MANAGEMENT REPORT

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

Dear Shareholders, Ladies and Gentlemen,

We are honoured to invite you to the Combined General Meeting of Shareholders in accordance with BANK OF AFRICA's Memorandum and Articles of Association, the amended and completed Act 17-95 relating to limited companies and Articles 29 et seq. of the Memorandum and Articles of Association to report on BANK OF AFRICA's business activity and results for the period ended 31 December 2023 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 FINANCIAL PERFORMANCE

The Group's performance for the year ended 31 December 2023 was remarkable in terms of its financial results in Morocco as well as in sub-Saharan Africa, which were ahead of initial estimates.

Net income attributable to shareholders of the parent company rose by 22% to MAD 2,800 million versus MAD 2,305 million in 2022, ahead of initial estimates.

After factoring in the exceptional impact from the Bank's contribution to the Earthquake Relief Fund, net income attributable to shareholders of the parent company rose by 16% to MAD 2,662 million.

Parent net income increased by 12% to MAD 1,703 million. After factoring in the contribution, net income rose by 3% to MAD 1,565 million.

BOA Africa registered growth of 32% in net income attributable to shareholders of the parent company to EUR 180 million.

This performance was achieved thanks to growth of 9% in consolidated net banking income to almost MAD 17 billion in 2023.

The increase in general operating expenses was contained at 4%, excluding the impact from the contribution, resulting in a 1.1 percentage points improvement in the consolidated cost-to-income ratio, which fell to 50.6% in 2023 versus 53% the previous year.

Gross operating income was MAD 8.1 billion, up 11% compared to 31 December 2022.

The cost of risk rose by 4% to MAD 2.7 billion versus MAD 2.6 billion the previous year. This was due to a provision of almost MAD 250 million for exposure to Niger sovereign bonds after the country's rating was downgraded to 'CCC' in 2023.

As far as BANK OF AFRICA's balance sheet indicators are concerned, the Group's total assets stood at MAD 388 billion at 31 December 2023, an increase of 1% on the previous year.

BANK OF AFRICA Group's shareholders' equity attributable to shareholders of the parent company stood at MAD 26.7 billion, an increase of 6%

Regulatory capital was bolstered by MAD 1 billion in 2023 after two successful AT1 subordinated debt issues, with total AT1 capital rising to MAD 3.5 billion at 31 December 2023. These issues enabled the Group to strengthen its prudential ratios.

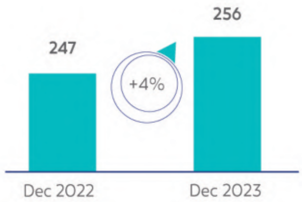
Gross consolidated outstanding customer loans, restated for resales, rose by 3% year-on-year to MAD 218 billion.

Customer deposits, excluding repurchases, fell by 2% over the same period to MAD 237 billion versus MAD 241 billion in 2022. This was primarily due to the Bank not renewing term deposits reaching maturity in Morocco, which enabled it to optimise its funding costs.

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

At 31 December 2023, the Bank's total assets stood at MAD 256 billion, an increase of almost 4%.

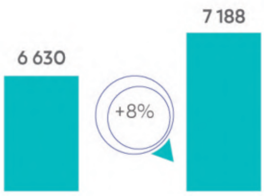
Total assets (MAD billions)



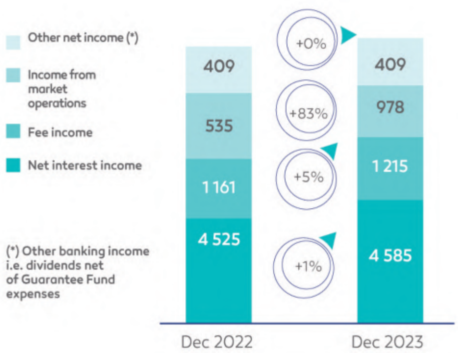
The Bank's net banking income rose by 8% to MAD 7,188 million at 31 December 2023 versus MAD 6,630 million at 31 December 2022, driven by:

- A recovery in income from market operations, which benefited from an improved performance from fixed income activities as well as the equity market, which rebounded by about 13% in 2023.
- A 5% increase in fee income, driven by a healthy performance in revenues across the board.

Net banking income (MAD millions)



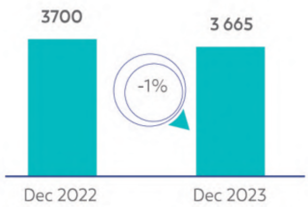
Breakdown of net banking income (MAD millions)



- The contribution from net interest income, which rose by 8%, benefiting from a combination of loan repricing and higher volumes on the back of stronger commercial activity.
- A 6% year-on-year increase in dividends in 2023.

General operating expenses fell by 1% year-on-year to MAD 3,665 million at 31 December 2023 due to ongoing initiatives aimed at containing the Bank's expenses.

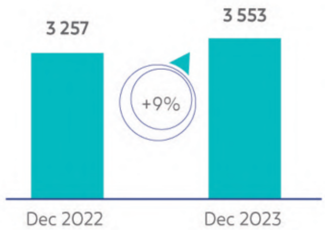
General operating expenses (MAD millions)



The cost-to-income ratio stood at 51% in 2023 versus 55.8% at 31 December 2022, an improvement of 4.8 percentage points.

Gross operating income grew by 9% to MAD 3,553 million at 31 December 2023 versus MAD 3,257 million in 2022 due to an 8% increase in net banking income together with good cost containment.

Gross operating income (MAD millions)

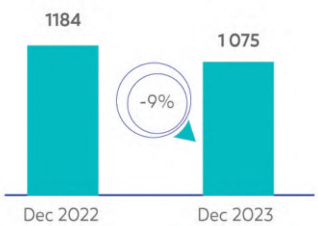


The overall cost of risk stood at MAD 1,075 million at 31 December 2023 versus MAD 1,184 million at 31 December 2022. This was due to a combination of:

(i) The Bank's ongoing commitment to provisioning, as illustrated by a 19% increase in loan loss provisions

(ii) A robust approach to loan recovery, as reflected in a 60% rise in write-backs.

Overall cost of risk (MAD millions)

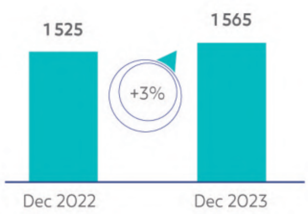


The cost of risk as a percentage of outstanding loans was 0.8%, unchanged on the previous year.

Parent net banking income increased by 3% to MAD 1,565 million at 31 December 2023 versus MAD 1,525 million at 31 December 2022.

Excluding the donation to the Earthquake Relief Fund, parent net banking income rose by 12% to MAD 1,703 million in 2023.

Parent net income (MAD millions)

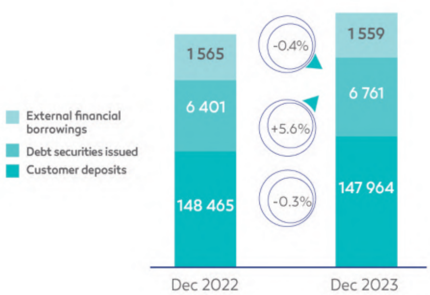


HIGHLIGHTS OF THE BANK'S MOROCCAN OPERATIONS

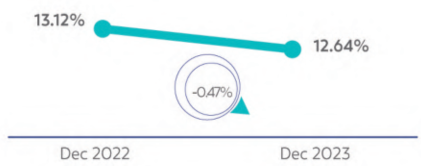
The Bank's funding sources

In 2023, the Bank's funding sources were broadly unchanged on the previous year at MAD 156 billion, primarily impacted by the decision to voluntarily reduce interest-bearing deposits, which fell by 11% in 2023. The Bank's share of the funding market declined to 12.64% at 31 December 2023 versus 13.12% at 31 December 2022.

Funding sources (MAD millions)



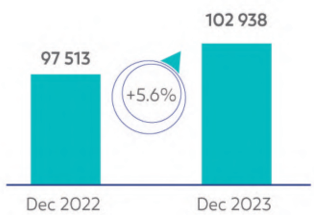
Share of the customer deposit funding market



A breakdown of the Bank's customer deposits shows that the share of non-interest-bearing deposits increased, accounting for 73% of total funding sources at 31 December 2023 versus 69% at 31 December 2022.

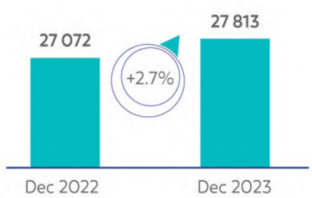
Non-interest-bearing account outstandings rose by 5.6% year-on-year to MAD 103 billion at 31 December 2023. This was primarily due to: (i) a 6% or MAD 4 billion increase in cheque account outstandings to MAD 72 billion at 31 December 2023 and (ii) a 4% or MAD 1.2 billion increase in current account outstandings in 2023.

Non-interest-bearing deposits (MAD millions)



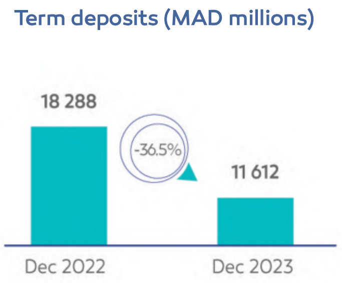
Passbook savings account outstandings grew by 2.7% to MAD 27.8 billion at 31 December 2023. The Bank's share of passbook savings accounts rose by 0.14 percentage points from 15.15% at 31 December 2022 to 15.29% at 31 December 2023.

Savings accounts (MAD millions)



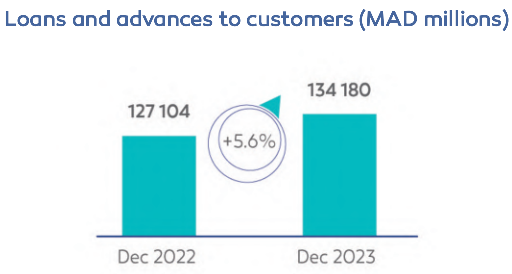
Term deposits stood at almost MAD 12 billion at 31 December 2023 versus MAD 18 billion at 31 December 2022, a managed contraction in a context of facilitating compliance with prudential liquidity requirements. The

Bank's share of term deposits stood at 9.40% at 31 December 2023 versus 13.69% at 31 December 2022.

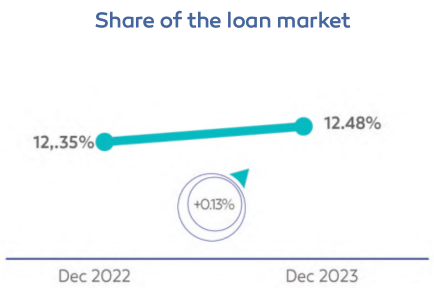


Loans and advances to customers (*)

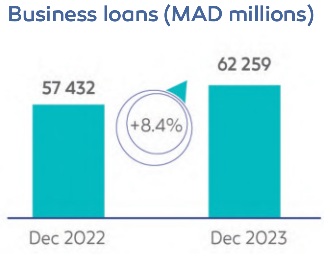
Loans and advances to customers registered strong growth of 5.6% to MAD 134 billion at 31 December 2023 versus MAD 127 billion at 31 December 2022. This was primarily due to growth in short-term loans to corporates.



The Bank's share of the loan market improved by 0.13 percentage points from 12.35% at 31 December 2022 to 12.48% at 31 December 2023.



Business loans registered growth of 8% to almost MAD 62 billion at 31 December 2023 due to a strong performance by equipment loans which jumped by 36% in 2023.



Contributing to the increase in business loans was an RWA loan, up 2%.

As a result, the Bank's share of the business loan market rose by 0.54 percentage points to 11.35% at 31 December 2023 versus 10.81% at 31 December 2022.

Retail loans grew by 1% to MAD 40 billion at 31 December 2023 due to a combination of a 0.8% rise in mortgage loans and a 2% increase in consumer loans. This increase, in line with industry trends, resulted in a very modest 0.07 percentage point gain in the Bank's share of the retail loan market to 14.38% at 31 December 2023.

NET BANKING INCOME

Net banking income stood at MAD 7,188 million at 31 December 2023 versus MAD 6,630 million at 31 December 2022, an increase of 8%.

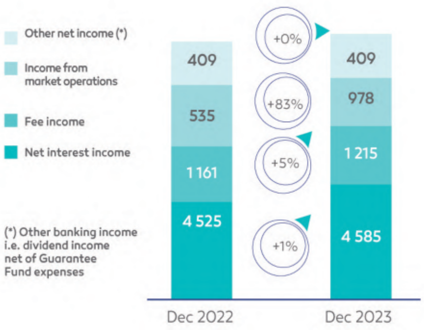
Net interest income rose by 8%, primarily due to:

(i) An increase of almost 8% year-on-year in average loan outstandings with investment loans up 12% and short-term loans 10% higher together with good margin control against a backdrop of rising funding costs.

(ii) A rise of almost 3% in average deposits, particularly non-interest-bearing deposits, which rose by 8%. The latter's strong performance enabled the Bank to contain higher funding costs as a result of rising interest rates in 2023.

(*) including finance companies

Breakdown of net banking income (MAD millions)

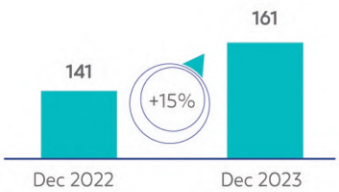


Fee income

Fee income earned by the Bank advanced by 5% to MAD 1,215 million at 31 December 2023, benefiting from a strong performance across the board:

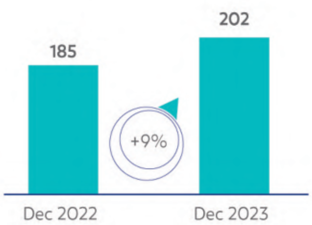
- A 15% increase in fees from bank cards on the back of higher transaction volumes and an expansion of services related to digital payments in Morocco as well as internationally.

Bank card fees (MAD millions)



- 9% growth in Comex fees as a result of higher international transaction volumes.

Comex fees (MAD millions)



- A 2% increase in fees on packages and account management fees due to a rise in income earned on packages as a result of an increased number of new packages subscribed.

Account management fees and fees on packages (MAD millions)

Income from Market Operations

Income from market operations stood at MAD 978 million at 31 December 2023 versus MAD 535 million at 31 December 2022, a jump of 83% due to:

- A recovery in market operations, which benefited from an improved performance from both fixed income activities as well as the equity market, which rebounded by about 13% in 2023. Against such a backdrop, financial asset valuations improved significantly in 2023 after a year of upwardly trending interest rates in 2022.
- A 22% increase in income from foreign exchange and derivative products to MAD 765 million at 31 December 2023 versus MAD 626 million at 31 December 2022.

GENERAL OPERATING EXPENSES

General operating expenses stood at MAD 3,665 million at 31 December 2023 versus MAD 3,700 million in 2022, down 1%, resulting in a cost-to-income ratio of 51% at 31 December 2023 versus 55.8% at 31 December 2022, a marked improvement of 4.8 percentage points:

- Employee expenses fell by 3% to MAD 1,680 million in 2023 versus MAD 1,736 million in 2022 as a result of the head office staff rationalisation plan.
- The increase in other operating expenses was contained at 1% to MAD 1,985 million, despite inflationary pressures. This modest increase in 2023 was primarily due to expenses incurred in relation to the Bank's cornerstone projects in the context of the Bank's digital transformation and IT development.

COST OF RISK

The overall cost of risk stood at MAD 1,075 million at 31 December 2023 versus MAD 1,185 million at 31 December 2022.

Loan-loss provisions on customer accounts stood at MAD 1,390 million at 31 December 2023 versus MAD 1,168 million at 31 December 2022.

In 2023, significant progress was made in terms of loan recovery with write-backs of MAD 340 million versus MAD 212 million the previous year, an increase of 60%.

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

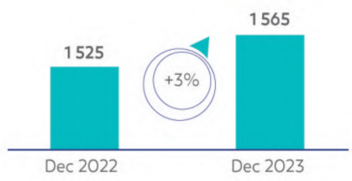
Similarly, the non-performing loan coverage ratio improved in 2023, underlining the Bank's increased efforts in loan provisioning.

NET INCOME

BANK OF AFRICA S.A's net income rose by 3% to MAD 1,565 million at 31 December 2023 versus MAD 1,525 million at 31 December 2022.

Excluding the donation to the Earthquake Relief Fund, parent net income increased by 12% to MAD 1,703 million in 2023.

Parent company net income (MAD millions)



SPECIALISED FINANCIAL SERVICES

Contributions to net income attributable to shareholders of the parent company

Contribution	SFS		Salafin		Maghrébail		M.Factoring		RM Experts		Euler Hermes Acmar	
MAD millions	D23	D22	D23	D22	D23	D22	D23	D22	D23	D22	D23	D22
Consolidated net banking income	607	701	308	312	288	374	11	14	-0.1	0.8	na	na
Change		-13%		-1%		-23%		-19%		-113%		
General expenses	-258.0	-259.9	-136	-140	-68	-70	-22.4	-22.2	-32.4	-27.2	na	na
Change		-0,7%		-4%		-3%		1%		19%		
Cost of risk	-174	-267	-98	-102	-75	-159	-1.1	-6.2	na	na	na	na
Change		-35%		-4%		-53%		-83%				
Net income attributable to shareholders of the parent company	119	128	56	54	48	66	4.2	0.5	1.4	0.9	9.5	6,3
Change		-6%		4%	-	27%		697%		59%		51%

The contribution from Specialised Financial Services to net income attributable to shareholders of the parent company fell by 6% from MAD 128 million at 31 December 2022 to MAD 119 million in 2023.

At the parent level:

- Salafin's parent net income rose by 6% to MAD 91 million in 2023 versus MAD 86 million in 2022. General operating expenses declined by 4% with staff expenses and external expenses well contained while net additional provisions fell by 6%, thereby offsetting the 1% drop in net banking income.
- Maghrebail's net income increased by 7% year-on-year to MAD 127 million, in line with initial forecasts. Outstanding leased assets increased by 4% compared to 2022.
- Maroc Factoring posted net income of MAD 4.2 million versus MAD 0.6 million in 2022. This achievement was due to tight control of general operating expenses which rose by only 0.7%. Similarly, the cost of risk was also down on the previous year due to write-backs of as much as MAD 6.4 million in 2023 versus MAD 0.7 million in 2022. This offset the 3% decline in net banking income in a context of higher funding costs.
- RM Experts registered parent net income of MAD 1.4 million in 2023 versus MAD 4.2 million in 2022

INVESTMENT BANKING AND ASSET MANAGEMENT

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

Contributions to net income attributable to shareholders of the parent company

Contribution	Investment banking and Asset Management		BMCE Capital		BK Bourse		BK Gestion	
MAD millions	D23	D22	D23	D22	D23	D22	D23	D22
Consolidated net banking income	388.8	345.9	220.1	174.3	19.0	18.4	149.7	153.2
Change		12%		26%		3%		-2%
General expenses	-316.6	-287.9	-255.4	-230.3	-14.5	-14.4	-46.8	-43.2
Change		10%		11%		0%		8%
Cost of risk	-11.2	0.0	-11.2	0.0	0.0	0.0	0.0	0.0
Change								
Net income attributable to shareholders of the parent company	89.4	85.7	32.9	29.9	-0.7	-1.2	57.2	57.1
Change		4%		10.2%				0%

The contribution to net income from the Investment Banking & Asset Management business rose by 4% year-on-year to MAD 89.4 million in 2023.

At the parent level:

BMCE Capital's parent net income rose by 8% year-on-year to MAD 33.1 million at 31 December 2023 against a backdrop of stock market recovery with the MASI gaining 13% in 2023.

- In 2023, BMCE Capital Bourse registered a smaller loss than in 2022 at MAD 0.8 million.
- BMCE Capital Gestion's net income was ahead of initial forecasts, up MAD 57 million on the previous year.

OTHER MOROCCAN OPERATIONS

Contributions to net income attributable to shareholders of the parent company

Contribution	Others		Locasom		Bank Al Karam		EAI		CID		AML	
MAD millions	D23	D22	D23	D22	D23	D22	D23	D22	D23	D22	D23	D22
Consolidated net banking income	265,5	163,4	252,1	13,4	163,4	13,4	na	na	na	na	na	na
Change		62,5%		54,3%								
General expenses	-163,3	-119,6	-117,1	-46	-119,6	-46	na	na	na	na	na	na
Change			37%	-2%								
Cost of risk	-0,63	-1,1	0,0	-1,1	-0,6	na	na	na	na	na	na	na
Change												
Net income attributable to shareholders of the parent company	-17,2	20,3	26,3	11,8	-30,6	-19,3	1,0	-1,7	0,0	6,5	-13,9	23,0
Change		-185%		123%		-58%		161%		00%		

BANK OF AFRICA Group's 'Other operations' comprise Locasom, EAI, AML and Bank Al Karam, the majority of which are consolidated under the equity method.

At the parent level:

- Locasom, a specialist vehicle leasing subsidiary, registered a steep rise of 34% in parent net income to MAD 26.8 million in 2023 versus MAD 20 million in 2022.

- Bank Al Karam reduced its losses to negative MAD 33 million versus negative MAD 39 million in 2022. This was primarily due to growth of 9% in net banking income and a modest 1% decline in general operating expenses.
- EAI, a technology subsidiary, registered net income of MAD 2.5 million in 2023, broadly unchanged on the previous year.
- Africa Morocco Link ('AML'), a subsidiary specialising in maritime transport, made a loss of MAD 27 million in 2023 versus a profit of MAD 45 million in 2022. This was due to a number of exceptional factors including an incident which resulted in its vessels being grounded, industry overcapacity due to increased competition and the unexpected chartering of a vessel.

RESULTS AND CONTRIBUTIONS FROM OVERSEAS OPERATIONS

Contributions to net income attributable to shareholders of the parent company

Contribution	International		Europe		Africa	
MAD millions	D23	D22	D23	D22	D23	D22
Consolidated net banking income	9 277	8 232	598	637	8 679	7 595
Change		13%		-6%		14%
General expenses	-4 431	-4 309	-283	-310	-4 148	-3 999
Change		3%		-9%		4%
Cost of risk	-1 262	-1 035	-3	-36	-1 259	-999
Change		22%		-92%		26%
Net income attributable to shareholders of the parent company	1 601	1 255	46	131	1 555	1 124
Change		28%		-65%		38%

In 2023, the contribution from overseas operations to consolidated net income attributable to shareholders of the parent company rose by 28% from MAD 1,255 million to MAD 1,601 million. Africa accounted for 56% of overall net income attributable to shareholders of the parent company and Europe 2%.

EUROPEAN OPERATIONS

At the parent level:

- BANK OF AFRICA EUROPE posted parent net income of EUR 17.6 million in 2023 versus MAD 15.3 million in 2022, an increase of 15%, with net banking income rising from EUR 28 million to EUR 32 million.
- BANK OF AFRICA UK registered a loss of GBP 11.6 million in 2023, impacted by losses incurred on the sale of part of its government bond portfolio together as well as a voluntary reduction in its credit activity to improve its prudential ratios. This impact was offset by cost reduction initiatives aimed at optimising costs and operational efficiency. These measures enabled the subsidiary to remain in business and safeguard future profitability as reflected in its new business plan which was submitted to the regulatory authority.

AFRICAN OPERATIONS

Contributions to net income attributable to shareholders of the parent company

Contribution	Africa		BOA		LCB		BDM	
MAD millions	D23	D22	D23	D22	D23	D22	D23	D22
Consolidated net banking income	8 679	7 595	8 321	7 343	358	252	na	na
Change		14%		13%		42%		
General expenses	-4 148	-3 999	-3 961	-3 796	-187	-203	na	na
Change		4%		4%		-8%		
Cost of risk	-1 259	-999	-1 132	-883	-127	-116	na	na
Change		26%		28%				
Net income attributable to shareholders of the parent company	1 555	1 124	1 432	1 057	11	-23	112	90
Change		38%		36%		24%		

At the parent level:

- BOA Africa registered growth of 32% in net income attributable to shareholders of the parent company to EUR 180 million. This was due to net banking income which rose by 11% to EUR 755 million, driven by growth of 16% in fee income while the increase in general operating expenses was contained at 3%.

- LCB Bank registered a profit of EUR 3.8 million versus EUR 0.2 million in 2022. This was due to a steep increase in net banking income to EUR 32 million in 2023 versus EUR 24.5 million in 2022 coupled with a modest decline in expenses.
- Banque de Développement du Mali, accounted for under the equity method, saw its net income rise by 21% year-on-year to EUR 31.6 million in 2023. Its contribution to net income attributable to shareholders of the parent company stood at MAD 112 million in 2023, accounting for 4% of net income.

THE BANK'S GROWTH PROSPECTS

BANK OF AFRICA's 'Vision 2030' is to "become a pan-African group with operations in 25+ countries, a value creator, a market leader in social and environmental responsibility, an impact finance platform promoting trade and investment in Africa and serving Africans around the world". The major goals of Vision 2030 are to (i) improve profitability, capital adequacy and liquidity levels by adopting a customer-centric approach and rationalising costs (ii) become a more integrated bank and generate additional synergies and (iii) explore targeted opportunities on the African continent and expand by acquisition. The 2023-2025 Strategic Development Plan provides a framework for BANK OF AFRICA to further bolster its business activities in an environment marked by (i) changes on a global scale – inflationary pressures, economic uncertainty, etc. and, (ii) regulatory tightening – monetary policy tightening, rate hikes, etc.

Against such a backdrop, the Group's financial prospects until 2025 will be underpinned by a focus on improving profitability and productivity with steady growth of its balance sheet while complying with regulatory requirements. The Group intends to enhance performance:

(i) In Morocco, by attracting new customers and fostering customer loyalty, continuing to grow its deposits and making banking more accessible by accelerating technological innovation, improving operational efficiency and bolstering the loan recovery process.

(ii) And internationally, by expanding and rationalising the Group's operations in sub-Saharan Africa while optimising the Group's European business activities.

To realise its goals, the Group's efforts will continue to focus on the following drivers:

- Bolstering the Bank's Tier 1 capital by issuing MAD 1 billion of perpetual subordinated debt in 2023.
- Optimising profitability and reducing operating costs by controlling expenditure and accelerating digitalisation, with an enhanced range of multichannel products and services such as an online mortgage loan platform, Agence Directe, Business Online loans, etc.
- Continuing to implement strategic initiatives, particularly those linked to strategic priorities including (i) ensuring the long-term viability of the existing African portfolio and exploring targeted expansion in the continent's most attractive countries and (ii) accelerating implementation of BANK OF AFRICA's development strategy to bolster its Africa footprint.

The Group's financial prospects until 2025 will likely reflect the growing impact from these various multidimensional restructuring initiatives carried out in the context of its 2030 strategic plan. The latter entails, in particular, improving the business model, revamping the loan approval and post-approval systems, digital transformation, innovation, the operational excellence programme, resizing subsidiaries and business lines and, lastly, Group integration.

OVERVIEW OF LIQUIDITY AND INTEREST RATE RISK MANAGEMENT SYSTEM

BANK OF AFRICA has adopted a system for steering balance sheet risks such as liquidity and interest rate risks to enable it to continuously monitor changes as a function of financial market trends and their impact on the Bank's operations.

In order to maintain balance sheet stability over the medium to long term, the liquidity and interest rate risk management system is designed to:

- Ensure earnings 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 protect 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 in such a way as to be able to take full advantage of any possible growth opportunities.

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

- Set asset-liability policy

- Organise and steer asset-liability sub-committees
- Possess in-depth knowledge of the types of risk inherent in the Bank's operations and keep abreast of any changes in these risks as a function of financial market trends, risk management practices and the Bank's operations
- Review and approve procedures aimed at mitigating 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 risk sources on a daily basis
- Regularly review and approve risk limits as a function of any eventual change in the Group's strategy, approve new products and react to significant changes in market conditions
- Ensure that the different business lines are properly managed by HR and that the latter possesses an appropriate level of competence, experience and expertise in relation to the activities that they oversee.

RESPONSIBILITIES OF THE VARIOUS DEPARTMENTS INVOLVED IN INTEREST RATE AND LIQUIDITY RISK MANAGEMENT

Every department within the Bank is involved in ensuring short- and medium-term balance sheet stability with the responsibilities of each party clearly defined in respect of interest rate and liquidity risk management.

In this regard, each of the Bank's business units will have its own budget and medium-term goals, approved by the General Management Committee. This enables the relevant bodies to monitor and control, in an orderly manner, implementation of the three-year plan whilst ensuring balance sheet stability and compliance with regulatory capital requirements.

The ALM department regularly monitors changes to the Bank's balance sheet structure by comparison with the plan and signals any divergence at ALCO committee meetings, attended by representatives of each entity, to ensure that any required corrective measures are taken.

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 to 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 defaulting counterparties or due to adverse changes in market conditions.

There are two major sources of liquidity risk:

- The institution's inability to raise the required funds to deal with unexpected situations in the short term, such as a massive deposit withdrawal 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), which stood at 124.57% on a consolidated basis at 31 December 2023 and above the regulatory requirement of 100% set by Bank Al Maghrib
- The Bank's cumulative gap profile – this method of periodic or cumulative gaps in dirhams and in foreign currencies helps measure the level of liquidity risk incurred by the Bank over the short, medium and long term.

This method is used to estimate net refinancing needs over different time periods and to determine an appropriate hedging strategy.

INTEREST RATE RISK

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

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 is aimed at ensuring earnings stability when interest rates change, 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 IN THE VALUE OF THE BANKING PORTFOLIO

Simulation-based stress tests are carried out to assess the impact from a change in interest rates on net interest income and on the economic value of equity. At 31 December 2023, if the trading book portfolio were excluded, the impact from a positive 200-basis points change in interest rates on net interest income was estimated to be positive MAD 0.061 billion or +1.35% of projected net interest income. The impact from a negative 200-basis points change was estimated to be negative MAD 0.066 billion or -1.48% of projected net interest income.

The change in the economic value of equity, if the trading book portfolio were excluded, in the event of a 200-basis points shock, was estimated to be MAD 1.25 billion or 8.97% of regulatory capital.

CONTRIBUTION FROM SUBSIDIARIES TO NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

CONTRIBUTIONS (MAD millions)	Dec 23	% breakdown	Dec 22	% breakdown	Change
MOROCCAN OPERATIONS	**1 199**	**43%**	**1 049**	**46%**	**14%**
BANK OF AFRICA	**1 008**	**36%**	**816**	**35%**	**24%**
SUBSIDIARY OPERATIONS	**192**	**7%**	**234**	**10%**	**-18%**
SPECIALISED FINANCIAL SERVICES	**119**	**4%**	**128**	**6%**	**-6%**
SALAFIN	56	2%	54	2%	
MAGHREBAIL	48	2%	66	3%	
MAROC FACTORING	4	0.2%	1	0.0%	
RM EXPERTS	1	0.1%	0.9	0.0%	
EULER HERMES ACMAR	10	0.3%	6	0.3%	
INVESTMENT BANKING & ASSET MANAGEMENT	**89**	**3%**	**86**	**4%**	**4%**
BMCE CAPITAL	33	1%	30	1%	
BMCE CAPITAL BOURSE	-0.7	0.0%	-1.2	-0.1%	
BMCE CAPITAL GESTION	57	2%	57	2%	
OTHERS	**-17**	**-1%**	**20**	**0.9%**	
LOCASOM	26	1%	12	0.5%	
EURAFRIC INFORMATION	1.0	0%	-1.7	-0.1%	
AML	-14	0%	23.0	1.0%	
Bti Bank	-31	-1%	-19	-0.8%	
CID	0	0.0%	7	0.3%	
OVERSEAS OPERATIONS					
EUROPE	**46**	**2%**	**131**	**6%**	**-65%**
AFRICA	**1 555**	**56%**	**1 124**	**49%**	**38%**
BOA	1 432	51%	1 057	46%	36%
LCB Bank	11	0%	-23	-1%	
Banque de Développement du Mali	112	4%	90	4%	24%
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	**2 800**	**100%**	**2 304**	**100%**	**22%**

Othman BENJELLOUN,
Chairman and Chief Executive Officer

- 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 GREEN INVESTMENT (formerly O CAPITAL AFRICA)
- 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 Fund
- 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
- Chairman of the Board of O CAPITAL EUROPE
- Director of Argan Invest
- Director of Casablanca Finance City Authority
- Director of Maghrebail
- Director of Medi 1 Radio, O CAPITAL Group's Representative
- Director of the Moroccan Bank Deposit Guarantee Management Company
- Chairman of the Professional Association of Moroccan Banks (GPBM)
- Chairman of the Othman Benjelloun Foundation
- Sole partner of Cap Chiadma

Mr Azeddine GUESSOUS,
Permanent Representative of RMA and *Intuitu Personae* Director

- *Intuitu Personae* Director of BANK OF AFRICA, RMA's Permanent Representative
- Chairman of the Supervisory Board of Risma
- Chairman and Chief Executive Officer of Maghrébail
- Chairman of the Board of Directors of BANK OF AFRICA EUROPE (formerly BMCE International Madrid)
- Director of BOA Group
- Director of RMA, Vice-Chairman of the Board
- Director of LOCASOM
- Director of SETTAVEX
- Director of SONASID
- Director of RISMA
- Director of MAROCAINE DES TABACS
- Director of ALMA PACK
- Director of ALMA BAT
- Director of AL AKHAWAYN
- Director of MUTANDIS
- Manager of Société SAZINAG

Mr Lucien MIARA,
Permanent Representative of Banque Fédérative du Crédit Mutuel

- Director, Banque Fédérative du Crédit Mutuel's Representative

Mr Khalid SAFIR,
Permanent Representative of Caisse de Dépôt et de Gestion

- Director of CIH Bank
- Member, Permanent Representative of CDG and of Crédit Agricole du Maroc
- Director of BANK OF AFRICA, Caisse de Dépôt et de Gestion’s Permanent Representative
- Member, Director of Al Barid Bank (ABB), CDG’s Permanent Representative
- Chairman of the Board of Directors of Société Centrale De Réassurance (SCR)
- Director, Permanent Representative of CDG and Casablanca Finance City Authority (CFCA)
- Director of Barid Al Maghrib (BAM), CDG’s Permanent Representative
- Chairman of the Board of Directors of CDG Capital
- Chairman of the Board of Directors of CDG Invest
- Director of Medi Telecom (Orange)
- Director of Fonds Marocain de Placement (FMP)
- Chairman of the Board of Directors of MADAEF
- Vice-Chairman of Société Marocaine de Valorisation des Kasbahs (SMVK)
- Director of International University of Rabat (UIR)
- Member of the Supervisory Board of Tangier Mediterranean Special Agency (TMSA)
- Chairman of the Supervisory Board of CDG Développement
- Chairman of the Board of Directors of CGI
- Vice-Chairman of the Board of Directors of SONADAC
- Chairman of the Board of Directors of AUDA
- Chairman of the Board of Directors of SAZ
- 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)
- Member of the Board of Trustees of Al Akhawayn University (AUI)
- Member of the Supervisory Board of Al Omrane
- Member of the Board of Directors of Euro-Mediterranean University of Fez
- Member of the Board of Directors of the Professional Association of Moroccan Banks (GPBM)
- Chairman of the Board of Directors of CDG FOUNDATION
- Chairman of the Board of Directors of AHLY FOUNDATION

Mr Hicham EL AMRANI,
Permanent Representative of O Capital Group

- Director of BANK OF AFRICA, O CAPITAL GROUP's Permanent Representative and Member of the Group Risks Committee and Strategy Committee
- Director of AIR ARABIA MAROC, INTERFINA's Permanent Representative and Chairman of the Audit Committee
- Chairman and Chief Executive Officer of ARGAN INVEST
- Director of BRICO-INVEST, INTERFINA's Permanent Representative
- Director of CAP ESTATE, O CAPITAL GROUP's Representative and Delegate General Manager
- Director of COLLIERS INTERNATIONAL MAROC
- Director and Chairman of the Strategy Committee and HR Committee and Member of the Audit Committee and HR Committee of CTM
- Director of CTM MESSAGERIE
- Director and Vice-Chairman of the Board of Directors of DBM MEDIA GROUP (formerly Africa Teldis & Communication)
- Director of FINANCIERE YACOUT, O CAPITAL GROUP's Permanent Representative and Delegate General Manager
- Director of FINATECH GROUP
- Founder Member and Director of the OTHMAN BENJELLOUN FOUNDATION
- Director and Delegate General Manager of INTERFINA
- Director and Chairman of the Audit Committee, Member of the Strategy Committee and HR Committee of MEDITELECOM (Orange)
- Director of O CAPITAL AFRICA
- Director of O CAPITAL EUROPE
- Director and Delegate General Manager of O CAPITAL GROUP (main post)
- Director of O TOWER, O CAPITAL GROUP's Permanent Representative
- Director of REVLY'S, INTERFINA's Permanent Representative
- Director of RISMA, RMA's Permanent Representative, Member of the Audit Committee and Strategy Committee
- Director of RMA, Chairman of the Strategy Committee and Member of the Audit Committee
- Director of SFCM, O CAPITAL GROUP's Permanent Representative
- Director of AL BAIDAA DESALINATION COMPANY

Mr Marc BEAUJEAN,
Permanent Representative of British International Investment (CDC Ltd)

- Director of BANK OF AFRICA, BRITISH INTERNATIONAL INVESTMENT's Representative (CDC Ltd)
- Director of BOA Group SA, BRITISH INTERNATIONAL INVESTMENT's Representative (CDC Ltd)
- Independent Director of Arab International Bank of Tunisia
- Director of Enabling Qapital Luxembourg S.A.
- Director of Essling Luxembourg GP S.A.R.L.
- Director of Compliance4Business S.A., Waterloo (Belgium)

Mr Mohamed KABBAJ,
Independent Director

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

Mrs Nezha LAHRICHI,
Independent Director

- Independent Director of BANK OF AFRICA and Chair of the Audit and Internal Control Committee and Member of the Group Risks Committee

Mrs Ngozi EDOZIEN
Independent Director

- Chief Executive Officer of Invivo Partners Ltd, Nigeria
- Independent Director of BANK OF AFRICA
- Non-Executive Director of Guinness Nigeria Plc, Diageo Nigeria
- Non-Executive Director of Imperial Brands Plc, UK
- Non-Executive Director of Ikeja Hotels Plc, Nigeria
- Non-Executive Director of Advantage Pharm, Nigeria

Mrs Laureen KOUASSI-OLSSON
Independent Director

- Chair and Chief Executive Officer of Birimian Holding
- Independent Director of BANK OF AFRICA
- Independent Director of Orange Abidjan Participations
- Independent Director of Union Bancaire pour le Commerce et l'Industrie, Tunisia

Mr Abdou BENSOUDA,
***Intuitu Personae* Director**

- Director of BANK OF AFRICA
- Chairman of the Board of Directors of O Capital Investment Solutions
- Chairman of O Capital Invest
- Chairman of O Capital France
- Vice-Chairman of O Capital Green Investments
- Deputy Director of O Capital Europe
- Director of Africa Investments Holdings
- 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
- Director of Hoche Participations
- Director of O Capital Group
- Director of Moroccan Aerospace Investment Company
- Director of MAIC Gestion
- Director of Valyans Consulting
- Director of BAB Consortium
- Director of Sensyo Pharmatech
- Manager of O Capital IM
- Manager of SCI O Capital Group
- Manager of Global Strategic Holdings
- Manager of B4 Advisory

Mr Brahim BENJELLOUN-TOUIMI,
Director & Delegate General Manager

- Director & Delegate General Manager of BANK OF AFRICA
- Director of RMA
- Director of O CAPITAL GROUP
- Director of BMCE Bank FOUNDATION
- Director of OTHMAN BENJELLOUN FOUNDATION
- Director of EURO INFORMATION France
- Chairman of the Supervisory Board of BMCE CAPITAL
- Chairman of the Board of Directors of BMCE ASSURANCES
- Director of BANK AL KARAM (formerly BTI BANK), BANK OF AFRICA's Representative
- Director of BOA UK
- Director of BMCE INTERNATIONAL HOLDINGS
- Director of BOA EUROPE
- Director of MAGHREBAIL
- Director of RM EXPERTS
- Director of O'TOWER
- Director of PROPARCO, BANK OF AFRICA's Permanent Representative
- Director of the CASABLANCA STOCK EXCHANGE, BANK OF AFRICA's Permanent Representative

Mrs Myriem BOUAZZAOUI,
***Intuitu Personae* Director**

- Intuitu Personae Director of BANK OF AFRICA
- Director of CFG Bank, BANK OF AFRICA's Representative
- Director of CTM
- Chief Executive Officer of BMCE Capital Gestion
- Member of the Executive 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 (Côte d'Ivoire)
- Director of BMCE Capital Research, BMCE Capital Gestion's Representative
- Director of BMCE Capital Gestion sous Mandat, BMCE Capital Gestion's Representative
- Director of BMCE Capital Titrisation, BMCE Capital Gestion's Representative
- Director of BMCE Capital Gestion Privée International, BMCE Capital Gestion Privée's Permanent Representative
- Chair of the Board of Directors of BMCE Capital Asset Management (Tunisia)