



FINANCIAL REPORT

Annual results at 31 December 2019
Management report
Consolidated financial statements
Parent financial statements

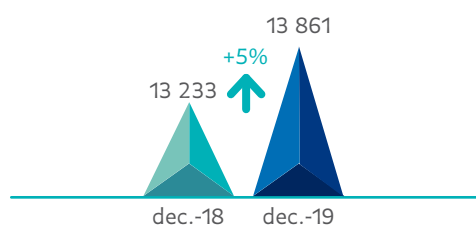
GROUP'S FINANCIAL BASE BOLSTERED AT END-2019

CONSOLIDATED FINANCIAL STATEMENTS

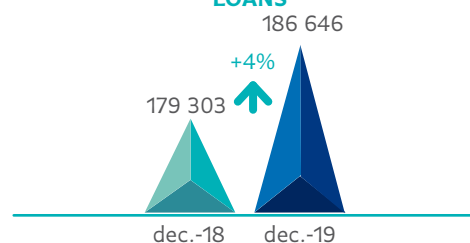
- 22% increase in BANK OF AFRICA's shareholders' equity attributable to shareholders of the parent company to MAD 22.5 billion at 31 December 2019 versus MAD 18.4 billion in 2018.
- MAD 3.6 billion raised via a capital increase, in two tranches, by (i) converting dividends in respect of financial year 2018 into shares, amounting to MAD 0.7 billion and (ii) a MAD 1 billion public offering as well as a MAD 1.9 billion capital increase reserved exclusively for new shareholder CDC Group Plc.
- 5% growth in net income attributable to shareholders of the parent company to MAD 1.9 billion with Moroccan operations contributing 60% and the international business 40%, comprising Africa (33%) and Europe (7%).
- Consolidated net banking income up 5% to MAD 13.9 billion, primarily due to growth in income from market operations and fee income.
- Strong commercial performance with consolidated customer loans up 4% and customer deposits growing by 5.4%.
- Improvement in the Group's operational efficiency, with the rise in general operating expenses contained at +3%, resulting in a consolidated cost-to-income ratio of 58.2% versus 59.1% in 2018.

CONSOLIDATED BUSINESS ACTIVITY (MAD MILLION)

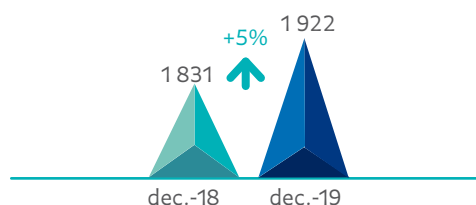
NET BANKING INCOME



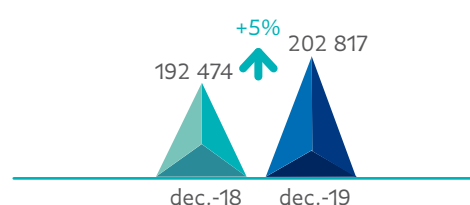
LOANS



NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY



DEPOSITS



PARENT FINANCIAL STATEMENTS

- 2% growth in the Banking in Morocco business' net income to MAD 1.4 billion.
- Parent net banking income up 7.6% thanks to a healthy performance by market operations and 6.7% growth in fee income.
- 6% increase in customer loans.
- 4.6% growth in the parent company's customer deposits, resulting in a 22-basis points improvement in market share to 13.62% at 31 December 2019 versus 13.40% at 31 December 2018.
- Significant improvement in the parent cost-to-income ratio to 56.3% versus 59.7% in 2018, primarily due to a modest
- 1.4% rise in general operating expenses.

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

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

DIGITAL TRANSFORMATION ONGOING

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

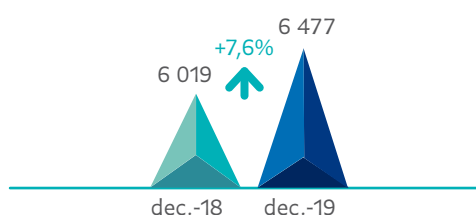
(i) Entirely revamping the BMCE Direct Web online banking platform – flexible loans, bank transfers, re-vitalising the DabaPay facility;

(ii) Introducing an online home loan platform;

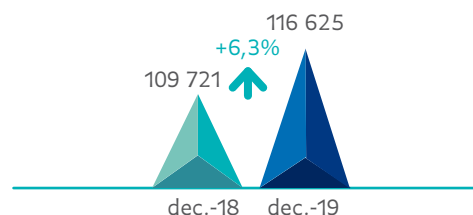
(iii) Launching the BMCE Business Online Global Banking portal for corporate customers – cash management and trade finance.

PARENT BUSINESS ACTIVITY (MAD MILLION)

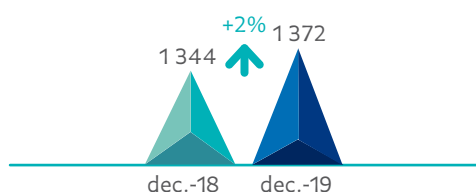
NET BANKING INCOME



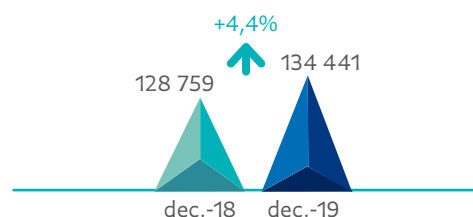
LOANS



NET INCOME



DEPOSITS



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

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

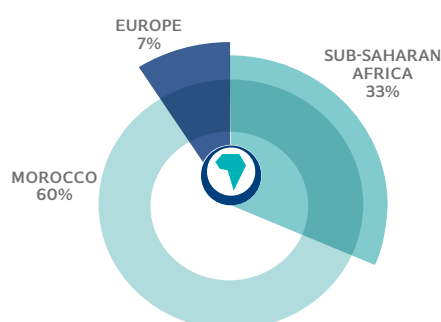
Majesty, for the purpose of providing a package of financial and non-financial measures in support of the self-employed, entrepreneurs and small businesses.

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

- (i) Promoting access to financing by creating and heading up a leading ecosystem comprising 40 partners and the Blue Space incubator network;
- (ii) Supporting small businesses through the Entrepreneurship Observatory, regional conference series, the SME Club, the Entrepreneurship Club and the Women in Business credit line;
- (iii) Supporting the general public by educating college and high school students, employed persons and households in financial matters.

NET BANKING INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

AT 31 DECEMBER 2019 BY GEOGRAPHICAL REGION



A BANK WHICH CONTINUES TO STAND OUT

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

BANK OF AFRICA named 'Top Employer' for the third consecutive year by the Top Employers Institute. EAI, the Group's technology subsidiary, also named as a Top Employer alongside 1,500 similarly recognised organisations in more than 118 countries from around the world.

Mr Othman Benjelloun, founder of BMCE Bank Foundation and Dr Leila Mezian Benjelloun, Foundation chair, awarded the Visionary Award from the Middle East Institute (MEI), a US-based centre of learning.

Dr Leïla Mezian-Benjelloun, Chairman of BMCE Bank Foundation, awarded the Officer medal of France's Légion d'honneur, in recognition of her commitment to promoting culture and education.

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

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

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

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

THE ANNUAL GENERAL MEETING OF JUNE 23, 2020

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

Dear Shareholders, Ladies and Gentlemen,

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

These financial statements are attached to this report.

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

CONSOLIDATED RESULTS AND BALANCE SHEET INDICATORS

BANK OF AFRICA GROUP'S FINANCIAL PERFORMANCE

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

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

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

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

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

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

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

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

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

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

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

CONTRIBUTIONS TO NET INCOME attributable to shareholders of the parent company MAD millions	Dec.19	%weighting	Dec.18	%weighting	Change
MOROCCO	1 146	60%	883	48%	29.90%
BANK OF AFRICA	900	47%	665	36%	35.2%
SUBSIDIARIES	246	13%	217	12%	13.5%
SPECIALISED FINANCIAL SERVICES	140	7%	113	6%	23.7%
INVESTMENT BANKING & ASSET MANAGEMENT	113	6%	98	5%	15.4%
OTHERS	-6		6		na
OVERSEAS OPERATIONS	775	40%	949	52%	-18.3%
EUROPE	137	7%	113	6%	20.8%
AFRICA	638	33%	835	46%	-23.6%
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY	1 922	100%	1 831	100%	4.9%

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

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

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

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

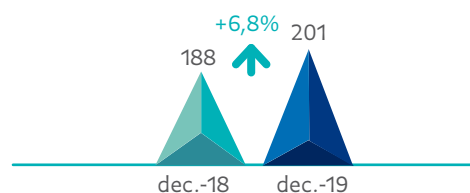
RESULTS AND CONTRIBUTIONS FROM BANK OF AFRICA – BMCE GROUP SA'S OPERATIONS

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

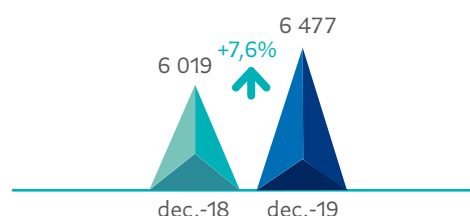
The Bank's net banking income rose by 7.6% from MAD 6,019 million at 31 December 2018 to MAD 6,477 million at 31 December 2019. This was primarily due to a combination of:

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

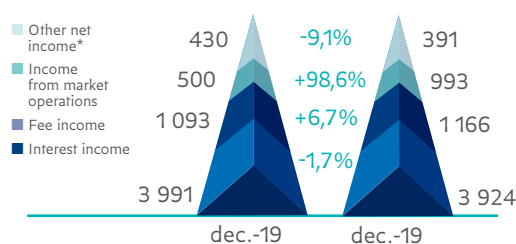
TOTAL ASSETS MAD BILLION



NET BANKING INCOME MAD MILLION



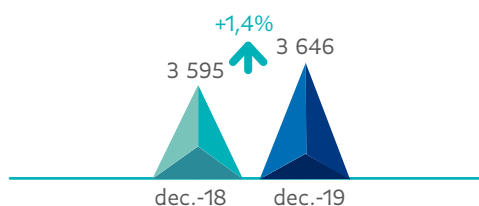
NET BANKING INCOME STRUCTURE MAD MILLION



* Other bank income, i.e dividends net of guarantee fund charges

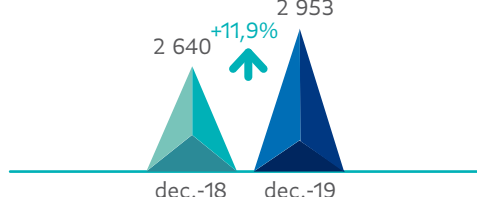
General operating expenses rose by only 1.4% year-on-year to MAD 3,646 million at 31 December 2019. The resulting cost-to-income stood at 56.3% in 2019 versus 59.7% in 2018, an improvement of 3.4 percentage points.

GENERAL OPERATING EXPENSES MAD MILLION



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

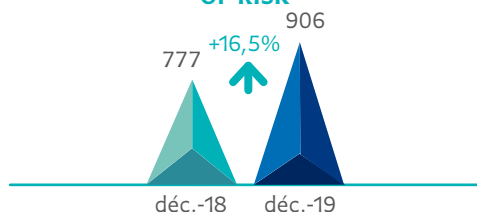
GROSS OPERATING INCOME MAD MILLION



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

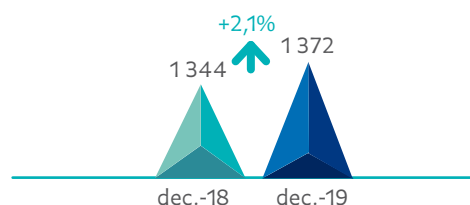
- A 7.9% fall in loan-loss provisions to MAD 890 million at 31 December 2019 versus MAD 965 million at 31 December 2018;
- A general risk provision of MAD 291 million recognised at 31 December 2019 (MAD 462 million gross) versus MAD 132 million at 31 December 2018;
- A 6% fall in write-backs to MAD 303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

OVERALL COST OF RISK MAD MILLION



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

NET INCOME OF THE PARENT COMPANY MAD MILLION



HIGHLIGHTS OF THE BANK'S MOROCCAN OPERATIONS

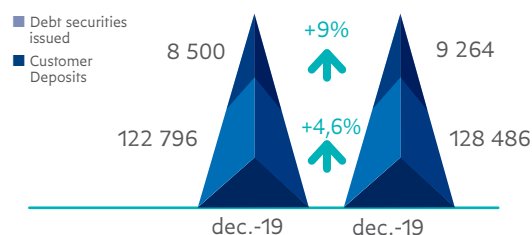
The Banks' funding sources

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

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

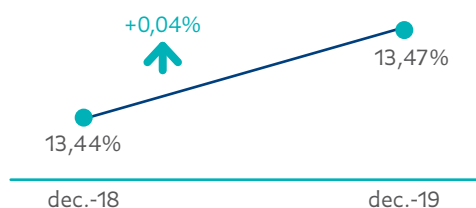
Customer deposits increased by 4.6% to MAD 128 billion at 31 December 2019 versus MAD 123 billion at 31 December 2018, resulting in a 0.22 percentage points gain in market share to 13.62% in 2019 versus 13.40% in 2018.

FUNDING SOURCES MAD MILLION



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

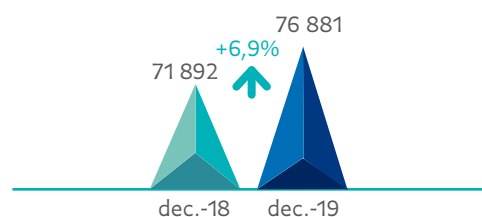
FUNDING SOURCES MARKET SHARE



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

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

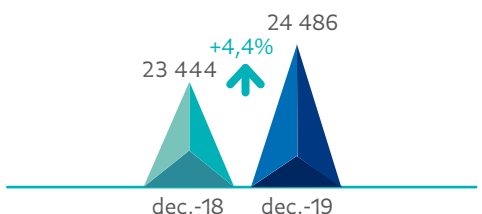
DEPOSIT ACCOUNTS



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

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

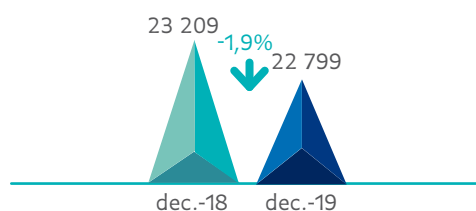
SAVINGS ACCOUNTS



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

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

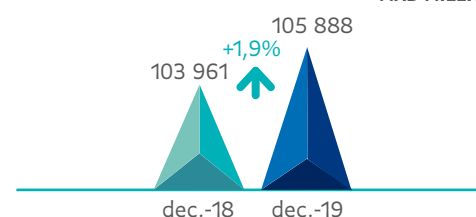
TERM DEPOSITS



Loans and advances to customers

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

LOANS AND ADVANCES TO CUSTOMERS



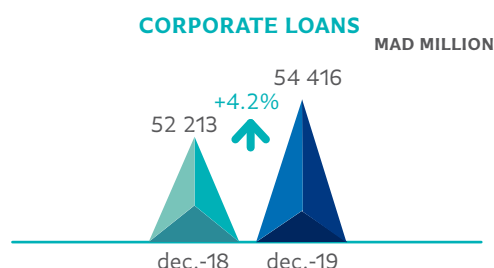
The Bank's share of the loan market share fell by 0.39 percentage points, however, from 12.79% at 31 December 2018 to 12.39% at 31 December 2019.

LOAN MARKET SHARE



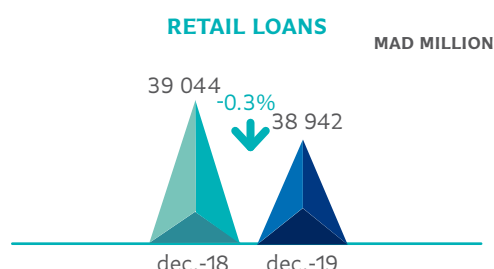
Corporate loans registered growth of 4.2% to MAD 54.4 billion 31 December 2019, driven primarily by a 9.1% increase in operating loans and a 0.6% rise in equipment loans.

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



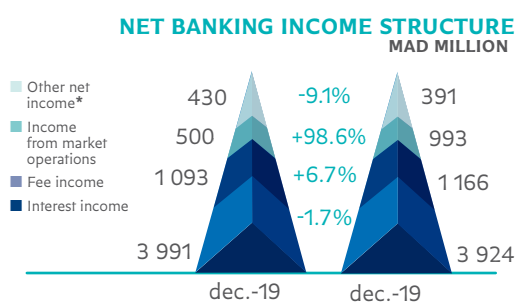
Retail loans registered a modest decline of 0.3% to MAD 39 billion at 31 December 2019. This was due to growth of almost 1.9% in retail mortgages being offset by a 7.6% fall in consumer loans.

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



NET BANKING INCOME

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



* Other bank income, i.e. dividends net of guarantee fund charges

Net interest income fell by 1.7% to MAD 3,924 million at 31

December 2019 versus MAD 3,991 million at 31 December 2018 due to:

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

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

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

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

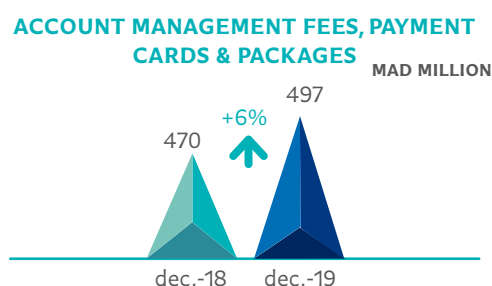
ii) The cash margin being broadly unchanged due to the maturing of the international bond (November 2018 maturity) together with increased reliance on money market funding.

Fee income

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

- A 6% increase in fees from packages, payment cards and account management, in turn due to:

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

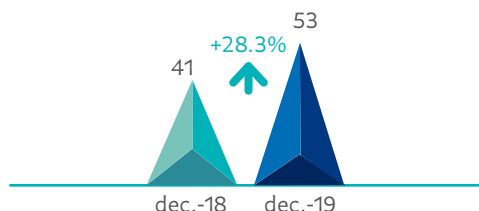


- An increase of almost 6% in fees from packages between 2018 and 2019 due to the stock of packages growing by 51,112 packages.

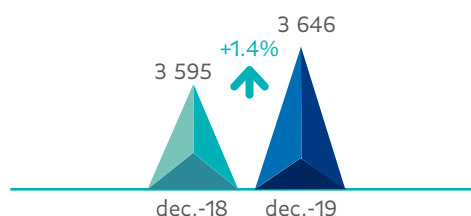
- A 28.3% rise in bank-insurance fees, underpinned by 10% growth in the income protection product. Similarly, the increase in fees from the Crescendo product was due to volume growth of almost 23%;

BANK-INSURANCE

MAD MILLION

**GENERAL OPERATING EXPENSES**

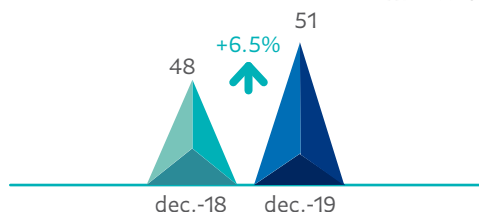
MAD MILLION



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

OTC CURRENCY EXCHANGE

MAD MILLION



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

- Employee expenses from the new Shanghai branch office being included in 2019;
- Permanent employee salaries remaining broadly unchanged between 2018 and 2019 while performance-related pay rose in 2019.

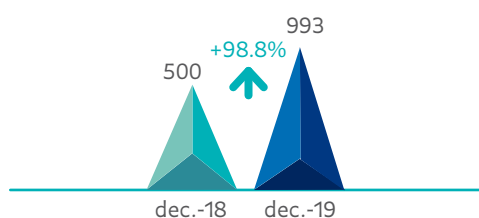
INCOME FROM MARKET OPERATIONS

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

- The mutual fund portfolio's assets growing from MAD 15.5 billion at 31 December 2018 to MAD 19 billion at 31 December 2019,

INCOME FROM MARKET OPERATIONS

MAD MILLION



- The yield rising from 1.6% to 3.10%, generating MAD 469 million of net capital gains between 31 December 2018 and 31 December 2019. This was due to a decline in rates across all maturities between 31 December 2018 and 31 December 2019.

GENERAL OPERATING EXPENSES

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

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

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

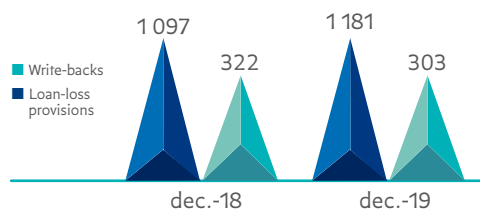
As a result of the series of measures adopted by the Bank in recent years to reduce its operating expenses, the cost-to-income ratio stood at 56.3% at 31 December 2019 versus 59.7% at 31 December 2018, an improvement of 3.4 percentage points.

COST OF RISK

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

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

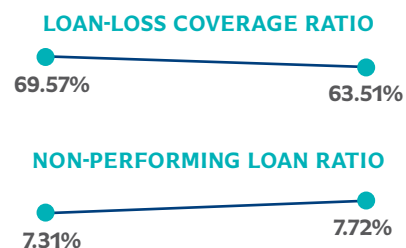
LOAN-LOSS PROVISIONS AND WRITE-BACKS



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

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

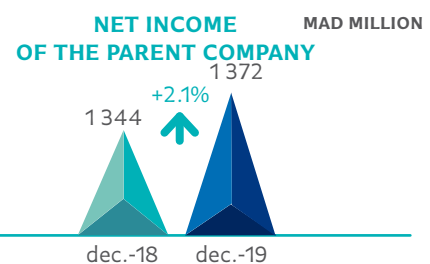
The non-performing loan ratio rose from 7.31% at 31 December 2018 to 7.72% at 31 December 2019.



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

NET INCOME

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



SPECIALISED FINANCIAL SERVICES

Contribution	SFS		Salafin		Maghrébaïl		M.Factoring		RM Experts		Euler Hermes Acmar	
in million MAD	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	723	724	322	348	389	355	12	18	-0.8	3.0	na	na
Change		0%		-7%		10%		-33%				
General Expenses	-240	-269	-125	-139	-71	-70	-21	-19	-23,6	-41.5	na	na
Change		-11%		-10%		1%		13%		-43%		
Cost of risk	-210	-348	-101	-147	-100	-199	-9.8	-1.9	na	na	na	na
Change		-40%		-31%		-50%						
Net income attributable to shareholders of the parent company	140	113	69	65	68	42	-2.0	3.4	-0.4	-1.2	4.4	3.4
Change		24%		6%		64%						32%

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

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

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

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

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

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

INVESTMENT BANKING AND ASSET MANAGEMENT

Contribution	GABA		BMCE Capital		BK Bourse		BK Gestion	
in million MAD	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	362.7	348.2	196.9	190.2	15.2	7.5	150.6	150.5
Change		4%		4%		104%		0%
General Expenses	-306.7	-295.7	-234.2	-231.1	-33.8	-16.8	-38.7	-47.9
Change		4%		1%		101%		-19%
Cost of risk	-9.3	0.0	-7.3	0.0	0.0	0.0	-2.0	0.0
Change								
Net income attributable to shareholders of the parent company	113.2	98.2	52.8	52.1	1.8	-12.2	58.6	58.2
Change		15%		1.2%				1%

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

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

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

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

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

OTHER MOROCCAN OPERATIONS

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

Contribution in million MAD	Autres		Locasom		EAI		CID		AML		bri Bank	
	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	125.9	143.3	125.9	143.3	na	na	na	na	na	na	na	na
Change		-12%		-12%								
General Expenses	-98.9	-100.2	-98.9	-100.2	na	na	na	na	na	na	na	na
Change		-1%		-1%								
Cost of risk	3,8	-10.7	3.8	-10.7	na	na	na	na	na	na	na	na
Change												
Net income attributable to shareholders of the parent company	-6.5	6.2	22.0	22.9	0.0	-6.6	0.7	9.6	1.1	8.6	-30.2	-28.2
Change				-4%		-99%		-93%		-87%		

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

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

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

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

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

RESULTS AND CONTRIBUTIONS FROM OVERSEAS OPERATIONS

Contribution in million MAD	International		Europe		Africa	
	D-19	D-18	D-19	D-18	D-19	D-18
Consolidated Net Banking Income	6 687	6 424	575	518	6 112	5 905
Change		4%		11%		4%
General Expenses	-4 051	-3 906	-258	-238	-3 794	-3 669
Change		4%		8%		3%
Cost of risk	-999	-369	-5	-34	-994	-336
Change		170%		-86%		196.1%
Net income attributable to shareholders of the parent company	775	949	137	113	638	835
Change		-18%		21%		-24%

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

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

EUROPEAN OPERATIONS

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

AFRICAN OPERATIONS

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

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

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

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

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

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

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

THE BANK'S GROWTH PROSPECTS

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

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

ii) As well as overseas, by

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

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

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

ASSET-LIABILITY MANAGEMENT AT 31 DECEMBER 2019

LIQUIDITY RISK

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

INTEREST RATE RISK

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

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

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

DIRECTORS' APPOINTMENTS

MR OTHMAN BENJELLOUN | Chairman & Chief Executive Officer

Chairman and Chief Executive Officer	Chairman of the Board of Directors	Chairman of the Supervisory Board	Director	Managing Director
FinanceCom	<i>BMCE International Holding (B.I.H)</i>	Financière Yacout ¹	<i>Argan Invest</i>	Holding Abbas Benjelloun (H.A.B)
FinanceCom Africa	<i>Africa Co-Development Group</i>	Saida Star Auto ²	<i>Casablanca Finance City Authority</i>	President of Groupement Professionnel des Banques du Maroc
Cap Estate	<i>Medi Telecom</i>		<i>Financecom International</i>	
Holding Benjelloun Mezian (H.B.M)	<i>M.B.T</i>		<i>Maghrebail</i>	
Internationale de Financement et de Participation (INTERFINA)	<i>Revly's Marrakech</i>		<i>MEDI 1 Radio³</i>	
O Tower	<i>RMA</i>		<i>Société Marocaine de Gestion des Fonds de Garantie des Dépôts Bancaires</i>	
Ranch Adarouch	<i>RMA Alternative Investments</i>			
Société Financière du Crédit du Maghreb (S.F.C.M)	<i>RMA Asset Management</i>			
Cap d'Argent	<i>RMA Capital</i>			
	<i>RMA Mandates</i>			
	<i>Société d'Aménagement Tanger Tech</i>			

1. Also, representative of Holding Benjelloun Mezian (H.B.M.)

2. Also, representative of Holding Abbas Benjelloun (H.A.B.)

3. FinanceCom's representative

DIRECTORS' APPOINTMENTS

MR ZOUHEIR BENSAID | RMA's Permanent Representative

Chairman of the Board of Directors	Chairman and Chief Executive Officer	Chairman	Member of the Supervisory Board	Director
<i>Infra Invest</i> <i>RMA Assistance</i> <i>RMA Investment Partners</i>	<i>Medium Finance</i> <i>RMA Asset Management Abidjan</i> <i>RMA Casa Anfa</i> <i>RMA Elan</i> <i>Terrasses de l'Océan</i>	<i>RMA Capital International</i>	BMCE Capital	Air Arabia Argan Invest BMCE Capital Bourse Cap Estate CFG CTM FinanceCom RMA ¹ MBT ² RMA Alternative Investment ² RMA Asset Management ² RMA Capital ² RMA Mandates ² SFCM ³ DBM Media Group ⁴ Decrow Capital EurAfric Information FinanceCom International Finattech Lydec Maghrebail Mutandis Mutandis Automobile Mutatis O'Tower Revly's Risma Saemog T Capital Tanger Med Zones Villa Roosevelt Villajena ⁵

1. Executive General Manager • 2. General Manager •

3. Deputy General Manager • 4. FinanceCom's representative • 5. RMA's representative

DIRECTORS' APPOINTMENTS

MR LUCIEN MIARA | Banque Fédérative du Crédit Mutuel's Permanent Representative

Chairman of the Board of Directors	Director	Member of the Supervisory Board	Other appointments
Fédération du Crédit Mutuel Méditerranéen	Banque Fédérative du Crédit Mutuel	Euro-Information Production	Censor of the Crédit Industriel et Commercial
Caisse régionale du Crédit Mutuel Méditerranéen	Centre International du Crédit Mutuel ¹		
Caisse de Crédit Mutuel de Villeneuve Loubet	Assurance du Crédit Mutuel Vie SAM ²		
Caisse de Crédit Mutuel Montpellier Alco	Assurance du Crédit Mutuel Vie ²		
Caisse de Crédit Mutuel Marseille Saint Loup	Confédération Nationale du Crédit Mutuel		
Caisse de Crédit Mutuel Frontignan	Caisse Fédérale de Crédit Mutuel		
Caisse de Crédit Mutuel Marseille Prado	Caisse Centrale du Crédit Mutuel		
Camefi			

¹ FCM Méditerranéen's representative

². CRCM Méditerranéen's representative

DIRECTORS' APPOINTMENTS

MR ABDELLATIF ZAGHNOUN I Caisse de Dépôt et de Gestion's Permanent Representative

Chairman of the Board of Directors	Vice-Chairman of the Board of Directors	Chairman of the Supervisory Board	Member of the Supervisory Board	Director
CDG Capital	CIMAR	Université Internationale de Rabat	AL BARID BANK ¹	CIH
CDG Développement	Société Marocaine de Valorisation des Kasbahs	MEDZ	TMSA	BARID AL MAGHRIB
CDG INVEST	SONADAC			CFCA
CGI				ORANGE
Fipar Holding				TMPA ¹
Foncière Chellah				FMP
FONDATION AHLY				OCD
FONDATION CDG				
Institut Marocain des Administrateurs				
MADAEF				
NOVEC				
PATRILOG				
SAZ				
SCR				
Société d'Aménagement				
Ryad				
Société de Développement de Saidia				
Société d'Aménagement et de Promotion de la Station de Taghazout				
AUDA				

1. CDG's permanent representative

DIRECTORS' APPOINTMENTS

MR HICHAM EL AMRANI | FinanceCom's Permanent Representative

Chairman and Chief Executive Officer	Vice-Chairman of the Board of Directors	Director	Other appointments
Argan Invest	<i>DBM Media Group (ex-Africa Teldis & Communication)</i>	RMA FinanceCom Africa FinanceCom International MediTelecom Finattech Group CTM CTM Messagerie Deputy Chief Executive Officer of Internationale de Financement et de Participation (INTERFINA) Director of O Tower, permanent representative of FinanceCom Revly's Marrakech, permanent representative of Interfina Risma Africa Co-Development Group Blackpearl Finance Brico Invest, permanent representative of FinanceCom Colliers International Maroc, Permanent representative of Argan Invest	Deputy Managing Director of FinanceCom Deputy Managing Director of Cap Estate Member of Financière Yacout's management board Member of Saida Star Auto's management board

MR AZEDDINE GUESSOUS | Intuitu Personae Director

Director
BMCE INTERNATIONAL MADRID BOA Group RO YALE MARO CAINE D'ASSURANCE-RMA SETTA VEX LYDEC AL MADA SONASID RISMA MARO CAINE DES TA BACS ALMA PA CK ALMA BAT

MR MARC BEAUJEAN | CDC Limited's Permanent Representative

Director, BOA Group, CDC Limited's representative

DIRECTORS' APPOINTMENTS

MR FRANÇOIS HENROT | Independent Director

Chairman of the Board of Directors	Member of the Supervisory Board	Other appointments
Cobepa (Belgium)	Rexel SA	Censor of Rothschild & Co's supervisory board

MR BRIAN MCK HENDERSON | Independent Director

Director	Non-Executive Chairman	Vice-Chairman	Other appointments
<i>Fort Apache Heritage Foundation</i> <i>Harvard Project on American Indian Economic Development, Honoring Nations Metropolitan Club of New York</i>	<i>Augustea Bunge Maritime Ltd., Malta</i>	<i>Middle East institute – Washington</i>	<i>Founding partner at Henderson International Advisors, LLC</i> <i>Member of the International Advisory Board First Avenue Investment Managers, South Africa</i> <i>Member of the Departmental Disciplinary Committee for the First Judicial Department, Supreme Court</i> <i>Appellate Division, State of New York</i> <i>Advisor to Cremades & Calvo Sotelo, Madrid</i> <i>Senior Adviser to Rockefeller Capital Management</i>

MR PHILIPPE DE FONTAINE VIVE | Independent Director

Fund
Euromena

MR CHRISTIAN DE BOISSIEU | Independent Director

Chairman	Director	Other appointments
Advisory Board of the Institute of Finance and Governance (Central Bank of Lebanon)	AAQIUS SUNU Participations Holding Land'Or (Tunisia) French Red Cross Foundation	Chairman of the ENEDIS stakeholder council Vice president of the AMF's scientific board Member of the AMMC's scientific board

DIRECTORS' APPOINTMENTS

MR ABDOU BENSOUDA I Intuitu Personae Director

Chairman of the Board of Directors	Chairman	Vice-Chairman	Director	Manager
Olkad Group	FinanceCom Capital FinanceCom Europe	FinanceCom Green Investments	<i>FinanceCom International¹</i> <i>Decrow Capital</i> <i>Africa Investments Holdings</i> <i>Argan Infrastructure Fund</i> <i>Infra Invest</i> <i>Argan Infra</i> <i>Dounia Productions</i> <i>Bridges for Africa</i> <i>Finattech Group</i> <i>Green of Africa</i>	<i>FCOMI-L</i> <i>SCI FinanceCom</i> <i>Global Strategic Holdings</i> <i>B4A Advisory</i>

1. Chief Executive Officer

MR BRAHIM BENJELLOUN-TOUIMI I Group Executive Managing Director

Chairman of the Board of Directors	Vice-Chairman of the Board of Directors	Chairman of the Supervisory Board	Director
<i>BOA GROUP</i> <i>BOA WEST AFRICA</i> <i>BMCE EURO SERVICES</i> <i>BMCE ASSURANCES</i>	BTI BANK	EURAFRIC INFORMATION BMCE CAPITAL SALAFIN MAROC FACTORING OPERATIONS GLOBAL SERVICES	RMA FINANCECOM FONDATION BMCE Bank EURO INFORMATION <i>BMCE BANK INTERNATIONAL UK</i> <i>BMCE INTERNATIONAL HOLDINGS</i> <i>BMCE INTERNATIONAL MADRID</i> MAGHREBAIL RM EXPERTS BOURSE DE CASABLANCA* O TOWER SOCIETE D'AMENAGEMENT TANGER TECH PROPARCO*

(*) Representative of BANK OF AFRICA BMCE Group

ANNUAL GENERAL MEETING OF JUNE 23, 2020

Having been convened by Mr Othman Benjelloun, Chairman & Chief Executive Officer, BANK OF AFRICA's Annual General Meeting of Shareholders was held at 11 am on Tuesday 23 June 2020 at the company's Head Office, 140 Avenue Hassan II, Casablanca; the shareholders, present or represented, and those having voted by correspondence, owned 156,483,040 shares or 78.3% of the company's share capital and voting rights.

UNDER THE COMPETENCE OF THE ORDINARY GENERAL MEETING

FIRST RESOLUTION

The Annual General Meeting, after listening to the Board of Directors' Management Report and the Statutory Auditors' General Report, shall unreservedly approve these documents in their entirety. It shall also approve the financial statements for the financial year ended 31 December 2019, showing net income of 1,371,847,824.28 Moroccan Dirhams.

The Annual General Meeting shall acknowledge that the individual financial statements as well as the results relating to BANK OF AFRICA's domestic operations, branch offices and subsidiaries and related statements of income (income statement and management accounting statement), drawn up at 31 December 2019, reflect the Bank's entire operations.

SECOND RESOLUTION

The Annual General Meeting shall acknowledge that annual income in respect of the financial year ended 31 December 2019 is as follows:

For the Moroccan operations 1,236,114,991.64 Dirhams

For the Paris branch office

Dirham equivalent of foreign currency value

For the BOA Offshore branch office

Dirham equivalent of foreign currency value 137,817,591.32 Dirhams

For the BOA Shanghai branch office – 2,084,758.68 Dirhams

Resulting in net income of 1,371,847,824.28 Dirhams

As a result, the Annual General Meeting shall decide to appropriate the 2019 financial year's net income of 1,371,847,824.28 Dirhams as follows:

Net income 1,371,847,824.28 Dirhams

Ordinary dividend of 6% 119,892,276.00 Dirhams

Balance 1,251,955,548.28 Dirhams

Extraordinary dividend of 44% 789,638,916.00 Dirhams

Balance 372,745,524.28 Dirhams

Balance brought forward 74,627.53 Dirhams

Balance 372,820,151.81 Dirhams

To extraordinary reserves 372,800,000.00 Dirhams

Balance to be carried forward 74,627.53 Dirhams

The portfolio of subsidiaries and long-term investments generated dividends of MAD 586.4 million in financial year 2019.

Net write-backs for equity securities amounted to MAD 4.7 million. All the above items have been included in BANK OF AFRICA's financial statements.

The Annual General Meeting shall set the dividend distribution at 5 dirhams per share.

THIRD RESOLUTION

The Annual General Meeting shall decide that each shareholder will be given the option of either being paid this dividend in cash or converting all or part of it into shares in the Bank.

The Extraordinary General Meeting, convened at the end of the Annual General Meeting, shall authorise an increase in share capital, the first tranche of which will be carried out exclusively by converting some or all of the dividend into shares.

FOURTH RESOLUTION

The Annual General Meeting shall delegate full powers to the Board of Directors to take the measures required to apply and execution the resolution referred to above, including setting a cash dividend payment date, ensuring that payment by converting some or all of the dividend into shares is implemented, by specifying the terms of application and execution and carrying out all measures related or pursuant to the conversion option.

FIFTH RESOLUTION

The Ordinary General Meeting shall set the overall net amount of Directors' fees in respect of the financial year ended 31 December 2019 at five million eight hundred and fifty thousand dirhams (MAD 5,600,000).

SIXTH RESOLUTION

The Ordinary General Meeting, after listening to the Statutory Auditors' Special Report on related party agreements referred to in Article 56 et seq. of Act No. 17-95, as amended and completed, relating to limited companies and Article 26 of the Memorandum and Articles of Association, shall approve the conclusions of the said report and the related party agreements mentioned therein.

ANNUAL GENERAL MEETING OF JUNE 23, 2020

SEVENTH RESOLUTION

The Annual General Meeting shall acknowledge that the Bank's Statutory Auditors, KPMG and ERNST & YOUNG, will have completed their assignments in respect of the financial year ended 31 December 2019 in accordance with the applicable legal and statutory requirements.

EIGHTH RESOLUTION

With KPMG's term of office as statutory auditor expiring at the end of the current meeting, the Annual General Meeting shall decide to renew its appointment for a further three (3) financial years, i.e. until the close of the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2022.

NINTH RESOLUTION

With ERNST & YOUNG's term of office as statutory auditor expiring at the end of the current meeting, the Annual General Meeting shall wholly and unreservedly discharge it of its responsibilities and, upon the request of the said statutory auditor, shall decide not to renew its term of office.

As a result, the Annual General Meeting shall appoint FIDAROC GRANT THORNTON as a statutory auditor for a period of 3 (three) financial years i.e. until the close of the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2022.

TENTH RESOLUTION

The Annual General Meeting shall wholly and unreservedly discharge the Directors of their managerial responsibilities in respect of the financial year ended 31st December 2018.

ELEVENTH RESOLUTION

The Annual General Meeting, upon the proposal of the Board of Directors, shall ratify the decision to co-opt CDC Limited, represented by Mr Marc BEAUJEAN, as Director, to fill the vacant seat caused by the death of Mr Michel Lucas for the remainder of the latter's term of office i.e. until the close of the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2023.

TWELFTH RESOLUTION

With Banque Fédérative du Crédit Mutuel's term of office as Director expiring at the end of the current meeting, the Annual General Meeting shall decide to renew its appointment for a further six financial years i.e. until the close of the Annual General Meeting convened to approve the financial statements for the financial year ended 31 December 2025.

As a result, the company's Board of Directors will be composed of the following thirteen Directors:

1. Mr Othman BENJELLOUN, Chairman & Chief Executive Officer

2. Banque Fédérative du Crédit Mutuel – BFCM – Crédit Mutuel Group – CIC, represented by Mr Lucien MIARA

3. Caisse de Dépôt et de Gestion, represented by Mr Abdellatif ZAGHNOUN

4. RMA, represented by Mr Zouheir BENSAID

5. FinanceCom, represented by Mr Hicham EL AMRANI

6. CDC Limited, represented by Mr Marc Beaujean

7. Mr Azeddine GUESSOUS

8. Mr François HENROT

9. Mr Brian C. MCK. HENDERSON

10. Mr Philippe DE FONTAINE-VIVE

11. Mr Christian de BOISSIEU

12. Mr Abdou BENSOUDA

13. Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director

THIRTEENTH RESOLUTION

The Extraordinary General Meeting, after listening to the report of the Board of Directors, shall grant the Board full powers to carry out the following transactions:

(i) The capital increase, ratified by the Mixed General Meeting – Annual and Extraordinary General Meetings – of 28 May 2019 and acknowledged by the Board 8 August 2019, the total issue size being:

a. MAD 734,958,180, by converting dividends in respect of the 2018 financial year into shares (Tranche 1), the nominal value being MAD 40,831,010 with MAD 694,127,170 of share premium;

b. MAD 999,074,520, by subscribing in cash (Tranche 2), the nominal value being MAD 55,504,140 with MAD 943,570,380 of share premium;

(ii) The capital increase reserved for CDC Group Plc, a UK investor, ratified by the Extraordinary General Meeting of 4 September 2019 and acknowledged by the Board 29 October 2018, amounting to MAD 1,930,239,900, the nominal value being MAD 107,235,550 with MAD 1,823,004,350 of share premium.

The Extraordinary General Meeting shall acknowledge the contents of the said report and shall wholly and unreservedly discharge the Directors of their managerial responsibilities in respect of these transactions.

ANNUAL GENERAL MEETING OF JUNE 23, 2020

UNDER THE COMPETENCE OF THE ORDINARY GENERAL MEETING

FOURTEENTH RESOLUTION

The Extraordinary General Meeting shall decide to bring the Company's Memorandum and Articles of Association into line with the provisions of Act 20-19, amending and completing Act 17-95 relating to limited companies.

The Extraordinary General Meeting shall decide to amend Articles 1, 16, 20, 22, 23, 37 et 39 as follows:

"Article 1 - Formation - Harmonisation – Applicable legislation
(...)

The Company's Memorandum and Articles of Association have been brought into line with the provisions of Act 20-19, amending and completing Act 17-95 relating to limited companies, in accordance with the minutes of the Extraordinary General Meeting 23 June 2020.

(...)

"Article 16 – Board of Directors

I. The Company is administered by a Board of Directors comprising no fewer than six (6) and no more than fifteen (15) members, chosen from among the shareholders and appointed by the Annual General Meeting.

The Company is required to appoint independent Directors to the Board in accordance with the terms and conditions established by current regulations.

(...)

III. The Directors may be individuals or legal entities; the latter, on being appointed, must nominate a permanent representative who will be subject to the same requirements and liabilities and the same responsibilities as Directors appointed in their own name, without prejudice to the joint and several liability of the legal entity they represent: if the latter were to revoke its representative, then it would be required to provide an immediate replacement.

Company employees may only be appointed as Directors if their employment contract corresponded to an actual job; they would not lose any entitlement arising from this employment contract. Any appointment made which infringes this provision shall be considered invalid. However, this invalidity will not render invalid any deliberations in which the irregularly appointed Director has taken part.

Directors other than the Chairman & Chief Executive Officer, the Chief Executive Officer, the Deputy Chief Executive Officer or Company employees performing a managerial role, are considered to be non-executive directors. The latter must outnumber the Directors performing one of those executive

functions. The primary responsibility of non-executive directors is to carry out management control and monitor internal and external audits. They may also establish among themselves an investment committee and a salary and remuneration committee.

In addition, the number of Directors that are employees of the Company may not exceed one third of Board members.

IV. The Board of Directors may set up specialised committees from within it, tasked with examining specific issues submitted to it for its opinion.

In application of Article 106 (ii) of Act 17-95 and Article 78 of Act 103-12, the Board of Directors is required to set up:

- An Audit Committee, responsible for:

- Monitoring the preparation of information for shareholders, the general public and the Moroccan Capital Markets Authority;
- Monitoring the effectiveness of internal control and internal audit systems and, where applicable, systems for managing risks related to the Company;
- Monitoring the statutory auditing of the parent and consolidated financial statements;
- Reviewing and monitoring the statutory auditors' independence, particularly regarding the provision of additional services to the inspected entity.

It will issue a recommendation to the Annual General Meeting regarding the statutory auditors and will propose their appointment.

It will provide regular feedback to the Board of Directors regarding its assignments and will immediately inform it of any difficulties encountered.

This Committee, whose members will be decided by the Board of Directors, may only comprise non-executive Directors. The Audit Committee must be chaired by an independent Director.

- A Risk Committee responsible for monitoring the risk identification and management process."

"Article 20 – Convening Board meetings and Deliberations

(...)

II. Notifications to attend meetings are sent, by any appropriate means, to each Director at least eight (8) days before the date set for the meeting. In the event of an emergency, this period may be shortened.

Together with the notification to attend a meeting, Directors will receive a meeting agenda to enable them to prepare for the deliberations.

ANNUAL GENERAL MEETING OF JUNE 23, 2020

(...)

“Article 22 – Board of Directors’ powers

(...)

General powers:

(...)

- To authorise the acquisition, alienation, even free of charge, or the exchange, with or without cash payment, of any item of movable or immovable property or property rights and, in particular, in application of the provisions of Act 17-95, to authorise the disposal by the Company of immovables by nature as well as the total or partial disposal of any investments classified as items of property, plant and equipment. However, if the disposal or asset disposal were to relate to more than 50% of the Company’s assets during a period of twelve (12) months, prior authorisation would be required from the Extraordinary General Meeting.

The authorisation application must be supported by a report drawn up by the Board of Directors, specifying the reasons for the disposal(s) and their impact on the Company’s business activity. The report must also establish the disposal terms and conditions, the assets to be disposed of, their type, the disposal prices, the methods used to establish the said prices, the assets’ carrying amount and their weight as a share of the Company’s immovable assets. In addition, as far as the disposal of immovable assets is concerned, the Board of Directors’ report must include an estimate of the said assets carried out by a qualified independent third party.

This report must also include the percentage of the Company’s assets for which disposals have been made over the aforementioned twelve (12) month period as well as the prospective disposals referred to in the authorisation application.

The 50% threshold is calculated on the basis of the Company’s most recent balance sheet. However, if one or more of the assets to be disposed of is estimated to be of a higher value than the carrying amount, then the estimated value is to be used when calculating the aforementioned threshold.

- For the purposes herein and hereafter, to sign all deeds and documents, elect domicile wherever necessary and substitute.

(...)

« Article 23 – General Management – Powers

(...)

I. The general management of the Company is assumed either by the Chairman of the Board of Directors, bearing the title of

Chairman and Chief Executive Officer or by any other individual appointed by the Board of Directors, bearing the title of Chief Executive Officer.

The Board of Directors shall choose between the two options mentioned above as to how general management should be organised in accordance with the quorum and majority conditions stipulated in the aforementioned Article 20 III. The shareholders are informed of the Board of Directors’ decision at the next Annual General Meeting, subject to the formalities of filing, advertising and registration in the trade register, as is legally required.

(...)

« Article 37 – Extraordinary General Meeting’s responsibilities and powers – Quorum and Majority

I. Only an Extraordinary General Meeting is authorised to amend any article of the Company’s Memorandum and Articles of Association and authorise any disposal of items of property, plant and equipment representing more than 50% of the Company’s assets in accordance with the terms and conditions stipulated in Article 70 of Act 17-95. It may not, however, increase shareholders’ commitments except in the case of a transaction carried out in a proper manner which results from a grouping together of shares.

(...)

« Article 39 – Shareholders’ right to information

(...)

I. Shareholders have the right to peruse the following documents at the Company’s head office over a period of at least fifteen (15) days prior to the date of the Annual General Meeting:

- 1) The meeting agenda
- 2) The wording of the draft resolutions and a brief explanation as to why they have been submitted by the Board and, where applicable, by shareholders
- 3) The list of Board Directors and, where applicable, information regarding prospective Board members
- 4) The inventory and financial statements for the previous financial year as approved by the Board of Directors
- 5) The Board’s Management Report, which is to be submitted to the meeting
- 6) The Statutory Auditors’ General and Special Reports, which are to be submitted to the meeting
- 7) The proposed appropriation of income

ANNUAL GENERAL MEETING OF JUNE 23, 2020

8) The list specified in the second paragraph of Article 57 of Act 17-95

9) The list of agreements specified in Article 56 of Act 17-95. However, shareholders may obtain a copy of the said agreements at their own expense.

(...)

FIFTEENTH RESOLUTION

The Extraordinary General Meeting, after listening to the Board of Directors' report, shall authorise an increase in share capital, to which any of the Bank's shareholders may subscribe, totalling MAD 999,102,300, inclusive of share premium, to be exclusively paid for by shareholders exercising their option to convert some or all of their dividends into shares (capital increase).

The Annual General Meeting shall decide that only the dividend amount, net of any tax or withholding tax, where applicable, in applying the current provisions of the general tax code or double taxation treaties agreed by Morocco, will be earmarked to pay for the new shares, which will be subscribed by individuals or legal entities.

Shareholders will be able to subscribe to the capital increase on an irreducible basis. The Extraordinary General Meeting shall decide that if subscriptions fall short of the proposed issue amount, then the latter may be downsized to the actual subscribed amount.

SIXTEENTH RESOLUTION

The Extraordinary General Meeting, after listening to the Board of Directors' Report, shall delegate full powers to the Board for the purpose of carrying out the following:

- Establishing the final terms and conditions for carrying out the capital increase and its specific features, including:
- Establishing the final amount for the capital increase, which may not exceed the authorised amount;
- Deciding to increase share capital and setting the subscription price for the said transaction as a whole (nominal and issue premium);
- Setting the opening and closing dates of the transaction's subscription period;
- Closing the subscription period in advance as soon as subscriptions have been made on an irreducible basis;
- Recording the subscriptions and payments made in respect of the capital increase;
- Acknowledging that the capital increase has been completed;
- Amending the Bank's Memorandum and Articles of Association accordingly to reflect the new share capital amount;

- Completing all the formalities required to carry out a capital increase;

- And, generally, taking all necessary measures and completing all the formalities required to complete the capital increase.

SEVENTEENTH RESOLUTION

The Extraordinary General Meeting shall give full powers to the bearer of the original or copy or extract of this report to carry out all legal formalities.

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

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

Management's responsibility

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

Auditors' responsibility

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

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

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

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

Opinion on the financial statements

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

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

Another point

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

Casablanca, 28 April 2020

The Independent Auditors

ERNST & YOUNG

Abdeslam BERRADA ALLAM
Associé

KPMG

Fouad LAHGAZI
Associé

CONSOLIDATED STATEMENTS AT 31 DECEMBER 2019

I. CONSOLIDATED 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

The consolidated financial statements at 31 december 2018 were approved by the board of directors on 27 march 2020.

IFRS ASSETS	Dec 19	Dec 18
Cash and amounts due from central banks and post office banks	14 450 591	14 310 554
Financial instruments at fair value through profit or loss	-	-
- Financial assets held for trading	29 913 430	25 104 686
- Other financial assets at fair value through profit or loss	794 295	1 011 536
Derivatives used for hedging purposes	-	-
Financial assets at fair value through equity	-	-
- Debt instruments recognised at fair value through recyclable equity	1 667 868	1 402 639
- Equity instruments reported at fair value through non-recyclable equity	4 446 599	3 986 053
Securities at amortized cost	30 042 750	25 315 848
Loans and receivables from credit institutions and similar, at amortized cost	22 403 739	21 250 394
Loans and receivables from customers, at amortized cost	186 645 591	179 302 874
Revaluation difference of hedged portfolios	-	-
Investments in insurance activities	-	-
Current tax asset	920 499	783 556
Deferred tax asset	1 767 563	1 615 532
Accruals and other assets	6 631 296	7 199 267
Non-current assets held for sale	-	-
Investments in companies accounted for by the equity method	930 990	874 360
Investment properties	3 800 224	3 730 378
Property, plant and equipment	9 222 503	7 640 031
Intangible assets	1 079 156	987 571
Goodwill	1 032 114	1 032 114
TOTAL IFRS ASSETS	315 749 207	295 547 393

(In thousand MAD)

IFRS LIABILITIES	Dec 19	Dec 18
Central Banks, Treasury, Postal Check Service	-	-
Financial liabilities at fair value through profit or loss	-	-
- Financial liabilities held for trading purposes	-	-
- Financial liabilities at fair value through profit or loss on option	-	-
Derivatives hedging	-	-
Debt securities issued	16 346 393	13 582 981
Debts due to credit institutions and similar	45 071 844	43 725 210
Debts to customers	202 816 657	192 474 205
Revaluation difference of hedged portfolios	-	-
Current tax liability	1 396 103	769 014
Deferred tax liability	1 179 957	1 179 765
Accruals and other liabilities	10 379 406	9 350 024
Debts related to non-current assets held for sale	-	-
Liabilities relating to insurance activity contracts	-	-
Provisions for risks and charges	1 172 574	1 039 395
Subsidies - public funds allocated and special guarantee funds	-	-
Subordinated debt	9 590 170	9 585 289
TOTAL DEBTS	287 953 104	271 705 883
Equity		
Capital and related reserves	18 473 069	14 365 774
Consolidated reserves	-	-
- Group share	1 474 765	1 584 607
- Minority share	4 149 154	3 977 575
Gains and losses recognized directly in equity	-	-
- Group share	618 563	593 531
- Minority share	504 535	511 300
Earning for the exercise	-	-
- Group share	1 921 510	1 831 171
- Minority share	654 507	977 552
TOTAL CONSOLIDATED EQUITY	27 796 103	23 841 510
TOTAL LIABILITIES IFRS	315 749 207	295 547 393

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

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

(In thousand MAD)

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

	dec 19	dec 18
Net income (loss)	2 576 017	2 808 722
Gains and losses recognised directly in equity and subsequently reclassified to income	27 964	28 168
Transfer to earnings	27 964	28 168
Financial assets at fair value through recyclable equity	-	-
Revaluation differences	-	-
Gains and losses recognised directly in equity and which will not subsequently be reclassified to income	68 026	-63 583
Actuarial gains and losses on defined benefit plans	-	-
Items measured at fair value through non-recyclable equity	68 026	-63 583
Share of gains and losses recognised directly in equity on companies accounted for by the equity method	-	-
Total gains and losses recognized directly in equity	95 990	-35 415
Net income and gains and losses recognised directly in equity	2 672 007	2 773 307
Group share	2 006 084	1 827 885
Minority interests' share	665 923	945 422

(In thousand MAD)

CONSOLIDATED STATEMENTS AT 31 DECEMBER 2019

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

	STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY 31/12/2019							
	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Noncontrolling interests	Total
Ending balance of adjusted Shareholder's Equity 12.31.2017	1 794 634	11 953 769	0	5 409 550	-449 872	18 708 081	5 976 343	24 684 424
Change in the accounting methods				-1 574 096		-1 574 096	-1 012 491	-2 586 587
Beginning Balance of Shareholder's Equity 12.31.2017	1 794 634	11 953 769	0	3 835 454	-449 872	17 133 985	4 963 852	22 097 837
Operations on capital		617 371		-617 371		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-563 957	-1 461 274
Net Income				1 831 171		1 831 171	977 552	2 808 723
Changes in assets and liabilities recognized directly in equity					-409	-409	-371	-780
Transfer to earnings					-40 068	-40 068	-42 226	-82 295
Unrealized or deferred gains or losses	0	0	0	0	-40 478	-40 478	-42 597	-83 075
Change in the scope of consolidation				194 375		194 375	257 949	452 325
Others				153 346		153 346	-126 372	26 974
Ending balance of Shareholder's Equity 12.31.2018	1 794 634	12 571 140	0	4 499 659	-490 350	18 375 083	5 466 427	23 841 511
Recognition of expected credit losses (on financial instruments)								
Beginning balance of Shareholder's Equity 01.01.2019	1 794 634	12 571 140	0	4 499 659	-490 350	18 375 083	5 466 427	23 841 511
Operations on capital	203 571	3 903 724		-445 698		3 661 597		3 661 597
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-897 317		-897 317	-600 722	-1 498 039
Net Income				1 921 510		1 921 510	654 507	2 576 017
Changes in assets and liabilities recognized directly in equity					67 246	67 246		67 246
Transfer to earnings					-23 149	-23 149	-31 181	-54 330
Unrealized or deferred gains or losses	0	0	0	0	44 096	44 096	-31 181	12 915
Change in the scope of consolidation				-170 937		-170 937	33 527	-137 410
Others				-446 127		-446 127	-214 362	-660 489
Ending balance of Shareholder's Equity 12.21.2019	1 998 205	16 474 864	0	4 461 090	-446 253	22 487 906	5 308 196	27 796 102

1.5. CASH FLOW STATEMENTS

	NOTE	Dec 19	Dec 18
Net Income before Tax		3 656 146	3 652 296
+/- Net depreciation/amortization expense on property, plant, and equipment and intangible assets	2.6	956 552	630 876
+/- Impairment of goodwill and other non- current assets		-	-
+/- Impairment of financial assets		118 603	-15 026
+/- Net allowances for provisions		693 860	1 523 643
+/- Share of earnings in subsidiaries accounted for by equity method	4.10	-55 210	-61 366
+/- Net loss (income) from investing activities		-507 520	-465 450
+/- Net loss (income) from financing activities		-	-
+/- Other movements		34 548	470 864
Non monetary items included in pre-tax net income and other adjustments		1 240 832	2 083 541
+/- Cash flows related to transactions with credit institutions		2 949 832	217 244
+/- Cash flows related to transactions with customers		1 762 667	-7 885 804
+/- Cash flows related to transactions involving other financial assets and liabilities		-9 109 225	10 541 583
+/- Cash flows related to transactions involving non financial assets and liabilities		600 504	-4 878 370
+/- Taxes paid		-1 131 214	-641 628
Net decrease / (increase) in assets and liabilities from operating activities		-4 927 436	-2 646 975
Net Cash Flows from Operating Activities		-30 458	3 088 862
+/- Cash Flows related to financial assets and equity investments		22 037	-418 474
+/- Cash flows related to investment property		-98 686	95 806
+/- Cash flows related to PP&E and intangible assets		-865 878	-477 724
Net Cash Flows from Investing Activities		-942 527	-800 392
+/- Cash flows related to transactions with shareholders		2 158 929	-949 034
+/- Cash flows generated by other financing activities		2 731 844	-5 109 235
Net Cash Flows from Financing Activities		4 890 773	-6 058 269
Effect of movements in exchange rates on cash and equivalents		-33 948	-248 827
Net increase/(decrease) in cash and cash equivalents		3 883 840	-4 018 626
Net Balance of demand loans and deposits- credit institutions		16 989 829	21 008 455
Loan and loan of cash	4.1	14 310 554	14 490 894
Ending Balance of Cash and Equivalents		2 679 275	6 517 561
<u>Net Balance of cash accounts and accounts with central banks and post office banks</u>		20 873 669	16 989 829
Net Balance of demand loans and deposits- credit institutions	4.1	14 450 591	14 310 554
Loan and loan of cash		6 423 079	2 679 275
Net increase in cash and equivalents		3 883 840	-4 018 626

CONSOLIDATED STATEMENTS AT 31 DECEMBER 2019

1.6. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

1.6.1. Applicable accounting standards :

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

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

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

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

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

IFRIC Interpretation 23:

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

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

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

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

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

IFRS 16:

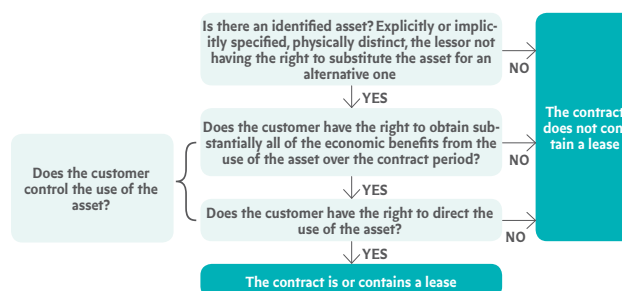
IFRS 16 'Leases' will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

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

Policies adopted:

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

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



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

The lease period:

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

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

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



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

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

1.6.2.1. Consolidation principles

a. Scope of consolidation

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

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

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

b. Consolidation methods

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

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

c. Consolidation rules

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

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated companies, and the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses arising from intragroup sales of assets are

eliminated, except where there is an indication that the asset sold is impaired.

Translation of financial statements prepared in foreign currencies

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

d. Business combinations and measurement of goodwill

Cost of a business combination

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

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

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

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

Goodwill

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

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

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

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Measurement of goodwill

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

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

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

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

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

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

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

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

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

Step acquisitions

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

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

1.6.3.2. Financial assets and liabilities

a. Loans and receivables

Loans and receivables include credit provided by the Group.

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

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

b. Securities

Classification of securities

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

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

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

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

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

IFRS 9 distinguishes three management models:

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

The second criterion («SPPI» criterion) is analysed at the contract level. The test is satisfied when the funding is only

eligible for reimbursement of the principal and when the payment of interest received reflects the value of the time of money, credit risk associated with the instrument, other costs and risks of a traditional loan agreement as well as a reasonable margin, whether the interest rate is fixed or variable.

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

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

; or

- equity instruments (i.e. shares).

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

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

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

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

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

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

- under certain conditions when the liability contains embedded derivatives

; or

- if this leads to more relevant information as a result of the elimination or the significant reduction of a distortion of accounting treatment (« mismatch»); or

- whether the liabilities are managed with other financial instruments that are measured and managed at fair value in accordance with an investment policy or risk management and that information is communicated on this to key management personnel within the meaning of IAS 24.

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

In 2013, the Bank issued a USD 300 million fixed rate international bond. This bond is hedged by a swap with the same characteristics as those of the bond (a fixed rate versus a variable rate). This transaction is qualified as a fair value hedging relationship.

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

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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 recoverability is threatened. Bucket 3 corresponds to the scope of the provision under IAS 39. The entity recognises a demonstrated credit loss at maturity. Thereafter, if the conditions for the classification of instruments financial instruments in bucket 3 are no longer respected, these instruments are reclassified as bucket 2 and then as bucket 1 depending on the improvement of credit risk quality.

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

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

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

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

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

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

Financial asset placed on the watchlist

- Reorganised due to payment difficulties, although not defaulting
- Past-due event
- There are material adverse changes in the borrower's economic, commercial or financial operating environment
- Risks of financial difficulties have been identified, etc.

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

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

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

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

Probabilities of Default (PD)

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

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

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

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

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

Loss Given Default (LGD)

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

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

Exposure At Default (EAD)

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

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

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

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

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

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

- When acquiring shares: all shares are considered as part of Bucket 1 regardless of the issuer's rating,
- In subsequent evaluations:
- In the event of a downgrade of the issuer's rating, the security changes to bucket 2

- On the basis of credit losses proven to be at maturity if the counterparty is in default - Bucket 3

Forbearance

The Bank complies with IFRS requirements in matters of forbearance agreements, particularly with regard to discounts applied to restructured loans. The amount deducted is recognised under cost of risk. If the restructured loan is subsequently reclassified as a performing loan, it is 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 BMCE BANK and BANK OF AFRICA as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

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f. Treasury shares

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

As of December 31st, 2019, the Group does 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.

i. 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.

1.6.4.1 Property plant and equipment and intangible assets

a. Property, plant and equipment

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

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

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

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

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

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

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

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

Component-based matrix adopted by BANK OF AFRICA

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

Impairment

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

b. Investment property

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

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

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

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

c. Intangible assets

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

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

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

Impairment is recognised when evidence (internal or external) of impairment exists. Evidence of impairment is 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.

1.6.5.2. Leases

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

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

a. Lessor accounting

Finance leases

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

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

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

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

Operating leases

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

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

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

b. Lessee accounting

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

Finance leases

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

A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also

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recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets after deducting the residual value from the amount initially recognised over the useful life of the asset. The lease obligation is accounted for at amortised cost.

Operating leases

The asset is not recognised in the balance sheet of the lessee. Lease payments made under operating leases are taken to the lessee's income statement on a straight-line basis over the lease term.

1.6.6. Non-current assets held for sale and discontinued activities

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

At 30th June 2019, the Group did not recognise any assets as held for sale or discontinued activities.

1.6.7. Employee benefits

Classification of employee benefits

a. Short-term benefits

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

b. Defined-contribution post-employment benefits

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

c. Defined-benefit post-employment benefits

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

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

d. Long-term benefits

These are benefits which are not settled in full within twelve months 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.

1.6.8. Share-based payments

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

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

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

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

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

1.6.9. Provisions recorded under liabilities

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

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

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

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

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

1.6.10. Current and deferred taxes

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

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

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

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

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

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

1.6.11. Cash flow statement

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

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

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

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

1.6.12. Use of estimates in the preparation of the financial statements

Preparation of the financial statements requires managers of business lines and corporate functions to make assumptions and estimates that are reflected in the measurement of income and



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expense in the income statement and of assets and liabilities in the balance sheet and in the disclosure of information in the notes to the financial statements.

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

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

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

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

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

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

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

2.1. NET INTEREST INCOME

This 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.

	dec 19			dec 18		
	Income	Expense	Net	Income	Expense	Net
Customer Items	10 682 959	2 842 525	7 840 434	10 818 793	2 830 855	7 987 938
Deposits, loans and borrowings	9 881 189	2 814 604	7 066 585	10 199 494	2 799 843	7 399 651
Repurchase agreements	0	27 921	-27 921	0	31 012	-31 012
Finance leases	801 770	0	801 770	619 299	0	619 299
Interbank Items	1 302 310	1 752 496	-450 186	1 289 625	1 464 925	-175 300
Deposits, loans and borrowings	1 050 914	1 376 191	-325 277	1 084 082	1 194 800	-110 718
Repurchase agreements	251 396	376 304	-124 909	205 543	270 125	-64 582
Borrowings issued by the Group		841 885	-841 885	0	956 969	-956 969
Instruments at fair value through equity			0			0
Debt instruments	3 365 659		3 365 659	2 826 498		2 826 498
TOTAL INTEREST INCOME/(EXPENSE)	15 350 928	5 436 906	9 914 022	14 934 916	5 252 749	9 682 167

(In thousand MAD)

2.2. NET FEE INCOME

	déc 19			déc 18		
	Income	Expense	Net	Income	Expense	Net
Net fee on transactions	2 432 925	215 140	2 217 785	2 243 610	248 194	1 995 416
With credit institutions			-			-
With customers	1 680 163		1 680 163	1 537 760	-	1 537 760
On custody	216 541	63 970	152 571	216 942	73 617	143 325
On foreign exchange	536 221	151 170	385 051	488 908	174 577	314 331
On financial instruments and off balance sheet			-			-
Banking and financial services	807 560	314 096	493 464	746 935	229 147	517 788
Income from mutual funds management			-			-
Income from electronic payment services	418 497	95 724	322 773	388 448	88 300	300 148
Insurance			-			-
Other	389 063	218 372	170 691	358 487	140 847	217 640
NET FEE INCOME	3 240 485	529 236	2 711 249	2 990 545	477 341	2 513 204

(In thousand MAD)

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.

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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.

	dec 19			dec 18		
	Trading Book	Assets measured under the fair value option	Total	Trading Book	Assets measured under the fair value option	Total
Fixed income and variable income securities	474 042	9 531	483 573	199 404	-2 357	197 047
Derivative instruments	-130 314	0	-130 314	-60 772	0	-60 772
Repurchase agreements						
Loans						
Borrowings						
Remeasurement of interest rate risk hedged portfolios						
Remeasurement of currency positions						
TOTAL	343 728	9 531	353 259	138 632	-2 357	136 275

(In thousand MAD)

2.4. NET GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

2.5. NET INCOME FROM OTHER ACTIVITIES

	dec 19			dec 18		
	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	254 340	122 711	131 629	277 075	121 348	155 727
Net income from property development activities	0	0	0	0	0	0
Other banking income & expenses	694 425	378 380	316 046	486 955	325 604	161 351
Other operating income	286 411	83 347	203 064	373 952	16 072	357 880
TOTAL NET INCOME FROM OTHER ACTIVITIES	1 235 176	584 437	650 739	1 137 982	463 024	674 958

(In thousand MAD)

2.6. GENERAL OPERATING EXPENSES

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

(In thousand MAD)

2.7. COST OF RISK

	dec 19	dec 18
Net allocations for depreciations	-694 114	-1 571 517
Bucket 1	-116 931	130 261
Including loans and receivables on EC and OA	-5 853	2 950
Including customer loans and receivables	37 726	48 024
Including off-balance-sheet commitments	-52 650	85 051
Including debt instruments	-96 154	-7 326
Including debt instruments accounted for by JV and recyclable CP	-	1 562
Bucket 2	-71 331	121 767
Including loans and receivables on EC and OA	-1 167	-1 303
Including customer loans and receivables	-68 815	82 405
Including off-balance-sheet commitments	-1 366	2 691
Including debt instruments	17	37 974
Including debt instruments accounted for by JV and recyclable CP	-	-
Bucket 3	-505 852	-1 823 545
Including loans and receivables on EC and OA	-40 169	360
Including customer loans and receivables	-454 464	-1 767 952
Including off-balance-sheet commitments	-17 783	-78 329
Including debt instruments	6 564	22 377
Including debt instruments accounted for by JV and recyclable CP	-	-
Amounts recovered from amortized loans	94 599	52 617
Losses on bad debt	-1 548 430	-365 896
Other	-48 490	51 417
Cost of risk	-2 196 435	-1 833 379

2.8. NET GAINS ON OTHER ASSETS

	dec 19	dec 18
PP&E and intangible assets used in operations	8 878	-17 398
Capital gains on disposals	15 796	-
Capital losses on disposals	6 918	17 398
Others	-21 984	23 608
Net Gain/Loss on Other Assets	-13 106	6 210

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2.9. INCOME TAX

2.9.1. Current and deferred tax

	dec 19	dec 18
Current tax	920 499	783 556
Deferred tax	1 767 563	1 615 532
Current and deferred tax assets	2 688 062	2 399 088
Current tax	1 396 103	769 014
Deferred tax	1 179 957	1 179 765
Current and deferred tax liabilities	2 576 060	1 948 779

(In thousand MAD)

2.9.2. Net income tax expense

	dec 19	dec 18
Current tax expense	-1 238 767	-1 003 034
Net deferred tax expense	158 638	159 460
Net Corporate income tax expense	-1 080 129	-843 574

(In thousand MAD)

2.9.3. Effective tax rate

	dec 19	dec 18
Net income	2 576 017	2 808 722
Net corporate income tax expense	-1 080 129	-843 574
Average effective tax rate	41.9%	30.0%

(In thousand MAD)

Analysis of effective tax rate

	dec 19	dec 18
Standard tax rate	37.0%	37.0%
Differential in tax rates applicable to foreign entities		
Reduced tax rate		
Permanent differences		
Change in tax rate		
Reportable deficit		
Other items	4.9%	-7.0%
Average effective tax rate	41.9%	30.0%

III. SEGMENT INFORMATION

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

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

3.1 EARNINGS BY BUSINESS LINE

	dec 19					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
Net interest Income	4 417 685	64 541	681 730	-5 929	4 755 996	9 914 022
Net Fee income	1 200 251	159 570	21 665	-	1 329 763	2 711 249
Net Banking Income	5 951 214	362 732	722 703	115 983	6 707 972	13 860 603
General Operating Expenses & allowances for depreciation and amortization	-3 367 955	-306 697	-239 943	-98 892	-4 051 295	(8 064 782)
Operating Income	2 583 259	56 035	482 759	17 091	2 656 677	5 795 821
Corporate income tax	-544 388	-52 301	-153 086	-9 954	-320 399	(1 080 129)
Net Income Attributable to shareholders of the parent	899 925	113 233	139 594	-6 450	775 208	1 921 510

(In thousand MAD)

	dec 18					
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	TOTAL
Net interest Income	4 208 303	30 416	693 085	-14 454	4 764 817	9 682 167
Net Fee income	1 153 827	160 521	23 045	-	1 175 811	2 513 204
Net Banking Income	5 593 863	343 167	729 591	143 272	6 423 575	13 233 468
General Operating Expenses & allowances for depreciation and amortization	-3 244 194	-295 744	-269 192	-100 197	-3 906 480	(7 815 807)
Operating Income	2 349 669	47 423	460 399	43 075	2 517 095	5 417 661
Corporate income tax	-380 412	-41 378	-113 199	-9 364	-299 221	(843 574)
Net Income Attributable to shareholders of the parent	665 151	98 154	112 808	6 159	948 898	1 831 170

(In thousand MAD)

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3.2. ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

	dec 19					TOTAL
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	
TOTAL ASSETS	192 052 523	1 242 527	18 163 535	216 902	104 073 720	315 749 206
ASSETS ITEMS						
Available for sale assets	2 763 938	10 470	20 768	20 621	3 298 671	6 114 467
Customer loans	118 488 373	0	16 783 701	1	51 373 516	186 645 591
Financial assets at fair value	29 913 430	110 161	861	0	683 273	30 707 725
Held to maturity assets	4 410 000	0	0	0	25 632 750	30 042 750
Liabilities & shareholders equity items						
Customer deposits	134 325 817	0	949 775	0	67 541 065	202 816 657
Shareholder's Equity	18 597 007	399 863	1 669 895	(168 950)	7 298 292	27 796 107

(In thousand MAD)

	dec 18					TOTAL
	ACTIVITY IN MOROCCO	INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHERS	INTERNATIONAL ACTIVITIES	
TOTAL ASSETS	178 593 133	863 975	17 876 020	200 249	98 014 015	295 547 392
ASSETS ITEMS						
Available for sale assets	2 325 525	6 823	19 618	22 550	3 014 176	5 388 692
Customer loans	112 536 900	70	16 132 363	0	50 633 541	179 302 874
Financial assets at fair value	25 104 686	97 566	861	0	913 109	26 116 222
Held to maturity assets	3 832 558	0	0	0	21 483 289	25 315 847
Liabilities & shareholders equity items	0	0	0	0	0	
Customer deposits	128 441 420	0	895 925	0	63 136 860	192 474 205
Shareholder's Equity	14 761 599	363 228	1 730 403	(132 498)	7 118 779	23 841 511

(In thousand MAD)

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

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

	dec 19	dec 18
Cash	4 281 536	4 283 818
CENTRAL BANKS	10 097 007	9 703 011
TREASURY	67 333	318 964
GIRO	4 715	4 761
CENTRAL BANKS, TREASURY, GIRO	10 169 055	10 026 736
Cash, Central Banks, Treasury, Giro	14 450 591	14 310 554

(In thousand MAD)

4.2. ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	dec 19			dec 18		
	Trading book	Assets designated at fair value through profit or loss	Total	Trading book	Assets designated at fair value through profit or loss	Total
Financial assets at fair value through profit or loss						
Negotiable certificates of deposits	17 130 180	0	17 130 180	7 850 145	0	7 850 145
Treasury bills and other eligible for central bank refinancing	16 673 191		16 673 191	7 577 675		7 577 675
Other negotiable certificates of deposits	456 989		456 989	272 470		272 470
Bonds	2 425 052	0	2 425 052	1 432 273	0	1 432 273
Government bonds	1 285 666		1 285 666	999 176		999 176
Other bonds	1 139 386		1 139 386	433 096		433 096
Equities and other variable income securities	10 392 716	794 295	11 187 011	15 832 484	1 011 536	16 844 020
Repurchase agreements	-	-	-	-	-	-
Loans	-	-	-	-	-	-
To credit institutions			0			0
To corporate customers			0			0
To private individual customers			0			0
Trading Book Derivatives	-34 518	0	-34 518	-10 215	0	-10 215
Currency derivatives	-34 518		-10 215	-10 215		-10 215
Interest rate derivatives			0			0
Equity derivatives			0			0
Credit derivatives			0			0
Other derivatives			0			0
Total financial assets at fair value through profit or loss	29 913 430	794 295	30 707 725	25 104 686	1 011 536	26 116 222
Of which loaned securities						
Excluding equities and other variable-income securities						
Financial liabilities at fair value through profit or loss						
Borrowed securities and short selling						
Repurchase agreements						
Borrowings						
Credit institutions						
Corporate customers						
Debt securities						
Trading Book Derivatives						
Currency derivatives						
Interest rate derivatives						
Equity derivatives						
Credit derivatives						
Other derivatives						
Total financial liabilities at fair value through profit or loss						

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4.3. FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

	dec 19			dec 18		
	Balance Sheet Value	Unrealized gains	Unrealized losses	Balance Sheet Value	Unrealized gains	Unrealized losses
Debt instruments recognised at fair value through recyclable equity	1 667 868	5 756	-986	1 402 639	901	-17 345
Equity instruments recognised at fair value through non-recyclable equity	4 446 599	1 624 365	-528 048	3 986 053	1 582 357	-545 052

(In thousand MAD)

4.4. SECURITIES AT AMORTISED COST

	dec 19	dec 18
Treasury bills and other bills mobilisable with central banks	6 666 681	5 066 899
Treasury bills and other bills mobilisable with central banks	5 798 982	5 023 497
Other negotiable debt securities	867 699	43 402
Bonds	23 625 022	20 397 838
Government bonds	21 537 841	16 420 029
Other Bonds	2 087 182	3 977 809
Depreciations	-248 954	-148 889
TOTAL DEBT INSTRUMENTS VALUED AT AMORTISED COST	30 042 750	25 315 848

(In thousand MAD)

4.5. INTERBANK TRANSACTIONS, RECEIVABLES AND AMOUNTS DUE FROM CREDIT INSTITUTIONS

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

	dec 19	dec 18
Demand accounts	8 927 092	7 339 328
Loans	12 522 277	13 968 918
<i>Including cash loans</i>	<i>1 162 815</i>	<i>304 165</i>
Repurchase agreements	1 058 308	37 630
Total loans and receivables due from credit institutions, before impairment provisions	22 507 677	21 345 876
Provisions for impairment of loans and receivables due from credit institutions	-103 938	-95 482
Total loans and receivables due from credit institutions, net of impairment provisions	22 403 739	21 250 394

(In thousand MAD)

Amounts due to credit institutions

	dec 19	dec 18
Demand accounts	3 722 868	2 905 998
Borrowings	28 000 311	28 317 243
<i>Including cash borrowings</i>	<i>982 242</i>	<i>1 047 509</i>
Repurchase agreements	13 348 666	12 501 969
TOTAL	45 071 844	43 725 210

(In thousand MAD)

4.6. LOANS, RECEIVABLES AND AMOUNTS DUE FROM CUSTOMERS

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

	dec 19	dec 18
Demand accounts	22 366 723	22 879 106
Loans to customers	149 857 647	145 939 070
Repurchase agreements	13 272 162	9 815 519
Finance leases	15 393 383	14 594 299
Total loans and receivables due from customers, before impairment provisions	200 889 916	193 227 994
Impairment of loans and receivables due from customers	-14 244 325	-13 925 121
Total loans and receivables due from customers, net of impairment provisions	186 645 590	179 302 874

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS ACTIVITY

	dec 19	dec 18
Activity in Morocco	118 488 373	112 536 900
Specialized Financial Services	16 783 701	16 132 363
International Activities	51 373 516	50 633 541
Investment Banking	0	70
Other Activities	1,00	-
Total	186 645 590	179 302 874
Allocated Debts		
Value at Balance sheet	186 645 590	179 302 874

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

	dec 19	dec 18
Morocco	135 272 075	128 669 333
Africa	47 463 182	46 281 694
Europe	3 910 334	4 351 847
Total	186 645 591	179 302 874
Allocated Debts		
Value at Balance sheet	186 645 591	179 302 874

(In thousand MAD)

BREAKDOWN OF LOANS & RECEIVABLES AND COMMITMENTS BY BUCKET

	dec 19							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	1 670 649	-	-	1 670 649	2 781	-	-	2 781
Debt instruments accounted for by JV at recyclable CP	1 670 649			1 670 649	2 781			2 781
Financial assets at amortized cost	221 226 961	15 371 015	17 091 320	253 689 296	1 516 007	2 301 870	10 779 341	14 597 218
Loans and receivables from credit institutions	22 452 542	0	55 134	22 507 676	42 491	0	61 447	103 938
Loans and receivables from customers	168 550 807	15 302 923	17 036 186	200 889 916	1 225 658	2 300 774	10 717 894	14 244 326
Debt instruments	30 223 612	68 092	30 291 704	247 858	1 096			248 954
Total assets	222 897 610	15 371 015	17 091 320	255 359 945	1 518 788	2 301 870	10 779 341	14 599 999
Total off-balance sheet	42 625 611	299 696	304 150	43 229 457	218 489	2 934	74 153	295 576

	dec 18							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through equity	1 403 746	-	-	1 403 746	1 107	-	-	1 107
Debt instruments accounted for by JV at recyclable CP	1 403 746			1 403 746	1 107			1 107
Financial assets at amortized cost	206 823 803	17 375 491	15 839 314	240 038 608	1 441 164	2 235 683	10 492 645	14 169 492
Loans and receivables from credit institutions	21 282 989		62 887	21 345 876	32 606		62 876	95 482
Loans and receivables from customers	160 551 174	16 900 393	15 776 427	193 227 995	1 263 393	2 231 959	10 429 769	13 925 121
Debt instruments	24 989 640	475 097	25 464 737	145 165	3 724			148 889
Total assets	208 227 549	17 375 491	15 839 314	241 442 354	1 442 271	2 235 683	10 492 645	14 170 599
Total off-balance sheet	41 302 875	167 523	143 605	41 614 003	165 838	1 568	122 802	290 209

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AMOUNTS DUE TO CUSTOMERS

	dec 19	dec 18
On demand deposits	110 457 223	104 025 228
Term accounts	37 779 950	35 272 676
Savings accounts	38 630 433	36 360 381
Cash certificates	5 160 093	6 216 003
Repurchase agreements	841 915	914 037
Other items	9 947 043	9 685 880
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	202 816 657	192 474 205

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS ACTIVITY

	dec 19	dec 18
Activity in Morocco	134 325 817	128 441 420
Specialized Financial Services	949 775	895 925
International Activities	67 541 065	63 136 860
Investment Banking	0	0
Other Activities	0	0
Total	202 816 657	192 474 205
Allocated Debts		
Value at Balance sheet	202 816 657	192 474 205

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

	dec 19	dec 18
Morocco	135 275 592	129 337 345
Africa	65 790 252	61 510 364
Europe	1 750 813	1 626 496
Total	202 816 657	192 474 205
Allocated Debts		
Value at Balance sheet	202 816 657	192 474 205

(In thousand MAD)

4.7. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

	dec 19	dec 18
Other debt securities	16 346 393	13 582 981
Negotiable certificates of deposit	15 846 393	13 082 981
Bond issues	500 000	500 000
Subordinated debts	9 590 170	9 585 289
Subordinated debt	9 590 170	9 585 289
Redeemable subordinated debt	6 590 170	6 585 289
Undated subordinated debt	3 000 000	3 000 000
Subordinated Notes	0	0
Redeemable subordinated notes		
Undated subordinated notes	0	0
Public Funds and special guarantee funds		
Total	25 936 563	23 168 270

(In thousand MAD)

4.8. Current and deferred tax

	dec 19	dec 18
Current tax	920 499	783 556
Deferred tax	1 767 563	1 615 532
Current and deferred tax assets	2 688 062	2 399 088
Current tax	1 396 103	769 014
Deferred tax	1 179 957	1 179 765
Current and deferred tax liabilities	2 576 060	1 948 779

(In thousand MAD)

4.9. ACCRUED INCOME AND EXPENSES, OTHER ASSETS AND LIABILITIES

	dec 19	dec 18
Guarantee deposits and bank guarantees paid	144 667	144 340
Settlement accounts related to securities transactions	38 429	86 594
Collection accounts	429 990	405 489
Reinsurers' share of technical reserves		
Accrued income and prepaid expenses	817 509	811 606
Other debtors and miscellaneous assets	4 887 004	5 301 929
Inter-related Accounts	313 697	449 310
TOTAL ACCRUED INCOME AND OTHER ASSETS	6 631 296	7 199 268
Guarantee deposits received	9 252	20 444
Settlement accounts related to securities transactions	749 006	1 009 167
Collection accounts	1 332 305	1 410 897
Accrued expenses and deferred income	1 106 873	1 088 065
Other creditors and miscellaneous assets	7 181 970	5 821 451
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	10 379 405	9 350 024

(In thousand MAD)

4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

	déc 19	déc 18
Euler Hermes Acmar	26 029	21 586
Banque de Développement du Mali	570 719	537 969
Eurafric	-20 954	-20 949
Africa Morocco Link	-12 829	-9 600
Société Conseil Ingenierie et Développement	148 073	153 270
Bank Al Tamwil wal Inmaa	128 106	107 288
Investments in equity methods companies belonging to BOA	91 845	84 796
Investments in associates	930 990	874 360

Financial data of the main companies accounted for under the equity method

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

(In thousand MAD)

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

	dec 19			dec 18		
	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount	Gross Value	Accumulated depreciation amortization and impairment	Carrying Amount
PP&E	16 399 314	7 176 811	9 222 503	13 776 687	6 136 656	7 640 031
Land and buildings	5 206 424	749 254	4 457 170	3 844 214	261 415	3 582 799
Equipment, furniture and fixtures	4 738 934	3 036 637	1 702 297	4 349 154	2 731 219	1 617 935
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other PP&E	6 453 955	3 390 920	3 063 036	5 583 319	3 144 022	2 439 297
Intangible Assets	2 510 479	1 431 323	1 079 156	2 083 805	1 096 234	987 571
Purchased software	1 635 013	1 126 441	508 571	1 346 753	872 690	474 063
Internally-developed software	0	0	0	0	0	0
Other intangible assets	875 466	304 881	570 585	737 052	223 544	513 508
Investment Property	3 926 892	126 668	3 800 224	3 822 825	92 447	3 730 378

(In thousand MAD)

Change in property, plant and equipment

	dec 19	dec 18
Net value as of January 1st	7 640 031	7 302 800
Acquisition of the year	2 932 893	423 480
First time consolidations	-	-
Depreciation, Amortization of impairment	(981 318)	(513 740)
Disposal of the year	(85 907)	(41 272)
Other variations	(283 195)	468 763
NET VALUE AT END OF PERIOD	9 222 503	7 640 031

Change in intangible assets

	dec 19	dec 18
Net value as of January 1st	987 571	937 808
Acquisition of the year	395 318	221 397
First time consolidations	-	-
Depreciation, Amortization of impairment	(100 490)	(86 885)
Disposal of the year	(31 675)	(77 046)
Other variations	(171 568)	(7 703)
NET VALUE AT END OF PERIOD	1 079 157	987 571

Change in investment properties

	dec 19	dec 18
Net value as of January 1st	3 730 378	3 824 439
Acquisition of the year	157 190	70 141
First time consolidations	-	-
Depreciation, Amortization of impairment	(29 264)	(20 462)
Disposal of the year	(41 610)	(143 740)
Other variations	(16 469)	-
NET VALUE AT END OF PERIOD	3 800 225	3 730 378

CHARGES OF RENTAL CONTRACTS

CHARGES OF RENTAL CONTRACTS	dec 19
Interest expense on rental debts	-54 400
Depreciation charges for user fees	-221 276

ASSET RELATED TO RIGHTS OF USE

ASSET RELATED TO RIGHTS OF USE	dec 19	dec 18
Property, plant and equipment	9 222 503	7 640 031
Including rights of use	1 190 571	-

LIABILITIES RELATED TO RENTAL DEBT

LIABILITIES RELATED TO RENTAL DEBT	dec 19	dec 18
Adjustment account and other liabilities	10 379 406	9 350 024
Including rental debt	1 199 456	-

4.12. GOODWILL

	dec 19	dec 18
Gross value at start of period	1 032 114	852 310
Accumulated impairment at start of period		
Carrying amount at start of period	1 032 114	852 310
Acquisitions		
Cessions		
Impairment losses recognized during the period		
Translation adjustments		
Subsidiaries previously accounted for by the equity method		
Other movements		179 804
Gross value at end of period	1 032 114	1 032 114
Accumulated impairment at end of period		
Carrying amount at end of period	1 032 114	1 032 114

(In thousand MAD)

The following table provides a breakdown of goodwill:

	Net book value Dec 19	Net book value Dec 18
Maghrébail	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	184 978	184 978
Maroc Factoring	1 703	1 703
BMCE CAPITAL BOURSE	2 618	2 618
BMCE INTERNATIONAL (MADRID)	3 354	3 354
BANK OF AFRICA	711 976	711 976
LOCASOM	98 725	98 725
CID	14 555	14 555
GROUP TOTAL	1 032 114	1 032 114

Sensitivity to changes in assumptions

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

4.13. PROVISIONS FOR CONTINGENCIES AND CHARGES

	dec 19	dec 18
Total provisions at start of period	1 039 395	1 087 637
Additions to provisions	293 296	109 315
Reversals of provisions	-165 979	-152 609
Effect of movements in exchange rates and other movements	5 862	-4 947
Total provisions at end of period	1 172 573	1 039 395

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

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4.14. FAIR VALUE

4.14.1. Fair value of financial instruments carried at amortised cost

	dec 19		dec 18	
	Book value	Estimated market value	Book value	Estimated market value
FINANCIAL ASSETS				
Loans and receivables due from credit institutions	22 403 739	22 412 197	21 250 394	21 264 422
Loans and receivables due from customers	186 645 591	187 710 345	179 302 874	179 601 283
Assets held to maturity	30 042 750	30 279 750	25 315 848	25 366 370
Investment property	3 800 224	3 869 864	3 730 378	3 800 018
FINANCIAL LIABILITIES				
Loans and receivables due to credit institutions	45 071 844	45 071 844	43 725 210	43 725 210
Loans and receivables due to customers	202 816 657	202 816 657	192 474 205	192 474 205
Debt securities	16 346 393	16 346 393	13 582 981	13 582 981
Subordinated debts	9 590 170	9 590 170	9 585 289	9 585 289

4.14.2. Breakdown by measurement method of financial instruments recognised at fair value presented in accordance with IFRS 7 recommendations

	dec 19			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial instruments at-fair value through profit or loss held for trading	30 707 725	-	-	30 707 725
of which financial assets at-fair-value through profit or loss	29 913 430			29 913 430
of which derivative financial instruments	794 295			794 295
Financial instruments designated as at-fair-value through profit or loss	1 987 249	- 4 127 218		6 114 467
Derivatives used for hedging purposes	1 667 868			1 667 868
Available for sale financial assets	319 381	4 127 218		4 446 599
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading				
Financial instruments designated as at-fair value through profit or loss				
Derivatives used for hedging purposes				

	dec 18			Total
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial instruments at-fair value through profit or loss held for trading	26 116 222	-	-	26 116 222
of which financial assets at-fair-value through profit or loss	25 104 686			25 104 686
of which derivative financial instruments	1 011 536			1 011 536
Financial instruments designated as at-fair-value through profit or loss	1 555 495	- 3 833 196		5 388 692
Derivatives used for hedging purposes	1 402 638			1 402 638
Available for sale financial assets	152 857	3 833 196		3 986 054
FINANCIAL LIABILITIES				
Financial instruments at-fair-value through profit or loss held for trading			-	-
Financial instruments designated as at-fair value through profit or loss			-	-
Derivatives used for hedging purposes				

4.14.3. Fair value hierarchy of assets and liabilities recognised at amortised cost

	dec 19			
(en milliers de DH)	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions		22 412 197		22 412 197
Loans and receivables due from customers		187 710 345		187 710 345
Held-to-maturity financial assets		30 279 750		30 279 750
LIABILITIES				
Due to credit institutions		45 071 844		45 071 844
Due to customers		202 816 657		202 816 657
Debt securities issued		16 346 393		16 346 393
Subordinated debt		9 590 170		9 590 170

	dec 18			
(en milliers de DH)	Level 1	Level 2	Level 3	Total
ASSETS				
Loans and receivables due from credit institutions		21 264 422		21 264 422
Loans and receivables due from customers		179 601 283		179 601 283
Held-to-maturity financial assets		25 366 370		25 366 370
LIABILITIES				
Due to credit institutions		43 725 210		43 725 210
Due to customers		192 474 205		192 474 205
Debt securities issued		13 582 981		13 582 981
Subordinated debt		9 585 289		9 585 289

FINANCIAL REPORT

	dec 19							dec 18						
	From	D-Day to 3 months after	3 months to 1 year	1 to 5 years	5+ years	Non-fixed term	Total	From	D-Day to 3 months after	3 months to 1 year	1 to 5 years	5+ years	Non-fixed term	Total
Cash values, central banks, public treasury, postal check service	14 451						14 451	14 311						14 311
Financial assets at fair value through profit or loss							0							0
Financial assets held for trading						29 913	29 913						25 104	25 104
Other financial assets held for trading						794	794						1 011	1 011
Hedging derivatives							0							0
Financial assets at fair value through equity							0							0
Debt instruments accounted for at fair value through recyclable equity	0	283	57	780	548	0	1 668			533	870			1 403
Equity instruments accounted for at fair value through nonrecyclable equity						4 447	4 447						3 986	3 986
Securities at amortized cost		2 767	4 943	16 393	5 939		30 043		1 965	3 775	14 350	5 226		25 316
Loans and receivables from credit and similar institutions, at amortized cost	12 057	1 897	1 517	3 518	0	3 415	22 404	8 900	1 812	1 861	4 783	718	3 177	21 250
Loans and receivables from customers at amortized cost	22 955	32 724	24 429	47 295	43 871	15 372	186 646	22 437	27 351	24 619	46 866	42 960	15 070	179 303
Fair value revaluation of portfolio hedge							0							0
Insurance businesses investments							0							0
Payable tax asset						920	920						784	784
Deferred tax asset						1 768	1 768						1 616	1 616
Adjustment accounts and other assets						6 631	6 631						7 199	7 199
Interests in companies valued using the equity method						931	931						874	874
Investment properties						3 800	3 800						3 730	3 730
Tangible capital asset acquisitions						9 223	9 223						7 640	7 640
Intangible capital asset acquisitions						1 079	1 079						988	988
Goodwill						1 032	1 032						1 032	1 032
TOTAL ASSETS	49 463	37 671	30 946	67 987	50 358	79 325	315 750	45 647	31 127	30 788	66 869	48 905	72 211	295 547
Central banks, public treasury, postal check service							0							0
Financial liabilities at fair value through profit or loss							0							0
Amounts due to credit and similar institutions	5 615	28 759	4 641	5 228	516	312	45 072	5 038	25 900	4 667	7 297	823	0	43 725
Amounts due to customers	159 766	17 163	24 139	1 441	0	308	202 817	151 145	14 923	24 784	1 622	0	0	192 474
Debt securities issued		2 321	4 739	9 286	0	0	16 346		1 485	6 633	5 466	0	0	13 583
Payable tax liabilities						1 396	1 396						769	769
Deferred tax liabilities						1 180	1 180						1 180	1 180
Adjustment accounts and other liabilities						10 379	10 379						9 350	9 350
Provisions						1 173	1 173						1 039	1 039
Subordinated debt and special guarantee funds		0	0	2 200	7 390	0	9 590		0	0	1 199	8 386	0	9 585
Equity						27 797	27 797						23 842	23 842
TOTAL LIABILITIES	165 381	48 244	33 519	18 155	7 906	42 544	315 749	156 183	42 308	36 084	15 583	9 209	36 180	295 547
LIQUIDITY GAPS	-115 918	-10 573	-2 573	49 831	42 452	36 782	0	-110 536	-11 181	-5 296	51 286	39 696	36 031	0

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V. FINANCING AND GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENT

	dec 19	dec 18
Financing commitments given	11 977 829	10 433 663
- To credit institutions	1 709 943	1 152 550
- To customers:	10 267 886	9 281 113
Confirmed letters of credit		
Other commitments given to customers		
Financing commitments received	1 307 891	2 518 082
From credit institutions	1 307 891	2 518 082
From customers	-	-

» Financing commitments given to credit and similar institutions

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

» Financing commitments given to customers

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

» Financing commitments received from credit and similar institutions

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

5.2. GUARANTEE COMMITMENTS

	dec 19	dec 18
Guarantee commitments given	31 251 628	31 180 340
To credit institutions	10 465 226	10 742 293
To customers:	20 786 402	20 438 048
Sureties provided to tax and other authorities, other sureties		
Other guarantee commitments to customers		
Guarantee commitments received	87 615 861	97 549 646
From credit institutions	85 858 844	95 300 914
From the State and guarantee institutions	1 757 017	2 248 732

» Guarantee commitments given to credit and similar institutions

This entry relates to commitments to assume responsibility 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. SYNTHESIS AND DESCRIPTION OF PROVISIONS OF EXISTING SCHEMES

6.2.1. Provisions in respect of post-employment and other long-term benefits provided to employees

	dec 19	dec 18
Retirement allowances and equivalents	464 981	441 583
Special seniority premiums allowances		
Other		
TOTAL	464 981	441 583

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

6.2.2. Basic assumptions underlying calculations

An analysis of sensitivity to the two main actuarial assumptions used to calculate the cost of benefit plans (post-employment benefits, long service awards) at 31 December 2019 is presented in the following table :

End of career allowance	Rate variation -50 pb	Rate Variation +50 pb
Discount rate	-11 309	10 302
Wage growth rate	11 912	-13 039
Honoured Labour Medal	Rate variation -50 pb	Rate Variation +50 pb
Discount rate	-13 337	12 395
Wage growth rate	16 691	-17 932

Economic assumptions	dec 19
Discount rate	3,30%
Long-term wage growth (inflation included)	3%
Social security contribution rate	
Demographic assumptions	Voluntary resignation
Retirement terms	60
Retirement age	PM 60/64 - PF 60/64
Mortality table	

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

6.2.3. Cost of post-employment plans

	dec 19	dec 18
Normal cost	9 228	3 224
Interest cost	14 170	13 536
Expected returns of funds		
Additional allowances		
Other		
Net cost of the period	23 398	16 760
Dont coût relatif aux indemnités de retraite et assimilées		
Dont autres...		

6.2.4. Changes in the provision recognised on the balance sheet

	dec 19	dec 18
Actuarial liability, beginning of the period	441 583	424 824
Normal cost	33 600	32 526
Interest cost	14 170	13 536
Experience gains/ losses	-	-
Other actuarial gains/ losses	-	-
Depreciation of net gains/losses	-	-
Paid benefits	-24 372	-29 302
Additional benefits	0	0
Other	-	-
Actuarial liability, end of the period	464 981	441 584
Whose relative cost to the assimilated retirement benefits		
Others		

VII. ADDITIONAL INFORMATION

71. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

71.1. Share capital transactions

	dec 19	dec 18
SHARE CAPITAL (IN MAD)	1 998 205 000	1 794 633 900
Number of common shares outstanding during the year	199 820 500	179 463 390
NET INCOME ATTRIBUTABLE TO THE SHAREHOLDER'S OF THE PARENT (IN MAD)	1 921 509 992	1 831 169 832
BASIC EARNINGS PER SHARE (IN MAD)	9,62	10,20
DILUTED EARNING PER SHARE (IN MAD)	9,62	10,20

71.2. Earnings per share

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

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

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

72. SCOPE OF CONSOLIDATION

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

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

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

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

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

7.2.1. Related-party balance sheet items

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

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

7.3. Remuneration paid to the main directors

7.3.1 Remuneration paid to the main directors

	dec 19	dec 18
Short-term benefits	24 878	21 061
Post-employment benefits	1 956	1 568
Other long-term benefits	6 383	6 179

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

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

7.3.2 Loans granted to the main Executive Corporate Officers

	dec 19	dec 18
A. Consumer loans	56 019	37 492
B. Mortgage loans	17 764	12 965
TOTAL	73 783	50 457

7.3.3 Directors' fees paid to members of the board of directors

	dec 19		
	Gross amount	With holding tax	Net income paid
Physical and legal persons resident in Morocco	3 842	992	2 850
Physical and legal persons non resident in Morocco	3 235	485	2 750
TOTAL	7 077	1 477	5 600

	dec 18		
	Gross amount	With holding tax	Net income paid
Physical and legal persons resident in Morocco	3 485	885	2 600
Physical and legal persons non resident in Morocco	3 823	573	3 250
TOTAL	7 308	1 458	5 850

7.4. Related party

7.2.2. Related party profit and loss items

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

7.4.2. Related party profit and loss items

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

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

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

Management's responsibility

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

Auditors' responsibility

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

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

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

Opinion on the financial statements

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

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

Specific checks and information

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


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

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

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

Casablanca, 28 April 2020

The Statutory Auditors

ERNST & YOUNG

Abdeslam BERRADA ALLAM
Associé

KPMG

Fouad LAHGAZI
Associé

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

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

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

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

1. AGREEMENTS ENTERED INTO DURING 2019

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group, is also Chairman of O'Tower's Board
- Mr Zouheir BENSALD, Director of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower
- Mr Hicham EL AMRANI, Director of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower

- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower
- Mr Mounir CHRAIBI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of O'Tower

Main terms and conditions:

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

O'Tower is responsible for paying annual fees which will 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 – BMCE Group recognised income of MAD 576 K for the period ended 31 December 2019.

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

Person(s) concerned:

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

2.2. Lease contract between BANK OF AFRICA – BMCE Group and RM Experts**Person(s) concerned:**

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

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

2.3. Agency agreement between BANK OF AFRICA – BMCE Group and Damane Cash**Person(s) concerned:**

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

Main terms and conditions:

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

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

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

Main terms and conditions:

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

This is a five-year automatically renewable agreement.

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

This is a one-year automatically renewable agreement.

Amount(s) recognised:

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

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

Person(s) concerned:

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

- Mr Zouheir BENSaid, a member of BMCE Capital's Supervisory Board, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Driss BENJELLOUN, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Mr M'Fadel EL HALAÏSSI, a member of BMCE Capital's Supervisory Board, is also Delegated General Manager of BANK OF AFRICA – BMCE Group

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

This agreement is for an indefinite period.

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

This agreement is automatically renewable.

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

Amount(s) recognised:

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

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

Person(s) concerned:

- Mr Othman BENJELLOUN, Chairman and Chief Executive Officer of BANK OF AFRICA – BMCE Group, is also Chairman of O TOWER's Board

- Mr Zouheir BENSALID, a Director of BANK OF AFRICA – BMCE Group, is also a Director of O TOWER
- Mr Mounir CHRAIBI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of O TOWER

Main terms and conditions:

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

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

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

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

2.19. Services agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL**Person(s) concerned:**

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

Main terms and conditions:

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

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

This is a one-year automatically renewable agreement.

Amount(s) recognised:

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

2.20. Shareholders' current account agreement between RIYAD ALNOUR and BANK OF AFRICA – BMCE GROUP**Person(s) concerned:**

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

Main terms and conditions:

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

Amount(s) recognised:

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

2.21. Addendum to the agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL relating to financial market and custody operations**Person(s) concerned:**

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

Main terms and conditions:

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

This is a one-year automatically renewable addendum.

Amount(s) recognised:

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

2.22. Shareholders' current account advance agreement between BANK OF AFRICA – BMCE GROUP and BMCE IMMOBILIER (EX MABANICOM)**Person(s) concerned:**

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

Main terms and conditions:

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

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

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

Amount(s) recognised:

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

2.23. Cooperation agreement between BANK OF AFRICA – BMCE GROUP and BMCE IMMOBILIER**Person(s) concerned:**

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

Main terms and conditions:

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

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

This agreement is for a period of 3 years.

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

Amount(s) recognised:

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

2.27. Agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL GESTION PRIVÉE to manage structured product margin calls**Person(s) concerned:**

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

2.28. Services contract between BANK OF AFRICA – BMCE GROUP and RMA**Person(s) concerned:**

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

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

Person(s) concerned:

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

Main terms and conditions:

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

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

Amount(s) recognised:

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

2.32. Agreements between BANK OF AFRICA – BMCE GROUP and SALAFIN**Person(s) concerned:**

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

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

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

Amount(s) recognised:

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

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

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

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

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

Amount(s) recognised:

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

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

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

Amount(s) recognised:

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

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

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

Amount(s) recognised:

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

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

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

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

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

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

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

Person(s) concerned:

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

Main terms and conditions:

Entered into 10 March 2011 effective 1 January, this amendment modifies the services provided by EAI to BANK OF AFRICA – BMCE Group as well as the pricing structure and the terms and conditions of payment. The amendment offers the possibility of revising on an annual basis the man-hour rate applicable to services provided under the initial contract.

Amount(s) recognised:

In respect of both these agreements entered into with EAI in 2011, BANK OF AFRICA – BMCE Group recognised the following amounts for the period ended 31 December 2019:

- Recurring services (expenses): MAD 69,934 K
- Maintenance (expenses): MAD 15,358 K
- Non-recurring services (SIBEA prepayments): MAD 100,734 K

2.34. Agreement between BANK OF AFRICA – BMCE GROUP and GLOBAL NETWORK SYSTEMS SA ("GNS") relating to Carte MPOST – PASSPORT

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Delegated General Manager of BANK OF AFRICA – BMCE Group.
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Delegated General Managers of BANK OF AFRICA – BMCE Group, are also Directors of GNS Technologies

Main terms and conditions:

Entered into 1 February 2011, the purpose of this agreement is for BANK OF AFRICA – BMCE Group to provide GNS with prepaid

cards as well as determining the terms for recharging, personalising and using these cards.

For each card delivered, the Bank is credited an amount previously agreed by both Parties.

The cost of recharging the card is debited against the customer's bank account held with BANK OF AFRICA – BMCE Group. All other expenses are debited against the card's balance.

Amount(s) recognised:

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

2.35. Services contract between BANK OF AFRICA – BMCE GROUP and EURAFRIC GED SERVICES

Person(s) concerned:

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

Main terms and conditions:

Entered into in 2011 for an initial three-month automatically-renewable period prior to establishing a definitive contract when authorisation is obtained from Bank Al Maghrib, the purpose of this contract is to define the terms and conditions by which BANK OF AFRICA – BMCE Group entrusts to Eurafri GED Services document digitisation services.

Monthly invoices are issued based on volume. The cost is 0.86 dirhams per digitised page, 0.68 dirhams per video-encoded document, 5 dirhams per document for the return of any previously unreturned document to the service provider, 3 dirhams per document communicating the index in the event that the document has been returned to BANK OF AFRICA – BMCE Group (prices quoted exclude taxes).

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 1,228 K for the period ended 31 December 2019.

2.36. Partnership agreement between BANK OF AFRICA – BMCE GROUP and BMCE BANK INTERNATIONAL Plc (BBI) relating to sub-contracting clearing services

Person(s) concerned:

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

Main terms and conditions:

Under the terms of this agreement entered into 4 October 2011, BMCE BANK International shall provide BANK OF AFRICA – BMCE Group with a number of banking services including:

- Cheques drawn on French- or foreign-domiciled banks
- Inter-bank transfers to BANK OF AFRICA – BMCE Group or its customers
- International SWIFT transfers
- Bills of exchange domiciled with BANK OF AFRICA – BMCE Group and payable in France
- Documentary credit confirmations

Amount(s) recognised:

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

2.37 Agreement between BANK OF AFRICA – BMCE GROUP and BMCE CAPITAL GESTION to promote and market mutual funds via the BANK OF AFRICA – BMCE GROUP branch network

Person(s) concerned:

- Mr Amine BOUABID, a Director of BMCE Capital Gestion, is also a Director of BANK OF AFRICA – BMCE Group

- Mr Driss BENJELLOUN, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of BMCE Capital Gestion

Main terms and conditions:

Entered into 1 March 2011 for an automatically-renewable 12-month period, the purpose of this agreement is to determine the terms and conditions for cooperation between the Parties relating to the marketing by BANK OF AFRICA – BMCE Group of a specific number of BMCE Capital Gestion products via the BANK OF AFRICA – BMCE Group branch network. In this regard, the Parties give a mutual undertaking to allocate the necessary human, material, technical and logistical resources to develop and promote the mutual funds.

BANK OF AFRICA – BMCE Group's remuneration is calculated on the basis of the volume of subscriptions/redemptions generated by the branch network with BMCE CAPITAL GESTION retroceding a share of the entry/exit fees at the rates set out in an appendix to the agreement.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 1,856 K for the period ended 31 December 2019.

2.38. Agreements relating to leasing premises

These agreements relate to the leasing of premises or offices to the following companies:

Company	Date	Type	Location	Amount 2019 (MAD K)
BMCE Capital	01/10/2009	Office space	142, avenue Hassan II aux 4th, 7th and 8th floor, Casablanca	3,253 KMAD
MEDITELECOM	01/08/2012	Building patio	Essaouira	109 KMAD
BMCE Capital	01/07/2002	Office space	BANK OF AFRICA – BMCE Group Branch, Agadir Ville	37 KMAD
EURAFRIC INFORMATION	15/10/2009	279 m ² apartment. TF No.36929/C, property known as « GAMECOUR ».	243 Bd Mohamed V, Casablanca	Néant Contrat résilié le 30/09/16
EURAFRIC INFORMATION	01/10/2016	Office space Block A2 – 3,624m ²	Bouskoura Green City TF No.18827/47	4.357 KMAD
EURAFRIC INFORMATION	01/10/2016	Office space Block B2 – 3,822m ²	Bouskoura Green City TF No.18827/47	4.582 KMAD
EURAFRIC INFORMATION	01/01/2017	DATA CENTER 1,735 M ²	Bouskoura Green City TF No.18827/47	Not applicable Contract cancelled 30/09/16
RM EXPERTS	01/10/2019	Office space	Casa SIDI MAAROUF LOTISSEMENT ATTAOUFIK	149 KMAD
O.G.S.	01/01/2019	Office space	GREEN CITY BOUSKOURA	5.236 KMAD

The leases will be renewed automatically.

2.39. Amendment to the BMCE EDIFIN agreement between BANK OF AFRICA – BMCE GROUP and GLOBAL NETWORK SYSTEMS GNS, now GNS TECHNOLOGIES SA

Person(s) concerned:

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Holding, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Delegated General Manager of BANK OF AFRICA – BMCE Group, are also Directors of GNS Holding

Main terms and conditions:

Entered into 2 April 2010 and effective 1 January 2010, the purpose of this amendment, as part of the Bank's policy to extend BMCE EDIFIN services to all commercial relations and enhance profitability, is to revise the monthly payment for GNS' Value-Added Network services. In this regard, BANK OF AFRICA – BMCE Group shall assume the role of wholesaler as well responsibility for marketing the services acquired from GNS.

A second amendment, entered into 30 December 2011 and effective January 2012, sees the annual payment made by BANK OF AFRICA – BMCE Group to the service provider reduced to MAD 2,750,000 exclusive of taxes which corresponds to the minimum volume that it undertakes to acquire from 2,000,000 transaction entries.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an overall expense of MAD 3,187 K for the period ended 31 December 2019.

2.40. Services contract between BANK OF AFRICA – BMCE GROUP and RM EXPERTS relating to debt recovery**Person(s) concerned:**

- Mr Mamoun BELGHITI, Chairman of the Board of RM EXPERTS, is also a Director of BANK OF AFRICA – BMCE Group
- Mr Brahim BENJELLOUN-TOUIMI, Group Executive Managing Director of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts
- Mr M’Fadel EL HALAISSI, Delegated General Manager of BANK OF AFRICA – BMCE Group, is also a Director of RM Experts

Main terms and conditions:

Entered into 24 December 2010 between RECOVERY INTERNATIONAL MANAGEMENT AND EXPERTISE (RM EXPERTS) and BANK OF AFRICA – BMCE Group, the agreement mandates RM EXPERTS on an exclusive basis to recover the non-performing loans entrusted to it by BANK OF AFRICA – BMCE Group.

The contract is for a five-year period which is automatically renewable in subsequent two-year periods.

BANK OF AFRICA – BMCE Group shall undertake to make available to the service provider, on a secondment basis, all staff working in the Remedial Management Division from the contract date. These employees will be paid directly by BANK OF AFRICA – BMCE Group.

BANK OF AFRICA – BMCE Group will invoice the service provider for these employees’ salaries and other items of remuneration plus a 20% margin.

RM EXPERTS will invoice BANK OF AFRICA – BMCE Group for “managing its human resources”.

As part of this agreement, for each customer file for which the amount to be recovered is less than two hundred thousand dirhams, BANK OF AFRICA – BMCE Group will be invoiced for the sum of five hundred dirhams exclusive of taxes in respect of related expenses. RM EXPERTS shall also receive from BANK OF AFRICA – BMCE Group success fees payable on a quarterly basis depending on the sums repaid or recovered.

In the event of non-recovery, BANK OF AFRICA – BMCE Group shall undertake to reimburse RM EXPERTS for all actual costs incurred by the latter.

Amount(s) recognised:

BANK OF AFRICA – BMCE Group paid RM EXPERTS success fees of MAD 21,032 K and management fees of MAD 329 K for the period ended 31 December 2019.

2.41. Agreement between BANK OF AFRICA – BMCE GROUP and MAGHREBAIL**Person(s) concerned:**

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

Main terms and conditions:

Entered into 8 May 2009, the purpose of this agreement is to determine the terms and conditions governing BANK OF AFRICA – BMCE Group’s marketing of MAGHREBAIL’s formatted lease products, the BMCE Bail product, the BMCE Immobil Enterprise product and standard leasing products, regardless of whether or not they are severally and jointly backed by BANK OF AFRICA – BMCE Group.

The terms and conditions of this agreement are as follows:

- MAGHREBAIL shall pay BANK OF AFRICA – BMCE Group agency fees as set out in a price list
- MAGHREBAIL shall undertake to pay quarterly agency fees in respect of BANK OF AFRICA – BMCE Group’s remuneration.

- MAGHREBAIL shall undertake to pay annual success fees calculated on the basis of achieving sales targets that are independently confirmed by a steering committee.

- MAGHREBAIL shall undertake to remunerate BANK OF AFRICA – BMCE Group for its guarantee at the annual rate of interest in respect of formatted products. The rate of interest charged on the guarantee is determined on a case-by-case basis in respect of standard leasing products, regardless of whether or not they are severally and jointly backed; it is calculated annually on the amount of MAGHREBAIL's financial outstandings guaranteed by BANK OF AFRICA – BMCE Group (financial outstandings x proportion of bank guarantee).

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised overall income of MAD 14,096 K for the period ended 31 December 2019.

2.42. Partnership agreement between BANK OF AFRICA – BMCE GROUP and BUDGET LOCASOM

Person(s) concerned:

• Messrs Driss BENJELLOUN and M'Fadel EL HALAISSI, Delegated General Managers of BANK OF AFRICA – BMCE Group and Mr Azzedine GUESSOUS, a Director of BANK OF AFRICA – BMCE Group, are also Directors of Budget Locasom.

Main terms and conditions:

Entered into 29 May 2009, the purpose of this agreement is to determine the terms and conditions governing marketing by BANK OF AFRICA – BMCE Group of LOCASOM's BMCE LLD product (a vehicle leasing product for acquiring and managing a fleet of vehicles). Under this agreement, BANK OF AFRICA – BMCE Group will steer its customers towards this product while LOCASOM will follow up with interested customers by providing the necessary support. This product will be marketed via the BANK OF AFRICA – BMCE Group branch network.

The terms and conditions of this agreement are as follows:

- BANK OF AFRICA – BMCE Group shall solely undertake to encourage BMCE LLD customers to make regular lease payments (by directly debiting the customer's account etc.)
- BANK OF AFRICA – BMCE Group shall receive a fee ranging from 0.15% to 0.40% calculated on the basis of the vehicle's budgeted amount and the lease period.

Amount(s) recognised:

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

2.43. Services contract between BANK OF AFRICA – BMCE GROUP and BMCE EUROSERVICES

Person(s) concerned:

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

Main terms and conditions:

The purpose of this contract, entered into in 2013, is to clarify the underlying terms and conditions by which BANK OF AFRICA – BMCE Group will pay half-yearly fees to the Service Provider in consideration for the latter developing the Moroccans living abroad customer segment in Morocco.

Remuneration of Head Office and Branch Offices will be based on two criteria: a percentage of the net banking income earned by BANK OF AFRICA – BMCE Group in the Moroccans living abroad segment and a percentage of the funds transferred to BANK OF AFRICA – BMCE Group accounts in Morocco.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised an expense of MAD 167,591 K for the period ended 31 December 2019.

2.44. Commercial lease contract between BANK OF AFRICA- BMCE GROUP and GNS TECHNOLOGIES**Person(s) concerned:**

- Mr Mounir CHRAIBI, Chairman of the Board of GNS Technologies, is also Delegated General Manager of BANK OF AFRICA – BMCE Group
- Messrs M'Fadel EL HALAISSI and Driss BENJELLOUN, Delegated General Managers of BANK OF AFRICA – BMCE Group, are also Directors of GNS Technologies

Main terms and conditions:

Under the terms of this agreement, effective 1 January 2013 for an automatically-renewable 3-year period, BANK OF AFRICA – BMCE Group shall lease to GNS Technologies office space on the 2nd floor of a building located at 239 Boulevard Mohammed V in Casablanca whose land title number is No.36.829/C with a surface area of 276 m² whose land title number is in turn No.75.965/C, a property known as "GAMECOUR 4".


The monthly rental payment relating to this office space is set at MAD 16.6 K for the first year, MAD 19.3 K for the second year and MAD 22 K for the third year. To that is added a local council tax of 10.5% payable monthly as well as rental charges to maintain and manage the building's common areas which are invoiced pro-rata to the surface area rented.

Amount(s) recognised:

In respect of this agreement, BANK OF AFRICA – BMCE Group recognised income of MAD 322 K for the period ended 31 December 2019.

Casablanca, 28 April 2020

The Statutory Auditors

ERNST & YOUNG

Abdeslam BERRADA ALLAM
 Associé

KPMG

Fouad LAHGAZI
 Associé

PARENT COMPANY FINANCIAL STATEMENT AS OF 31 DECEMBER 2019

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, 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.

PARENT COMPANY FINANCIAL STATEMENT AS OF 31 DECEMBER 2019

- 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.

PARENT COMPANY FINANCIAL STATEMENT AS OF 31 DECEMBER 2019

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.

PARENT COMPANY FINANCIAL STATEMENT AS OF 31 DECEMBER 2019

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.

DOMESTIC ACTIVITY BALANCE SHEET

ASSETS	31/12/19	31/12/18
Cash, central banks, treasury, giro accounts	5 110 572	5 625 922
Loans to credit institutions and equivalent	22 149 097	20 645 443
. Demand	7 698 907	5 076 685
. Time	14 450 190	15 568 758
Loans and advances to customers	116 625 100	109 721 074
. Cash and consumer loans	35 594 227	33 015 606
. Equipment loans	22 104 094	21 811 901
. Mortgage loans	40 527 424	40 456 856
. Other loans	18 399 355	14 436 711
Advances acquired by factoring	2 283 749	2 515 204
Transaction and marketable securities	30 005 813	25 180 944
. Treasury bonds and equivalent securities	10 154 073	8 643 121
. Other debt securities	506 783	610 039
. Title deeds	19 267 730	15 832 484
. Sukuks Certificates	77 227	95 300
Other assets	3 459 599	4 205 962
Investment securities	4 375 064	3 770 452
. Treasury bonds and equivalent securities	2 125 081	1 453 364
. Other debt securities	2 249 983	2 317 088
. Sukuks Certificates	-	-
Equity investments and equivalent uses	10 691 682	10 719 322
. Investments in joint ventures	8 630 476	8 121 778
. Other equity securities and similar assets	2 061 206	2 597 544
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	192 807	198 469
Placed investment deposits	-	-
Leased and rented fixed assets	191 147	151 266
Ijara leased assets	-	-
Intangible fixed assets	410 050	232 960
Tangible fixed assets	5 470 550	5 143 410
TOTAL ASSETS	200 965 233	188 110 428

(in thousand MAD)

LIABILITIES	31/12/19	31/12/18
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	22 630 542	19 869 938
. Demand	1 932 813	1 441 442
. Time	20 697 729	18 428 496
Customer deposits	134 441 241	128 759 406
. Demand deposits	79 783 847	74 862 064
. Savings deposits	24 562 835	23 519 703
. Time deposits	23 723 341	23 982 912
. Other deposits	6 371 218	6 394 727
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	9 372 817	8 595 966
. Negotiable debt securities	8 872 817	8 095 966
. Bond loans	500 000	500 000
. Other debt securities issued	-	-
Other liabilities	3 968 135	4 727 486
Provisions for liabilities and charges	1 117 336	863 291
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	9 590 170	9 584 871
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	16 474 865	12 571 143
Capital	1 998 204	1 794 634
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	75	37
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	1 371 848	1 343 654
TOTAL LIABILITIES	200 965 233	188 110 428

(in thousand MAD)

BALANCE SHEET	31/12/19	31/12/18
Given commitments	19 446 241	22 457 705
Financing commitments on behalf of credit institutions and equivalent	182 309	628 306
Financing commitments on behalf of customers	6 217 752	4 828 204
Guarantee commitments given to credit institutions and equivalent	2 742 845	3 587 105
Guarantee commitments given to customers	10 132 584	10 295 288
Securities repos purchased	78 357	78 357
Other securities to be delivered	92 394	3 040 445
Received commitments	13 300 541	18 181 253
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	11 315 888	16 072 674
Guarantee commitments received from the State and various guarantee bodies	1 984 260	1 892 562
Securities repos sold	-	-
Other securities to be received	393	216 017
Moucharaka and Moudaraba securities to be received	-	-

STATEMENT OF INCOME AND EXPENSES

	31/12/19	31/12/18
BANK OPERATING INCOME	11 145 100	10 594 778
Interests and assimilated revenues on transactions with credit institutions	761 414	702 881
Interests and assimilated revenues on transactions with customers	5 467 179	5 625 747
Interests and assimilated revenues on debt securities	511 501	501 987
Revenue from property securities (1) and Sukuks certificates	658 083	699 212
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	16 627	16 190
Revenue from leased assets (Ijara)	-	-
Fees on provided services	1 265 476	1 189 821
Other banking revenues	2 464 820	1 858 940
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	4 668 371	4 575 473
Interests and assimilated expenses on transactions with credit institutions	1 279 079	993 554
Interests and assimilated expenses on transactions with customers	1 282 212	1 450 090
Interests and assimilated expenses on debt securities issued	255 028	396 364
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	13 568	10 466
Expenses from leased assets (Ijara)	-	-
Other banking expenses	1 838 484	1 724 999
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	6 476 731	6 019 302
Non-banking operating revenues	190 578	239 596
Non-banking operating expenses	63 685	11 573
GENERAL OPERATING EXPENSES	3 645 941	3 594 893
Staff expenses	1 631 096	1 603 716
Tax expenses	117 836	105 306
External expenses	1 617 320	1 627 598
Other general operating expenses	8 994	9 538
Allowances for depreciation and provisions for intangible and tangible fixed assets	270 695	248 735
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	2 122 518	1 119 460
Allowances for non performing loans and commitments	858 615	941 496
Loan losses	930 178	24 656
Other allowances for provisions	333 725	153 308
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	1 212 727	330 158
Provision write-backs on non performing loans and commitments	1 171 684	291 902
Recovery on amortised debts	30 543	31 156
Other provision write-backs	10 500	7 100
CURRENT INCOME	2 047 889	1 863 133
Non-current revenues	-	-
Non-current expenses	35 100	-
PRE-TAX EARNINGS	2 012 789	1 863 133
Corporate tax	640 941	519 477
NET EARNINGS FOR THE YEAR	1 371 848	1 343 654

EARNINGS FORMATION TABLE

EARNINGS FORMATION TABLE	31/12/19	31/12/18
(+) Interests and equivalent revenues	6 740 094	6 830 615
(-) Interests and equivalent expenses	2 816 318	2 840 009
NET INTEREST INCOME	3 923 776	3 990 606
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	-	-
(+) Profit from leasing and renting operations	16 627	16 190
(-) Expenses from leasing and renting operations	13 568	10 465
Income from leasing and rental operations	3 059	5 725
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
Income from Ijara operation (1)	-	-
(+) Fees received	1 570 234	1 450 018
(-) Fees paid	404 709	357 368
Fee income (1)	1 165 525	1 092 650
(+) Income from trading securities	743 976	262 796
(+) Income from investment securities	-14 934	-63 377
(+) Income from payload operations	394 452	361 350
(+) Income from by-product operation	-130 313	-60 770
Income from market transactions (1)	993 181	499 999
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	658 083	699 212
(-) other banking expenses	266 893	268 890
(+/-) Holders' share in investment deposit accounts	-	-
NET BANKING INCOME	6 476 731	6 019 302
(+) Income from financial asset operations (2)	17 104	-12 304
(+) Other non-banking operating revenues	168 460	239 376
(-) Other non-banking operating expenses	62 874	11 152
(-) General operating expenses	3 645 941	3 594 893
Gross operating income	2 953 480	2 640 329
(+) Allowances for non performing loans and commitments (net of write-backs)	-586 567	-643 094
(+) Other allowances net of provision write-backs	-319 024	-134 105
Current income	2 047 889	1 863 130
Non-current income	-35 100	-
(-) Corporate tax	640 941	519 477
Net earnings for the year	1 371 848	1 343 654

(in thousand MAD)

EARNINGS FORMATION TABLE	31/12/19	31/12/18
(+) Net earnings for the year	1 371 848	1 343 654
(+) Allowances for depreciation and provisions for intangible and tangible fixed assets	270 695	248 735
(+) Allowances for provisions for equity investments depreciation	4 720	12 665
(+) Allowances for provisions for general risks	295 747	131 850
(+) Allowances for regulated provisions	-	-
(+) Non-current allowances	-	-
(-) Provision write-backs	518	562
(-) Capital gains on disposals of intangible and tangible fixed assets	47 797	163 331
(+) Capital losses on disposals of intangible and tangible fixed assets	-	-
(-) Capital gains on disposals of equity investments	22 117	220
(+) Capital losses on disposals of equity investments	811	421
(-) Write-backs of investment subsidies received	-	-
(+) Financing	1 873 390	1 573 211
(-) Dividends distributed	-	-
(+) Cash-flow	1 873 390	1 573 211

(in thousand MAD)

STATEMENT OF CASH FLOW	31/12/19	31/12/18
(+) Operating income received from banking operations	10 452 239	9 845 282
(+) Recovery of amortised debts	30 543	31 156
(+) Non-banking revenues received	190 578	239 596
(-) Banking operating expenses paid	4 940 728	5 272 231
(-) Non-banking operating expenses paid	63 685	11 573
(-) General operating expenses paid	3 375 246	3 346 158
(-) Corporate tax paid	640 940	519 477
I.Net Cash Flows from the Income Statement	1 652 761	966 595
Change in:		
(+) Loans to credit institutions and equivalent	-1 503 654	4 664 605
(+) Loans to customers	-6 672 571	5 864 886
(+) Debt and marketable securities	-4 824 869	8 709 160
(+) Other assets	876 455	-1 513 397
(-) Moudaraba and Moucharaka securities	-	-
(+) Leasing and renting operations	-39 881	-48 147
(+) Ijara operations	-	-
(+) Investments placed through credit institutions and equivalent	-	-
(+) Amounts owed to credit institutions and equivalent	2 760 604	-612 330
(+) Customer deposits	5 681 835	-7 055 739
(+) Customer borrowings on participatory financing	-	-
(+) Debt securities issued	776 851	-3 969 945
(+) Other liabilities	-717 718	-4 283 400
II.Balance of changes in operating assets and liabilities	-3 662 948	1 755 693
III.Net cash flows from operating activities (I + II)	-2 010 187	2 722 288
(+) Revenues from equity investments (1) (4)	432 351	200 175
(+) Revenues from disposals of intangible and tangible fixed assets (4)	179 800	465 442
(-) Acquisitions of equity investments (1)	1 328 397	723 594
(-) Acquisitions of intangible and tangible fixed assets	942 301	467 860
(+) Interests received	250	94 095
(+) Dividends received	575 280	611 817
IV.FLUX DE TRESORERIE NETS PROVENANT DES ACTIVITES D'INVESTISSEMENT	-1 083 017	180 076
(+) Subsidies, public funds and guarantee funds received	-	-
(+) Issues of subordinated debts	5 299	-
(+) Received investment deposits	-	-
(+) Stock issues	2 970 415	-
(-) Repayment of shareholders equity and equivalent	-	1 862 311
(-) Reimbursed investment deposits (2)	-	-
(-) Interests paid	397 860	395 426
(-) Rémunérations versées sur dépôts d'investissement (3) (4)	-	-
(-) Dividends paid	-	897 317
V.Net Cash Flows from Financing Activities	2 577 854	-3 155 054
VI.Net Change In Cash (III + IV + V)	-515 350	-252 690
VII.Cash & Cash Equivalent at Beginning of Year	5 625 922	5 878 612
VIII.Cash & Cash Equivalent at Year-end	5 110 572	5 625 922

(in thousand MAD)

STATEMENT OF ADDITIONAL INFORMATION

MAIN VALUATION METHODS APPLIED

VALUATION METHODS APPLIED BY BANK OF AFRICA

non applicable

LOANS TO CREDIT INSTITUTIONS AND EQUIVALENT

Claims	"Bank Al Maghrib, Treasury	Banques au Maroc	Autres établissements de crédit et assimilés au Maroc	Etablissements de crédit à l'étranger	Total 31 / 12 / 2019	Total 31 / 12 / 2018
Ordinary accounts in debit	and giro	225 880	1 093 212	6 041 432	10 664 369	10 668 714
Securities received as pledges	accounts"	"Banks	-	-	1 029 412	23 148
- Overnight	in Morocco"	"Other credit	-	-	1 029 412	-
- Time	institutions	-	-	-	-	23 148
Short-term loans	and equivalent	1 038 373	2 900 827	2 381 110	6 320 310	4 906 563
- Overnight	in Morocco"	"Foreign	19 186	-	1 057 559	-
- Time	credit institutions"	"TOTAL	2 881 641	2 381 110	5 262 751	4 906 563
Financial loans	31 / 12 / 2019"	"TOTAL	4 406 945	187 033	5 841 192	7 566 819
Other loans	31 / 12 / 2018"	349 719	-	118 885	3 364 364	3 080 642
Receivables accrued interest	-	29 203	6 235	4 580	40 017	25 474
Non performing loans	-	-	4	-	4	5
TOTAL	6 199 606	3 919 800	8 407 223	8 733 039	27 259 669	26 271 365

(in thousand MAD)

LOANS TO CUSTOMERS

Claims	Public Sector	Private Sector			TOTAL 31 / 12 / 2019	TOTAL 31 / 12 / 2018
		Financial companies	Non-financial companies	Other customers		
Short-term loans	409 839	2 128 580	22 106 461	2 416 894	27 061 774	23 799 428
- Deposit accounts in debit	369 226	2 128 580	12 471 603	1 744 545	16 713 954	16 165 784
- Commercial loans in Morocco	18 746	-	3 354 649	109 291	3 482 686	3 476 205
- Export loans	-	-	583 764	467 767	1 051 531	324 597
- Other cash loans	21 867	-	5 696 445	95 291	5 813 603	3 832 842
Consumer loans	-	-	-	8 162 481	8 162 481	8 830 232
Equipment loans	5 083 177	535 775	14 785 231	1 413 575	21 817 758	21 569 962
Mortgage loans	4 773	-	10 047 117	30 388 847	40 440 737	40 372 880
Other loans	-	13 447 547	1 770 216	46 479	15 264 242	11 974 241
Advances acquired by factoring	1 977 072	-	306 677	-	2 283 749	2 515 204
Receivables accrued interest	73 484	45 299	472 208	152 003	742 995	711 861
Non performing loans	130	-	1 694 527	1 429 392	3 135 112	2 462 470
- Substandard loans	-	-	3 422	516 590	520 012	396 723
- Doubtful loans	-	-	778 864	287 110	1 065 974	634 094
- Loss loans	130	-	923 304	625 692	1 549 126	1 431 653
TOTAL	7 548 475	16 157 201	51 182 437	44 009 671	118 908 849	112 236 278

(in thousand MAD)

FINANCIAL REPORT

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES BY CATEGORY OF ISSUER						
	"Credit Institutions and Equivalent"	Public Issuers	PRIVATE ISSUERS		Total 31 / 12 / 2019	Total 31 / 12 / 2018
			Financial companies	Non-financial companies		
Quoted securities	6 709	4 156 001	19 245 740	31 830	23 440 279	28 766 368
- Treasury bonds and equivalent securities	-	2 867 631	-	-	2 867 631	10 022 245
- Bonds	-	1 288 369	-	19 687	1 308 057	2 450 467
- Other debt securities	-	-	-	-	-	369 304
- Title deeds	6 709	-	19 245 740	12 143	19 264 591	15 829 053
Certificats de Sukus	-	-	-	-	-	95 300
Titres non cotés	618 393	9 621 521	53 325	647 360	10 940 599	196 092
- Treasury bonds and equivalent securities	-	9 312 684	-	-	9 312 684	-
- Bonds	298 808	25 000	50 000	624 400	998 208	-
- Other debt securities	314 664	-	-	14 271	328 935	-
- Title deeds	-	-	-	-	-	-
Certificats de Sukus	-	77 227	-	-	77 227	-
Accrued interest	4 920	206 609	3 325	8 690	223 545	196 092
TOTAL	625 102	13 777 521	19 299 065	679 190	34 380 877	28 962 460

(in thousand MAD)

BREAKDOWN OF TRANSACTION & MARKETABLE SECURITIES AND INVESTMENT SECURITIES						
	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Transaction securities	27 852 089	27 852 089	-	-	-	-
Treasury bonds and equivalent securities	8 143 976	8 143 976	-	-	-	-
Bonds	84 400	84 400	-	-	-	-
Other debt securities	381 526	381 526	-	-	-	-
Title deeds	19 164 959	19 164 959	-	-	-	-
Sukus certificates	77 227	77 227	-	-	-	-
Marketable securities	2 196 686	2 153 724	2 196 686	-	42 962	42 962
Treasury bonds and equivalent securities	2 053 058	2 010 096	2 053 058	-	42 962	42 962
Bonds	-	-	-	-	-	-
Other debt securities	40 858	40 858	40 858	-	-	-
Title deeds	102 770	102 770	102 770	-	-	-
Investment securities	4 375 455	4 375 064	4 223 950	-	390	-
Treasury bonds and equivalent securities	2 125 082	2 125 082	1 996 277	-	-	-
Bonds	2 222 255	2 222 255	2 199 556	-	-	-
Other debt securities	28 118	27 728	28 118	-	390	-
TOTAL	34 424 230	34 380 877	6 420 637	-	43 352	42 962

(in thousand MAD)

DETAIL OF OTHER ASSETS			31 / 12 / 2019	31 / 12 / 2018
Optional instruments			-59 121	-13 033
Miscellaneous transactions on securities			276 293	303 697
Other Debtors			1 066 599	945 775
- Sums due by the state			912 464	811 721
- Sums due by provident companies			-	-
- Receivables from staff			107 590	90 641
- Receivable for non-banking services			-	-
Other debtors			46 545	43 413
Other securities and assets			9 403	9 405
Adjustment accounts			2 166 424	2 960 119
Off-balance sheet adjustment accounts			54 670	57 172
Currency discrepancy accounts			54 670	57 172
Derivatives discrepancy accounts			-	-
Securities discrepancy accounts			-	-
Currency and securities Goodwill			-	-
Income on hedging transactions			-	-
Deferred expenses			176 716	138 188
Liaison accounts between the head office, subsidiaries and branches in Morocco			313 697	449 310
Accrued income and prepayment			330 432	320 266
Accrued income			321 662	303 356
Prepayment			8 770	16 910
Transitory accounts			-	-
Other adjustment accounts			1 290 909	1 995 183
Non performing loans on miscellaneous transactions			-	-
TOTAL			3 459 599	4 205 962

(in thousand MAD)

512 EQUITY INVESTMENTS				8 797 030	166 554	8 630 476
SECURITIES / ACTIVITIES OF THE PORTFOLIO						
PROPARCO	International credit institution	1 082 935	693 079 200 EUR	2,50	-	172 711
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	-	171 633
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	171 633	147 748
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	159 860 800 EUR	4,34	-	71 308
AMETHIS FINANCE Luxembourg	Investment company in risk capital	4 503	214 778 488 EUR	2,10	-	48 465
AMETHIS II	Investment company in risk capital	1 125	84 618 000 EUR	1,33	-	12 266
BOURSE DE CASABLANCA	Stock exchange	310 014	387 517 900	8,00	-	31 373
MAROC NUMERIC FUND	Investment fund	150 000	75 000 000	20,00	7 566	7 434
MAROC NUMERIC FUND II	Investment fund	78 431	40 000 000	19,61	-	3 922
SEAF MOROCCO GROWTH FUND	Investment fund	60 000	84 120 000	7,13	-	4 854
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6 000	150 000 000 USD	4,00	-	28 780
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107 500	150 000 000	7,17	-	10 750
INMAA SA	Service company	53 333	20 000 000	26,67	5 395	5 355
AFREXIM BANK (AFRICAN IMPORT EXPORT)	Credit institution/foreign	30	506 300 000 USD	0,059	2 323	3 010
FONDS MONETAIRE ARABE (ARAB TRADE FINANCING PROGRAM)	Financial institution	50	987 920 000 USD	0,03	-	2 959
FIROGEST	Investment fund	2 500	2 000 000	12,50	-	2 878
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guarantee funds	588	1 000 000	588	-	250
515 SECURITIES/ACTIVITIES OF THE PORTFOLIO				730 288	334 665	395 622
OTHER						
CFG GROUP	Investment Bank	285 065	442 817 300	6,44	-	103 997
Mutandis SCA	Investment fund	832 458	799 673 700	10,41	-	96 807
Mutandis AUTOMOBILE SCA	Automobile distribution	846 892	630 000 000	13,44	-	91 359
ROYAL RANCHES MARRAKECH	Real Estate and tourism	106 667	800 000 000	13,33	4 240	87 120
VIGEO	Financial advisory	94 000	14 362 235 EUR	3,27	-	60 000
SOGEPPOS	Development company	46 216	35 000 000	13,20	3 875	5 059
LA CELLULOSE DU MAROC	Paper pulp	52 864	700 484 000	0,75	-	4 622
SMAEX	Insurance and service	22 563	50 000 000	4,51	3 393	3 393
FRUNAT	Agri-industry	4 000	13 000 000	3,08	-	1 690
STE IMMOBILIERE SIEGE GPBM	Real Estate	12 670	19 005 000	6,67	1 450	1 450
STE D'AMENAGEMENT DU PARC INDUSTRIE	Real Estate	10 000	60 429 000	1,65	-	1 267
MAROCLEAR	Central custodian	803	100 000 000	4,02	-	1 000
STE IPE	Edilin & printing	8 013	10 000 000	8,01	-	803
CASABLANCA PATRIMOINE S.A	Local development	5 000	31 000 000	1,61	-	801
GECOTEX	Industry	5 000	10 000 000	5,00	-	500
SOCIETE ALLICOM MAROC	Industry	5 000	20 000 000	2,50	500	500
DAR ADDAMANE	Guarantee bodies	1 922	75 000 000	0,64	-	481
PORNET	Service company	1 800	11 326 800	1,59	-	180
SINCOMAR	Agribusiness	494	37 440 000	0,13	-	49
SWIFT	Service company	23	434 020 000 EUR	0,01	49	-
DYAR AL MADINA	Real Estate	640	20 000 000	0,32	23	23
RWA WATANYA	Insurance	5	1 796 170 800	0,00	-	9
RISMA	Tourism	10	1 432 694 700	0,00010	-	2
MEDI 1 TV	Audiovisuel	59 774	199 245 600	3,00	-	2
516-9 OTHER EQUITY INVESTMENT				378 371	14 488	363 882
Associates current account						
RYAD ENNOUR				471 643	-	471 643
FARACHA IMMO				301 026	-	301 026
IT International Service ITIS				51 670	-	51 670
AKENZA IMMO				46 931	-	46 931
SUX HILL SECOND				49 314	-	49 314
SAISS IMMO NEJMA				36 481	-	36 481
BMCE IMMOBILIER				38 000	-	38 000
SUX HILL PRIMER				25 780	-	25 780
SUX HILL TERCIO				15 522	-	15 522
MARTCO				1 500	1 500	-
Siege G.P.B.M.				723	-	723
ALLICOM MAROC				552	-	-
HANOUTY				1 615	-	-
MOHIT IMMO				3 850	-	3 850
NOUACER CITY IMMO				20	-	20
Others				1 044 626	2 052	1 042 574
TOTAL				11 241 552	549 870	10 691 682

SUBORDINATED DEBTS

	Amount			Included linked and related Companies	
	31/12/19		31/12/18	31/12/19	31/12/18
	Gross	Provisions	Net	Net	Net
Subordinated loans to credit institutions and similar	-	-	190 532	193 859	190 532
Subordinated loans to customers	-	-	-	-	-
TOTAL	190 532	-	190 532	193 859	190 532

(in thousand MAD)

FIXED ASSETS ON LEASING, WITH OPTION TO PURCHASE, AND WITH SIMPLE LEASE

	Gross	Montant des acquisitions au cours de l'exercice	Montant des cessions ou retraits au cours de l'exercice	Réajustement	Montant brut à la fin de l'exercice	Depreciation		Provisions			Net amount year ended
						Depreciation	Total Depreciations	Provisions	Write-backs	Total provisions	
Fixed Leasing Assets beginning of the year	206 241	152 679	-113	225 646	13 568	34 499	-	-	-	-	191 147
Leasing on intangible assets	-	-	-113	6 459	-	-	-	-	-	-	6 459
Furniture leasing	-	-	-12 933	74 000	10 466	31 397	-	-	-	-	42 603
- In progress	-	-	-	-	-	-	-	-	-	-	-
- Leased	-	-	-12 933	74 000	10 466	31 397	-	-	-	-	42 603
- Non Leased after termination the year	Readjustement	"Gross"	-	-	-	-	-	-	-	-	-
Real leased leasing	202 668	145 188	12 933	145 188	3 102	3 102	-	-	-	-	142 086
- In progress	57 480	145 188	12 933	0	-	-	-	-	-	-	0
- Leased	145 188	-	-	145 188	3 102	3 102	-	-	-	-	142 086
- Non leased after termination	-	-	-	-	-	-	-	-	-	-	-
Leased to perceive	3 918	3 573	7 492	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-	-
Fixed assets given on simple	-	-	-	-	-	-	-	-	-	-	-
Furniture given on simple lease	-	-	-	-	-	-	-	-	-	-	-
Real-estate given on simple lease	-	-	-	-	-	-	-	-	-	-	-
Leases to perceive	-	-	-	-	-	-	-	-	-	-	-
Restructured leases	-	-	-	-	-	-	-	-	-	-	-
Non paid leases	-	-	-	-	-	-	-	-	-	-	-
Non performing loans	-	-	-	-	-	-	-	-	-	-	-
TOTAL	172 197	206 241	152 679	-113	225 646	13 568	34 499	-	-	-	191 147

(in thousand MAD)

FINANCIAL REPORT

TANGIBLE AND INTANGIBLE FIXED ASSETS

	Gross amount at the beginning of the year	Gross reclassification of the year	Acquisitions of the year	Disposals or withdrawals of the year	Gross amount at the end of the year	Depreciation and/or Provisions					Net amount at the end of the year
						Depreciation and/or provisions at the beginning of the year	Reclassification of the year	Allowances for the year	Depreciation on fixed assets withdrawn	Total	
Intangible fixed assets	735 319	-364	315 163	98 784	951 333	502 359	-153	39 077	-	541 283	410 050
Leasehold rights	97 091	-18	-	-	97 073	-	-	-	-	-	97 073
Investment in research and development	-	-	-	-	-	-	-	-	-	-	-
Other operating intangible assets	638 228	-346	315 163	98 784	854 260	502 359	-153	39 077	-	541 283	312 977
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-	-	-
Tangible fixed assets	9 073 898	-10 870	684 679	123 705	9 624 001	3 930 488	-5 120	231 618	3 535	4 153 451	5 470 550
Operating buildings	1 343 952	-1 616	269 416	354	1 611 397	406 807	-850	33 115	-	439 071	1 172 326
Operating land	185 362	-284	53 862	-	238 940	-	-	-	-	-	238 940
Operating buildings offices	1 158 589	-1 332	215 554	354	1 372 457	406 807	-850	33 115	-	439 071	933 386
Operating buildings. Staff housing	-	-	-	-	-	-	-	-	-	-	-
Operating furniture and equipment	1 865 071	-50	189 914	80 689	1 974 246	1 618 309	-27	57 402	2 463	1 673 220	301 025
Operating office furniture 495 868	509 596	-	126 915	80 591	555 920	376 495	-	18 414	2 365	392 544	163 376
Operating office equip- 203 261	213 935	-50	3 179	-	217 064	187 022	-11	9 145	-	196 155	20 908
Computer equipment 967 577	980 028	-	38 540	-	1 018 568	932 336	-16	17 881	-	950 201	68 367
Operating vehicles 54 589	54 397	-	20 906	-	75 303	35 725	-	8 849	-	44 574	30 729
Other operating equipment 104 470	107 115	-	375	98	107 392	86 731	-	3 113	98	89 746	17 645
Other operating tangible 2 043 651	2 127 861	-5 420	73 816	-	2 196 257	1 628 385	-46	104 056	-	1 732 396	463 861
Non operating tangible 3 859 255	3 737 014	-3 784	151 533	42 663	3 842 102	276 987	-4 197	37 045	1 071	308 764	3 533 338
Non-operating land 3 005 901	3 031 550	284	32 958	26 481	3 038 311	-	-	-	-	-	3 038 311
Non-operating buildings 687 740	566 287	-4 068	108 390	16 181	654 427	168 995	-4 197	30 950	1 071	194 677	459 750
Non-operating furniture and 94 740	63 691	-	5 336	-	69 027	48 624	-	2 997	-	51 622	17 405
Other non-operating tangi- 70 874	75 487	-	4 850	-	80 337	59 368	-	3 097	-	62 465	17 871
TOTAL	9 809 217	-11 234	999 842	222 489	10 575 335	4 432 847	-5 273	270 695	3 535	4 694 735	5 880 600

(in thousand MAD)

DISPOSAL OF TANGIBLE AND INTANGIBLE FIXED ASSETS

Sale or withdrawal date	Nature	Montant Brut	Amortissements cumulés	Valeur nette comptable	Produit de cession	Plus-values de cession	Moins-values de cession
14/01/19	PARC CYCLES	90	90	-	9	9	
22/03/19	OFFICE FURNITURE	1 581	1 581	-	119	119	
04/06/19	PARC CYCLES	8	8	-	1	1	
30/06/19	LAND	22 436	-	22 436	69 000	46 564	
18/07/19	OFFICE FURNITURE	784	784	-	59	59	
18/10/19	OFFICE SPACES	1 577	666	911	1 200	289	
27/11/19	VILLA	18 650	406	18 244	19 000	756	
		45 126	3 535	41 591	89 387	47 797	-

(in thousand MAD)

DEBTS TO CREDIT INSTITUTIONS AND EQUIVALENT

Debts	Bank Al-Maghrib, Treasury and giro current account	Banks in Morocco	Other credit institutions and equivalent in Morocco	Credit institutions abroad	Total 31/12/2019	Total 31/12/2018
Ordinary credit accounts	-	30 877	387 808	854 223	1 272 908	851 441
Securities pledged	12 000 048	1 347 617	-	-	13 347 665	12 501 789
- Overnight	-	-	-	-	-	-
- Time	12 000 048	1 347 617	-	-	13 347 665	12 501 789
Cash Borrowings	-	122 000	2 997 697	2 252 527	5 372 224	4 211 147
- Overnight	-	67 000	38 373	554 531	659 904	590 000
- Time	-	55 000	2 959 324	1 697 996	4 712 320	3 621 147
Financial borrowings	-	58 716	1 417 104	-	1 475 820	1 772 134
Other debts	9 212	399	56 024	1 074 437	1 140 072	506 730
Payable accrued interests	939	565	11 496	8 852	21 852	26 698
TOTAL	12 010 199	1 560 174	4 870 129	4 190 039	22 630 542	19 869 938

(in thousand MAD)

CUSTOMER DEPOSITS

Deposits	Public sector	Private sector			Total 31/12/2019	Total 31/12/2018
		Financial companies	Non financial companies	Other companies		
Demand and credit accounts	3 238 644	1 079 335	17 588 326	57 866 802	79 773 107	73 361 105
Saving accounts	-	-	-	24 486 071	24 486 071	24 129 793
Time Deposits	1 584 239	7 185 229	1 127 891	13 461 237	23 358 596	23 482 126
Other credit accounts (*)	2 935 683	449 204	2 266 566	719 766	6 371 219	7 308 764
Payable accrued interests	25 445	109 968	19 897	296 938	452 248	477 617
TOTAL	7 784 011	8 823 736	21 002 680	96 830 814	134 441 241	128 759 405

(in thousand MAD)

DEBT SECURITIES ISSUED

Type of securities	Starting date	Maturity date	" Characteristics	Volume
Nominal unit value "	Rate	29/03/20	2,80%	250 000,00
CD BANK OF AFRICA- BMCE GROUP	23/11/19	23/11/20	2,79%	134 000,00
CD BANK OF AFRICA- BMCE GROUP	18/12/17	18/12/20	3,00%	120 000,00
CD BANK OF AFRICA- BMCE GROUP	09/03/18	09/03/20	2,82%	200 000,00
CD BANK OF AFRICA- BMCE GROUP	29/03/18	29/03/20	2,75%	440 000,00
CD BANK OF AFRICA- BMCE GROUP	17/04/18	17/04/20	2,75%	185 000,00
CD BANK OF AFRICA- BMCE GROUP	28/12/18	28/12/20	2,90%	60 000,00
CD BANK OF AFRICA- BMCE GROUP	28/03/19	26/03/20	2,59%	655 000,00
CD BANK OF AFRICA- BMCE GROUP	28/03/19	28/03/21	2,76%	340 000,00
CD BANK OF AFRICA- BMCE GROUP	16/04/19	14/04/20	2,61%	255 000,00
CD BANK OF AFRICA- BMCE GROUP	16/04/19	16/04/21	2,74%	805 000,00
CD BANK OF AFRICA- BMCE GROUP	30/04/19	30/04/21	2,71%	365 000,00
CD BANK OF AFRICA- BMCE GROUP	08/05/19	06/05/20	2,59%	316 000,00
CD BANK OF AFRICA- BMCE GROUP	08/05/19	08/05/21	2,68%	15 000,00
CD BANK OF AFRICA- BMCE GROUP	29/05/19	27/05/20	2,60%	250 000,00
CD BANK OF AFRICA- BMCE GROUP	27/06/19	25/06/20	2,63%	500 000,00
CD BANK OF AFRICA- BMCE GROUP	02/08/19	31/07/20	2,60%	70 000,00
CD BANK OF AFRICA- BMCE GROUP	02/08/19	02/08/21	2,70%	160 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/19	09/03/20	2,45%	30 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/19	07/09/20	2,58%	125 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/19	09/09/21	2,68%	50 000,00
CD BANK OF AFRICA- BMCE GROUP	09/09/19	09/09/22	2,76%	225 000,00
CD BANK OF AFRICA- BMCE GROUP	10/10/19	08/10/20	2,57%	200 000,00
CD BANK OF AFRICA- BMCE GROUP	15/10/19	14/01/20	2,45%	400 000,00
CD BANK OF AFRICA- BMCE GROUP	15/10/19	13/10/20	2,57%	388 000,00
CD BANK OF AFRICA- BMCE GROUP	15/10/19	15/10/22	2,79%	765 000,00
CD BANK OF AFRICA- BMCE GROUP	03/12/19	02/06/20	2,55%	252 300,00
CD BANK OF AFRICA- BMCE GROUP	03/12/19	01/12/20	2,58%	244 000,00
CD BANK OF AFRICA- BMCE GROUP	03/12/19	03/12/21	2,67%	350 000,00
CD BANK OF AFRICA- BMCE GROUP	03/12/19	03/12/22	2,75%	615 000,00
			TOTAL	8 764 300

DETAIL OF OTHER LIABILITIES

LIABILITIES	31/12/2019	31/12/2018
Provisions, deducted from assets, on :	-37 162	-2 172
Loans to credit institutions and equivalent	187 427	1 025 665
Loans and advances to customers	1 590 158	1 345 519
Doubtful interest	1 232 875	1 024 003
Marketable securities	45 153	54 221
Equity investments and equivalent assets	178 784	159 063
Leased and rented fixed assets	12	3 674
Other assets	418	12 973
Provisions Recorded under liabilities	132 916	91 585
Provisions for risks of fulfilment of commitments	2 227 712	2 358 474
Contingent liabilities	2 578	14 893
Provisions for general risks	-	-
Provisions for retirement pensions and similar obligations	-	-
Other contingent liabilities (E.C)	290 130	303
Regulated provisions	281 298	308 871
TOTAL	3 968 135	4 727 486

(in thousand MAD)

FINANCIAL REPORT

PROVISIONS	Amount 31/12/18	Allowances	Write back	Other changes	Outstanding 31/12/19
Provisions, deducted from assets, on :	6 205 240	1 001 317	1 138 204	5 876	6 062 477
Loans to credit institutions and equivalent	58 616		7 000		51 616
Loans and advances to customers	5 557 148	857 823	1 120 394	243	5 294 334
Doubtful interest	27 502	95 812	10	-	123 304
Marketable securities	10 149	42 962	10 282	-133	42 962
Equity investments and equivalent assets	550 908	4 720		5 758	549 870
Leased and rented fixed assets	-	-	-		-
Other assets	916	-	518	8	390
Provisions Recorded under liabilities	863 291	308 318	54 270	4	1 117 335
Provisions for risks of fulfilment of commitments	55 985	792	44 289		12 488
Contingent liabilities	-	-	-	-	-
Provisions for general risks	778 855	295 747	-	-	1 074 602
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	28 451	11 779	9 981	4	30 245
Regulated provisions	-	-	-	-	-
TOTAL	7 068 531	1 309 635	1 192 474	5 880	7 179 812

DETTES SUBORDONNÉES						
Monnaie de l'emprunt	Montant en monnaie de l'emprunt	Cours	Taux	Durée	Conditions de remboursement anticipé, subordonnée et convertibilité	Montant de l'emprunt en monnaie nationale (contre-valeur KMAD)
DH	150 000	1	6,95%	Perpétuel		150 000
DH	850 000	1	4,44%	Perpétuel		850 000
DH	950 000	1	3,37%	Perpétuel		950 000
DH	50 000	1	5,30%	Perpétuel		50 000
DH	160 000	1	6,18%	10 ans		160 000
DH	50 000	1	6,18%	10 ans		50 000
DH	790 000	1	3,63%	10 ans		790 000
DH	154 500	1	5,64%	10 ans		154 500
DH	845 500	1	3,51%	10 ans		845 500
DH	626 000	1	4,74%	10 ans		626 000
DH	1 374 000	1	3,46%	10 ans		1 374 000
DH	447 200	1	3,74%	10 ans		447 200
DH	78 900	1	3,74%	10 ans		78 900
DH	1 473 900	1	3,28%	10 ans		1 473 900
DH	200 000	1	7,05%	Perpétuel		200 000
DH	800 000	1	5,62%	Perpétuel		800 000
DH	400 000	1	3,29%	5 ans		400 000
						9 400 000

FINANCIAL REPORT

SHAREHOLDER'S EQUITY	Amount 31/12/2018	Allocation of earning	Other changes	Outstanding 31/12/2019
REVALUATION RESERVE	-	-	-	-
Additional paid-in capital	12 571 143	446 300	3 457 422	16 474 866
Legal reserve	460 306	-	-	460 306
Other reserves	7 204 419	446 300	-3 280	7 647 439
Issuance, merger and contribution premiums	4 906 418	-	3 460 702	8 367 120
Capital	1 794 634	-	203 571	1 998 205
Called-up capital	1 794 634	-	203 571	1 998 205
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	-	-	-	-
Retained earnings (+/-)	37	38	-	75
Net earnings being appropriated (+/-)	-	-	-	-
Net earnings for fiscal year(+/-)	1 343 654	-1 343 654	-	1 371 848
TOTAL	15 709 468	-897 316	3 660 993	19 844 993

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	31/12/19	31/12/18
Financing and guarantee commitments given	19 275 490	19 338 903
Financing commitments on behalf of credit institutions and equivalent	182 310	628 306
- Import letters of credit	-	-
- Payment acceptances or commitments	-	-
- Opening of confirmed credit	182 310	628 306
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	-	-
- Other financing commitments given	-	-
Financing commitments on behalf of customers	6 217 752	4 828 204
- Import letters of credit	2 538 217	1 966 305
- Payment acceptances or commitments	766 203	482 908
- Opening of confirmed credit	1 539 861	1 246 318
- Substitution commitments on issuing of securities	-	-
- Irrevocable leasing commitments	6 859	67 437
- Other financing commitments given	1 366 613	1 065 235
Guarantee commitments for credit institutions and equivalent	2 742 845	3 587 105
- Confirmed export letters of credit	3 942	19 098
- Payment acceptances or commitments	3 503	3 096
- Credit guarantees given	-	-
- Other securities, endorsements and guarantees given	492 334	285 906
- Non performing commitments	2 243 066	3 279 005
Guarantee commitments for customers	10 132 583	10 295 288
- Credit guarantees given	-	-
- Securities and guarantees given on behalf of the public administration	6 321 773	6 313 050
- Other securities and guarantees given	3 810 810	3 982 238
- Non performing commitments	-	-
Financing and guarantee commitments received	13 300 148	17 965 237
Financing commitments received from credit institutions and equivalent	-	-
- Opening of confirmed credit	-	-
- Substitution commitments on issuing of securities	-	-
- Other financing commitments received	-	-
Guarantee commitments received from credit institutions and equivalent	11 315 888	16 072 674
- Credit guarantees	2 285 546	2 304 661
- Other guarantees received	9 030 342	13 768 013
Guarantee commitments received from the state and other guarantee institutions	1 984 260	1 892 563
- Credit guarantees	1 135 773	655 773
- Other guarantees received	848 487	1 236 790

(In thousand MAD)

COMMITMENTS ON SECURITIES	MONTANT
Given commitments	170 751
- Securities repos purchased	78 357
- Other securities to be delivered	92 394
Received commitments	393
- Securities repos sold	-
- Other securities to be received	393

(In thousand MAD)

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES	Holding transaction		Other transaction	
	31/12/19	31/12/18	31/12/19	31/12/18
Forward exchange transactions	26 050 310	22 776 744	-	-
Currency to be received	8 991 084	5 364 223	-	-
Currency to be delivered	5 506 159	2 265 582	-	-
Dirhams to be received	7 485 710	9 069 748	-	-
Dirhams to be delivered	4 067 357	6 077 191	-	-
Of which financial currency swaps	-	-	-	-
Commitments on derivatives	2 593 504	2 747 533	-	-
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	1 512 474	1 545 629	-	-
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on OTC exchange rate markets	-	162 029	5 001	-
Commitments on regulated markets for other instruments	-	-	-	-
Commitments on OTC markets for other instruments	1 081 030	1 039 875	-	-

(In thousand MAD)

SECURITIES RECEIVED AND GIVEN AS COLLATERAL			
Securities received as collateral	Net book value	Loans or given commitments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	10 689 746		
Other securities	6 578 493		
Mortgages	94 246 843		
Other securities received as collateral	231 586 205		
TOTAL	343 101 287		
Securities given as collateral	Net book value	Loans or given commitments posted to assets or to off balance sheet	Amount of loans and given commitments
Treasury bills and equivalent	12 000 048		
Other securities	776 934	BDT donnés en pension	
Mortgages			
Other securities received as collateral		Autres valeurs données en pension	
TOTAL	12 776 982		

(In thousand MAD)

BREAKDOWN OF USES AND RESOURCES ACCORDING TO RESIDUAL MATURITIES

	D < 1 month	1 month < D < 3 months	3 months < D < 1 year	1 year < D < 5 years	D > 5 years	TOTAL
ASSETS						
Loans to credit institutions and equivalent	2 486 882	4 716 219	2 464 782	3 556 938	1 185 672	14 410 492
Loans and advances to customers	23 473 320	8 540 028	11 678 966	37 276 516	34 913 275	115 882 105
Debt securities	2 225 611	15 130	-	26 592	-	2 267 333
Subordinated loans	2 678 858	93 001	4 161 479	5 965 530	2 214 280	15 113 148
Leasing and equivalent	-	-	-	-	190 532	190 532
TOTAL	30 864 670	13 364 378	18 305 227	46 825 576	38 503 758	147 863 610
LIABILITIES						
Liabilities to credit institutions and equivalent	13 536 648	4 587 491	2 235 118	309 279	7 340	20 675 876
Debts to customers	5 330 470	6 358 536	10 289 994	1 262 412	117 185	23 358 597
Debt securities issued	-	630 000	4 264 300	3 870 000	500 000	9 264 300
Subordinated borrowings	-	-	-	-	9 400 000	9 400 000
TOTAL	18 867 118	11 576 026	16 789 413	5 441 691	10 024 525	62 698 773

(In thousand MAD)

CONCENTRATION OF RISK ON THE SAME BENEFICIARY

Number	Total amount of risks	Amount of risk by passing 5% of capital		
		Operating loans	Contracting loans	Amount of securities held in the capital of the beneficiary
13	34 238 786	26 887 901	2 867 186	535 674

(In thousand MAD)

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY

	AMOUNT
ASSETS	
Cash, central banks, treasury, giro accounts	266 354
Loans to credit institutions and equivalent	16 906 071
Loans and advances to customers	7 932 205
Transaction, marketable and investment securities	4 712 865
Other assets	142 094
Equity investments and equivalent uses	5 340 406
Subordinated loans	190 532
Fixed assets leased and rented	73 673
Intangible and tangible fixed assets	2 849
LIABILITIES	27 968 933
Central banks, treasury, giro accounts	-
Liabilities to credit institutions and equivalent	20 730 221
Customer deposits	6 623 146
Debt securities issued	595 419
Other liabilities	20 147
Subordinated debts	-
Subsidies, assigned public funds and special guarantee funds	-
OFF-BALANCE SHEET	
Given commitment	5 434 850
Received commitment	1 680 054

(In thousand MAD)

NET INTEREST INCOME	31/12/19	31/12/18
Interest received	6 740 094	6 830 615
Interest and similar income on transactions with credit institutions	761 414	702 881
Interest and similar income on transactions with customers	5 467 179	5 625 747
Interest and similar income on debt securities	511 501	501 987
Interest paid	2 816 319	2 840 008
Interest and similar fees on transactions with credit institutions	1 279 079	993 554
Interest and similar fees on transactions with customers	1 282 212	1 450 090
Interest and similar fees on debt securities	255 028	396 364

(In thousand MAD)

NON-PERFORMING LOANS TO SOCIAL CUSTOMERS	31/12/19		31/12/2018	
	Credit lines	Provisions for credit lines	Credit lines	Provisions for credit lines
Pre-doubtful loans	583 342	63 330	446 206	49 482
Non performing loans	2 123 458	1 057 483	1 423 937	789 843
Doubtful debts	5 897 572	4 348 445	6 235 597	4 803 940
TOTAL	8 604 372	5 469 259	8 105 740	5 643 265

(In thousand MAD)

REVENUES FROM INVESTMENT SECURITIES	31/12/19	31/12/18
Equity Securities	14 630	10 596
Equity in affiliates	561 465	595 686
Equity in portfolio	2 914	5 535
Other securities	79 074	87 395
TOTAL	658 083	699 212

(In thousand MAD)

COMMISSIONS	31/12/19	31/12/18
Fees received	1 570 234	1 450 018
On transactions with credit institutions	-	-
On transactions with customers	446 240	454 438
Concerning operations on the primary securities markets	304 758	260 197
On derivatives	45 575	43 829
On transactions on securities under management and custody	-	-
On means of payment	23 963	24 458
On consulting and assistance	417 736	387 641
On sales of insurance products	-	-
On other services	52 733	41 101
Fees paid	279 229	238 354
On transactions with credit institutions	404 709	357 368
On transactions with customers	-	-
Concerning operations on the primary securities markets	-	-
On derivatives	137 641	143 362
On transactions on securities under management and custody	-	-
On means of payment	13	19
On consulting and assistance	15 278	126 154
On sales of insurance products	95 220	87 833
On other services	-	-
On sales of insurance products	-	-
On other services	156 557	-

(in thousand MAD)

INCOME FROM MARKET TRANSACTIONS	31/12/19	31/12/18
Revenues	2 160 064	1 598 741
Gains on transactions securities	1 058 990	550 621
Capital gains on disposals of marketable securities	21 993	6 328
Provision write-backs on depreciation of marketable securities	10 282	5 151
Gains on derivatives	112 851	107 139
Gains on exchange transactions	955 948	929 502
Expenses	1 166 882	1 098 741
Losses on transaction securities	315 014	287 824
Capital losses on disposals of marketable securities	4 246	64 550
Provisions for depreciation of marketable securities	42 962	10 306
Losses on derivatives	243 165	167 909
Losses on exchange transactions	561 495	568 152
Earning	993 181	500 000

(in thousand MAD)

GENERAL OPERATING EXPENSES	31/12/19	31/12/18
Staff expenses	1 631 096	1 603 716
Taxes	117 836	105 306
External expenses	1 626 313	1 637 136
Allowances for depreciation and provision for intangible and tangible fixed assets	270 695	248 735

(in thousand MAD)

OTHER REVENUES AND EXPENSES	31/12/19	31/12/18
Revenues and expenses		
Other banking revenues and expenses	626 336	133 941
Other banking revenues	2 464 820	1 858 940
Other banking expenses	1 838 484	1 724 999
Non-banking operating revenues and expenses	126 892	228 023
Non-banking operating revenues	190 578	239 596
Non-banking operating expenses	63 685	11 573
Other expenses		
Allowances for provisions and loan losses	2 122 518	1 119 460
Other revenues		
Provision write-backs and recoveries on amortised debts	1 212 727	330 158

(in thousand MAD)

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS

I- Net book earning	
Net gain	1 371 848
Net loss	
II- Tax reintegration	1 445 035
1- Current	163 155
Non-deductible expenses	57 312
Provision for general risks	105 843
2- Non-current	640 940
Corporate taxes	640 940
III- Tax deductions	586 420
1- Current	
Dividendes	586 420
2- Non-current	
VI- Net income tax	2 230 463
Corporate taxes	640 940
VI- Net income tax	
Provisions Write-backs for investments	

DETERMINATION OF CURRENT EARNINGS AFTER-TAX	Montant
Current earnings according to the income statement	2 047 890
(+) Tax reintegration to current transactions	163 155
(-) Tax deductions on current transactions	586 420
(=) Current earnings theoretically taxable	1 624 625
(-) Theoretical tax on current earnings	601 111
(=) Current earnings after tax	1 446 779
II. Indications of the tax system and the incentives Granted by the investment codes or by specific provisions	

(in thousand MAD)

FINANCIAL REPORT

DETAIL ON VALUE ADD TAX

CATEGORY	Balance at the beginning of the fiscal year 1	Accounting operations of the fiscal year 2	VAT claims for the fiscal year 3	VAT claims for the end of the fiscal year (4=1+2-3)
A. VAT Collected	100 013	643 693	646 483	97 223
B. VAT to be Recovered	53 030	441 098	442 020	52 107
* On expenses	44 815	397 820	393 447	49 189
* On fixed assets	8 214	43 278	48 573	2 919
C. T.V.A = (A - B)	46 983	202 595	204 463	45 116

(in thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL

Amount of the capital : 1 998 204 600

Amount of the uncalled committed capital:-

Nominal value: 10,00

Nominal value: 10,00					
Name of the main shareholders	Address	Number of shares		Part du capital détenue (%)	Pourcent- age des droits de vote (%)
		Preivous year	Current year		
A- Moroccan shareholders					
ROYALE MAROCAINE D'ASSURANCES	83, avenue de l'Armée Royale 20000 - Casablanca	53 600 192	55 964 419	28,01%	28,01%
HOLDING BENJELLOUN MEZIAN	67-69, avenue de l'Armée Royale 20000 - Casablanca	-	1 111 218	0,56%	0,56%
SOCIETE FINANCIERE DU CREDIT DU MAGHREB	67-69, avenue de l'Armée Royale 20000 - Casablanca	1 159 205	1 746 960	0,87%	0,87%
FINANCECOM	81-83, avenue de l'Armée Royale 20000 - Casablanca	10 453 351	11 580 100	5,80%	5,80%
CAISSE INTERPROFESSIONNELLE MA-ROCAINE DE RETRAITES	100, Boulevard Abdelmoumen-20340-Casablanca	7 371 263	7 803 996	3,91%	3,91%
CAISSE DE DEPOT ET DE GESTION	Place Moulay El Hassan - ex Piétri -BP 408 - Rabat	15 638 328	16 556 383	8,29%	8,29%
Groupe MAMDA/MCMA	Angle Avenue Mohammed VI et rue Houmane El Fatouaki - Rabat	9 395 940	9 947 519	4,98%	4,98%
PERSONNEL BANK OF AFRICA - BMCE GROUP		2 452 440	2 258 693	1,13%	1,13%
SBVC ET DIVERS		32 363 617	33 154 821	16,59%	16,59%
TOTAL (1)		132 434 336	140 124 109	70,13%	70,13%
B- Foreign shareholders					
BANQUE FEDERATIVE DU CREDIT MUTUEL	4 rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg - France	47 029 054	48 972 796	24,51%	24,51%
CDC GROUP PLC	123, Victoria Street, Londres SW1E 6DE, Royaume-Uni	-	10 723 555	5,37%	5,37%
TOTAL (2)		47 029 054	59 696 351	29,87%	29,87%
TOTAL		179 463 390	199 820 460	100%	100%

* Y compris OPCVM DE RMA WATANYA

** Suivant confirmation CDG datée du 12/05/2014

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR

A- Origin of the earnings allocated	Amount	B- Income allocation	Montant
Decision of: 28 May 2019			
Retained earnings	37	Legal reserves	-
Net earnings being allocated	-	Dividends	897 317
Net earnings for the fiscal year	1 343 654	Other allocations	446 374
Withdrawals from earnings	-		
Other withdrawals	-		
TOTAL A	1 343 691	TOTAL B	1 343 691

(in thousand MAD)

EARNINGS AND OTHER ELEMENTS OF THE LAST THREE FISCAL YEARS

	31/12/19	31/12/18	31/12/17
Equity capital and equivalent	29 435 162	25 294 339	26 683 739
Operations and earnings for the fiscal year			-
1- Net banking income	6 476 729	6 019 305	6 208 130
2- Pre-tax earnings	2 012 790	1 863 133	1 938 774
3- Corporate tax	640 940	519 477	608 137
4- Dividends distributed	897 317	897 317	897 317
5- Earnings not distributed	446 300	590 800	427 700
Earnings per share (in MAD)		-	-
Net earnings per share	6,87	7,49	8,29
Earnings distributed per share	5	5	5
Staff		-	-
Gross remunerations for the year	1 631 096	1 603 716	1 611 041
Average number of staff employed during the fiscal year	5 099	5 328	5 370

(in thousand MAD)

DATING AND SUBSEQUENT EVENTS**I- DATING**

Date of the end of the fiscal year (1) 31 décembre 2019

Date of financial statements performance (2)

(1) Justification in case of a change in the date of the end of the fiscal year

(2) Justification in case of an overrun on the statutory period of three months allowed for drawing up the financial statements

II. EVENTS OCCURRING SUBSEQUENT TO THE END OF THE FISCAL YEAR NOT CHARGED TO THIS YEAR AND KNOWN BEFORE THE 1ST EXTERNAL DISCLOSURE OF THE FINANCIAL STATEMENTS

Dates Event's Indication

. Favorable

. Unfavorable

STAFF NUMBERS	31/12/19	31/12/18
Staff remunerated	5 099	5 328
Staff employed	5 099	5 328
Equivalent full time staff	5 099	5 328
Administrative and technical staff (full-time equivalent)	-	-
Staff assigned to banking tasks (full-time equivalent)	-	-
Executives (full-time equivalent)	4953	5 147
Employees (full-time equivalent)	94	181
Of which employees working abroad	52	51

(in thousand MAD)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR UNDER CUSTODY	Number of accounts		Amounts	
	31/12/19	31/12/18	31/12/19	31/12/18
Securities of which the institution is custodian	38 343	37 091	227 531 051	216 069 197
Securities managed under mandate	-	-	-	-
Mutual funds of which the institution is custodian	92	88	108 546 820	101 381 421
Mutual funds managed under mandate	-	-	-	-
Other assets of which the institution is custodian	-	-	-	-
Other assets managed under mandate	-	-	-	-

(in thousand MAD)

NETWORK	31/12/19	31/12/18
Permanent branches	735	736
Temporary branches	-	-
ATMs	887	883
Main branches and branches abroad	41	41
Representative offices abroad	5	5
		(In number)

NUMBER OF CUSTOMER ACCOUNTS	31/12/19	31/12/18
Customer accounts	122 624	118 211
Current accounts	238 666	285 455
Check accounts excluding Moroccan expatriates	1 317 982	1 274 498
Moroccan expatriates accounts	-	-
Factoring accounts	832 251	931 516
Savings accounts	9 016	9 606
Time deposits	1 549	1 563
Interest-bearing notes	-	-
		(In number)

The following statements post “non applicable” mention for the 2019 fiscal year:

- ▶ Derogatory statements
- ▶ Summary of changing methods
- ▶ Subsidies, assigned public funds and special guarantee funds

TANGIER OFFSHORE

ASSETS	31/12/2019	31/12/2018
Cash, central banks, treasury, giro accounts	2 332	1 917
Loans to credit institutions and equivalent	5 894 899	5 219 273
. Demand	928 663	583 840
. Time	4 966 236	4 635 433
Loans and advances to customers	3 910 009	2 563 111
. Cash and consumer loans	673 805	157 581
. Equipment loans	3 236 204	2 405 530
. Mortgage loans	-	-
. Other loans	-	-
Advances acquired by factoring	-	-
Transaction and marketable securities	1 995 953	1 237 791
. Treasury bonds and equivalent securities	1 887 787	1 065 446
. Other debt securities	-	20 000
. Title deeds	108 166	152 345
. Sukuks Certificates	-	-
Other assets	505 802	356 423
Investment securities	1 321 903	1 704 611
. Treasury bonds and equivalent securities	-	-
. Other debt securities	1 321 903	1 704 611
. Sukuks Certificates	-	-
Equity investments and equivalent uses	-	-
. Investments in joint ventures	-	-
. Other equity securities and similar assets	-	-
. Mudaraba and Moucharaka securities	-	-
Subordinated loans	-	-
Placed investment deposits	-	-
Leased and rented fixed assets	73 673	19 505
Ijara leased assets	-	-
Intangible fixed assets	2 037	2 463
Tangible fixed assets	812	1 124
TOTAL ASSETS	13 707 423	11 106 218

(In thousand MAD)

LIABILITIES	31/12/2019	31/12/2018
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	11 342 536	8 912 750
. Demand	524 440	278 659
. Time	10 818 096	8 634 091
Customer deposits	1 646 838	1 489 600
. Demand deposits	1 267 308	1 164 887
. Savings deposits	-	-
. Time deposits	335 204	274 211
. Other deposits	44 326	50 502
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	-	-
. Negotiable debt securities	-	-
. Bond loans	-	-
. Other debt securities issued	-	-
Other liabilities	462 790	379 135
Provisions for liabilities and charges	565	568
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	-	-
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	112 079	112 170
Capital	4 797	4 783
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	-	-
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	137 819	207 212
TOTAL LIABILITIES	13 707 423	11 106 218

(In thousand MAD)

BALANCE SHEET	31/12/2019	31/12/2018
Given commitments	658 167	1 313 822
Financing commitments on behalf of credit institutions and equivalent	-	-
Financing commitments on behalf of customers	7 869	65 438
Guarantee commitments given to credit institutions and equivalent	544 923	656 734
Guarantee commitments given to customers	105 375	24 221
Securities repos purchased	-	-
Other securities to be delivered	-	567 429
Received commitments	1 620 849	1 559 081
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	1 082 837	686 024
Guarantee commitments received from the State and various guarantee bodies	538 012	657 065
Securities repos sold	-	-
Other securities to be received	-	215 992
Moucharaka and Moudaraba securities to be received	-	-

(In thousand MAD)

INCOME STATEMENT	31/12/2019	31/12/2018
BANK OPERATING INCOME	736 859	793 399
Interests and assimilated revenues on transactions with credit institutions	278 044	267 861
Interests and assimilated revenues on transactions with customers	129 645	103 464
Interests and assimilated revenues on debt securities	125 448	145 756
Revenue from property securities (1) and Sukuks certificates	1 573	2 102
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	777	793
Revenue from leased assets (Ijara)	-	-
Fees on provided services	9 579	13 200
Other banking revenues	191 793	260 223
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	482 349	462 247
Interests and assimilated expenses on transactions with credit institutions	285 835	172 860
Interests and assimilated expenses on transactions with customers	12 171	9 714
Interests and assimilated expenses on debt securities issued	-	-
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	1 279	-
Expenses from leased assets (Ijara)	-	-
Other banking expenses	183 064	279 673
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	254 510	331 152
Non-banking operating revenues	-	122
Non-banking operating expenses	10	-
GENERAL OPERATING EXPENSES	6 230	6 351
Staff expenses	3 520	3 662
Tax expenses	-	-
External expenses	1 687	1 546
Other general operating expenses	-	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	1 023	1 143
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	21 524	12
Allowances for non performing loans and commitments	-	-
Loan losses	44	12
Other allowances for provisions	21 480	-
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	518	562
Provision write-backs on non performing loans and commitments	-	-
Recovery on amortised debts	-	-
Other provision write-backs	518	562
CURRENT INCOME	227 264	325 473
Non-current revenues	-	-
Non-current expenses	7 991	-
PRE-TAX EARNINGS	219 273	325 473
Corporate tax	81 456	118 261
NET EARNINGS FOR THE YEAR	137 819	207 212

(In thousand MAD)

EARNINGS FORMATION TABLE	31/12/2019	31/12/2018
(+) Interests and equivalent revenues	533 136	517 081
(-) Interests and equivalent expenses	298 006	182 574
NET INTEREST INCOME	235 130	334 507
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	-	-
(+) Profit from leasing and renting operations	777	793
(-) Expenses from leasing and renting operations	1 279	-
Income from leasing and rental operations	-502	793
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
Income from Ijara operation (1)	-	-
(+) Fees received	10 076	13 557
(-) Fees paid	1 551	1 359
Fee income (1)	8 525	12 198
(+) Income from trading securities	-17 647	20 161
(+) Income from investment securities	-14 934	-63 377
(+) Income from payload operations	32 879	26 512
(+) Income from by-product operation	9 693	-1 743
Income from market transactions (1)	9 991	-18 447
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	1 574	2 102
(-) other banking expenses	206	-
(+/-) Holders' share in investment deposit accounts	-	-
NET BANKING INCOME	254 510	331 152
(+) Income from financial asset operations (2)	518	562
(+) Other non-banking operating revenues	-	122
(-) Other non-banking operating expenses	10	-
(-) General operating expenses	6 230	6 351
Gross operating income	248 790	325 486
(+) Allowances for non performing loans and commitments (net of write-backs)	-44	-13
(+) Other allowances net of provision write-backs	-21 480	-
Current income	227 266	325 473
Non-current income	-7 991	-
(-) Corporate tax	81 456	118 261
Net earnings for the year	137 819	207 212

(In thousand MAD)

CASH FLOW	31/12/2019	31/12/2018
(+) Net earnings for the year	137 819	207 212
(+) Allowances for depreciation and provisions for intangible and tangible fixed assets	1 023	1 143
(+) Allowances for provisions for equity investments depreciation	-	-
(+) Allowances for provisions for general risks	-	-
(+) Allowances for regulated provisions	-	-
(+) Non-current allowances	-	-
(-) Provision write-backs	518	562
(-) Capital gains on disposals of intangible and tangible fixed assets	-	-
(+) Capital losses on disposals of intangible and tangible fixed assets	-	-
(-) Capital gains on disposals of equity investments	-	-
(+) Capital losses on disposals of equity investments	-	-
(-) Write-backs of investment subsidies received	-	-
(+) Financing	138 324	207 793
(-) Dividends distributed	-	-
(+) Cash-flow	138 324	207 793

(In thousand MAD)

BANK OF AFRICA

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