



HALF-YEAR RESULTS

30 JUNE 2023

FIRST HALF 2023 – POSITIVE GROWTH IN BUSINESS ACTIVITY

BANK OF AFRICA – BMCE Group’s Board of Directors, chaired by Mr Othman BENJELLOUN, met Friday 22 September 2023 at the Bank’s head office in Casablanca. It reviewed the business activity of the Bank and of the Group for first half 2023 and drew up the financial statements for the period in question.

In response to the terrible earthquake that struck Morocco’s Al-Haouz province, the Board of Directors, its Chairman, Mr Othman BENJELLOUN and BANK OF AFRICA Group’s entire staff wish to express their solidarity alongside the Moroccan people and their commitment to supporting the victims of disaster areas as part of the measures issued by His Majesty King Mohammed VI.

The first half 2023 financial report is published on the website www.ir-bankofafrica.ma

CONSOLIDATED BUSINESS ACTIVITY -MAD MILLIONS-

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

+12%



Net income attributable to shareholders of the parent company grew by +12% to MAD 1.4 billion at 30 June 2023.

NET BANKING INCOME

+8%



Consolidated net banking income rose by +8% to MAD 8.4 billion at 30 June 2023 versus MAD 7.8 billion at 30 June 2022.

CUSTOMER LOANS -excluding resales-

+1%



Consolidated customer loans, excluding resales, increased by +1% to MAD 198 billion versus MAD 196 billion at 31 December 2022.

CUSTOMER DEPOSITS -excluding repos-

-4%



Consolidated customer deposits, excluding repos, fell by -4% to MAD 231 billion versus MAD 241 billion at 31 December 2022.

PARENT BUSINESS ACTIVITY -MAD MILLIONS-

NET INCOME

+6%



BANK OF AFRICA S.A.’s net income increased by +6% year-on-year to MAD 1.2 billion at 30 June 2023.

NET BANKING INCOME

+4%



The Bank’s net banking income rose by +4% to MAD 3.9 billion at 30 June 2023.

CUSTOMER LOANS -excluding resales-

+3.8%



Continued strong business performance by the Bank in Morocco with customer loans, excluding resales, up +3.8% to MAD 121 billion at 30 June 2023.

DÉPÔTS DE LA CLIENTÈLE -excluding repos-

-3.9%



Customer deposits in Morocco, excluding repos, fell by -3.9% to MAD 145 billion at 30 June 2023 versus MAD 151 billion at 31 December 2022.

GROWTH REMAINS POSITIVE

Consolidated net banking income increased by +8% to MAD 8.4 billion at 30 June 2023, driven by growth of the core business – **fee income +25% and net interest income +9%** – despite a drop in income from market operations.

Group earnings registered **double-digit growth** of **+12%** to **MAD 1.4 billion** at 30 June 2023 driven by organic growth and a high level of diversification.

Sub-Saharan African operations contributed strongly, accounting for almost **50%** of Group earnings.

General operating expenses remained firmly under control with the increase at the consolidated level contained at **+3%** due to the Bank's **cost rationalisation programme**, resulting in a **cost-to-income ratio of 48.6%** at 30 June 2023, an improvement of 2.5 percentage points.

Consolidated gross operating income grew by **+14%** to **MAD 4.3 billion** compared to 30 June 2022.

The **consolidated cost of risk** increased by **+9%** year-on-year to **MAD 1.5 billion**, resulting in a **cost of customer risk ratio of 1.2%** at 30 June 2023.

Revenue from domestic banking operations increased with **net banking income up +4%** to **MAD 3.9 billion**, driven by **+5%** growth in **net interest income** and a **+9%** rise in **fee income**.

The Bank's **net income** rose by **+6%** to **MAD 1.2 billion** while parent company **gross operating income** grew by **+7%** to **MAD 2.2 billion**.

Parent company **general operating expenses** were broadly **unchanged** year-on-year at **MAD 1.8 billion**, resulting in an improvement in the **cost-to-income ratio to 44.9%** at 30 June 2023 versus 46.8% at 30 June 2022.

Total assets rose by **+3.3%** to **MAD 396 billion** at the consolidated level and by **+6%** to **MAD 262 billion** at the parent level at 30 June 2023.

Consolidated customer loans, excluding resales, grew by +1% to **MAD 198 billion** at 30 June 2023.

Consolidated customer deposits, excluding repurchases, fell by -4% to **MAD 231 billion** versus MAD 241 billion at 31 December 2022.

Continued strong business performance in Morocco with **loans to the economy up +4.6%**, resulting in an **increased share of the market at 12.66%** versus 12.35% at 31 December 2022.

Customer deposits in Morocco fell by **-3.7%** to **MAD 143 billion**, resulting in a 12.70% share of the market at 30 June 2023, although sight deposits remained broadly unchanged in first half 2023.

BOA Africa demonstrated a **high level of resilience** despite the challenging economic and political environment in sub-Saharan Africa with **consolidated net income up +16%** at **EUR 124.5 million** and **net banking income +10.7%** higher at **EUR 366 million** at 30 June 2023.

BANK OF AFRICA's shareholders' equity was bolstered in 2023 after issuing a **MAD 500 million perpetual subordinated note** containing a loss-absorption and coupon-cancellation provision.

ONLINE BANKING BOLSTERED

BANK OF AFRICA's range of digital and commercial services enhanced with a number of innovative customer service solutions and new promotional deals on the *CréditDaba.ma* website together with a 'welcome package' for self-employed persons and other 100% digital packages for retail, private banking and professional banking customers.

Range of services extended with the **latest version of Agence Directe** offering **tailor-made solutions** for professional customers incorporating **cutting-edge biometric customer authentication technology**.

BMCE Direct app enhanced with new services better adapted to customers' needs, such as **instantaneous transfers, smoother and more secure messaging** between customers and advisors, an **optimised product subscription process** and **increased transparency** in transactions and management services.

Business Online portal for business customers further optimised with the introduction of a mobile version as well as online **English language** and **demo versions**.

SUSTAINABILITY AND VALUE CREATION

Partnership agreements bolstered between BMCE Bank Foundation and its partners – the Ministry of National Education, Preschool and Sports, the French Institute of Morocco, the Confucius Institute, Teach for Morocco and the ProFuturo Foundation – with new activities and new centres provided, **an enhanced educational offering, teacher training and an extended range of technological equipment**.

Educational robotics and artificial intelligence teaching extended and implemented in **20 Medersat.com network schools**, benefiting **1,200 pupils**.

Mohammed VI Tower Observatory created by the Bank's Chairman, Mr Othman Benjelloun, and dedicated to His Majesty King Mohammed VI, highlighting the important contributions made by Al-Andalus civilisation to astronomy.

Strong ongoing efforts by BANK OF AFRICA in support of **businesses, including young entrepreneurs**, through an extensive range of financial, non-financial and support services for Moroccan SMEs, in particular, via the Bank's **Entrepreneurship Club, START TPE, INTELAKA** and other loans covering up to **60%** of a project's overall funding needs, as well as support, training and coaching.

Positive impact loans account for nearly one-third of the Bank's **business loans** in Morocco, with a strong emphasis on environmental financing.

A series of regional conferences was organised by BANK OF AFRICA in partnership with the **Moroccan Investment & Export Development Agency (AMDIE)** to help implement the **new Investment Charter**.

Memorandum of Cooperation signed by BANK OF AFRICA, the AMDIE, the Wuhan Economic and Technological Development Zone and the Sino-International Entrepreneurs Federation to attract Chinese investment in Morocco.

Cap'Women, an internal innovation programme exclusively for women, launched by BMCE Capital, to help female employees create high value-added digital solutions.

Participation by BMCE Capital Conseil in the 2nd sustainability regional caravan organised by Cluster ENR, attracting more than one hundred industrial and financial institutions, highlighting the main opportunities and investment potential of eco-investing and presenting the main solar, wind and desalination projects currently under development or to be developed in the future.

AWARDS AND DISTINCTIONS

Dr Leïla MEZIAN BENJELLOUN, BMCE Bank Foundation's Chair, named 'Woman of the Mediterranean space' by the Regional Government of Andalusia in partnership with the Three Cultures of the Mediterranean Foundation.

Mohammed VI Tower recognised for engineering excellence after winning the 'Best Performance in Engineering Projects' Award at the annual Caminos Madrid 2022 Awards.

BANK OF AFRICA named 'Best Bank on the African Continent' by the prestigious Global Finance Magazine.

BANK OF AFRICA named as the most admired financial brand in Morocco and in the top 10 in Africa by Brand Africa 100, a report published in conjunction with the 9th African Digital Summit 2023.

BANK OF AFRICA one of four Moroccan banking groups to be ranked in the Forbes MENA list of '50 most valued banks'.

BMCE Capital named 'Best Investment Bank in Morocco in 2023' by International Investor Magazine.

BANK OF AFRICA's energy management system awarded dual certification – ISO 50001:2018 and NM-50001 – following a joint audit by Bureau Veritas and IMANOR.

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY AT 30 JUNE 2023 BY GEOGRAPHICAL REGION



NET BANKING INCOME AT 30 JUNE 2023 BY GEOGRAPHICAL REGION



PROFILE



15,005
EMPLOYEES



32
COUNTRIES



2,000
POINTS OF SALE



6.6
MILLION CUSTOMERS

RATINGS



BA1,
STABLE
OUTLOOK



BB,
STABLE
OUTLOOK



Non-financial rating
A+

BANK OF AFRICA's Board of Directors pays tribute to its Human Capital and its shareholders for their ongoing engagement and determination to generate shareholder and societal value while promoting the ultimate goal of sustainable socio-economic development in Morocco and in Africa. The Board would also like to thank its partners and customers for their ongoing confidence in our Group.