING DEVELOPMENT CAUSES FOR MORE THAN 60 YEARS

### 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 for the purpose of developing Morocco's overseas trade.



### 1995-2006

#### A UNIVERSAL BANK TO SUPPORT MOROCCO'S DEVELOPMENT

After being privatised in 1995, BANK OF AFRICA became a subsidiary of FinanceCom Group. This milestone proved to be a turning-point in its history, enabling it to expand its business portfolio. Leveraging 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 by establishing a large number of subsidiaries in both Africa and Europe.



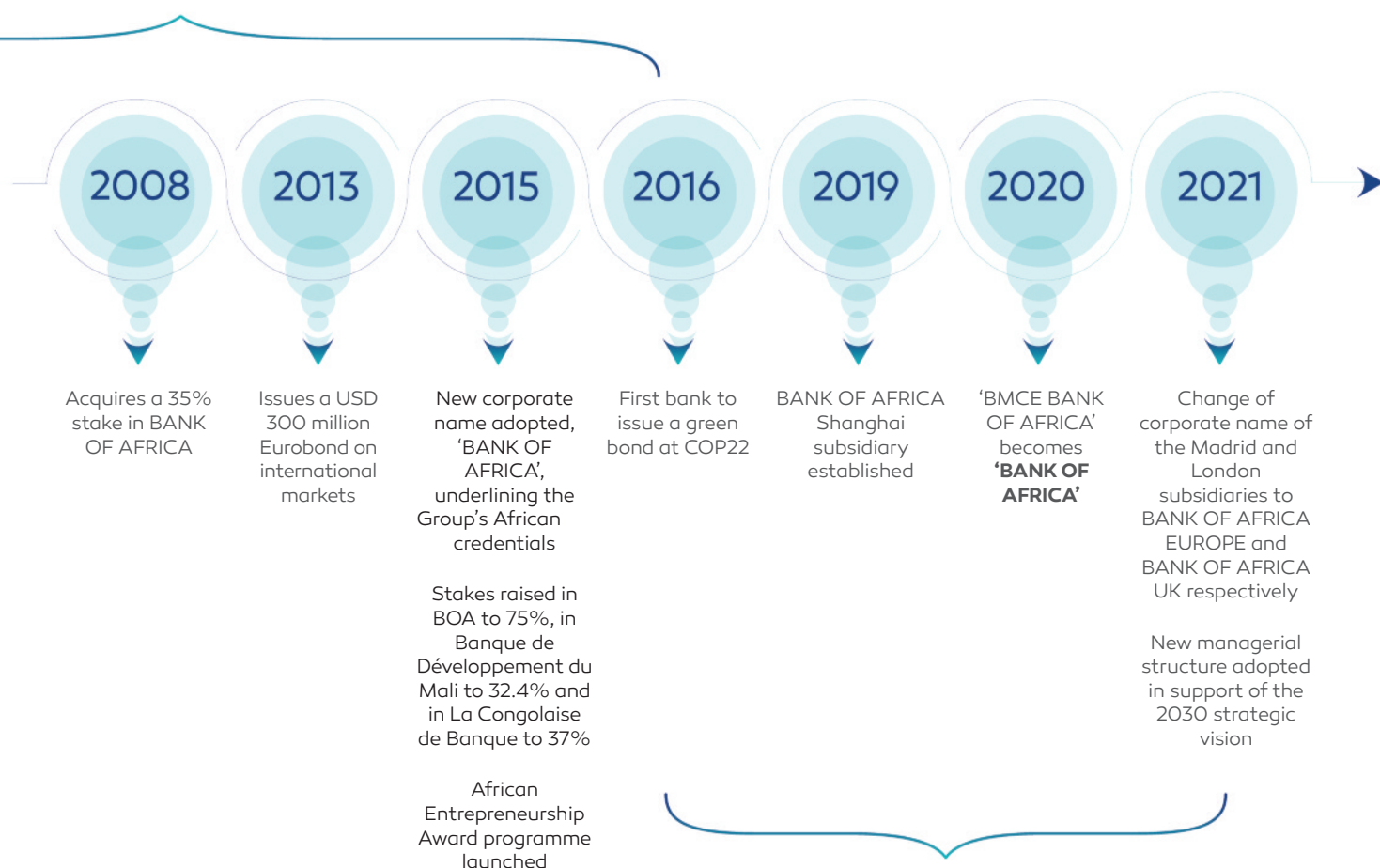


## 2007-2015

### FRESH IMPETUS, PAN- AFRICAN AND INTERNATIONAL AMBITIONS

With the African continent showing significant growth potential, BANK OF AFRICA has fulfilled its goal of becoming a pan-African bank with an international outlook. Other acquisitions have 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, whilst 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, covering the continent's five main regions.



## 2016-2021

### NEW HORIZONS WITH THE 'BANK OF AFRICA' CORPORATE NAME

Bolstered by its overseas successes, BANK OF AFRICA has continued to expand, establishing operations in China whilst 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 African countries, covering the continent's five main regions.

## BANK OF AFRICA, 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 with 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.

Furthermore, 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 in which it has operations as well as improving the quality of care provided.

In addition to the various undertakings of its Foundations, BANK OF AFRICA has established a team of CSR and sustainable development professionals. As a result, environmental and social criteria are now fully incorporated within the Bank's decision-making processes. The Bank also plays an active role in major international initiatives in this area.

By applying the highest international standards, BANK OF AFRICA has acquired a reputation for 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



- ▶ 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.



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



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



- ▶ 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' published online in October 2017 after obtaining '**Global Compact Active COPs**' status in 2016.



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



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



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



- ▶ Endorses **Women's Empowerment Principles**, a partnership initiative established by UN Women and the UN Global Compact.



- ▶ **We4She's Gender Diversity Corporate Charter** signed within the framework of the Africa CEO Forum.



## BANK OF AFRICA, A GROUP WHICH STANDS OUT FROM ITS PEERS ON THE REGIONAL AND INTERNATIONAL STAGE

In spite of the global health crisis, BANK OF AFRICA has continued to stand out from its peers on the international and regional stage by performing *par excellence* in international league tables and seeing its certifications renewed by well-recognised bodies.

### Global Finance

- Named '**Best Bank in Morocco 2021**' by **Global Finance**, a prestigious American magazine.
- « **Outstanding Leadership in Sustainable Project Finance – Africa** », by « **Global Finance Magazine** » during its « **Sustainable Finance Awards 2021** ».
- BANK OF AFRICA named '**Third Safest Bank in Africa in 2021**' by **Global Finance Magazine** and ranked among the top three banks on the African continent.



- Wins the '**Best Customer Service Award Morocco 2021**' in the Banking category for the 4<sup>th</sup> 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.



- BANK OF AFRICA named '**Top Performer CSR 2021**' in a non-financial ratings survey by Vigeo Eiris-Moody's ESG Solutions and ranked 1<sup>st</sup> out of 90 banks in emerging markets, 2<sup>nd</sup> out of 852 emerging market companies (across all sectors) and 37<sup>th</sup> out of 4,963 companies rated worldwide.



- '**Golden Award - Best Bank in Africa 2020**' awarded by Leaders League, a leading media and consulting group, at the **Africa Investments Forum & Awards** (AIFA).



- BANK OF AFRICA, **first bank to be ISO 45001-certified in Morocco and on the African continent** in the areas of occupational health, safety, and well-being, after a certification audit was carried out by Bureau Veritas Certification.
- ISO 9001:2015 Quality Management Systems certification** renewed for the Bank's overseas operations, bank cards, securities, personal loans, bank insurance, human resources and purchasing and certification maintained for the Customer Relations Centre's service commitments.
- ISO 27001 certification renewed for EurAfric Information**, BANK OF AFRICA's IT subsidiary, for its information security management systems.



- BANK OF AFRICA an award-winner in 2021 in the **MENA region's Financial Services category** for the 8<sup>th</sup> consecutive year at the **Arabia CSR Awards** in Dubai, for its leadership in corporate social responsibility and sustainability as well as for the high level of resilience shown in the face of the COVID-19 crisis.



- BANK OF AFRICA named '**Best Trade Finance Bank in Morocco**' by GTR Trade Review as part of its annual '**GTR+MENA 2021**' review.



- BANK OF AFRICA named '**Most Active Partner Bank in Morocco in 2020**' by the European Bank for Reconstruction and Development (EBRD) regarding its Trade Facilitation Programme.



- BMCE Capital Conseil an award-winner in the '**Single Deal Local Advisor**' category of the '**Private Equity Africa 2020 Awards**', in recognition of its support for one of Morocco's leading private healthcare providers in a flagship transaction.



- BANK OF AFRICA ranked in 2<sup>nd</sup> place among the 25 most attractive companies in Morocco by **Top Rekruteurs**
- Eurafric Information, BANK OF AFRICA Group's IT subsidiary, named '**Top Employer**' for the 3<sup>rd</sup> consecutive year by the **Top Employers Institute**, a prestigious international organisation.



- BANK OF AFRICA, **first Moroccan Bank to endorse Women's Empowerment Principles**, a partnership initiative of the United Nations Global Compact and UN Women, as a universal multi-business banking group comprising a variety of business lines.

## BANK OF AFRICA, A PAN-AFRICAN VOCATION

### 2<sup>ND</sup> PAN-AFRICAN GROUP IN TERMS OF GEOGRAPHICAL COVERAGE

#### BANK OF AFRICA

Established: 1959  
Number of branches: 700

#### BOA-MALI

Established: 1983  
Number of branches: 44

#### BDM SA-MALI

Established: 1983  
Number of branches: 59

#### BOA-BENIN

Established: 1990  
Number of branches: 50

#### BOA-NIGER

Established: 1994  
Number of branches: 31

#### BOA-COTE D'IVOIRE

Established: 1996  
Number of branches: 40

#### BOA-KENYA

Established: 2004  
Number of branches: 25

#### TUNISIA

Established: 2006  
BMCE Capital Tunisia

#### BURUNDI

Banque de Crédit du  
Bujumbura : 2008  
Number of branches: 24

#### BOA-DRC

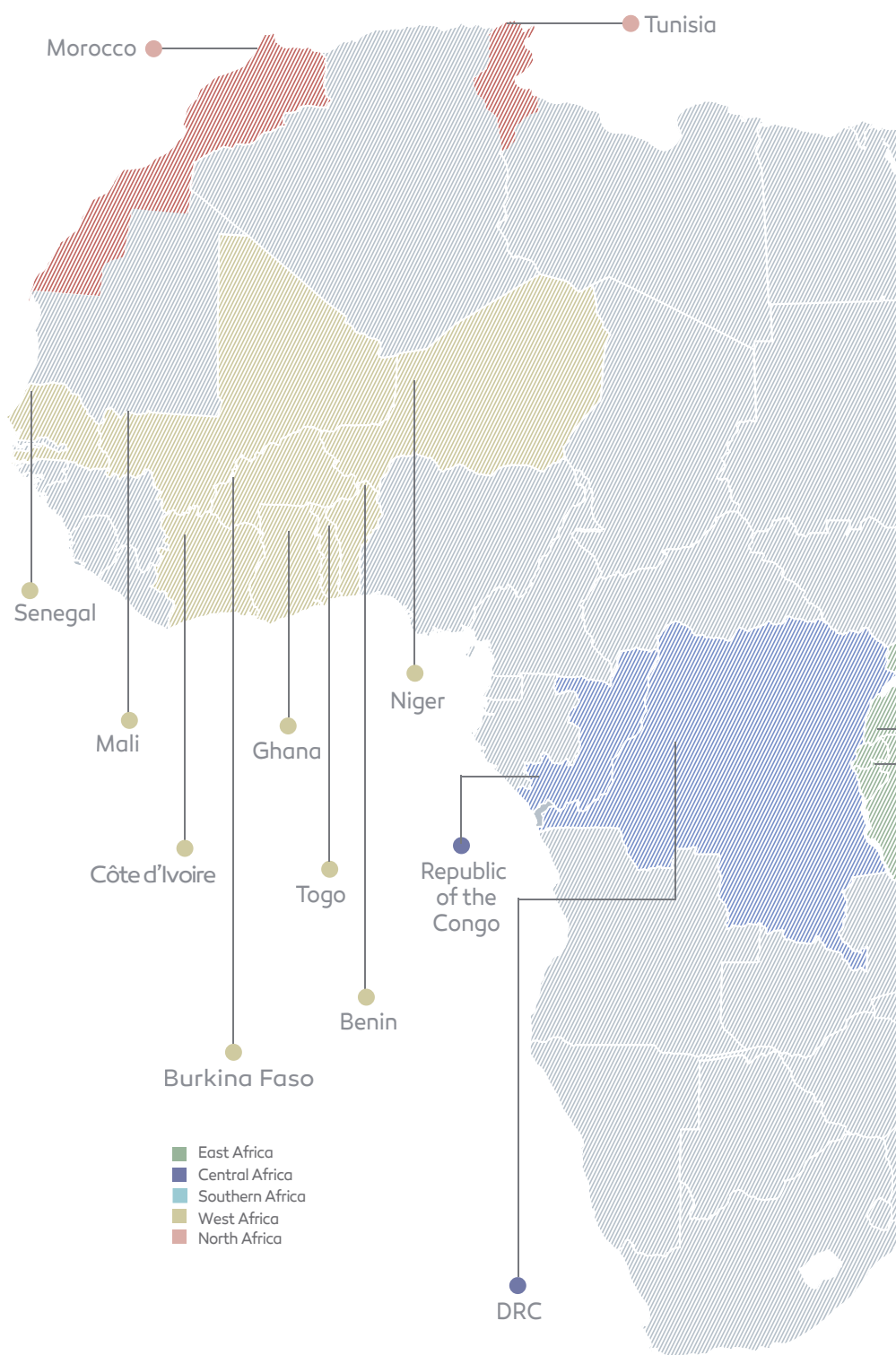
Established: 2010  
Number of branches: 16

#### BOA-TOGO

Established: 2013  
Number of branches: 13

#### BOA-RWANDA

Established: 2015  
Number of branches: 14







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

**BOA MADAGASCAR**  
Established: 1999  
Number of branches: 95

**BOA-GHANA**  
Established: 2011  
Number of branches: 26

**BOA-SENEGAL**  
Established: 2001  
Number of branches: 53

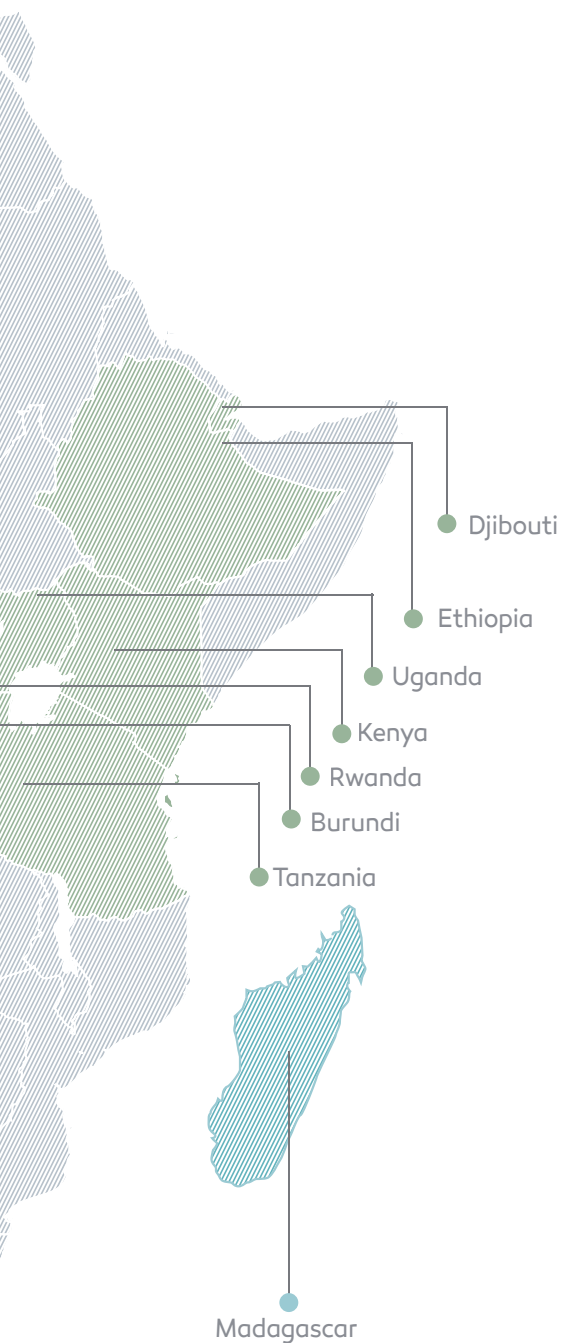
**BOA-UGANDA**  
Established: 2006  
Number of branches: 34

**BOA-TANZANIA**  
Established: 2007  
Number of branches: 20

**LCB BANK**  
Established: 2010  
Number of branches: 19

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

**BOA-ETHIOPIA**  
Established: 2014  
Representative Office



**1<sup>st</sup>**

Moroccan bank to  
establish operations  
in sub-Saharan  
Africa in 1989

**2<sup>nd</sup>**

pan-African group by  
geographical coverage:  
20 countries and 5  
economic zones

**3**

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

**625**

bank branches  
(outside Morocco)

**6,749**

employees (outside  
Morocco)



# ACTIVITY REPORT



## BANK OF AFRICA, PARTNERING MOROCCO'S ECONOMIC RECOVERY

### BANK OF AFRICA, A GROUP COMMITTED TO ENTREPRENEURS

#### Supporting professionals and small businesses

As part of its ongoing support for small businesses and professionals, which play a vital role in the economy, BANK OF AFRICA provided fresh impetus to the INTELAKA programme by enhancing the loan approval process and digitising the entire customer experience. BANK OF AFRICA's small business customers may now apply for a bank loan via the Crédit Business Online portal.

The *INTELAKA* programme was given a strong boost with BANK OF AFRICA introducing an *INTELAKA Part/Pro* package for individual and professional customers. A total of 3,700 loans were approved amounting to MAD 628 million. The Start TPE package was rolled out to BANK OF AFRICA's small business customers with 316 successful customer applications amounting to MAD 8.5 million.

In 2021, BANK OF AFRICA also continued to promote the Damane Oxygène financing mechanism introduced in 2020 in support of professional and small business customers negatively impacted by the pandemic. This was converted into an amortised loan. More than 13,600 Oxygène et Relance applications have been processed since 2020 with MAD 8 billion in total disbursed by 31 December 2021.

#### Technical assistance and training for would-be entrepreneurs

2021 saw the first cohort of around forty or so innovation-based start-ups complete the BLUE SPACE incubator programme. The would-be entrepreneurs benefited from a training programme, help with setting up their companies and technical assistance in compiling their investment loan application.

### SERVICES FOR RETAIL CUSTOMERS OFFERING A SEAMLESS EXPERIENCE

#### Customers benefiting from omni-channel assistance and digital solutions

BANK OF AFRICA has set up a 100% digital process to facilitate initial customer contact using cutting-edge authentication technology. This innovation further enhances the omnichannel approach adopted by BANK OF AFRICA to support its retail clientele, which now benefits from seamless support along the entire banking service value chain.

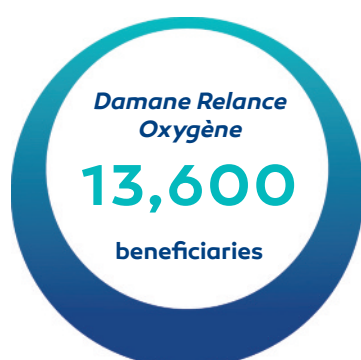
The past year saw the Bank sign a new partnership agreement with the Mohammed VI Polytechnic University in Ben Guerir (UM6P) aimed at offering students exclusive deals at negotiated rates.

BANK OF AFRICA customers are now able to apply online for retirement-related savings and education products via the *BMCE Direct* platform. They may also apply for mortgages online with the application form completed remotely and its processing tracked online. This high added value service platform enables customers to monitor their personal finances and their expenses and income by type. The *BMCE Direct* Mobile app has an online chat service offering assistance to customers on a continuous basis.

New functionality added to the *Agence Directe* service includes facial recognition technology, selfie checks and appointments by videoconference. Other functionality added includes the introduction of optical character recognition (OCR).

#### BANK OF AFRICA, a bank in tune with youngsters

Consistent with its goal of being an inclusive bank, BANK OF AFRICA strives to provide support for its customers from a young age and ensures that it participates wholeheartedly in a variety of events organised for young people. During the past year, BANK OF AFRICA staff participated in open days and forums organised by several higher education institutions including the Higher Institute of Transport and Logistics, ISCAE Group and Mundiapolis University. BANK OF AFRICA also sponsored the first 'African week', in the context of its partnership with the Euro-Mediterranean University of Fez.







## ACCELERATING BANK OF AFRICA'S DIGITAL TRANSFORMATION

Leveraging its reputation as a digital banking pioneer and with digital banking increasingly important to its various business lines, BANK OF AFRICA's digital transformation gained further momentum in 2021. During the past year, BANK OF AFRICA carried out several initiatives to promote its digital banking offering, develop business lines and improve the operational efficiency of all business units.

In terms of new services rolled-out, BANK OF AFRICA introduced KODI chatbot, an artificial intelligence tool enabling the Bank to meet the needs of customers outside opening hours. The chatbot is available in French and Arabic.

### Ongoing improvements to the functionality of BMCE Direct and Business Online

BMCE Direct has developed a facility enabling customers to apply for foreign currency for overseas travel and make online payments. Customers are now able to activate their card without having to come into a branch. They may also access the Bank Statements and Advice service as well as the PIN change service on both the BMCE Direct website and mobile app.

In 2021, the Business Online portal for cash management and trade finance was enhanced with new functionality added, enabling customers to make standing order transfers, consult limits on an individual subscriber basis, pay invoices, pay vehicle tax and manage beneficiaries on a collective basis, as well as making bulk foreign currency-denominated transfers. The look and feel of the portal were overhauled, making website navigation easier due to improved navigation tabs.

### Ongoing transformation of customer experience for finance applications

The ongoing digital transformation of BANK OF AFRICA's processes saw Crédit Daba launched in 2021, a 100% digital consumer loan, offering customers a simplified application process and the possibility of being able to get an agreement in principle instantaneously. In addition to the entirely digitised application process, customers are also able to track their loan application and get assistance online. They may also defer payments or repay their loan.

The Business Crédit Business Online platform, which enables businesses to apply for loans online, has been updated with more responsive functionality incorporated as well as special finance deals for small businesses.

## Major innovations for Moroccan customers living abroad

BMCE Euroservices, the Bank's subsidiary for Moroccans living abroad, rolled out a new digital offering in 2021 by launching BMCE Euroservices DABA, the first mobile app in Morocco to enable customers to transfer money to Morocco from France, Spain, and Italy. The app also allows money transfer accounts to be opened remotely and money transfers to be made via bank cards.

### Fresh impetus for mobile payments

After launching its pioneering Dabapay mobile payment service in 2018, BANK OF AFRICA enhanced this product's functionality in 2021 by incorporating a facility for storekeepers and as well as enabling users to make cash withdrawals from other banks' ATMs.

## INVESTMENT BANKING OPERATIONS BOLSTERED

In 2021, BANK OF AFRICA's Investment Banking Division benefited from the various initiatives implemented in 2020 in terms of innovation and product portfolio development both domestically and at its international subsidiaries. As a result, the division demonstrated resilience in the face of the prolonged pandemic in 2021 with revenues 6% higher at MAD 1.3 billion and gross operating income up 8% to MAD 1 billion.

### An eventful year for the Asset & Wealth Management business

The business continued to innovate digitally and make further progress on the quality front. 2021 saw [www.jinvestis.ma](http://www.jinvestis.ma) launched, a platform providing online assistance to retail customers by helping them to manage their investments via a simplified and digitised process that has been adapted to the needs of retail investors. In Morocco, the business also saw its service commitments and ISO 9001:2015 certifications renewed following an external audit by Bureau Veritas Morocco. BMCE Capital Asset Management, the Bank's Tunisian asset management subsidiary, became the first asset management company in Tunisia to obtain ISO 9001:2015 certification for its quality management system.

In terms of business development, in 2021, the division's BMCE Capital Investments entity successfully obtained regulatory approval to conduct business as a private equity investment management company (OPCC). As a result, the range of services offered by the Group's Investment Banking Division has been bolstered with the inclusion of the private equity and investment capital business.

### BMCE Capital Markets, a new version of the trading platform launched

2021 saw several projects implemented and completed by the division. BMCE Capital Markets, which is responsible for BANK OF AFRICA's dealing room, launched a new version of its FX Direct online trading platform. This platform, designed in line with the latest international standards, provides access to the foreign exchange markets and enables users to execute foreign currency-denominated financial transactions. It has been completely redesigned to improve and optimise the experience of its users. The new version of the FX Direct platform, with enhanced functionality, offers BMCE Capital Markets' clients a simpler and more intuitive experience.

### Global Research, first digital platform specialising in pan-African financial information

In 2021, Global Research, BMCE Capital's pan-African research bureau, launched [www.bmcecapitalresearch.com](http://www.bmcecapitalresearch.com), the first pan-African digital financial information platform. This is a portal for institutions, providing access to the latest news and financial publications about listed companies in Africa.

## RECOVERY IN SPECIALISED FINANCIAL SERVICES

### SALAFIN

After a year of severe disruption due to the impact from the pandemic on its business, Salafin adopted a new organisational structure and drew up a new strategic roadmap for its development. On the commercial front, Salafin saw net loan production rise by 15.4% to MAD 1.13 billion, with personal loan and vehicle finance products making a strong contribution.

Salafin's operating indicators also highlighted a recovery in its business, as illustrated by the 6.1% increase in net banking income to MAD 389 million at 31 December 2021.

Despite the prolonged effects of the pandemic during the year, Salafin saw its cost of risk fall by 54% after reviewing its processes and due to its loan recovery efforts. Salafin's operational performance for the year contributed to a recovery in net income, which stood at MAD 85 million versus a MAD 16 million loss in 2020.

### MAGHREBAIL

In 2021, Maghrebail's net production was MAD 3.4 billion, up 64.6% versus 2019. Over the same period, industry-wide production rose by 28.8%. The net carrying value of outstanding loans at 31 December 2021 stood at MAD 11.6 billion, down 1.1% versus 2020. In terms of profits, in 2021, Maghrebail saw its net banking income decline by 7.5% year-on-year to MAD 363.1 million. However, efforts at controlling operating expenses and loan recovery saw net income jump by 54.2% year-on-year to MAD 99 million.

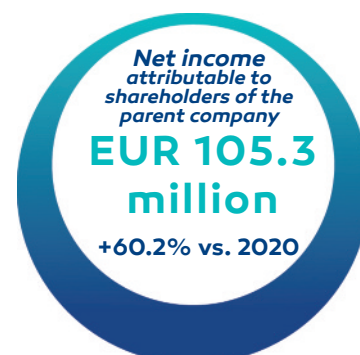
### MAROC FACTORING

Leveraging its considerable expertise and embracing a global perspective, Maroc Factoring was awarded second prize at the 'FCI 2021 Export & Import Factor of the Year' awards ceremony for the Africa & Middle East Region by FCI, the global representative body for factoring and financing of open account domestic and international trade receivables.

### BTI BANK

2021 saw Group subsidiaries implement a variety of synergies aimed at strengthening BTI Bank's portfolio and developing its business. This plan contributed to the strong performance of Murabaha outstandings which expanded by 25% to MAD 292.4 million. Given the nature of its sources of funding, comprising structured deposits repayable at maturity, outstanding deposits fell by MAD 67.5 million to MAD 223.4 million, following the expiry of certain contracts. At 31 December 2021, BTI Bank saw net income increase by 16% to MAD 7.6 million.

## BOA GROUP KEY FIGURES





## INTERNATIONAL OPERATIONS SHOWING STRONG GROWTH

### BOA GROUP

Despite the prolonged effects of the pandemic, BOA Group saw its commercial performance improve, particularly in terms of loan distribution, which rose by 7.7% to EUR 4.5 billion, and deposits taken, up 12.2% to EUR 7 billion. In terms of the Group's profit indicators, this top-line performance translated into net banking income of EUR 604 million, up 5.3%. This was primarily due to market operations which accounted for 33% of net banking income at 31 December 2021. Efforts begun in 2020 to reduce operating expenses continued over the past year, resulting in a cost-to-income ratio of 54.7% versus 57.9% in 2020 and 61.5% in 2019. After rising sharply in 2020 due to the impact from the pandemic, the cost of risk as a percentage of average outstanding loans stood at 1.9%. At 31 December 2021, BOA Group's consolidated net income rose by 60% to EUR 164.5 million.

### Banque de Développement du Mali (BDM)

2021 was a very eventful year for Banque de Développement du Mali. The subsidiary opened a branch office in Senegal which bolstered its geographical coverage alongside its other subsidiaries in Guinea Bissau, Ivory Coast and Burkina Faso, in addition to its representative offices in France and Spain.

Furthermore, to support its business development, BDM-SA raised an additional FCFA 25 billion of capital, taking its share capital to FCFA 50 billion. As a result, it became the 2nd most capitalised bank within the WAEMU zone.

2021 also saw Banque de Développement du Mali being awarded the distinction of 'Best Regional Bank in West Africa' at the annual African Banker Awards ceremony held by videoconference.

### BANK OF AFRICA EUROPE

After merging its Madrid and Paris entities in 2020, BANK OF AFRICA, in 2021, changed the corporate name of the newly created entity to BANK OF AFRICA EUROPE.

This new entity has enabled the Group to bolster its presence in Europe and implement a series of measures aimed at improving the performance of its trade finance and international trade finance businesses. In addition to these efforts, several measures were taken to reinforce the entity's information systems security, vitally important to the success of its operations, including securing the SWIFT environment, providing training in cybersecurity, and upgrading the IT environment's security.

At the operational level, despite the ongoing challenges posed by the pandemic, BANK OF AFRICA Europe's trade finance operations grew by 23%, with COMEX volume reaching EUR 9.1 billion. At 31 December 2021, BANK OF AFRICA Europe's total assets stood at EUR 970 million versus EUR 748 million in 2020. This was primarily due to a solid increase in the entity's profit indicators, with the net interest margin and currency exchange fees making a significant contribution with the cost of risk strictly controlled. Net income for the year rose by 6% year-on-year to EUR 11 million.

### BANK OF AFRICA UNITED KINGDOM

To align itself with BANK OF AFRICA Group's new identity, the Group's London subsidiary changed its corporate name to BANK OF AFRICA UNITED KINGDOM. In a year in which its operations were impacted by the pandemic and the aftermath of Brexit, BANK OF AFRICA United Kingdom saw its performance improve significantly with all business units contributing. Efforts made in 2020 to reduce general operating expenses contributed to the rebound in net income which stood at GBP 5.1 million for the year compared to GBP 1.7 million in 2020 and GBP 2.9 million in 2019.

### BANK OF AFRICA SHANGHAI BRANCH

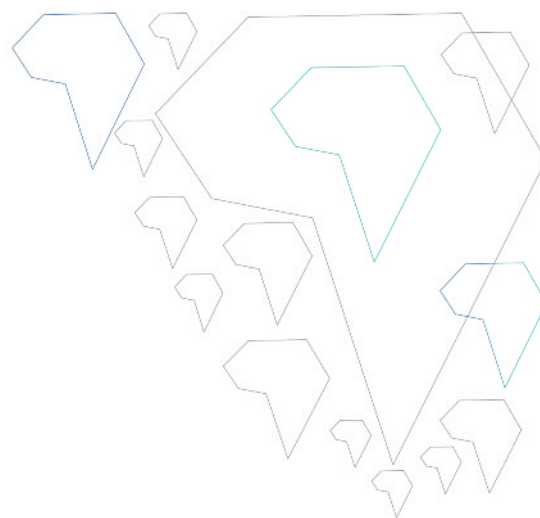
Two years after becoming an independent entity, BANK OF AFRICA Shanghai saw its business activity indicators register solid growth. Several major projects were carried out including signing a Memorandum of Understanding (MOU) with the China-Africa Development Fund (CADFund) and SOKON, a specialist automotive manufacturer.

To raise its profile in support of its business development, BANK OF AFRICA Shanghai actively participated in events promoting trade ties with China. These included the Africa Forum for Private Investment, the China-Arab Joint Chamber of Commerce Forum, and the Forum promoting the Agadir region which brought together the General Confederation of Moroccan Enterprises (CGEM) and the China Council for the Promotion of International Trade (CCPIT). In 2021, BANK OF AFRICA Shanghai also participated in the annual meeting of the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME) to promote the automotive industry.

Consistent with its vocation as a key agent in fostering closer economic ties between China and the African continent, in 2021, BANK OF AFRICA Shanghai organised an open day to promote its role in financing trade and investment.



# ESG REPORT





## OVERVIEW

### BMCE BANK FOUNDATION, LYNCHPIN OF BANK OF AFRICA GROUP'S CSR STRATEGY

For more than 25 years, BMCE Bank Foundation has been undertaking initiatives promoting education and the environment through its Medersat.com programme and projects initiated in partnership with local authorities and NGOs.

### A CHARTER PROVIDING A FRAMEWORK FOR INITIATIVES

In 2018, BANK OF AFRICA Group adopted a formal Corporate Social Responsibility Charter meeting the highest international standards. This Charter provides a framework for the Group's CSR strategy and is underpinned by 6 undertakings that reflect the challenges faced by BANK OF AFRICA in environmental, climate-related and social matters.

### AN ENVIRONMENTAL AND SOCIAL SUSTAINABILITY COMMITTEE FOR BETTER GOVERNANCE OF THE GROUP'S CSR STRATEGY

In 2021, the Environmental and Social Sustainability Committee met twice and dealt with around fifteen issues relating to environmental and social risks, gender parity, implementing the CSR Charter at Group level and promoting impact finance. 37 resolutions were adopted, and an environmental and social action plan is in the process of being finalised. The Committee also monitored the Group's environmental and social undertakings and indicators related to compliance with the exclusion list, the functioning of the environmental and social management system (ESMS) in Morocco and at BOA subsidiaries and integrating climate-related risks.

### COMPLYING WITH THE HIGHEST INTERNATIONAL STANDARDS

BANK OF AFRICA adheres to the major international benchmarks used to achieve sustainable development and corporate social responsibility goals – the UNEP FI's Principles for Responsible Banking, the Global Compact, the Equator Principles which are based on the International Finance Corporation'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.

BANK OF AFRICA's efforts in this regard were once again rewarded. For the 8th consecutive year, the Group was named 'Top Performer' by Vigeo Eiris-Moody's ESG Solutions, a non-financial rating agency, one of only 14 of Morocco's 44 leading listed companies to earn this recognition.

The Bank, which saw its score improve once again, topped the rankings among 90 emerging markets banks. It was ranked 2nd among 849 companies across the region, all sectors combined, and 36th among 4,842 companies from around the world, when rankings were published in 2020.

This award underlines BANK OF AFRICA's growing reputation, under the leadership of its Chairman Mr Othman, Benjelloun, as a leading international group in positive impact sustainable and inclusive finance. BANK OF AFRICA's nomination as 'Top Performer CSR Morocco' provided well-earned recognition of the efforts made by each business line within the Group, which remains fully focused on implementing the Group Social Responsibility Charter's 6 undertakings.

### BANK OF AFRICA 1ST IN MORCCO FOLLOWING MOODY-VIGEO EIRIS' SUSTAINABILITY RATING

In addition to the Top Performer award, BANK OF AFRICA's reputation was further enhanced by the Corporate Sustainability Rating carried out by Vigeo Eiris in Morocco. BANK OF AFRICA topped the podium from among 90 institutions in the banking sector – 'Retail & Specialised Banks Emerging Markets' category – and was ranked in the top 2% of all global companies – 4,880 in total – rated by Vigeo Eiris. BANK OF AFRICA was awarded an A1+ rating (Advanced level) based on an overall score of 68/100, once again underlining its reputation as a leader in CSR.

### BANK OF AFRICA TOP PERFORMER CSR 2021





## BMCE Bank Foundation, lynchpin of BANK OF AFRICA's social and environmental commitment

Since it was founded in 1995, BMCE Bank Foundation has embodied the Group's attitude to human development and social impact. In its role promoting education and protecting the environment, BMCE Bank Foundation aims to improve access to education in rural communities through its Medersat.com network and to raise awareness amongst Africa's children about environmental issues.

Each year, Medersat.com provides an education to more than 12,000 children from disadvantaged backgrounds in Morocco in addition to the hundreds of children schooled in sub-Saharan Africa. This educational programme, which espouses values such as tolerance, modernity and open-

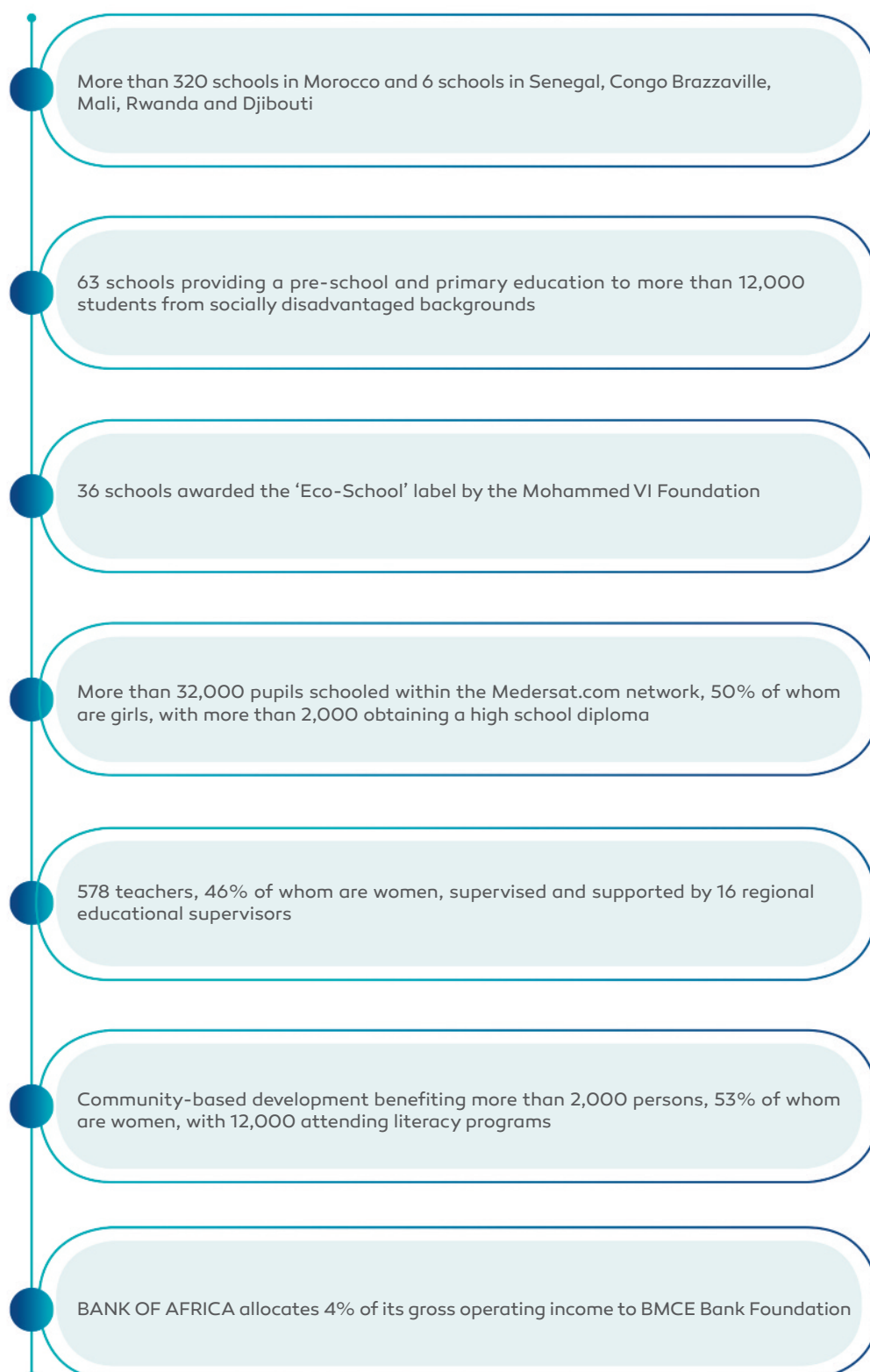
mindedness, encourages foreign language learning as well as promoting the use of mother tongues such as Arabic and Tamazight.

BMCE Bank Foundation's commitment to environmental causes is further highlighted through the Eco-Schools programme, run in partnership with the Mohammed VI Foundation for Environmental Protection. As well as integrating environmental considerations into the construction of schools, this programme is an educational project that raises pupils' awareness about sustainable development issues and invites them to adopt eco-friendly behaviour.

### THE FOUNDATION AND ITS STRATEGIC GOALS

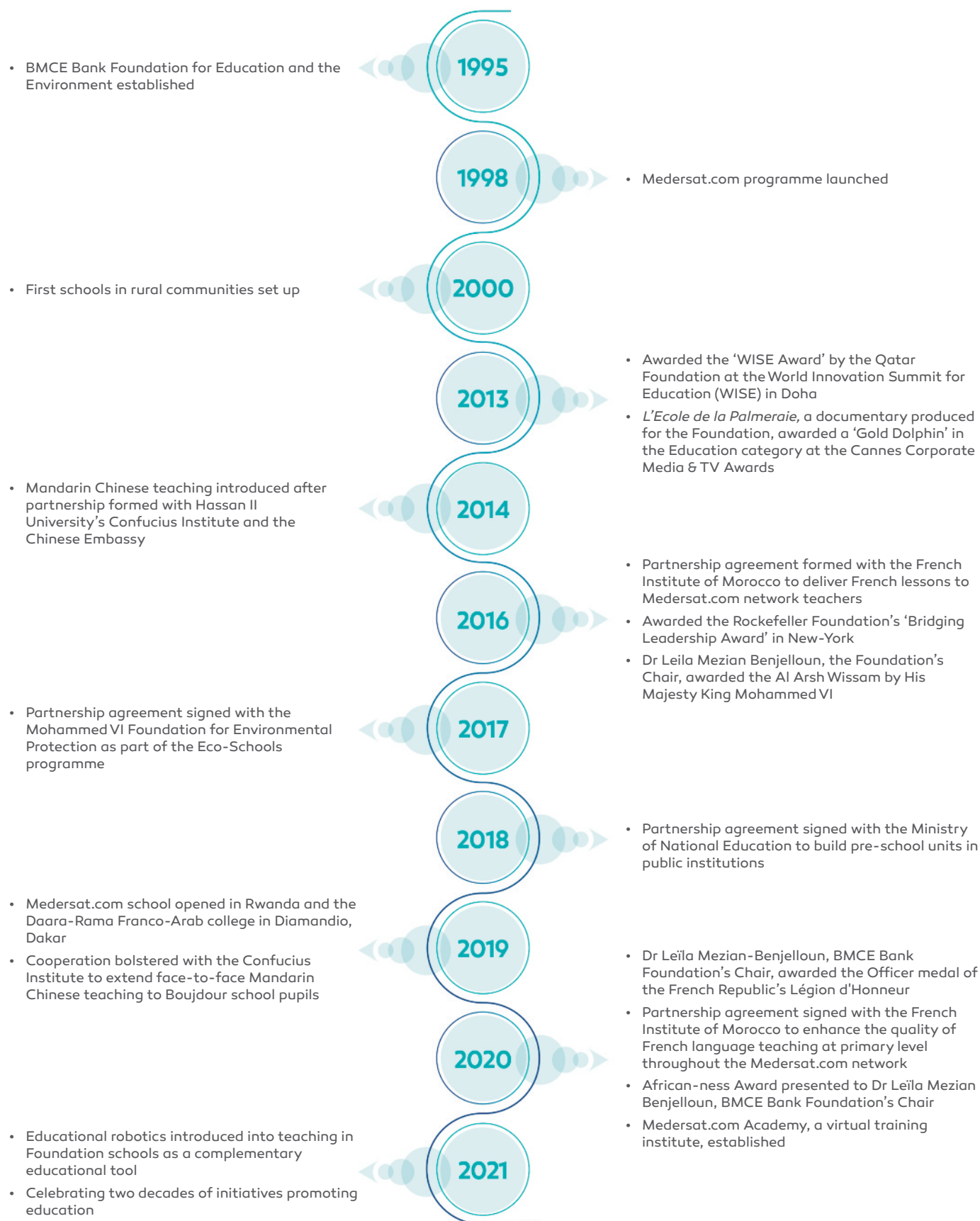


## SOME KEY FACTS ABOUT BMCE BANK FOUNDATION





## A BRIEF HISTORY OF BMCE BANK FOUNDATION



## 2021 HIGHLIGHTS



### 20 YEARS' SERVICE TO EDUCATION

2021 marked two decades since the Medersat.com programme was founded. Celebrations took place across the entire Medersat.com school network on 25 December 2021. The entire teaching staff, coordinators and supervisors were involved in programming a series of theme-based artistic and cultural activities related to the Medersat.com programme's origins, development and achievements.

Over the past two decades, the Medersat.com programme has acquired a reputation in Morocco and overseas for its innovative educational model. The many tributes and honours paid to BMCE Bank Foundation's founders, Mr Othman Benjelloun and Dr Leïla Mezian Benjelloun, Foundation Chair, underline the extent to which BMCE Bank Foundation's philanthropic projects are relevant as well as effective.

### ROBOTICS INTRODUCED INTO TEACHING

Having pioneered classroom digitisation nationwide with the introduction of computer equipment and then interactive whiteboards in Medersat.com network classrooms, BMCE Bank Foundation is now giving fresh impetus to this initiative by introducing robotics into school curricula. After a successful experimental programme in 2021, the Foundation has started equipping 20 network schools with educational robots. The aim is to extend the programme to all network schools within 3 years.

### NEW EDUCATIONAL TEACHING AIDS PRODUCED

Following the introduction of a Middle Section, an educational pack catering to this age group has been designed and published. The aim is to support the Ministry of National Education in its endeavours to adapt and enrich its own programme.

### SUPERVISION BOLSTERED

To ensure the highest quality of education in Medersat.com schools, the educational supervisory team was bolstered. 5 new supervisors joined the team, including one person focusing exclusively on monitoring Tamazight teaching. The supervisory team carried out 1,257 activities in 2021 including inspection visits of classes and coordinators (25%), initiatives related to remediation and ad hoc supervision (21%) and visits to provide onsite training (13%).

### MEDERSAT.COM ACADEMY A SUCCESS

Inaugurated at the end of 2020, the Foundation's virtual institute for teachers, supervisors and coordinators had an eventful year in 2021. The institute, designed for teachers' continuous professional development in areas related to the teaching profession, language teaching and new information and communication technologies, provided a total of 12 training sessions to Medersat.com network teachers.

In 2022, another series of training sessions is likely to be organised based on teachers' specific needs. The ultimate goal is to develop a platform which integrates artificial intelligence and provide a personalised approach for both students and teachers. Ongoing assessments would occur automatically to help students and teachers overcome difficulties and improve performance.

### 6 MORE SCHOOLS WITH 'GREEN PAVILION' STATUS

In 2021, 6 more schools from across the Medersat.com network were awarded the Eco-Schools label. Awarded by the Mohammed VI Foundation for Environmental Protection, the label recognises schools and pupils that have embarked on a process to raise awareness and have implemented practical measures accordingly. With these additional certifications, the total number of network schools with 'green pavilion' status has risen to 36.





## KEY PARTNERSHIPS BOLSTERED

### NEW CLASSROOMS SPECIFICALLY FOR PRE-SCHOOL EDUCATION

Responding to the Royal Appeal to make high quality preschool education widely accessible, Dr Leïla Mezian Benjelloun, BMCE Bank Foundation's Chair and Mr Said Amzazi, Minister of National Education, inaugurated new pre-school classrooms in two state schools under the jurisdiction of the Rabat-Salé-Kénitra local education authority. The openings are part of a programme which falls within the remit of a partnership agreement between the Foundation and the Ministry to make high quality preschool education widely accessible within state schools.

2021 saw construction work completed on 12 pre-school classrooms in Al Hoceima province and 8 classrooms in Sefrou province. To accelerate the programme's implementation, the Foundation signed amendments to the agreements with three local education authorities – Tangier-Tétouan-Al Hoceima, Marrakech-Safi and Fez-Meknes – to build 100 classrooms. During the year, the Foundation identified suitable locations and carried out technical studies to build as many as 44 classrooms in the regions mentioned.

In sub-Saharan Africa, a pre-school room was built and equipped in Djibouti.

### PARTNERING 'TEACH FOR MOROCCO' – PROJECT UNDERWAY TO EXTEND MIDDLE SECTION EDUCATION

The Foundation has bolstered its partnership with Teach For Morocco, a member of Teach For All, a New York-based international NGO, to deliver lessons in network schools. As a result, the total number of network schools partnering the NGO has increased to 28.

During the 2021-22 academic year, 48 Medersat.com schools benefited from this new pioneering service provided by the Foundation in rural areas across the Kingdom. Training sessions were organised by Teach For Morocco's training department in conjunction with the Medersat.com programme's management team through videoconferences and Teach For Morocco's Moodle platform. Experts in education sciences made presentations enabling participants to familiarise themselves with educational concepts and identify the distinctive characteristics of teaching preschool year groups.

### ONGOING PARTNERSHIP WITH THE FRENCH INSTITUTE OF MOROCCO

BMCE Bank Foundation was heavily involved in an international symposium on preschool education.

BMCE Bank Foundation participated in an international symposium organised by Mohammed V University of

Rabat's Faculty of Educational Sciences and the French Institute of Morocco 12-13 November 2021. This symposium tackled the question of preschool education, an issue which BMCE Bank Foundation has always regarded as a prerequisite for any form of educational reform. The symposium's title theme was 'High quality pre-school provision for education in the 21st century – challenges and development prospects in light of its widespread adoption in Morocco'. At the end of the symposium, four teachers from the Medersat.com network were presented with awards and received preschool kits to further enhance the learning and educational environment fostered by BMCE Bank Foundation.

### THE 'BIBLIOTOBISS' TOUR CONTINUES

'Bibliotobiss', best described as a nomadic cultural caravan, has continued to tour the length and breadth of Morocco's rural and semi-urban regions, promoting access to culture. In 2021, the caravan completed three stages, benefiting pupils and teachers from Medersat.com schools in Bab Marzouka, Timahdite and Oualili in the provinces of Taza, Ifrane and Meknes respectively.

Working closely with the schools' educational staff and the nearest branch of the French Institute, the Bibliotobiss' eclectic educational programme, which benefited 500 pupils, comprises digital resources, reading material, cinematographic projection, storytelling workshops and awareness sessions, theatre workshops, art, and sport. In addition, an academic support and skills development programme based on playing games and having fun together with a proactive teaching approach have been adopted, enabling pupils to apply the knowledge acquired in class and discover new concepts that complement their school programme.

It is worth recalling that the Bibliotobiss also includes a library of more than 300 books in French and Arabic, a digital multimedia space, a Micro-Folies space and a digital museum housing the major French and European museum collections. It also includes a cinema area and artistic activities – outdoor screenings, mashup table, concerts and artistic productions – in addition to sports equipment.

### PARTNERING UNIVERSITIES HOSTING CONFUCIUS INSTITUTES TO REINTRODUCE MANDARIN CHINESE TEACHING THROUGHOUT THE MEDERSAT.COM NETWORK

To relaunch the Mandarin teaching project in Medersat.com network schools, interrupted because of the COVID-19 pandemic, in December 2021, Dr Leïla Mezian Benjelloun signed an amendment to the partnership agreement with Abdelmalek Essaâdi University of Tetouan and Hassan II University of Casablanca, both of which host Confucius Institutes.

### **Abdelmalek Essaâdi University of Tetouan**

BMCE Bank Foundation signed an agreement with Abdelmalek Essaâdi University of Tetouan for the latter to provide face-to-face Mandarin Chinese teaching at the Bougdour Medersat.com school in Tangier and organise distance learning courses for pupils at the Larache and Al Hoceima schools.

### **Hassan II University of Casablanca**

After a one-year interruption caused by the Covid-19 pandemic, BMCE Bank Foundation and Hassan II University of Casablanca agreed to resume Mandarin lessons at Bouskoura Medersat.com school. In addition, the Confucius Institute and Hassan II University have undertaken to provide distance learning to two schools in Nador – Medersat.com Ouahdana and Medersat.com Ouled Larbi.

### **TRIBUTE PAID TO DR LEÏLA MEZIAN BENJELLOUN IN RECOGNITION OF HER ROLE IN PROMOTING THE TAMAZIGHT LANGUAGE AND AMAZIGH CULTURE**

In 2021, the Collective Memory Centre for Democracy and Peace paid tribute to Dr Leïla Mezian Benjelloun, BMCE Bank Foundation's Chair, in the presence of her husband, Mr Othman Benjelloun, at the opening ceremony of the 10th Nador International Festival of Cinema and Collective Memory. This tribute was paid to Dr Leïla Mezian Benjelloun in recognition of her social initiatives in education and culture and, in particular, for her role in promoting the use of the Tamazight language and advancing Amazigh culture in Morocco and abroad.



## **BANK OF AFRICA,** **ZERO COMPROMISE WHEN IT COMES TO COMPLIANCE AND REGULATORY ADHERENCE**

Whilst 2020 was marked by a slowdown in economic activity, 2021 saw a strong recovery in the Group's various activities, resulting in increased demand for support from the Compliance Division. Compliance also continued its efforts to improve and bolster compliance-related systems at the parent company and at domestic and overseas subsidiaries.

The Compliance Division also accelerated the roll-out of the various business line-specific and IT projects already initiated and launched other cornerstone projects to facilitate adoption of the regulatory changes introduced in 2021.

A process review relating to vigilance at Group level is also underway in light of the new regulations introduced by Bank Al-Maghrib in 2021. An action plan has been drawn up, which will be implemented over financial years 2022-2024.

### **2021, AN EVENTFUL YEAR FOR THE GROUP COMPLIANCE DIVISION**

#### **Ethical principles and professional conduct bolstered**

As far as ethics and professional conduct in capital markets are concerned, Compliance duly filed its ethics activity reports with the Moroccan Capital Markets Authority as well as an updated list of persons with insider knowledge.

As part of its anti-corruption remit, the Group Compliance Division is tasked with ensuring that the Anti-Bribery Management System (SMAC) is in order and functioning properly by (i) carrying out an internal and external audit, (ii) implementing training sessions in different formats, (iii) reviewing the corruption risk map as well as (iv) making every effort to raise awareness.

In 2021, BANK OF AFRICA's anti-bribery management system saw it ISO 37001 certification, obtained in 2019, renewed for a second time. This was achieved following a comprehensive supervisory audit which was coordinated by the Group Compliance Division.

#### **Continuously adapting to the regulatory framework**

Compliance closely monitors regulatory developments related to anti-money laundering and counter-terrorism financing as well as combating corruption. In 2021, it took on board new legislation which might significantly impact its prerogatives including Decree No. 2.21.633, published in the Official Bulletin, which defines, among other things, the way in which the ANRF is organised administratively and financially, BAM's anti-corruption draft directive, Decree No. 2.21.708 related to the public register of beneficial owners of companies established in Morocco and legal arrangements, Directive 6/W/2021 which requires that parent companies introduce and bolster consolidated supervision and management of their AML-

CFT system to ensure that it functions properly as well as risk management systems at subsidiary level, Dahir No. 1-21-56 promulgating Act No. 12-18, amending and supplementing the Penal Code and Act No. 43-05 related to AML-CFT, Decree No. 2-21-484 regarding the composition of the national commission responsible for applying the sanctions imposed by the Security Council and Decree No. 2-21-670 establishing the scope of territorial jurisdictions ruling on money laundering offences. After closely analysing this legislation, Compliance adopted the requisite measures for compliance purposes.

#### **Compliance Division in constant dialogue with its partners and its ecosystem**

In the course of carrying out the various tasks entrusted to it, Compliance holds regular discussions with its partners.

The Group Compliance Division continued to fulfil its role in combating money laundering and terrorism financing, in complying with Act 09-08 governing personal data protection, complying with FATCA legislation and ensuring that ethical standards and professional conduct were upheld. In such a context, Group Compliance maintained an ongoing dialogue with its internal and external partners – Bank Al-Maghrib, the ANRF, the AMMC, the CNDP, the IRS (US tax authorities), its foreign banking correspondents as well as its network of branches and business centres.

Compliance investigated requests for information and bank account searches from the National Authority for Financial Intelligence (ANRF) and filed suspicious transaction reports within the required deadlines for transactions which appeared unjustified.

The Group Compliance Division filed its annual reports in respect of the 2020 financial year with Bank Al-Maghrib, including the annual AML-CFT questionnaire and reports relating to its assessment of money laundering and terrorism financing risks. In addition, the Group Compliance Unit provided Bank Al-Maghrib with the information and data required as part of audit assignments or ad hoc supervisory requests.

Regarding foreign correspondent banks, Compliance processed requests to update KYC files and the AML questionnaires received as well as reviewing the KYC records of client correspondent banks.

As part of its ongoing relationship with the distribution network, the Compliance function is ready to respond to any request for advice and assistance from the branch and business centre network. This might include authorising trade finance transactions regarding sanctions regimes, investigating reported unusual transactions or advising on account openings etc.

### Ongoing improvement in KYC value chain

In 2021, the Group Compliance Division revamped the KYC value chain by extending OGS back-office checks to the entire branch and business centre network for individuals and legal entities. The OGS subsidiary helped implement checks on all prospective customers on initial contact in relation to scanned documents and third-party data entered into the IT system and helped manage targeted campaigns aimed at KYC data reliability.

The revamp has provided a much-needed boost to the KYC process as well as generating synergies between Compliance, the OGS back-office, the network and the permanent control function, resulting in a significant improvement in KYC indicators.

### Monitoring and appraising money laundering and terrorism financing risks

In accordance with the regulations in force, BANK OF AFRICA uses filtering and profiling tools to monitor customers and their transactions to mitigate money laundering and terrorism financing risks.

In the same context, the Group Compliance Division conducts a regular appraisal of money laundering and terrorism financing risks for different customer categories, countries or geographic regions as well as products, services, operations and distribution channels. In conducting this analysis, all relevant risk factors are assessed with a view to applying a risk-based approach that encourages resources to be allocated optimally as a function of the Group's level of exposure to money laundering and terrorism financing risks.

### Compliance with FATCA legislation

In 2021, BANK OF AFRICA implemented a series of initiatives, as a result of which its FATCA compliance system obtained 'Compliance' certification status without any 'Event Of Default' (unconditional certification). FATCA-eligible subsidiaries filed their declarations end-June 2021 in respect of the 2020 financial year.

### Distance-learning approach implemented

The distance-learning approach adopted by the Group Compliance Division and the BANK OF AFRICA Academy in 2020 in response to the pandemic is now the preferred method for disseminating a compliance culture and ensuring that best practice is assimilated. In 2020, having begun the year with just a single compliance-related module, the 'Be Talent' e-learning platform now has 9 modules dedicated to AML-CFT, complying with international sanctions, preventing corruption, ethics and professional conduct, FATCA legislation and the GDPR.

The Compliance modules have enjoyed a very high participation rate since being launched. The Bank's employees also benefited from face-to-face and virtual

training in a variety of compliance-related areas, especially combating money laundering and countering terrorism financing.

### Personal data protection

One of BANK OF AFRICA's priorities in 2021 was to ensure that it fulfilled the requirements of the General Data Protection Regulation (GDPR) which came into force in 2018. After receiving assistance from a consulting firm in 2020 in upgrading systems at both the parent and subsidiary levels, in 2021, the Bank fulfilled a regulatory requirement by appointing a Data Protection Officer (DPO) and implemented a compliance action plan.

Since personal data protection is also a legal requirement in Morocco, in 2021, the Compliance function assisted the Bank's various entities in complying with Act 09-08 in relation to personal data protection. The Bank also filed applications with the CNDP regarding various projects that involved personal data processing. Furthermore, Compliance obtained authorisation from the CNDP to use facial recognition and videoconferencing in remote account opening.

### ONGOING SUPPORT FOR THE GROUP COMPLIANCE FUNCTION

To support the Division's ever-increasing workload and the growing needs of the Group's various entities, the Compliance Division has bolstered employee numbers by recruiting new staff. This has enabled the division to provide effective and responsive support to each of the Group's subsidiaries and entities and provide them with technical assistance and advice.

### New BAM directive relating to Group-wide vigilance measures

To comply with this new directive, the Compliance Division carried out an impact study and drew up an action plan for a number of new projects. The latter consist of updating its body of documentation, reviewing Group monitoring to adopt a more integrated management approach, reviewing its organisational and governance model, establishing a centralised AML-CFT database at Group level to oversee intragroup data exchange and better manage customers with relationships with more than one Group entity.

### Annual appraisal of subsidiaries

As far as the Group-wide anti-money laundering and counter-terrorism financing (AML-CFT) risk monitoring system is concerned, an appraisal was carried out in March 2021 of subsidiaries' AML-CFT systems and their data and activity indicators for the 2020 financial year.

This appraisal took into account two types of risk, namely, risk related to the country in which the subsidiary is operational as well as intrinsic risk, which comprises



several risk factors regarding the entire AML-CFT system implemented by the subsidiary and its effectiveness.

Aspects of the system that need to be bolstered were identified based on each subsidiary's perceived level of risk (Low, Medium, Medium-High, High). In response, specific action plans were drawn up for each subsidiary which will be monitored by the Group Compliance Steering team.

#### **Annual appraisal of subsidiaries' correspondent banks**

An appraisal of subsidiaries' relations with correspondent banks was carried out for the first time. Group Compliance assigned a score based on the reports provided by the subsidiaries. The goals of this annual appraisal of correspondent banks at Group level are to identify, appraise, control and monitor risk.

This appraisal will enable the Group to analyse its overall risk exposure to correspondent bank counterparties.

#### **Consultation and technical assistance for subsidiaries**

The Group Compliance Division has continued to provide assistance to subsidiaries as part of their post-regulatory audit and Group audit remedial action plans. Several subsidiaries were assisted in formulating their IT needs, adapting their AML strategy and scenarios for monitoring transactions, responding to RFIs from correspondent banks and resolving the malfunctions detected.



## SOCIAL AND ENVIRONMENTAL RESPONSIBILITY A STRATEGIC PRIORITY

To underline the vitally important role played by corporate social responsibility initiatives in its day-to-day operations, BANK OF AFRICA decided to adopt a formal approach to its CSR undertakings in the form of a Corporate Social Responsibility Charter. As well as meeting ethical, environmental and social challenges, the Charter is part of a long-term reflective process at Group level, enabling every subsidiary to make an effective contribution to six major undertakings:



### CSR Charter rolled-out to other subsidiaries

Since 2018, the Group's CSR policy has been rolled out to 24 subsidiaries and is now implemented by 75% of BANK OF AFRICA Group subsidiaries. In 2021, CSR Charter implementation was extended to 4 additional subsidiaries – BDM, EAI, LOCASOM and BANK OF AFRICA SHANGHAI.

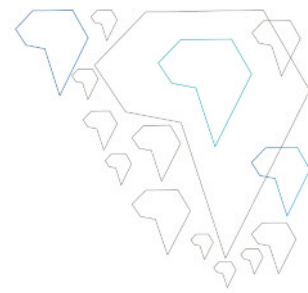


## BANK OF AFRICA'S CSR STRATEGY FOCUSING ON 13 KEY PRIORITIES

The Group's ongoing dialogue with its stakeholders and its involvement in a variety of international sustainable development bodies requires it to regularly review every aspect of its CSR policy. This approach allows it to better prioritise the key issues which really matter to stakeholders as well as those which influence BANK OF AFRICA's business activities. In total, 13 issues have been identified from among the 17 United Nation's Sustainable Development Goals.





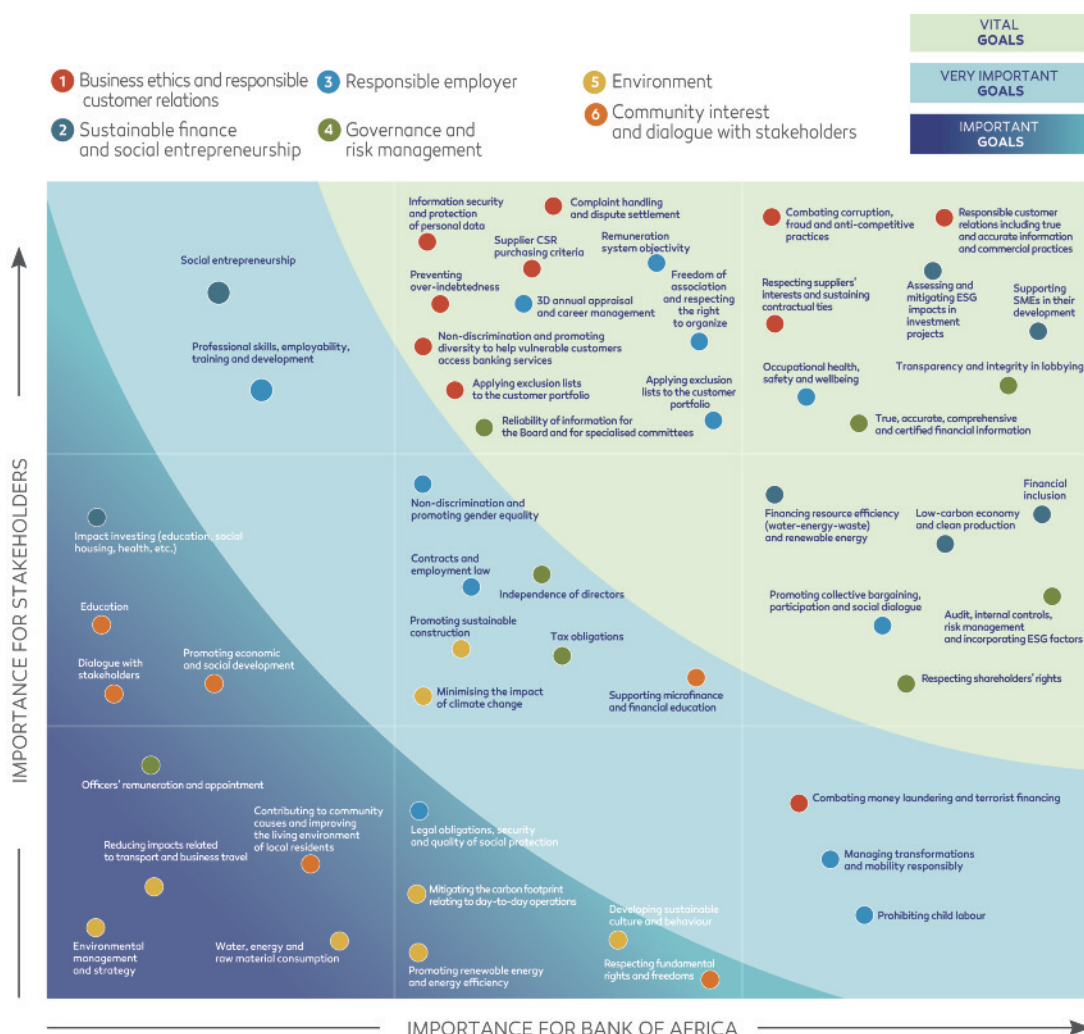
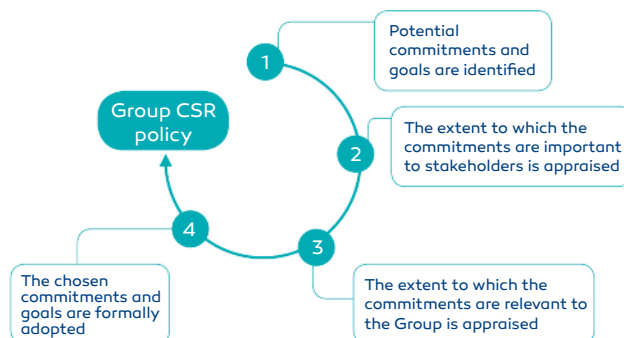


## METHODOLOGY FOR IDENTIFYING AND APPRAISING KEY ISSUES

The first step in the process of producing a materiality index involved internal staff identifying the key CSR issues whilst the second consisted of a consultative appraisal with stakeholders. Workshops were held to determine the extent to which each issue identified by the Bank's stakeholders was relevant and to draw up a priority list. The next step was to map the various issues in terms of materiality. The different issues were then consolidated in a deliverable entitled 'CSR Materiality', approved by committee and submitted to General Management for the purpose of developing a CSR strategy matrix.

In 2020, a review of all CSR aspects was carried out without resulting in any major change to the materiality matrix.

A structured 4-stage process is used to appraise the extent to which issues are relevant:



## GOVERNANCE SYSTEM ADAPTED TO INCORPORATE CSR POLICY

### PRESENTING THE ENVIRONMENTAL AND SOCIAL SUSTAINABILITY COMMITTEE

An Environmental and Social Sustainability Committee (ESS) has been established to bolster CSR governance within the Group and ensure that sustainability is embedded within its organisational structure. The Committee's responsibilities consist of:

- Ensuring that the Environmental, Social and Gender action plan is implemented across the Group
- Ensuring that ES risk management practices within the Group are effective
- Developing and supervising Impact Finance performance indicators

- Supervising sustainable development and CSR global undertakings

In 2021, the Environmental and Social Sustainability Committee continued its work and met on two occasions, addressing 37 issues related primarily to environmental and social risks, gender parity, the CSR Charter's roll-out across the Group and promoting positive impact sustainable finance. The Committee also monitored its environmental and social undertakings and indicators in the context of complying with the exclusion list as well as overseeing implementation of the ESMS and the inclusion of climate-related risks within its operations in Morocco and at BOA subsidiaries.

### ESS COMMITTEE

Director and General Manager  
Head of Group Risks  
Deputy General Manager, responsible for Group Governance and Development  
Deputy General Manager, responsible for Group Human Capital  
Head of Group Coordination  
Head of Sustainable Development & CSR – ESS Committee Secretary  
Secretary General, BOA Group  
Group Head of Environmental and Social Risks, BOA Group  
Head of ESG Impact, CDC Group  
Executive, Gender Equality & Women's Economic Empowerment, CDC Group  
Executive, Development Impact (Investments), CDC Group

Quarterly meetings  
Group-level monitoring of the environmental, social and gender action plan's implementation  
Ensure that E&S risk management practices within the Group are effective

Develop and oversee performance indicators relating to Impact Finance  
Oversee overall sustainable development and CSR undertakings

#### Coordination, methodology monitoring and reporting

- SD & CSR team
- Country SD & CSR coordinators
- BOA ES Risk Manager
- BANK OF AFRICA CSR GAP/head office functions
- Internal CSR auditors

#### Implementation and monitoring of the ES risk management system

- ES team
- Loan Commitments Analysis Division (PASE)
- Credit Risk Committee
- Corporate network
- Private client network

- Grassroots ESMS implementation
- ESMS monitoring

Ensure that the CSR Charter is implemented consistently at subsidiary level  
Assist and support subsidiaries in implementing the Charter  
Consolidate SD & CSR results at Group level  
Oversee the setting up of sustainable financing facilities  
Coordinate implementation of the Charter at subsidiary level  
Report on SS & CSR results at subsidiary level  
Ensure that half-yearly appraisals are carried out in relation to the CSR reference framework  
Draw up action plans and monitor their implementation based on the results of internal and external appraisals (Vigeo Eiris) and benchmarks  
Draw up, input and share the SD & CSR table of indicators for each undertaking  
Prepare non-financial reporting aspects





## 2021 PERFORMANCE CONSISTENT WITH UNDERTAKINGS

### UNDERTAKING 1:

#### COMPLYING WITH BUSINESS ETHICS AND SAFEGUARDING CUSTOMERS' INTERESTS



BANK OF AFRICA complies fully with rules of integrity, fairness in business dealings and transparency. The Group takes every step to prevent corruption and conflicts of interest, to combat fraud and comply with competition rules. Its ethical undertaking also encompasses combating tax evasion as well as money laundering and terrorism financing.



#### Complying with ethical principles and rules of professional conduct

As usual and in accordance with regulatory 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 agreed protocols. These periodic reporting statements related to transactions by insiders did not reveal any atypical or suspicious transactions.

In 2021, the Bank's anti-bribery management system saw its ISO 37001 certification renewed.

This underlines the extent to which the corruption prevention policy adopted by the Bank is effective.

In becoming the first banking group in Africa to obtain certification, BANK OF AFRICA continues to play a pioneering role in combating corruption. In addition to the parent company, four other subsidiaries will be impacted by this certification, including three in Africa and one in Europe.

#### Group-wide support for Compliance's increased workload

With the economy recovering in 2021, banking activity picked up against a backdrop of regulatory change. Group Compliance therefore made every effort to provide assistance at a time of increased demand for its services.

#### Adapting to the regulatory framework

Throughout 2021, Compliance carried out regulatory monitoring activities, identifying a number of regulatory changes regarding anti-money laundering and counter-terrorism financing as well as combating corruption. After closely analysing these legislative changes, Compliance took the necessary measures to comply with them.

#### Support and assistance

BANK OF AFRICA's Group Compliance provided assistance to subsidiaries as they endeavoured to bolster their customer and transaction monitoring systems. A number of cornerstone initiatives were initiated by Compliance in response to regulatory requirements and to Bank Al Maghrib's recommendations in terms of AML-CFT, Know Your Customer, control strategy on SIRON AML and FATCA legislation. These projects were regularly monitored by Compliance to ensure that they were implemented within the scheduled timeframes.

#### Know Your Customer (KYC)

Throughout 2021, Compliance focused its KYC-related efforts on obtaining reliable information about customers under investigation, carrying out checks on prospective 'high risk customers on initial contact and on prospective Agence Directe customers which have been checked prior to video consultations, processing PPE and Adverse Media alerts, transactions involving embargoed countries and FATCA filings. In addition to the usual monitoring activity, in 2021, OGS checks were extended to the entire branch and business centre network for individuals and legal entities.

#### AML-CFT risk assessment

In September 2021, BOA received the final report of BAM's mission regarding the former's AML-CFT system. On receiving the report, the Bank endeavoured to implement the various recommendations made by BAM. An action plan for implementing all the recommendations was immediately filed with the central bank in October 2021. In addition to the central bank's mission, BANK OF AFRICA organised for an AML-CFT system audit to be carried out by Group General Control (CGG). Based on the various recommendations made by CCG, an action plan was drawn up by Compliance, 60% of which has already been implemented.

#### Transaction monitoring

Despite a significantly heavier workload, Group Compliance managed to process, in real time, every alert generated from screening incoming and outgoing SWIFT messages and alerts related to account openings. It also monitored customer transactions with the help of specialised screening solutions.

#### Compliance with US FATCA legislation

FATCA reports were filed with the US tax authorities for all eligible subsidiaries in advance of the reporting deadlines.

In addition, remediation work continued for customers with indicia of US-person status but as yet undocumented. These 'recalcitrant accounts' are closely monitored and regularly reported on. In 2021, 383,099 third parties were processed on the FATCA Siron TCR solution, with 6,512 processed manually.

## UNDERTAKING 2:

### PROMOTING SUSTAINABLE FINANCE AND SOCIAL ENTREPRENEURSHIP



#### BANK OF AFRICA – a key player in positive impact finance

BANK OF AFRICA Group has forged a reputation as a pioneer in impact finance, adopting sustainable finance principles, participating in the United Nations Environment Program (UNEP) in 2000 and the UNEP Finance Initiative and becoming one of the founding signatories to the United Nations' Principles for Responsible Banking (PRB) in 2019. Within the framework of these international undertakings, the Group has implemented a number of cornerstone projects to ensure that the Principles for Positive Impact Finance are embedded in its business model over the long-term. In 2020, the Bank embarked on a maiden initiative in this regard by becoming the first institution in the Arab world to publish a report on sustainable finance, 'Promoting Sustainable Finance and Climate in the Arab Region'.

In 2021, BANK OF AFRICA published UNEP FI's Collective Progress Report on the Principles for Responsible Banking (PRB), the first Moroccan bank to do so, as well as participating in an Impact Analysis working group to help the Board of Directors introduce specific goals by 2023. The Bank also test-ran the Portfolio Impact Analysis Tool for Banks developed by UNEP FI to analyse and factor in the impact on Sustainable Development Goals (SDGs) from its entire loan portfolio and commercial objectives.

In addition to this UN initiative, BANK OF AFRICA bolstered its commitment to sustainable finance in 2021 by seeking accreditation to the Green Climate Fund. This is a financial mechanism which helps developing countries contain or reduce their greenhouse gas emissions (GHG) and adapt to climate change by integrating climate risk considerations within their financing and credit approval processes. The commitment made by BANK OF AFRICA is entirely consistent with the Kingdom's, particularly regarding the latter's targeted Nationally Determined Contributions (NDCs), which are aimed at reducing greenhouse gas emissions (GHG), the National Sustainable Development Strategy (NSDS 2030) and the National Climate Plan (NCP 2030).

In addition to these UN sustainable development initiatives, it is worth recalling that, in May 2010, the Group adopted the Equator Principles (EP), which has provided it with a suitable framework for integrating environmental, climate-related and social risks in funded projects. In 2015, the Bank signed the Positive Impact Manifesto before becoming a member of the Positive Impact Finance Initiative in 2017. With these additional undertakings, BANK OF AFRICA is required to conduct impact analysis of its entire portfolio and adopt an impact-based approach to economic development by identifying and monitoring environmental, climate-related and social impacts. This kind of analysis enables the Bank to set ambitious goals when it comes to increasing its positive impacts and reducing the negative ones. Attaining these goals requires a combination of commitments from its customers i.e. encouraging them to embrace transition and innovation, and portfolio adjustments i.e. gradually reducing or even eliminating some business activities whilst expanding others.

In just a few years, BANK OF AFRICA has emerged as a pioneer in sustainable finance. In 2018, the Bank became the first in Africa to publicly support the recommendations of the TCFD, the G20 Climate Task Force, and has already begun to integrate climate risks within its governance system, strategy, funding and reporting.

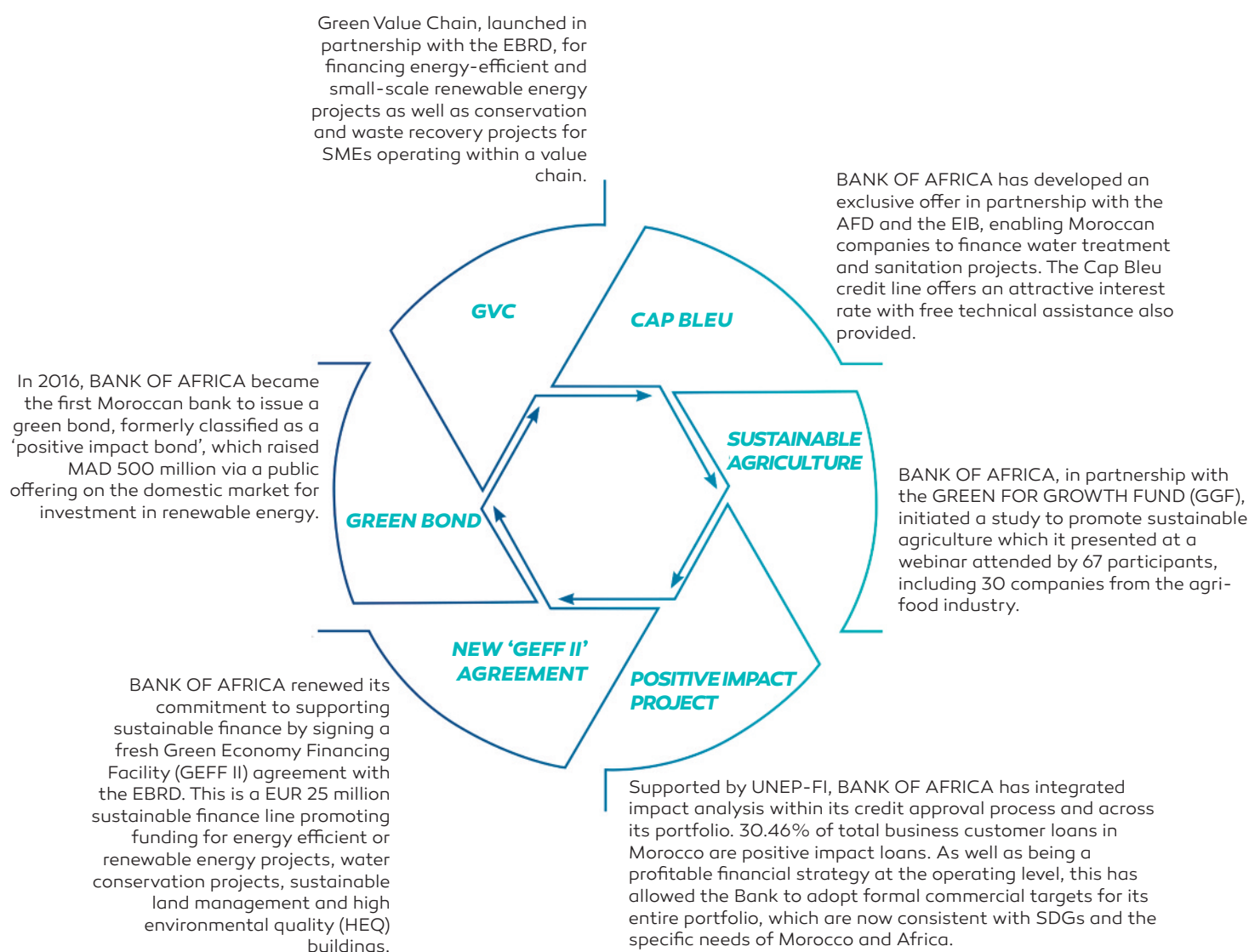
Its green and sustainable investments, which currently amount to almost MAD 4 billion, aim to promote energy transition, particularly renewable energy, energy efficiency, waste management and recovery, sanitation and wastewater treatment as well as female entrepreneurship and African SMEs.

In 2020 and 2021, in partnership with the IFC, the Bank measured the climate impact of its project finance portfolio, the first bank in Morocco to do so, capping its efforts at integrating sustainable finance considerations at Group level. Prior to this, a Climate Action in Financial Institutions (CAFI) training programme was held for the project finance team in June 2021.



The Bank has also organised and participated in several working groups and international initiatives:

- Mainstreaming Climate Action within Financial Institutions' initiative: (i) BANK OF AFRICA's sustainability profile has been updated on the website of this initiative, launched at COP26 and (ii) the Bank has been re-elected to the Coordination Group alongside DFIs and IDFC.
- Future of Sustainable Data Alliance (FoSDA): launched in Davos in 2021, FoSDA brings together key players in sustainable finance and strives to fill ESG data gaps and holes.
- China's 'Green Investment Principles for the Belt and Road (GIP)' initiative: annual reporting.
- Network for Greening the Financial System (NGFS) – Banque de France: report submitted by BANK OF AFRICA to the working group on climate-related risks.
- Participated in events such as COP26, UNEP-FI Roundtable for Africa and the Middle East, ESG Reporting Roundtable with IFC-AMMC, Climate Action with IFC and the Green Climate Fund and the G20 Sustainable Finance Working Group.
- Contributed to the Impact Investing Ecosystem in Morocco study published in 2021 by the UNDP.



### Partnering the Green For Growth Fund to promote sustainable agriculture

BANK OF AFRICA and the Green For Growth Fund have undertaken research into sustainable agriculture, resulting in the publication of a digital brochure for companies in the agricultural and agri-food industries. The results of the study were made public at a webinar organised by the Bank 17 June 2021 and attended by 30 companies from the agri-food industry sector as well as various organisations including the Souss Massa Regional Investment Centre, the GCC and the EBRD, which provide specialised assistance to those companies.

### Green Bond, an appropriate financing facility for BANK OF AFRICA's ambitions

Since 2017, BANK OF AFRICA has published the impact report of its green bond, issued in November 2016, on the [www.ir-bankofafrica.ma](http://www.ir-bankofafrica.ma) website. After several assessments, BANK OF AFRICA's green bond is now considered to be a Positive Impact Bond under UNEP FI's Principles for Responsible Banking (PRB), the United Nations Environmental Programme Finance Initiative.

In addition, close cooperation with the IFC in 2020 enabled BANK OF AFRICA to add further credibility to its climate finance data related to projects financed by the green bond. It is worth recalling that the green bond issue financed the construction of the Khalladi wind farm, a 120 MW facility located in the Tangier region. The wind farm intends to supply competitively priced clean energy to a number of large industrial companies operating primarily in Morocco's cement industry. As much as MAD 1.7 billion has been invested in this wind farm, which has been developed by ACWA Power in partnership with ARIF, an investment fund. This investment has been financed by equity financing, from ACWA Power and ARIF, and long-term debt, from the EBRD, in partnership with the Clean Technology Fund (CTF) and BANK OF AFRICA.

The annual review of the green bond by Vigeo Eiris, a non-financial rating agency, was once again positive. The agency is appointed annually to provide an updated independent opinion about whether the green bond has met socially responsible criteria. In 2020, the agency renewed its second party opinion, thereby confirming BANK OF AFRICA's effective approach to managing the green bond. The annual assessment measures the extent to which sustainability factors are taken into account in designing and managing the green bond.

### New risks identified

Responding to Bank Al-Maghrib's new directive on environmental, climate-related and social (ECS) risks, BANK OF AFRICA carried out fresh analysis of its ECS risk map in 2021. This resulted in the Bank identifying 40 new ECS risks which the Bank is now addressing, particularly through its EHS committee.



## BANK OF AFRICA

### PIONEERING THE EBRD'S GREEN ECONOMY FINANCING FACILITY (GEFF)

Following the success of the MorSEFF I and II programmes, in 2020, the EBRD officially launched its Green Economy Financing Facility (GEFF). BANK OF AFRICA, which was the first financial institution selected to launch the GEFF in Morocco in 2015, was the guest of honour at this event. The Bank shared its experience as a pioneer in impact finance in Africa and underlined its commitment to promoting green finance and the economy as a whole. The Green Economy Financing Facility, initiated in partnership with the Green Climate Fund (GCF), is a mechanism which enables local partner banks to finance private sector investment in sustainable energy, particularly energy efficiency and renewable energy projects, water conservation and waste reduction, amongst other things. It primarily targets projects undertaken by SMEs endeavouring to gain a competitive advantage. In 2021, the Bank renewed its commitment by signing a fresh Green Economy Financing Facility (GEFF II) agreement with the European Bank for Reconstruction and Development (EBRD) for a EUR 25 million sustainable finance line promoting funding for energy efficient or renewable energy projects, water conservation projects, sustainable land management and high environmental quality (HEQ) buildings.

**MAD 10.5**

billion of loans to  
support small  
businesses

**MAD 3.2**

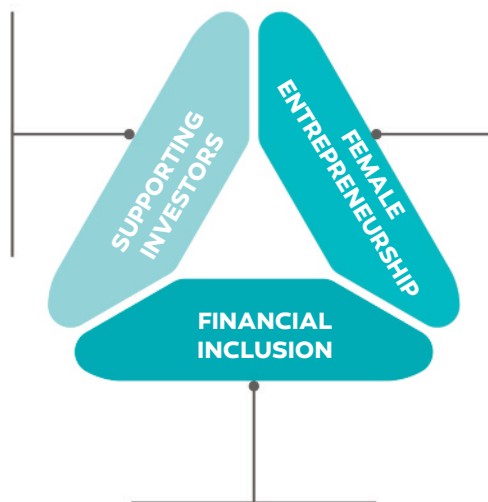
billion of loans for  
environmental causes



## BANK OF AFRICA

### A LEADING PLAYER IN SOCIAL ENTREPRENEURSHIP

BANK OF AFRICA's commitment extends to every sector of the economy as illustrated by its Damane Relance and CAP TPE credit facilities. BANK OF AFRICA has once again demonstrated its willingness and readiness to support the domestic economy as one of the Kingdom's major financial intermediaries.



In partnership with the EBRD, BANK OF AFRICA launched Women in Business, a EUR 20 million credit line for female entrepreneurs.

Fully supportive of the financial inclusion strategy promoted by His Majesty King Mohammed VI, which is also a major priority for the Bank, BANK OF AFRICA proactively engaged in the INTELAKA programme in 2020.

#### Financial inclusion and support for business start-ups

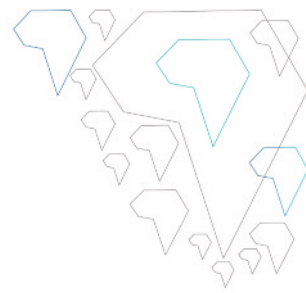
The financial inclusion strategy promoted by His Majesty King Mohammed VI has been a major priority for BANK OF AFRICA since its launch. In 2021, the Bank continued its efforts to make it easier for entrepreneurs to access funding, particularly through its INTELAKA offering for eligible would-be entrepreneurs or its START TPE offering, an interest-free unsecured loan for existing TAMWIL INTELAKA customers enabling them to fund start-up working capital. To make it easier to access these offerings, BANK OF AFRICA has improved and streamlined its INTELAKA processes as well as digitising loan applications via the Crédit Business Online portal.

In 2021, 3,700 applications were approved, including 2,703 loans disbursed totalling MAD 628 million. 316 START TPE applications were approved totalling MAD 8.5 million.

#### Ongoing support for the wider economy with Damane Oxygène and Damane Relance solutions revamped

In 2020, Tamwilcom, formerly Caisse Centrale des Garanties, launched the DAMANE OXYGÈNE and DAMANE RELANCE guarantees to help small businesses and large- and medium-sized enterprises recover in the face of the COVID-19 pandemic. Given the ever-evolving economic environment and the ongoing effects of the pandemic, in 2021, BANK OF AFRICA decided to convert the DAMANE OXYGÈNE offering into an amortising loan for companies that were unable to repay their overdrafts and to postpone DAMANE RELANCE's closing date until 31 December 2021. 3,869 RELANCE applications were approved as of 31 December 2021, including 3,846 loans disbursed, amounting to MAD 994 million.





### Supporting female entrepreneurship and gender parity

BANK OF AFRICA, which is strongly committed to women and gender parity, has continued to encourage and support female entrepreneurship through its Women in Business programme, set up in partnership with the EBRD. This programme is a MAD 200 million financing facility, offering women entrepreneurs an all-inclusive solution. It has now been extended to women's associations and cooperatives in rural areas to promote their development and encourage them to adopt a more formal approach to their activity. The programme, which is much more than simply a financing facility, includes banking services, training and advice. BANK OF AFRICA has also implemented a 'gender' roadmap aimed at promoting gender equality in line with its 'Gender and inclusion' policy. The Bank also endorses Women's Empowerment Principles, a partnership initiative established by UN Women and the UN Global Compact.

### Non-financial support for small businesses

BANK OF AFRICA was one of the first banks to respond positively to requests from the public authorities to provide better support for small businesses. In response to His Majesty's speech of October 2019, the Bank has accelerated the process of designing specialised packages for entrepreneurs – sole traders, micro-entrepreneurs or legal entities – regardless of whether they are setting up or developing their business. BANK OF AFRICA's product range encompasses a broad spectrum of products and services that are adapted to the specific needs of each category, including micro-entrepreneurs and young entrepreneurs. It also includes support for small retailers in the form of training and development to ensure that they are fully integrated into the wider nationwide mobile payments network.

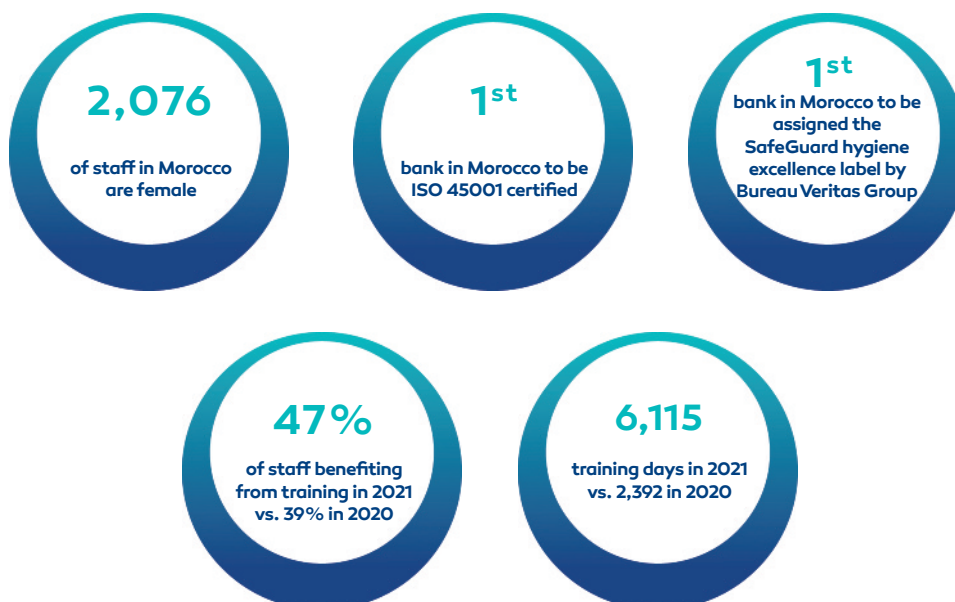
BANK OF AFRICA is also able to leverage the capabilities of its Entrepreneurship Observatory, established in 2009. The latter adopts a three-pronged approach to offering non-financial support in the form of training, mentoring and networking, as well as raising awareness about entrepreneurship. As a result, it is able to support 14,000 young people, business start-ups and entrepreneurs each year.

### UNDERTAKING 3:

#### BEING A RESPONSIBLE EMPLOYER, ATTENTIVE TO ITS EMPLOYEES AND SUPPORTING THEIR DEVELOPMENT



Human capital remains a strategic lynchpin of BANK OF AFRICA's development and a key component of its sustainable business model. It therefore benefits from a state-of-the-art HR system underpinned by solid principles and fundamentals and a unifying corporate culture. Against the particular backdrop of the pandemic, the system has been bolstered to protect employees' health and safety, in particular, by continuing to implement the measures adopted in the context of being awarded the SafeGuard label in 2020.



#### Career management emphasising skills development for every employee

BANK OF AFRICA is convinced that career mobility helps develop an employee's skill set and is vital to job satisfaction. The Bank encourages its staff to retrain and develop their career by seeking out overseas opportunities. This approach also enables BANK OF AFRICA to anticipate the changing needs of individual business lines in terms of skills and strive to retain talented individuals and develop a strong corporate culture.

BANK OF AFRICA has established a culture of dialogue and exchange, with staff constantly receiving advice to ensure that their profile matches both the requirements of their job and their career aspirations. An in-company jobs portal regularly publishes the needs of the Group's various entities, with the latter regularly carrying out staff appraisal interviews.

In 2021, 993 internal transfers were recorded at BANK OF AFRICA, highlighting the fact that the Group's employee mobility and promotion system is genuinely effective.

#### A socially responsible approach to recruitment

BANK OF AFRICA strives to attract the best candidates and enhance its employer brand. The recruitment process adheres strictly to employment law and best practice and complies with equal opportunity and anti-discrimination practices in terms of economic or socio-demographic criteria, particularly when it comes to age and gender.

Recruitment policy encourages a constructive approach to integrating new employees to ensure that new hires are fully immersed in the Bank's corporate culture and are provided with the necessary means to be successfully integrated within the organisation.



Similarly, Group Human Capital endeavours to promote diversity in its recruitment strategy by advertising on social media and job boards as well as participating in job caravans and recruitment forums in Morocco and abroad.

### **Ongoing skills development**

BANK OF AFRICA strives to ensure that its employees are adequately prepared to meet the ever-changing needs of their respective business line and help them develop their skill set. In addition to each employee having their own annual training plan, a distance learning platform has been set up as well as the Bank's own training centre, the BANK OF AFRICA ACADEMY.

Skills development is carried out through a variety of means including (i) distance learning, (ii) in-person training, (iii) access to supervisory staff and on-the-job learning from managerial staff, (iv) experience-sharing with colleagues and (v) self-study with daily management-related situations and new assignments organised.

In 2021, 47% of staff benefited from at least one training course. More than one hundred training initiatives were carried out i.e. approximately 6,115 training days.

### **A fair and performance-based remuneration policy**

Attracting and retaining the best candidates poses a major challenge for BANK OF AFRICA, which is dependent on its human capital to implement its vision and fulfil its obligations. To achieve these goals, BANK OF AFRICA offers its employees a remuneration package that rewards their performance and their contribution to results. This policy takes into account each employee's training, skills and professional experience. BANK OF AFRICA has developed a remuneration policy that is underpinned by values of fairness and transparency vis-a-vis employees. Performance-based incentives which might generate conflicts of interest and non-compliance with the rules of good conduct are avoided.

### **Keen on employing youngsters and integrating persons with disabilities**

BANK OF AFRICA's HR policy excludes any form of discrimination against vulnerable categories whilst complying fully with employment equality law. Through its HR policy, BANK OF AFRICA is also committed to employing recently qualified graduates and strives to make it easier for them to get their first job, primarily through internships. In 2021, BANK OF AFRICA welcomed several interns from higher education institutions, training institutes and national and international universities. To ensure that persons with disabilities are fully integrated into the workplace, BANK OF AFRICA's premises have been fitted out to facilitate employee mobility and guarantee job satisfaction. The Bank also participates regularly in a number of events and forums specifically organised for persons with disabilities.

### **A renewed commitment to gender parity**

One of BANK OF AFRICA's major priorities is to promote equality between women and men. The Bank continues to implement measures to ensure that the latter is firmly embedded within its various entities both at home and abroad. Promoting gender parity is an integral part of the Group's DNA, entirely consistent with its commitments to sustainable development and CSR. To establish it still further, BANK OF AFRICA has endorsed the Women's Empowerment Principles (WEP) initiative.

BANK OF AFRICA's commitment to equality was underlined when it signed We4She's Gender Diversity Corporate Charter at the Africa CEO Forum to mark International Women's Day. After becoming a signatory to the charter, a gender action plan was adopted with the aim of providing the Group's entire workforce with the necessary resources to achieve gender parity by 2025.

Through these combined efforts, BANK OF AFRICA has made pleasing progress on the gender parity front, with the ratio of female staff to total staff reaching 42% at 31 December 2021 versus 40% in 2020. Women now account for 30.6% of middle management and other managerial positions and 14.3% of Board members.

## BANK OF AFRICA MOROCCO'S HUMAN CAPITAL INDICATORS

	2019	2020	2021
BANK OF AFRICA group			
BANK OF AFRICA Morocco indicators			
<b>No. of employees</b>	<b>5 047</b>	<b>4 987</b>	<b>4 985</b>
Of whom women	2 027	2 014	2 076
<b>By contract type</b>			
Permanent	4 929	4 858	4 741
Fixed term	118	129	244
<b>By category</b>			
Managers	3 203	3 149	3 269
Employees	94	98	144
Graded	1 434	1 428	1 183
Unclassified	316	312	389
<b>By length of service</b>			
Fewer than 5 years	25%	18,8%	18%
5-10 years	12%	13,9%	15,1%
10-20 years	47%	49,9%	48,7%
More than 20 years	17%	17,3%	18,2%
<b>Recruits &amp; departures</b>			
Recruits	98	181	262
Resignations	217	138	149
Redundancies	46	28	26
Employee-related disputes			
<b>Social dialogue</b>			
Number of days lost due to strikes	0	0	0
No. of employee representatives	146	138	176
Full members	84	84	
Replacement members	62	54	
<b>Occupational health and safety</b>			
Number of occupational accidents	59	62	46
<b>Training</b>			
Budget as % of the payroll	0,39%	0,58%	0,33%





## UNDERTAKING 4:

### EXERCISING GOVERNANCE AND RISK MANAGEMENT WITH DILIGENCE

16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



BANK OF AFRICA has adopted a robust governance system which incorporates all legal requirements issued by domestic and international regulatory authorities. Given its strategic role within the Moroccan economy and in those countries in which it has operations, BANK OF AFRICA is under an obligation to have a governance and risk management system which ensures that its operations are entirely secure.

A robust governance system is also required to ensure that the interests of all stakeholders are protected. BANK OF AFRICA's system is underpinned by a number of decision-making and supervisory bodies as well as specialised committees:

- The Board of Directors, whose primary responsibility is to maintain a balance between shareholders' interests and growth prospects, long-term value creation and depositor protection. BANK OF AFRICA Group's Board of Directors is made up of 14 directors, four of whom are independent.
- The Strategy Task Force is a committee which is responsible for overseeing implementation of the Group's 2030 strategy and, prior to that, implementing the new governance system.
- The Group Risks Committee, the Group Audit and Internal Control Committee and the Governance, Appointments and Remuneration Committee, which ensure sustainability, proactive risk management and operational control at Group level.

Consistent with the Group's strategic vision for 2030, in 2021, the Board of Directors voted in favour of implementing a new governance system to more closely integrate core functions across the Group. These include steering the Group's subsidiaries, risk management, synergies, skills pooling and a more efficient commercial approach and increased value creation.

A number of entities continues to report directly to the Chairman such as BMCE Bank Foundation, the Chairman's personal office and special assignments for which the Chief Executive Officer is responsible, given their inherent importance or since they fall within the Chairman's remit. The CEO oversees a number of head office functions such as Compliance and those delegated to him by the Chairman such as Human Capital and Communications or functions related to Corporate Governance steering, CSR, partnerships and institutional relations.

Group Risks is similar to Group General Control in that it reports directly to the Chairman and Chief Executive Officer. The Group Risks Division encompasses Risk Management, Loan Commitments Analysis, Loan Commitments Monitoring and Africa Counterparty Risks and Transversal Projects.

Group General Control oversees implementation of internal control policies and procedures. Group General Control's

remit includes all BANK OF AFRICA's subsidiaries and branches in Morocco and abroad.

The Chairman's Committee is responsible for steering Group strategy. It is chaired by the Chairman and Chief Executive Officer, so too, the Senior Credit Committee, which reviews and approves credit applications made by those customers of the Bank and the Group which fall within its remit.

#### **Tighter managerial structure centred on three Chief Operating Officers (COO)**

The new governance system has seen the managerial structure tightened with three 'Chief Operating Officer' posts created.

#### **Chief Operating Officer responsible for CIB and Banking in Morocco**

The department reporting to the COO responsible for CIB and Banking in Morocco encompasses commercial bank's financial intermediation operations and disintermediated investment banking under the BMCE Capital brand. These commercial activities are provided to a variety of customer segments – retail customers, professionals, SMEs and large companies, from both the public and private sectors, based in Morocco and overseas, excluding Africa. Regional Divisions in Morocco, banking subsidiaries, the payments institution, European representative offices and the Middle East and Asia businesses also fall within this department's remit, to which is also attached the division responsible for managing Litigation and Pre-litigation cases in addition to specific assignments.

#### **Chief Operating Officer responsible for Africa**

The department reporting to the COO responsible for Africa oversees the activities carried out on the African continent, excluding Morocco, through twenty or so subsidiaries in sub-Saharan Africa operating under the BANK OF AFRICA, LCB and Banque de Développement du Mali brands.

#### **Chief Operating Officer responsible for Group Functions and Operations**

The department reporting to the Chief Operating Officer responsible for Group Functions and Operations encompasses the head office Finance function as well as transversal functions related to Technology, Processes and Organisation, Quality, Logistics and Legal, as well as overseeing those subsidiaries which are an extension of these businesses.

The ultimate goal underlying BANK OF AFRICA Group's revamped organisational structure is to reinforce the solid reputation that the Group enjoys in terms of professionalism, innovation, corporate culture and the quality of the men and women who are its true strength and wealth.

### **Risk Management**

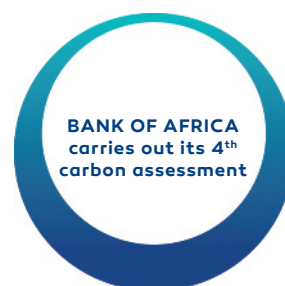
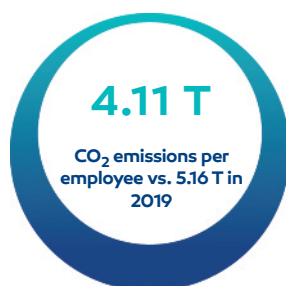
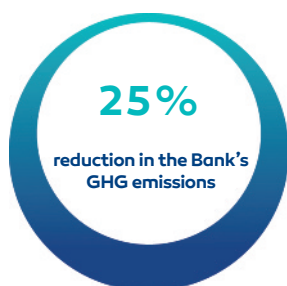
BANK OF AFRICA's approach to risk management is consistent with professional and regulatory standards. It is also underpinned by international rules and recommendations issued by supervisory authorities. The main risks identified are:

- Credit risk
- Market risk
- Operational risk
- Country risk



## UNDERTAKING 5:

### PROTECTING THE ENVIRONMENT AND REDUCING THE CARBON FOOTPRINT ACROSS THE GROUP



As part of its commitment to managing its environmental impact, BANK OF AFRICA is continuing efforts to improve its processes and monitoring measures. In 2021, the Group adopted new initiatives for waste management and disposal:

- (i) Implementing waste management systems across the entire network
- (ii) Internal service providers committed to setting up waste management systems and ensuring waste disposal via appropriate waste treatment channels
- (iii) Recycling the Bank's wastepaper, toners and cooking oils.

#### A positive carbon assessment

Consistent with the undertaking given in 2015 to voluntarily conduct a carbon assessment every two years, BANK OF AFRICA carried out its 2020 carbon assessment in April 2021. This assessment takes into account the main categories of direct and indirect greenhouse gas emissions (GHG) including different types of energy consumption, investments and leased assets, purchases, cash-in-transit, business travel and end-of-life treatment. Overall CO<sub>2</sub> emissions fell by 25% in 2020 by comparison with 2018, largely due to the impact from the COVID-19 pandemic which resulted in many employees working from home and restrictions on business travel.

#### ISO 14001 certification renewed and ISO 50001 certification planned

ISO 14001 certification renewal in 2021 underlines the extent to which BANK OF AFRICA's environmental management system is effective and affirms the Bank's approach to combating global warming and protecting the environment, thereby contributing to sustainable development's environmental pillar. The Bank's environmental management system, which is undergoing continuous improvement, is structured around 8 strategic goals:

- Comply with regulatory requirements relating to the environment and energy
- Take environmental criteria into account in financing activities
- Promote sustainable finance including green business
- Prevent and reduce environmental pollution and the consumption of natural resources
- Continuously improve energy performance
- Develop a 'sustainable' corporate culture and employee behaviour
- Promote responsible and energy-efficient purchasing
- Promote 'sustainable construction'.

The Bank has also begun the process of obtaining ISO 50001 energy management certification to improve its energy efficiency and optimise its energy consumption.

### Awareness training in sustainable development

BANK OF AFRICA, fully aware of the need for employee engagement and a collective approach to realising its vision, constantly fosters an awareness of issues relating to sustainable development. Various training initiatives and internal campaigns are regularly implemented to encourage employees to adopt good habits and behaviour.

### Assessment of BANK OF AFRICA MOROCCO's environmental impact

	2021
Energy consumption in kWh	26 803 092.03
Water usage (m <sup>3</sup> )	1 152 433.34
CO2 emissions per employee in T CO2 eq.	4.11
<b>Waste assessment</b>	
Paper and archives (t)	182
IT equipment (units)	1422
Cooking oils (kg)	116
Cartridges (kg)	2 894
Maintenance (kg)	0



## UNDERTAKING 6:

### ACTING IN THE INTERESTS OF COMMUNITIES AND MAINTAINING A DIALOGUE WITH STAKEHOLDERS



Each year, BANK OF AFRICA maintains an ongoing commitment to stakeholders and communities alike. This is best illustrated by BMCE Bank Foundation's various educational initiatives or those of BOA Foundation and its subsidiaries. BANK OF AFRICA and its subsidiaries also directly support numerous events as a socially engaged institution which is committed to each of its stakeholders.

#### Combating cancer in women

Every year on 8<sup>th</sup> March, International Women's Day, BANK OF AFRICA carries out a screening programme – breast and cervical screening – for women's cancers. 2021 was the 6<sup>th</sup> consecutive year that this campaign was conducted. In addition to underprivileged communities in Morocco, the campaign was carried out in those African countries in which the Group has operations.

#### Manifesto for Africa published

BANK OF AFRICA has published a manifesto for Africa, #21ressourcespourlavenir, underlining the Group's ongoing commitment to the continent's development. This manifesto reveals the vast potential of both the continent and its citizens and promotes the continent's attributes with reference to 21 resources. BANK OF AFRICA's contribution is also highlighted in its flagship initiatives, its financing solutions and the work of its Foundations.

#### BOA Foundation, an ongoing commitment to education

Throughout 2021, against the backdrop of the ongoing COVID-19 pandemic, the BOA Foundations continued their work in promoting education. During the year, schools in Niger, Senegal and Ivory Coast were renovated and refurbished. In addition, a maternity hospital was built in Fatick, Senegal and 36 classrooms for 2,200 students in

Ivory Coast. Similarly, in partnership with SOS Children's Villages, an NGO, BOA Foundation equipped a primary school in Niger with a digital library. It also transformed the SOS Children's Villages' branch in Dakar, Senegal, into a digital village after donating a batch of new computer equipment.

#### Solutions for persons with disabilities

To improve the accessibility of its facilities and solutions for persons with disabilities, BANK OF AFRICA has worked closely with associations to better understand their constraints and needs. As a result, the Bank has adopted a roadmap to: (i) equip its branches to receive persons with reduced mobility; (ii) translate its materials into sign language and implement a voice assistant app for visually impaired people commensurate with international standards, especially web content accessibility guidelines; and (iii) develop, in partnership with the GPBM and BAM, a code of practice for customers with a physical disability or a visual or hearing impairment, whilst respecting their dignity, autonomy and independence.







# **BANK OF AFRICA - BMCE GROUP**

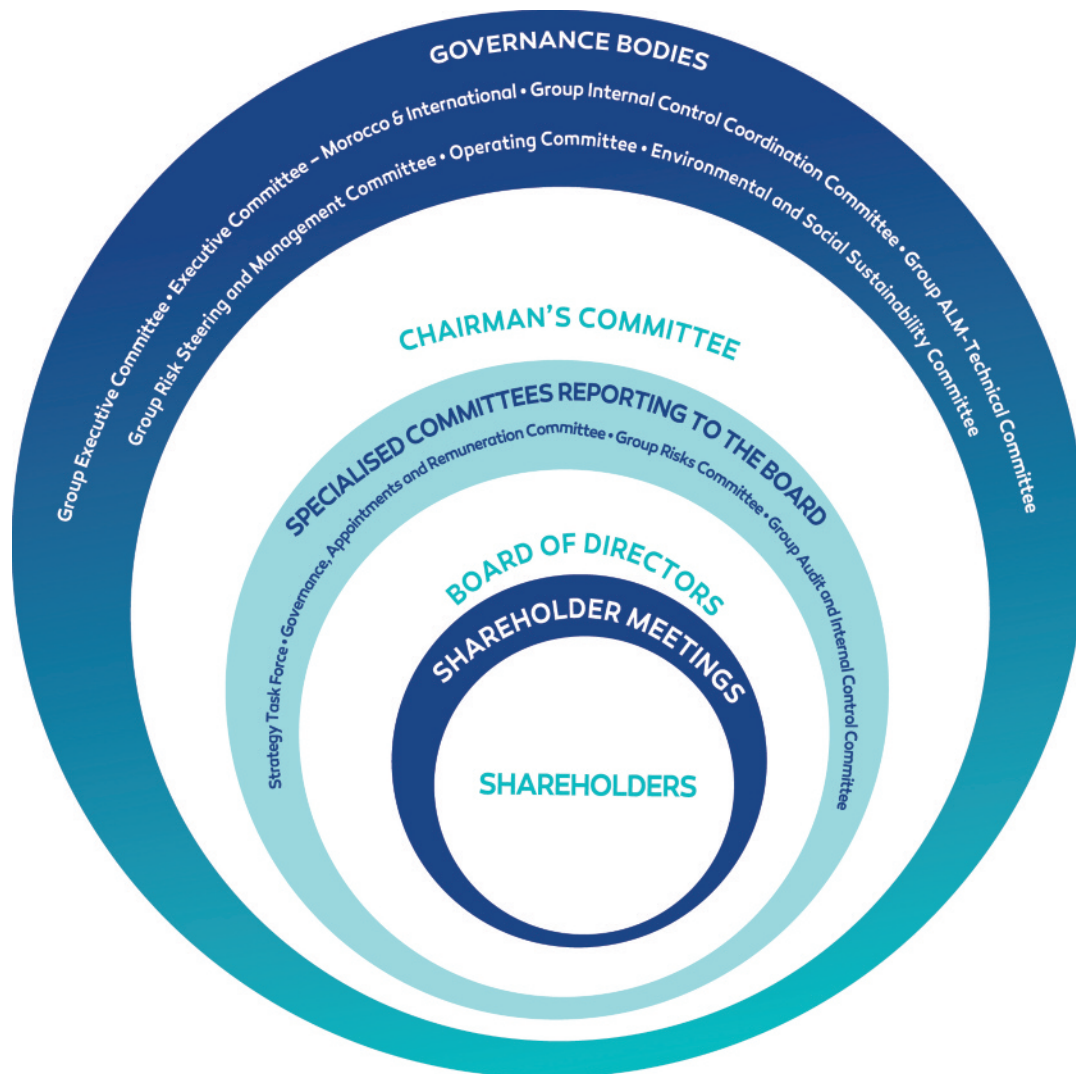
## GOVERNANCE

## A ROBUST AND ENGAGED GOVERNANCE SYSTEM

Due to the sheer breadth of its activities and its varied commitments and ambitions, BANK OF AFRICA has adopted a governance system that it is fully compliant with domestic and international statutory requirements as part of a process of ongoing improvement. Given its strategic role within the Moroccan and African economies and a determination to protect the interests of all its stakeholders, the Group has adopted a robust governance

system together with effective control mechanisms to ensure that its business model is sustainable.

BANK OF AFRICA's governance system is underpinned by a number of decision-making and supervisory bodies as well as specialised committees responsible for drawing up the Group's main strategic and operational policies.



### GOVERNANCE CHARTER

With a reputation within the banking industry for being a socially responsible organisation, BANK OF AFRICA was one of the first institutions to draw up its own Governance Charter in accordance with Bank Al-Maghrib's regulatory provisions. This Charter defines the powers of each body,

where those powers stop, their prerogatives and how they interact. The Charter enables BANK OF AFRICA to more effectively organise the functioning and the decision-making processes of its most important 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.

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-à-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 Specialised Committees which report directly to the Board
4. The rules of ethics and professional conduct that apply to Directors (Ethics Charter for Directors)

### BANK OF AFRICA GROUP'S BOARD OF DIRECTORS COMPRISES 14 DIRECTORS, OF WHOM FOUR ARE INDEPENDENT DIRECTORS AND TWO ARE WOMEN\*

#### OTHMAN BENJELLOUN

- BANK OF AFRICA Group's Chairman and Chief Executive Officer
- Date initially appointed<sup>1</sup>: 1995
- Current term of office: 2019-2025

#### RMA

- Represented by Zouheir Bensaid
- Date initially appointed: 1994
- Current term of office: 2019-2025

#### BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL - CRÉDIT MUTUEL GROUP - ALLIANCE FÉDÉRALE

- Represented by Lucien Miara
- Date initially appointed: 2005
- Current term of office: 2014-2020

#### CAISSE DE DÉPÔT ET DE GESTION<sup>(\*)</sup>

- Represented by Abdellatif Zaghoun
- Date initially appointed<sup>2</sup>: 2010
- Current term of office: 2016-2022

#### O CAPITAL GROUP

- Represented by Hicham El Amrani
- Date initially appointed<sup>3</sup>: 2001
- Current term of office: 2015-2021

#### Azeddine GUESSOUS

- *Intuitu Personae*
- Date initially appointed<sup>4</sup>: 2017
- Current term of office: 2017-2023

#### CDC LIMITED

- Represented by Marc Beaujean
- Date initially appointed: 2019
- Current term of office: 2019-2024

#### Mohamed KABBAJ

- Independent Director
- Date initially appointed<sup>5</sup>: 2021
- Current term of office: 2021-2027

#### François HENROT<sup>(\*)</sup>

- Independent Director
- Date initially appointed: 2016
- Current term of office: 2016-2022

#### Brian C. McK. HENDERSON<sup>(\*)</sup>

- Independent Director
- Date initially appointed: 2016
- Current term of office: 2016-2022

#### Nezha LAHRICHI

- Independent Director
- Date initially appointed: 2021
- Current term of office: 2021-2027

#### Abdou BENSOUDA

- *Intuitu Personae*
- Date initially appointed: 2018
- Current term of office: 2018-2024

#### Brahim BENJELLOUN - TOUIMI<sup>(\*)</sup>

- Deputy Chief Executive Officer and BOA Group's Chairman
- Date initially appointed: 2004
- Current term of office: 2016-2022

#### Myriem BOUAZZAOUI

- *Intuitu Personae*
- Date initially appointed: 2021
- Current term of office: 2021-2027

<sup>(1)</sup> For each term of office, the year corresponds to that in which the Annual General Meeting is held to rule on the previous year's financial statements.

<sup>(2)</sup> 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.

<sup>(3)</sup> O Capital Group resulted from the acquisition, in May 2021, of FinanceCom by Holding Benjelloun Mezian. FinanceCom was a Director of the Bank from 2001 until 2021.

<sup>(4)</sup> 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.

<sup>(5)</sup> Mr Mohamed KABBAJ was a Director of the Bank between 1997 and 2000

<sup>(\*)</sup> A proposal will be made to the next Annual General Meeting to renew the appointments of (i) Caisse de Dépôt et de Gestion, represented by its Chief Executive Officer, Mr Abdellatif Zaghoun, and (ii) Mr Brahim Benjelloun-Touimi, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA Group.

## BOARD OF DIRECTORS – MAIN INDICATORS 2021

No. of Board members	14
No. of Board meetings	5
Overall attendance rate	99%

## INDEPENDENCE CRITERIA

BANK OF AFRICA complies with the regulatory requirements regarding independence criteria as stipulated in Bank Al-Maghrib Circular 5/W/2016.

## DIRECTORS' FEES

In consideration of their contribution to the Board of Directors and the Specialised Committees, each Director receives directors' fees.

No other form of remuneration, permanent or otherwise, other than that mentioned here, may be allocated to the Directors, unless they are bound to the Company by an employment contract or a special temporary mandate in accordance with the law.

The overall amount allocated for Directors' fees is set annually by the Annual General Meeting, upon the proposal of the Board of Directors.

	31/12/2021*			31/12/2020*		
	GROSS amount	Tax withheld at source	Net amount paid	GROSS amount	Tax withheld at source	Net amount paid
Morocco-domiciled individuals and legal entities	3 771	971	2 800	3 842	992	2 850
Foreign-domiciled individuals and legal entities	4 118	618	3 500	3 235	485	2 750
TOTAL	7 888	1 588	6 300	7 077	1 477 5	600

(\*) Previous year's Directors' fees

## BOARD OF DIRECTORS' APPRAISAL PROCESS

A self-appraisal regarding the structure, powers, remit and functioning of the Board of Directors is carried out annually 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, Board discussions, the documentation made available to the Directors and timeframes and the choice of items on the agenda including CSR-related matters.

On completing the self-appraisal process, a summary report of the results of the appraisal is submitted to the Board of Directors.

The self-appraisal questionnaire is frequently updated to take into account any regulatory changes, Board meeting discussions and recommendations made in previous questionnaires.

### Specialised committees reporting to the Board of Directors

Group Risks Committee	No. of meetings	4
	No. of members	7
	Independence	43%
	Attendance rate	92%
Group Audit and Internal Control Committee	No. of meetings	4
	No. of members	6
	Independence	67%
	Attendance rate	96%
Governance, Appointments and Remuneration Committee	Number of meetings	4
	Independence	50%

In 2021, the Group Audit and Internal Control Committee and the Group Risks Committee underwent a number of changes following the resignation of two Independent Directors, Messrs Philippe De Fontaine Vive and Christian de Boissieu and the appointment of two new Independent Directors, Mr Mohamed Kabbaj and Mrs Nezha Lahrichi.





## STRATEGY TASK FORCE

### COMPOSITION

#### Chairman

**Mr Mohamed Kabbaj,**  
Independent Director

#### Members

**Mr Azeddine Guessous,**  
*Intuitu Personae* Director

**CDC Ltd,** represented by  
**Mr Marc Beaujean,**  
Non-Executive Director

**Mr Brian Henderson,**  
Independent Director

**Mr Brahim Benjelloun-Touimi,**  
Board Member and Deputy Chief Executive Officer

#### Invited Members

The Strategy Task Force may invite members of the executive management team or any other member to participate in its work.

#### Secretary

**Mrs Salma Tazi,**  
Deputy Managing Director, STF Coordinator and Secretary

### Work of the Strategy Task Force Committee

In 2021, the main issues dealt with included the *modus operandi* and methods for bolstering integration of head office functions at Group level, the Bank and the Group's new governance system as well as 'Vision 2030', its strategic development model.

## GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE

### COMPOSITION<sup>(\*)</sup>

#### Chairman

**Mr François Henrot,** Independent Director

#### Standing Members

**Mr Azeddine Guessous,** *Intuitu Personae* Director

**CDC Limited,** represented by **Mr Marc Beaujean**

**Mr Brian Henderson,** Independent Director

#### 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 on the agenda for discussion.

#### Secretary

**Brahim Benjelloun-Touimi,**  
Board Member and Deputy Chief Executive Officer

### Work of the Governance, Appointments and Remuneration Committee

In 2021, the main issues dealt with included an assessment of the work of the Board of Directors and of the Specialised Committees as well as the Bank and the Group's new governance system.

<sup>(\*)</sup> Composition of the committees reporting directly to the Board of Directors as of 30 April 2022

## GROUP RISKS COMMITTEE

### COMPOSITION

#### Chairman

**Mr Brian Henderson**, Independent Director

#### Members

**RMA**, represented by **Mr Zouheir Bensaid**, Non-Executive Director

**O Capital Group** represented by **Mr Hicham El Amrani**, Non-Executive Director

**Mr Azeddine Guessous**, *Intuitu Personae* Director

**CDC Limited**, represented by **Mr Marc Beaujean**, Non-Executive Director

**Mr François Henrot**, Independent Director

**Mr Nezha Lahrichi**, Independent Director

#### Associate Members

**Mr Brahim Benjelloun-Touimi**, Board Member and Deputy Chief Executive Officer

**Mr Mounir Chaïbi**, Chief Operating Officer responsible for Group Functions and Operations

**Mr Khalid Nasr**, Chief Operating Officer responsible for CIB and Morocco <sup>(\*)</sup>

**Mr Amine Bouabid**, Chief Operating Officer responsible for Africa <sup>(\*)</sup>

**Mr Khalid Laâbi**, Deputy Chief Executive Officer responsible for Group Risks

**Mr Moulay Bouraqadi Saadani**, Group General Controller

**Mr Zouhair El Kaissi**, Deputy Managing Director responsible for Finance & Investments

**Mrs Assia Berrada**, Deputy Managing Director responsible for Group Compliance

#### Invited Members

The Committee may invite any person who is a member of the Group's management, the Statutory Auditors, or any manager whose responsibilities fall within its remit, depending on the items for discussion on the Committee's agenda.

#### Secretary

**Mr Khalid Laâbi**, Deputy Chief Executive Officer responsible for Group Risks

### Work of the Group Risks Committee in respect of 2021

The Group Risks Committee met on 4 occasions in 2021.

The work of the Committee focused on monitoring capital use and risk indicators (credit, market, country, and operating risk), regulatory ratio simulations, reviewing and approving overall risk limits and 2021 credit policy. It also assessed the progress made by subsidiaries in ensuring that their AML-CFT system was fully compliant, reviewed updates made in 2021 to the risk management policy as well as the main regulatory changes introduced by Bank Al-Maghrib and their respective impacts.

In accordance with regulatory requirements, the Committee approved the Internal Disaster Recovery Plan (PRCI) and the Internal Capital Adequacy Assessment Process (ICAAP) report for 2021.

The Committee also examined the Group's CSR policy and whether it complied with the provisions outlined in Bank Al-Maghrib's Circular 5/W/2021 regarding the Bank's system for managing financial risks related to climate change and the environment as well as other European regulations, particularly in terms of reporting.

The Committee also regularly monitors progress the made in implementing the recommendations from previous Committee meetings.

<sup>(\*)</sup> Or his designated representative



## GROUP AUDIT AND INTERNAL CONTROL COMMITTEE

### COMPOSITION

#### Chairman

**Mrs Nezha Lahrichi**, Independent Director <sup>(\*)</sup>

#### Members

**RMA**, represented by **Mr Zouheir Bensaid**, Non-Executive Director

**Mr Azeddine Guessous**, *Intuitu Personae* Director

**Mr Mohamed Kabbaj**, Independent Director

**Mr François Henrot**, Independent Director

**Mr Brian Henderson**, Independent Director

#### Associate Members

**Mr Brahim Benjelloun-Touimi**, Board Member and Deputy Chief Executive Officer

**Mr Mounir Chraïbi**, Chief Operating Officer responsible for Group Functions and Operations

**Mr Khalid Laâbi**, Deputy Chief Executive Officer responsible for Group Risks

**Mr Moulay Bouraqadi Saadani**, Group General Controller

**Mr Zouhair El Kaissi**, Deputy Managing Director responsible for Finance & Investments

**Mrs Assia Berrada**, Deputy Managing Director responsible for Group Compliance

#### Invited Members

The Committee may invite any person who is a member of the Group's management, the Statutory Auditors, or any manager whose responsibilities fall within its remit, depending on the items for discussion on the Committee's agenda.

#### Committee Secretary

**Mr Moulay Bouraqadi Saadani**, Group General Controller

### Work of the Group Audit and Internal Control Committee in respect of 2021

Group CACI met on 4 occasions in 2021. The main issues dealt with included appraising BANK OF AFRICA Group's consolidated and parent financial performance and the Group's financial prospects in 2022, reviewing the Statutory Auditors' Report, and monitoring implementation of the strategy for managing non-operating real estate assets.

Regarding internal control, Group General Control's activity report and the 2021 consolidated Audit Plan were appraised in the context of the pandemic.

As far as compliance was concerned, Group CACI reviewed the Group's anti-money laundering (AML/CFT) system, updates made to the body of Compliance documentation and measures taken to bolster Group Compliance and, similarly, information systems security.

The Committee also monitored the progress made in implementing the recommendations from previous Committee meetings.

<sup>(\*)</sup> From June to September 2021, Group CACI was chaired by Mr Mohamed Kabbaj

## CORPORATE GOVERNANCE

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

**OTHMAN BENJELLOUN**

**BRAHIM BENJELLOUN-TOUIMI**

Board Member and Deputy Chief Executive Officer

**MOUNIR CHRAIBI**

Chief Operating Officer responsible for Group Functions and Operations

**KHALID NASR**

Chief Operating Officer responsible for CIB and Morocco

**AMINE BOUABID**

Chief Operating Officer responsible for Africa

**M'FADEL EL HALAISSI**

Deputy Chief Executive Officer responsible for Loan Recovery and Special Assignments

**OMAR TAZI**

Deputy Chief Executive Officer responsible for Banking in Morocco

**KHALID LAABI**

Deputy Chief Executive Officer responsible for Group Risks



## CHAIRMAN'S COMMITTEE

### COMPOSITION

#### Chairman's Committee

##### Chairman

**Othman Benjelloun**

Chairman and Chief Executive Officer

##### Members

**Azeddine Guessous<sup>(\*)</sup>**

Intuitu Personae Director

**Brahim Benjelloun Touimi**

Board Member and Deputy Chief Executive Officer

**Mounir Chraïbi**

Chief Operating Officer responsible for Group Functions and Operations

**Khalid Nasr**

Chief Operating Officer responsible for CIB and Morocco

**Amine Bouabid**

Chief Operating Officer responsible for Africa

#### Work of the Chairman's Committee

In 2021, the main issues dealt with included capital use, non-operating real estate assets, the 2030 strategic vision, the Group's new governance system and the cost of risk.

<sup>(\*)</sup> Mr Azeddine Guessous, Director of the Bank, will oversee the work of the Committee in the Chairman's absence



The introduction of a new governance system in November 2021 saw the Group's management committees restructured and reorganised. As a result, the Group General Management Committee has been superseded by the Group Executive Committee and the Executive Committee – Morocco and International. The Group General Management Committee met around thirty times in 2021 under the chairmanship of Mr Brahim Benjelloun-Touimi. Its work focused primarily on optimising the Group's return on equity, improving operational efficiency, in particular, by accelerating digital transformation and bolstering commercial efficiency by launching new counter-cyclical products, especially for the hospitality and real estate development sectors. Building on the progress made in 2020, the main financial and prudential indicators underlined the Bank's resilience, and its commercial dynamism was evident from the solid set of results, whilst its capital adequacy profile more than met minimum regulatory requirements. The ongoing situation at a number of Group subsidiaries in Morocco and sub-Saharan Africa was closely monitored. As such, intra-group synergies were generated as a result of the previously approved action plans.

## GROUP EXECUTIVE COMMITTEE

### COMPOSITION

#### Chairman

Meetings chaired by one of three Chief Operating Officers (see below)

#### Members

##### Mounir Chraïbi

Chief Operating Officer responsible for Group Functions and Operations

##### Khalid Nasr

Chief Operating Officer responsible for CIB and Morocco

##### Amine Bouabid

Chief Operating Officer responsible for Africa

#### Work of the Group Executive Committee

The Executive Committee met on two occasions in 2021 having been set up in November 2021. Its work primarily focused on finalising the operating charter, reviewing schemes of delegation subsequent to the new governance system being implemented and reviewing mapping of the existing functional ties and synergies developed between BANK OF AFRICA's Morocco-based entities and those of BOA Group (Luxembourg) as part of an ongoing process to bolster integration within the Group, reviewing key programmes in support of the Group's 2030 strategic vision and, lastly, appraising an opportunity for BANK OF AFRICA to acquire from BOA Group (Luxembourg) the latter's stake in BOA France.

## EXECUTIVE COMMITTEE – MOROCCO AND INTERNATIONAL

### COMPOSITION

#### Chairman

Meetings chaired alternatively every 3 months by one of two Chief Operating Officers (see below)

#### Members

##### Mounir Chraïbi

Chief Operating Officer responsible for Group Functions and Operations

##### Khalid Nasr

Chief Operating Officer responsible for CIB and Morocco

##### Khalid Laabi

Deputy Chief Executive Officer responsible for Group Risks

##### Omar Tazi

Deputy Chief Executive Officer responsible for Banking in Morocco

##### M'Fadel El Halaissi

Deputy Chief Executive Officer responsible for Loan Recovery and Special Assignments

##### Zouhair El Kaissi

Deputy Managing Director, Finance & Investments

#### Associate Members (depending on the agenda)

##### Saad Benjelloun

Deputy Managing Director responsible for Group Human Capital

##### Assia Berrada

Deputy Managing Director responsible for Group Compliance

The Committee may invite any person who is a member of BANK OF AFRICA Group's management, outside sub-Saharan Africa, depending on the items for discussion on the Committee's agenda.

#### Committee Secretary

##### Mrs Houda Sbihi,

Group Governance and CSR Division

#### Work of the Executive Committee – Morocco and International

Chaired by Mr Mounir Chraïbi, Chief Operating Officer responsible for Group Functions and Operations, the Committee met on two occasions in December 2021. The main issues discussed included approving new charters governing the Committee's functioning, an announcement on a draft BAM directive, monitoring the Business Continuity Plan and the COVID-19 measures adopted by the Bank during the pandemic, as well as analysing the main conclusions and recommendations of the Operating Committee.



## GROUP INTERNAL CONTROL COORDINATION COMMITTEE

### COMPOSITION

#### Chairman

Deputy Chief Executive Officer, and, in his absence, the Group General Controller

#### Standing Members

Chief Operating Officer responsible for Group Functions and Operations

Deputy Chief Executive Officer 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

#### 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 CSR 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

#### Committee Secretary

Deputy Chief Executive Officer responsible for Group Compliance

### Work of the Group Internal Control Coordination Committee

The Group Internal Control Coordination Committee met on 2 occasions in 2021.

As part of its work and in accordance with its commitment to placing greater emphasis on control and compliance-related issues at subsidiary level, the Committee acknowledged the ongoing improvement in the compliance systems of a number of Group subsidiaries. It expected this trend to continue given the acquisition of new software solutions and the ongoing implementation of a variety of key compliance-related projects.

At end-March 2021, the Committee was also informed of new regulation 6/W/2021 by Bank Al-Maghrib relating to the way in which due diligence obligations incumbent on credit institutions and similar establishments are applied at Group level. An impact study of this regulatory change was brought to the Committee's attention, the focus being on the action plan initiated by Group Compliance.

Another major issue dealt with by the Committee related to reviewing the system of control at branch level, aimed at improving bank branches' risk profile.

## GROUP ALM-TECHNICAL COMMITTEE

### COMPOSITION

#### Chairman

Chief Operating Officer responsible for Group Functions and Operations

#### Standing Members

Deputy Managing Director responsible for Finance & Financial Investments and Group Tax Steering

Head of Group ALM

Group Risk Management

Africa Counterparty Risks and Transversal Projects

Representative of CIB and Morocco

Head of ALM at BOA Africa

Head of Cash Management at BOA Africa

#### Invited Members

Heads of Group subsidiaries or their designated representatives, depending on the items for discussion on the agenda. The Committee may invite any other person, depending on the items for discussion on the Committee's agenda.

#### Committee Secretary

Deputy Chief Executive Officer responsible for Finance & Investments

### Work of the Group ALM-Technical Committee

In 2021, the Group ALM-Technical Committee, an offshoot of the General Management Committee, monitored issues relating to balance sheet/ALM management, particularly in the context of the work carried out by the Capital and Stress-Tests Commission.

As a result, the Committee discussed (i) opportunities to embark on a study on allocating additional capital to business activities identified as highly profitable, (ii) the liquidity situation in dirhams and foreign currencies of a number of the Bank's subsidiaries, particularly overseas subsidiaries, and (iii) the analysis of the return on assets of BANK OF AFRICA and its investment holdings.

In addition, the Committee continued its work on balance sheet optimisation, particularly the project to transfer operating assets to a REIT.



## GROUP RISK STEERING AND MANAGEMENT COMMITTEE

### COMPOSITION

#### Chairman

Deputy Chief Executive Officer responsible for Group Finance

#### Standing Members

Deputy Chief Executive responsible for Loan Recovery and Special Assignments

Deputy Chief Executive Officer responsible for Banking in Morocco

Group General Controller

Deputy Chief Executive Officer responsible for Finance & Investments

Representative of the Chief Operating Officer responsible for CIB and Morocco

Representative of the Chief Operating Officer responsible for Africa

#### Associate Members

The Chairmen and Chief Executive Officers of the subsidiaries in question

Any other person in connection with the item for discussion by the Committee

#### Committee Secretary

Head of Group Risk Management

### Work of the Group Risk Steering and Management Committee

The Group Risk Steering and Management Committee met as an offshoot of the General Management Committee on 6 occasions in 2021.

The main issues dealt with at its meetings included reviewing adherence to the sector limits set at end-2020, proposing overall risk limits by business sector and by counterparty group for 2021, general guidelines relating to the credit approval process for 2021, trends in exposure to sovereign bonds and related capital use, country limits and limits on banks and sovereign bonds.

The Committee reviewed a number of other major issues including updates made to the general risk management policy, trends in the Bank and the Group's main risk indicators (credit, market, operational and country risk), risk appetite policy, monitoring dossiers placed on the Watch List and reviewing the ICAAP and internal crisis recovery plan reports.

## OPERATING COMMITTEE/BCP COMMITTEE

### COMPOSITION <sup>(\*)</sup>

#### Chairman

Head of Group Technologies, Processes and Organisation Division

#### Standing Members

Group General Control  
 Personal and Professional Banking and Banking for Moroccans Living Abroad  
 SME Banking  
 Group Risks  
 Group Permanent Control  
 Casa South Regional Division  
 Casa North Regional Division  
 Global Services Operations  
 Corporate  
 Governance and CSR

#### Associate Members

Group Human Capital  
 Group Finance  
 Group Quality  
 Group Legal  
 Group Compliance  
 Central-Atlantic Regional Division  
 Central-Southern Regional Division  
 All other divisional heads are to be considered as Associate Members and may attend meetings as members in their own right to discuss items on the agenda that they have submitted to the Operating Committee for deliberation.

#### Committee Secretary

Organisation Division

### Work of the Operating Committee/BCP Committee

As in 2020, the BCP Committee continued to take over from the Operating Committee in 2021, with the ongoing implementations of measures adopted during the pandemic.

In 2021, several IT projects were initiated in support of various government-led initiatives such as the *Oxygène* business loan conversion programme, social security transfers and the National Electronic Register of Movable Securities. The Committee also regularly monitored indicators in relation to the COVID-19 pandemic, in particular, the number of PCR tests administered by the Bank to employees, the number of confirmed cases, recoveries, hospitalisations, branches in BCP mode and the length of time spent by the latter in BCP mode.

<sup>(\*)</sup> Since December 2021





## ENVIRONMENTAL AND SOCIAL SUSTAINABILITY COMMITTEE

### COMPOSITION

#### Chairman

Deputy Chief Executive Officer

#### Standing Members

##### BANK OF AFRICA

Deputy Chief Executive Officer responsible for Group Finance

Deputy Managing Director responsible for Group Governance and CSR Division

Deputy Managing Director responsible for Group Human Capital

Head of Sustainable Development and CSR

Head of Group Partnerships and Development

Representatives of the 4 Chief Operating Officers responsible for CIB and Morocco –

Corporate/SMEs/Investment/International

Head of the Economic Intelligence Centre

##### 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 and CSR

### Work of the Environmental and Social Sustainability Committee

The Environmental and Social Sustainability (ESS) Committee met on 2 occasions in 2021.

In matters regarding environmental and social sustainability, the Committee reviewed the Bank's Human Resources and Gender Equality programme, the progress made on implementing the Bank and its subsidiaries' environmental and social risk management system. It also oversaw the inclusion of climate risk within the Group's risk strategy, the roll-out of the CSR Charter at subsidiary level, the Group's Positive Impact Finance initiative until 2030, in addition to developing new positive-impact financial products and services.

<sup>(\*)</sup> Since December 2021

## REMUNERATION OF THE MAIN OFFICERS

(MAD thousands)	31/12/2021	31/12/2020
Short-term benefits	26 579	26 048
Post-retirement benefits	915	2 870
Other long-term benefits	6 522	6 383

It is worth noting that short-term employee benefits correspond to the fixed remuneration, inclusive of employer social security contributions, received by Officers in 2021.

Post-retirement benefits correspond to the reimbursement of outstanding leave if 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

(MAD thousands)	31/12/2021	31/12/2020
A. Short-term outstanding loans	58 975	64 423
B. Outstanding property loans	20 560	20 716
Total outstandings	79 535	85 139



## 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, Chairman of O Capital Group Holdings, Chairman of Royale Marocaine d'Assurance and Chairman of Medi Telecom Orange.

He has been the Chairman of the Professional Association of Moroccan Banks (GPBM) since 1995 and was Chairman of the Union of North African Banks from 2007 to 2009.

Mr BENJELLOUN is the founder of BMCE Bank Foundation, which has two main aims:

- 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 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	BANK OF AFRICA - O Capital Group - O Capital Africa - Cap d'Argent - Cap Estate - Internationale de Financement et de Participation (Interfina) - O Tower - Ranch Adarouch - Société Financière du Crédit du Maghreb (S.F.C.M) - BAB Consortium
Chairman of the Board of Directors	BMCE International Holding (B.I.H) - Medi Telecom - MBT - Revly's Marrakech - RMA - RMA Alternative Investments - RMA Asset Management - RMA Capital - RMA Mandates - Société d'Aménagement Tanger Tech - Sensyo Pharmatech
Chairman of the Supervisory Board	Financière Yacout <sup>1</sup>
Director	O Capital Europe
Manager	Argan Invest - Casablanca Finance City Authority - Maghrebail - Medi 1 Radio <sup>2</sup> - Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires
Other appointments	Chairman of the Professional Association of Moroccan Banks (GPBM) – Chairman of the Othman Benjelloun Foundation – Chairman of the Mezian Benjelloun Foundation for Science and Education

1. Permanent representative of O Capital Group

2. Representative of O Capital Group

## Mr Zouheir Bensaid, RMA's Representative

Mr Zouheir BENSARD is currently CEO of RMA, the insurance arm of O Capital 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, Maghrebail, RISMA, LYDEC, CTM and other Group subsidiaries, as well as being a member of several audit committees.

Mr Zouheir BENSARD has a wealth of experience spanning more than 37 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 BENSARD 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 BENSARD 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 BENSARD graduated in Finance from the University of Nevada in 1985. He is a member of the Phi Kappa Phi Honour Society.

## APPOINTMENTS LIST

Chairman and Chief Executive Officer	Medium Finance <sup>1</sup> - RMA Elan
Chairman of the Board of Directors	Infra Invest - RMA Assistance - RMA Investment Partners - REAL ESTATE RENDEMENT (OPCI) - IMMO FUND OF AFRICA (OPCI) - CORPO IMMO (OPCI) - RESILIENCE IMMO (OPCI)
Chairman	RMA Capital International
Member of the Supervisory Board	FONCIERE EMERGENCE <sup>1</sup> , RISMA
Director	Air Arabia - AKWA AFRICA - Argan Invest - BANK OF AFRICA BMCE Group <sup>1</sup> - Cap Estate - CFG <sup>2</sup> - CTM - DBM Media Group <sup>3</sup> - Decrow Capital - EurAfric Information - Finatech <sup>1</sup> - Lydec - Maghrebail - MBT <sup>4</sup> - Mutandis - Mutandis Automobile - Mutatis - O Capital Europe - O Capital Group - O Tower <sup>1</sup> - Revly's <sup>1</sup> - RMA <sup>4</sup> - RMA Alternative Investments <sup>4</sup> - RMA Asset Management <sup>4</sup> - RMA Capital <sup>4</sup> - RMA Mandates <sup>4</sup> - Saemog <sup>1</sup> - Tanger Med Zones <sup>1</sup> - Villa Roosevelt <sup>1</sup> - TANGER AUTOMOTIVE CITY <sup>1</sup> - TANGER FREE ZONE - Medium Finance <sup>1</sup> - BMCI LEASING <sup>1</sup> - CAT <sup>1</sup> - HANOUTY SHOP <sup>3</sup>

1. RMA's representative
2. Representative of BANK OF AFRICA (ex-BMCE)
3. O Capital Group's representative
4. Chief Operating Officer
5. Co-Manager
6. Representative of RMA and RMA ASSISTANCE



**Mr Lucien Miara,  
Banque Fédérative du Crédit Mutuel's  
Permanent Representative**

Mr Lucien MIARA is Banque Fédérative du Crédit Mutuel's Permanent Representative.

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 then became Chairman of Fédération du Crédit Mutuel Méditerranéen and Caisse Régionale du Crédit Mutuel Méditerranéen.

He is a technology graduate of the University of Nice Alpes Maritime with an elective in corporate administration.

**APPOINTMENTS LIST**

Director	Banque Fédérative du Crédit Mutuel's Representative
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## Mr Abdellatif Zaghoun, 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	Société Centrale de Réassurance (SCR) - CDG Capital - Fipar Holding - CDG INVEST - MADAEF - Foncière Chellah - Fondation CDG - Fondation AHLY - Institut Marocain des Administrateurs - Société d'Aménagement Ryad - CDG Développement - NOVEC - CGI - Agence d'Urbanisation et de Développement d'Anfa (AUDA) - Société d'Aménagement de Zenata (SAZ) - PATRILOG - Société de Développement de Saidia (SDS) - Société d'Aménagement et de Promotion de la Station de Taghazout (SAPST)
Chairman of the Supervisory Board	MEDZ
Vice-Chairman of the Board of Directors	Ciments du Maroc (CIMAR) - Société Marocaine de Valorisation des Kasbahs - SONADAC
Member of the Supervisory Board	Tanger Med Special Agency (TMSA)
Director	BANK OF AFRICA <sup>1</sup> - Crédit Immobilier Hôtelier (CIH) - BARID AL MAGHRIB - Casablanca Finance City Authority (CFCA) - Médiatecom (ORANGE) - Fonds Marocain de Placement (FMP) - Université Internationale de Rabat <sup>2</sup> - Oued Chbika Développement (OCD) - Al Omrane Holding - Al Akhawayn University of Ifrane (AUI) - École Arts & Métiers campus de Rabat (EAMR)

1. Representative of Caisse de Dépôt et de Gestion



## Mr Hicham El Amrani, O Capital Group's Permanent Representative

Mr Hicham EL AMRANI has more than 26 years' experience of private equity investment, financing, and corporate strategy across a wide range of industries.

When FinanceCom, now O Capital Group, 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 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 BANK OF AFRICA, RMA, O Tower, CTM, Risma, Air Arabia Morocco, Finatech, Colliers International Morocco and Chairman of the Audit Committee of Air Arabia Morocco, Medi Telecom-Orange, 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	ARGAN INVEST
Member of the Supervisory Board	RISMA <sup>10</sup>
Vice-Chairman of the Board of Directors	DBM MEDIA GROUP (ex-Africa Teldis & Communication)
Member of the Executive Board	FINANCIERE YACOUT
Director	BANK OF AFRICA <sup>1,3</sup> - AIR ARABIA MAROC <sup>2</sup> - BLACKPEARL FINANCE - BRICOINVEST <sup>1</sup> - CAP D'ARGENT <sup>4</sup> - CAP ESTATE <sup>1,5</sup> - COLLIERS INTERNATIONAL MAROC <sup>6</sup> - CTM7 - CTM MESSAGERIE - O CAPITAL AFRICA1 - O CAPITAL EUROPE - FINATECH GROUP - INTERFINA <sup>5</sup> - MEDITELECOM (Orange) <sup>8</sup> - O Capital Group <sup>5</sup> - O TOWER <sup>1</sup> - REVLY'S <sup>9</sup> - RMA <sup>10</sup> - SFCM <sup>1</sup>

1. O Capital Group's permanent representative
2. Chairman of the Audit Committee
3. Member of the Group Risks Committee
4. Financière Yacout's permanent representative
5. Deputy Chief Executive Officer
6. Argan Invest's permanent representative
7. Chairman of the Strategy Committee and Member of the Audit Committee and of the HR Committee
8. Chairman of the Audit Committee and Member of the Strategy Committee and of the HR Committee
9. INTERFINA's permanent representative
10. Member of the Audit Committee

## Mr 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 (ex-BMCE Bank), BOA Group, BANK OF AFRICA Europe (ex-BMCE Bank International Madrid), 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 been awarded 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	BANK OF AFRICA - BANK OF AFRICA EUROPE (ex BMCE International Madrid) BOA Group - RMA - SETTAVEX - LYDEC - AL MADA - SONASID - RISMA - MAROCAINE DES TABACS - ALMA PACK - ALMA BAT - AL AKHAWAYN
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## Mr Marc Beaujean, CDC Limited's Permanent Representative

Mr Marc BEAUJEAN is the founder, in 2019, and principal partner of Beaujean & Partners, a strategic consulting firm specialising in banking and insurance. He is also Chief Executive Officer of Atlantic Financial Group SA since 1 January 2021.

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 Blue Orchard, now one of the world's leading inclusive finance institutions specialising in micro-finance. The firm was recently sold to Schrodgers 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.

From 2018 to 2020, he was Chief Operating Officer of CBP Quilvest, a Luxembourg-based private bank.

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 was also a lecturer at HEC Liège between 2010 and 2020.

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.

## APPOINTMENTS LIST

Director	BOA Group SA <sup>1</sup> – Arab International Bank of Tunisia <sup>2</sup>
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1. CDC Limited's representative

2. Independent

## Mr Mohamed Kabbaj, Independent Director

Mr Mohamed KABBAJ is currently Chancellor of the Euromed University of Fez. He formerly served as Minister of Finance and Foreign Investment, overseeing implementation of vital financial reforms that resulted in the modernisation and deregulation of the banking system.

As Minister, he also oversaw the successful privatisation, in 1995, of Banque Marocaine du Commerce Extérieur, which attracted investment from a consortium of Moroccan and foreign institutional and financial investors led by Royale Marocaine d'Assurance.

Mr KABBAJ is a graduate of the prestigious École Française Polytechnique and the École Nationale des Ponts et Chaussées in Paris. He also has a Diploma in Advanced Studies in Econometrics from the Sorbonne, Paris. He had a long and successful career as head of various departments at the Ministry of Public Works prior to becoming Minister. As such, he represented the contracting authority and the prime contractor for many of the country's infrastructure projects.

From 2000 to 2005, he was Adviser to His Majesty King Mohammed VI, before being appointed Governor of the Greater Casablanca region for nearly 4 years.

Previous socio-professional appointments include two terms as Member of Parliament from 1993 to 2003, Chairman of several foundations and associations, including the Spirit of Fez Foundation, Fez-Saïss, the Fez Festival of World Sacred Music and Chairman of Lafarge Holcim Maroc, the Development Committee of the IMF and the World Bank. He was also a Member of Lafarge International Group's Advisory Board, Coordinator of the Permanent Inter-ministerial Committee of State-owned Enterprises and Chairman of the Watch Committee of State-owned Enterprises as well as Vice-Chancellor of Al Akhawayn University.

## APPOINTMENTS LIST

Independent Director	BANK OF AFRICA <sup>1</sup>
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1. Chairman of the Strategy Task Force Committee and Member of the Group Audit and Internal Control Committee





## Mr François 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 that of Chairman of the investment bank and Vice- Chairman of Rothschild & Co.'s Supervisory Board, of which he was a Director until 2020 and 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 privately held Belgian investment company.

Mr HENROT 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 and philanthropic affairs, Mr HENROT was Chairman of France's Ecole Nationale Supérieure des Arts Décoratifs and a member of the Association pour le Rayonnement de l'Opéra de Paris until 2015. He is responsible for reviving the Evian Musical Encounters Festival, founded by Mstislav Rostropovich and is currently Chairman of the Bordeaux International String Quartet Competition. In the field of medicine, Mr HENROT has actively contributed for more than 12 years to the work of the Brain and Spine Institute (ICM).

He has co-authored a number of works including *The Banker and the Philosopher*, which deals with the 2007-08 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	Cobepa (Belgium)
Member of the Supervisory Board	Rexel SA
Independent Director	BANK OF AFRICA

## Mr 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 as well as being Vice-President and Treasurer of the Atlantic Council of the United States.

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 civic engagements include those of Chairman of 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

Founding Partner	Henderson International Advisors, LLC
Advisor	Cremades & Calvo Sotelo, Madrid - Rockefeller Capital Management <sup>2</sup>
Vice-Chairman	Middle East institute – Washington
Non-Executive Chairman	Augustea Bunge Maritime Ltd., Malta
Director	BANK OF AFRICA <sup>1</sup> - Fort Apache Heritage Foundation - Harvard Project on American Indian Economic Development, Honoring Nations

1. Independent

2. Senior Advisor



## Mrs Nezha Lahrichi, Independent Director

Mrs Nezha LAHRICHI holds a State Doctorate in Economics, the first awarded to a woman in Morocco. She began her career in academia and research as Professor of Higher Education, specialising in domestic and international monetary and financial economics. She was concurrently a member of the Centre Marocain de Conjoncture, an economics think tank.

After acting as special advisor to three Prime Ministers with responsibility for economic and financial affairs, Mrs LAHRICHI was then entrusted with the responsibility of heading up Société Marocaine d'Assurance à l'Exportation (SMAEX) as Chairman and Chief Executive Officer, a post that enabled her to gain experience of the credit insurance and risk business.

After time spent as a member of parliament, her second responsibility was to chair the National Foreign Trade Council. The latter's transformation into an observatory was the catalyst for the creation of a business intelligence and strategic planning system.

Mrs LAHRICHI was Director of the National Telecommunications Regulatory Agency (ANRT) for two terms of office. She also sat for 10 years on the National Savings and Investment Council (CNME) as well as being a member of the Caisse de Dépôt et de Gestion's supervisory committee as the Prime Minister's representative.

The majority of her publications, categorised by theme, may be accessed on her website [www.nezhalahrichi.com](http://www.nezhalahrichi.com).

## APPOINTMENTS LIST

Independent Director	BANK OF AFRICA <sup>1</sup>
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1. Chair of the Audit and Internal Control Committee and Member of the Group Risks Committee

## Mr Abdou Bensouda, *Intuitu Personae* Director

Mr BENSOU DA 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 O Capital Europe, a company which steers O Capital Group's overseas asset management and investment advisory operations.

Since 2008, Mr BENSOU DA has held a number of positions of responsibility within O Capital Group including that of Chairman & Chief Executive Officer of Finattech 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 BENSOU DA 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	Olkad Group
Chairman	O Capital IM - O Capital France -
Vice-Chairman	O Capital Green Investments -
Director	O Capital Europe <sup>1</sup> - BANK OF AFRICA - Africa Investments Holdings - Bridges for Africa - Finattech Group - Argan Infrastructure Fund - Decrow Capital - Infra Invest - Argan Infra - Green of Africa - Dounia Productions -
Manager	Hoche Participations - O Capital Group - Moroccan Aerospace Investment Company - Valyans Consulting - BAB Consortium - Sensyo Pharmartech

1. Deputy



## Mr Brahim Benjelloun Touimi, Board Member and Deputy Chief Executive Officer

Mr Brahim Benjelloun Touimi is a Board Member and Deputy Chief Executive Officer of BANK OF AFRICA. As such, he is Member of the Strategy Task Force, an offshoot of the Board of Directors, responsible for assisting the latter in determining the Group's medium- and long-term strategy and overseeing implementation of its strategic development plans. He is also a Member of the Chairman's Committee, the body responsible for steering Group strategy.

As part of BANK OF AFRICA Group's international strategy, Mr Brahim BENJELLOUN-TOUIMI is Chairman of BOA Group, a banking group in which BANK OF AFRICA Group 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 posts are concerned, he is either 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 O Capital Group, its holding company. He is also Chairman of the Supervisory Board of EurAfric Information, a technology company and Director of Euro Information, a technology subsidiary of Crédit Mutuel Group-CIC.

Reflecting the Group's commitment to corporate social responsibility, Mr Brahim BENJELLOUN-TOUIMI is a Director of BMCE Bank Foundation for Education and Environmental Protection.

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	BMCE ASSURANCES - BMCE EUROSERVICES
Chairman of the Supervisory Board	EURAFRIC INFORMATION - BMCE CAPITAL - SALAFIN - MAROC FACTORING - OPERATIONS GLOBAL SERVICES
Chairman	BOA Group - BOA WEST AFRICA
Vice-Chairman of the Board of Directors	BTI BANK
Director	BANK OF AFRICA <sup>1</sup> - RMA - O Capital Group - FONDATION BMCE Bank EURO INFORMATION France - BOA UK - BMCE INTERNATIONAL HOLDINGS - BOA EUROPE - MAGHREBAIL - RM EXPERTS - O'TOWER - SOCIETE D'AMENAGEMENT TANGER TECH - PROPARGO <sup>2</sup> - BOURSE DE CASABLANCA <sup>2</sup>

1. Deputy Chief Executive Officer

2. BANK OF AFRICA's representative

## Mrs Myriem Bouazzaoui, *Intuitu Personae* Director

After obtaining a science-based high school diploma with honours in 1993 from Lycée Descartes in Rabat, Myriem BOUAZZAOUI continued her studies at the University of Paris IX Dauphine, obtaining a Master's in Management Sciences – Finance with honours in 1998.

On returning to Morocco in 1999, she joined BANK OF AFRICA Group's portfolio management subsidiary as an Equity Portfolio Manager, then as Head of Investment Management.

Whilst working at the company, Mrs BOUAZZAOUI obtained, in 1999, the certificate of financial analyst issued by the French Society of Financial Analysts (SFAF) and then, in 2000, the French Diploma of Accounting and Finance (DECF).

In 2007, she was appointed Chief Executive Officer of the BMCE Capital Gestion Privée subsidiary, which she has managed since it was founded. She also became a Member of BMCE Capital's Executive Board in 2013.

At the end of 2018, Mrs Myriem BOUAZZAOUI was appointed as Managing Director of BMCE Capital Gestion, taking over the management of BMCE Capital's Asset & Wealth Management division.

## APPOINTMENTS LIST

Chair of the Board of Directors	BMCE Capital Asset Management (Tunisie)
Member of the Executive Board	BMCE Capital
Director	BANK OF AFRICA - BMCE Capital Gestion <sup>1</sup> - BMCE Capital Gestion Privée - BMCE Capital Solutions - BMCE Capital Investments - BMCE Capital Holding - BMCE Capital Securities (Tunisie) - BOA Capital Asset Management (Côte d'Ivoire) - BMCE Capital Research <sup>2</sup> - BMCE Capital Gestion sous Mandat <sup>3</sup> - BMCE Capital Titrisation <sup>4</sup> - BMCE Capital Gestion Privée International <sup>5</sup>

1. Chief Executive Officer

2. BMCE Capital Gestion's representative

3. BMCE Capital Gestion Privée's permanent representative

4. Director and permanent representative of BMCE Capital Gestion

5. Director and permanent representative of BMCE Capital Gestion Privée





## 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.

The 'You're a shareholder' page on the Bank's website, [www.ir-bankofafrica.ma](http://www.ir-bankofafrica.ma), is specifically designed 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, with 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 and 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 regarding 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 in which legal notices are published. 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.

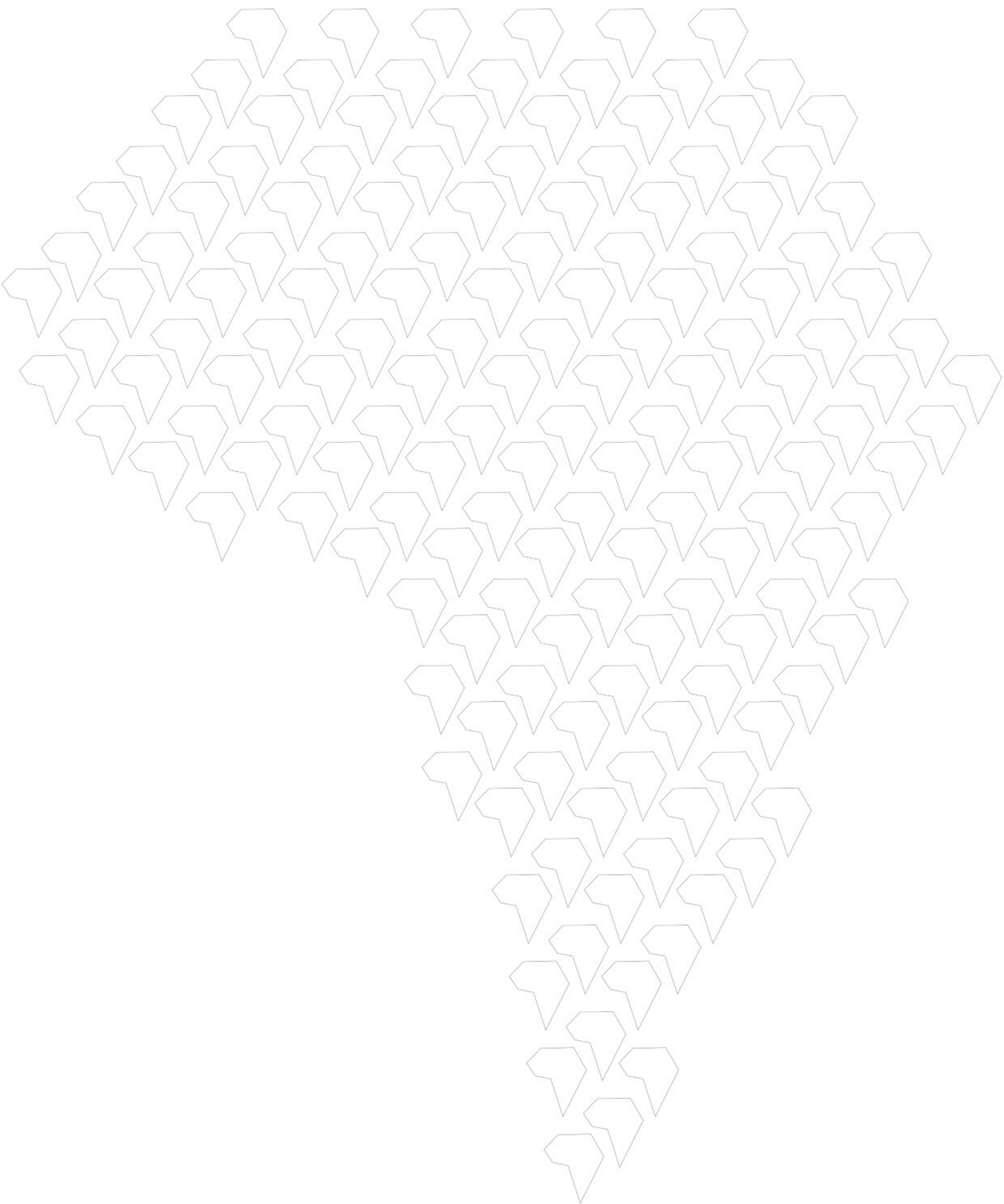
Since 2019, the Bank has published the Reference Document each year in accordance with the Directives of the Moroccan Capital Markets Authority (AMMC). This document contains detailed information about the Bank's business, financial situation, and prospects.

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](http://www.ir-bankofafrica.ma).

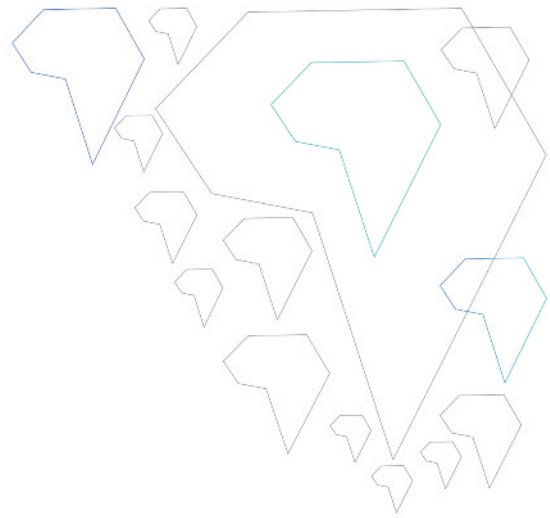
## LIST OF FINANCIAL RELEASES PUBLISHED IN 2021

Post-bondholders' AGM press release 11 November 2021
Press release regarding third quarter 2021 indicators
Notice to convene bondholders' AGM 11 November 2021
Press release regarding first-half 2021 financial results
Press release regarding amendments to the results of BANK OF AFRICA's perpetual subordinated debt issue with a loss-absorption provision and cancellation of interest payments
Press release following the results of BANK OF AFRICA's perpetual subordinated debt issue with a loss-absorption provision and cancellation of interest payments
Press release regarding publication of interest rates in relation to BANK OF AFRICA's perpetual subordinated debt issue with a loss-absorption provision and cancellation of interest payments
Press release regarding second quarter 2021 indicators
Press release regarding AMMC visa approval of the prospectus in relation to BANK OF AFRICA's perpetual subordinated debt issue with a loss-absorption provision and cancellation of interest payments
Press release regarding registration of the Reference Document and annual updates to the information pack in relation to the CD issuance programme
Post-AGM press release 29 June 2021
Press release providing details of how to attend the AGM 29 June 2021
Press release regarding first quarter 2021 indicators
Notice to convene AGM 29 June 2021
Press release confirming online publication of the Annual Financial Report 2020
Press release regarding the 2020 financial results
Press release regarding fourth quarter 2020 indicators





# RISK MANAGEMENT



## NOTE ON RISKS

### RISK MANAGEMENT

#### Risk categories

##### Credit risk

Credit risk, inherent in banking activity, is the risk of customers not repaying their financial obligations toward the Bank in full or within the allotted time, resulting in potential losses for the Bank. It is the broadest risk category and may be correlated with other risk categories.

##### Market risk

Market risk is the risk of loss in value of financial instruments resulting from changes in market parameters, volatility and correlations between them. Concerned parameters include exchange rates, interest rates and the prices of securities (stocks, bonds) and commodities, derivatives and all other assets.

##### Global liquidity and interest rate risk

Interest rate risk is the vulnerability of the financial situation of an institution to adverse changes in interest rates.

Liquidity risk is defined as the risk for the development of not being able to meet its cash flow or collateral requirements when they fall due and at a reasonable cost.

##### Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, personnel error and systems failure or from external events. This definition includes legal risk, but excludes strategic and reputational risks.

##### Country risk

Country risk comprises political risk as well as transfer risk. Political risk generally arises from action taken by the government of a country such as nationalisation or expropriation or an independent event such as war or revolution, which may affect a customer's ability to honour its obligations.

Transfer risk can be defined as the risk of a resident customer being unable to acquire foreign currency in its country so as to honour its overseas commitments.

#### Risk management organization

##### Risk control bodies

###### • Group Risk Division

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.

### Supervisory Committee for Sensitive Accounts

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 followup 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

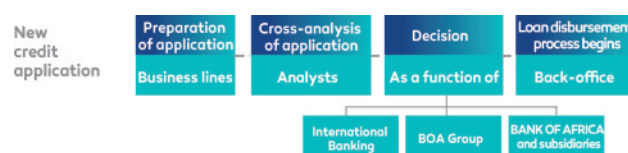
#### General principles

The approval process at BANK OF AFRICA Group level respects the "Troika" principle and is based on the following principles :

- All credit requests adhere to the same approval process which ensures that the Troika 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 multilevel 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.
- Appeal to the highest authority having ruled on any other case of a related case with the highest level of high delegation (in case of a group).

### 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 Troika 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 Overseas Operations)
- 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.

### 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.

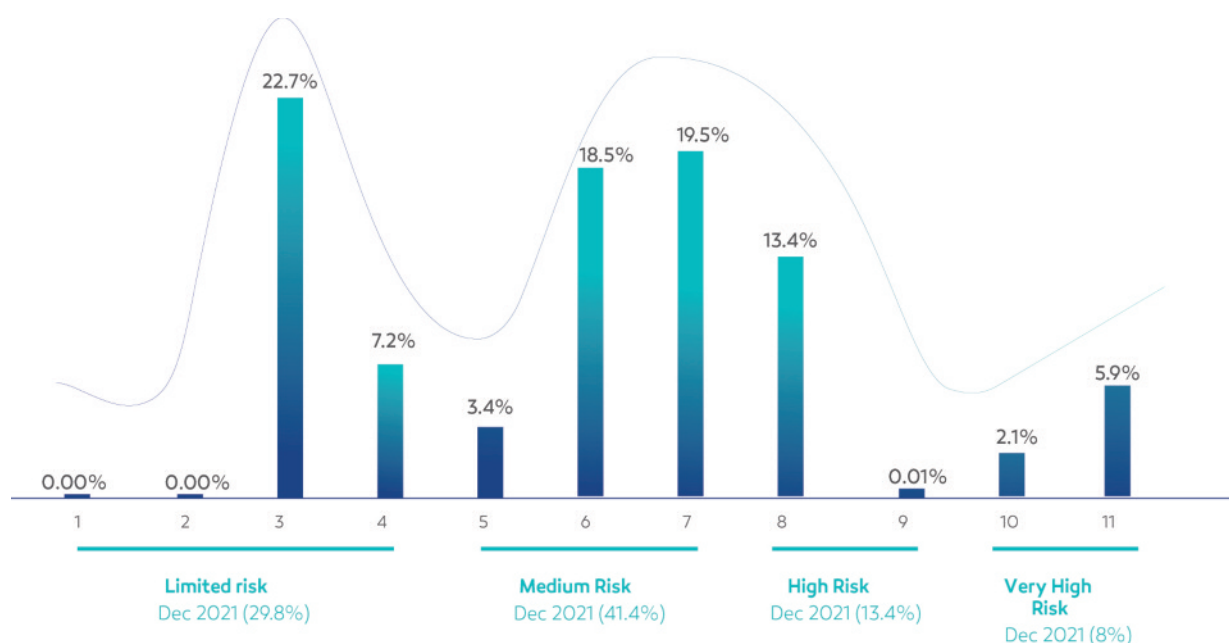
##### Rating scale

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 II 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 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 2021, 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.

Classe	Description
A	Very low risk
A-	
B	Low risk
B-	
C	Average risk
C-	
D	Average- high risk
D-	
E	High risk
E-	
F	Very high risk
F-	
G	Major risk
G-	
H	Proven risk
H-	
I	Sub-standard
J	Doubtful
K	Impaired

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. New and existing customers are assigned a credit approval score.

A Decision support system has been introduced for approving consumer loans.

### Guarantees

The Group receives various types of guarantee as loan collateral. As a general rule, collateral requirements are governed by two factors: the type of credit requested and the counterparty quality.

The Group systematically mortgages all property which it has financed (housing loans and loans for real estate development) and also requests that customers take out insurance cover.

Similarly, funding for public procurement, merchandise, capital equipment and business premises are systematically guaranteed by pledges on the items funded and insurance cover is also required.

In addition to these guarantees, the Group generally bolsters its position by requesting personal guarantees from counterparties whenever deemed necessary, depending on the quality of the latter.

### 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 in 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, which is likely to further deteriorate and therefore generate an expense for the Bank. These indicators may include incidents of a legal nature (garnishee orders, attachments, etc.) or account-related incidents (loss of income, overdrawn balances, authorisations or maturing guarantees, 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 including:

- 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 requirements 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, the Group Risk Management Department, 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.

### 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 2021:

	December 2021	
	Amount	% of the total
Commitments to 10 largest customers	18 871	15.4%
Commitments to 20 largest customers	24 777	20.2%
Commitments to 100 largest customers	44 233	36.1%

### Interest groups

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).

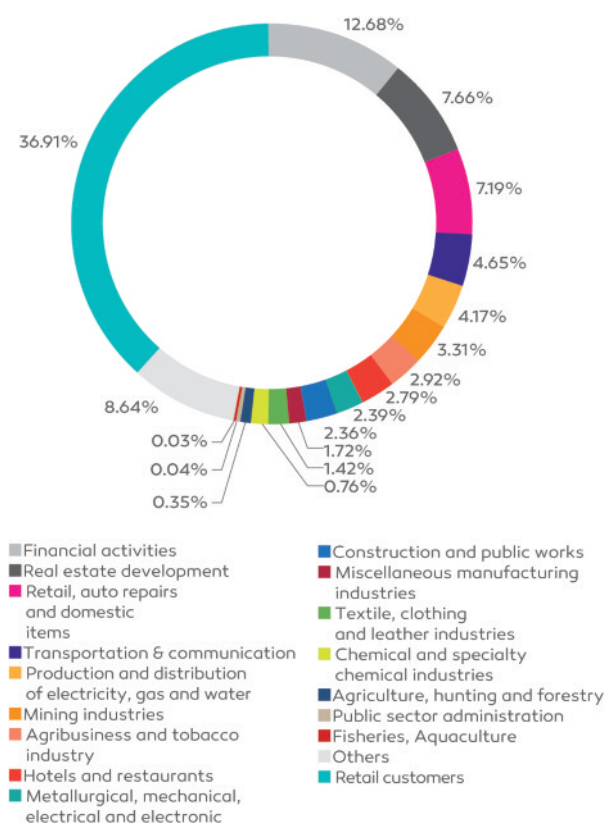
The objective is to model default risk using appropriate econometric techniques, using a random variable dependent, whose value is the result of the enumeration of realization of fault events.

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 Division 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 activities at the end of December 2021 is as follows:







## Conducting stress-tests

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 prudential capital.

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 tests are made known to the Group Steering and Risk Management Committee and the Group Risks Committee.

## Country Risk

In a constantly changing world and within the constraints of the Group's overseas growth strategy and regulatory requirements, the country risk management system will enable BANK OF AFRICA Group to identify, measure and control its cross-border risks.

The country risk management methodology in place 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 Risk Management Department to assess each country's potential risk factors and helps to establish risk-mitigation strategies.

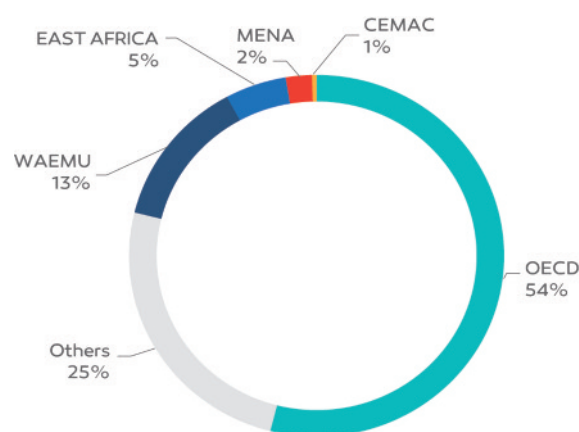
## Identifying cross-border risks

BANK OF AFRICA Group is exposed to international risks through the various types of commitment entered into by the Bank with respect to a non-resident counterparty in dirhams or in foreign currencies.

These include:

- Loans to non-residents
- Trade Finance operations
- Foreign assets
- Market operations.

Breakdown of BOA Group SA's risk exposure by geographic zone at 31/12/2021



## Consolidation

Country risk commitments are identified in such a way as to establish a position for the parent company, for each subsidiary and for the Group as a whole, offering an overview of the Group's overall exposure to cross-border risks.

### Alerts system adopted

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 rating agencies such as Coface, S&P and Moody's.

### Setting limits

When establishing country limits for loan commitments, BANK OF AFRICA Group takes into consideration:

- Each issuer's risk profile

- Quantitative and qualitative indicators
- A track record of consolidated exposures
- The extent to which the bank is capitalised.

These limits are constantly monitored and requests for overruns are assessed based on 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 the latter 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.

## RISK MANAGEMENT SYSTEM ROLL OUT AT OVERSEAS SUBSIDIARIES

In 2021, Group Risk General Management continued to focus its efforts on dealing with the pandemic. Adaptability was order of the day with the constantly evolving situation requiring close monitoring to be able to proactively adjust the risk management and control system to ensure that the Group remained resilient and that its risk profile was consistent with Group strategy.

### Market risk management system

The market risk management system was rolled out at the BOA Benin pilot site as well as at BOA Madagascar and BOA Ivory Coast. The roll-out is now underway at other subsidiaries.

### Country risk management system

A country risk management roll-out kit has been prepared and roll-out is expected to begin in 2022.

### ICRP and ICAAP system

A roll-out kit has also been prepared in relation to the Internal Crisis Recovery Plan (ICRP) and Internal Capital Adequacy Assessment Process (ICAAP) systems and has been conveyed to BOA HOLDING.

## MANAGEMENT OF GROUP RISK TRANSVERSAL PROJECTS

In 2021, work focused on a number of major cornerstone risk projects in line with BANK OF AFRICA Group's Risk Management Department strategy:

- The roll-out of the latest version of the Group Loan Commitments Database (BEG) was completed at BOA, Moroccan and European subsidiaries.
- Enhancements were made to the solution for calculating capital requirements and producing 'Risk Authority' regulatory declarations at BANK OF AFRICA.

- Work continued on a number of projects relating to the roll-out of software solutions for recovery of sub-standard and non-performing loans, IFRS9 and internal ratings.

### Risk projects portfolio

The Group Risk Management Department's project portfolio consists of around twenty projects grouped together under 3 headings: Transformation Projects, Regulatory Projects and Transversal Projects.

## DESCRIPTION OF THE POLICY FOR MANAGING LIQUIDITY AND INTEREST RATE RISKS

BANK OF AFRICA has established a policy for controlling balance sheet risks such as liquidity and interest rate risks so that it is able to as to continuously monitor changes in financial market trends and their impact on the Bank's operations.

In order to maintain balance sheet stability from a medium- to long-term perspective, the Bank's liquidity and interest rate risk management policy aims to:

- Ensure income stability when interest rates change, thereby maintaining net interest income and optimising the economic value of equity;
- Ensure an adequate level of liquidity, thereby enabling the Bank to meet its obligations at any given time and protecting it from any eventual crisis;
- Ensure that the risk inherent in its foreign exchange positions does not have a negative impact on the Bank's profit margins;
- Steer the bank's strategy so as to take full advantage of growth opportunities available in the market.

The Bank has established an ALCO committee to ensure that these targets are met. The main tasks of this committee are as follows:

- Set asset-liability policy ;
- Organise and direct asset-liability sub-committees;
- Possess in-depth knowledge of types of risk inherent in the Bank's operations and keep abreast of any changes in these risks based on financial market trends, risk management practices and the Bank's operations ;
- Review and approve procedures aimed at limiting the risks inherent in the Bank's operations in terms of credit approval, investments, trading and other significant activities and products;
- Master the reporting systems that measure and control the main sources of risk on a daily basis ;
- Review and approve risk limits periodically given changes to the institutional strategy, approve new products and respond to important changes in market conditions;
- Ensure that the different business lines are properly managed by HR, the latter possessing a high level of competence, experience and expertise in relation to supervised activities.



### **Responsibilities of the different parties involved in interest rate and liquidity risk management**

Maintaining short- and medium-term balance sheet stability entails the involvement of all parties within the Bank and requires that each party's responsibilities are clearly defined in respect of interest rate and liquidity risk management.

In this regard, each of the Bank's entities will have its own budget and objectives, validated by the general management team on a medium-term basis. This enables the relevant bodies to ensure orderly monitoring and control of the three-year plan while balance sheet stability and compliance with regulatory capital requirements.

The ALM department regularly tracks changes in the Bank's balance sheet structure by comparison with the plan's objectives and indicates any divergence during ALCO committee meetings, attended by representative of all entities, and any required corrective measures.

### **Liquidity Risk**

The Bank's strategy in terms of liquidity risk management aims to ensure that its financing mix is adapted to its growth ambitions to enable it successfully expand its operations in a stable manner.

Liquidity risk is the risk of the Bank being unable to fulfil its commitments in the event of unforeseen cash or collateral requirements by using its liquid assets.

Such an event may be due to reasons other than liquidity, for example, significant losses that result from counterparties in default or due to adverse changes in market conditions.

The following two major sources may generate liquidity risk :

- Inability of the institution to raise the required funds to deal with unexpected situations in the short term, such as a massive withdrawal from deposits or a maximum drawdown of off- balance sheet commitments;
- A mismatch of assets and liabilities or the financing of medium- or long- term assets by short-term liabilities.

An acceptable liquidity level is a level that enables the bank to finance asset growth and to fulfil its commitments when they are due, thereby protecting the bank from any eventual crisis.

Two indicators are used to evaluate the Bank's liquidity profile:

- The Liquidity Coverage Ratio (LCR) was 175% on a consolidated basis at 31 December 2021, above the 100% regulatory limit set by Bank Al-Maghrib.
- The profile of cumulative impasses: the technique of periodic or cumulative impasses / Gap in dirhams and currencies, makes it possible to assess the level of liquidity risk incurred by the Bank in the short, medium and long term.

This technique makes it possible to estimate the net refinancing needs on different horizons and determine the appropriate terms of coverage.

### **Interest Rate Risk**

Interest rate risk is the risk that future changes in interest rates have a negative impact on the Bank's profit margins.

Changes in interest rates also impact the net present value of expected cash flows. The extent to which the economic value of assets and liabilities is impacted will depend on the sensitivity of the various components of the balance sheet to changes in interest rates.

Interest rate risk is measured by conducting simulation-based stress tests under a scenario in which interest rates are raised by 200 basis points as recommended by the Basel Committee.

The Bank's strategy in terms of interest rate risk management aims to ensure the stability of results against changes in interest rates, thereby maintaining net interest income and optimising the economic value of equity.

Changes in interest rates may negatively impact net interest income and result in the Bank significantly undershooting its initial projections.

In order to counter such risks, the ALM department regularly steers the Bank's strategy by establishing rules for matching assets and liabilities by maturity and by defining a maximum tolerance departure threshold for net interest income by comparison with projected net banking income.

The method of periodic or cumulative gaps in dirhams and in foreign currencies helps measure the level of interest rate risk incurred by the Bank over the short, medium and long term.

This method is used to estimate asset-liability mismatches over different time periods and determine an appropriate hedging strategy

### **Sensitivity of the value of the banking portfolio**

Simulation-based stress-tests are conducted to measure the impact of changes in interest rates on net interest income and on economic value of equity.

At 31 December 2021, with the trading book portfolio excluded, the impact from a 200-basis points change in interest rates on net interest income was an estimated at MAD -0.253 billion or -5.86% of projected net interest income (and + MAD 0.248 billion for an interest rate variation of -200 basis points, i.e. +5.75% of projected net interest income).

The change in the economic value of shareholders' equity in the event of a 200-basis points shock was an estimated MAD 0.937 billion or 7.5% of regulatory capital.

### **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 :

Fixed income Instruments	<b>I- Corporate and interbank loans/borrowings</b>
	Fixed rate (MAD and foreign currencies)
	Floating rate (MAD and foreign currencies)
	<b>II-Treasury bills and negotiable debt instruments</b>
	II-1 Sovereign securities
	Fixed rate (MAD and foreign currencies)
	Floating rate (MAD and foreign currencies)
	II-2 Securities issued by credit institutions and companies
	Fixed rate (MAD and foreign currencies)
	Floating rate (MAD and foreign currencies)
	<b>III- Stock lending/borrowing</b>
	Stock lending/borrowing
	Repos/Reverse repos
	<b>IV- Interest rate derivatives (MAD and foreign currencies)</b>
Mutual funds	Interest rate swaps
	Swap futures
	Forward Rate Agreement
	Money market mutual funds
	Bond mutual funds
Foreign Exchange Instruments	Equity mutual funds
	Composite mutual funds
	<b>I-Foreign exchange</b>
	FX spot
	FX forwards
Equity Instruments	<b>II-FX derivatives</b>
	FX swaps
	Foreign exchange options
	Equities
Commodity Products	Equity/index derivatives
	Commodity futures
	Commodity options
	Commodity swaps

### Market risk management policy

#### Governance

The main contributors to BANK OF AFRICA Group's market risk management policy are as follows:

- General Management, which implements market risk management strategies and policies approved by the

Board of Directors;

- Group 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 Committee, 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

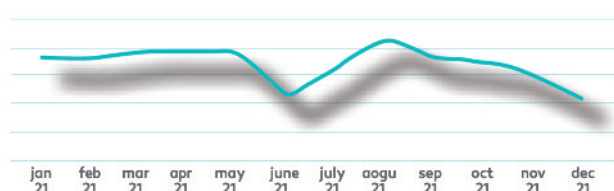
Different risk indicators reflecting the level of exposure to market risks are used within BANK OF AFRICA Group as follows:

#### • 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.

#### • Stressed VaR

The Group has established different scenarios for calculating stressed VaR.

The Group has focused on events that create a high level of volatility in financial markets. These events include

- The bankruptcy of Lehman Brothers, which was unable to withstand the sub-prime crisis;
- USD 1.000 billion widening in the US budget deficit to support financial markets;
- The Greek crisis and the threat of contagion spreading to the "PIIGS" countries.

The reaction by Morocco's financial markets to these events was limited however. A number of scenarios were

applied to simulate global market conditions:

- Fluctuation in the Casablanca stock market identical to that of the United States;
- Fluctuation in the dirham rate identical to that of USD;
- Repercussion of EUR/USD volatility on EUR/MAD and USD/MAD;
- Repercussion of EUR/USD volatility on EUR/MAD volatility and USD/MAD volatility.

#### 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:

#### a- Fixed income portfolio

**1<sup>st</sup> scenario:** A 25 basis point parallel shift in the yield curve.

This scenario would result in a MAD 32 million impact on the P&L.

**2<sup>nd</sup> scenario:** A 50 basis point parallel shift in the yield curve.

This scenario would result in a MAD 64 million impact on the P&L.

#### b- Equity portfolio

**1<sup>st</sup> 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.

**2<sup>nd</sup> scenario:** A 25% fall in the value of the equity portfolio.

This scenario would result in a MAD 15 million impact on the P&L.

#### c- Foreign exchange

**1<sup>st</sup> scenario:** A 2.5% rise or fall in the value of the dirham.

This scenario would result in a MAD 10 million impact on the P&L.

**2<sup>nd</sup> scenario:** A 5% rise or fall in the value of the dirham.

This scenario would result in a MAD 20 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.



CAPITAL REQUIREMENTS BY TYPE	CAPITAL REQUIRED
Capital required in respect of fixed income risk	615 391
Capital required in respect of equity risk	148 968
Capital required in respect of foreign exchange risk	14 213
Total capital required in respect of market risk	778 572
Total market risk-weighted assets	9 732 152

Consolidated capital requirements in respect of market risk at 31 December 2021 were as follows:

### 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 published by Bank Al-Maghrib and each transaction's characteristics.

#### Money Market and fixed income mutual funds

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 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 highlighting possible amendments to Network positions and updates on Kondor+.

#### Positive Fair Value of Contracts (guarantees)

Guarantees relating to market risks concern "repo"

agreements. The latter are securities sold under repurchase agreements in order to raise funds.

## 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 policy

#### 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 Department;
- 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.
- Closely monitoring the compliance with the assigned risk limits or thresholds.

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 frontoffice to back-office e.g. from branch level up until recognition in accounting terms.

## ICAAP SYSTEM

The Internal Capital Adequacy Assessment Process (ICAAP) is a process for assessing internal capital adequacy. Its objective is to ensure that the Bank, on a continuous basis, has adequate internal capital in relation to its risk profile.

There are 3 essential elements to ICCAP:

- Determining and steering BANK OF AFRICA S.A.'s risk appetite;
- Identifying and steering risks as well as establishing a capital buffer aimed at mitigating Pillar 2 risks (interest rate risk, liquidity risk, concentration risk, compliance risk etc.);

The Internal Capital Adequacy Assessment Process (ICAAP) enables the Bank to define a capital structure, dynamic projections of solvency ratios and additional capital requirements. To complement this process, the Bank carries out simulations and stress tests based on various criteria to assess the impact of risk factors on its resilience in terms of equity.

The introduction of a risk appetite framework has been achieved by incorporating two frames of reference: - A risk appetite framework which defines the governance and organisational scheme, the definition process and the Bank's risk appetite;

- A risk appetite statement which, consistent with the Group's development strategy, defines the risk appetite aspects which reflect the Bank's risk profile. These aspects have been broken down into quantitative indicators with related thresholds.

The Risk Department ensures that the risk appetite system is properly aligned to the capital allocation process and limits system. As far as the Group's main risks are concerned, the Group's risk appetite is governed by limits and alert thresholds. These indicators ensure that the Group is well-positioned to meet its target values and reach its goals in terms of profitability.

## INTERNAL CRISIS RECOVERY PLAN (PRCI)

In response to new measures introduced under Bank Al Maghrib's Circular 4/W/2017 relating to the introduction of an Internal Crisis Recovery (PRCI), BANK OF AFRICA has taken the necessary steps to comply with this regulation.

The purpose of this prevention system is to assess BANK OF AFRICA Group's resilience, as a systemic institution, in the event of an extreme crisis and to identify the key drivers to restore its viability in terms of solvency, liquidity, asset quality and profitability. The various risks to which the group is exposed are also covered by this PRCI. These include credit risk, market risk, country risk, balance sheet risk, operational risk, cybercrime risk, non-compliance risk and reputational risk. restore its viability in terms of solvency, liquidity, asset quality and profitability. The various risks to which the group is exposed are also covered by this PRCI. These include credit risk, market risk, country risk, balance sheet risk, operational risk, cybercrime risk, non-compliance risk and reputational risk.

As a result, a taxonomy of the Group's risks has been developed in conjunction with the ICAAP system, with more robust internal stress tests based on extreme but plausible scenarios covering every category of risk to which the Group is exposed.

The work carried out has enabled the Group to draw up an inventory of which businesses are considered as significant, which operations are fundamental and which functions are critical in the event of a major crisis. Crisis scenarios have been drawn up and simulations and impact calculations carried out. In addition, a simulation of the Covid-19 health crisis has been factored in which assumes a pessimistic and extreme development of the pandemic, similar to the scenarios considered by the IMF.

As a result, for each estimated impact, recovery measures have been defined with objectives established to restore the Bank's financial viability via previously identified quantifiable drivers. As such, the list of recovery measures has been reviewed, detailing the preparatory and prerequisite measures and the operational and financial risks to facilitate implementation of recovery measures as well as prioritising the defined measures.

BANK OF AFRICA – BMCE GROUP has adopted a system of early warning indicators for crises with the aim of identifying crises in a timely manner as well as defining a set of indicators for triggering recovery measures. The monitoring of these indicators is carried out as part of the Group's overall risk management and monitoring system.

This plan is updated annually to ensure that it complies with the relevant regulatory requirements.

The aim is for it to become a genuine tool within the risk prevention process.

## CORPORATE SOCIAL RESPONSIBILITY

Underpinning BANK OF AFRICA - BMCE Group's management framework relating to its undertakings regarding the environment, climate change and social responsibility is a set of values and an underlying



commitment to respecting human rights and the environment. This framework has been adopted by every one of the Group's banking and banking-related subsidiaries.

It should also be noted that this framework applies to all financial products and services offered by the Bank. As a result, BANK OF AFRICA - BMCE Group factors sustainable development considerations and goals into its commercial approach and manages the environmental, climate-related and social risks associated with its commercial commitments.

The risks resulting from environmental, climate-related and social (ECS) issues are inherent in any financial transaction. They translate into financial, legal, collateral-related or reputational impacts for the Bank.

The ECS risk identification, measurement and internal analysis systems are now closely linked to the day-to-day operational risk management process.

## MEASUREMENT OF CAPITAL ADEQUACY

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 BANK OF AFRICA Group comply with the regulatory prerogatives established by Bank Al- Maghrib.

## CAPITAL ADEQUACY AND COMPOSITION

### Main characteristics of items constituting shareholders' equity

BANK OF AFRICA's share capital stood at MAD 2 056 066 480 made up of 205 606 648 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.

### 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

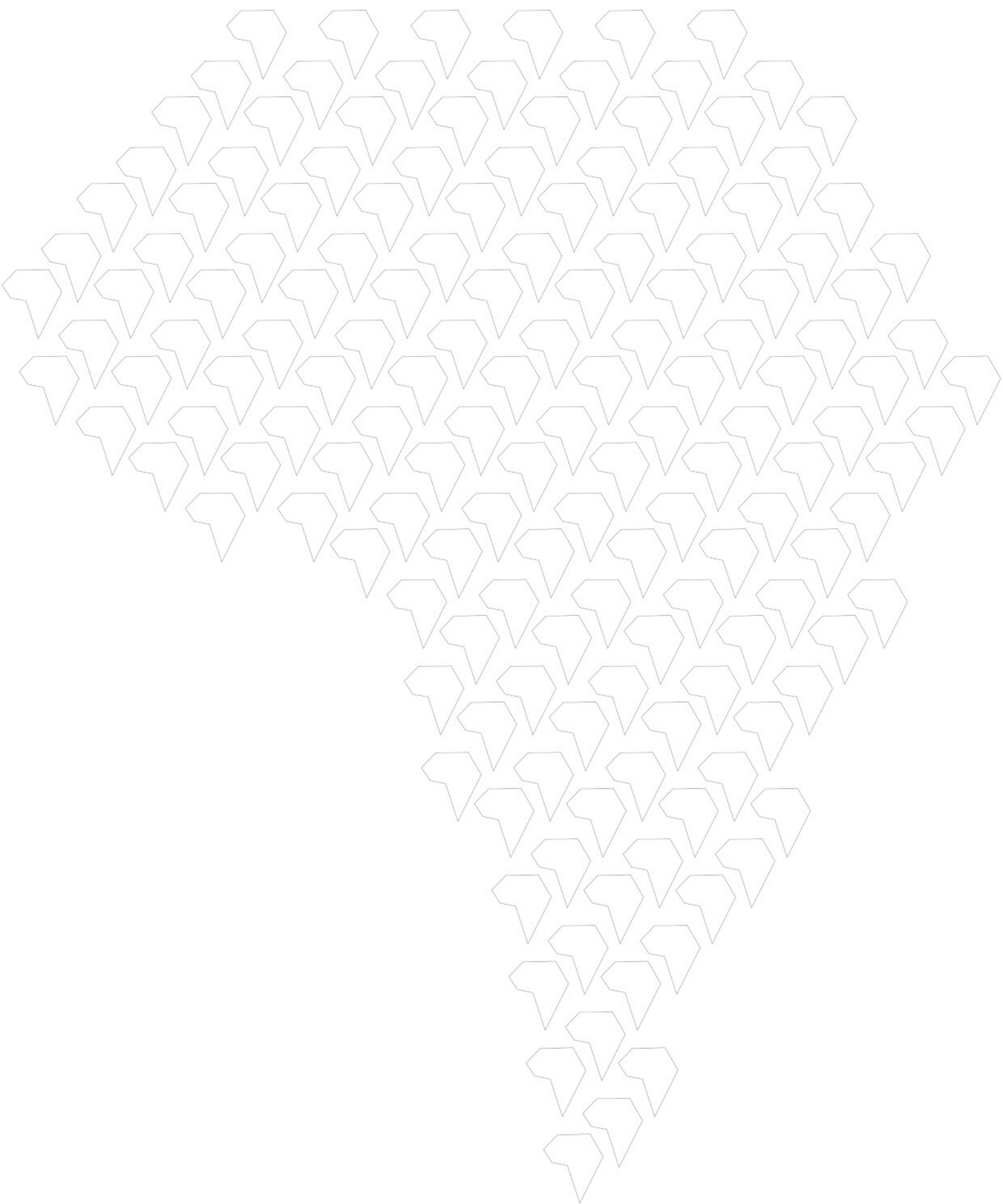
<b>Tier 1 capital</b>	<b>23 174 837</b>
<b>Items to be included in Tier 1 capital</b>	<b>26 553 390</b>
Share Capital	2 056 066
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	19 138 907
Retained earnings	26 741
Net income for the previous period	2 007 058
Minority interests	3 324 618
<b>Items to be deducted from Tier 1 capital</b>	<b>3 378 553</b>
Good will	1 032 114
Other adjustments to Tier 1 capital	1 502 481
Immobilisations	809 905
Other deductions	34 053
<b>Additional core capital</b>	<b>2 000 000</b>
Perpetual subordinated debt	2 000 000
<b>Tier 2 capital</b>	<b>7 191 632</b>
Perpetual subordinated debt	6 332 602
Revaluation differences	676 116
Hidden reserves	182 914
<b>Total</b>	<b>32 366 469</b>

<b>Capital Requirements by Risk Type</b>	<b>Dec 2021</b>
Risk-weighted credit risks	222 904 789
Risk-weighted market risks	9 732 152
Risk-weighted operational assets	26 022 125
Total risk-weighted assets	258 659 066
Tier 1 Capital	25 174 837
Tier 1 Capital ratio	9.7%
Total capital	32 366 469
Capital adequacy ratio	12.5%

### 18-month forward-looking ratios

Parent company	Dec 2021	Jun 2022	Dec 2022	Jun 2023
Regulatory Capital	12 921	13 381	13 566	13 731
Tier 1 Capital	14 921	15 381	15 566	15 731
Tier 2 Capital	21 067	21 927	22 512	23 127
Total Capital	140 955	143 856	146 173	148 454
<b>Risk-weighted assets</b>	<b>9.2%</b>	<b>9.3%</b>	<b>9.3%</b>	<b>9.2%</b>
<b>Tier 1 Capital Ratio</b>	<b>10.6%</b>	<b>10.7%</b>	<b>10.6%</b>	<b>10.6%</b>
<b>Capital Adequacy Ratio</b>	<b>14.9%</b>	<b>15.2%</b>	<b>15.4%</b>	<b>15.6%</b>

Consolidated	Dec 2021	Jun 2022	Dec 2022	Jun 2023
Regulatory Capital	23 175	23 546	24 483	26 450
Tier 1 Capital	25 175	25 546	26 483	28 450
Tier 2 Capital	32 366	33 196	34 533	36 950
Total Capital	258 659	273 636	281 274	288 285
<b>Risk-weighted assets</b>	<b>9.0%</b>	<b>8.6%</b>	<b>8.7%</b>	<b>9.2%</b>
<b>Tier 1 Capital Ratio</b>	<b>9.7%</b>	<b>9.3%</b>	<b>9.4%</b>	<b>9.9%</b>
<b>Capital Adequacy Ratio</b>	<b>12.5%</b>	<b>12.1%</b>	<b>12.3%</b>	<b>12.8%</b>



# FINANCIAL REPORT





## MANAGEMENT REPORT

### 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 2021 and its future prospects and to submit, for your approval, the balance sheet and annual 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 total assets stood at MAD 345 billion at 31 December 2021, an increase of 4% compared to 31 December 2020.

BANK OF AFRICA Group's shareholders' equity attributable to shareholders of the parent company stood at MAD 23.8 billion, an increase of 6% versus 2020, due to 2021 earnings exceeding the MAD 2 billion mark and a revaluation of the put option on BOA Afrique shares held by DFIs. As a result, consolidated shareholders' equity rose by almost MAD 130 million.

Regulatory capital was also bolstered after issuing MAD 1 billion of perpetual subordinated debt with a loss-absorption provision and cancelling interest payments, resulting in AT1 capital of MAD 2 billion.

Consolidated outstanding customer loans (excluding resales) rose by 4% from MAD 175 billion in 2020 to MAD 182 billion in 2021.

Customer deposits increased by 6% over the same period to MAD 219 billion versus MAD 207 billion at 31 December 2020.

The scope of consolidation was broadly unchanged versus 31 December 2020. Two deals were completed in 2021 without impacting the scope of consolidation:

- BANK OF AFRICA SA acquired BBI Madrid from BIH.
- The Bank also completed a deal to transfer some of its operating assets to Immo Fund of Africa, a REIT managed by BMCE Capital Real Estate. The REIT's equity has been opened up to institutional investors.

As far as the Group's consolidated financial performance was concerned, net banking income rose by 4% year-on-year to MAD 14.6 billion in 2021.

Gross operating income was MAD 6.6 billion, up 28%. Restated for the MAD 1 billion donation to the COVID-19 Special Fund, gross operating income rose by 7%.

The consolidated cost of risk declined by 15% to MAD 2.9 billion at 31 December 2021 versus MAD 3.4 billion at 31 December 2020.

The cost of risk in 2021 was impacted after recognising MAD 500 million of additional provisions under IFRS for sovereign bonds, due primarily to a downgrade in Burkina Faso's rating to CCC by S&P. Net income attributable to shareholders of the parent company was impacted to the tune of MAD 150 million as a result.

Net income attributable to shareholders of the parent company stood at MAD 2 billion in 2021 versus MAD 738 million in 2020, up 172%. Excluding the donation recognised in 2020, net income attributable to shareholders of the parent company rose by 47%.

Net income (Group) amounted to MAD 2,849 million, up 109% year-on-year. Excluding the donation, it grew by 43%.

### CONTRIBUTIONS TO NET INCOME attributable to shareholders of the parent company

					Excluding COVID-19 donation		
	Dec.21	% weighting	Dec.20	% weighting	Change	Dec.19	% weighting
MOROCCO	1019	51%	634	46%	61%	4	1%
BANK OF AFRICA	816	41%	518	38%	58%	-112	-15%
SUBSIDIARIES	202	10%	116	8%	74%	116	16%
SPECIALISED FINANCIAL SERVICES	131	7%	4	3%	197%	44	6%
INVESTMENT BANKING & ASSET MANAGEMENT	95	5%	83	6%	14%	83	11%
Others	-23	-1%	-11	-1%	110%	-11	1%
OVERSEAS OPERATIONS	988	49%	734	54%	35%	734	99%
EUROPE	175	9%	129	9%	36%	129	17%
AFRICA	813	41%	605	44%	34%	605	82%
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	2007	100%	1368	100%	7%	738	100%

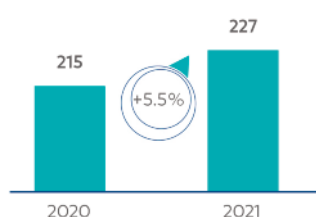




## RESULTS AND CONTRIBUTIONS FROM BANK OF AFRICA – BMCE GROUP SA'S OPERATIONS

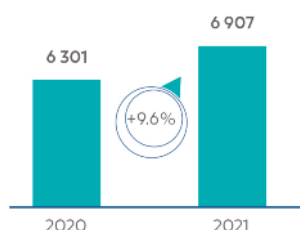
The Bank's total assets stood at MAD 227 billion at 31 December 2021 versus MAD 215 billion at 31 December 2020, up 5.5%.

Total assets (MAD billions)



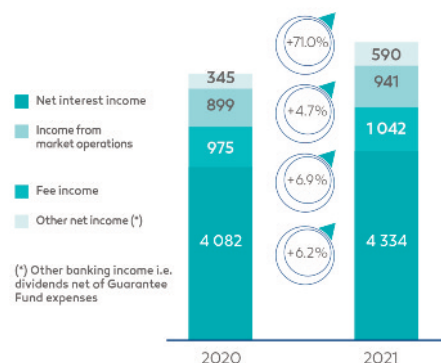
The Bank's net banking income increased by 9.6% to MAD 6,907 million at 31 December 2021 due to a combination of:

Net banking income (MAD millions)



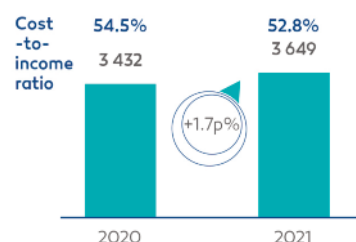
- A strong contribution from net interest income which rose by 6.2%, driven by strong growth in commercial activity with loans and non-interest-bearing sight deposits advancing together with an improved cost of funding.
- Growth in fee income of almost 7%, driven by a healthy performance across all product lines.
- 5% growth in income from market operations, despite a more benign environment for fixed income securities in 2020 due to a steep decline in Treasury bond yields, underpinned by an improvement in income from currency exchange.
- A 46% increase in dividend income after factoring in exceptional dividend income from BOA UK (ex-BBI UK) and BOA Europe (ex-BBI Madrid) of almost MAD 300 million.

Breakdown of net banking income (MAD millions)



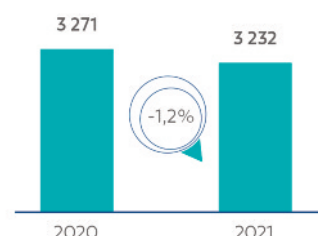
General expenses stood at MAD 3,649 million at 31 December 2021 versus MAD 3,432 million at 31 December 2020, resulting in a cost-to-income ratio of 52.8% at 31 December 2021 versus 54.5% at 31 December 2020 i.e. a 1.7 percentage points improvement.

General operating expenses (MAD millions)



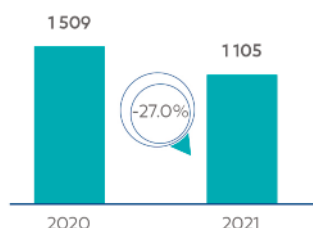
Gross operating income stood at MAD 3,232 million at 31 December 2021 versus MAD 3,271 million at 31 December 2020, down by a modest 1.2%. It is worth noting that gross operating income in 2020 included an exceptional gain in relation to the REIT of MAD 374 million versus MAD 44 million in 2021.

Gross operating income (MAD millions)



The overall cost of risk stood at MAD 1,105 million at 31 December 2021 versus MAD 1,509 million at 31 December 2020, down 27%, after factoring in:

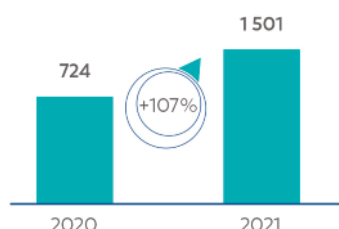
### Overall cost of risk (MAD millions)



- Loan-loss provisions of MAD 1,168 million at 31 December 2021 versus MAD 1,673 million at 31 December 2020, down 30.2%, due to a general risk provision write-back of MAD 110 million gross or MAD 69 million net.
- Write-backs of MAD 264 million in 2021 versus MAD 234 million at 31 December 2020, an increase of 13%.

BANK OF AFRICA - BMCE Group SA's net income was MAD 1,501 million at 31 December 2021, up 107%. Restated for the donation to the COVID-19 Special Fund in the year ended 31 December 2020, net income rose by almost 11%.

### Parent net income (MAD millions)



## HIGHLIGHTS OF THE BANK'S MOROCCAN OPERATIONS

### The Bank's funding sources

The Bank's funding sources increased by a significant 7.1% year-on-year to MAD 149 billion at 31 December 2021 versus MAD 139 billion at 31 December 2020. Its share of the funding market rose by 0.25 percentage points to 13.24% at 31 December 2021 versus 12.99% at 31 December 2020.

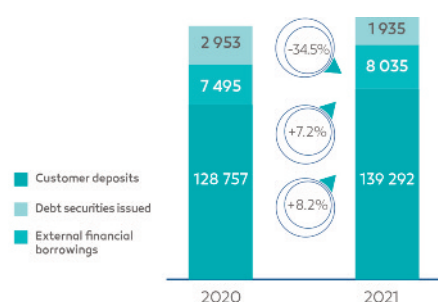
Customer deposits increased by 8.2% to MAD 139 billion at 31 December 2021, resulting in a 0.30 percentage point rise in market share to 13.30% at 31 December 2021.

As far as a breakdown of the Bank's funding sources was concerned, the share of non-interest-bearing deposits remained broadly unchanged compared to 31 December 2020, accounting for almost 63% of total sources at 31 December 2020.

### Share of the funding market

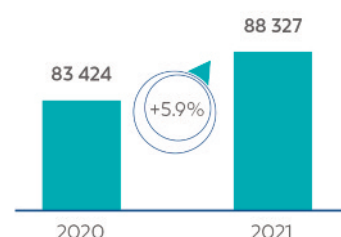


### Funding sources



Sight deposit accounts in credit grew by 5.9% to MAD 88 billion at 31 December 2021, driven by (i) a 5.5% or MAD 3.2 billion increase in cheque account outstandings to almost MAD 62 billion at 31 December 2021 and (ii) a 6.9% or MAD 1.7 billion rise in current account outstandings to MAD 26 billion.

### Sight deposit accounts in credit (MAD millions)



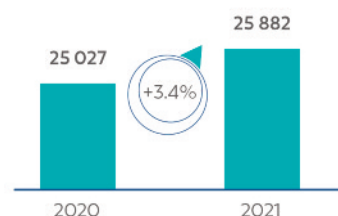
The Bank's share of sight deposit accounts in credit contracted by 0.22 percentage points from 12.83% at 31 December 2020 to 12.60% at 31 December 2021.

Passbook savings account outstandings grew by 3.4% to almost MAD 26 billion at 31 December 2021.

The Bank's share of passbook savings accounts rose by 0.08 percentage points from 14.84% at 31 December 2020 to 14.92% at 31 December 2021.

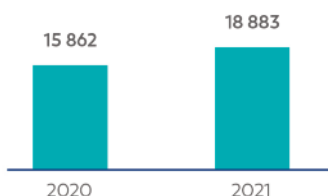


#### Savings accounts (MAD millions)



Term deposits stood at almost MAD 19 billion at 31 December 2021 versus almost MAD 16 billion at 31 December 2020.

#### Term deposits (MAD millions)

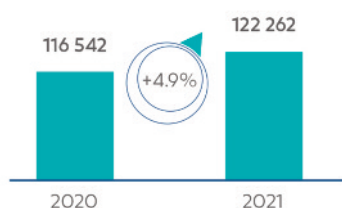


The Bank's share of term deposits stood at 13.68% at 31 December 2021 versus 11.54% at 31 December 2020.

#### Loans and advances to customers

Loans and advances to customers rose by 4.9% to almost MAD 122 billion at 31 December 2021 versus MAD 116 billion at 31 December 2020.

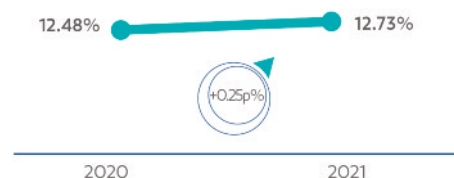
#### Loans and advances to customers (MAD millions)



Similarly, the Bank's share of the loan market increased by 0.25 percentage points from 12.48% at 31 December 2020 to 12.73% at 31 December 2021.

Corporate loans registered growth of 4.5% to almost MAD 58 billion at 31 December 2021. This was due to a solid performance by operating loans which grew by 4.5%, driven primarily by the Damane Oxygène and Damane Relance loan facilities with MAD 7.8 billion of total outstandings at 31 December 2021.

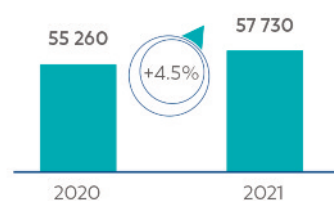
#### Share of the loan market



By contrast, equipment loans and FPI mortgages registered declines of 3.6% and 2.5% respectively in an economic context characterised by slowing investment.

The Bank's share of the corporate loan market increased by 0.34% to 12.06% at 31 December 2021.

#### Corporate loans (MAD millions)

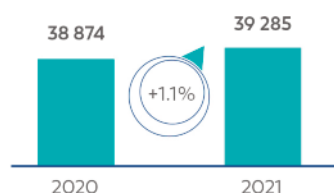


Retail loans grew by 1.1% to MAD 39 billion at 31 December 2021, driven primarily by a 1.3% increase in retail mortgages (+3% if the MAD 500 million mortgage securitisation transaction of 2021 were taken into account). The Bank's share of the retail loan market stood at 14.4% at 31 December 2021.

#### NET BANKING INCOME

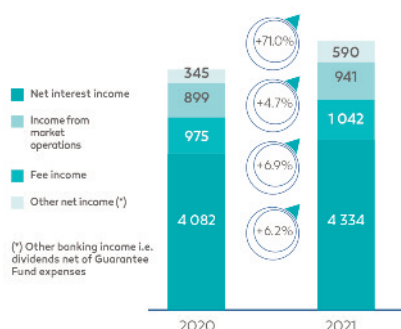
BANK OF AFRICA's net banking income stood at MAD 6,907 million at 31 December 2021 versus MAD 6,301 million at 31 December 2020, up 9.6%.

#### Retail loans (MAD millions)



Net interest income rose by 6.2% to MAD 4,334 million at 31 December 2021 versus MAD 4,082 million at 31 December 2020. This was due to an expansion of almost 3.7% in the Bank's intermediation margin on customer loans, benefiting from growth in outstandings as well as a downtrend in the cost of funding, due to a combination of:

### Breakdown of net banking income (MAD millions)



i) An increase of almost 5% year-on-year or MAD 6.3 billion in average deposits at 31 December 2021, driven primarily by non-interest-bearing deposits which rose by 7% or MAD 5.4 billion, with cheque account outstandings up MAD 3.2 billion and current account outstandings ahead by almost MAD 2 billion.

As a result, the Bank's cost of funding improved by 20 basis points to 0.74% at 31 December 2021 versus 0.94% at 31 December 2020.

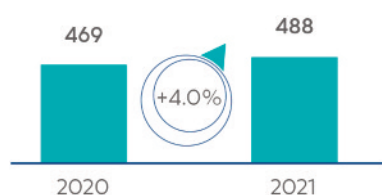
ii) Average outstanding loans rose by 4.6% year-on-year or MAD 5.2 billion at 31 December 2021. This was primarily due to the Damane Oxygène and Damane Relance loan facilities, which saw their average outstandings increase by MAD 5 billion.

It is worth underlining that the interest rate spread fell by 26 basis points to 4.24% at 31 December 2021 as a result of (i) a 22 basis points drop in the mortgage redemption charge, primarily due to the decline in the key lending rate in 2020 as well as an increase in the number of customers opting for a variable mortgage rate and (ii) the spreads on the Damane Oxygène and Damane Relance loan facilities, which carry an interest rate of 200 basis points over the key lending rate i.e. 3.5%.

### Fee income

Fee income rose by almost 6.9% to MAD 1,042 million at 31 December 2021, primarily due to:

#### Fees on account management, bank cards and packages (MAD millions)

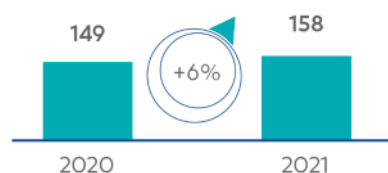


- A 4% increase in fees on packages, bank cards and account management, due to a combination of:
- A rise of almost 21% in bank card fees due to:
- The partial reopening of borders, resulting in a 61% jump in ATM transaction volumes by foreigners and a 26% increase in the volume of spending by overseas cardholders.
- A 22% increase in merchant interchange fees and out-of-network ATM cash withdrawal fees in Morocco, in line with an increase in the volume of out-of-network ATM cash withdrawals and a rise in merchant interchange volumes (+22%).
- A 3% rise in fees on packages with 27,349 new packages subscribed, resulting in a 4.1% increase in the overall stock of packages.
- 6% growth in Comex fees due to a 32% increase in transaction volume, especially documentary import credit undertakings, a 28% rise in documentary collections and an 11% increase in incoming foreign currency-denominated transfers.
- A 26% increase in bank-insurance fees due to (i) a 19% rise in income protection products, driven primarily by loan protection insurance fees and (ii) 27% growth in savings products, primarily due to increased volumes for the Crescendo product.
- 9% growth in loan fees due to a 12% year-on-year increase in account overshoots.

### INCOME FROM MARKET OPERATIONS

Reported income from market operations stood at MAD 941 million at 31 December 2021 versus MAD 899 million at 31 December 2020, up 5%:

#### Morocco desk (MAD millions)



- Income from currency exchange stood at MAD 405 million at 31 December 2021 versus MAD 235 million at 31 December 2020, due to a significant recovery in currency exchange transactions in 2021.



#### Bank-Insurance fees (MAD millions)



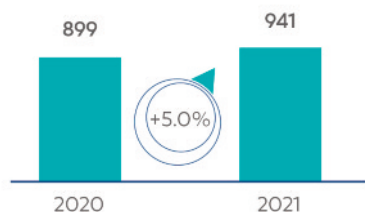
- The yield on the fixed income portfolio fell from 2.7% at 31 December 2020 to 2.3% at 31 December 2021 following a series of interest rates cuts in 2020, which resulted in a fall in net capital gains in 2021.

#### Loan fees (MAD millions)



It is worth noting that the mutual fund portfolio was valued at MAD 21.5 billion at 31 December 2021 versus MAD 20 billion at 31 December 2020.

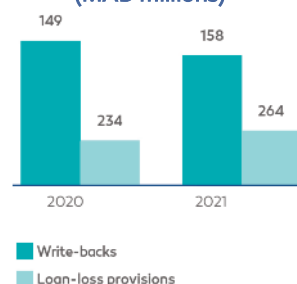
#### Income from market operations (MAD millions)



### GENERAL OPERATING EXPENSES

General operating expenses stood at MAD 3,649 million at 31 December 2021, resulting in a cost-to-income ratio of 52.8% versus 54.5% in 2020, an improvement of 1.7%:

#### Loan-loss provisions and write-backs (MAD millions)



- Employee expenses stood at MAD 1,674 million at 31 December 2021 versus MAD 1,553 million at 31 December 2020.
- Other operating expenses stood at MAD 1,975 million, impacted by:
- First time recognition of rental income from the assets transferred to the REIT (+MAD 30 million)
- An increase in amortisation expenses, primarily related to IT investment – software and IT equipment – as part of an ongoing process to enhance the Bank's IT capabilities.

### COST OF RISK

The overall cost of risk stood at MAD 1,105 million at 31 December 2021 versus MAD 1,509 million at 31 December 2020.

Loan-loss provisions on customer accounts stood at MAD 1,168 million at 31 December 2021 versus MAD 1,673 million at 31 December 2020, down 30.2% due to a general risk provision write-back of MAD 110 million gross or MAD 69 million net.

Write-backs of MAD 264 million in 2021 versus MAD 234 million at 31 December 2020, an increase of 13%.

## NET INCOME

BANK OF AFRICA's net income stood at MAD 1,501 million at 31 December 2021, up almost 107%. Restated for the donation to the COVID-19 Special Fund in the year ended 31 December 2020, net income rose by almost 11%.

## SPECIALISED FINANCIAL SERVICES

Contribution	SFS		Salafin		Maghrébaïl		M.Factoring		RM Experts		Euler Hermes Acmar	
MAD millions	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20
Consolidated net banking income	641	701	300	279	328	411	11	10	1,2	0,8	na	na
Change	-	9%		8%		-20%		20%				
General expenses	-260	-241	-135	-126	-80	-74	-21	-21	-24,1	-19,2	na	na
Change		8%		7%		7%		2%		26%		
Cost of risk	-213	-444	-100	-234	-111	-208	-2,3	-1,8	na	na	na	na
Change		-52%					3%					
Net income attributable to shareholders of the parent company	131	44	58	-16	61	59	3,6	3,0	0,7	0,5	6,9	-2,6
Change		198%				4%						

The contribution from Specialised Financial Services to net income attributable to shareholders of the parent company increased from MAD 44 million in 2020 to MAD 131 million in 2021.

Salafin's parent net income stood at MAD 84.7 million at 31 December 2021 versus a loss of MAD 16 million at 31 December 2020, the latter resulting from an exceptional increase in provisions for non-performing loans.

Maghrébaïl's parent net income rose by 54% to MAD 99 million in 2021 versus MAD 64 million in 2020.

Maroc Factoring's parent net income rose by 20% year-on-year to MAD 3.6 million in 2021.

RM Experts registered parent net income of MAD 2.2 million in 2021 versus MAD 2 million in 2020.

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 34.6 million at 31 December 2021 versus a loss of MAD 13 million in 2020.

## INVESTMENT BANKING AND ASSET MANAGEMENT

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

Contribution	Investment banking and Asset Management		BMCE Capital		BK Bourse		BK Gestion	
MAD millions	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20
Consolidated net banking income	362,1	333,0	184,7	177,1	20,4	19,2	157,0	136,8
Change		9%		4%		7%		15%
General expenses	-282,7	-297,6	-224,3	-231,5	-15,6	-16,0	-42,7	-50,1
Change		-5%		-3%		-3%		-15%
Cost of risk	-7,2	-2,9	0,0	0,4	0,9	-1,2	-8,0	-2,1
Change								
Net income attributable to shareholders of the parent company	94,9	82,6	38,3	39,3	0,4	0,6	56,2	42,7
Change		15%		-2,5%				32

The contribution from Investment Banking & Asset Management to net income rose by 15% year-on-year to MAD 95 million in 2021.

BMCE Capital posted consolidated net income of MAD 38 million in 2021 versus MAD 39 million in 2020.

BMCE Capital Bourse registered a profit of MAD 0.4 million in 2021 versus MAD 0.6 million in 2020.

BMCE Capital Gestion posted net income of MAD 56 million in 2021 versus MAD 42.7 million in 2020, up 32%.





## OTHER MOROCCAN OPERATIONS

BANK OF AFRICA Group's 'Other operations' comprise Locasom, EAI, CID, AML and BTI, the majority of which are accounted for under the equity method.

Contribution	Others		Locasom		EAI		CID		AML		bti Bank	
MAD millions	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20
Consolidated net banking income	144,5	125,5	144,5	125,5	na	na	na	na	na	na	na	na
Change		15%		15%								
General expenses	-111,0	-87,3	111,0	-87,3	na	na	na	na	na	na	na	na
Change		27%		27%								
Cost of risk	-0,83	0,0	-0,83	0,0	na	na	na	na	na	na	na	na
Change												
Net income attributable to shareholders of the parent company	-23,1	-10,8	11,0	21,7	-1,3	-1,5	4,7	0,9	-16,1	-6,6	-21,5	-25,2
Change				-49%								

Locasom, a specialist vehicle leasing subsidiary, posted parent net income of MAD 20 million, down 10.7%, contributing MAD 11 million to net income attributable to shareholders of the parent company, down 49% versus 31 December 2020.

EAI, a technology subsidiary, registered a profit of MAD 2.9 million in 2021 versus MAD 5 million in 2020.

CID, an engineering company specialising in civil engineering, building, transport, and hydraulic projects, posted net income of MAD 12.1 million in 2021 versus MAD 2 million in 2020. Its contribution to net income attributable to shareholders of the parent company increased from MAD 1 million in 2020 to MAD 4.7 million in 2021.

Africa Morocco Link or 'AML', a subsidiary specialising in maritime transport, registered a loss of MAD 31.6 million in 2021 versus a loss of MAD 13 million in 2020, impacted by the effects of the pandemic on the maritime transport industry.

Bank Al-Tamweel Wa Al-Inma or 'BTI', the Group's participatory bank, registered a loss of MAD 42 million in 2021 versus a loss of MAD 49 million in 2020.

## RESULTS AND CONTRIBUTIONS FROM OVERSEAS OPERATIONS

Contribution	International		Europe		Africa	
MAD millions	D 21	D 20	D 21	D 20	D 21	D 20
Consolidated net banking income	7 239	6 974	554	522	6 685	6 452
Change		4%		6%		4%
General expenses	-3 958	-4 033	-268	-259	-3 691	-3 774
Change	-2%	3%	-2%			
Cost of risk	-1 388	-1 406	-20	-28	-1 368	-1 378
Change		-1%		-29%		-0,7%
Net income attributable to shareholders of the parent company	988	734	175	129	813	605
Change		35%		36%		34%

In 2020, the contribution from overseas operations to consolidated net income attributable to shareholders of the parent company rose by 35% from MAD 734 million to MAD 988 million, accounting for 49% of overall net income attributable to shareholders of the parent company.

## EUROPEAN OPERATIONS

BANK OF AFRICA Europe posted parent net income of EUR 10.9 million, up 6% year-on-year.

BANK OF AFRICA UK saw its parent net income jump from GBP 1.7 million in 2020 to GBP 5.2 million in 2021.

## AFRICAN OPERATIONS

The subsidiaries of BOA Group-Luxembourg-BOA Afrique saw their contribution to net income attributable to shareholders of the parent company increase by 34% year-on-year.

Contribution	Africa		BOA		LCB		BDM	
MAD millions	D 21	D 20	D 21	D 20	D 21	D 20	D 21	D 20
Consolidated net banking income	6 685	6 452	6 472	6 284	213	168	na	na
Change		4%		3%		27%		
General expenses	-3 691	-3 774	-3 505	-3 591	-186	-183	na	na
Change		-2%		-2%		2%		
Cost of risk	-1 368	-1 378	-1 381	-1 493	13	115	na	na
Change		-1%		-8%				
Net income attributable to shareholders of the parent company	813	605	720	495	14	35	79	75
Change		34%		46%		5%		

BOA Afrique's net income attributable to shareholders of the parent company, based on local accounting standards, rose by 60% to EUR 105.3 million at 31 December 2021 versus EUR 65.7 million at 31 December 2020.

LCB Bank registered a loss of EUR 0.3 million in 2021 versus a profit of EUR 0.6 million in 2020. Its contribution to net income attributable to shareholders of the parent company fell from MAD 35 million to MAD 14 million in 2021.

Banque de Développement du Mali, accounted for under the equity method, saw its net income increase by 7% year-on-year to EUR 22.9 million in 2020, whilst its contribution to net income attributable to shareholders of the parent company rose by 5%.

## 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) And overseas, by:

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

To be sufficiently capitalised to be able to fulfil its growth ambitions, the Bank bolstered its capital base in 2021, after issuing MAD 1 billion of perpetual subordinated debt with a loss-absorption provision and cancelling interest payments.

The Bank will also continue its efforts to recover non-performing loans and will carry out a phased disposal of non-operating assets as market conditions improve.

In response to the pandemic and its impact on the economy in 2020, in 2021, BANK OF AFRICA Group continued to make every effort to support the economy and mitigate the pandemic's impact on the Group's financial performance and on its customers, partners and employees.

The Bank further accelerated the process of digitising its operations by continuing to enhance its range of digital and multichannel products and services – rolling out an online mortgage application platform, Agence Directe, Daba Pay and Credit Business Online.



## ASSET-LIABILITY MANAGEMENT AT 31 DECEMBER 2021:

### Liquidity risk

The Liquidity Coverage Ratio (LCR) stood at 167% on an individual basis and 175% on a consolidated basis at 31 December 2021, above the 100% regulatory threshold set by Bank Al-Maghrib for 2021.

### Interest rate risk

Stress test simulations were carried out to measure the impact from a change in interest rates on net interest income and the economic value of shareholders' equity.

At 31 December 2021, 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 negative MAD 53 million or -5.86% of projected net interest income whilst the impact from a -200-basis points change was estimated to be positive MAD 248 million or +5.75% 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 937 million or 7.5% of regulatory capital.

## LIST OF APPOINTMENTS OF BANK OF AFRICA'S DIRECTORS

### **Othman Benjelloun, Chairman and Chief Executive Officer of BANK OF AFRICA**

- Chairman and Chief Executive Officer of O Capital Group
- Chairman and Chief Executive Officer of O CAPITAL AFRICA
- Chairman and Chief Executive Officer of Cap d'Argent
- Chairman and Chief Executive Officer of Cap Estate
- Chairman and Chief Executive Officer of Internationale de Financement et de Participation (Interfina)
- Chairman and Chief Executive Officer of O Tower
- Chairman and Chief Executive Officer of Ranch Adarouch
- Chairman and Chief Executive Officer of Société Financière du Crédit du Maghreb (S.F.C.M)
- Chairman and Chief Executive Officer of BAB Consortium
- Chairman of the Board of Directors of BMCE International Holding (B.I.H)
- Chairman of the Board of Directors of Medi Telecom
- Chairman of the Board of Directors of MBT
- Chairman of the Board of Directors of Revly's Marrakech
- Chairman of the Board of Directors of RMA
- Chairman of the Board of Directors of RMA Alternative Investments
- Chairman of the Board of Directors of RMA Asset Management
- Chairman of the Board of Directors of RMA Capital
- Chairman of the Board of Directors of RMA Mandates
- Chairman of the Board of Directors of Société d'Aménagement Tanger Tech
- Chairman of the Board of Directors of Sensyo Pharmatech
- Chairman of the Supervisory Board of Financière Yacout<sup>1</sup>
- Chairman of O CAPITAL EUROPE
- Director of Argan Invest
- Director of Casablanca Finance City Authority
- Director of Maghrebail
- Director of Medi 1 Radio, representative of O Capital Group
- Director of Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires
- Chairman of the Professional Association of Moroccan Banks (GPBM)
- Chairman of the Othman Benjelloun Foundation
- Chairman of the Mezian Benjelloun Foundation for Science and Education

1. Also representative of O Capital Group on the Supervisory Board of Financière Yacout



**Mr Zouheir Bensaid,  
Representative of RMA**

- Director of Air Arabia
- Director of AKWA AFRICA
- Director of Argan Invest
- Director of BANK OF AFRICA – BMCE Group
- Board Member, representative of RMA, BMCI LEASING
- Director of Cap Estate
- Board Member, representative of RMA, CAT
- Director, representative of BANK OF AFRICA -ex BMCE-, CFG
- Director of CTM
- Director, representative of O Capital Group, DBM Media Group
- Director of Decrow Capital
- Director of EurAfric Information
- Director of Finatech
- Supervisory Board Member, representative of RMA, FONCIERE EMERGENCE
- Board Member, representative of O Capital Group, HANOUTY SHOP
- Chairman of the Board of Directors of Infra Invest
- Director of Lydec
- Director of Maghrebail
- Chief Operating Officer of MBT
- Chairman and Chief Executive Officer and Director, representative of RMA, Medium Finance
- Director of Mutandis
- Director of Mutandis Automobile
- Director of Mutatis
- Director of O Capital France
- Director of O Capital Group
- Director of O Tower
- Director, representative of RMA, Revly's
- Director of Risma
- Chief Operating Officer of RMA
- Chief Operating Officer of RMA Alternative Investments
- Chief Operating Officer of RMA Asset Management
- Chairman of the Board of Directors of RMA Assistance

- Chief Operating Officer of RMA Capital
- Chairman of RMA Capital International
- Manager of RMA Services
- Chairman and Chief Executive Officer of RMA Elan
- Chairman of the Board of Directors of RMA Investment Partners
- Chief Operating Officer of RMA Mandates
- Director of Saemog
- Director of T Capital
- Director of Tanger Med Zones
- Co-Manager of Terrasses de l'Océan (real estate holding company)
- Director of Villa Roosevelt
- Manager of Villajena
- Chairman of the Board, representative of RMA and RMA ASSISTANCE, IMMO FUND OF AFRICA - REIT
- Chairman of the Board, representative of RMA and RMA ASSISTANCE, CORPO IMMO - REIT
- Chairman of the Board, representative of RMA and RMA ASSISTANCE, REAL ESTATE RENDEMENT - REIT
- Chairman of the Board, representative of RMA and RMA ASSISTANCE, RESILIENCE IMMO - REIT
- Director, acting in a personal capacity, of TANGER AUTOMOTIVE CITY
- Director, acting in a personal capacity, of TANGER FREE ZONE

**Mr Lucien Miara,  
Representative of Banque Fédérative du Crédit Mutuel**

- Director, representative of BFCM and of BANK OF AFRICA

**Mr Abdellatif Zaghnoun,  
Representative of Caisse de Dépôt et de Gestion**

- Director, representative of CDG and of BANK OF AFRICA
- Director of Crédit Immobilier Hôtelier (CIH)
- Director of BARID AL MAGHRIB
- Chairman of the Board of Directors of Société Centrale de Réassurance (SCR)
- Director of Casablanca Finance City Authority (CFCA)
- Chairman of the Board of Directors of CDG Capital
- Chairman of the Board of Directors of Fipar Holding
- Chairman of the Board of Directors of CDG INVEST
- Vice-Chairman of the Board of Directors of Ciments du Maroc (CIMAR)
- Director of Médiatecom (ORANGE)





- Director of Fonds Marocain de Placement (FMP)
- Chairman of the Board of Directors of MADAEF
- Vice-Chairman of the Board of Directors of Société Marocaine de Valorisation des Kasbahs
- Board Director of International University of Rabat
- Chairman of the Board of Directors of Foncière Chellah
- Chairman of the Board of Directors of CDG Foundation
- Chairman of the Board of Directors of AHLY Foundation
- Chairman of the Board of Directors of the Moroccan Institute of Directors
- Chairman of the Board of Directors of Société d'Aménagement Ryad
- Member of the Supervisory Board of Tanger Med Special Agency (TMSA)
- Chairman of the Board of Directors of CDG Développement
- Chairman of the Board of Directors of NOVEC
- Chairman of the Supervisory Board of MEDZ
- Chairman of the Board of Directors of CGI
- Vice-Chairman of the Board of Directors of SONADAC
- Chairman of the Board of Directors of the Anfa Urbanisation and Development Agency (AUDA)
- Chairman of the Board of Directors of Société d'Aménagement de Zenata (SAZ)
- Chairman of the Board of Directors of PATRILOG
- Chairman of the Board of Directors of Société de Développement de Saidia (SDS)
- Chairman of the Board of Directors of Société d'Aménagement et de Promotion de la Station de Taghazout (SAPST)
- Director of Oued Chbika Développement (OCD)
- Director of Al Omrane Holding
- Director of Al AKHAWAYN UNIVERSITY OF IFRANE (AUI)
- Director of the School of Arts and Crafts, Rabat Campus (EAMR)

**Mr Hicham El Amrani,  
Representative of O Capital Group**

- Director, permanent representative of O Capital Group and of BANK OF AFRICA
- Director and Chairman of the Audit Committee of AIR ARABIA MAROC
- Chairman and Chief Executive Officer of ARGAN INVEST
- Director of BLACKPEARL FINANCE
- Director, permanent representative of O Capital Group and Member of the Group Risk Committee of BANK OF AFRICA
- Director, permanent representative of O Capital Group and of BRICO-INVEST
- Director, permanent representative of FINANCIERE YACOUT and of CAP D'ARGENT
- Director representing O Capital Group and Deputy Chief Executive Officer of CAP ESTATE

- Director, permanent representative of Argan Invest and of COLLIERS INTERNATIONAL MOROCCO
- Director, Chairman of the Strategy Committee, Member of the Audit Committee and of the HR Committee of CTM
- Director of CTM MESSAGERIE
- Director, Vice-Chairman of the Board of Directors of DBM MEDIA GROUP (ex-Africa Teldis & Communication)
- Director, permanent representative of O Capital Group and of O CAPITAL AFRICA
- Director of O CAPITAL EUROPE
- Member of the Executive Board of FINANCIERE YACOUT
- Director of FINATECH GROUP
- Deputy Chief Executive Officer of INTERFINA
- Director, Chairman of the Strategy Committee, Member of the Audit Committee and of the HR Committee of MEDITELECOM (Orange)
- Deputy Chief Executive Officer of O Capital Group (main function)
- Director, permanent representative of O Capital Group and of O TOWER
- Director, permanent representative of INTERFINA and of REVLY'S
- Supervisory Board Member and Member of the Audit Committee of RISMA
- Director and Member of the Audit Committee of RMA
- Director, permanent representative of O Capital Group and of SFCM

**Mr Azeddine Guessous,**  
***Intuitu Personae* Director**

- Director of BANK OF AFRICA
- Director of BANK OF AFRICA EUROPE (ex-BMCE International Madrid)
- Director of BOA Group
- Director of RMA
- Director of SETTAVEX
- Director of LYDEC
- Director of AL MADA
- Director of SONASID
- Director of RISMA
- Director of MAROCAINE DES TABACS
- Director of ALMA PACK
- Director of ALMA BAT
- Director of AL AKHAWAYN



**Mr Marc Beaujean,  
Representative of CDC Limited**

- Director, representative of CDC Ltd, and of BANK OF AFRICA
- Director of BOA Group SA, representative of CDC
- Independent Director, Arab International Bank of Tunisia

**Mr Mohamed Kabbaj,  
Independent Director**

- Independent Director of BANK OF AFRICA
- Chairman of the Strategy Task Force Committee of BANK OF AFRICA
- Member of the Group Audit and Internal Control Committee of BANK OF AFRICA

**Mr François Henrot,  
Independent Director**

- Independent Director of BANK OF AFRICA
- Member of the Supervisory Board of Rexel SA
- Chairman of the Board of Directors of Cobepa (Belgium)

**Mr Brian Henderson,  
Independent Director**

- Independent Director of BANK OF AFRICA
- Founding Partner of Henderson International Advisors LLC
- Non-executive Chairman of Augustea Bunge Maritime Ltd., Malta
- Advisor to Cremades & Calvo Sotelo, Madrid
- Senior Advisor to Rockefeller Capital Management
- Director of Fort Apache Heritage Foundation
- Director of Harvard Project on American Indian Economic Development, Honoring Nations
- Vice-Chairman of Middle East institute – Washington.

**Mrs Nezha Lahrichi,  
Independent Director**

- Independent Director of BANK OF AFRICA
- Chairman of the Group Audit and Internal Control Committee of BANK OF AFRICA
- Member of the Group Risk Committee of BANK OF AFRICA

**Mr Abdou Bensouda,**  
***Intuitu Personae* Director**

- Chairman of the Board of Directors of Olkad Group
- Chairman of O Capital IM
- Chairman of O Capital France
- Vice-Chairman of O Capital Green Investments
- Deputy Director of O Capital Europe
- Director of BANK OF AFRICA
- Director of Africa Investment Holdings
- Director of Bridges for Africa
- Director of Finatech Group
- Director of Argan Infrastructure Fund
- Director of Decrow Capital
- Director of Infra Invest
- Director of Argan Infra
- Director of Green of Africa
- Director of Dounia Productions
- Manager of FCOMI-L
- Manager of SCI O Capital Group
- Manager of Global Strategic Holdings
- Manager of B4 Advisory
- Director of Hoche Participations
- Director of O Capital Group
- Director of Moroccan Aerospace Investment Company
- Director of Valyans Consulting
- Director of BAB Consortium
- Director of Sensyo Pharmartech

**Mr Brahim Benjelloun Touimi,**  
**Board Member and Deputy Chief Executive Officer**

- Board Member and Deputy Chief Executive Officer of BANK OF AFRICA
- Chairman of BOA Group
- Chairman of BOA WEST AFRICA
- Director of RMA
- Director of O Capital Group
- Director of BMCE Bank Foundation
- Chairman of the Supervisory Board of EURAFRIC INFORMATION



- Director of EURO INFORMATION France
- Chairman of the Supervisory Board of BMCE CAPITAL
- Chairman of the Supervisory Board of SALAFIN
- Chairman of the Supervisory Board of MAROC FACTORING
- Chairman of the Board of Directors of BMCE ASSURANCES
- Chairman of the Board of Directors of BMCE EUROSERVICES
- Vice-Chairman of the Board of Directors of BTI BANK
- Chairman of the Supervisory Board of OPERATIONS GLOBAL SERVICES
- Director of BMCE BANK INTERNATIONAL UK
- Director of BMCE INTERNATIONAL HOLDINGS
- Director of BANK OF AFRICA EUROPE (ex-BMCE International Madrid)
- Director of MAGHREBAIL
- Director of RM EXPERTS
- Director of O'TOWER
- Director of SOCIETE D'AMENAGEMENT TANGER TECH
- Director of PROPARCO, permanent representative of BANK OF AFRICA
- Director of the CASABLANCA STOCK EXCHANGE, representative of BANK OF AFRICA

**Mrs Myriem Bouazzaoui,**  
***Intuitu Personae* Director**

- Director of BANK OF AFRICA
- Chief Executive Officer of BMCE Capital Gestion
- Member of the Supervisory Board of BMCE Capital
- Director of BMCE Capital Gestion Privée
- Director of BMCE Capital Solutions
- Director of BMCE Capital Investments
- Director of BMCE Capital Holding
- Director of BMCE Capital Securities (Tunisia)
- Director of BOA Capital Asset Management (Ivory Coast)
- Director of BMCE Capital Research, representing BMCE Capital Gestion
- Director of BMCE Capital Gestion sous Mandat, representing BMCE Capital Gestion
- Director of BMCE Capital Titrisation, representing BMCE Capital Gestion
- Director of BMCE Capital Gestion Privée International and permanent representative of BMCE Capital Gestion Privée
- Chairman of the Board of Directors of BMCE Capital Asset Management (Tunisia)







# CONSOLIDATED FINANCIAL STATEMENTS



7 Boulevard Driss Slaoui, 20160  
Casablanca  
Maroc



23, rue Brahim Lemtouni - Quartier Oasis  
20410 - Casablanca - Maroc

## **BANK OF AFRICA Group – BMCE GROUP**

### **STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**



7 Boulevard Driss Slaoui, 20160  
Casablanca  
Maroc



23, rue Brahim Lemtouni - Quartier Oasis  
20410 - Casablanca - Maroc

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

## **STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

### **Qualified opinion**

We have audited the attached consolidated financial statements of BANK OF AFRICA and its subsidiaries (the 'Group'), which comprise the consolidated financial position at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended 31 December 2021 as well as the notes to the financial statements, including a summary of significant accounting policies. These financial statements show consolidated shareholders' equity of MAD 29,499,117 K, including consolidated net income of MAD 2,849,376 K.

These financial statements were drawn up by the Board of Directors 25 March 2022 against the evolving backdrop of the COVID-19 pandemic based on information available at the time.

In our opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section, the consolidated financial statements referred to above in the first paragraph give a true and fair view, in all material aspects, of the consolidated financial position of the Group at 31 December 2021, as well as its consolidated financial performance and consolidated cash flows for the period ended 31 December 2021, in accordance with International Financial Reporting Standards (IFRS).

### **Basis for qualified opinion**

BANK OF AFRICA S.A has a stock of non-operating real estate assets, acquired by dation-in-payment, amounting to MAD 4.7 billion at 31 December 2021. Pursuant to the regulatory provisions in force, uncertainty exists regarding the realisable value of MAD 1.5 billion of these assets.

We conducted our audit in accordance with Moroccan accounting standards. Our responsibilities by virtue of those standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report.

We are independent of the Group in accordance with the ethical requirements that apply to the audit of consolidated financial statements in Morocco, and we have fulfilled our other responsibilities in accordance with those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the period in question. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated financial statements as a whole and for the purpose of forming an opinion on these. We do not express an opinion on these individual matters.

In addition to the matter described in the 'Basis for Qualified Opinion section' of our report, we have determined the matters described below to be the key audit matters which should be communicated in our report:

Risk identified	Our audit response
<p><b>Credit risk appraisal for loans and advances to customers</b></p> <p>Customer loans carry a credit risk which expose the Group to a potential loss if customers or counterparties are unable to meet their financial obligations.</p> <p>The Group recognises loan loss provisions to cover this risk. These impairment losses are determined in accordance with the requirements of IFRS 9 'Financial Instruments' and the principle of expected credit losses.</p> <p>An assessment of expected credit losses for customer loan portfolios requires judgement to be exercised, particularly in:</p> <ul style="list-style-type: none"> <li>- Determining the criteria for classifying loans in buckets 1, 2 or 3</li> <li>- Estimating the amount of expected credit losses as a function of the various buckets</li> <li>- Drawing up macroeconomic forecasts which are incorporated both in the impairment criteria and in the calculation of expected credit losses.</li> </ul> <p>Detailed information regarding recognition of expected credit losses and the methods used to estimate them is provided in the summary of the main accounting policies in the notes to the consolidated financial statements.</p> <p>At 31 December 2021, total gross customer loan exposure to credit risk amounted to MAD 213,914 billion whilst total impairment amounted to MAD 16,893 billion.</p> <p>We considered the assessment of credit risk and the measurement of impairment and loan loss provisions to be a key audit matter given that (i) the amount recognised in the Group's financial statements in respect of these assets was significant and (ii) and Management was required to exercise judgement and to make estimates.</p>	<p>We have taken note of the Group's internal control systems and we tested the key control processes for assessing credit risk and measuring expected losses.</p> <p>We focused our work on the outstanding customer loans and/or portfolios of greatest significance, particularly on the funding granted to companies in sensitive economic sectors.</p> <p>Concerning impairment, our audit work consisted primarily of:</p> <ul style="list-style-type: none"> <li>- Reviewing whether the principles implemented by the Group comply with IFRS 9 'Financial instruments'</li> <li>- Familiarising ourselves with the Group's governance system and the key controls implemented at Group level</li> <li>- Conducting tests on a selection of models implemented by the Group</li> <li>- Analysing the main criteria and rules used by the Group to classify outstandings at 31 December 2021 (buckets 1, 2 and 3)</li> <li>- Testing the calculation of expected credit losses on selected loans in buckets 1 and 2</li> <li>- Testing the main assumptions used to estimate impairment of loans classified in bucket 3.</li> </ul>



Risk identified	Our audit response
<p><b>Measurement of goodwill</b></p> <p>At 31 December 2021, the net carrying amount of goodwill recognised in the Group's consolidated financial statements was MAD 1,032 billion or 3.5% of the Group's consolidated shareholders' equity. These intangible assets are not amortised but must undergo impairment tests whenever there is any sign of impairment and at least once a year at the financial year end, as mentioned in the summary of the main accounting policies in the notes to the consolidated financial statements.</p> <p>As indicated in the notes to the consolidated financial statements, the annual impairment test is based on the recoverable amount of each group of assets, determined on the basis of discounted future net cash flow forecasts. This requires the exercise of assumptions, estimates or judgements.</p> <p>We considered goodwill measurement to be a key audit matter, given the importance of these assets in the group's consolidated financial statements and the importance of Management's judgments and uncertainties in determining cash flow assumptions, particularly the likelihood of achieving the forecasts adopted by Management.</p>	<p>Our audit approach consisted of reviewing the assessments carried out in the context of measuring the amount of goodwill reported on the Group's balance sheet.</p> <p>Our approach focused on examining the main assumptions used to arrive at a value, particularly with regard to:</p> <ul style="list-style-type: none"> <li>• Future projections based on historical data, the economic environment, and the consistency of these factors with the growth assumptions used</li> <li>• The discount rates used and approved by Management.</li> </ul>

## Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and true and fair presentation of the financial statements in accordance with IFRS and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Moroccan accounting standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Moroccan accounting standards, we exercise professional judgment and maintain critical thinking throughout the audit. In addition:

## MANAGEMENT REPORT

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of aspects of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- We reach a conclusion about the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including the information provided in the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that provides a true and fair view.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those responsible for governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant

shortcomings in internal control that we identify during our audit.

Casablanca, 28 April 2022

### Statutory auditors

**FIDAROC GRANT THORNTON**  
  
**FIDAROC GRANT THORNTON**  
 Member Réseau Grant Thornton  
 International  
 Bd. Driss Slaoui - Casablanca  
 Tel : 05 22 54 48 00 - Fax : 05 22 29 06 70  
**Faïçal MEKOUAR**  
 Associé

**BDO Audit, Tax & Advisory**  
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**Mostafa FRAIHA**  
 Associé





# I. BALANCE SHEET, CONSOLIDATED INCOME STATEMENT, STATEMENT OF NET INCOME, STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, CASH FLOW STATEMENT AND SUMMARY OF ACCOUNTING POLICIES

## 1.1. CONSOLIDATED BALANCE SHEET

(In thousand MAD)

IFRS ASSETS	Note	31/12/2021	31/12/2020
Cash and balances at central banks, the Public treasury and postal cheque centre	4.1	19 737 051	16 291 624
Financial assets at fair value through profit or loss		-	-
- Financial assets held for trading purposes	4.2	35 604 594	29 529 201
- Financial assets at fair value through profit or loss	4.2	807 037	774 086
Derivative hedging instruments		-	-
Financial assets at fair value through other comprehensive income		-	-
- Debt instruments at fair value through other comprehensive income (recyclable)	4.3	1 708 897	1 222 818
- Equity instruments at fair value through other comprehensive income (non-recyclable)	4.3	4 969 163	4 642 101
Securities at amortised cost	4.4	38 926 888	37 324 605
Loans and advances to credit and similar institutions at amortised cost	4.5	21 001 481	22 392 263
Loans and advances to customers at amortised cost	4.5	197 020 207	194 166 699
Revaluation adjustment for portfolios hedged against interest rate risk		-	-
Financial investments from insurance operations		-	-
Current tax assets	4.8	981 203	797 935
Deferred tax assets	4.8	2 466 604	2 083 871
Prepayments, accrued income and other assets	4.9	6 497 978	6 751 532
Non-current assets held for sale		-	-
Investments in companies accounted for using the equity method	4.10	1 003 557	962 952
Investment property	4.11	3 560 318	3 684 810
Property, plant and equipment	4.11	8 517 859	8 945 178
Intangible assets	4.11	1 222 904	1 310 012
Goodwill	4.12	1 032 114	1 032 114
<b>TOTAL ASSETS UNDER IFRS</b>		<b>345 057 854</b>	<b>331 911 802</b>

(In thousand MAD)

IFRS LIABILITIES		31/12/2021	31/12/2020
Amounts due to central banks, the Public treasury and postal cheque centre		-	-
Financial liabilities measured using the fair value option through profit or loss		-	-
- Financial liabilities held for trading purposes		-	-
- Financial liabilities at fair value through profit or loss		-	-
Derivative hedging instruments		-	-
Debt securities issued	4.7	11 828 034	14 111 265
Amounts due to credit and similar institutions	4.5	60 283 987	59 960 481
Amounts due to customers	4.6	218 973 241	207 086 841
Revaluation adjustment on portfolios hedged against interest rate risk		-	-
Current tax liabilities	4.8	1 357 479	877 982
Deferred tax liabilities	4.8	1 187 570	1 258 073
Accruals, deferred income and other liabilities	4.9	9 717 696	9 634 263
Liabilities related to non-current assets held for sale		-	-
Liabilities under insurance contracts		-	-
Provisions	4.13	1 613 520	1 407 895
Subsidies - public funds and special guarantee funds		-	-
Subordinated debt	4.6	10 597 210	9 594 473
<b>TOTAL LIABILITIES</b>		<b>315 558 737</b>	<b>303 931 273</b>
Shareholders' equity			
Share capital and related reserves		19 292 416	19 624 631
Consolidated reserves		-	-
- Attributable to shareholders of the parent company		1 920 836	1 587 064
- Non-controlling interests		4 357 111	4 283 718
Gains and losses recognised directly in equity		-	-
- Attributable to shareholders of the parent company		587 204	609 900
- Non-controlling interests		492 175	511 398
Net income for the period		-	-
- Attributable to shareholders of the parent company		2 007 213	737 832
- Non-controlling interests		842 162	625 987
<b>TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY</b>		<b>29 499 117</b>	<b>27 980 530</b>
<b>TOTAL LIABILITIES UNDER IFRS</b>		<b>345 057 854</b>	<b>331 911 802</b>

## 1.2. CONSOLIDATED INCOME STATEMENT

(In thousand MAD)

CONSOLIDATED INCOME STATEMENT		Dec-21	Dec-20
Interest and similar income		15 633 205	15 709 686
Interest and similar expenses		-4 723 235	-5 281 297
<b>Net interest income</b>	<b>2,1</b>	<b>10 909 970</b>	<b>10 428 389</b>
Fees received		3 270 301	3 098 389
Fees paid		-482 732	-456 931
<b>Fee income</b>	<b>2,2</b>	<b>2 787 569</b>	<b>2 641 458</b>
Net gains or losses resulting from net hedging positions		-	-
<b>Net gains or losses on financial instruments at fair value through profit or loss</b>	<b>2,3</b>	<b>295 267</b>	<b>377 678</b>
Net gains or losses on trading assets/liabilities		201 082	310 364
Net gains or losses on other assets/liabilities at fair value through profit or loss		94 185	67 314
<b>Net gains or losses on financial instruments at fair value through other comprehensive income</b>	<b>2,4</b>	<b>206 498</b>	<b>226 137</b>
Net gains or losses on debt instruments through other comprehensive income			5 449
Remuneration of equity instruments (dividends) through other comprehensive income (non-recyclable)		206 498	220 688
Net gains or losses from the derecognition of financial assets at amortised cost			
Net gains or losses from reclassifying financial assets at amortised cost as financial assets at fair value through profit or loss			
Net gains or losses from reclassifying financial assets through other comprehensive income as financial assets at fair value through profit or loss			
Net income from insurance activities			
Net income from other activities	2,5	1 007 557	792 923
Expenses from other activities	2,5	-599 779	- 464 539
<b>Net banking income</b>		<b>14 607 082</b>	<b>14 002 045</b>
General operating expenses	2,6	-6 908 034	-7 845 739
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	-1 048 117	- 954 340
<b>Gross operating income</b>		<b>6 650 932</b>	<b>5 201 967</b>
Cost of risk		-2 924 731	-3 451 978
Operating income		3 726 200	1 749 989
Share of earnings of companies accounted for using the equity method		84 709,80	59 700
Net gains or losses on other assets	2,7	23 920,44	67 658
Changes in value of goodwill		-	-
<b>Pre-tax income</b>		<b>3 834 831</b>	<b>1 877 347</b>
Corporate income tax	2,8	-985 455	-513 528
Income net of tax from discontinued operations			
<b>Net income</b>		<b>2 849 376</b>	<b>1 363 819</b>
Non-controlling interests		842 162	625 987
<b>Net income attributable to shareholders of the parent company</b>		<b>2 007 214</b>	<b>737 832</b>



## 1.3 STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY 31/12/2021

(In thousand MAD)

	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Total assets and liabilities recognised directly through other comprehensive income	Shareholder's Equity attributable to parent	Noncontrolling interests	Total
<b>Opening adjusted shareholders' equity at 31 December 2019</b>	<b>1 998 205</b>	<b>16 474 864</b>	<b>0</b>	<b>4 461 090</b>	<b>-446 253</b>	<b>22 487 906</b>	<b>5 308 196</b>	<b>27 796 102</b>
Changes in accounting policies								
<b>Opening shareholders' equity at 1 January 2020</b>	<b>1 998 205</b>	<b>16 474 864</b>	<b>0</b>	<b>4 461 090</b>	<b>-446 253</b>	<b>22 487 906</b>	<b>5 308 196</b>	<b>27 796 102</b>
Corporate actions	57 861	1 093 701		-1 093 701		57 861		57 861
Share-based payment arrangements						0		0
Treasury stock transactions						0		0
Dividends				-255 802		-255 802	-502 837	-758 639
<b>Net Income</b>				<b>737 832</b>		<b>737 832</b>	<b>625 986</b>	<b>1 363 818</b>
Changes in assets and liabilities recognised directly in other comprehensive income					-14 730	-14 730		-14 730
Exchange differences					54 597	54 597	33 724	88 321
<b>Unrealised or deferred gains or losses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39 867</b>	<b>39 867</b>	<b>33 724</b>	<b>73 591</b>
<b>Changes in the scope of consolidation</b>						<b>0</b>		<b>0</b>
Other				-508 237		-508 237	-43 967	-552 204
<b>Closing shareholders' equity at 31 December 2020</b>	<b>2 056 066</b>	<b>17 568 565</b>	<b>0</b>	<b>3 341 182</b>	<b>-406 386</b>	<b>22 559 427</b>	<b>5 421 103</b>	<b>27 980 530</b>
Recognition of expected credit losses (on financial instruments)								
<b>Opening shareholders' equity at 1 January 2021</b>	<b>2 056 066</b>	<b>17 568 565</b>	<b>0</b>	<b>3 341 182</b>	<b>-406 386</b>	<b>22 559 427</b>	<b>5 421 103</b>	<b>27 980 530</b>
Corporate actions		-332 215		332 215		0		0
Share-based payment arrangements						0		0
Treasury stock transactions						0		0
Dividends				-1 028 033		-1 028 033	-516 561	-1 544 594
<b>Net Income</b>				<b>2 007 213</b>		<b>2 007 213</b>	<b>842 162</b>	<b>2 849 376</b>
Changes in assets and liabilities recognised directly in other comprehensive income					19 582	19 582	-38	19 544
Exchange differences					-35 036	-35 036	-73 617	-108 653
<b>Unrealised or deferred gains or losses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-15 454</b>	<b>-15 454</b>	<b>-73 655</b>	<b>-89 109</b>
<b>Changes in the scope of consolidation</b>						<b>0</b>		<b>0</b>
Other				284 516		284 516	18 399	302 915
<b>Closing shareholders' equity at 31 December 2021</b>	<b>2 056 066</b>	<b>17 236 350</b>	<b>0</b>	<b>4 937 094</b>	<b>-421 840</b>	<b>23 807 669</b>	<b>5 691 448</b>	<b>29 499 117</b>

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

(In thousand MAD)

	Dec-21	Dec-20
<b>Net income</b>	<b>2 849 376</b>	<b>1 363 819</b>
<b>Gains or losses recognised directly in other comprehensive income that will be subsequently reclassified under profit or loss</b>	<b>-196 974</b>	<b>142 651</b>
Exchange differences	-196 974	142 651
Financial assets at fair value through other comprehensive income (recyclable)		
Revaluation adjustments		
<b>Gains or losses recognised directly in other comprehensive income that will not be subsequently reclassified under profit or loss</b>	<b>34 274</b>	<b>-81 976</b>
Actuarial gains or losses on defined benefit plans		
Items recognised at fair value through other comprehensive income (non-recyclable)	34 274	-81 976
Share of gains or losses recognised directly through other comprehensive income of companies accounted for using the equity method		
<b>Total gains or losses recognised directly in other comprehensive income</b>	<b>-162 700</b>	<b>60 676</b>
<b>Net income and gains or losses recognised directly through other comprehensive income</b>	<b>2 686 676</b>	<b>1 424 494</b>
Attributable to shareholders of the parent company	1 951 892	733 603
Non-controlling interests	734 783	690 891

## 1.5 STATEMENT OF CASH FLOWS

(In thousand MAD)

CASH FLOW STATEMENTS	NOTE	31/12/2021	31/12/2020
<b>Pre-tax income</b>		<b>3 834 831</b>	<b>1 877 347</b>
+/- Net depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	1 057 794	954 340
+/- Net impairment of goodwill and other non-current assets			
+/- Net impairment of financial assets	2,7	154 474	190 303
+/- Net provisions	2,7	1 941 416	2 196 280
+/- Share of earnings of companies accounted for using the equity method	4.10	- 84 710	-59 700
+/- Net gain/loss from investing activities		152 304	-592 445
+/- Net gain/loss from financing activities		-	
+/- Other movements		-570 699	74 622
<b>Total non-cash items included in pre-tax income and other adjustments</b>		<b>2 650 578</b>	<b>2 763 400</b>
+/- Flows related to transactions with credit and similar institutions		-209 918	10 498 337
+/- Flows related to transactions with customers		10 969 470	-8 189 863
+/- Flows related to other transactions affecting financial assets or liabilities		-17 712 835	-3 105 869
+/- Flows related to other transactions affecting non-financial assets or liabilities		9 710 108	-2 344 868
+/- Taxes paid		-829 786	-1 111 654
<b>Net increase/decrease in assets and liabilities from operating activities</b>		<b>1 927 039</b>	<b>-4 253 917</b>
<b>Net cash flow generated by operating activities</b>		<b>8 412 448</b>	<b>386 829</b>
+/- Flows related to financial assets at fair value through other comprehensive income		-2 338 997	-268 892
+/- Flows related to investment property		31 317	176 889
+/- Flows related to plant, property and equipment and intangible assets		-996 818	-32 510
<b>Net cash flow related to investing activities</b>		<b>-3 304 499</b>	<b>-124 513</b>
+/- Cash flows from or to shareholders		846 700	-657 011
+/- Other net cash flows from financing activities		-1 102 283	-2 274 578
<b>Net cash flow related to financing activities</b>		<b>-255 584</b>	<b>-2 931 589</b>
Effect of exchange rate changes on cash and cash equivalents		-440 672	63 473
<b>Net increase/decrease in cash and cash equivalents</b>		<b>4 411 694</b>	<b>-2 605 799</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>18 267 870</b>	<b>20 873 669</b>
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4.1	16 291 624	14 450 591
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		1 976 247	6 423 079
<b>Cash and cash equivalents at end of year</b>		<b>22 679 565</b>	<b>18 267 870</b>
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4.1	19 737 051	16 291 624
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		2 942 513	1 976 247
<b>Net change in cash and cash equivalents</b>		<b>4 411 694</b>	<b>-2 605 799</b>



## 1.6. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

### 1.6.1. Applicable accounting standards

The Group's first consolidated financial statements to be prepared 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 Group's consolidated financial statements 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.

### 1.6.2. 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.

The 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 2021, 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

The 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.

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

At 31 December 2021, the Group carried out impairment tests to ensure that cash-generating units' carrying amount did not exceed their recoverable amount.

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.

### 1.6.1.2. 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 recognised as non-recyclable equity instruments" 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. This model represents a change from the IAS 39 model that is based on proven 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 the 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 reinstated under 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 BANK OF AFRICA SA, BOA Group as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

#### **f. Treasury shares**

The term "treasury shares" refers to shares of the parent company, BANK OF AFRICA SA and its fully consolidated subsidiaries.

"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 31 December 2021, the Group does not 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 Group

has 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.

#### 1.6.1.3. 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 the 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 the 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.

The 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 assessed 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.

#### 1.6.1.4. 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.

##### The Operating leases

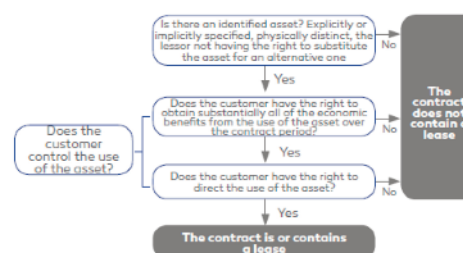
IFRS 16 'Leases' will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

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 contract does not contain a lease

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

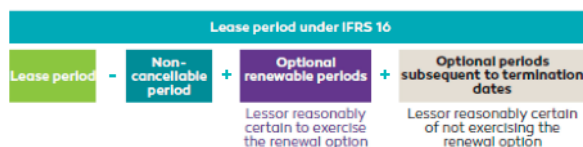
The period during which the Group has previously used particular types of property (leased or owned) and the underlying economic reasons thereof have been used to determine whether the group is reasonably certain of exercising an option or not.

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.

#### 1.6.1.5. 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 2021, the Group did not recognise any assets as held for sale or discontinued activities

#### 1.6.2. 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.

They are amortised through income over the average anticipated remaining service lives of employees using the corridor method.

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.





### 1.6.3. 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's 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.

### 1.6.4. 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.

### 1.6.5. 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.

#### IFRIC 23 interpretation:

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

### 1.6.6. 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).

### 1.6.7. 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 2021

### 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

	Income	Dec-21 Expense	Net	Income	Dec-20 Expense	Net
<b>Customer transactions</b>	<b>10 712 204</b>	<b>2 957 334</b>	<b>7 754 870</b>	<b>10 651 924</b>	<b>2 991 366</b>	<b>7 660 558</b>
Deposits, loans and borrowings	10 051 571	2 934 828	7 116 743	9 845 411	2 959 963	6 885 448
Repurchase agreements	0	22 506	-22 506	0	31 403	-31 403
Finance leases	660 633	0	660 633	806 513	0	806 513
<b>Interbank transactions</b>	<b>638 021</b>	<b>1 017 289</b>	<b>-379 268</b>	<b>1 148 716</b>	<b>1 443 917</b>	<b>-295 201</b>
Deposits, loans and borrowings	633 913	790 789	-156 876	917 652	1 116 498	-198 846
Repurchase agreements	4 108	226 500	-222 392	231 064	327 418	-96 355
<b>Debt issued by the Group</b>		<b>748 611</b>	<b>-748 611</b>		<b>846 014</b>	<b>-846 014</b>
<b>Financial instruments at fair value through other comprehensive income</b>			<b>0</b>			<b>0</b>
<b>Debt instruments</b>	<b>4 282 980</b>		<b>4 282 980</b>	<b>3 909 046</b>		<b>3 909 046</b>
<b>TOTAL INTEREST INCOME/(EXPENSE)</b>	<b>15 633 205</b>	<b>4 723 235</b>	<b>10 909 970</b>	<b>15 709 687</b>	<b>5 281 297</b>	<b>10 428 389</b>

### 2.2 NET FEE INCOME

In thousand MAD

	Income	Dec-21 Expense	Net	Income	Dec-20 Expense	Net
<b>Net fees on transactions</b>	<b>2 528 517</b>	<b>176 181</b>	<b>2 352 336</b>	<b>2 425 174</b>	<b>160 320</b>	<b>2 264 854</b>
With credit institutions			-			-
With customers	1 808 981		1 808 981	1 793 494		1 793 494
In securities	220 158	84 677	135 481	195 454	80 903	114 551
In foreign exchange	499 378	91 504	407 873	436 225	79 416	356 809
In financial futures and off balance sheet transactions			-			-
<b>Provision of banking and financial services</b>	<b>741 783</b>	<b>306 550</b>	<b>435 233</b>	<b>673 215</b>	<b>296 612</b>	<b>376 604</b>
Net income from mutual fund management			-			-
Net income from means of payment	416 362	99 990	316 372	369 474	89 591	279 883
Insurance			-			-
Other	325 421	206 560	118 861	303 742	207 021	96 721
<b>NET FEE INCOME</b>	<b>3 270 301</b>	<b>482 732</b>	<b>2 787 569</b>	<b>3 098 389</b>	<b>456 931</b>	<b>2 641 458</b>

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

	Trading assets	Dec-21 Other assets at fair value through profit or loss	Total	Trading portfolio	Dec-20 Portfolio measured using the fair value option	Total
Fixed income and variable income securities	272 829	94 185	367 014	418 687	67 314	486 001
Derivative instruments	-71 747		-71 747	-108 323	0	-108 323
Repurchase agreements						
Loans						
Borrowings						
Revaluation of interest rate risk hedged portfolios						
Revaluation of foreign exchange positions						
<b>TOTAL</b>	<b>201 082</b>	<b>94 185</b>	<b>295 267</b>	<b>310 364</b>	<b>67 314</b>	<b>377 678</b>

## 2.4 REMUNERATION FROM EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME (NON-RECYCLABLE)

In thousand MAD

	Dec-21	Dec-20
Remuneration from equity instruments (dividends) through other comprehensive income (non-recyclable)	206 498	220 688
<b>TOTAL</b>	<b>206 498</b>	<b>220 688</b>

## 2.5 INCOME AND EXPENSES FROM OTHER ACTIVITIES

In thousand MAD

	Dec-21			Dec-20		
	Income	Expense	Net	Income	Expense	Net
Net income from insurance activities			0			0
Net income from investment property	0	0	0	0	0	0
Net income from assets held under operating leases	260 314	111 152	149 162	242 406	112 728	129 678
Net income from real estate development activities	0	0	0	0	0	0
Other banking income and expenses	458 715	375 014	83 700	406 551	326 218	80 333
Other non-banking income from operations	288 528	113 613	174 915	143 966	25 593	118 373
<b>TOTAL NET INCOME FROM OTHER ACTIVITIES</b>	<b>1 007 557</b>	<b>599 779</b>	<b>407 777</b>	<b>792 923</b>	<b>464 539</b>	<b>328 384</b>

## 2.6 GENERAL OPERATING EXPENSES

In thousand MAD

	Dec-21	Dec-20
Employee expenses	3 950 023	3 872 226
Taxes	269 381	306 192
External expenses	2 520 879	3 486 812
Other general operating expenses	167 751	180 508
Impairment and provisions for intangible assets and property, plant and equipment	1 048 117	954 340
<b>General Operating Expenses</b>	<b>7 956 150</b>	<b>8 800 078</b>



## 2.7 COST OF RISK

	31/12/2021	31/12/2020
<b>Net impairment</b>	<b>-1 744 051</b>	<b>-2 173 842</b>
<b>Bucket 1</b>	<b>-509 352</b>	<b>-382 264</b>
Including loans and advances to credit and similar institutions	9 588	-26 769
Including loans and advances to customers	-11 099	-175 278
Including off-balance sheet commitments	5 823	11 182
Including debt instruments	-513 663	-191 400
Including debt instruments at fair value through other comprehensive income (recyclable)		
<b>Bucket 2</b>	<b>224 143</b>	<b>-419 957</b>
Including loans and advances to credit and similar institutions	329	1 060
Including loans and advances to customers	222 520	-423 033
Including off-balance sheet commitments	1 294	919
Including debt instruments		1 097
Including debt instruments at fair value through other comprehensive income (recyclable)		-
<b>Bucket 3</b>	<b>-1 458 843</b>	<b>-1 371 620</b>
Including loans and advances to credit and similar institutions	- 2 602	137 236
Including loans and advances to customers	-1 397 630	-1 494 888
Including off-balance sheet commitments	-58 610	-13 968
Including debt instruments		
Including debt instruments at fair value through other comprehensive income (recyclable)		
<b>Amounts recovered on loans and advances</b>	<b>68 849</b>	<b>54 171</b>
<b>Losses on irrecoverable loans and advances</b>	<b>-892 273</b>	<b>-1 119 566</b>
<b>Other</b>	<b>-357 257</b>	<b>- 212 741</b>
<b>Cost of risk</b>	<b>-2 924 732</b>	<b>-3 451 978</b>

## 2.8 NET GAINS AND LOSSES ON OTHER ASSETS

(In thousand MAD)

	Dec-21	Dec-20
<b>Property, plant and equipment and intangible assets used in business operations</b>	<b>21 122</b>	<b>49 411</b>
Capital gains on disposal	21 122	49 411
Capital losses on disposal		
<b>Other</b>	<b>2 798</b>	<b>18 247</b>
<b>Net gains or losses on other assets</b>	<b>23 920</b>	<b>67 658</b>

## 2.9 CORPORATE INCOME TAX

### 2.9.1 CURRENT AND DEFERRED TAX

(In thousand MAD)

	Dec-21	Dec-20
Current tax	981 203	797 935
Deferred tax	2 466 604	2 083 871
<b>Current and deferred tax assets</b>	<b>3 447 807</b>	<b>2 881 806</b>
Current tax	1 357 479	877 982
Deferred tax	1 187 570	1 258 073
<b>Current and deferred tax liabilities</b>	<b>2 545 049</b>	<b>2 136 055</b>

### 2.9.2 NET CORPORATE INCOME TAX EXPENSE

(In thousand MAD)

	Dec-21	Dec-20
Current tax expense	-1 146 929	-715 711
Net deferred tax expense for the year	161 474	202 183
<b>Net corporate income tax expense</b>	<b>-985 455</b>	<b>-513 528</b>

### 2.9.3 EFFECTIVE TAX RATE

(In thousand MAD)

	Dec-21	Dec-20
Pre-tax income	3 834 831	1 877 347
Corporate income tax expense	-985 455	-513 528
<b>Average effective tax rate</b>	<b>25,7%</b>	<b>27,4%</b>





### III. SEGMENT INFORMATION

The Group is composed of four core business activities for accounting and financial information purposes:

- Banking in Morocco : BANK OF AFRICA;
- 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 : BANK OF AFRICA UK, BANK OF AFRICA EUROPE, Banque de Développement du Mali, LCB Bank and BOA Group.

#### 3.1 EARNINGS BY BUSINESS LINE

(In thousand MAD)

	Dec-21						Dec-20					
	Activity in Morocco	Asset Management and Investment Banking	Specialised Financial Services	Others Operations	International Operations	Total	Activity in Morocco	Asset Management and Investment Banking	Specialised Financial Services	Others Operations	International Operations	Total
Net interest income	5 001 647	-1 913	602 005	-4 691	5 312 925	10 909 972	4 620 008	54 667	662 434	-4 151	5 095 431	10 428 389
Fee income	1 096 598	171 535	22 799	0	1 496 637	2 787 569	1 024 382	153 763	20 392	0	1 442 921	2 641 458
<b>Net banking income</b>	<b>6 220 469</b>	<b>362 145</b>	<b>640 694</b>	<b>144 469</b>	<b>7 239 306</b>	<b>14 607 082</b>	<b>5 868 712</b>	<b>332 998</b>	<b>700 513</b>	<b>125 527</b>	<b>6 974 296</b>	<b>14 002 045</b>
General operating expenses and impairment	-3 344 240	-282 656	-259 892	-110 973	-3 958 390	(7 956 151)	-4 141 365	-297 625	-240 720	-87 297	-4 033 071	(8 800 078)
<b>Gross operating income</b>	<b>2 876 229</b>	<b>79 489</b>	<b>380 801</b>	<b>33 496</b>	<b>3 280 916</b>	<b>6 650 932</b>	<b>1 727 346</b>	<b>35 373</b>	<b>459 793</b>	<b>38 230</b>	<b>2 941 225</b>	<b>5 201 967</b>
Corporate income tax	-523 605	-60 381	-151 475	-6 247	-243 746	( 985 455)	-32 352	-45 008	-95 012	-9 808	-331 349	( 513 528)
<b>Net income attributable to shareholders of the parent company</b>	<b>816 443</b>	<b>94 850</b>	<b>130 607</b>	<b>-23 111</b>	<b>988 423</b>	<b>2 007 213</b>	<b>-111 374</b>	<b>82 566</b>	<b>43 757</b>	<b>-10 752</b>	<b>733 635</b>	<b>737 831</b>

#### 3.2 ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

(In thousand MAD)

	Dec-21						Dec-20					
	Activity in Morocco	Asset Management and Investment Banking	Specialised Financial Services	Others Operations	International Operations	Total	Activity in Morocco	Asset Management and Investment Banking	Specialised Financial Services	Others Operations	International Operations	Total
<b>TOTAL ASSETS</b>	<b>212 670 867</b>	<b>974 889</b>	<b>16 397 075</b>	<b>112 191</b>	<b>114 902 832</b>	<b>345 057 853</b>	<b>204 540 156</b>	<b>990 356</b>	<b>16 840 891</b>	<b>106 223</b>	<b>109 434 177</b>	<b>331 911 803</b>
<b>ASSETS</b>												
Financial assets at fair value through other comprehensive income	3 401 795	13 468	22 987	5 028	3 234 782	6 678 060	2 982 072	8 350	22 386	16 977	2 835 135	5 864 920
Loans and advances to customers at amortised cost	129 816 529	0	15 575 842	1	51 627 835	197 020 207	128 452 166	0	15 585 061	1	50 129 472	194 166 699
Financial assets at fair value through profit or loss	35 604 594	127 606	861	0	678 570	36 411 631	29 529 201	110 862	861	0	662 363	30 303 288
Securities at amortised cost	8 940 604	0	0	0	29 986 285	38 926 888	8 454 148	0	0	0	28 870 456	37 324 605
<b>LIABILITIES</b>												
Amounts due to customers	140 432 011	0	681 183	0	77 860 047	218 973 241	133 306 866	0	892 652	0	72 887 323	207 086 841
<b>Shareholder's Equity</b>	<b>19 445 454</b>	<b>454 028</b>	<b>1 603 473</b>	<b>( 241 601)</b>	<b>8 237 763</b>	<b>29 499 117</b>	<b>18 804 203</b>	<b>419 299</b>	<b>1 593 012</b>	<b>( 203 048)</b>	<b>7 367 063</b>	<b>27 980 530</b>

## IV. NOTES TO THE BALANCE SHEET AS OF 31 DECEMBER 2021

## 4.1 CASH AND BALANCES AT CENTRAL BANKS, THE PUBLIC TREASURY AND POSTAL CHEQUE CENTRE

(In thousand MAD)

	Dec-21	Dec-20
<b>CASH AND BALANCES</b>	<b>4 035 720</b>	<b>4 338 124</b>
CENTRAL BANKS	15 677 912	11 921 071
PUBLIC TREASURY	18 655	27 685
POSTAL CHEQUE CENTRE	4 765	4 744
<b>CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHEQUE CENTRE</b>	<b>15 701 332</b>	<b>11 953 499</b>
<b>Cash and balances at central banks, the Public treasury and postal cheque centre</b>	<b>19 737 051</b>	<b>16 291 624</b>

## 4.2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(In thousand MAD)

	31/12/2021			31/12/2020		
	Financial assets/ liabilities held for trading purposes	Other assets/ liabilities at fair value through profit or loss	Total	Financial assets/ liabilities held for trading purposes	Other assets/ liabilities at fair value through profit or loss	Total
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
Negotiable debt securities	23 624 711	-	23 624 711	16 943 095	-	16 943 095
Treasury bills and other marketable assets mobilised with central banks	21 830 202		21 830 202	15 647 344		15 647 344
Other negotiable debt securities	1 794 508		1 794 508	1 295 751		1 295 751
<b>Bonds</b>	<b>845 949</b>	<b>-</b>	<b>845 949</b>	<b>1 071 913</b>	<b>-</b>	<b>1 071 913</b>
Government bonds	489 311		489 311	580 626		580 626
Other bonds	356 638		356 638	491 287		491 287
<b>Equities and other variable income securities</b>	<b>11 082 442</b>	<b>807 037</b>	<b>11 889 479</b>	<b>11 509 343</b>	<b>774 086</b>	<b>12 283 429</b>
<b>Repurchase agreements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
To credit institutions			0			0
To corporate customers			0			0
To retail customers			0			0
Financial derivative instruments for trading purposes	51 492	0	51 492	4 850	0	4 850
Currency derivative instruments	51 492		51 492	4 850		4 850
Interest rate derivative instruments			0			0
Equity derivative instruments			0			0
Credit derivative instruments			0			0
Other derivative instruments			0			0
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>35 604 594</b>	<b>807 037</b>	<b>36 411 631</b>	<b>29 529 201</b>	<b>774 086</b>	<b>30 303 287</b>
Of which securities on loan						
Excluding equities and other variable income securities						
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
<b>Borrowed securities and short selling</b>						
<b>Repurchase agreements</b>						
<b>Borrowings</b>						
Credit institutions						
Corporate customers						
<b>Debt securities</b>						
<b>Financial derivative instruments for trading purposes</b>						
Currency derivative instruments						
Interest rate derivative instruments						
Equity derivative instruments						
Credit derivative instruments						
Other derivative instruments						
<b>TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						



## 4.3 FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

(In thousand MAD)

	31/12/2021			31/12/2020		
	Balance Sheet Value	Unrealized gains	Unrealized losses	Balance Sheet Value	Unrealized gains	Unrealized losses
Debt instruments at fair value through other comprehensive income (recyclable)	1 708 897	12 459	- 109 407	1 222 818	28 510	-8 188
Equity instruments at fair value through other comprehensive income (non-recyclable)	4 969 163	1 618 324	- 589 865	4 642 101	1 644 938	-531 638

## 4.4 SECURITIES AT AMORTISED COST

(In thousand MAD)

	31/12/2021	31/12/2020
<b>Treasury bills and other marketable assets mobilised with central banks</b>	<b>5 289 826</b>	<b>5 801 445</b>
Treasury bills and other marketable assets mobilised with central banks	4 489 117	4 940 727
Other negotiable debt securities	800 709	860 718
<b>Bonds</b>	<b>34 572 774</b>	<b>32 007 169</b>
Government bonds	31 424 962	29 442 689
Other bonds	3 147 812	2 564 480
<b>Impairment</b>	<b>-935 711</b>	<b>-484 009</b>
<b>TOTAL DEBT INSTRUMENTS AT AMORTISED COST</b>	<b>38 926 888</b>	<b>37 324 605</b>

## 4.5 INTERBANK TRANSACTIONS, AMOUNTS DUE TO AND FROM CREDIT INSTITUTIONS

### LOANS AND ADVANCES TO CREDIT INSTITUTIONS AT AMORTISED COST

(In thousand MAD)

	31/12/2021	31/12/2020
Sight deposits	9 832 598	8 037 532
Loans	11 116 163	14 339 572
Of which overnight loans	338 224	284 908
Repurchase agreements	137 872	97 766
<b>TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS BEFORE IMPAIRMENT</b>	<b>21 086 633</b>	<b>22 474 870</b>
Impairment of loans and advances to credit institutions	-85 152	-82 607
<b>TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS NET OF IMPAIRMENT</b>	<b>21 001 481</b>	<b>22 392 263</b>

### AMOUNTS DUE TO CREDIT INSTITUTIONS

(In thousand MAD)

	31/12/2021	31/12/2020
Sight deposits	5 788 333	5 380 050
Borrowings	28 605 406	34 294 079
Of which overnight loans	1 428 135	900 951
Repurchase agreements	25 890 248	20 286 352
<b>TOTAL</b>	<b>60 283 987</b>	<b>59 960 481</b>

## 4.6 AMOUNTS DUE TO AND FROM CUSTOMERS

### LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

(In thousand MAD)

	31/12/2021	31/12/2020
Overdrawn accounts	21 271 250	20 097 645
Customer loans	163 038 442	156 274 631
Repurchase agreements	14 644 680	19 230 084
Finance leases	14 959 186	14 542 223
<b>TOTAL LOANS AND ADVANCES TO CUSTOMERS BEFORE IMPAIRMENT</b>	<b>213 913 559</b>	<b>210 144 583</b>
Impairment of loans and advances to customers	-16 893 353	-15 977 884
<b>TOTAL LOANS AND ADVANCES TO CUSTOMERS NET OF IMPAIRMENT</b>	<b>197 020 206</b>	<b>194 166 699</b>

### BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY BUSINESS SEGMENT

(In thousand MAD)

	31/12/2021	31/12/2020
Banking in Morocco	129 816 529	128 452 166
Specialised Financial Services	15 575 842	15 585 061
International Operations	51 627 835	50 129 472
Asset Management	0	0
Other Operations	1,00	1,00
<b>Total - principal</b>	<b>197 020 206</b>	<b>194 166 698</b>
Accrued interest		
<b>Balance sheet value</b>	<b>197 020 206</b>	<b>194 166 698</b>

### BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL REGION

(In thousand MAD)

	31/12/2021	31/12/2020
Morocco	145 392 371	144 037 227
Africa	47 550 569	46 131 188
Europe	4 077 266	3 998 284
<b>Total - principal</b>	<b>197 020 207</b>	<b>194 166 699</b>
Accrued interest		
<b>Balance sheet value</b>	<b>197 020 207</b>	<b>194 166 699</b>

### BREAKDOWN OF LOANS AND ADVANCES AND IMPAIRMENT BY BUCKET

(In thousand MAD)

	31/12/2021							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
<b>Financial assets at fair value through other comprehensive income</b>	<b>1 728 503</b>	<b>-</b>	<b>-</b>	<b>1 728 503</b>	<b>19 606</b>	<b>-</b>	<b>-</b>	<b>19 606</b>
Debt instruments at fair value through other comprehensive income (recyclable)	1 728 503			1 728 503	19 606			19 606
<b>Financial assets at amortised cost</b>	<b>235 322 843</b>	<b>19 728 446</b>	<b>19 811 502</b>	<b>274 862 792</b>	<b>2 437 089</b>	<b>2 488 478</b>	<b>12 988 649</b>	<b>17 914 216</b>
Loans and advances to credit institutions	21 039 082	41 369	6 182	21 086 634	79 576	539	5 037	85 152
Loans and advances to customers	174 421 162	19 687 077	19 805 320	213 913 559	1 421 802	2 487 939	12 983 612	16 893 353
Debt securities	39 862 599			39 862 599	935 711	-		935 711
<b>Total assets</b>	<b>237 051 346</b>	<b>19 728 446</b>	<b>19 811 502</b>	<b>276 591 295</b>	<b>2 456 695</b>	<b>2 488 478</b>	<b>12 988 649</b>	<b>17 933 822</b>
<b>Total off-balance sheet</b>	<b>47 468 431</b>	<b>178 786</b>	<b>129 624</b>	<b>47 776 841</b>	<b>201 288</b>	<b>947</b>	<b>120 387</b>	<b>322 622</b>



	31/12/2020							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
<b>Financial assets at fair value through other comprehensive income</b>	<b>1 227 511</b>	<b>-</b>	<b>-</b>	<b>1 227 511</b>	<b>4 689</b>	<b>-</b>	<b>-</b>	<b>4 689</b>
Debt instruments at fair value through other comprehensive income (recyclable)	1 227 511			1 227 511	4 689			4 689
<b>Financial assets at amortised cost</b>	<b>233 347 022</b>	<b>18 734 128</b>	<b>18 346 917</b>	<b>270 428 067</b>	<b>1 964 282</b>	<b>2 724 683</b>	<b>11 855 533</b>	<b>16 544 498</b>
Loans and advances to credit institutions	22 390 038	81 101	3 730	22 474 870	78 624	1 410	2 572	82 606
Loans and advances to customers	173 148 370	18 653 027	18 343 186	210 144 583	1 401 649	2 723 273	11 852 961	15 977 883
Debt securities	37 808 614			37 808 614	484 009	-		484 009
<b>Total assets</b>	<b>234 574 533</b>	<b>18 734 128</b>	<b>18 346 917</b>	<b>271 655 578</b>	<b>1 968 971</b>	<b>2 724 683</b>	<b>11 855 533</b>	<b>16 549 187</b>
<b>Total off-balance sheet</b>	<b>39 602 670</b>	<b>181 952</b>	<b>132 174</b>	<b>39 916 795</b>	<b>170 296</b>	<b>2 015</b>	<b>112 059</b>	<b>284 370</b>

## AMOUNTS DUE TO CUSTOMERS

(In thousand MAD)

	31/12/2021	31/12/2020
Accounts in credit	132 539 204	123 589 148
Fixed term accounts	31 794 130	27 987 454
Savings accounts	42 213 080	40 416 733
Certificates of deposit	4 004 929	4 066 640
Repurchase agreements	159 156	1 441 848
Other accounts in credit	8 262 741	9 585 018
<b>TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS</b>	<b>218 973 241</b>	<b>207 086 841</b>

## BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS SEGMENT

(In thousand MAD)

	31/12/2021	31/12/2020
Banking in Morocco	140 432 011	133 306 866
Specialised Financial Services	681 183	892 652
International Operations	77 860 047	72 887 323
Asset Management	0	0
Other Operations	0	0
<b>Total - principal</b>	<b>218 973 241</b>	<b>207 086 841</b>
Accrued interest		
<b>Balance sheet value</b>	<b>218 973 241</b>	<b>207 086 841</b>

## BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

(In thousand MAD)

	31/12/2021	31/12/2020
Morocco	141 113 194	134 199 518
Africa	76 420 029	71 263 744
Europe	1 440 017	1 623 579
<b>Total - principal</b>	<b>218 973 241</b>	<b>207 086 841</b>
Accrued interest		
<b>Balance sheet value</b>	<b>218 973 241</b>	<b>207 086 841</b>

## 4.7 DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

(In thousand MAD)

	31/12/2021	31/12/2020
<b>Other debt securities</b>	<b>11 828 034</b>	<b>14 111 265</b>
Negotiable debt securities	11 828 034	13 611 265
Bonds		500 000
<b>Subordinated debt</b>	<b>10 597 210</b>	<b>9 594 473</b>
Subordinated loans	10 597 210	9 594 473
Fixed maturity	7 597 210	6 594 473
Perpetual	3 000 000	3 000 000
<b>Subordinated securities</b>	<b>0</b>	<b>0</b>
Fixed maturity		
Perpetual	0	0
<b>Public funds and special guarantee funds</b>		
<b>Total</b>	<b>22 425 244</b>	<b>23 705 738</b>

## 4.8 CURRENT AND DEFERRED TAX

(In thousand MAD)

	31/12/2021	31/12/2020
Current tax	981 203	797 935
Deferred tax	2 466 604	2 083 871
Current and deferred tax assets	3 447 807	2 881 806
Current tax	1 357 479	877 982
Deferred tax	1 187 570	1 258 073
Current and deferred tax liabilities	2 545 049	2 136 055

## 4.9 ACCRUED INCOME, OTHER ASSETS AND LIABILITIES

(In thousand MAD)

	31/12/2021	31/12/2020
Guarantee deposits and bank guarantees paid	176 286	147 920
Settlement accounts relating to corporate actions	133 348	65 195
Cheque-cashing accounts	399 022	376 043
Reinsurers' share of technical provisions		
Accrued income and prepaid expenses	1 548 872	1 775 157
Other debtors	3 983 177	4 140 240
Liaison accounts	257 273	246 976
<b>TOTAL ACCRUED INCOME AND OTHER ASSETS</b>	<b>6 497 977</b>	<b>6 751 532</b>
Guarantee deposits received	6 297	8 411
Settlement accounts relating to corporate actions	147 509	85 330
Cheque-cashing accounts	1 593 413	1 570 548
Accrued expenses and deferred income	1 357 115	1 094 265
Other creditors and miscellaneous liabilities	6 613 363	6 875 708
<b>TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>9 717 696</b>	<b>9 634 263</b>

## 4.10 INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

(In thousand MAD)

	31/12/2021	31/12/2020
ACMAR	27 312	23 401
Banque de Développement du Mali	629 469	625 111
Eurafric	-23 337	-22 090
AFRICA MOROCCO LINKS	6 559	-19 459
Société Conseil Ingenierie et Développement	145 843	149 109
Bank Al Tamwil wal Inmaa	92 351	102 955
Investments in companies accounted for using the equity method at BOA	125 359	103 925
Investments in companies accounted for using the equity method	1 003 557	962 952

## FINANCIAL DATA PUBLISHED IN ACCORDANCE WITH LOCAL ACCOUNTING STANDARDS BY THE MAIN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

(In thousand MAD)

	Total Assets as of Dec 2021	Net Banking Income or Net Revenues as of Dec 2021	Company Income	Contribution in Net Income attributable to the parent company as of Dec 2021
ACMAR	633 527	141 326	34 557	6 911
Banque de Développement du Mali	18 949 080	814 570	240 450	78 781
AFRICA MOROCCO LINKS	284 247	276 514	-31 550	-16 091
Eurafric	298 476	374 779	2 929	-1 255
Société Conseil Ingenierie et Développement	577 750	225 531	12 058	4 691
Bank Al Tamwil wal Inmaa	603 522	14 731	-42 137	-21 490





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

(In thousand MAD)

	31/12/2021			31/12/2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net Carrying Amount	Gross carrying amount	Accumulated depreciation and impairment	Net Carrying Amount
<b>Property, plant and equipment</b>	<b>17 029 325</b>	<b>8 511 467</b>	<b>8 517 858</b>	<b>16 586 788</b>	<b>7 641 612</b>	<b>8 945 177</b>
Land and buildings	5 624 844	1 368 653	4 256 191	5 364 770	965 877	4 398 892
Equipment, furniture and fixtures	4 922 622	3 408 838	1 513 785	4 755 621	3 172 975	1 582 646
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other property, plant and equipment	6 481 859	3 733 977	2 747 882	6 466 397	3 502 759	2 963 638
<b>Intangible Assets</b>	<b>3 164 734</b>	<b>1 941 830</b>	<b>1 222 904</b>	<b>2 838 934</b>	<b>1 528 922</b>	<b>1 310 012</b>
Purchased software	2 422 268	1 746 005	676 264	1 872 779	1 198 614	674 165
Internally-developed software	0	0	0	0	0	0
Other intangible assets	742 466	195 826	546 640	966 156	330 308	635 848
<b>Investment Property</b>	<b>3 878 551</b>	<b>318 233</b>	<b>3 560 318</b>	<b>3 821 904</b>	<b>137 094</b>	<b>3 684 810</b>

### TABLE OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT

(In thousand MAD)

	31/12/2021	31/12/2020
<b>NET VALUE at 1 January</b>	<b>8 945 177</b>	<b>9 222 503</b>
Acquisitions during the year	535 746	667 596
First-time consolidation	-	-
Depreciation, amortisation and impairment	(480 423)	(692 515)
Disposals during the year	(329 024)	(415 700)
Other changes	(153 618)	163 293
<b>NET VALUE AT END OF YEAR</b>	<b>8 517 858</b>	<b>8 945 177</b>

### TABLE OF CHANGES IN INTANGIBLE ASSETS

(In thousand MAD)

	31/12/2021	31/12/2020
<b>NET VALUE at 1 January</b>	<b>1 310 014</b>	<b>1 079 157</b>
Acquisitions during the year	420 407	347 230
First-time consolidation	-	-
Depreciation, amortisation and impairment	(214 030)	(143 592)
Disposals during the year	(85 803)	23 319
Other changes	(207 684)	3 900
<b>NET VALUE AT END OF YEAR</b>	<b>1 222 904</b>	<b>1 310 014</b>

### TABLE OF CHANGES IN INVESTMENT PROPERTY

(In thousand MAD)

	31/12/2021	31/12/2020
<b>NET VALUE at 1 January</b>	<b>3 684 810</b>	<b>3 800 225</b>
Acquisitions during the year	9 350	38 000
First-time consolidation	-	-
Depreciation, amortisation and impairment	(28 468)	(25 342)
Disposals during the year	(105 374)	(128 073)
Other changes	-	-
<b>NET VALUE AT END OF YEAR</b>	<b>3 560 318</b>	<b>3 684 810</b>

## LEASE EXPENSES

	31/12/2021	31/12/2020
Interest expense on lease liabilities	-55 985	-52 667
Depreciation expenses on right-of-use assets	-228 730	-227 010

## RIGHT-OF-USE ASSETS

	31/12/2021	31/12/2020
Property, plant and equipment	8 517 858	8 945 178
Of which rights of use	1 232 526	1 092 975

## LEASE LIABILITIES

	31/12/2021	31/12/2020
Accruals, deferred income and other liabilities	9 717 696	9 634 263
Of which lease liability	1 259 985	1 091 001

## 4.12 GOODWILL

(In thousand MAD)

	31/12/2021	31/12/2020
Gross carrying amount at start of period	1 032 114	1 032 114
Accumulated impairment at start of period		
Net carrying amount at start of period	1 032 114	1 032 114
Acquisitions		
Disposals		
Impairment recognised during the period		
Exchange differences		
Subsidiaries previously accounted for using the equity method		
Other movements		
Gross carrying amount at end of period	1 032 114	1 032 114
Accumulated impairment at end of period		
NET 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 31/12/2021	Net book value 31/12/2020
Maghrébaïl	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
<b>GROUP TOTAL</b>	<b>1 032 114</b>	<b>1 032 114</b>

#### SENSITIVITY TO CHANGES IN ASSUMPTIONS

(In thousand MAD)

	BOA Group	SALAFIN	LOCASOM
<b>Discount rate</b>	<b>19,00%</b>	<b>13,50%</b>	<b>7,00%</b>
Unfavourable 50 basis point change	-262 383	-51 512	-48 843
Favourable 50 basis point change	197 930	56 095	59 082

### 4.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(In thousand MAD)

	31/12/2021	31/12/2020
<b>TOTAL PROVISIONS AT START OF PERIOD</b>	<b>1 407 895</b>	<b>1 172 573</b>
Additional provisions	708 868	400 967
Write-backs	-334 954	-181 625
Other movements	-168 289	15 980
<b>TOTAL PROVISIONS AT END OF PERIOD</b>	<b>1 613 520</b>	<b>1 407 895</b>

	Legal and tax risk	Post-employment benefit obligations	Loan guarantees	Loss-making contracts	Other provisions	Total carrying amount
<b>Opening balance</b>	<b>49 953</b>	<b>504 275</b>	<b>293 959</b>	<b>0</b>	<b>559 708</b>	<b>1 407 895</b>
Provisions	40 797	22 689	51 494	0	593 887	708 868
Amounts used	-9 946	0	-8 035	0	-316 974	-334 954
Other movements	-838	0	-17 564	0	-149 886	-168 289
<b>Closing balance</b>	<b>79 966</b>	<b>526 965</b>	<b>319 854</b>	<b>0</b>	<b>686 736</b>	<b>1 613 520</b>

### 4.14 FAIR VALUE

#### 4.14.1 FAIR VALUE OF ASSETS AND LIABILITIES AT AMORTISED COST

(In thousand MAD)

	31/12/2021		31/12/2020	
	Balance sheet value	Estimated market value	Balance sheet value	Estimated market value
<b>ASSETS</b>				
Loans and advances to credit and similar institutions at amortised cost	21 001 481	21 012 477	22 392 263	22 410 191
Loans and advances to customers at amortised cost	197 020 207	198 167 351	194 166 699	195 112 087
Securities at amortised cost	38 926 888	39 154 223	37 324 605	37 811 718
Investment property	3 560 318	3 629 958	3 684 810	3 754 450
<b>LIABILITIES</b>				
Amounts due to credit and similar institutions	60 283 987	60 283 987	59 960 481	59 960 481
Amounts due to customers	218 973 241	218 973 241	207 086 841	207 086 841
Debt securities issued	11 828 034	11 828 034	14 111 265	14 111 265
Subordinated debt	10 597 210	10 597 210	9 594 473	9 594 473

#### 4.14.2 BREAKDOWN BY VALUATION METHOD FOR FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE IN ACCORDANCE WITH IFRS 7 RECOMMENDATIONS

(In thousand MAD)

	31/12/2021			31/12/2020				
	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 purposes	36 411 631	-	-	36 411 631	30 303 287	-	-	30 303 287
- Financial assets at fair value for trading purposes	35 604 594			35 604 594	29 529 201			29 529 201
- Financial assets at fair value through profit or loss	807 037			807 037	774 086			774 086
Financial assets at fair value through other comprehensive income	2 020 920	-	4 657 140	6 678 060	1 547 261	-	4 317 658	5 864 920
- Debt instruments at fair value through other comprehensive income (recyclable)	1 708 897			1 708 897	1 222 818			1 222 818
- Equity instruments at fair value through other comprehensive income (non-recyclable)	312 023		4 657 140	4 969 163	324 443		4 317 658	4 642 101
FINANCIAL LIABILITIES								
Financial instruments at fair value through profit or loss held for trading purposes							-	-
Financial instruments measured using the fair value option through profit or loss							-	-
Derivative hedging instruments								

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

(In thousand MAD)

	31/12/2021				31/12/2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
ASSETS								
Loans and advances to credit and similar institutions		21 012 477		21 012 477		22 410 191		22 410 191
Loans and advances to customers		198 167 351		198 167 351		195 112 087		195 112 087
Securities at amortised cost		39 154 223		39 154 223		37 811 718		37 811 718
LIABILITIES								
Amounts due to credit and similar institutions		60 283 987		60 283 987		59 960 481		59 960 481
Amounts due to customers		218 973 241		218 973 241		207 086 841		207 086 841
Debt securities issued		11 828 034		11 828 034		14 111 265		14 111 265
Subordinated debt		10 597 210		10 597 210		9 594 473		9 594 473



	31/12/2021							31/12/2020						
	On demand	From overnight to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Indefinite maturity	Total	On demand	From overnight to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Indefinite maturity	Total
Cash and balances at central banks, the Public treasury and postal cheque centre		19 737				19 737	16 292							16 292
Financial assets at fair value through profit or loss							0							0
- Financial assets held for trading purposes						35 605	35 605						29 529	29 529
- Financial assets at fair value through profit or loss						807	807						774	774
Derivative hedging instruments						0	0						0	0
Financial assets at fair value through other comprehensive income						0								0
- Debt instruments at fair value through other comprehensive income (recyclable)						1709	1709						1223	1223
- Equity instruments at fair value through other comprehensive income (non-recyclable)						4 969	4 969						4 642	4 642
Securities at amortised cost		1203	2 586	24 801	10 337		38 927		2 479	3 956	19 953	10 937		37 325
Loans and advances to credit and similar institutions at amortised cost	11 702	723	516	5 386	2 078	597	21 001	9 365	2 642	2 447	4 584	0	3 354	22 392
Loans and advances to customers at amortised cost	20 974	35 161	24 684	49 655	50 309	16 237	197 020	20 992	37 513	24 556	51 967	45 323	13 816	194 167
Revaluation adjustment for portfolios hedged against interest rate risk							0							0
Financial investments from insurance operations							0							0
Current tax assets						981	981						798	798
Deferred tax assets						2 467	2 467						2 084	2 084
Prepayments, accrued income and other assets						6 498	6 498						6 752	6 752
Investments in companies accounted for using the equity method						1 004	1 004						963	963
Investment property						3 560	3 560						3 685	3 685
Property, plant and equipment						8 518	8 518						8 945	8 945
Intangible assets						1 223	1 223						1 310	1 310
Goodwill						1 032	1 032						1 032	1 032
<b>TOTAL ASSETS</b>	<b>52 413</b>	<b>37 087</b>	<b>27 786</b>	<b>79 842</b>	<b>62 723</b>	<b>85 207</b>	<b>345 058</b>	<b>46 649</b>	<b>42 633</b>	<b>30 959</b>	<b>76 505</b>	<b>56 260</b>	<b>78 907</b>	<b>331 912</b>
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	7 704	41 862	5 018	4 663	1 037	0	60 284	7 346	38 553	7 105	6 453	503	0	59 960
Amounts due to customers	181 414	9 825	25 818	1 896	0	19	218 972	173 887	12 508	19 986	650	0	55	207 087
Debt securities issued		585	3 427	7 816	0	0	11 828		959	7 235	5 917	0	0	14 111
Payable tax liabilities						1 357	1 357						880	880
Deferred tax liabilities						1 188	1 188						1 258	1 258
Adjustment accounts and other liabilities						9 718	9 718						9 634	9 634
Provisions						1 614	1 614						1 408	1 408
Subordinated debt and special guarantee funds		0	0	6 200	4 397	0	10 597		0	0	4 196	5 397	0	9 593
Equity						29 500	29 500						27 979	27 979
<b>TOTAL LIABILITIES</b>	<b>189 118</b>	<b>52 272</b>	<b>34 263</b>	<b>20 575</b>	<b>5 434</b>	<b>43 396</b>	<b>345 058</b>	<b>181 234</b>	<b>52 020</b>	<b>34 326</b>	<b>17 216</b>	<b>5 901</b>	<b>41 215</b>	<b>331 912</b>
<b>LIQUIDITY GAPS</b>	<b>-136 705</b>	<b>-15 185</b>	<b>-6 477</b>	<b>59 267</b>	<b>57 289</b>	<b>41 811</b>	<b>0</b>	<b>-134 584</b>	<b>-9 387</b>	<b>-3 367</b>	<b>59 288</b>	<b>50 359</b>	<b>37 692</b>	<b>0</b>

## V. FINANCING AND GUARANTEE COMMITMENTS

### 5.1 FINANCING COMMITMENTS

(In thousand MAD)

	31/12/2021	31/12/2020
<b>Financing commitments given</b>	<b>18 579 858</b>	<b>11 693 224</b>
To credit institutions	2 121 021	1 908 863
To customers	16 458 837	9 784 360
Credit lines opened		
Other commitments given to customers		
<b>Financing commitments received</b>	<b>1 349 237</b>	<b>1 326 057</b>
From credit institutions	1 349 237	1 326 057
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)

	31/12/2021	31/12/2020
<b>Guarantee commitments given</b>	<b>29 196 984</b>	<b>28 223 572</b>
To credit institutions	8 226 174	9 258 040
To customers	20 970 810	18 965 533
Sureties provided to administrative and tax authorities and other sureties		
Other guarantees given to customers		
<b>Guarantee commitments received</b>	<b>105 479 486</b>	<b>91 144 035</b>
From credit institutions	101 912 528	88 536 518
From government and other guarantee institutions	3 566 958	2 607 517

#### » Guarantee commitments given to credit and similar institutions

This entry relates to commitments to assume responsibility for an 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 SUMMARY OF PROVISIONS AND DESCRIPTION OF EXISTING SCHEMES

### 6.2.1 PROVISIONS IN RESPECT OF POST-EMPLOYMENT AND OTHER LONG-TERM BENEFITS PROVIDED TO EMPLOYEES

(In thousand MAD)

	31/12/2021	31/12/2020
Provision for retirement and similar benefits	526 965	504 275
Provision for special long service award		
Other provisions		
<b>TOTAL</b>	<b>526 965</b>	<b>504 275</b>

**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 bonus	-50 bp rate change	+50 bp rate change
Discount rate	13 408	-12 031
Wage growth	-13 684	15 157

Long-service award	-50 bp rate change	+50 bp rate change
Discount rate	14 753	-13 738
Wage growth	-18 476	19 810

Economic assumptions	30/06/2021
Discount rate	2,75%
Long-term wage growth (inflation included)	3%
Growth in employer's social security contributions	10,96%

Demographic assumptions	
Retirement terms	Voluntary retirement
Retirement age	60
Mortality table	Male 60/64 - Female 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 BENEFIT SCHEMES

(In thousand MAD)

	31/12/2021	31/12/2020
Standard expense for the period	9 192	-3 563
Interest expense	13 498	13 654
Funds' expected rate of return		
Additional benefits		
Other		
<b>Net cost for the period</b>	<b>22 690</b>	<b>10 091</b>
Of which expense related to retirement and similar benefits		
Other		

### 6.2.4 CHANGES IN THE PROVISION RECOGNISED ON THE BALANCE SHEET

(In thousand MAD)

	31/12/2021	31/12/2020
<b>Actuarial liability at start of period</b>	<b>504 275</b>	<b>464 981</b>
Standard expense for the period	36 059	34 882
Interest expense	13 498	13 654
Actuarial gains/losses		26 962
Other actuarial differences		
Amortisation of net gains/losses		
Benefits paid	-26 867	-38 445
Additional benefits		
Other		2 241
<b>Actuarial liability at end of period</b>	<b>526 965</b>	<b>504 275</b>
Of which expense related to retirement and similar benefits		
Other		

## VII. ADDITIONAL INFORMATION

### 7.1 CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

#### 7.1.1 EARNINGS PER SHARE

(In thousand MAD)

	31/12/2021	31/12/2020
SHARE CAPITAL (MAD)	2 056 066 480	2 056 066 480
Number of ordinary shares outstanding during the year	205 606 648	205 606 648
Net income attributable to shareholders of the parent company (MAD)	2 007 213 561	737 831 627
Earnings per share (MAD)	9,76	3,59
Diluted earnings per share (MAD)	9,76	3,59

#### 7.1.2 CHANGES IN SHARE CAPITAL

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.

SHARES IN ISSUE	Number	Nominal value	MAD
Number of shares in issue at 31 December 2017	179 463 390	10	1 794 633 900
Number of shares in issue at 31 December 2018	179 463 390	10	1 794 633 900
Number of shares in issue at 31 December 2019	199 820 500	10	1 998 205 000
Number of shares in issue at 31 December 2020	205 606 648	10	2 056 066 480
Number of shares in issue at 31 December 2021	205 606 648	10	2 056 066 480

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

Name	Business sector	Controlling interest (%)	Ownership (%)	Consolidation method
BANK OF AFRICA	Banking			Parent Company
BMCE CAPITAL	Investment banking	100,00%	100,00%	Fully consolidated
BMCE CAPITAL GESTION	Asset management	100,00%	100,00%	Fully consolidated
BMCE CAPITAL BOURSE	Securities brokerage	100,00%	100,00%	Fully consolidated
MAROC FACTORING	Factoring	100,00%	100,00%	Fully consolidated
MAGHREBAIL	Leasing	52,47%	52,47%	Fully consolidated
SALAFIN	Consumer lending	61,96%	61,96%	Fully consolidated
BMCE EUROSERVICES	Financial institution	100,00%	100,00%	Fully consolidated
LCB Bank	Banking	37,00%	37,00%	Fully consolidated
BMCE BANK INTERNATIONAL HOLDING	Banking	100,00%	100,00%	Fully consolidated
BANK OF AFRICA EUROPE	Banking	100,00%	100,00%	Fully consolidated
BOA GROUP	Banking holding	72,41%	72,41%	Fully consolidated
LOCASOM	Car rental	100,00%	97,39%	Fully consolidated
RM EXPERTS	Debt collection	100,00%	100,00%	Fully consolidated
OPERATION GLOBAL SERVICE	Back-office banking services	100,00%	100,00%	Fully consolidated
FCP OBLIGATIONS PLUS	Mutual fund management	100,00%	100,00%	Fully consolidated
BOA UGANDA	Banking	92,24%	79,87%	Fully consolidated
BANQUE DE DEVELOPPEMENT DU MALI	Banking	32,38%	32,38%	Equity method
EULER HERMES ACMAR	Insurance	20,00%	20,00%	Equity method
EURAFRIC INFORMATION	IT services	41,00%	41,00%	Equity method
CONSEIL INGENIERIE ET DEVELOPPEMENT	Engineering consultancy	38,90%	38,90%	Equity method
AFRICA MOROCCO LINKS	Shipping	51,00%	51,00%	Equity method
BANK AL TAMWIL WAL INMAA	Participatory banking	51,00%	51,00%	Equity method



BANK OF AFRICA holds 37% of LCB Bank'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.

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 DIRECTORS' REMUNERATION

### 7.3.1 DETAILS OF DIRECTORS' REMUNERATION

	31/12/2021	31/12/2020
Short-term benefits	26 579	26 048
Post-employment benefits	915	2 870
Other long-term benefits	6 522	6 383

A noter que les avantages du personnel à court terme représentent la Rémunération fixe charges patronales comprises des Dirigeants perçue au titre de l'année 2021.

Les avantages postérieurs à l'emploi représentent les reliquats de congés à rembourser en cas de départ, tandis que les Indemnités de fin de contrat de travail englobent les primes de fin de carrières et les médailles de travail à verser aux concernés à leur départ.

### 7.3.2 LOANS GRANTED TO DIRECTORS

	31/12/2021	31/12/2020
A. Short-term loans	58 975	64 423
B. Mortgage loans	20 560	20 716
<b>TOTAL</b>	<b>79 535</b>	<b>85 139</b>

### 7.3.3 ATTENDANCE FEES PAID TO MEMBERS OF THE BOARD OF DIRECTORS

	31/12/2021			31/12/2020		
	Gross amount	Withholding tax	Net amount paid	Gross amount	Withholding tax	Net amount paid
Individuals and legal entities resident in Morocco	3 771	971	2 800	3 842	992	2 850
Non-resident individuals and legal entities	4 118	618	3 500	3 235	485	2 750
<b>TOTAL</b>	<b>7 888</b>	<b>1 588</b>	<b>6 300</b>	<b>7 077</b>	<b>1 477</b>	<b>5 600</b>

## 7.4 RELATED PARTIES

### 7.4.1 RELATIONSHIP BETWEEN THE GROUP'S CONSOLIDATED COMPANIES

(In thousand MAD)

	Parent company	Sister companies	Companies consolidated using the equity method	Fully consolidated companies
<b>Assets</b>				
<b>Loans, advances and securities</b>	<b>920 612</b>	<b>1 855 500</b>	<b>-</b>	<b>15 040 942</b>
Current accounts	920 612	449 256		1 294 582
Loans		408 744		11 417 901
Securities		997 500		2 328 459
Finance leases				
<b>Miscellaneous assets</b>				<b>24 365</b>
<b>Total</b>	<b>920 612</b>	<b>1 855 500</b>	<b>-</b>	<b>15 065 307</b>
<b>Liabilities</b>				
<b>Deposits</b>	<b>-</b>	<b>36 422</b>	<b>60 489</b>	<b>13 825 284</b>
Current accounts		36 422	60 489	1 294 576
Other borrowings				12 530 708
Debt securities				1 220 051
<b>Miscellaneous liabilities</b>				<b>19 972</b>
<b>Total</b>	<b>-</b>	<b>36 422</b>	<b>60 489</b>	<b>15 065 307</b>
<b>Financing and guarantee commitments</b>				
Commitments given				1 330 939
Commitments received				1 330 939

### 7.4.2 RELATED PARTY PROFIT AND LOSS ITEMS

(In thousand MAD)

	Parent company	Sister companies	Companies consolidated using the equity method	Fully consolidated companies
Interest and similar income		-61 865		-232 238
Interest and similar expenses				289 885
Fees (income)		-46 956		-295 928
Fees (expenses)				78 790
Services provided				
Services procured	45 871			
Lease income		-43 085	- 8 522	-231 471
Other		96 828		391 010



## 1 - 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, Shanghai, 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.





# PARENT COMPANY FINANCIAL STATEMENTS



7 Boulevard Driss Slaoui, 20160  
Casablanca  
Maroc



23, rue Brahim Lemtouni - Quartier Oasis  
20410 - Casablanca - Maroc

## **BANK OF AFRICA S.A**

### **STATUTORY AUDITORS' GENERAL REPORT**

#### **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**



7 Boulevard Driss Slaoui, 20160  
Casablanca  
Maroc



23, rue Brahim Lemtouni - Quartier Oasis  
20410 - Casablanca - Maroc

To the Shareholders of  
**BANK OF AFRICA S.A**  
140 Avenue Hassan II  
Casablanca

## **STATUTORY AUDITORS' GENERAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

### **Financial statement audit**

#### **Qualified opinion**

In accordance with the assignment entrusted to us by your Annual General Meeting of 23 June 2020, we have audited the attached financial statements of BANK OF AFRICA S.A, which comprise the balance sheet at 31 December 2021, the off-balance sheet statement, the income statement, the management accounting statement, the cash flow statement, and the additional information statement. These financial statements show shareholders' equity and equivalent of MAD 31,390,520 K, including net income of MAD 1,500,873 K.

These financial statements were drawn up by the Board of Directors 25 March 2022 against the evolving backdrop of the COVID-19 pandemic based on information available at the time.

In our opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section, the financial statements referred to above in the first paragraph give a true and fair view, in all material aspects, of the income from operations for the period ended 31 December 2021 and of the financial position and assets of BANK OF AFRICA S.A. at 31 December 2021 in accordance with Moroccan generally accepted accounting principles.

#### **Basis for qualified opinion**

BANK OF AFRICA S.A has a stock of non-operating real estate assets, acquired by dation-in-payment, totalling MAD 4.7 billion at 31 December 2021. Pursuant to the regulatory provisions in force, uncertainty exists regarding the realisable value of MAD 1.5 billion of these assets.

We conducted our audit in accordance with Moroccan accounting standards. Our responsibilities by virtue of those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Bank in accordance with the ethical requirements that apply to the audit of financial statements in Morocco and we have fulfilled our other responsibilities in accordance with those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the period in question. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole and for the purpose of forming an opinion on these. We do not express an opinion on these individual matters.

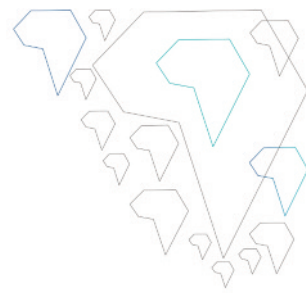
In addition to the matter described in the 'Basis for Qualified Opinion section' of our report, we have determined the matters described below to be the key audit matters which should be communicated in our report:

Risk identified	Our audit response
<p><b>Credit risk appraisal for loans and advances to customers</b></p> <p>Customer loans carry a credit risk which expose BANK OF AFRICA S.A to a potential loss if customers or counterparties are unable to meet their financial obligations vis-a-vis the Bank.</p> <p>The Group recognises loan loss provisions to cover this risk. Loan loss provisions are calculated in accordance with the requirements of Bank Al Maghrib's Circular No. 19/G/2002 relating to the classification of loans and their provisioning, central bank rules relating to the provisioning of underperforming loans and internal policies adopted by the Bank's Management.</p> <p>The amount of loan loss provisions set aside to cover this risk requires:</p> <ul style="list-style-type: none"> <li>• Outstanding loans to be classified as performing loans, underperforming loans or non-performing loans</li> <li>• The amount of loan loss provisions to be set aside on the basis of the loan classification category.</li> </ul> <p>At 31 December 2021, total gross customer loan outstandings, including invoice factoring, amounted to MAD 136,521 billion, whilst the total amount of loan loss provisions set aside for non-performing loans amounted to MAD 6,721 billion.</p> <p>We considered the assessment of credit risk and the measurement of impairment and loan loss provisions to be a key audit matter given that (i) the amount recognised in the Bank's financial statements in respect of these assets was significant and (ii) and Management was required to exercise judgement and to make estimates, particularly for funding granted to companies in sensitive economic sectors.</p>	<p>Our audit approach consisted of familiarising ourselves with the process adopted by the Bank for measuring and estimating credit risk in terms of:</p> <ul style="list-style-type: none"> <li>• The system adopted for classifying loans and setting aside the appropriate level of provisions in light of the collateral held</li> <li>• The governance system adopted in terms of management bodies and key monitoring and control committees.</li> </ul> <p>We also:</p> <ul style="list-style-type: none"> <li>• Carried out a reconciliation between the non-performing loan situation and resulting loan loss provisions and the accounting data</li> <li>• Tested the correct classification of loans by category</li> <li>• Tested provisions for downgraded loans (CES) based on a sample in light of the collateral held by the Bank</li> <li>• Tested provisions for underperforming loans (WL) based on a sample</li> <li>• Took note of the conclusions of the monitoring committees responsible for estimating loan loss provisions</li> <li>• Appraised the qualitative criteria used as part of the process of determining credit risk.</li> </ul>

## Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and true and fair presentation of the financial statements in accordance with Moroccan generally accepted accounting principles as well as for the internal control process that it deems necessary, to ensure that, in terms of preparation, the financial statements are free from material misstatement whether due to fraud or error.





In preparing the financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Moroccan accounting standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Moroccan accounting standards, we exercise professional judgment and maintain critical thinking throughout the audit. In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of aspects of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- We reach a conclusion about the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- We evaluate the overall presentation, structure, and content of the financial statements, including the information provided in the additional information statement, and assess whether the financial statements represent the underlying transactions and events in a manner that provides a true and fair view.

We communicate with those responsible for governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant shortcomings in internal control that we identify during our audit.

### Specific checks and information

We also carried out specific checks required by law and ensured that the information provided in the Board of Directors' Management Report for shareholders provided a true and fair view and was consistent with the company's 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 2021, the Bank acquired:

- A 100% stake in Bank Of Africa Europe for MAD 841,320 K
- A 33% stake in BAB Consortium for MAD 3,333 K.

Casablanca, 28 April 2022

### Statutory auditors

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**FIDAROC GRANT THORNTON**  
 Member Réseau Grant Thornton  
 International  
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**Mostafa FRAIHA**  
 Associé



## PARENT COMPANY BALANCE SHEET

(in thousand MAD)

ASSETS	31/12/2021	31/12/2020
Cash, central banks, treasury, giro accounts	7 323 591	4 700 288
Loans to credit institutions and equivalent	20 167 359	20 148 615
. Demand	4 768 697	3 934 452
. Time	15 398 662	16 214 163
Loans and advances to customers	126 845 452	126 812 254
. Cash and consumer loans	41 888 548	38 746 351
. Equipment loans	20 664 448	20 263 591
. Mortgage loans	41 207 258	41 057 176
. Other loans	23 085 198	26 745 136
Advances acquired by factoring	2 954 347	2 113 945
Transaction and marketable securities	37 687 594	30 931 541
. Treasury bonds and equivalent securities	14 923 138	9 458 897
. Other debt securities	231 115	220 787
. Title deeds	22 493 714	21 193 183
. Sukuks Certificates	39 627	58 674
Other assets	7 831 620	4 831 475
Investment securities	8 936 596	8 433 543
. Treasury bonds and equivalent securities	4 812 092	4 115 642
. Other debt securities	4 124 504	4 317 901
. Sukuks Certificates	-	-
Equity investments and equivalent uses	11 639 853	10 873 764
. Investments in joint ventures	9 199 560	8 892 226
. Other equity securities and similar assets	2 440 293	1 981 538
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	195 925	200 743
Placed investment deposits	-	-
Leased and rented fixed assets	167 733	190 816
Ijara leased assets	-	-
Intangible fixed assets	714 004	583 738
Tangible fixed assets	2 637 210	5 395 263
TOTAL ASSETS	227 101 284	215 215 987

(in thousand MAD)

LIABILITIES	31/12/2021	31/12/2020
Amounts due to central banks, the Public treasury and postal cheque centre	-	-
Amounts due to credit and similar institutions	40 581 191	37 034 499
Sight	3 010 935	2 539 628
Fixed-term	37 570 256	34 494 871
Customer deposits	141 554 206	134 792 521
Sight deposit accounts in credit	91 396 132	85 875 583
Savings accounts	25 927 402	25 102 696
Term deposits	19 469 487	17 674 709
Other accounts in credit	4 761 185	6 139 533
Amounts due to customers on participatory products	-	-
Debt securities issued	8 117 463	8 166 405
Negotiable debt securities	8 117 463	7 666 405
Bonds	-	500 000
Other debt securities issued	-	-
Other liabilities	3 766 247	3 543 407
Provisions, contingent liabilities	1 294 922	1 221 143
Statutory provisions	396 735	514 706
Subsidies, public funds and special guarantee funds	-	-
Subordinated debt	10 597 210	9 594 473
Investment deposits received	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	17 236 350	17 568 566
Share capital	2 056 067	2 056 066
Shareholders, unpaid share capital (-)	-	-
Retained earnings (+/-)	20	20
Net income to be appropriated (+/-)	-	-
Net income for the year (+/-)	1 500 873	724 181
TOTAL LIABILITIES	227 101 284	215 215 987

## OFF-BALANCE SHEET

(in thousand MAD)

OFF-BALANCE SHEET	31/12/2021	31/12/2020
<b>COMMITMENTS GIVEN</b>	<b>27 361 678</b>	<b>20 820 845</b>
Financing commitments given to credit and similar institutions	239 827	418 241
Financing commitments to customers	6 840 594	6 661 576
Guarantees given to credit and similar institutions	4 455 476	4 027 365
Guarantee commitments given to customers	10 385 685	9 539 868
Securities purchased with repurchase agreement	-	78 358
Other securities to be delivered	5 440 096	95 437
<b>COMMITMENTS RECEIVED</b>	<b>24 690 635</b>	<b>21 105 044</b>
Financing commitments received from credit and similar institutions	-	-
Guarantees received from credit and similar institutions	21 169 699	18 598 222
Guarantee commitments received from government and other guarantee institutions	3 342 275	2 410 428
Securities sold with repurchase agreement	-	-
Other securities to be received	178 661	96 394
Mudarabah and Musharakah securities to be received	-	-

## INCOME STATEMENT

(in thousand MAD)

	31/12/2021	31/12/2020
<b>OPERATING INCOME FROM BANKING OPERATIONS</b>	<b>10 625 860</b>	<b>11 448 179</b>
Interest, remuneration and similar income from transactions with credit institutions	253 901	710 550
Interest, remuneration and similar income from transactions with customers	5 498 366	5 334 205
Interest and similar income from debt securities	619 182	557 275
Income from equity securities and Sukuk certificates	883 776	611 251
Income from Mudarabah and Musharakah securities	-	-
Income from lease-financed non-current assets	23 052	28 781
Income from Ijarah assets	-	-
Fee income	1 187 270	1 115 875
Other banking income	2 160 313	3 090 242
Transfer of expenses on investment deposits received	-	-
<b>OPERATING EXPENSES ON BANKING OPERATIONS</b>	<b>3 718 456</b>	<b>5 147 548</b>
Interest and expenses on transactions with credit and similar institutions	609 909	1 250 026
Interest and expenses on transactions with customers	851 876	1 052 972
Interest and similar expenses on debt securities issued	578 119	229 687
Expenses on Mudarabah and Musharakah securities	-	-
Expenses on lease-financed non-current assets	20 169	16 216
Expenses on Ijarah assets	-	-
Other banking expenses	1 658 383	2 598 647
Transfer of income on investment deposits received	-	-
<b>NET BANKING INCOME</b>	<b>6 907 404</b>	<b>6 300 631</b>
Non-banking operating income	165 316	472 279
Non-banking operating expenses	133 670	29 683
<b>GENERAL OPERATING EXPENSES</b>	<b>3 648 638</b>	<b>3 432 499</b>
Employee expenses	1 673 566	1 553 520
Taxes other than on income	80 689	93 624
External expenses	1 566 034	1 479 989
Other general operating expenses	9 287	8 887
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	319 062	296 479
<b>PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS</b>	<b>1 637 721</b>	<b>2 585 199</b>
Provisions for non-performing loans and signature loans	982 064	1 651 794
Losses on irrecoverable loans	350 559	783 717
Other provisions	305 098	149 688
<b>WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS</b>	<b>473 658</b>	<b>1 035 725</b>
Write-backs for non-performing loans and signature loans	276 070	968 557
Amounts recovered on impaired loans	18 879	27 808
Other write-backs	178 709	39 360
<b>INCOME FROM ORDINARY OPERATIONS</b>	<b>2 126 349</b>	<b>1 761 253</b>
Non-recurring income	128 676	-
Non-recurring expenses	244 682	762 260
<b>PRE-TAX INCOME</b>	<b>2 010 343</b>	<b>998 993</b>
Corporate income tax	509 470	274 812
<b>NET INCOME FOR THE YEAR</b>	<b>1 500 873</b>	<b>724 181</b>

(-) signifies 'minus'

(+) signifies 'plus'



## MANAGEMENT ACCOUNTING STATEMENT

(in thousand MAD)

	31/12/2021	31/12/2020
(+) Interest and similar income	6 371 449	6 602 029
(-) Interest and similar expenses	2 039 904	2 532 685
<b>NET INTEREST INCOME</b>	<b>4 331 545</b>	<b>4 069 344</b>
(+) Income from participatory finance arrangements	-	-
(-) Expenses on participatory finance arrangements	-	-
<b>NET INCOME FROM PARTICIPATORY FINANCE ARRANGEMENTS</b>	<b>-</b>	<b>-</b>
(+) Income from lease-financed non-current assets	23 052	28 781
(-) Expenses on lease-financed non-current assets	20 169	16 216
Net income from leasing and rental transactions	2 883	12 565
(+) Income from Ijarah assets	-	-
(-) Expenses on Ijarah assets	-	-
Net income from Ijara transactions (1)	-	-
(+) Fees received	1 394 397	1 315 378
(-) Fees paid	352 655	340 759
<b>NET FEE INCOME (1)</b>	<b>1 041 742</b>	<b>974 619</b>
(+) Income from trading securities transactions	570 615	606 715
(+) Income from available-for-sale securities transactions	-34 444	56 533
(+) Income from foreign exchange transactions	476 379	343 740
(+) Income from derivatives transactions	-71 747	-108 323
<b>INCOME FROM MARKET TRANSACTIONS (1)</b>	<b>940 803</b>	<b>898 665</b>
(+/-) Income from Mudarabah and Musharakah securities transactions	-	-
(+) Other banking income	883 816	611 279
(-) Other banking expenses	293 388	265 843
<b>(+/-) SHARE OF INCOME FROM INVESTMENT ACCOUNT HOLDERS' DEPOSITS</b>	<b>-</b>	<b>-</b>
<b>NET BANKING INCOME</b>	<b>6 907 401</b>	<b>6 300 629</b>
(+) Income from long-term investments (2)	-89 779	-41 283
(+) Other non-banking operating income	165 240	464 029
(-) Other non-banking operating expenses	102 464	20 302
(-) General operating expenses	3 648 638	3 432 499
<b>GROSS OPERATING INCOME</b>	<b>3 231 760</b>	<b>3 270 574</b>
(+) Net provisions for non-performing loans and signature loans	-1 037 673	-1 439 147
(+) Other net provisions	-67 739	-70 175
<b>INCOME FROM ORDINARY OPERATIONS</b>	<b>2 126 348</b>	<b>1 761 253</b>
<b>NON-RECURRING INCOME</b>	<b>-116 005</b>	<b>-762 260</b>
(-) Corporate income tax	509 470	274 812
<b>NET INCOME FOR THE YEAR</b>	<b>1 500 873</b>	<b>724 181</b>

	31/12/2021	31/12/2020
<b>(+) NET INCOME FOR THE YEAR</b>	<b>1 500 873</b>	<b>724 181</b>
(+) Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	319 062	296 479
(+) Provisions for impairment of long-term investments	89 015	52 814
(+) General provisions	162 178	2 923
(+) Statutory provisions	-	-
(+) Extraordinary provisions	10 706	514 706
(-) Write-backs	228 341	12 661
(-) Capital gains on disposal of intangible assets and property, plant and equipment	70 562	384 032
(+) Losses on disposals of intangible and tangible fixed assets	1 194	304
(-) Capital gains on disposal of long-term investments	76	8 250
(+) Losses on disposal of long-term investments	31 206	9 381
(-) Write-backs of investment subsidies received	-	-
<b>(+) TOTAL CASH EARNINGS</b>	<b>1 815 255</b>	<b>1 195 844</b>
(-) Distributed earnings	1 028 033	161 102
<b>(+) NET CASH EARNINGS</b>	<b>787 222</b>	<b>1 034 742</b>

## TABLE OF CASH FLOWS

(in thousand MAD)

	31/12/2021	31/12/2020
(+) Operating income from banking operations	9 807 055	10 761 260
(+) Amounts recovered on impaired loans	18 879	27 808
(+) Non-banking operating income	104 145	79 997
(-) Operating expenses on banking operations	5 289 409	7 789 295
(-) Non-banking operating expenses	133 670	1 029 683
(-) General operating expenses	3 336 989	3 136 020
(-) Corporate income tax	509 470	274 812
<b>I. Net cash flows from income statement</b>	<b>660 540</b>	<b>-1 360 744</b>
Change in:		
(+) Loans and advances to credit and similar institutions	-18 744	2 000 482
(+) Loans and advances to customers	-873 600	-10 017 350
(+) Trading and available-for-sale securities	-6 756 053	- 925 728
(+) Other assets	170 371	-1 323 245
(-) Mudarabah and Musharakah securities	-	-
(+) Lease-financed non-current assets	23 083	331
(+) Ijara assets	-	-
(+) Investment deposits deposited with credit and similar institutions	-	-
(+) Amounts due to credit and similar institutions	3 546 692	14 403 957
(+) Customer deposits	6 761 685	351 280
(+) Amounts due to customers on participatory financing arrangements	-	-
(+) Debt securities issued	-48 942	-1 206 412
(+) Other liabilities	270 093	-426 824
<b>II. Balance of changes in operating assets and liabilities</b>	<b>3 074 585</b>	<b>2 856 490</b>
<b>III. NET CASH FLOWS FROM OPERATING ACTIVITIES (I + II)</b>	<b>3 735 125</b>	<b>1 495 746</b>
(+) Income from the disposal of long-term investments (1) (4)	-	102 355
(+) Income from the disposal of intangible assets and property, plant and equipment (4)	103 168	700 683
(-) Acquisition of long-term investments (1)	782 803	2 214 714
(-) Acquisition of intangible assets and property, plant and equipment	911 630	561 230
(+) Interest received	98 566	99 459
(+) Dividends received	785 919	528 036
<b>IV. NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-706 781</b>	<b>-1 345 410</b>
(+) Subsidies, public funds and special guarantee funds received	-	-
(+) Subordinated debt issuance	1 000 000	4 303
(+) Investment deposits received	-	-
(+) Equity issuance	-	-
(-) Repayment of shareholders' equity and similar	-	-
(-) Investment deposits repaid (2)	-	-
(-) Interest paid	377 008	403 821
(-) Remuneration paid on investment deposits (3) (4)	-	-
(-) Dividends paid	1 028 033	161 102
<b>V. NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-405 041</b>	<b>-560 620</b>
<b>VI. NET CHANGE IN CASH AND CASH EQUIVALENTS (III + IV + V)</b>	<b>2 623 303</b>	<b>-410 284</b>
<b>VII. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>4 700 288</b>	<b>5 110 572</b>
<b>VIII. CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>7 323 591</b>	<b>4 700 288</b>

(1) Other than Mudarabah and Musharakah securities

(2) Including use of Investment Risk Reserve

(3) Including use of Profit Equalisation Reserve

(4) Other than those resulting from net cash flows from the income statement



## LOANS AND ADVANCES TO CREDIT AND SIMILAR INSTITUTIONS

(in thousand MAD)

	Bank AL-Maghrib, Public treasury and postal cheque centre	Banks in Morocco	Other credit and similar institutions in Morocco	Credit institutions overseas	TOTAL 31/12/2021	TOTAL 31/12/2020
Current accounts in debit	5 752 561	1 407 361	519 032	4 409 418	12 088 372	8 241 654
Repurchase agreements	-	-	120 180	-	120 180	66 589
Overnight	-	-	-	-	-	60 062
Fixed-term	-	-	120 180	-	120 180	6 527
Cash loans	-	3 123 457	948 851	1 095 039	5 167 347	5 771 099
Overnight	-	-	-	-	-	323 707
Fixed-term	-	3 123 457	948 851	1 095 039	5 167 347	5 447 391
Financial loans	-	2 578 814	7 130 296	-	9 709 110	7 283 288
Other loans and advances	-	378 622	-	-	378 622	3 439 786
Accrued interest receivable	-	22 113	-	5 206	27 319	46 487
Non-performing loans	-	-	-	-	-	-
<b>TOTAL</b>	<b>5 752 561</b>	<b>7 510 367</b>	<b>8 718 359</b>	<b>5 509 663</b>	<b>27 490 950</b>	<b>24 848 903</b>

## LOANS AND ADVANCES TO CUSTOMERS

(in thousand MAD)

	Public Sector	Private Sector			TOTAL 31/12/2021	TOTAL 31/12/2020
		Financial companies	Non-financial companies	Other customers		
Cash loans	490 094	3 491 082	27 580 721	2 377 434	33 939 331	30 698 539
Sight deposit accounts in debit	123 904	3 491 082	10 058 996	1 606 111	15 280 093	14 769 564
Commercial loans within Morocco	35 581	-	3 817 465	3 532	3 856 578	2 895 279
Export loans	-	-	496 566	438 365	934 931	761 540
Other cash loans	330 609	-	13 207 694	329 426	13 867 729	12 272 156
Consumer loans	-	-	28 828	7 607 613	7 636 441	7 687 110
Equipment loans	5 331 778	472 415	13 161 536	1 416 065	20 381 794	19 987 678
Mortgage loans	326 584	-	9 082 266	31 721 952	41 130 802	40 966 339
Other loans	2 000 000	15 555 277	897 998	79 439	18 532 714	23 023 182
Factoring receivables	2 580 603	-	373 744	-	2 954 347	2 113 945
Accrued interest receivable	55 962	43 152	440 917	128 194	668 225	727 452
Non-performing loans	106	-	2 143 784	2 412 255	4 556 145	3 721 954
Sub-standard loans	-	-	4 338	500 557	504 895	629 849
Doubtful loans	-	-	909 122	469 318	1 378 440	1 005 078
Impaired loans	106	-	1 230 324	1 442 380	2 672 810	2 087 027
TOTAL	10 785 127	19 561 926	53 709 794	45 742 952	129 799 799	128 926 198



## BREAKDOWN OF TRADING, AVAILABLE-FOR-SALE AND INVESTMENT SECURITIES BY ISSUER CATEGORY

(in thousand MAD)

	Credit and similar institutions	Public sector issuers	Private sector issuers		TOTAL 31/12/2021	TOTAL 31/12/2020
			Financial companies	Non-financial companies		
Listed securities	15 208	4 006 768	-	132 672	4 357 169	25 559 561
Treasury bonds and similar assets	-	4 202 183	-	-	4 202 183	3 513 131
Bonds	-	-	-	-	-	853 247
Other debt securities	15 208	-	-	132 672	147 881	-
Equity securities	4 848	-	-	2 257	7 105	21 193 183
Sukuk certificates	-	-	-	-	-	-
Unlisted securities	2 893 750	12 631 870	23 002 470	1 136 945	42 267 022	13 805 523
Treasury bonds and similar assets	2 616 222	12 829 669	79 365	-	15 525 257	9 999 291
Bonds	277 528	1 013 263	517 697	2 381 676	4 190 163	3 524 586
Other debt securities	-	-	-	-	-	6 563
Equity securities	-	-	22 486 609	-	22 486 609	-
Sukuk certificates	-	-	-	39 627	39 627	58 674
Accrued interest	-	7 790	-	17 576	25 366	216 409
<b>TOTAL</b>	<b>2 908 958</b>	<b>16 638 638</b>	<b>23 002 470</b>	<b>1 269 617</b>	<b>46 624 191</b>	<b>39 365 084</b>

## BREAKDOWN OF TRADING, AVAILABLE-FOR-SALE AND INVESTMENT SECURITIES BY VALUE

(in thousand MAD)

	Gross carrying amount	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
<b>Trading securities</b>	<b>36 893 588</b>	<b>36 893 588</b>	-	-	-	-
Treasury bonds and similar assets	14 387 218	14 387 218	-	-	-	-
Bonds	83 235	83 235	-	-	-	-
Other debt securities	0	0	-	-	-	-
Equity securities	22 383 508	22 383 508	-	-	-	-
Sukuk certificates	39 627	39 627	-	-	-	-
<b>Available-for-sale securities</b>	<b>867 496</b>	<b>794 007</b>	<b>589 398</b>	-	<b>141 121</b>	<b>73 489</b>
Treasury bonds and similar assets	609 409	535 920	413 659	-	56 101	73 489
Bonds	-	-	-	-	-	-
Other debt securities	147 881	147 881	86 689	-	-	-
Equity securities	110 206	110 206	89 051	-	85 020	-
<b>Investment securities</b>	<b>8 936 596</b>	<b>8 936 596</b>	<b>8 905 062</b>	<b>99 592</b>	<b>131 126</b>	<b>0</b>
Treasury bonds and similar assets	4 812 092	4 812 092	4 759 181	-	52 912	-
Bonds	4 106 929	4 106 929	4 128 306	99 592	78 215	-
Other debt securities	17 576	17 576	17 576	-	-	0
<b>TOTAL</b>	<b>46 697 680</b>	<b>46 624 191</b>	<b>9 494 461</b>	<b>99 592</b>	<b>272 247</b>	<b>73 489</b>



## DETAILS OF OTHER ASSETS

(in thousand MAD)

ASSETS	31/12/2021	31/12/2020
Options purchased	- 3 309	- 269
Miscellaneous securities transactions	348 759	324 924
Miscellaneous accounts receivable	1 203 147	985 476
Amounts due from government	1 008 847	811 212
Amounts due from pensions and life insurance providers	-	-
Miscellaneous amounts due from employees	129 269	119 568
Amounts due from customers for non-banking services	-	-
Other miscellaneous accounts receivable	65 032	54 695
<b>Other miscellaneous assets</b>	<b>3 173 392</b>	<b>4 943</b>
<b>Accrual accounts</b>	<b>3 109 629</b>	<b>3 516 401</b>
Adjustment accounts for off-balance sheet transactions	154 462	186 413
Equivalence off-balance sheet foreign exchange position account	154 462	186 413
Equivalence off-balance sheet derivative instrument position account	-	-
Equivalence off-balance sheet securities position account	-	-
Foreign currency and securities exchange differences accounts	258	-
Derivative hedging instruments	-	-
Expenses deferred over a number of years	121 869	141 631
Liaison accounts between head office, branch offices and branches in Morocco	257 193	246 489
Accrued income and prepaid expenses	1 076 467	1 298 854
Accrued income	431 124	472 134
Prepaid expenses	645 343	826 719
Clearing account for accounts receivable	-	-
Other accrual accounts	1 499 380	1 643 014
Non performing loans on miscellaneous transactions	-	-
<b>TOTAL</b>	<b>7 831 618</b>	<b>4 831 475</b>

## SUBORDINATED DEBTS

(in thousand MAD)

	Amount			Including associates and related Companies	
	Gross	31/12/2021 Provisions	Net	31/12/2021 Net	31/12/2020 Net
Subordinated loans to credit and similar institutions	195 925		195 925	193 551	193 551
Subordinated loans to customers	-		-		
<b>TOTAL</b>	<b>195 925</b>		<b>195 925</b>	<b>193 551</b>	<b>193 551</b>

## INVESTMENTS IN ASSOCIATES AT 31 DECEMBER 2021

(in thousand MAD)

Issuing company name	Business sector	Number of shares	Share capital	Equity interest (%)	Overall acquisition price	Provisions	Net carrying amount
INVESTMENTS IN ASSOCIATES							
TANGER MED ZONES	Development company	821 877	906 650 000	9.06	82 188	-	82 188
RADIO MEDITERRANEE	Audio-visual	708 264	196 550 000	36.02	70 827	-	70 827
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Centre management company	500 000	500 000 000	10.00	50 000	-	50 000
FONCIERE EMERGENCE	Real Estate development	363 935	435 266 549	7.41	37 057	-	37 057
ECOPARC DE BERRECHID	Development company	120 000	55 000 000	21.82	12 000	-	12 000
CENTRE MONETIQUE INTERBANCAIRE	Electronic payments management company	109 950	98 200 000	11.20	11 000	-	11 000
Fonds de Garantie de la Commande Publique	Investment fund	100 000	115 000 000	8.70	10 000	-	10 000
MOROCCAN INFORMATION TECH-ND PARC CIE	Real estate management	56 500	46 000 000	12.28	5 650	-	5 650
BAB CONSORTIUM	Pharmaceutical company	33 332	10 000 000	33.33	3 333	-	3 333
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	-
NTIC CAPITAL	MNF Fund manager	4 000	2 000 000	20.00	400	-	-
STE RECOURS	Debt collection	3 750	2 500 000	15.00	375	375	-
					288 060	1 746	288 304
INVESTMENTS IN RELATED COMPANIES							
BOA Group	Foreign credit institution	435 192	93 154 535 €	72.41	2 847 804	-	2 847 804
BIH	Foreign credit institution	102 173 261	102 173 261 €	100.00	1 279 822	-	1 279 822
O TOWER	Development company	9 600 000	2 000 000 000	48.00	960 000	-	960 000
BANK OF AFRICA EUROPE	Foreign credit institution	666 149	40 635 089 EURO	100.00	841 320	-	841 320
STE SALAFIN	Consumer loans	1 935 692	312 411 900	61.96	707 410	-	707 410
LITTORAL INVEST	Real estate	26 000	2 600 000	100.00	450 000	-	450 000
MAGHREBAIL	Leasing	728 220	138 418 200	52.47	370 770	-	370 770
LOCASOM	Vehicle leasing	784 768	83 042 900	94.50	336 882	-	336 882
BANK AL-TAMWEEL WA AL-INMA - BTI	Participatory banking	2 040 000	400 000 000	51.00	204 000	-	204 000
AFRICA MOROCCO LINKS	Shipping	2 346 000	460 000 000	51.00	198 900	30 000	168 900
BOA UGANDA	Foreign credit institution	22 176 454	46 775 206 000 US\$	47.41	137 323	-	137 323
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	151 126	50 000 268 220 FCFA	32.38	132 644	-	132 644
SOCIETE DAMENAGEMENT TANGER TECH - SA-TT	Development company	1 489 997	500 000 000	30.00	125 000	-	125 000
HANOUTY	Retail	76 486	16 767 900	45.62	121 815	121 815	-
BMCE CAPITAL	Investment banking	100 000	100 000 000	100.00	100 000	-	100 000
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Engineering consultancy	155 437	40 000 000	38.85	90 192	-	90 192
RIYAD ALNOUR	Hospitality	3 000	300 000	100.00	78 357	-	78 357
CONGOLOISE DES BANQUES	Foreign credit institution	370 000	10 000 000 000 FCFA	37.00	73 878	-	73 878
BMCE CASH	Financial institution	369 996	37 000 000	100.00	53 000	-	53 000
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	46 531	-	46 531
EUROSERVICES	Financial institution	3 768	4 831 000 €	78.00	39 626	-	39 626
BMCE IMMOBILIER	Real estate investment	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
DOCPURINT (STA)	Services	50 000	5 000 000	100.00	19 000	-	19 000
ACCHAR	Insurance and services	100 000	50 000 000	20.00	10 001	-	10 001
BMCE CAPITAL BOURSE (maroc inter titres)	Securities brokerage	67 500	10 000 000	67.50	6 750	-	6 750
BMCE CAPITAL GESTION (marfin)	Mutual fund management	250 000	25 000 000	100.00	6 443	-	6 443
STE FINANCIERE Italie	Financial institution	600 000	600 000 EURO	100.00	6 310	6 310	-
OPERATION GLOBAL SERVICES SA OGS	Back-office services	50 000	5 000 000	100.00	5 000	-	5 000
Eurafric Informatique	IT services	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
IT International service	IT services	3 100	31 000 EURO	100.00	326	326	-
AKENZA IMMO	Real estate development	100	10 000	100.00	10	-	10
SAISS IMMO NEJMA	Real estate development	100	10 000	100.00	10	-	10
SUX HILL PRIMERO	Real estate development	100	10 000	100.00	10	-	10
SUX HILL SECONDO	Real estate development	100	10 000	100.00	10	-	10
SUX HILL TERCIO	Real estate development	100	10 000	100.00	10	-	10
NOUACER CITY IMMO	Real estate development	100	10 000	100.00	10	-	10
MOHIT IMMO	Real estate development	100	10 000	100.00	10	-	10
PARACHA IMMO	Real estate development	100	10 000	100.00	10	-	10
KRAKER IMMO	Real estate development	100	10 000	100.00	10	-	10
BERLY IMMO	Real estate development	100	10 000	100.00	10	-	10
ERRAHA NAKHIL	Real estate development	100	10 000	100.00	10	-	10
GOLDFRAME IMMO	Real estate development	100	10 000	100.00	10	-	10
ISKANE PRIMERO	Real estate development	100	10 000	100.00	10	-	10
JASPE IMMO	Real estate development	100	10 000	100.00	10	-	10
MAADEN SECONDO	Real estate development	100	10 000	100.00	10	-	10
MONET IMMO	Real estate development	100	10 000	100.00	10	-	10
NEROPRIM IMMO	Real estate development	100	10 000	100.00	10	-	10
SALAM PRIMERO	Real estate development	100	10 000	100.00	10	-	10
VILLASBUGAN IMMO	Real estate development	100	10 000	100.00	10	-	10
DENIM PRIMERO 1	Real estate development	100	10 000	100.00	10	-	10
IKAMAT TILILA	Real estate development	1 000	100 000	100.00	0	-	0
					9 358 009	168 461	9 199 558
INVESTMENTS IN RELATED COMPANIES							
INVESTMENT SECURITIES							
PROPARCO	International credit institution	1 263 425	984 373 280 EURO	2.05	168 732	-	168 732
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EURO	0.45	167 679	167 679	-
E.S.I	Foreign credit institution	467 250	500 400 000 EURO	0.93	144 344	144 344	-
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	261 185 870 EURO	2.65	69 665	18 073	51 592
AMETHIS FINANCE Luxembourg	Private equity	3 644	173 797 226 EURO	2.10	38 310	-	38 310
BOURSE DE CASABLANCA	Stock exchange	310 014	387 517 900	8.00	31 373	-	31 373
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4.00	27 841	-	27 841
AMETHIS II	Private equity	2 503	193 305 120 EURO	1.33	26 476	-	26 476
MAROC NUMERIC FUND	Investment fund	150 000	75 000 000	20.00	15 000	7 566	7 434
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107 500	150 000 000	7.17	10 750	5 395	5 355
MAROC NUMERIC FUND II	Investment fund	78 431	40 000 000	19.61	7 843	-	7 843
SEAF MOROCCO GROWTH FUND	Investment fund	114 623	180 000 000	6.37	7 345	-	7 345
NMMA SA	Services	53 333	20 000 000	26.67	5 333	2 323	3 010
AFREXIM BANK (African Import Export)	Foreign credit institution	30	583 524 000 USD	0.020	2 862	-	2 862
FONDS MONETAIRE ARABE (ARAB TRADE FINANCING PROGRAM)	Financial institution	50	986 635 000 USD	0.03	2 784	-	2 784
AZUR FUND	Investment fund	96 279	226 000 000	4.26	1 970	-	1 970
PROGEST	Investment fund	2 500	2 000 000	12.50	250	-	250
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guaranteeee fund management company	1 987	3 380 000	5.88	59	-	59
					728 616	346 380	383 237
OTHER INVESTMENTS							
CFG GROUP	Investment banking	285 065	542 889 900	5.25	103 997	-	103 997
Mutandis SCA	Investment fund	832 458	799 673 700	10.41	96 807	-	96 807
Mutandis AUTOMOBILE SCA	Car dealership	846 892	630 000 000	13.44	91 359	74 238	17 122
ROYAL RANCHES MARRAKECH	Real estate development and tourism	106 667	800 000 000	13.33	60 000	-	60 000
SOGEPOS	Development company	46 216	35 000 000	13.20	4 622	-	4 622
LA CELLULOSE DU MAROC	Pulp and paper	52 864	700 484 000	0.75	3 393	3 393	-
SMAEX	Insurance and services	22 563	50 000 000	4.51	1 690	-	1 690
FRUMAT	Agribusiness	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	Development company	10 000	60 429 000	1.65	1 000	-	1 000
MAROCLEAR	Central custodian	803	100 000 000	4.02	803	-	803
STE IPE	Printing and publishing	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	Manufacturing	5 000	10 000 000	5.00	500	500	-
SOCIETE ALLICOM MAROC	Manufacturing	5 000	20 000 000	2.50	500	500	-
DAR ADDAMANE	Guarantee institution	1 922	75 000 000	0.64	481	481	-
PORNET	IT services	1 800	11 326 800	1.59	180	-	180
SINCOMAR	Agribusiness	494	37 440 000	0.13	49	49	-
SWIFT	Services	23	434 020 000 EURO	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
					369 495	80 611	288 824
OTHER INVESTMENTS							
ASSOCIATES' CURRENT ACCOUNTS							
RYAD ENNOUR	Investment fund	501 232	501 232	-	501 232	-	501 232
FARACHA IMMO	-	304 819	304 819	-	304 819	-	304 819
BAB CONSORTIUM	-	226 000	226 000	-	226 000	-	226 000
SAISS IMMO NEJMA	-	119 480	119 480	-	119 480	-	119 480
KRAKER IMMO	-	87 590	87 590	-	87 590	-	87 590
NEROPRIM IMMO	-	74 770	74 770	-	74 770	-	74 770
IT International Service ITS	-	50 479	50 479	-	50 479	-	50 479
SUX HILL SECONDO	-	49 935	49 935	-	49 935	-	49 935
AKENZA IMMO	-	46 988	46 988	-	46 988	-	46 988
SUX HILL PRIMERO	-	25 893	25 893	-	25 893	-	25 893
ISKANE PRIMERO	-	18 179	18 179	-	18 179	-	18 179
SUX HILL TERCIO	-	16 214	16 214	-	16 214	-	16 214
MOHIT IMMO	-	5 616	5 616	-	5 616	-	5 616
ECO PARC	-	4 736	4 736	-	4 736	-	4 736
BMCE CASH	-	2 500	2 500	-	2 500	-	2 500
HANOUTY	-	1 714	1 714	-	1 714	-	1 714
MARTCO	-	1 500	1 500	-	1 500	-	1 500
Siege G.P.B.M.	-	723	723	-	723	-	723
ALLICOM MAROC	-	552	552	-	552	-	552
NOUACER CITY							

## LEASED AND RENTED ASSETS WITH PURCHASE OPTION

(in thousand MAD)

	Gross amount at beginning of the year	Acquisitions during the year	Disposals or withdrawals during the year	Adjustement	Gross Amount at end of year	Amortisation for the year	Depreciation Accumulated amortisation	Provisions	Write-backs	Accumulated provisions	Net amount at end of year
<b>Leased and rented assets with purchase option</b>	<b>241 552</b>	<b>1 060</b>	<b>1 060</b>	<b>- 3 044</b>	<b>238 508</b>	<b>20 169</b>	<b>70 774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167 733</b>
<b>Leased intangible assets</b>	<b>6 561</b>	<b>-</b>	<b>-</b>	<b>- 251</b>	<b>6 310</b>	<b>937</b>	<b>2 499</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 811</b>
<b>Leasing of movable assets</b>	<b>79 408</b>	<b>-</b>	<b>-</b>	<b>187</b>	<b>79 595</b>	<b>10 466</b>	<b>52 329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27 266</b>
Movable assets under lease	5 408	-	-	187	5 595	-	-	-	-	-	5 595
Leased movable assets	74 000	-	-	-	74 000	10 466	52 329	-	-	-	21 671
Unleased movable assets after cancellation	-	-	-	-	-	-	-	-	-	-	-
<b>Leasing of immovable assets</b>	<b>154 522</b>	<b>-</b>	<b>-</b>	<b>- 2 979</b>	<b>151 543</b>	<b>8 767</b>	<b>15 947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135 596</b>
Immovable assets under lease	-	-	-	-	-	-	-	-	-	-	-
Leased immovable assets	154 522	-	-	- 2 979	151 543	8 767	15 947	-	-	-	135 596
Unleased immovable assets after cancellation	-	-	-	-	-	-	-	-	-	-	-
Rent pending receipt	1 060	1 060	1 060	-	1 060	-	-	-	-	-	1 060
Restructured rents	-	-	-	-	-	-	-	-	-	-	-
<b>Rent arrears</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-performing loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Assets leased under operating leases</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movable property under operating leases</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Immovable property under operating leases	-	-	-	-	-	-	-	-	-	-	-
Rent pending receipt	-	-	-	-	-	-	-	-	-	-	-
Restructured rents	-	-	-	-	-	-	-	-	-	-	-
Rent arrears	-	-	-	-	-	-	-	-	-	-	-
<b>Non-performing loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>241 552</b>	<b>1 060</b>	<b>1 060</b>	<b>- 3 044</b>	<b>238 508</b>	<b>20 169</b>	<b>70 774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167 733</b>

## INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

(in thousand MAD)

	Gross amount at beginning of year	Gross reclassification during the year / Other changes	Acquisitions during the year	Disposals or withdrawals during the year	Gross amount at end of year	Amortisation and/or provisions at beginning of year	Amortisation reclassification during year / Other changes	Amortisation for the year	Amortisation for removed asset	Accumulated amortisation	Net amount at end of year
<b>Intangible assets</b>	<b>1 196 745</b>	<b>- 459</b>	<b>321 041</b>	<b>71 373</b>	<b>1 445 955</b>	<b>613 006</b>	<b>-382</b>	<b>119 327</b>	<b>-</b>	<b>731 951</b>	<b>714 004</b>
Lease rights	97 089	- 40	-	-	97 050	-	-	-	-	-	97 050
Research and development	-	-	-	-	-	-	-	-	-	-	-
<b>Other intangible assets used in operations</b>	<b>1 099 656</b>	<b>- 419</b>	<b>321 041</b>	<b>71 373</b>	<b>1 348 905</b>	<b>613 006</b>	<b>-382</b>	<b>119 327</b>	<b>-</b>	<b>731 951</b>	<b>616 954</b>
<b>Intangible assets not used in operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property, plant and equipment used in operations</b>	<b>9 599 462</b>	<b>- 3 144 631</b>	<b>590 589</b>	<b>118 151</b>	<b>6 927 270</b>	<b>4 204 197</b>	<b>-66 214</b>	<b>199 795</b>	<b>47 661</b>	<b>4 290 057</b>	<b>2 637 212</b>
Buildings used in operations	1 743 077	13 800	435 283	10 572	2 181 588	382 643	3 866	29 008	8 284	407 233	1 774 355
Land used in operations	231 167	2 760	-	980	232 947	-	-	-	-	-	232 947
Buildings used in operations - Offices	1 511 911	11 040	435 283	9 592	1 948 641	382 643	3 866	29 008	8 284	407 233	1 541 408
Buildings used in operations - Staff accommodation	-	-	-	-	-	-	-	-	-	-	-
<b>Movable property and equipment used in operations</b>	<b>1 989 871</b>	<b>20</b>	<b>80 481</b>	<b>36 843</b>	<b>2 033 530</b>	<b>1 795 112</b>	<b>-16</b>	<b>61 574</b>	<b>11</b>	<b>1 796 659</b>	<b>236 871</b>
Office furniture used in operations	540 510	74	21 711	36 689	525 606	408 412	55	14 919	-	423 385	102 221
Office equipment used in operations	221 516	- 38	3 996	-	225 474	205 136	-35	7 992	-	213 093	12 381
IT equipment	1 044 868	- 15	48 229	-	1 093 081	973 313	-36	26 729	-	1 000 006	93 076
Vehicles used in operations	75 481	-	6 438	153	81 765	55 645	-	9 338	11	64 972	16 793
Other equipment used in operations	107 496	-	107	-	107 604	92 607	-	2 597	-	95 204	12 400
<b>Other property, plant and equipment not used in operations</b>	<b>2 123 278</b>	<b>- 99</b>	<b>68 526</b>	<b>25 588</b>	<b>2 166 116</b>	<b>1 752 435</b>	<b>-110</b>	<b>88 120</b>	<b>16 585</b>	<b>1 823 859</b>	<b>342 257</b>
<b>Property, plant and equipment not used in operations</b>	<b>3 743 236</b>	<b>- 3 158 352</b>	<b>6 299</b>	<b>45 149</b>	<b>546 035</b>	<b>334 007</b>	<b>-69 953</b>	<b>21 033</b>	<b>22 782</b>	<b>262 306</b>	<b>283 729</b>
Land not used in operations	2 926 723	- 2 848 821	760	8 134	71 129	-	-	-	-	-	71 129
Buildings not used in operations	665 126	- 310 131	3 040	32 535	325 501	213 928	-69 953	15 327	21 420	137 792	187 709
Movable property and equipment not used in operations	69 713	-	1 384	4 481	66 616	54 466	-	2 721	1 362	55 825	10 791
Other property, plant and equipment not used in operations	81 674	-	1 715	-	82 789	65 613	-	3 075	-	68 688	14 101
<b>TOTAL</b>	<b>10 796 207</b>	<b>- 3 145 089</b>	<b>911 630</b>	<b>189 523</b>	<b>8 373 224</b>	<b>4 817 204</b>	<b>-66 596</b>	<b>319 062</b>	<b>47 661</b>	<b>5 022 008</b>	<b>3 351 216</b>

## GAINS OR LOSSES ON THE DISPOSAL OR WITHDRAWAL OF PROPERTY, PLANT OR EQUIPMENT

(in thousand MAD)

Sale or withdrawal date	Type	Gross amount	Accumulated depreciation / amortisation	Net carrying amount	Income from disposals	Capital gain on disposals	Capital losses on disposal
15/06/2021	Terrain et Villa	3 000	1 740	1 259	2 000	741	-
03/08/2021	Villa	4 381	3 505	876	6 450	5 574	-
30/09/2021	Apport en nature OPCI	36 160	24 869	11 291	54 640	43 349	-
15/11/2021	FOND DE COMMERCE (MATERIEL & MOBILIER)	4 481	1 362	3 119	1 925	-	1 194
28/12/2021	Constructions	25 000	12 989	12 011	32 000	19 989	-
01/01/2021	MATERIEL ROULANT	153	11	143	153	11	-
16/12/2021	Villa	8 288	3 186	5 102	6 000	898	-
<b>TOTAL</b>		<b>81 462</b>	<b>47 661</b>	<b>33 800</b>	<b>103 168</b>	<b>70 562</b>	<b>1 194</b>

## AMOUNTS DUE TO CREDIT AND SIMILAR INSTITUTIONS

(in thousand MAD)

Accounts payable	Bank AL-Maghrib Public Treasury and postal cheque centre	Banks in Morocco	Other credit and similar institutions in Morocco	Credit institutions overseas	TOTAL 31/12/2021	TOTAL 31/12/2020
<b>Current accounts in credit</b>	-	<b>61 636</b>	<b>675 781</b>	<b>1 223 025</b>	<b>1 960 442</b>	<b>1 713 110</b>
<b>Repurchase agreements</b>	<b>17 921 993</b>	<b>2 674 091</b>	<b>4 150 624</b>	<b>1 141 081</b>	<b>25 887 789</b>	<b>20 282 097</b>
Overnight	-	-	-	-	-	250 039
Fixed-term	17 921 993	2 674 091	4 150 624	1 141 081	25 887 789	20 032 058
<b>Cash borrowings</b>	<b>1 865 000</b>	<b>5 517 030</b>	<b>308 240</b>	<b>2 388 478</b>	<b>10 078 749</b>	<b>10 972 937</b>
Overnight	-	772 000	-	306 733	1 078 733	576 478
Fixed-term	1 865 000	4 745 030	308 240	2 081 745	9 000 016	10 396 459
<b>Financial borrowings</b>	-	<b>922 107</b>	<b>271 724</b>	<b>1 115 316</b>	<b>2 309 147</b>	<b>3 572 075</b>
<b>Other debts</b>	<b>9 306</b>	-	<b>31 274</b>	<b>276 482</b>	<b>317 062</b>	<b>459 658</b>
<b>Accrued interest payable</b>	<b>22 971</b>	<b>1 994</b>	<b>1 186</b>	<b>1 852</b>	<b>28 003</b>	<b>34 622</b>
<b>TOTAL</b>	<b>19 819 270</b>	<b>9 176 858</b>	<b>5 438 829</b>	<b>6 146 234</b>	<b>40 581 191</b>	<b>37 034 499</b>

## CUSTOMER DEPOSITS

(in thousand MAD)

	Public sector	Financial companies	Private sector Non financial companies	Other companies	TOTAL 31/12/2021	TOTAL 31/12/2020
Sight deposit accounts in credit	2 228 604	2 871 869	21 530 521	64 753 766	91 384 760	85 863 398
Saving accounts	-	-	-	25 882 621	25 882 621	25 028 457
Fixed-term deposits	561 085	5 822 000	883 982	11 952 124	19 219 191	17 451 937
Other accounts in credit	35 775	784 042	2 973 609	967 759	4 761 185	6 139 533
Accrued interest payable	29 569	43 842	34 562	198 477	306 449	309 196
<b>TOTAL</b>	<b>2 855 033</b>	<b>9 521 753</b>	<b>25 422 674</b>	<b>103 754 747</b>	<b>141 554 206</b>	<b>134 792 521</b>



## DEBT SECURITIES ISSUED

In thousand MAD

Issue	Issue date	Maturity	Interest rate	Volume
CD BOA	09/09/2019	09/09/2022	2,76%	225 000,00
CD BOA	15/10/2019	15/10/2022	2,79%	765 000,00
CD BOA	03/12/2019	03/12/2022	2,75%	615 000,00
CD BOA	16/01/2020	16/01/2023	2,72%	200 000,00
CD BOA	14/10/2020	14/10/2022	2,20%	450 000,00
CD BOA	22/12/2020	22/12/2022	2,22%	200 000,00
CD BOA	19/01/2021	18/01/2022	1,86%	400 000,00
CD BOA	26/04/2021	25/04/2022	1,78%	1 075 000,00
CD BOA	26/04/2021	26/04/2023	1,99%	865 000,00
CD BOA	26/04/2021	26/04/2024	2,13%	1 050 000,00
CD BOA	06/05/2021	06/05/2023	2,00%	420 000,00
CD BOA	06/05/2021	06/05/2024	2,13%	420 000,00
CD BOA	18/10/2021	17/10/2022	1,82%	303 700,00
CD BOA	18/10/2021	18/10/2023	2,03%	325 100,00
CD BOA	18/10/2021	18/10/2024	2,18%	107 500,00
CD BOA	18/10/2021	18/10/2026	2,48%	613 700,00
<b>TOTAL</b>				<b>8 035 000</b>

## DETAILS OF OTHER LIABILITIES

(in thousand MAD)

LIABILITIES	31/12/2021	31/12/2020
<b>Options sold</b>	<b>25 140</b>	<b>-6 718</b>
<b>Miscellaneous securities transactions</b>	<b>87 235</b>	<b>98 220</b>
<b>Miscellaneous accounts payable</b>	<b>1 450 905</b>	<b>1 167 403</b>
Amounts due to government	1 184 536	1 021 855
Amounts due to pensions and life insurance providers	48 798	49 955
Miscellaneous amounts due to employees	188 410	129 844
Miscellaneous amounts due to shareholders and associates	35	23
Amounts due to providers of goods and services	-48 285	-13 387
Other miscellaneous accounts payable	77 411	-20 888
Accrual accounts	2 202 967	2 284 503
Adjustment accounts for off-balance sheet transactions	165 401	160 221
Foreign currency and securities exchange differences accounts	-	-
Derivative hedging instruments	-	-
Liaison accounts between head office, branch offices and branches in Morocco	9 507	54 246
Accrued expenses and deferred income	376 077	282 050
Other accrual accounts	1 651 982	1 787 986
<b>TOTAL</b>	<b>3 766 247</b>	<b>3 543 407</b>



## PROVISION

(in thousand MAD)

	Outstandings 31/12/2020	Additional provisions	Write- back	Other changes	Outstanding 31/12/2021
<b>Provisions deducted from Assets:</b>	<b>6 646 987</b>	<b>1 142 495</b>	<b>344 989</b>	<b>-15 844</b>	<b>7 439 223</b>
Loans and advances to credit and similar institutions	5	-	-	-	5
Loans and advances to customers	6 017 584	979 991	275 437	-517	6 721 621
Bank charges for loan repayment arrears	3 676	-	-	-	3 676
Available-for-sale securities	40 590	73 489	39 187	-1 404	73 488
Investments in associates and similar assets	595 706	89 015	30 365	-13 923	640 433
Lease-financed non-current assets	-	-	-	-	-
Investment securities	- 0	-	-	-	- 0
<b>Provisions recorded under Liabilities</b>	<b>1 735 843</b>	<b>228 862</b>	<b>273 047</b>	<b>-2</b>	<b>1 691 656</b>
Provisions for signature loan execution risk	24 298	2 074	634	-	25 738
Provisions for foreign exchange risk	-	-	-	-	-
General provisions	1 077 525	162 178	69 300	-	1 170 403
Provisions for pension and similar obligations	-	-	-	-	-
Other provisions	119 315	53 905	74 437	-2	98 781
Statutory provisions	514 706	10 705	128 676	-	396 735
<b>TOTAL</b>	<b>8 382 830</b>	<b>1 371 357</b>	<b>618 036</b>	<b>-15 846</b>	<b>9 130 879</b>

## SUBORDINATED DEBTS

(in thousand MAD)

Issuing Currency	Amount issued	Exchange rate	Interest rate	Term	Early redemption clause, ranking and convertibility	Amount issued in local currency (equivalent value in MAD K)
MAD	150 000	1	6,95%	Perpetual		150 000
MAD	850 000	1	3,64%	Perpetual		850 000
MAD	950 000	1	4,18%	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	3,52%	10 years		790 000
MAD	154 500	1	5,64%	10 years		154 500
MAD	845 500	1	2,79%	10 years		845 500
MAD	626 000	1	4,74%	10 years		626 000
MAD	1 374 000	1	3,22%	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	2,97%	10 years		1 473 900
MAD	200 000	1	7,05%	Perpetual		200 000
MAD	800 000	1	5,34%	Perpetual		800 000
MAD	400 000	1	3,13%	10 years		400 000
MAD	910 000	1	3,96%	Perpetual		910 000
MAD	90 000	1	4,63%	Perpetual		90 000
						<b>10 400 000</b>

## SHAREHOLDER'S EQUITY

(in thousand MAD)

	Outstandings 31/12/2020	Appropriation of income	Other changes	Outstanding 31/12/2021
<b>Revaluation reserve</b>	-	-	-	-
<b>Reserves and premiums related to share capital</b>	<b>17 568 566</b>	-	-	<b>17 236 350</b>
<b>Statutory reserve</b>	<b>460 306</b>	-	-	<b>460 306</b>
Other reserves	8 006 294	- 303 852	- 28 364	7 674 078
Additional paid-in capital	9 101 966	-	-	9 101 966
<b>Share capital</b>	<b>2 056 066</b>	-	-	<b>2 056 067</b>
Called-up share capital	2 056 066	-	-	2 056 067
Uncalled share capital	-	-	-	-
Investment certificates	-	-	-	-
Fund for general banking risk	-	-	-	-
<b>Shareholders - unpaid share capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retained earnings (+/-)</b>	<b>20</b>	-	-	<b>20</b>
<b>Net income awaiting appropriation (+/-)</b>	<b>-</b>	-	-	-
<b>Net income for the year (+/-)</b>	<b>724 181</b>	-	-	<b>1 500 873</b>
<b>TOTAL</b>	<b>20 348 834</b>	-	-	<b>20 793 310</b>



## FINANCING AND GUARANTEE COMMITMENTS

(In thousand MAD)

COMMITMENTS	31/12/2021	31/12/2020
<b>Financing and guarantee commitments given</b>	<b>21 921 582</b>	<b>20 647 050</b>
<b>Financing commitments given to credit and similar institutions</b>	<b>239 827</b>	<b>418 241</b>
Import documentary credits	-	-
Payment undertakings and acceptances	-	-
Confirmed credit line openings	239 827	418 241
Substitution commitments on securities issuance	-	-
Irrevocable leasing commitments	-	-
Other financing commitments given	-	-
<b>Financing commitments given to customers</b>	<b>6 840 594</b>	<b>6 661 576</b>
Import documentary credits	2 491 675	2 946 978
Payment undertakings and acceptances	1 629 932	543 183
Confirmed credit line openings	1 316 652	1 415 124
Substitution commitments on securities issuance	-	-
Irrevocable leasing commitments	-	5
Other financing commitments given	1 402 335	1 756 287
<b>Guarantee commitments given to credit and similar institutions</b>	<b>4 455 476</b>	<b>4 027 365</b>
Confirmed export documentary credits	6 968	18 960
Payment undertakings and acceptances	4 231	1 053
Loan guarantees given	-	-
Other sureties, pledges and guarantees given	558 253	285 906
Non-performing commitments	3 886 024	3 721 446
<b>Guarantee commitments given to customers</b>	<b>10 385 685</b>	<b>9 539 868</b>
Loan guarantees given	-	-
Sureties and guarantees given to government bodies	6 310 446	6 099 572
Other sureties and guarantees given	4 075 238	3 440 296
Non-performing commitments	-	-
<b>Financing and guarantee commitments received</b>	<b>24 511 984</b>	<b>21 008 649</b>
<b>Financing commitments received from credit and similar institutions</b>	<b>-</b>	<b>-</b>
Confirmed credit line openings	-	-
Substitution commitments on securities issuance	-	-
Other financing commitments received	-	-
<b>Guarantee commitments received from credit and similar institutions</b>	<b>21 169 699</b>	<b>18 598 222</b>
Loan guarantees	9 795 872	8 528 585
Other guarantees received	11 373 826	10 069 637
<b>Guarantee commitments received from government and other guarantee institutions</b>	<b>3 342 285</b>	<b>2 410 428</b>
Loan guarantees	3 342 285	1 135 772
Other guarantees received	-	1 274 656

## SECURITIES COMMITMENTS

(In thousand MAD)

	Amount
<b>Given commitments</b>	<b>5 440 096</b>
Securities acquired under a repurchase agreement	-
Other securities to be delivered	5 440 096
<b>Received commitments</b>	<b>178 661</b>
Securities sold under a repurchase agreement	-
Other securities to be received	178 661

## FORWARD FOREIGN EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES PRODUCTS

(In thousand MAD)

	Holding transaction		Other transaction	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Forward foreign exchange transactions</b>	<b>30 233 137</b>	<b>27 432 659</b>	-	-
Foreign currencies to be received	8 513 170	8 132 051	-	-
Dirhams to be delivered	2 788 722	2 928 286	-	-
Foreign currencies to be delivered	12 349 729	10 772 229	-	-
Dirhams to be received	6 581 517	5 600 093	-	-
Of which currency swaps	-	-	-	-
<b>Commitments on derivatives products</b>	<b>3 526 854</b>	<b>2 210 544</b>	-	-
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	2 765 690	1 594 744	-	-
Commitments on regulated foreign exchange markets	-	-	-	-
Commitments on OTC foreign exchange markets	49 516	-	-	28 345
Commitments on regulated markets for other instruments	246 520	74 266	-	-
Commitments on OTC markets for other instruments	465 129	541 534	-	-

## ASSETS AND SURETIES RECEIVED AND GIVEN AS GUARANTEE

(In thousand MAD)

Assets and sureties received as guarantee	Net carrying amount	Asset or Off-balance sheet entries in which loans and signature loans are given	Value of hedged loans and signature loans given
Treasury bonds and similar instruments	12 758 643		-
Other securities	6 853 646		-
Mortgages	108 197 968		-
Other forms of collateral	255 258 686		-
<b>TOTAL</b>	<b>383 068 942</b>		-

Assets and sureties given as guarantee	Net carrying amount	Asset or Off-balance sheet entries in which loans and signature loans are received	Value of hedged loans and signature loans received
Treasury bonds and similar instruments	19 786 993		-
Other securities	-		-
Mortgages	-		-
Other forms of collateral	776 934		-
<b>TOTAL</b>	<b>20 563 927</b>		-



## BREAKDOWN OF ASSETS AND LIABILITIES BY RESIDUAL MATURITY

(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
<b>ASSETS</b>						
Loans and advances to credit and similar institutions	6 299 606	276 857	390 016	7 573 464	1 257 740	15 797 683
Loans and advances to customers	1 635 038	475 514	3 087 636	27 905 117	29 112 312	62 215 617
Leasing and similar	-	-	2 775 941	-	3 201	2 779 142
Debt securities	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-
<b>TOTAL</b>	<b>7 934 644</b>	<b>752 371</b>	<b>6 253 593</b>	<b>35 478 581</b>	<b>30 373 253</b>	<b>80 792 442</b>
<b>LIABILITIES</b>						
Amounts due to credit and similar institutions	12 378 058	-	-	-	-	12 378 058
Amounts due to customers	-	-	167 793	-	-	167 793
Debt securities issued	-	-	-	-	-	-
Subordinated borrowings	-	-	-	-	-	-
<b>TOTAL</b>	<b>12 378 058</b>	<b>-</b>	<b>167 793</b>	<b>-</b>	<b>-</b>	<b>12 545 851</b>

## CONCENTRATION RISK TO A SINGLE COUNTERPARTY

(In thousand MAD)

Number of counterparties	Total amount of risks	Amount of risk exceeding 5% of capital		
		Disbursed loans	Signature loans	Amount of securities held of the beneficiary's share capital
17	46 229 888	34 945 543	4 476 315	535 674

## BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY

(In thousand MAD)

	AMOUNT
<b>ASSETS</b>	
Cash and balances at central banks, the Public treasury and postal cheque centre	39 232
Loans and advances to credit and similar institutions	8 216 364
Loans and advances to customers	9 483 590
Trading securities, available-for-sale securities and investment securities	7 223 533
Other assets	213 273
Investments in associates and similar assets	5 927 797
Subordinated loans	186 142
Leased and rented assets	77 423
Intangible assets and property, plant and equipment	2 034
<b>LIABILITIES</b>	<b>18 998 227</b>
Amounts due to central banks, the Public treasury and postal cheque centre	-
Amounts due to credit and similar institutions	12 377 432
Customer deposits	6 553 254
Debt securities issued	-
Other liabilities	67 541
Subsidies, public funds and special guarantee funds	-
Subordinated debt	-
<b>OFF-BALANCE SHEET</b>	<b>10 900 704</b>
Commitments given	6 140 176
Commitments received	4 760 528

## NET INTEREST INCOME

(In thousand MAD)

	31/12/2021	31/12/2020
<b>Interest received</b>	<b>6 371 449</b>	<b>6 602 029</b>
Interest and similar income from transactions with credit institutions	253 901	710 550
Interest and similar income from transactions with customers	5 498 366	5 334 205
Interest and similar income from debt securities	619 182	557 275
<b>Interest paid</b>	<b>2 039 904</b>	<b>2 532 685</b>
Interest and similar expenses from transactions with credit institutions	609 909	1 250 026
Interest and similar expenses from transactions with customers	851 876	1 052 972
Interest and similar expenses from debt securities	578 119	229 687

## NON-PERFORMING CUSTOMER LOANS AT PARENT COMPANY LEVEL

(In thousand MAD)

	31/12/2021		31/12/2020	
	Loans	Provisions	Loans	Provisions
Sub-standard loans	554 183	49 288	753 656	123 807
Doubtful loans	2 590 452	1 212 012	2 125 768	1 120 691
Impaired loans	8 133 135	5 460 325	6 863 795	4 776 768
<b>TOTAL</b>	<b>11 277 770</b>	<b>6 721 626</b>	<b>9 743 220</b>	<b>6 021 266</b>

## INCOME FROM EQUITY SECURITIES

(In thousand MAD)

SECURITIES TYPE	31/12/2021	31/12/2020
Investments in associates	7 716	11 440
Investments in related companies	796 052	537 291
Trading portfolio securities	146	133
Similar assets	79 861	62 387
<b>TOTAL</b>	<b>883 775</b>	<b>611 251</b>

## FEES

(In thousand MAD)

	31/12/2021	31/12/2020
<b>Fees received</b>	<b>1 394 397</b>	<b>1 315 378</b>
On transactions with credit institutions	-	-
On transactions with customers	435 013	430 777
On foreign exchange transactions	207 126	199 503
On primary market securities transactions	44 645	39 149
On derivatives products	-	-
On transactions in securities under management and custody	20 488	21 128
On means of payment	415 809	368 922
On other advisory and assistance services	-	-
On the sale of insurance products	53 169	42 148
On other services	218 146	213 751
<b>Fees paid</b>	<b>352 655</b>	<b>340 759</b>
On transactions with credit institutions	-	-
On transactions with customers	-	-
On foreign exchange transactions	102 309	102 395
On primary market securities transactions	-	-
On derivatives products	190	268
On transactions in securities under management and custody	150 633	13 530
On means of payment	99 523	88 889
On other advisory and assistance services	-	-
On the sale of insurance products	-	-
On other services	-	135 676



## INCOME FROM MARKET TRANSACTIONS

(in thousand MAD)

INCOME AND EXPENSES	31/12/2021	31/12/2020
<b>Income</b>	<b>1 953 144</b>	<b>2 890 711</b>
Gains on trading securities	1 012 074	1 259 316
Capital gains on disposal of available-for-sale securities	4 392	56 918
Impairment write-backs on available-for-sale securities	39 187	43 643
Gains on derivatives products	97 062	266 938
Gains on foreign exchange transactions	800 430	1 263 897
<b>Expenses</b>	<b>1 012 341</b>	<b>1 992 046</b>
Losses on trading securities	441 459	652 601
Capital losses on disposal of available-for-sale securities	4 534	3 286
Provisions for impairment of available-for-sale securities	73 488	40 742
Losses on derivatives products	168 809	375 260
Losses on foreign exchange transactions	324 051	920 157
<b>NET INCOME FROM MARKET TRANSACTIONS</b>	<b>940 803</b>	<b>898 665</b>

## GENERAL OPERATING EXPENSES

(in thousand MAD)

EXPENSES	31/12/2021	31/12/2020
Employee expenses	1 673 566	1 553 520
Taxes	80 689	93 624
External expenses	1 575 321	1 488 876
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	319 062	296 479

## OTHER INCOME AND EXPENSES

(in thousand MAD)

	31/12/2021	31/12/2020
<b>Income and expenses</b>		
Other banking income and expenses	501 930	491 595
Other banking income	2 160 313	3 090 242
Other banking expenses	1 658 383	2 598 648
<b>Non-banking operating income and expenses</b>	<b>31 646</b>	<b>442 597</b>
Non-banking operating income	165 316	472 279
Non-banking operating expenses	133 670	29 683
<b>Other expenses</b>		
Provisions and losses on irrecoverable loans	1 637 721	2 585 199
<b>Other income</b>		
Write-backs and amounts recovered on impaired loans	473 658	1 035 725

## PASSAGE DU RESULTAT NET COMPTABLE AU RESULTAT NET FISCAL

(in thousand MAD)

	Montant
I- Net income for accounting purposes	1 500 873
Net profit	
Net loss	
II- Tax write-backs	803 298
1- Current	293 828
Non-deductible expenses	133 828
General provisions	160 000
2- Non-current	509 470
Corporate income tax	509 470
Provision for REIT tax	-
III- Tax deductions	1 122 743
1- Current	
Dividends	812 315
2- Non-current	
PV REIT	310 428
VI- Net income for tax purposes	1 181 428
Corporate income tax	
VI- Net income for tax purposes	

## DETERMINING INCOME AFTER TAX FROM ORDINARY ACTIVITIES

(in thousand MAD)

I- DETERMINING INCOME FROM ORDINARY ACTIVITIES	AMOUNT
Income from ordinary activities as stated in the income statement	2 126 349
(+) Tax write-backs on ordinary activities	293 828
(-) Tax deductions on ordinary activities	812 315
(=) Theoretical taxable income from ordinary activities	1 607 862
(-) Theoretical tax on income from ordinary activities	594 909
(=) Income after tax from ordinary activities	1 531 440
II. SPECIFIC TAX TREATMENT AND BENEFITS GRANTED UNDER INVESTMENT CODES OR SPECIFIC LEGAL PROVISIONS	

## DETAILS ABOUT VALUE ADDED TAX

(in thousand MAD)

TYPE	Balance at beginning of year (1)	Transactions liable to VAT during the year (2)	VAT declarations for the year (3)	End-of-year closing balance (4=1+2-3)
On expenses	49 189	327 280	338 437	38 032
<b>A. VAT collected</b>	<b>87 777</b>	<b>663 008</b>	<b>660 188</b>	<b>90 597</b>
<b>B. Recoverable VAT</b>	<b>61 294</b>	<b>410 118</b>	<b>430 980</b>	<b>40 432</b>
On expenses	38 032	300 198	317 471	20 758
On non-current assets	23 262	109 920	113 509	19 674
<b>C. VAT due or VAT credit (A-B)</b>	<b>26 483</b>	<b>252 890</b>	<b>229 208</b>	<b>50 165</b>





## BREAKDOWN OF SHARE CAPITAL

(in thousand MAD)

Name of the main shareholders or associates	Address	Number of shares		Equity interest (%)	Voting rights (%)
		Previous year	Current year		
A- Moroccan shareholders					
ROYALE MAROCAINE					
D'ASSURANCES **	83, avenue des FAR 20000 - Casablanca	54 678 598	56 347 727	27,41%	27,41%
O CAPITAL GROUP	Avenue Californie	16 493 181	14 840 339	7,22%	7,22%
SOCIETE FINANCIERE	67, avenue de l'Armée				
DU CREDIT DU MAGHREB	Royale 20000 - Casablanca	1 810 717	1 810 717	0,88%	0,88%
CAISSE INTERPROFESSIONNELLE					
MAROCAINE DE RETRAITES 100, Boulevard Abdelmoumen-20340- Casablanca		8 088 813	8 088 808	3,93%	3,93%
CAISSE DE DEPOT ET DE GESTION	Place Moulay El Hassan - ex Piétri -BP 408 - Rabat	17 108 805	17 108 805	8,32%	8,32%
MAMDA/MCMA GROUP ***	Angle Avenue Mohammed VI et rue Houmane El Fatouaki - Rabat	10 310 567	10 310 563	5,01%	5,01%
BOA EMPLOYEES		2 245 325	2 210 244	1,07%	1,07%
CASABLANCA STOCK EXCHANGE AND OTHER		33 322 397	33 341 200	16,22%	16,22%
TOTAL (1)		144 058 403	144 058 403	70,07%	70,07%
B- Foreign shareholders					
BANQUE FEDERATIVE	4 rue Frédéric-Guillaume				
DU CREDIT MUTUEL	Raiffeisen, 67000 Strasbourg - France	50 492 025	50 492 025	24,56%	24,56%
CDC GROUP PLC	123, Victoria Street, Londres SW1E 6DE, Royaume-Uni	11 056 220	11 056 220	5,38%	5,38%
TOTAL (2)		61 548 245	61 548 245	29,93%	29,93%
TOTAL	205 606 648	205 606 648	100%	100%	

(\*) The establishment of this ownership structure is based on :

-The BOA custodian situation for shareholders of whose shares BOA is custodian

-The blocking certificate of shares received at the Annual General Meeting of 29/06/2021, for the shareholders of whose shares BOA is not custodian

-The shareholders' statement in the absence of a blocking certificate

(\*\*) Including shares held by RMA's designated mutual funds (2,930,019 shares)

(\*\*\*) MAMDA/MCMA Group detail (as confirmed by the shareholder) :

MAMDA : 41 ; MCMA : 6 282 315 ; MAC : 4 028 207

## APPROPRIATION OF INCOME EARNED DURING THE YEAR

(in thousand MAD)

A. Origin of appropriated income	Amount	B. Appropriation of income	Amount
<b>Decision of 29 June 2021</b>			
Retained earnings	20	To statutory reserves	-
Net income awaiting appropriation	-	To dividends	1 028 033
Net income for the year	724 181	Other allocations	20
Deduction from earnings	-		
Other deductions	303 852		
<b>TOTAL A</b>	<b>1 028 053</b>	<b>TOTAL B</b>	<b>1 028 053</b>

## INCOME AND OTHER ITEMS FOR THE LAST THREE YEARS

(in thousand MAD)

	31/12/2021	31/12/2020	31/12/2019
<b>Shareholders' equity and similar</b>	<b>31 390 520</b>	<b>29 943 306</b>	<b>29 435 162</b>
<b>Transactions and income for the year</b>	<b>-</b>		
Net banking income	6 907 404	6 300 631	6 476 729
Pre-tax income	2 010 343	998 994	2 012 790
Corporate income tax	509 470	274 812	640 940
Dividend distribution	1 028 033	999 102	897 317
Undistributed income (allocated to reserves or awaiting appropriation)	-	372 800	446 300
<b>Per share information (MAD)</b>	<b>-</b>		
Earnings per share	7,30	3,52	6,87
Dividend per share	5,00	5,00	5,00
<b>Staff</b>	<b>-</b>		
Gross remuneration for the year	1 673 566	1 553 520	1 631 096
Average number of staff employed during the year	4 985	5 038	5 099

## KEY DATES AND EVENTS AFTER THE REPORTING PERIOD

(in thousand MAD)

I. KEY DATES	
Balance sheet date (1)	31/12/2021
Date for drawing up the financial statements (2)	
(1) Reason in the event of any change to the balance sheet date	
(2) Reason in the event that the statutory 3-month period for drawing up the financial statements is exceeded	
II. EVENTS AFTER THE END OF THE REPORTING PERIOD UNRELATED TO THIS FINANCIAL YEAR KNOWN PRIOR TO INITIAL PUBLICATION OF THE FINANCIAL STATEMENTS	
Dates	Indication of events
	Favourable
	Unfavourable

## STAFF NUMBERS

(In number)

	31/12/2021	31/12/2020
Salaried staff	4 985	5 038
Staff in employment	4 985	5 038
Equivalent full-time staff	4 985	5 038
Administrative and technical staff (full-time equivalent)	-	-
Banking staff (full-time equivalent)	-	-
Managerial staff (full-time equivalent)	4 841	4 889
Other staff (full-time equivalent)	144	98
Of which overseas staff	56	51



## SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR CUSTODY

(in thousand MAD)

	Number of accounts		Amounts	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Securities for which the institution is custodian	39 946	38 705	267 640 740	237 468 249
Securities managed under a discretionary mandate	-	-	-	-
Mutual fund securities for which the institution is custodian	93	93	133 494 580	113 999 547
Mutual fund securities managed under a discretionary mandate	-	-	-	-
Other assets for which the institution is custodian	-	-	-	-
Other assets managed under a discretionary mandate	-	-	-	-

## BRANCH NETWORK

(In number)

	31/12/2021	31/12/2020
Permanent counters	703	707
Occasional counters		
Cash dispensers and ATMs	846	862
Overseas branches	36	41
Overseas representative offices	5	5

## CUSTOMER ACCOUNTS

(In number)

	31/12/2021	31/12/2020
Current accounts	132 559	130 691
Checking accounts of Moroccans living abroad	192 860	229 760
Other checking accounts	1 285 185	1 354 711
Factoring accounts	-	-
Savings accounts	779 709	829 443
Fixed-term accounts	7 451	7 550
Certificates of deposit	876	968
Other deposit accounts	-	-



7 Boulevard Driss Slaoui, 20160  
Casablanca  
Maroc



23, rue Brahim Lemtouni - Quartier Oasis  
20410 - Casablanca - Maroc

# **BANK OF AFRICA S.A**

## **STATUTORY AUDITORS' SPECIAL REPORT**

### **FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**



7 Boulevard Driss Slaoui, 20160  
Casablanca  
Maroc



23, rue Brahim Lemtouni - Quartier Oasis  
20410 - Casablanca - Maroc

To the Shareholders of  
**BANK OF AFRICA S.A.**  
140, Avenue Hassan II  
Casablanca

## **STATUTORY AUDITORS' SPECIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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 2021**

#### **1.1 Agreement mandating Salafin to recover BANK OF AFRICA's loans**

This agreement was authorised by the Board of Directors 26 March 2021.

##### **Person(s) concerned:**

- Mr Brahim BENJELLOUN TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA.
- Messrs Driss BENJELLOUN, M'fadel EL HALAISSI, Omar TAZI and Khalid LAABI, members of SALAFIN's Supervisory Board, are also Deputy Chief Executive Officers of BANK OF AFRICA.

##### **Main terms and conditions:**

The purpose of this agreement is to establish the terms and conditions by which BANK OF AFRICA mandates Salafin to manage, on its behalf, the process of recovering a portion of its loans, as stipulated in the contract and in compliance with the regulations in force.

The scope and terms and conditions for assigning responsibility for recovering substandard loans are described in the agreement and the customer files deemed sensitive are managed by the Bank.

Salafin's remuneration will be indexed to the amounts recovered and the time elapsed since the loans were contracted.

The agreement, entered into 1 January 2021, covers the period from 1 January to 30 June 2021. At the end of this period, the latter may be extended by further 3-month periods.

**Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised an expense of MAD 22,529 K for the period ended 31 December 2021 (in connection with Agreement 2.43/3).

***1.2 Framework agreement with BTI Bank***

This agreement was authorised by the Board of Directors 24 September 2021.

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA, is also Vice-Chairman and Chief Executive Officer of BTI Bank
- Messrs Driss BENJELLOUN, Mounir CHRAIBI and Khalid LAABI, Deputy Chief Executive Officers of BANK OF AFRICA, are also Directors of BTI Bank.

**Main terms and conditions:**

As part of the Group's intra-group synergy policy, a draft agreement has been drawn up for the purpose of establishing the terms and conditions of cooperation between BANK OF AFRICA and BTI Bank to enable the parent company to act as a business lead provider in marketing the participatory products and services offered by BTI Bank, the Group's participatory subsidiary, to its existing and prospective customers.

Under the terms of this agreement, BTI Bank undertakes to provide the parent company with details of its sales and marketing strategy, provide appropriate training to BANK OF AFRICA network staff and pay agency fees.

In consideration, BANK OF AFRICA undertakes to make every effort to provide business leads regarding specifically identified customers interested in participatory products, without in any way interfering in the contractual process.

The remuneration paid to the Bank in consideration for its commercial performance will be based on a fee schedule established in line with industry norms (corporate or personal & professional banking), the relevant product category (financing or deposits) and beneficiary (business manager, Business Centre Director, Group Director, etc.).

This agreement is for a one-year period and will be automatically renewed.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.



### 1.3 Agreements with BMCE Cash

These agreements were authorised by the Board of Directors 24 September 2021.

#### **Person(s) concerned:**

- Mr Mounir CHRAIBI, Deputy Chief Executive Officer of BANK OF AFRICA, is also Chairman of Damane Cash's Supervisory Board
- Mr Omar TAZI, Deputy Chief Executive Officer of BANK OF AFRICA., is also member of Damane Cash's Supervisory Board

#### **(i) Assigning the lease on BANK OF AFRICA's Mohamed Sedki bank branch**

BANK OF AFRICA shall transfer to BMCE Cash the lease for business premises, specifically, the Mohamed Sedki branch for a fixed priced of MAD 2,500 K inclusive of taxes and all charges.

The assignment shall take effect from the contract date, 22 February 2021.

#### **(ii) Sub-leasing BANK OF AFRICA's Hay Masjid bank branch**

#### **Main terms and conditions:**

BANK OF AFRICA shall sub-let to BMCE Cash commercial premises located at Avenue 2 March, Casablanca, having a total floor area of 125 m2 and consisting of a ground floor and a mezzanine.

The agreement corresponds to the lease's contractual period, commencing 4 November 2020, at a fixed monthly rent of MAD 1,550 inclusive of taxes and all charges.

The agreement was signed 15 September 2021.

The rent is payable quarterly in advance from the 1st and no later than the 10th of the first month of the current quarter.

#### **Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

### 1.4 Special temporary appointment

This agreement was authorised by the Board of Directors 19 November 2021.

#### **Person(s) concerned:**

- Mr Othman BENJELLOUN is Chairman and Chief Executive Officer of BANK OF AFRICA
- Mr Mohamed KABBAJ is an Independent Director of BANK OF AFRICA.

#### **Main terms and conditions:**

Pursuant to Article 55 of the Public Limited Companies Act, Mr Mohamed Kabbaj, in his capacity as an Independent Director, has been given a special temporary assignment, as part of the Strategy Task Force Committee (STF) responsible for overseeing implementation of BANK OF AFRICA Group's 2030 strategy.



Under the terms of his appointment, Mr Mohamed Kabbaj will ensure that the STF Committee does its utmost to fulfil the various tasks assigned to it, as well as overseeing the work of the specialist team set up to provide support to this Committee. He will receive annual remuneration of MAD 1 million.

This agreement was entered into 20 November 2021.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

***1.5 Agreements relating to the securitisation of mortgage-backed securities***

These agreements were authorised by the Board of Directors 22 November 2021.

**Person(s) concerned:**

- Mr Brahim BENJELLOUN TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Zouheir BENSALD, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

These agreements relate to the securitisation of BANK OF AFRICA's portfolio of mortgage-backed securities by BMCE Capital Titrisation.

To achieve this, a securitisation fund has been set up by BMCE Capital Titrisation for the purpose of acquiring mortgage loans from BANK OF AFRICA.

In this regard, the agreements listed below stipulate the terms and conditions for transferring mortgage loans:

- Loan transfer agreement, signed 6 August 2021
- Recovery account agreement, signed 6 August 2021
- Fund accounts agreement, signed 6 August 2021
- Custodian agreement, signed 12 July 2021
- Subscription agreement, signed 14 July 2021
- Recovery agreement, signed 6 August 2021
- Subscription for residual units agreement, signed 12 July 2021
- Liquidity facility agreement, signed 6 August 2021



**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

***1.6 Loan recovery services agreement between BANK OF AFRICA and RM EXPERTS***

This agreement was authorised by the Board of Directors 25 March 2021.

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM EXPERTS
- Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also Chairman and Chief Executive Officer of RM EXPERTS
- Mr Khalid LAABI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM EXPERTS

**Main terms and conditions:**

In the wake of the changes made in June 2019 within RM Experts, an agreement was entered into to establish the terms and conditions by which (i) BANK OF AFRICA shall 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 effective for recovering the amounts due and (ii) RM EXPERTS shall assist BANK OF AFRICA in establishing an efficient entity responsible for recovering non-performing loans from its customers.

This agreement, signed 30 April 2021, shall cover the costs incurred by RM Experts over the period from 1 January 2020 to 31 December 2021 in carrying out loan recovery on BANK OF AFRICA's behalf.

The said agreement is for a fixed period ending 31 December 2021.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA S.A. recognised an expense of MAD 28,820 K for the period ended 31 December 2021.

**2. AGREEMENTS ENTERED INTO IN PREVIOUS YEARS WHICH REMAINED IN FORCE DURING 2021**

***2.1 Contract to acquire office space and bank branch premises from O'Tower***

**Person(s) concerned:**

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BANK OF AFRICA S.A, is also Chairman and Chief Executive Officer of O'TOWER
- Mr Zouheir BENSaid, a Director of BANK OF AFRICA S.A, is also a Director of O'TOWER
- Mr Hicham EL AMRANI, a Director of BANK OF AFRICA S.A, is also a Director of O'TOWER
- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A, is also a Director of O'TOWER

- Mr Mounir CHRAIBI, Deputy Chief Executive Officer of BANK OF AFRICA S.A, is also a Director of O'TOWER

**Main terms and conditions:**

Under the terms of this agreement, BANK OF AFRICA S.A. intends to acquire from O'Tower office space over 13 floors and a bank branch on the ground floor within the Mohammed VI Tower for an estimated MAD 1,444 million inclusive of taxes.

This acquisition will be governed by off-plan rules with a fellow banking institution acting as guarantor.

**Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised advances amounting to MAD 435,283 K for the period ended 31 December 2021.

***2.2 Addendum to the management agreement entered into with Maroc Factoring***

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of Maroc Factoring's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA
- Mr Driss BENJELLOUN, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA
- Mr M'Fadel EL HALAISSI, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA
- Mr Omar TAZI, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA
- Mr Khalid LAABI, a member of Maroc Factoring's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA

**Main terms and conditions:**

This addendum, entered into in March 2020, aims to extend the scope of services provided by Maroc Factoring as part of its remit to manage the Bank's factoring business on the latter's behalf.

As a result, BMCE Bank undertakes to (i) provide Maroc Factoring with access to all the management tools required for it to assess and counter-assess the factoring dossiers entrusted to it, (ii) provide it with all the contract templates and warranty deeds used by BMCE Bank in relation to its factoring lines, (iii) respond to Maroc Factoring, within a reasonable timeframe, regarding all consultations taking place in relation to factoring dossiers, particularly legal ones.

**Amount(s) recognised:**

The impact from this agreement is included in the remuneration paid by BANK OF AFRICA S.A. to Maroc Factoring (cf. 2.11).



## **2.3 Sight account deposit agreement with Bti BANK**

### **Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Vice-Chairman of Bti Bank's Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs Driss BENJELLOUN, Mounir CHRAIBI and Khalid LAABI, Directors of Bti Bank, are also Deputy Chief Executive Officers of BANK OF AFRICA S.A.

### **Main terms and conditions:**

To resolve the liquidity issues experienced by Bti Bank, similar to other banks within its sector, due to (i) the lack of an interbank market for this category of banking institution and (ii) in a market context in which clients have a stronger appetite for financing than for deposit-taking, an agreement was concluded to open a non-interest-bearing current account with BTI Bank, to be used as a source of funding, amounting to MAD 50 million, with partner Al Baraka Group (ABG) making an equal contribution.

### **Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

## **2.4 Loan recovery services agreement between BANK OF AFRICA S.A. and RM Experts**

### **Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM EXPERTS
- Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also Chairman and Chief Executive Officer of RM EXPERTS
- Mr Khalid LAABI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM EXPERTS

### **Main terms and conditions:**

In the wake of the changes made in June 2019 within RM Experts, an agreement was entered into to establish the terms and conditions by which (i) BANK OF AFRICA S.A. will mandate RM EXPERTS to manage the 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 S.A. establish an efficient entity responsible for recovering non-performing loans from its customers.

This agreement covers the costs incurred by RM Experts over the period from 1 January 2020 to 31 December 2020 in carrying out loan recovery on BANK OF AFRICA's behalf.

The said agreement is for a fixed period ending 31 December 2020.

### **Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

## **2.5 Shareholders' agreement between CDC, FinanceCom, RMA, BANK OF AFRICA S.A. 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 S.A.
- Mr Zouheir BENSALD, Chief Executive Officer of RMA, and a Director of FinanceCom, is also a Director of BANK OF AFRICA S.A.
- Mr Hicham EL AMRANI, Deputy Chief Executive Officer of FinanceCom and a Director of RMA, is also a Director of BANK OF AFRICA S.A.
- Mr Brahim BENJELLOUN-TOUIMI, a Director of RMA, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.

### **Main terms and conditions:**

With CDC Group acquiring a stake in BANK OF AFRICA S.A., 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 S.A.

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 S.A., (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 S.A.'s shares. Similarly, FinanceCom/RMA will not be under any obligation to purchase the shares in BANK OF AFRICA S.A. 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 S.A.'s financial statements for the period ended 31 December 2021.

## **2.6 Contract between BANK OF AFRICA S.A., 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 S.A., is also Chairman of O'Tower's Board
- Mr Zouheir BENSALD, Director of BANK OF AFRICA S.A., is also a Director of O'Tower
- Mr Hicham EL AMRANI, Director of BANK OF AFRICA S.A., is also a Director of O'Tower



- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of O'Tower
- Mr Mounir CHRAIBI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A., 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 be 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 S.A. recognised income of MAD 551 K for the period ended 31 December 2021.

#### ***2.7 Subordinated loan contract between BANK OF AFRICA S.A. and BMCE BANK INTERNATIONAL (BBI)***

##### **Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, a Director of BMCE BANK International Plc, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- **Subordinated loan contract between BANK OF AFRICA S.A. and BMCE BANK INTERNATIONAL (BBI)**

Under the terms of this agreement entered into 30 May 2010, BANK OF AFRICA S.A. 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.

- **Addendum to the subordinated loan contract between BANK OF AFRICA S.A. and BMCE BANK INTERNATIONAL**

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

**Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised income of MAD 3,535 K for the period ended 31 December 2021.

***2.8 Financing agreement between BANK OF AFRICA S.A. and BMCE Bank International***

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Director of BMCE BANK INTERNATIONAL Plc, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Mohammed AGOUMI, Director of BMCE BANK INTERNATIONAL Plc, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

Under the terms of this agreement signed in May 2019, BANK OF AFRICA S.A. 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 S.A. recognised income of MAD 22,842 K for the period ended 31 December 2021

***2.9 Addendum to the services contract between BANK OF AFRICA S.A. and BMCE EuroServices (2018)***

**Person(s) concerned:**

- Mr Brahim BENJELLOUN TOUIMI, Chairman of BMCE EuroServices' Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs Driss BENJELLOUN, Mohamed AGOUMI and Mounir CHRAIBI, Directors of BMCE EuroServices, are also Deputy Chief Executive Officers of BANK OF AFRICA S.A.

**Main terms and conditions:**

This addendum to the agreement between BANK OF AFRICA S.A. 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 S.A. 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).

***2.10 Loan recovery services agreement between BANK OF AFRICA S.A. and RM Experts***

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM EXPERTS
- Mr M’Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also Chairman and Chief Executive Officer of RM EXPERTS
- Mr Khalid LAABI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A. will mandate RM EXPERTS to manage the 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 and (ii) RM EXPERTS will assist BANK OF AFRICA S.A. in establishing 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 in carrying out loan recovery on behalf of BANK OF AFRICA S.A.

The said agreement is for a fixed period ending 31 December 2021.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.’s financial statements for the period ended 31 December 2021.

***2.11 Management agreement between BANK OF AFRICA S.A. and Maroc Factoring***

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of Maroc Factoring’s Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, a member of Maroc Factoring’s Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M’Fadel EL HALAISSI, a member of Maroc Factoring’s Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**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 S.A. 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 S.A. recognised an expense of MAD 21,515 K for the period ended 31 December 2021.

***2.12 Lease contract between BANK OF AFRICA S.A. and RM Experts***

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM Experts
- Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM Experts

**Main terms and conditions:**

Under the terms of this contract, BANK OF AFRICA S.A. shall lease to RM Experts mezzanine office space covering a total surface area of 86.40 m<sup>2</sup> and office space covering a total surface area of 243.87m<sup>2</sup> 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 S.A. recognised income of MAD 167 K for the period ended 31 December 2021.

***2.13 Agency agreement between BANK OF AFRICA S.A. and Damane Cash***

**Person(s) concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of Damane Cash, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs M'Fadel EL HALAISSI and Omar TAZI, Directors of Damane Cash, are also Deputy Chief Executive Officers of BANK OF AFRICA S.A.

**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 S.A.



BANK OF AFRICA S.A. 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 S.A. 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 S.A.'s financial statements for the period ended 31 December 2021.

***2.14 Shareholders' current account advance agreement between BANK OF AFRICA S.A. and FARACHA IMMO***

**Person(s) concerned:**

- Mr Mounir CHRAIBI, co-manager of FARACHA IMMO, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

The purpose of this agreement is to establish the terms and conditions by which BANK OF AFRICA S.A. 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 2.22%, 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 S.A. in full.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

***2.15 Shareholders' current account advance agreement between BANK OF AFRICA S.A. and KRAKER IMMO***

**Person(s) concerned:**

Mr Mounir CHRAIBI, co-manager of NEJIMI IMMO, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

The purpose of this agreement is to establish the terms and conditions by which BANK OF AFRICA S.A. 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 to shareholders' current account advances in 2018 of 2.22%, 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 S.A. in full.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

**2.16 Amendment to the agreement between BANK OF AFRICA S.A. and RM Experts****Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM Experts
- Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A.

Under the terms of this amendment, BANK OF AFRICA S.A. 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 S.A. with all possible information, regardless of its nature, to enable BANK OF AFRICA S.A. to gain an insight into the situation of such persons, prior to it granting the loan.

RM Experts is authorised by BANK OF AFRICA S.A. 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 S.A.'s financial statements for the period ended 31 December 2021.



## **2.17 Services agreement between BANK OF AFRICA S.A. and GNS Technologies**

### **Person(s) concerned:**

- Mr Mounir CHRAIBI, Chairman of GNS Technologies' Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of GNS Technologies
- Mr Omar TAZI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A. 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 on providing the Rapido service as well as fees in relation to the card and payment business. BANK OF AFRICA S.A. 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:**

In respect of this agreement, BANK OF AFRICA S.A. recognised income of MAD 270 K for the period ended 31 December 2021

## **2.18 Agency agreement between BANK OF AFRICA S.A. 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 Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a Director of Damane Cash, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Omar TAZI, a Director of Damane Cash, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

BANK OF AFRICA S.A. 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 S.A. 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 S.A.'s financial statements for the period ended 31 December 2021.

***2.19 Sales and lease-back agreement financed by MAGHREBAIL in favour of BANK OF AFRICA S.A.*****Person(s) concerned:**

- Mr Azeddine GUESSOUS, Chairman of Maghrebail, is also a Director of BANK OF AFRICA S.A.
- Messrs Othman BENJELLOUN, Zouheir BENSALD and Brahim BENJELLOUN-TOUIMI, Directors of Maghrebail, are also respectively, Chairman and Chief Executive Officer, Director, and Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a Director of Maghrebail, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

Under the terms of the agreement, BANK OF AFRICA S.A. 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 S.A. recognised an expense of MAD 122,585 K for the period ended 31 December 2021.

***2.20 Agreement between BANK OF AFRICA S.A. and BMCE Capital Bourse*****Person(s) concerned:**

- Mr Zouheir BENSALD, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.

**Main terms and conditions:**

Under the terms of this agreement entered into in February 2016, BMCE Capital Bourse shall delegate to BANK OF AFRICA S.A. 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 S.A.'s financial statements for the period ended 31 December 2021.

***2.21 Advisory mandate between BANK OF AFRICA S.A. 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 Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

Under the terms of this agreement, BANK OF AFRICA S.A. 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:**

In respect of this agreement, BANK OF AFRICA S.A. recognised an expense of MAD 1,048 K for the period ended 31 December 2021.

***2.22 Mandate between BANK OF AFRICA S.A. 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 Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Zouheir BENSAID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.



- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

### **Main terms and conditions:**

In a context of optimising limited resources, BANK OF AFRICA S.A. intends to manage its balance sheet as effectively as possible as far as its sizeable real estate assets are concerned.

By transferring its real estate assets, BANK OF AFRICA S.A. 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 transferring 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 S.A.'s financial statements for the period ended 31 December 2021.

## ***2.23 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 Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Zouheir BENSALD, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.



### **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 BANK OF AFRICA S.A. 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, over and above MAD 100 million of the gross operating income generated by BANK OF AFRICA S.A.'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 S.A. recognised an expense of MAD 60,260 K in respect of the delegated management component and MAD 34,584 K in respect of the variable remuneration component for the period ended 31 December 2021.

## ***2.24 Agreement 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 S.A.
- Mr Zouheir BENSALD is Director of both companies
- Mr Brahim BENJELLOUN-TOUIMI, a Director of FinanceCom, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.

### **Main terms and conditions:**

Under the terms of the agreement entered into by BANK OF AFRICA S.A. and FinanceCom, the latter shall undertake to assist the former 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 S.A.'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 S.A. recognised a total expense of MAD 45,630 K for the period ended 31 December 2021.

## ***2.25 Addendum to the agreement between SALAFIN and BANK OF AFRICA S.A. relating to establishing a customer file recovery management system***

### **Person(s) concerned:**

- Mr Brahim BENJELLOUN TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.

- Messrs Mamoun BELGHITI and Amine BOUABID, members of SALAFIN's Supervisory Board, are also Directors of BANK OF AFRICA S.A.
- Messrs Driss BENJELLOUN and Omar TAZI, members of SALAFIN's Supervisory Board, are also Deputy Chief Executive Officers of BANK OF AFRICA S.A.

#### **Main terms and conditions:**

As part of the project for adopting a joint approach to loan recovery, BANK OF AFRICA S.A. and Salafin entered into a framework agreement 15 September 2008, subsequently modified 5 June 2009, defining 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:**

The impact from this agreement is included in the remuneration paid by BANK OF AFRICA S.A. to SALAFIN (cf. 2.37).

### ***2.26 Deed of transfer of current account from ALLIANCES DARNA to BANK OF AFRICA S.A.***

#### **Person(s) concerned:**

- Mr M'Fadel ELHALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A. 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 S.A., as a result of which the latter became owner of the said shareholders' current account.

#### **Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.



## **2.27 Services agreement between BANK OF AFRICA S.A. and BMCE CAPITAL**

### **Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Zouheir BENSALD, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

### **Main terms and conditions:**

BANK OF AFRICA S.A. 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 S.A. and the drawing up of deeds in BANK OF AFRICA S.A.'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 S.A.'s financial statements for the period ended 31 December 2021.

## **2.28 Shareholders' current account agreement between RIYAD ALNOUR and BANK OF AFRICA S.A.**

### **Person(s) concerned:**

- Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A. 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 S.A. 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:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

***2.29 Addendum to the agreement between BANK OF AFRICA S.A. 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 Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Amine BOUABID, a Director of BANK OF AFRICA S.A., is also Member of BMCE Capital's Supervisory Board
- Mr Zouheir BENSaid, a Director of BANK OF AFRICA S.A., is also Member of BMCE Capital's Supervisory Board
- Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BANK OF AFRICA S.A., 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 S.A.'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:**

The impact from this agreement is included in the remuneration paid by BANK OF AFRICA S.A. in respect of the agreement relating to the management of financial market and custody operations (cf. 2.23)

***2.30 Cooperation agreement between BANK OF AFRICA S.A. and BMCE IMMOBILIER*****Person(s) concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of BMCE IMMOBILIER (ex-MABANICOM), is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a Director of BMCE IMMOBILIER (ex-MABANICOM), is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Omar TAZI, a Director of BMCE IMMOBILIER (ex-MABANICOM), is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**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 S.A. in respect of leasing, purchasing, or selling real estate assets owned by or on behalf of BANK OF AFRICA S.A. and BMCE Group



- Collecting rents and lease payments due to BANK OF AFRICA S.A. 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 S.A. and BMCE Group

This agreement is for a period of 3 years.

**Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised an expense of MAD 7,069 K for the period ended 31 December 2021.

***2.31 Draft agreement between BANK OF AFRICA S.A. 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 S.A., is also a Director of MEDI TELECOM
- Mr Zouheir BENSAID, a Director of MEDI TELECOM, is also a Director of BANK OF AFRICA S.A.

**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 S.A.'s financial statements for the period ended 31 December 2021.

***2.32 Delegated responsibility agreement between BANK OF AFRICA S.A. 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 Deputy Chief Executive Officer of BANK OF AFRICA S.A. and a Director of BMCE EuroServices
- Messrs Azeddine GUESSOUS and Mohammed BENNANI are Directors of BANK OF AFRICA S.A. and of BMCE International SAU
- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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, as instructed by BANK OF AFRICA S.A., of which the former is indirectly a wholly owned subsidiary.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

***2.33 Management mandate between BANK OF AFRICA S.A. and BOA France*****Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group's Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Azeddine GUESSOUS is a Director of BOA Group and of BANK OF AFRICA S.A.
- Mr Amine BOUABID, Chief Executive Officer of BOA Group, is also a Director of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, a Director of BOA Group, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Mohamed AGOUMI, a Director of BOA Group, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**Main terms and conditions:**

This agreement, entered into 6 June 2012 between BANK OF AFRICA S.A. and BOA France, a subsidiary of BOA Group, establishes the terms and conditions by which BANK OF AFRICA S.A. 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 S.A. account held in the ledgers of BOA France.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

***2.34 Agreement between BANK OF AFRICA S.A. 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 Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Amine BOUABID, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Zouheir BENSaid, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a member of BMCE Capital's Supervisory Board, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.



**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 S.A. is based on dirham-denominated money market rates.

**Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised an expense of MAD 233 K for the period ended 31 December 2021.

***2.35 Technical support agreement between BANK OF AFRICA S.A. and AFH SERVICES*****Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BOA Group, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A. 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 S.A.'s financial statements for the period ended 31 December 2021.

***2.36 Services agreement between BANK OF AFRICA S.A. and BMCE CAPITAL*****Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of BMCE Capital's Supervisory Board, is also Board Member and Deputy Chief Executive of BANK OF AFRICA S.A.
- Mr Amine BOUABID, a Director of BANK OF AFRICA S.A., is also Member of BMCE Capital's Supervisory Board
- Mr Zouheir BENSaid, a Director of BANK OF AFRICA S.A., is also Member of BMCE Capital's Supervisory Board
- Mr Driss BENJELLOUN, Deputy Chief Executive Officers of BANK OF AFRICA S.A., is also Member of BMCE Capital's Supervisory Board
- Mr M'Fadel EL HALAISSI, Deputy Chief Executive Officers of BANK OF AFRICA S.A., is also Member of BMCE Capital's Supervisory Board

**Main terms and conditions:**

Entered into 20 November 2012 and effective 1 January 2012, this one-year automatically renewable agreement establishes the terms and conditions by which BANK OF AFRICA S.A. 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 S.A.'s financial statements for the period ended 31 December 2021.

***2.37 Agreements between BANK OF AFRICA S.A. and SALAFIN*****Person(s) concerned:**

- Mr Brahim BENJELLOUN TOUIMI, Chairman of SALAFIN's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs Mamoun BELGHITI and Amine BOUABID are members of Salafin's Supervisory Board and Directors of BANK OF AFRICA S.A.
- Messrs Omar TAZI and Driss BENJELLOUN are members of Salafin's Supervisory Board and Deputy Chief Executives of BANK OF AFRICA S.A.

**- Services contract between BANK OF AFRICA S.A. and SALAFIN**

This three-year automatically renewable services contract, entered into in 2009, shall define the terms and conditions by which BANK OF AFRICA S.A. shall provide SALAFIN with a certain number of services and equipment as well as their conditions of use.

BANK OF AFRICA S.A. 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 S.A. recognised income of MAD 84 K for the period ended 31 December 2021.

- **Agreement that SALAFIN establishes an on-demand credit compliance control system for BANK OF AFRICA S.A.'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 S.A. 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 S.A. 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 S.A. recognised an expense of MAD 1,094 K for the period ended 31 December 2021.

- **Agreement between BANK OF AFRICA S.A. and SALAFIN relating to services, technical support, and application hosting**

Entered into 15 January 2009, this agreement concerns the implementation of a recovery service by which SALAFIN shall undertake to carry out the assignments entrusted to it by BANK OF AFRICA S.A. (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 S.A.'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 S.A. recognised an expense of MAD 22,529 K for the period ended 31 December 2021.

Amendment to the agreement that SALAFIN establishes an on-demand credit compliance control system for BANK OF AFRICA S.A.'s customer files

Entered into 1 July 2011, this amendment to the agreement between BANK OF AFRICA S.A. 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 S.A. recognised an overall expense of MAD 68,845 K and overall income of MAD 11,206 K for the period ended 31 December 2021.

***2.38 Agreements between BANK OF AFRICA S.A. and EURAFRIC INFORMATION (EAI)***

- **Draft agreement between BANK OF AFRICA S.A. 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 S.A. 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 S.A. 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 S.A. 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 S.A. and EAI

**Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Zouheir BENSaid, a Director of BANK OF AFRICA S.A., is also a member of EAI's Supervisory Board
- Messrs Driss BENJELLOUN and Mounir CHRAIBI, Directors of EAI, are also Deputy Chief Executive Officers of BANK OF AFRICA S.A.

**Main terms and conditions:**

Entered into 10 March 2011 effective 1 January, this amendment modifies the services provided by EAI to BANK OF AFRICA S.A. 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 S.A. recognised the following amounts for the period ended 31 December 2021:

- Recurring services (expenses): MAD 77,699 K
- Maintenance (expenses): MAD 24,043 K
- Non-recurring services: MAD 106,889 K

***2.39 Agreement between BANK OF AFRICA S.A. 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 Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BANK OF AFRICA S.A., 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 S.A. 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 S.A. 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 2021.



## **2.40 Services contract between BANK OF AFRICA S.A. and EURAFRIC GED SERVICES**

### **Person(s) concerned:**

- Mr Brahim BENJELLOUN-TOUIMI, Chairman of EAI's Supervisory Board, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.

### **Main terms and conditions:**

Entered into in 2011 for an initial three-month automatically renewable period prior to establishing a definitive contract once authorisation is obtained from Bank Al Maghrib, the purpose of this contract is to define the terms and conditions by which BANK OF AFRICA S.A. entrusts to EurafriG 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 S.A. (prices quoted exclude taxes).

### **Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised an expense of MAD 1,269 K for the period ended 31 December 2021.

## **2.41 Partnership agreement between BANK OF AFRICA S.A. 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 Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Mohammed AGOUMI, a Director of BMCE BANK International Plc, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

### **Main terms and conditions:**

Under the terms of this agreement entered into 4 October 2011, BMCE BANK International shall provide BANK OF AFRICA S.A. with a number of banking services including:

- Cheques drawn on French- or foreign-domiciled banks
- Inter-bank transfers to BANK OF AFRICA S.A. or its customers
- International SWIFT transfers
- Bills of exchange domiciled with BANK OF AFRICA S.A. and payable in France
- Documentary credit confirmations

### **Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

## 2.42 Agreement between BANK OF AFRICA S.A. and BMCE CAPITAL GESTION to promote and market mutual funds via the BANK OF AFRICA S.A. branch network

### **Person(s) concerned:**

- Mr Amine BOUABID, a Director of BMCE Capital Gestion, is also a Director of BANK OF AFRICA S.A.
- Mr Driss BENJELLOUN, Deputy Chief Executive Officer of BANK OF AFRICA S.A., 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 S.A. of a specific number of BMCE Capital Gestion products via the BANK OF AFRICA S.A. 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 S.A.'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 S.A. recognised income of MAD 119 K for the period ended 31 December 2021.

## 2.43 Agreements relating to leasing premises

These agreements relate to the leasing of premises or offices to the following companies:

Company	Date	Type	Location	Amount 2021 (MAD K)
BMCE Capital	01/10/2009	Office space	142, avenue Hassan II aux 4 <sup>th</sup> , 7 <sup>th</sup> and 8 <sup>th</sup> floor, Casablanca	3,334
MEDITELECOM	01/08/2012	Building patio	Essaouira	116
BMCE Capital	01/07/2002	Office space	BANK OF AFRICA S.A. Branch, Agadir Ville	40
EURAFRIC INFORMATION	15/10/2009	279 m <sup>2</sup> 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 – 3,624m <sup>2</sup>	Bouskoura Green City TF No.18827/47	4,357
EURAFRIC INFORMATION	01/10/2016	Office space Block B2 – 3,822m <sup>2</sup>	Bouskoura Green City TF No.18827/47	4,582
EURAFRIC INFORMATION	01/01/2017	DATA CENTER 1,735 M <sup>2</sup>	Bouskoura Green City TF No.18827/47	2,080 Premises partially occupied
RM EXPERTS	01/01/2019	Office space	Casa SIDI MAAROUF LOTISSEMENT ATTAOUFIK	595
O.G.S.	01/01/2019	Office space	GREEN CITY BOUSKOURA	5,562

The leases will be renewed automatically.



#### **2.44 Amendment to the BMCE EDIFIN agreement between BANK OF AFRICA S.A. and GLOBAL NETWORK SYSTEMS (GNS), now GNS TECHNOLOGIES SA**

##### **Person(s) concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs M’Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BANK OF AFRICA S.A., are also Directors of GNS Technologies

##### **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 S.A. 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 S.A. 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 S.A. recognised an overall expense of MAD 4,612 K for the period ended 31 December 2021.

#### **2.45 Loan recovery services contract between BANK OF AFRICA S.A. and RM EXPERTS**

##### **Person(s) concerned:**

- Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS, is also a Director of BANK OF AFRICA S.A.
- Mr Brahim BENJELLOUN-TOUIMI, Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM Experts
- Mr M’Fadel EL HALAISSI, Deputy Chief Executive Officer of BANK OF AFRICA S.A., is also a Director of RM Experts

##### **Main terms and conditions:**

This agreement, entered into 24 December 2010 between RECOVERY INTERNATIONAL MANAGEMENT AND EXPERTISE (RM EXPERTS) and BANK OF AFRICA S.A., mandates RM EXPERTS on an exclusive basis to recover the non-performing loans entrusted to it by BANK OF AFRICA S.A.

The contract is for a five-year period which is automatically renewable in subsequent two-year periods.

BANK OF AFRICA S.A. 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 S.A.

BANK OF AFRICA S.A. 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 S.A. 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 S.A. 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 S.A. success fees payable on a quarterly basis depending on the sums repaid or recovered.

In the event of non-recovery, BANK OF AFRICA S.A. shall undertake to reimburse RM EXPERTS for all actual costs incurred by the latter.

**Amount(s) recognised:**

This agreement did not have any impact on BANK OF AFRICA S.A.'s financial statements for the period ended 31 December 2021.

***2.46 Agreement between BANK OF AFRICA S.A. and MAGHREBAIL***

**Person(s) concerned:**

- Mr Azeddine GUESSOUS, Chairman of Maghrebail, is a Director of BANK OF AFRICA S.A.
- Messrs Othman BENJELLOUN, Zouheir BENSAID and Brahim BENJELLOUN TOUIMI, Members of the Board of Maghrebail, are respectively Chairman, Director, and Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr M'Fadel EL HALAISSI, a Director of Maghrebail, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.

**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 S.A.'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 S.A.

The terms and conditions of this agreement are as follows:

- MAGHREBAIL shall pay BANK OF AFRICA S.A. agency fees as set out in a price list.
- MAGHREBAIL shall undertake to pay quarterly agency fees in respect of BANK OF AFRICA S.A.'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 S.A. for its guarantee at the annual rate of interest charged for 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 S.A. (financial outstandings x proportion of bank guarantee).

**Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised overall income of MAD 5,356 K for the period ended 31 December 2021.



## **2.47 Partnership agreement between BANK OF AFRICA S.A. and BUDGET LOCASOM**

### **Person(s) concerned:**

- Messrs Driss BENJELLOUN and M’Fadel EL HALAISSI, Deputy Chief Executive Officers of BANK OF AFRICA S.A. and Mr Azzedine GUESSOUS, a Director of BANK OF AFRICA S.A., 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 S.A. of LOCASOM’s BMCE LLD product (a vehicle leasing product for acquiring and managing a fleet of vehicles). Under this agreement, BANK OF AFRICA S.A. 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 S.A. branch network.

The terms and conditions of this agreement are as follows:

- BANK OF AFRICA S.A. shall solely undertake to encourage BMCE LLD customers to make regular lease payments (by directly debiting the customer’s account etc.)
- BANK OF AFRICA S.A. 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 S.A.’s financial statements for the period ended 31 December 2021.

## **2.48 Services contract between BANK OF AFRICA S.A. and BMCE EUROSERVICES**

### **Person(s) concerned:**

- Mr Brahim BENJELLOUN TOUIMI, Chairman of the Board of BMCE EuroServices, is also Board Member and Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Mr Omar TAZI, Assistant Director of BMCE EuroServices, is also Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs Driss BENJELLOUN, Mohamed AGOUMI and Mounir CHRAIBI, Directors of BMCE EuroServices, are also Deputy Chief Executive Officers of BANK OF AFRICA S.A.

### **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 S.A. 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 S.A. in the Moroccans living abroad segment and a percentage of the funds transferred to BANK OF AFRICA S.A. accounts in Morocco.

### **Amount(s) recognised:**

In respect of this agreement, BANK OF AFRICA S.A. recognised an expense of MAD 163,671 K for the period ended 31 December 2021.

### ***2.49 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 Deputy Chief Executive Officer of BANK OF AFRICA S.A.
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Deputy Chief Executive Officers of BANK OF AFRICA S.A., 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 S.A. 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<sup>2</sup> 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 S.A. recognised income of MAD 354 K for the period ended 31 December 2021.

Casablanca, 28 April 2022

### **The Statutory Auditors**

  
FIDAROC GRANT THORNTON  
FIDAROC GRANT THORNTON  
Membre du Réseau Grant Thornton  
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Associé



## DISCLOSURE OF STATUTORY AUDITORS' FEES

### BDO AUDIT, TAX & ADVISORY S.A. (EX KPMG)

	Amount per annum			"% of total per annum		
	2021	2020	2019	2021	2020	2019
Statutory audit, certification, audit of the individual and consolidated statements	1 400 000	1 300 000	1 548 000	100%	90%	91%
Other services directly related to the statutory auditors' assignment		140 000	144 000		10%	9%
Sub-total		1 440 000	1 692 000		100%	100%
Other services provided						
<b>Total</b>	<b>1 400 000</b>	<b>1 440 000</b>	<b>1 692 000</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### ERNST AND YOUNG (2019) / FIDAROC GRANT THORNTON (2020-2021)

	Amount per annum			"% of total per annum		
	2021	2020	2019	2021	2020	2019
Statutory audit, certification, audit of the individual and consolidated statements	1 400 000	1 300 000	1 548 000	68%	96%	81%
Other services directly related to the statutory auditors' assignment	45 000	60 000	359 216	2%	4%	19%
Sub-total	1 445 000	1 360 000	1 907 216	70%	100%	100%
Other services provided	622 000			30%		
<b>Total</b>	<b>2 067 000</b>	<b>1 907 216</b>	<b>3 843 276</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

