



FINANCIAL COMMUNICATION

31 DECEMBER 2025

BANK OF AFRICA

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES 31 December 2025

BANK OF AFRICA

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Established in 1959 and privatised in 1995, BANK OF AFRICA is a universal bank which offers a diversified range of products and services through a domestic network of 595 branches. BANK OF AFRICA, Morocco's third largest bank in terms of market share for deposits and loans, currently has operations in about thirty countries in sub-Saharan Africa, Europe and Asia.

BANK OF AFRICA's activities primarily include commercial banking, specialised financial services, asset management, investment banking and international activities.

The Group's activities in Morocco

BANK OF AFRICA's activities in Morocco include:

- Retail Banking, sub-divided by market specialisation - retail customers, professional banking customers, private clients and Moroccans living abroad;
- Corporate Banking, including SMEs and large enterprises.

It is worth noting that BANK OF AFRICA has embarked on a regional strategy aimed at moving the decision-making process closer to the customer and improving the Bank's impact from a commercial perspective. The Bank's distribution network, now organised on a regional basis and enjoying greater independence, encompasses both Retail Banking as well as Corporate Banking activities.

- BMCE Capital, the Bank's investment banking subsidiary, is organised by business line on an integrated basis which include asset management, wealth management, brokerage and capital markets activities as well as M&A and other corporate advisory services.
- Specialised financial services, whose products are primarily marketed via the branch network, the aim being to develop intra-Group commercial and operational synergies – consumer credit, leasing, bank-insurance, factoring and vehicle leasing. RM Experts, subsidiary specialising in recovery, was established in 2010.

BANK OF AFRICA's international activities

BANK OF AFRICA set up a new subsidiary in January 2019, covering a full range of banking and processing services, as part of its ambition to improve the quality of its services. The Bank rapidly turned to international markets by building a strong presence in Europe. In 1972, it became the first Moroccan bank to open a branch in Paris. The Group's European activities are conducted through BANK OF AFRICA UK and BANK OF AFRICA Europe, which constitute the Group's European platform for investing in Africa.

The Bank also has twenty or so representative offices providing banking services to Moroccans living abroad. The Bank recently established BOA Euroservices as a result of the recent re-organisation of its European business. This entity, which is responsible for banking for expatriates, will work closely with the domestic branch network.

BANK OF AFRICA has also developed, since the 1980s, sizeable operations in the African market following the restructuring of Banque de Développement du Mali, the country's leading bank, in which it has a 32.4% stake.

BANK OF AFRICA's development accelerated in 2008 following the acquisition of a 35% stake in BOA Group which has operations in some fifteen countries. BANK OF AFRICA has since increased its stake in the pan-African bank to 72.4%.



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GROUP BANK OF AFRICA BMCE GROUP
STATUTORY AUDITORS' LIMITED REVIEW CERTIFICATE
ON THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2025

We have conducted a limited review of the interim financial statements of BANK OF AFRICA BMCE GROUP and of its subsidiaries (BANK OF AFRICA 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 a selection of explanatory notes for the period from 1 January 2025 to 31 December 2025. These interim financial statements show consolidated shareholders' equity of MAD 40 426 437 K, including consolidated net income of MAD 5 514 079 K.

We conducted our limited review in accordance with the professional standards applicable in Morocco. These standards require that a limited review is planned and conducted to obtain moderate assurance that the interim consolidated financial statements are free from material misstatement. A limited review consists primarily of discussions with the company's staff and analytical checks of financial data; it therefore provides a lower level of assurance than an audit. We have not conducted an audit and, as a result, are not therefore able to express an audit opinion.

BANK OF AFRICA S.A. possesses non-operating real estate assets, acquired through dation-in-payment, totalling MAD 1 billion, with uncertainties regarding their net realisable value.

Based on our limited review and, except for the possible impact from the matter described above, we have not identified any aspects which lead us to believe that the attached consolidated financial statements do not give a true and fair view of the operational income and the consolidated financial position and assets of BANK OF AFRICA BMCE GROUP at 31 December 2025, in accordance with international accounting standards (IAS/IFRS).

Casablanca, 27 March 2026

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

1.1. CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 31 December 2025 were approved by the board of directors on 27 March 2026.

ASSETS UNDER IFRS	Note	31/12/2025	31/12/2024
Cash and balances at central banks, the Public treasury and postal cheque centre	4.1	24.108.086	21.190.824
Financial assets at fair value through profit or loss		-	-
- Financial assets held for trading purposes	4.2	57.781.980	58.960.670
- Financial assets at fair value through profit or loss	4.2	2.468.478	1.720.743
Derivative hedging instruments		-	-
Financial assets at fair value through other comprehensive income		-	-
- Debt instruments at fair value through other comprehensive income (recyclable)	4.3	779.247	713.984
- Equity instruments at fair value through other comprehensive income (non-recyclable)	4.3	7.179.503	6.949.970
Securities at amortised cost	4.4	46.514.657	44.929.732
Loans and advances to credit and similar institutions at amortised cost	4.5	34.836.085	35.151.660
Loans and advances to customers at amortised cost	4.5	230.849.356	225.617.043
Revaluation adjustment for portfolios hedged against interest rate risk		-	-
Financial investments from insurance operations		-	-
Current tax assets	4.8	1.759.973	1.406.755
Deferred tax assets	4.8	2.669.784	2.610.179
Prepayments, accrued income and other assets	4.9	12.462.536	8.395.221
Non-current assets held for sale		-	-
Investments in companies accounted for using the equity method	4.10	1.085.358	1.008.702
Investment property	4.11	3.113.599	3.314.403
Property, plant and equipment	4.11	9.294.030	8.693.686
Intangible assets	4.11	1.757.020	1.597.149
Goodwill	4.12	1.018.097	1.018.097
TOTAL ASSETS UNDER IFRS		437.677.787	423.278.818

(In thousand MAD)

LIABILITIES UNDER IFRS	Note	31/12/2025	31/12/2024
Amounts due to central banks, the Public treasury and postal cheque centre		-	-
Financial liabilities measured using the fair value option through profit or loss		-	-
- Financial liabilities held for trading purposes		-	-
- Financial liabilities at fair value through profit or loss		-	-
Derivative hedging instruments		-	-
Debt securities issued	4.7	12.333.680	11.723.938
Amounts due to credit and similar institutions	4.5	71.016.843	80.247.308
Amounts due to customers	4.6	275.841.273	257.627.725
Revaluation adjustment on portfolios hedged against interest rate risk		-	-
Current tax liabilities	4.8	2.423.616	2.036.293
Deferred tax liabilities	4.8	1.292.471	1.226.720
Accruals, deferred income and other liabilities	4.9	20.066.350	19.579.349
Liabilities related to non-current assets held for sale		-	-
Liabilities under insurance contracts		-	-
Provisions	4.13	2.188.574	1.876.793
Subsidies - public funds and special guarantee funds		-	-
Subordinated debt	4.6	12.088.543	12.145.994
TOTAL LIABILITIES		397.251.350	386.464.120
Shareholders' equity			
Share capital and related reserves		22.177.528	21.375.867
Consolidated reserves		-	-
- Attributable to shareholders of the parent company		4.930.178	3.449.115
- Non-controlling interests		6.428.490	5.642.190
Gains and losses recognised directly in equity		-	-
- Attributable to shareholders of the parent company		873.102	877.045
- Non-controlling interests		503.060	494.375
Net income for the period		-	-
- Attributable to shareholders of the parent company		3.813.552	3.427.420
- Non-controlling interests		1.700.527	1.548.686
TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY		40.426.437	36.814.698
TOTAL LIABILITIES UNDER IFRS		437.677.787	423.278.818

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

	Note	dec.-25	dec.-24
Interest and similar income		20.931.865	20.367.886
Interest and similar expenses		-6.608.893	-7.184.574
Net interest income	2,1	14.322.972	13.183.312
Fees received		5.053.713	4.766.379
Fees paid		-872.118	-850.427
Fee income	2,2	4.181.595	3.915.952
Net gains or losses resulting from net hedging positions		-	-
Net gains or losses on financial instruments at fair value through profit or loss	2,3	1.010.858	827.800
<i>Net gains or losses on trading assets/liabilities</i>		833.821	726.969
<i>Net gains or losses on other assets/liabilities at fair value through profit or loss</i>		177.037	100.831
Net gains or losses on financial instruments at fair value through other comprehensive income	2,4	265.672	234.465
<i>Net gains or losses on debt instruments through other comprehensive income</i>		-	-
<i>Remuneration of equity instruments (dividends) through other comprehensive income (non-recyclable)</i>		265.672	234.465
Net gains or losses from the derecognition of financial assets at amortised cost			
Net gains or losses from reclassifying financial assets at amortised cost as financial assets at fair value through profit or loss			
Net gains or losses from reclassifying financial assets through other comprehensive income as financial assets at fair value through profit or loss			
Net income from insurance activities			
Net income from other activities	2,5	1.201.504	1.091.930
Expenses from other activities	2,5	-643.854	-536.885
Net banking income		20.338.747	18.716.574
General operating expenses	2,6	-8.233.620	-7.760.566
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	-1.071.889	-929.472
Gross operating income		11.033.238	10.026.536
Cost of risk	2,7	-3.287.621	-3.177.600
Operating income		7.745.617	6.848.936
Share of earnings of companies accounted for using the equity method		156.671	141.150
Net gains or losses on other assets	2,8	-230	-9.809
Changes in value of goodwill			
Pre-tax income		7.902.059	6.980.277
Corporate income tax	2,9	-2.387.980	-2.004.171
Income net of tax from discontinued operations			
Net income		5.514.079	4.976.106
Non-controlling interests		1.700.527	1.548.686
Net income attributable to shareholders of the parent company		3.813.552	3.427.420

(In thousand MAD)


1.3. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	CHANGES IN EQUITY DEC 2025							
	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Non-controlling interests	Total
Ending balance of adjusted Shareholder's Equity 31.12.2023	2.125.656	18.535.917	0	6.993.522	-906.509	26.748.586	7.145.231	33.893.817
Change in the accounting methods								
Beginning Balance of Shareholder's Equity 01.01.2024	2.125.656	18.535.917	0	6.993.522	-906.509	26.748.586	7.145.231	33.893.817
Operations on capital	32.207	682.087		-714.294		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-850.569		-850.569	-765.381	-1.615.950
Net Income				3.427.420		3.427.420	1.548.686	4.976.106
Changes in assets and liabilities recognised directly in equity					157.495	157.495	2.422	159.917
Transfer to earnings					-232.595	-232.595	-185.656	-418.251
Unrealized or deferred gains or losses	0	0	0	0	-75.100	-75.100	-183.234	-258.334
Change in the scope of consolidation				-29.707		-29.707	-1.219	-30.926
Others				-91.183		-91.183	-58.832	-150.015
Ending balance of Shareholder's Equity 31.12.2024	2.157.863	19.218.004	0	8.735.189	-981.609	29.129.447	7.685.251	36.814.698
Recognition of expected credit losses (on financial instruments)								
Beginning balance of Shareholder's Equity 01.01.2025	2.157.863	19.218.004	0	8.735.189	-981.609	29.129.447	7.685.251	36.814.698
Operations on capital	44.956	756.705		-801.661		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-1.085.682		-1.085.682	-903.636	-1.989.318
Net Income				3.813.552		3.813.552	1.700.527	5.514.079
Changes in assets and liabilities recognised directly in equity					-92.718	-92.718		-92.718
Transfer to earnings					92.042	92.042	50.772	142.814
Unrealized or deferred gains or losses	0	0	0	0	-676	-676	50.772	50.096
Change in the scope of consolidation				0		0		0
Others				-62.281		-62.281	99.164	36.883
Ending balance of Shareholder's Equity 31.12.2025	2.202.819	19.974.709	0	10.599.117	-982.285	31.794.360	8.632.078	40.426.438

(In thousand MAD)

1.4. STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME

	Dec-25	Dec-24
Net income	5.514.079	4.976.106
Gains or losses recognised directly in other comprehensive income that will be subsequently reclassified under profit or loss	142.814	-418.251
Exchange differences	142.814	-418.251
Financial assets at fair value through other comprehensive income (recyclable)		
<i>Revaluation adjustments</i>		
Gains or losses recognised directly in other comprehensive income that will not be subsequently reclassified under profit or loss	-92.718	159.917
Actuarial gains or losses on defined benefit plans		
Items recognised at fair value through other comprehensive income (non-recyclable)	-92.718	159.917
Share of gains or losses recognised directly through other comprehensive income of companies accounted for using the equity method		
Total gains or losses recognised directly in other comprehensive income	50.096	-258.334
Net income and gains or losses recognised directly through other comprehensive income	5.564.175	4.717.772
Attributable to shareholders of the parent company	3.812.876	3.352.320
Non-controlling interests	1.751.299	1.365.452

(In thousand MAD)

1.5. STATEMENT OF CASH FLOWS AT 31 DECEMBER 2025

	NOTE	Dec-25	Dec-24
Pre-tax income		7.902.058	6.980.278
+/- Net depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	893.206	726.092
+/- Net impairment of goodwill and other non-current assets		-	-
+/- Net impairment of financial assets	2,7	-129.747	77.635
+/- Net provisions	2,7	2.629.533	2.228.797
+/- Share of earnings of companies accounted for using the equity method	4,10	-156.671	-140.597
+/- Net gain/loss from investing activities		-574.252	378.610
+/- Net gain/loss from financing activities		-	-
+/- Other movements		43.068	-651.345
Total non-cash items included in pre-tax income and other adjustments		2.705.137	2.619.192
+/- Flows related to transactions with credit and similar institutions		-16.863.997	85.537
+/- Flows related to transactions with customers		9.250.417	841.616
+/- Flows related to other transactions affecting financial assets or liabilities		1.577.509	-4.460.297
+/- Flows related to other transactions affecting non-financial assets or liabilities		-2.403.426	2.797.787
+/- Taxes paid		-2.262.578	-1.855.381
Net increase/decrease in assets and liabilities from operating activities		-10.702.075	-2.590.738
Net cash flow generated by operating activities		-94.879	7.008.732
+/- Flows related to financial assets at fair value through other comprehensive income		139.255	-58.700
+/- Flows related to investment property		4.529	-2.352
+/- Flows related to plant, property and equipment and intangible assets		-2.230.281	-1.001.711
Net cash flow related to investing activities		-2.086.497	-1.062.763
+/- Cash flows from or to shareholders		-2.729.673	-1.928.905
+/- Other net cash flows from financing activities		-861.194	1.373.517
Net cash flow related to financing activities		-3.590.867	-555.388
Effect of exchange rate changes on cash and cash equivalents		123.147	-384.634
Net increase/decrease in cash and cash equivalents		-5.649.096	5.005.947
Cash and cash equivalents at beginning of year		24.023.722	19.017.775
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4,1	21.190.824	18.474.878
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		2.832.898	542.897
Cash and cash equivalents at end of year		18.374.626	24.023.722
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4,1	24.108.086	21.190.824
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		-5.733.460	2.832.898
Net change in cash and cash equivalents		-5.649.096	5.005.947

(In thousand MAD)

1.6. SUMMARY OF ACCOUNTING POLICIES APPLIED BY THE GROUP

1.6.1. Applicable accounting standards

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

The Group's consolidated financial statements have been prepared in accordance with international accounting standards (International Financial Reporting Standards - IFRS), as approved by the IASB.

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

1.6.1.1. 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.

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

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

b. Consolidation methods

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

At 31 December 2025, no Group subsidiary was jointly controlled.

c. Consolidation rules

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

Elimination of intragroup balances and transactions

Intragroup balances arising from transactions between consolidated companies, and the transactions themselves, including income, expenses and dividends, are eliminated. Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired.

Translation of financial statements prepared in foreign currencies

The Group's consolidated financial statements are prepared in dirhams. The financial statements of companies whose functional currency is not the dirham are translated using the closing rate

method. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expenditures are translated at the average rate for the period.

d. Business combinations and measurement of goodwill

Cost of a business combination

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

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

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

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

Goodwill

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

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

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

Measurement of goodwill

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

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

At 31 December 2025, the Group carried out impairment tests to ensure that cash-generating units' carrying amount did not exceed their recoverable amount.

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.

1.6.1.2. Financial assets and liabilities

a. Loans and receivables

Loans and receivables include credit provided by the Group.

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

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

b. Securities

Classification of securities

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

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

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

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

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

IFRS 9 distinguishes three management models:

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

The second criterion («SPPI» criterion) is analysed at the contract level. The test is satisfied when the funding is only eligible for reimbursement of the principal and when the payment of interest received reflects the value of the time of money, credit risk associated with the instrument, other costs and risks of a traditional loan agreement as well as a reasonable margin, whether the interest rate is fixed or variable.

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

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

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

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

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

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



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

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

- under certain conditions when the liability contains embedded derivatives

; or

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

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

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

Dividends received on variable-income securities are presented in the aggregate "Remuneration of equity instruments recognised as non-recyclable equity instruments" when the Group's right to receive them is established.

Temporary acquisitions and sales

Repurchase agreements

Securities subject to repurchase agreements are recorded in the Group's balance sheet in their original category.

The corresponding liability is recognised in the under "Borrowings" as a liability on the balance sheet.

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised under "Loans and receivables".

Securities lending and borrowing transactions

Securities lending transactions do not result in de-recognition of the lent securities while securities borrowing transactions result in recognition of a debt on the liabilities side of the Group's balance sheet.

Date of recognition of securities transactions

Securities recognised at fair value through income or classified under held-to-maturity or available-for-sale financial assets are recognised at the trade date.

Regardless of their classification (recognised as loans and receivables or debt), temporary sales of securities as well as sales of borrowed securities are initially recognised at the settlement date.

These transactions are carried on the balance sheet until the Group's rights to receive the related cash flows expire or until

the Group has substantially transferred all the risks and rewards related to ownership of the securities.

c. Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate. Translation differences are recognised in the income statement, except for those arising from financial instruments earmarked as a cash flow hedge or a net foreign currency investment hedge, which are recognised in shareholders' equity.

d. Impairment and restructuring of financial assets

IFRS 9 introduces a new model for the recognition of impairment of financial assets based on expected credit losses. This model represents a change from the IAS 39 model that is based on proven credit losses.

Under IFRS 9, the portfolio is segmented into three Buckets in using the notion of significant degradation from the beginning:

- Bucket 1» consists of all sound financial assets that do not are not significantly degraded since the beginning and for which it will be calculated an expected credit loss within 1 year.

- Bucket 2» includes assets for which the credit risk has significantly increased since the beginning. A credit loss must then be calculated over the remaining useful life of the asset, or residual maturity.

- «Bucket 3» corresponds to all assets in default or those for which credit quality will deteriorate to the point that the recoverability of the is threatened. Bucket 3 corresponds to the scope of the provision under IAS 39. The entity recognises a demonstrated credit loss at maturity. Thereafter, if the conditions for the classification of instruments financial instruments in bucket 3 are no longer respected, these instruments are reclassified as bucket 2 and then as bucket 1 depending on the improvement of credit risk quality.

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

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

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

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

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

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

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

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

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

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

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

Probabilities of Default (PD)

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

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

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

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

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

Loss Given Default (LGD)

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

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

Exposure At Default (EAD)

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

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

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

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

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

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

- When acquiring shares: all shares are considered as part of Bucket 1 regardless of the issuer's rating,
- In subsequent evaluations:
- In the event of a downgrade of the issuer's rating, the security changes to bucket 2
- On the basis of credit losses proven to be at maturity if the counterparty is in default - Bucket 3

Forbearance

The Bank complies with IFRS requirements in matters of forbearance agreements, particularly with regard to discounts applied to restructured loans. The amount deducted is recognised under cost of risk. If the restructured loan is subsequently reclassified as a performing loan, it is reinstated under net interest income over the remaining term of the loan.

Restructuring of assets classed as “Loans and receivables”

An asset classified in “Loans and receivables” is considered to be restructured due to the borrower’s financial difficulty when the Group, for economic or legal reasons related to the borrower’s financial difficulty, agrees to modify the terms of the original transaction that it would not otherwise consider, resulting in the borrower’s contractual obligation to the Group, measured at present value, being reduced compared with the original terms.

At the time of restructuring, a discount is applied to the loan to reduce its carrying amount to the present value of the new expected future cash flows discounted at the original effective interest rate.

The Decrease in the asset value is recognised through income under “Cost of risk”.

For each loan, the discount is recalculated at the renegotiation date using original repayment schedules and renegotiation terms.

The discount is calculated as the difference between :

- The sum, at the renegotiation date, of the original contractual repayments discounted at the effective interest rate; and
- The sum, at the renegotiation date, of the renegotiated contractual repayments discounted at the effective interest rate. The discount, net of amortisation, is recognised by reducing loan outstandings through income. Amortisation will be recognised under net banking income.

e. Issues of debt securities

Financial instruments issued by the Group are qualified as debt instruments if the Group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. The same applies if the Group is required to exchange financial assets or liabilities with another entity on terms that are potentially unfavourable to the Group, or to deliver a variable number of the Group’s treasury shares.

In the Group’s case, this concerns certificates of deposit issued by Group banks such as BANK OF AFRICA SA, BOA Group as well as notes issued by finance companies MAGHREBAIL and SALAFIN.

f. Treasury shares

The term “treasury shares” refers to shares of the parent company, BANK OF AFRICA SA and its fully consolidated subsidiaries.

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

As of 31 December 2025, the Group does not hold any treasury shares.

g. Derivative instruments

All derivative instruments are recognised in the balance sheet on the trade date at the trade price and are re-measured to fair value on the balance sheet date.

Derivatives held for trading purposes are recognised “Financial assets at fair value through income” when their fair value is positive and in “Financial liabilities at fair value through income” when their fair value is negative.

Realised and unrealised gains and losses are recognised in the income statement under “Net gains or losses on financial instruments at fair value through income”.

h. Fair value measurement of own credit default risk (DVA) / counterparty risk (CVA)

Since the value of derivative products has not been material until now, the Bank will continue to monitor the extent to which this factor is significant in order to take into consideration fair value adjustments relating to its own credit default risk (DVA) / counterparty risk (CVA).

i. Determining the fair value of financial instruments

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Financial assets classified under “Financial assets at fair value through income” and “Available-for-sale financial assets” are measured at fair value.

Fair value in the first instance relates to the quoted price if the financial instrument is traded on a liquid market.

If no liquid market exists, fair value is determined by using valuation techniques (internal valuation models as outlined in Note 4.15 on fair value).

Depending on the financial instrument, these involve the use of data taken from recent arm’s length transactions, the fair value of substantially similar instruments, discounted cash flow models or adjusted book values.

Characteristics of a liquid market include regularly available prices for financial instruments and the existence of real arm’s length transactions.

Characteristics of an illiquid market include factors such as a significant Decline in the volume and level of market activity, a significant variation in available prices between market participants or a lack of recent observed transaction prices.

j. Income and expenses arising from financial assets and liabilities

The effective interest rate method is used to recognise income and expenses arising from financial instruments, which are measured at amortised cost.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the asset or liability in the balance sheet. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, and premiums and discounts.

k. Cost of risk

“Cost of risk” includes impairment provisions net of write-backs and provisions for credit risk, losses on irrecoverable loans and amounts recovered on amortised loans as well as provisions and provision write-backs for other risks such as operating risks.

l. Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and the net amount presented in the balance sheet if, and only if, the Group

has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6.1.3. Property plant and equipment and intangible assets

a. Property, plant and equipment

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

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

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

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

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

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

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

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

Component-based matrix adopted by BANK OF AFRICA

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

Impairment

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

b. Investment property

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

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

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

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

c. Intangible assets

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

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

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

Impairment is recognised when evidence (internal or external) of impairment exists. Evidence of impairment is assessed at each balance sheet date.

Given the character of the intangible assets held, the Group considers that the concept of residual value is not relevant in respect of its intangible assets. As a result, residual value has not been adopted.

1.6.1.4. Leases

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

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

a. Lessor accounting

Finance leases

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

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

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

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

Operating leases

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

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

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

b. Lessee accounting

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

Finance leases

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

A matching liability, equal to the fair value of the leased asset or the present value of the minimum lease payments, is also recognised in the balance sheet of the lessee. The asset is depreciated using the same method as that applied to owned assets after deducting the residual value from the amount initially recognised over the useful life of the asset. The lease obligation is accounted for at amortised cost.

The Operating leases

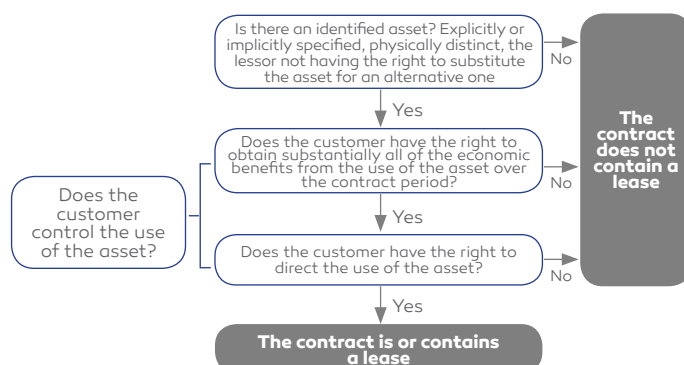
IFRS 16 ‘Leases’ will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

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

Policies adopted

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

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



The contract does not contain a lease

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

The lease period

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

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

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

Lease period under IFRS 16			
Lease period	Non-cancellable period	Optional renewable periods	Optional periods subsequent to termination dates
		Lessor reasonably certain to exercise the renewal option	Lessor reasonably certain of not exercising the renewal option

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

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

1.6.1.5. non-current assets held for sale and discontinued activities

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

At 31 December 2025, the Group did not recognise any assets as held for sale or discontinued activities

1.6.2. Employee benefits

Classification of employee benefits

a. Short-term benefits

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

b. Defined-contribution post-employment benefits

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

c. Defined-benefit post-employment benefits

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

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

d. Long-term benefits

These are benefits which are not settled in full within twelve after the employee rendering the related service. Provisions are recognised if the benefit depends on employees' length of service.

The Group accounts for long-service awards as long-term benefits: these are payments made to employees when they reach 6 different thresholds of length of service ranging from 15 to 40 years.

e. Termination benefits

Termination benefits are made as a result of a Decision by the Group to terminate a contract of employment or a Decision by an employee to accept voluntary redundancy. The company may set aside provisions if it is clearly committed to terminating an employee's contract of employment.

Principles for calculating and accounting for defined-benefit post-employment benefits and other long-term benefits

a. Calculation method

The recommended method for calculating the liability under IAS 19 is the "projected unit credit" method. The calculation is made on an individual basis. The employer's liability is equal to the sum of individual liabilities.

Under this method, the actuarial value of future benefits is determined by calculating the amount of benefits due on retirement based on salary projections and length of service at the retirement date. It takes into consideration variables such as discount rates, the probability of the employee remaining in service up until retirement as well as the likelihood of mortality.

The liability is equal to the actuarial value of future benefits in respect of past service within the company prior to the calculation date. This liability is determined by applying to the actuarial value of future benefits the ratio of length of service at the calculation date to length of service at the retirement date.

The annual cost of the scheme, attributable to the cost of an additional year of service for each participant, is determined by the ratio of the actuarial value of future benefits to the anticipated length of service on retirement.

b. Accounting principles

A provision is recognised under liabilities on the balance sheet to cover for all obligations.

Actuarial gains or losses arise on differences related to changes in assumptions underlying calculations (early retirement, discount rates etc.) or between actuarial assumptions and what actually occurs (rate of return on pension fund assets etc.) constitute.

They are amortised through income over the average anticipated remaining service lives of employees using the corridor method.

The past service cost is spread over the remaining period for acquiring rights.

The annual expense recognised in the income statement under "Salaries and employee benefits" in respect of defined-benefit schemes comprises:

- The rights vested by each employee during the period (the cost of service rendered) ;
- The interest cost relating to the effect of discounting the obligation ;
- The expected income from the pension fund's investments (gross rate of return);
- The effect of any plan curtailments or settlements.

1.6.3. Share-based payments

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

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

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

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

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

1.6.4. Provisions recorded under liabilities

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

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

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

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

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

1.6.5. Current and deferred taxes

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

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

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

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

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

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

IFRIC 23 interpretation:

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

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

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

Full retrospective approach, provided that the company is in possession of the necessary information without taking into account circumstances that have occurred over time; or

Modified retrospective approach, by recognising the cumulative impact under opening shareholders' equity for the financial period in which the interpretation is first applied, in which case, the comparative information for the financial period in which the interpretation is first applied is not restated.

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

1.6.6. Cash flow statement

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

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

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

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

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

Preparation of the financial statements requires managers of business lines and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet and in the disclosure of information in the notes to the financial statements.

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

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

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

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

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

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



II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

2.1. NET INTEREST INCOME

includes net interest income (expense) related to customer and interbank transactions, debt securities issued by the Group, the trading portfolio (fixed income securities, repurchase agreements, loan / borrowing transactions and debts securities), and debt instruments.

	Dec-25			Dec-24		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	13.594.134	3.483.634	10.110.500	13.352.887	3.438.360	9.914.527
Deposits, loans and borrowings	12.654.262	3.389.299	9.264.963	12.572.324	3.383.259	9.189.065
Repurchase agreements	0	94.335	-94.335	0	55.101	-55.101
Finance leases	939.872	0	939.872	780.563	0	780.563
Interbank transactions	1.490.738	2.163.749	-673.011	1.589.570	2.728.011	-1.138.441
Deposits, loans and borrowings	1.477.947	1.885.925	-407.978	1.576.387	2.044.598	-468.211
Repurchase agreements	12.791	277.824	-265.033	13.182	683.412	-670.230
Debt issued by the Group		961.510	-961.510		1.018.204	-1.018.204
Financial instruments at fair value through other comprehensive income			0			0
Debt instruments	5.846.993		5.846.993	5.425.429		5.425.429
TOTAL INTEREST INCOME/(EXPENSE)	20.931.865	6.608.893	14.322.972	20.367.886	7.184.574	13.183.312

(In thousand MAD)

2.2. NET FEE INCOME

	Dec-25			Dec-24		
	Income	Expense	Net	Income	Expense	Net
Net fees on transactions	3.793.730	254.889	3.538.841	3.527.091	264.666	3.262.425
With credit institutions			-			-
With customers	2.601.138		2.601.138	2.338.563		2.338.563
In securities	350.222	89.056	261.166	249.267	97.947	151.320
In foreign exchange	842.370	165.833	676.536	939.261	166.718	772.542
In financial futures and off balance sheet transactions			-			-
Provision of banking and financial services	1.259.983	617.229	642.754	1.239.288	585.762	653.526
Net income from mutual fund management			-			-
Net income from means of payment	761.916	185.339	576.577	640.688	171.456	469.232
Insurance			-			-
Other	498.067	431.890	66.177	598.600	414.306	184.294
NET FEE INCOME	5.053.713	872.118	4.181.595	4.766.379	850.427	3.915.952

(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.



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-25			Dec-24		
	Trading assets	Other assets at fair value through profit or loss	Total	Trading portfolio	Portfolio measured using the fair value option	Total
Fixed income and variable income securities	848.083	177.037	1.025.120	672.375	100.831	773.206
Derivative instruments	-14.262		-14.262	54.594		54.594
Repurchase agreements						
Loans						
Borrowings						
Revaluation of interest rate risk hedged portfolios						
Revaluation of foreign exchange positions						
TOTAL	833.821	177.037	1.010.858	726.969	100.831	827.800

(In thousand MAD)

2.4. REMUNERATION FROM EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME (NON-RECYCLABLE)

	Dec-25	Dec-24
Remuneration from equity instruments (dividends) through other comprehensive income (non-recyclable)	265.672	234.465
TOTAL	265.672	234.465

(In thousand MAD)

2.5. INCOME AND EXPENSES FROM OTHER ACTIVITIES

	Dec-25			Dec-24		
	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	358.824	159.194	199.630	338.858	134.337	204.521
Net income from real estate development activities	0	0	0	0	0	0
Other banking income and expenses	617.525	442.290	175.235	590.369	383.207	207.162
Other non-banking income from operations	225.156	42.370	182.786	162.702	19.341	143.361
TOTAL NET INCOME FROM OTHER ACTIVITIES	1.201.504	643.854	557.651	1.091.930	536.885	555.045

(In thousand MAD)

2.6. GENERAL OPERATING EXPENSES

	Dec-25	Dec-24
Employee expenses	4.520.984	4.296.569
Taxes	336.864	298.619
External expenses	3.167.719	2.972.968
Other general operating expenses	208.053	192.410
Impairment and provisions for intangible assets and property, plant and equipment	1.071.889	929.472
General Operating Expenses	9.305.509	8.690.038

(In thousand MAD)



2.7. COST OF RISK

	31/12/2025	31/12/2024
Net impairment	-2.253.970	-2.169.018
Bucket 1	-277.249	-216.252
Including loans and advances to credit and similar institutions	-680	-8.647
Including loans and advances to customers	-102.696	52.272
Including off-balance sheet commitments	-20.812	-43.318
Including debt instruments	-153.061	-216.560
Including debt instruments at fair value through other comprehensive income (recyclable)		
Bucket 2	-99.786	-350.159
Including loans and advances to credit and similar institutions	-	-
Including loans and advances to customers	-99.687	-348.211
Including off-balance sheet commitments	-99	-1.948
Including debt instruments	-	-
Including debt instruments at fair value through other comprehensive income (recyclable)		
Bucket 3	-1.876.935	-1.602.607
Including loans and advances to credit and similar institutions	10.781	104
Including loans and advances to customers	-1.842.532	-1.475.725
Including off-balance sheet commitments	-45.184	-126.986
Including debt instruments	-	-
Including debt instruments at fair value through other comprehensive income (recyclable)		
Amounts recovered on loans and advances	164.525	166.793
Losses on irrecoverable loans and advances	-834.326	-1.136.645
Other	-363.850	-38.730
Cost of risk	-3.287.621	-3.177.600

(In thousand MAD)

2.8. NET GAINS AND LOSSES ON OTHER ASSETS

	Dec-25	Dec-24
Property, plant and equipment and intangible assets used in business operations		16.837
Capital gains on disposal		18.037
Capital losses on disposal		1.200
Other	-230	-26.646
Net gains or losses on other assets	-230	-9.809

(In thousand MAD)

2.9. CORPORATE INCOME TAX

2.9.1. Current and deferred tax

	Dec-25	Dec-24
Current tax	1.759.973	1.406.755
Deferred tax	2.669.784	2.610.179
Current and deferred tax assets	4.429.757	4.016.934
Current tax	2.423.616	2.036.293
Deferred tax	1.292.471	1.226.720
Current and deferred tax liabilities	3.716.088	3.263.012

(In thousand MAD)

2.9.2. Net corporate income tax expense

	Dec-25	Dec-24
Current tax expense	-2.236.380	-1.995.842
Net deferred tax expense for the year	-151.599	-8.329
Net corporate income tax expense	-2.387.980	-2.004.171

(In thousand MAD)

2.9.3. Effective tax rate

	Dec-25	Dec-24
Pre-tax income	7.902.057	6.980.277
Corporate income tax expense	-2.387.980	-2.004.171
Average effective tax rate	30,2%	28,7%

(In thousand MAD)

III. BUSINESS SEGMENT INFORMATION

The Group is composed of four core business activities for accounting and financial information purposes:

- Banking in Morocco : BANK OF AFRICA;
- Asset management and Investment banking : BMCE Capital, BMCE Capital Bourse and BMCE Capital Gestion;
- Specialised financial services : Salafin, Maghrébaïl, Maroc Factoring and Acmar;
- International activities : BANK OF AFRICA Europe, BANK OF AFRICA UK, BOA Group, Banque de Développement du Mali.

3.1. INCOME BY BUSINESS SEGMENT

	Dec-25					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
Net interest income	6.759.245	79.865	750.115	42.023	6.691.724	14 322 972
Fee income	1.559.375	296.555	45.524	1.247	2.278.893	4 181 595
Net banking income	8.975.858	672.478	811.044	247.942	9.631.424	20 338 747
General operating expenses and impairment	-3.780.317	-478.712	-300.670	-201.137	-4.544.672	-9 305 509
Gross operating income	5.195.541	193.766	510.374	46.805	5.086.754	11 033 239
Corporate income tax	-1.284.529	-118.791	-252.656	-229	-731.775	- 2 387 980
Net income attributable to shareholders of the parent company	1.616.374	144.461	159.785	-11.756	1.904.688	3 813 552

(In thousand MAD)

	Dec-24					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
Net interest income	5.792.145	79.167	649.188	12.494	6.650.319	13 183 312
Fee income	1.381.969	201.692	35.027	964	2.296.300	3 915 952
Net banking income	7.959.750	457.482	699.470	222.722	9.377.151	18 716 574
General operating expenses and impairment	-3.471.740	-341.990	-272.020	-159.724	-4.444.564	-8 690 038
Gross operating income	4.488.010	115.491	427.450	62.998	4.932.588	10 026 536
Corporate income tax	-948.382	-85.122	-193.960	-9.025	-767.683	-2 004 171
Net income attributable to shareholders of the parent company	1.389.442	103.477	152.871	2.783	1.778.846	3 427 420

(In thousand MAD)



3.2. ASSETS AND LIABILITIES BY BUSINESS SEGMENT

	Dec-25					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
TOTAL ASSETS	275.524.795	1.749.252	18.369.367	3.254.894	138.779.480	437.677.787
ASSETS						
Financial assets at fair value through other comprehensive income	5.440.268	60.044	33.215	5.305	2.419.918	7.958.751
Loans and advances to customers at amortised cost	154.452.861	0	17.220.137	2.655.196	56.521.162	230.849.356
Financial assets at fair value through profit or loss	57.759.758	177.584	861	0	2.312.254	60.250.457
Securities at amortised cost	10.934.686	0	0	0	35.579.971	46.514.657
LIABILITIES						
Amounts due to customers	175.354.439	0	610.393	356.939	99.519.502	275.841.273
Shareholder's Equity	22.900.932	674.975	1.779.645	-168.642	15.239.527	40.426.437

(In thousand MAD)

	Dec-24					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
TOTAL ASSETS	269.901.053	1.434.232	17.259.124	1.241.680	133.442.729	423.278.818
ASSETS						
Financial assets at fair value through other comprehensive income	5.276.652	17.481	33.215	5.305	2.331.300	7.663.954
Loans and advances to customers at amortised cost	149.941.437	0	16.160.793	794.100	58.720.713	225.617.042
Financial assets at fair value through profit or loss	58.949.548	112.188	861	0	1.618.816	60.681.413
Securities at amortised cost	10.984.350	0	0	0	33.945.382	44.929.732
LIABILITIES						
Amounts due to customers	162.928.923	0	521.881	289.404	93.887.516	257.627.724
Shareholder's Equity	21.864.088	578.809	1.672.785	-131.620	12.830.635	36.814.698

(In thousand MAD)


IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2025
4.1. CASH AND BALANCES AT CENTRAL BANKS, THE PUBLIC TREASURY AND POSTAL CHEQUE CENTRE

	Dec-25	Dec-24
CASH AND BALANCES	5.945.385	6.705.309
CENTRAL BANKS	18.151.411	14.460.341
PUBLIC TREASURY	6.535	20.451
POSTAL CHEQUE CENTRE	4.754	4.724
CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHEQUE CENTRE	18.162.700	14.485.515
Cash and balances at central banks, the Public treasury and postal cheque centre	24.108.086	21.190.824

(In thousand MAD)

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

	Dec-25			Dec-24		
	Financial as- sets/liabilities held for trading purposes	Other assets/ liabilities at fair value through profit or loss	Total	Financial as- sets/liabilities held for trading purposes	Other assets/ liabilities at fair value through profit or loss	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable debt securities	42.342.210	-	42.342.210	45.397.648	-	45.397.648
Treasury bills and other marketable assets mobilised with central banks	40.837.143		40.837.143	43.775.465		43.775.465
Other negotiable debt securities	1.505.067		1.505.067	1.622.183		1.622.183
Bonds	4.835.429	-	4.835.429	4.525.389	-	4.525.389
Government bonds	1.915.312		1.915.312	2.195.938		2.195.938
Other bonds	2.920.117		2.920.117	2.329.451		2.329.451
Equities and other variable income securities	10.583.600	2.468.478	13.052.077	9.028.819	1.720.743	10.749.562
Repurchase agreements	-	-	-	-	-	-
Loans	-	-	-	-	-	-
To credit institutions			0			0
To corporate customers			0			0
To retail customers			0			0
Financial derivative instruments for trading purposes	20.741	0	20.741	8.814	0	8.814
Currency derivative instruments	20.741		20.741	8.814		8.814
Interest rate derivative instruments			0			0
Equity derivative instruments			0			0
Credit derivative instruments			0			0
Other derivative instruments			0			0
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	57.781.980	2.468.478	60.250.458	58.960.670	1.720.743	60.681.413
Of which securities on loan						
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						
Financial derivative instruments for trading purposes						
Currency derivative instruments						
Interest rate derivative instruments						
Equity derivative instruments						
Credit derivative instruments						
Other derivative instruments						
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS						

(In thousand MAD)



4.3. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Dec-25			Dec-24		
	Balance sheet value	Unrealised gains	Unrealised losses	Balance sheet value	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income (recyclable)	779.247	246	-2.614	713.984	5.187	-29.572
Equity instruments at fair value through other comprehensive income (non-recyclable)	7.179.503	1.994.936	-590.883	6.949.970	1.950.228	-486.921

(In thousand MAD)

4.4. SECURITIES AT AMORTISED COST

	Dec-25	Dec-24
Treasury bills and other marketable assets mobilised with central banks	16.479.466	15.777.666
Treasury bills and other marketable assets mobilised with central banks	16.143.256	15.296.531
Other negotiable debt securities	336.210	481.135
Bonds	31.569.646	30.497.570
Government bonds	28.466.658	26.833.277
Other bonds	3.102.988	3.664.293
Impairment	-1.534.455	-1.345.504
TOTAL DEBT INSTRUMENTS AT AMORTISED COST	46.514.657	44.929.732

(In thousand MAD)

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

LOANS AND ADVANCES TO CREDIT INSTITUTIONS AT AMORTISED COST

	Dec-25	Dec-24
Sight deposits	13.822.778	12.226.612
Loans	20.368.194	22.872.072
<i>Of which overnight loans</i>	<i>590.659</i>	<i>946.201</i>
Repurchase agreements	711.577	141.102
TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS BEFORE IMPAIRMENT	34.902.549	35.239.785
Impairment of loans and advances to credit institutions	-66.465	-88.126
TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS NET OF IMPAIRMENT	34.836.084	35.151.660

(In thousand MAD)

AMOUNTS DUE TO CREDIT INSTITUTIONS

	Dec-25	Dec-24
Sight deposits	9.309.362	8.884.278
Borrowings	29.006.782	26.020.004
<i>Of which overnight loans</i>	<i>4.502.446</i>	<i>879.183</i>
Repurchase agreements	32.700.699	45.343.026
TOTAL	71.016.843	80.247.308

(In thousand MAD)



4.6. AMOUNTS DUE TO AND FROM CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

	31-dec-25	31-dec-24
Overdrawn accounts	22.818.938	22.012.931
Customer loans	195.919.781	186.197.367
Repurchase agreements	15.760.294	20.412.511
Finance leases	18.236.752	16.946.683
TOTAL LOANS AND ADVANCES TO CUSTOMERS BEFORE IMPAIRMENT	252.735.766	245.569.493
Impairment of loans and advances to customers	-21.886.409	-19.952.451
TOTAL LOANS AND ADVANCES TO CUSTOMERS NET OF IMPAIRMENT	230.849.356	225.617.042

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY BUSINESS SEGMENT

	31-dec-25	31-dec-24
Banking in Morocco	154.452.861	149.941.437
Specialised Financial Services	17.220.137	16.160.793
International Operations	56.521.162	58.720.713
Asset Management	0	0
Other Operations	2.655.196	794.100
Total - principal	230.849.356	225.617.042
Accrued interest		
Balance sheet value	230.849.356	225.617.042

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL REGION

	31-dec-25	31-dec-24
Morocco	174.328.194	166.896.329
Africa	54.838.354	57.047.881
Europe	1.682.808	1.672.832
Total - principal	230.849.356	225.617.042
Accrued interest		
Balance sheet value	230.849.356	225.617.042

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES AND IMPAIRMENT BY BUCKET

	Dec-25							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through other comprehensive income	751.056	28.486		779.541	195	99		294
Debt instruments at fair value through other comprehensive income (recyclable)	751.056	28.486		779.541	195	99		294
Financial assets at amortised cost	296.829.549	14.096.294	24.761.584	335.687.427	3.262.292	3.001.338	17.223.698	23.487.328
Loans and advances to credit institutions	34.901.645		904	34.902.549	53.230		13.233	66.463
Loans and advances to customers	213.878.791	14.096.294	24.760.681	252.735.765	1.674.607	3.001.338	17.210.465	21.886.409
Debt securities	48.049.112			48.049.112	1.534.455			1.534.455
Total assets	297.580.604	14.124.779	24.761.584	336.466.968	3.262.487	3.001.437	17.223.698	23.487.622
Total off-balance sheet	64.844.518	271.775	601.127	65.717.420	248.578	2.672	306.108	557.358

(In thousand MAD)

	Dec-24							
	Receivables and commitments				Depreciation			
	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL	BUCKET 1	BUCKET 2	BUCKET 3	TOTAL
Financial assets at fair value through other comprehensive income	643.398	94.806		738.204	267	23.953		24.220
Debt instruments at fair value through other comprehensive income (recyclable)	643.398	94.806		738.204	267	23.953		24.220
Financial assets at amortised cost	288.248.291	16.204.335	22.631.889	327.084.515	2.973.261	2.901.641	15.511.179	21.386.081
Loans and advances to credit institutions	35.202.968		36.817	35.239.785	55.855		32.271	88.126
Loans and advances to customers	206.770.087	16.204.335	22.595.072	245.569.494	1.571.902	2.901.641	15.478.908	19.952.451
Debt securities	46.275.236			46.275.236	1.345.504			1.345.504
Total assets	288.891.689	16.299.141	22.631.889	327.822.719	2.973.528	2.925.594	15.511.179	21.410.301
Total off-balance sheet	56.387.940	272.423	379.118	57.039.480	238.666	2.573	284.484	525.722

(In thousand MAD)

AMOUNTS DUE TO CUSTOMERS

	Dec-25	Dec-24
Accounts in credit	184.724.647	165.819.447
Fixed term accounts	28.248.184	30.266.349
Savings accounts	48.756.160	47.102.989
Certificates of deposit	2.932.723	3.297.279
Repurchase agreements	518.502	1.183.108
Other accounts in credit	10.661.057	9.958.551
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	275.841.273	257.627.724

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS SEGMENT

	Dec-25	Dec-24
Banking in Morocco	175.354.439	162.928.923
Specialised Financial Services	610.393	521.881
International Operations	99.519.502	93.887.516
Asset Management	0	0
Other Operations	356.939	289.404
Total - principal	275.841.273	257.627.724
Accrued interest		
Balance sheet value	275.841.273	257.627.724

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

	Dec-25	Dec-24
Morocco	176.321.771	163.740.208
Africa	98.572.028	92.779.245
Europe	947.475	1.108.271
Total - principal	275.841.273	257.627.724
Accrued interest		
Balance sheet value	275.841.273	257.627.724

(In thousand MAD)

4.7. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

	Dec-25	Dec-24
Other debt securities	12.333.680	11.723.938
Negotiable debt securities	12.333.680	11.723.938
Bonds		
Subordinated debt	12.088.543	12.145.994
Subordinated loans	12.088.543	12.145.994
Fixed maturity	4.588.543	6.645.994
Perpetual	7.500.000	5.500.000
Subordinated securities	0	0
Fixed maturity		
Perpetual	0	0
Public funds and special guarantee funds		
Total	24.422.223	23.869.932

(In thousand MAD)

4.8. CURRENT AND DEFERRED TAX

	Dec-25	Dec-24
Current tax	1.759.973	1.406.755
Deferred tax	2.669.784	2.610.179
Current and deferred tax assets	4.429.757	4.016.934
Current tax	2.423.616	2.036.293
Deferred tax	1.292.471	1.226.720
Current and deferred tax liabilities	3.716.088	3.263.013

(In thousand MAD)

4.9. ACCRUED INCOME, OTHER ASSETS AND LIABILITIES

	Dec-25	Dec-24
Guarantee deposits and bank guarantees paid	218.575	216.217
Settlement accounts relating to corporate actions	83.747	82.608
Cheque-cashing accounts	726.491	614.607
Reinsurers' share of technical provisions		
Accrued income and prepaid expenses	1.029.481	1.062.506
Other debtors	10.391.628	6.407.253
Liaison accounts	12.614	12.031
TOTAL ACCRUED INCOME AND OTHER ASSETS	12.462.536	8.395.221
Guarantee deposits received	26.779	29.953
Settlement accounts relating to corporate actions	2.881.648	5.717.979
Cheque-cashing accounts	1.874.483	2.445.042
Accrued expenses and deferred income	2.347.717	1.900.152
Other creditors and miscellaneous liabilities	12.935.723	9.486.223
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	20.066.350	19.579.349

(In thousand MAD)


4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

	Dec-25	Dec-24
ACMAR	26.657	39.644
Banque de Développement du Mali	892.847	812.983
Eurafric	-23.443	-23.671
Investments in companies accounted for using the equity method at BOA	189.296	179.746
Investments in companies accounted for using the equity method	1.085.358	1.008.702

(In thousand MAD)

FINANCIAL DATA PUBLISHED IN ACCORDANCE WITH LOCAL ACCOUNTING STANDARDS BY THE MAIN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

	Total Assets dec 2025	Net Banking Income or Net Revenues as of dec 2025	Company Income	Contribution in Net Income attributable to the parent company as of dec 2025
ACMAR	594.858	37.320	-9.229	-1.846
Banque de Développement du Mali	28.186.968	1.146.791	362.902	115.709
Eurafric	360.209	3.003	734	301

(In thousand MAD)

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

Financial assets at fair value through profit or loss	Dec-25			Dec-24		
	Gross carrying amount	Accumulated depreciation, amortisation and impairment	Net carrying amount	Gross carrying amount	Accumulated depreciation, amortisation and impairment	Net carrying amount
Property, plant and equipment	19.521.549	10.227.519	9.294.030	18.418.966	9.725.280	8.693.686
Land and buildings	5.432.728	1.655.445	3.777.283	5.944.578	1.656.600	4.287.979
Equipment, furniture and fixtures	5.928.526	3.818.044	2.110.483	5.479.397	3.697.486	1.781.911
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other property, plant and equipment	8.160.294	4.754.030	3.406.264	6.994.991	4.371.195	2.623.796
Intangible Assets	4.197.761	2.440.742	1.757.020	3.647.466	2.050.317	1.597.149
Purchased software	3.425.754	2.180.411	1.245.344	2.877.418	1.750.119	1.127.298
Internally-developed software	0	0	0	0	0	0
Other intangible assets	772.007	260.331	511.676	770.048	300.198	469.851
Investment Property	3.628.249	514.650	3.113.599	3.768.247	453.844	3.314.403

(In thousand MAD)

TABLE OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT

	31/12/25	31/12/24
NET VALUE at 1 January	8.693.686	8.642.450
Acquisitions during the year	998.120	694.161
First-time consolidation	-	-
Depreciation, amortisation and impairment	-524.238	-500.105
Disposals during the year	37.992	-134.023
Other changes	88.470	-8.797
NET VALUE AT END OF YEAR	9.294.030	8.693.686

(In thousand MAD)

TABLE OF CHANGES IN INTANGIBLE ASSETS

	31/12/25	31/12/24
NET VALUE at 1 January	1.597.149	1.408.667
Acquisitions during the year	637.447	524.733
First-time consolidation	-	-
Depreciation, amortisation and impairment	-309.349	-222.296
Disposals during the year	-4.839	-9.208
Other changes	-163.389	-104.747
NET VALUE AT END OF YEAR	1.757.020	1.597.149

(In thousand MAD)

TABLE OF CHANGES IN INVESTMENT PROPERTY

	31/12/25	31/12/24
NET VALUE at 1 January	3.314.403	3.381.408
Acquisitions during the year	-	-
First-time consolidation	-	-
Depreciation, amortisation and impairment	-42.959	-16.938
Disposals during the year	-157.846	-50.067
Other changes	-	-
NET VALUE AT END OF YEAR	3.113.598	3.314.403

(In thousand MAD)



LEASE EXPENSES

	31/12/25	31/12/24
Interest expense on lease liabilities	-42.443	-43.430
Depreciation expenses on right-of-use assets	-229.206	-242.201

(In thousand MAD)

RIGHT-OF-USE ASSETS

	31/12/25	31/12/24
Property, plant and equipment	9.294.030	8.693.686
Of which rights of use	995.538	1.120.742

(In thousand MAD)

LEASE LIABILITIES

	31/12/25	31/12/24
Accruals, deferred income and other liabilities	20.066.352	19.579.349
Of which lease liability	1.005.496	1.175.616

(In thousand MAD)

4.12. GOODWILL

	Dec-25	Dec-24
Gross carrying amount at start of period	1.018.097	1.018.097
Accumulated impairment at start of period		
Net carrying amount at start of period	1.018.097	1.018.097
Acquisitions		
Disposals		
Impairment recognised during the period		
Exchange differences		
Subsidiaries previously accounted for using the equity method		
Other movements		
Gross carrying amount at end of period	1.018.097	1.018.097
Accumulated impairment at end of period		
NET CARRYING AMOUNT AT END OF PERIOD	1.018.097	1.018.097

(In thousand MAD)

THE FOLLOWING TABLE PROVIDES A BREAKDOWN OF GOODWILL:

	Net book value 31/12/2025	Net book value 31/12/2024
Maghrébaïl	10.617	10.617
Banque de développement du Mali	3.588	3.588
SALAFIN	184.978	184.978
Maroc Factoring	1.703	1.703
BMCE CAPITAL BOURSE	2.618	2.618
BMCE International (Madrid)	3.354	3.354
Bank Of Africa	712.514	712.514
LOCASOM	98.725	98.725
GROUP TOTAL	1.018.097	1.018.097

(In thousand MAD)

SENSITIVITY TO CHANGES IN ASSUMPTIONS

(in thousand MAD)	BOA Group	SALAFIN	LOCASOM
Discount rate	19,00%	13,50%	7,00%
Unfavourable 50 basis point change	-461.136	-36.066	-86.254
Favourable 50 basis point change	488.570	39.375	104.338

(In thousand MAD)

4.13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Dec-25	Dec-24
TOTAL PROVISIONS AT START OF PERIOD	1.876.793	1.672.828
Additional provisions	821.605	448.855
Write-backs	-435.736	-115.330
Other movements	-74.089	-129.560
TOTAL PROVISIONS AT END OF PERIOD	2.188.573	1.876.793

(In thousand MAD)

(In thousand MAD)	Legal and tax risk	Post-employment benefit obligations	Loan guarantees	Loss-making contracts	Other provisions	Total carrying amount
Opening balance	225.604	433.602	523.179	0	694.408	1.876.794
Provisions	98.771	11.231	68.954	0	642.649	821.605
Amounts used	-295	0	-28.455	0	-406.986	-435.736
Other movements	0	0	2.037	0	-76.126	-74.089
Closing balance	324.080	444.833	565.715	0	853.946	2.188.573

(In thousand MAD)



4.14. FAIR VALUE

4.14.1. FAIR VALUE OF ASSETS AND LIABILITIES AT AMORTISED COST

	31-Dec-25		31-Dec-24	
	Balance sheet value	Estimated market value	Balance sheet value	Estimated market value
ASSETS				
Loans and advances to credit and similar institutions at amortised cost	34.836.085	34.908.498	35.151.660	35.104.343
Loans and advances to customers at amortised cost	230.849.356	230.826.548	225.617.043	225.400.817
Securities at amortised cost	46.514.657	46.159.490	44.929.732	44.473.985
Investment property	3.113.599	3.183.239	3.314.403	3.384.043
LIABILITIES				
Amounts due to credit and similar institutions	71.016.843	71.016.843	80.247.308	80.247.308
Amounts due to customers	275.841.273	275.841.273	257.627.725	257.627.725
Debt securities issued	12.333.680	12.333.680	11.723.938	11.723.938
Subordinated debt	12.088.543	12.088.543	12.145.994	12.145.994

(In thousand MAD)

4.14.2. BREAKDOWN BY VALUATION METHOD FOR FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE IN ACCORDANCE WITH IFRS 7 RECOMMENDATIONS

	31-Dec-25			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Financial instruments at fair value through profit or loss held for trading purposes	60.250.457			60.250.457
- Financial assets at fair value for trading purposes	57.781.980			57.781.980
- Financial assets at fair value through profit or loss	2.468.478			2.468.478
Financial assets at fair value through other comprehensive income	1.362.124		6.596.626	7.958.751
- Debt instruments at fair value through other comprehensive income (recyclable)	779.247			779.247
- Equity instruments at fair value through other comprehensive income (non-recyclable)	582.877		6.596.626	7.179.503
FINANCIAL LIABILITIES				
Financial instruments at fair value through profit or loss held for trading purposes				
Financial instruments measured using the fair value option through profit or loss				
Derivative hedging instruments				

(In thousand MAD)

	31-Dec-24			Total
	Level 1	Level 2	Level 3	
FINANCIAL ASSETS				
Financial instruments at fair value through profit or loss held for trading purposes	60.681.413			60.681.413
- Financial assets at fair value for trading purposes	58.960.670			58.960.670
- Financial assets at fair value through profit or loss	1.720.743			1.720.743
Financial assets at fair value through other comprehensive income	1.283.473		6.380.481	7.663.954
- Debt instruments at fair value through other comprehensive income (recyclable)	713.984			713.984
- Equity instruments at fair value through other comprehensive income (non-recyclable)	569.489		6.380.481	6.949.970
FINANCIAL LIABILITIES				
Financial instruments at fair value through profit or loss held for trading purposes				
Financial instruments measured using the fair value option through profit or loss				
Derivative hedging instruments				

(In thousand MAD)

4.14.3. FAIR VALUE HIERARCHY OF ASSETS AND LIABILITIES AT AMORTISED COST

	31-Dec-25			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Loans and advances to credit and similar institutions			34.908.498	34.908.498
Loans and advances to customers			230.826.548	230.826.548
Securities at amortised cost			46.159.490	46.159.490
LIABILITIES				
Amounts due to credit and similar institutions			71.016.843	71.016.843
Amounts due to customers			275.841.273	275.841.273
Debt securities issued			12.333.680	12.333.680
Subordinated debt			12.088.543	12.088.543

(In thousand MAD)

	31-Dec-24			
	Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS				
Loans and advances to credit and similar institutions			35.104.343	35.104.343
Loans and advances to customers			225.400.817	225.400.817
Securities at amortised cost			44.473.985	44.473.985
LIABILITIES				
Amounts due to credit and similar institutions			80.247.308	80.247.308
Amounts due to customers			257.627.725	257.627.725
Debt securities issued			11.723.938	11.723.938
Subordinated debt			12.145.994	12.145.994

(In thousand MAD)



	31/12/2025						31/12/2024							
	On demand	From overnight to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Indefinite maturity	Total	On demand	From overnight to 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Indefinite maturity	Total
Cash and balances at central banks, the Public treasury and postal cheque centre	24.108						24.108	21.191						21.191
Financial assets at fair value through profit or loss							0							0
- Financial assets held for trading purposes						57.782	57.782						58.961	58.961
- Financial assets at fair value through profit or loss						2.468	2.468						1.721	1.721
Derivative hedging instruments							0						0	0
Financial assets at fair value through other comprehensive income							0							0
- Debt instruments at fair value through other comprehensive income (recyclable)						779	779						714	714
- Equity instruments at fair value through other comprehensive income (non-recyclable)						7.180	7.180						6.950	6.950
Securities at amortised cost		2.713	6.458	18.923	18.420		46.515		3.002	8.807	18.236	14.884		44.930
Loans and advances to credit and similar institutions at amortised cost	15.934	3.471	5.300	7.737	1.525	868	34.836	15.158	3.359	4.394	8.766	2.610	864	35.152
Loans and advances to customers at amortised cost	23.283	37.015	31.830	57.916	64.424	16.381	230.849	20.701	41.672	29.157	56.599	62.192	15.297	225.617
Revaluation adjustment for portfolios hedged against interest rate risk							0							0
Financial investments from insurance operations							0							0
Current tax assets						1.760	1.760						1.407	1.407
Deferred tax assets						2.670	2.670						2.610	2.610
Prepayments, accrued income and other assets						12.463	12.463						8.395	8.395
Investments in companies accounted for using the equity method						1.085	1.085						1.009	1.009
Investment property						3.114	3.114						3.314	3.314
Property, plant and equipment						9.294	9.294						8.694	8.694
Intangible assets						1.757	1.757						1.597	1.597
Goodwill						1.018	1.018						1.018	1.018
TOTAL ASSETS	63.325	43.199	43.589	84.576	84.370	118.619	437.677	57.050	48.032	42.358	83.602	79.686	112.551	423.279
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	21.527	36.183	4.712	8.550	44	0	71.017	12.122	58.039	4.636	5.389	61	0	80.247
Amounts due to customers	244.950	8.788	19.305	2.674	124	0	275.841	223.425	11.568	21.354	1.280	0	0	257.628
Debt securities issued		1.247	3.986	6.669	432	0	12.334		2.043	2.612	7.069	0	0	11.724
Payable tax liabilities						2.424	2.424						2.036	2.036
Deferred tax liabilities						1.292	1.292						1.227	1.227
Adjustment accounts and other liabilities						20.066	20.066						19.579	19.579
Provisions						2.189	2.189						1.877	1.877
Subordinated debt and special guarantee funds		0	2.123	465	9.500	0	12.089		246	2.000	2.400	7.500	0	12.146
Equity						40.426	40.426						36.814	36.814
TOTAL LIABILITIES	266.477	46.218	30.127	18.358	10.100	66.397	437.677	235.547	71.896	30.603	16.138	7.561	61.533	423.278
LIQUIDITY GAPS	-203.152	-3.019	13.461	66.219	74.270	52.222	0	-178.497	-23.864	11.755	67.464	72.125	51.017	0

(In thousand MAD)



V. FINANCING AND GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENTS

	Dec-25	Dec-24
Financing commitments given	23.368.575	21.544.178
To credit institutions	1.231.521	648.513
To customers	22.137.054	20.895.664
Credit lines opened		
Other commitments given to customers		
Financing commitments received	2.890.579	1.643.375
From credit institutions	2.890.579	1.643.375
From customers	-	-

(In thousand MAD)

» 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-25	Dec-24
Guarantee commitments given	42.348.845	35.495.303
To credit institutions	13.433.636	10.688.554
To customers	28.915.209	24.806.749
Sureties provided to administrative and tax authorities and other sureties		
Other guarantees given to customers		
Guarantee commitments received	137.429.042	114.457.451
From credit institutions	133.599.573	110.367.054
From government and other guarantee institutions	3.829.469	4.090.397

(In thousand MAD)

» 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-25	Dec-24
Provision for retirement and similar benefits	444.833	433.602
Provision for special long service award		
Other provisions		
TOTAL	444.833	433.602

(In thousand MAD)

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

The following table provides an analysis of sensitivity to the two main actuarial assumptions used to calculate the cost of benefit schemes (post-employment benefits and long service awards) at 31 December 2025:

End-of-career bonus	Rate variation	Rate variation
	-50 pb	+50 pb
Discount rate	8.626	-8.008
Wage growth	-9.518	10.224
Long-service award	Rate variation	Rate variation
	-50 pb	+50 pb
Discount rate	9.966	-9.386
Wage growth	-13.375	14.177

Economic assumptions	Dec-25
Discount rate	3,71%
Long-term wage growth (inflation included)	2%
Growth in employer's social security contributions	12,11%
Demographic assumptions	
Retirement terms	Voluntary resignation
Retirement age	60
Mortality table	PM 60/64 - PF 60/64

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



6.2.3. COST OF POST-EMPLOYMENT BENEFIT SCHEMES

	Dec-25	Dec-24
Standard expense for the period	4.386	180
Interest expense	-15.617	-14.209
Funds' expected rate of return		
Additional benefits		
Other		36.961
Net cost for the period	-11.231	22.932
Of which expense related to retirement and similar benefits		
Other		

(In thousand MAD)

6.2.4. CHANGES IN THE PROVISION RECOGNISED ON THE BALANCE SHEET

	Dec-25	Dec-24
Actuarial liability at start of period	433.602	487.741
Standard expense for the period	26.643	27.522
Interest expense	15.617	14.209
Actuarial gains/losses	-	-
Other actuarial differences	-	-59.926
Amortisation of net gains/losses		
Benefits paid	-31.028	-27.702
Additional benefits		
Other		-8.242
Actuarial liability at end of period	444.834	433.602
Of which expense related to retirement and similar benefits		
Other		

(In thousand MAD)

VII. ADDITIONAL INFORMATION

7.1. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

7.1. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

	Dec-25	Dec-24
SHARE CAPITAL (MAD)	2.202.818.810	2.157.863.330
Number of ordinary shares outstanding during the year	220.281.881	215.786.333
NET INCOME ATTRIBUTABLE TO SHARE-HOLDERS OF THE PARENT COMPANY (MAD)	3.813.551.510	3.427.419.926
Earnings per share (MAD)	17,31	15,88
DILUTED EARNINGS PER SHARE (MAD)	17,31	15,88

7.1.2. CHANGES IN SHARE CAPITAL

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

TRANSACTIONS ON CAPITAL	In number	Unit value	In MAD
Number of shares outstanding at 31 December 2020	205.606.648	10	2.056.066.480
Number of shares outstanding at 31 December 2021	205.606.648	10	2.056.066.480
Number of shares outstanding at 31 December 2022	208.769.827	10	2.087.698.270
Number of shares outstanding at 31 December 2023	212.565.642	10	2.125.656.420
Number of shares outstanding at 31 December 2024	215.786.333	10	2.157.863.330
Number of shares outstanding at 31 December 2025	220.281.881	10	2.202.818.810

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

7.2. SCOPE OF CONSOLIDATION

Name	Business sector	Controlling interest (%)	Ownership (%)	Consolidation method
BANK OF AFRICA	Banking			Parent Company
BMCE CAPITAL	Investment banking	100,00%	100,00%	Fully consolidated
BMCE CAPITAL GESTION	Asset management	100,00%	100,00%	Fully consolidated
BMCE CAPITAL BOURSE	Securities brokerage	100,00%	100,00%	Fully consolidated
MAROC FACTORING	Factoring	100,00%	100,00%	Fully consolidated
MAGHREBAIL	Leasing	52,47%	52,47%	Fully consolidated
SALAFIN	Consumer lending	61,96%	61,96%	Fully consolidated
BMCE EUROSERVICES	Financial institution	100,00%	100,00%	Fully consolidated
BMCE BANK INTERNATIONAL HOLDING	Banking	100,00%	100,00%	Fully consolidated
BANK OF AFRICA EUROPE	Banking	100,00%	100,00%	Fully consolidated
BOA GROUP	Bank holding company	72,41%	72,41%	Fully consolidated
LOCASOM	Car rental	100,00%	97,39%	Fully consolidated
RM EXPERTS	Debt collection	100,00%	100,00%	Fully consolidated
OPERATION GLOBAL SERVICE	Back-office banking services	100,00%	100,00%	Fully consolidated
FCP OBLIGATIONS PLUS	Mutual fund management	100,00%	100,00%	Fully consolidated
BOA UGANDA	Banking	92,24%	79,87%	Fully consolidated
BANK AL KARAM	Participatory Banking	100,00%	100,00%	Fully consolidated
BANQUE DE DEVELOPPEMENT DU MALI	Banking	32,38%	32,38%	Equity method
EULER HERMES ACMAR	Insurance	20,00%	20,00%	Equity method
EURAFRIC INFORMATION	IT Services	41,00%	41,00%	Equity method

7.2.1. Related-party balance sheet items

Relationship between BANK OF AFRICA and consolidated companies.

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



7.3. DIRECTORS' REMUNERATION

7.3.1. DETAILS OF DIRECTORS' REMUNERATION

	31/12/2025	31/12/2024
Short-term benefits	11.005	10.652
Post-employment benefits	1.208	319
Other long-term benefits	2.551	2.088

Short-term benefits relate to the fixed remuneration inclusive of social security contributions received by the main Executive Corporate Officers in respect of the 2025 financial year.

Post-employment benefits represent outstanding leave balances to be reimbursed in the event of departure, while end-of-service benefits include end-of-career bonuses and work medals to be paid to employees upon their departure.

7.3.2. LOANS GRANTED TO DIRECTORS

	31/12/2025	31/12/2024
A. Short-term loans		3.337
B. Mortgage loans	10.500	7.500
TOTAL	10.500	10.837

(In thousand MAD)

7.3.3. ATTENDANCE FEES PAID TO MEMBERS OF THE BOARD OF DIRECTORS

	31/12/2025		
	Gross amount	With holding tax	Net income paid
Individuals and legal entities resident in Morocco	11.014	3.076	7.938
Non-resident individuals and legal entities	3.486	435	3.051
TOTAL	14.500	3.511	10.989

(In thousand MAD)

	31/12/2024		
	Gross amount	With holding tax	Net income paid
Individuals and legal entities resident in Morocco	10.726	3.026	7.700
Non-resident individuals and legal entities	1.826	251	1.575
TOTAL	12.552	3.277	9.275

(In thousand MAD)

7.4. RELATED PARTY

7.4.1. Related party profit and loss items

	Parent company	Sister companies	Companies consolidated according to the equity method	Companies consolidated through full integration
Assets				
Loans, advances and securities	3.430.062	2.425.865	5.141	13.639.187
Current accounts	1.421.579	132.021	5.141	1.746.771
Loans	2.008.483	401.472		11.188.223
Securities		1.892.372		704.193
Finance leases				
Miscellaneous assets				25.308
Total	3.430.062	2.425.865	5.141	13.664.495
Liabilities				
Deposits	-	148.156	24.516	12.931.025
Current accounts		148.156	24.516	1.930.674
Other borrowings				11.000.351
Debt securities				704.193
Miscellaneous liabilities				29.277
Total	-	148.156	24.516	13.664.495
Financing and guarantee commitments				
Commitments given				562.085
Commitments received				562.085

(In thousand MAD)

7.4.2. RELATED PARTY PROFIT AND LOSS ITEMS

	Parent company	Sister companies	Companies consolidated according to the equity method	Companies consolidated through full integration
Interest and similar income	-110.150	-63.523	-112	369.579
Interest and similar expenses				-440.620
Fees (income)		-67.377		287.349
Fees (expenses)				-78.452
Services provided				
Services procured	-62.092			
Lease income		-13.073	-3.771	200.828
Other		-79.671		-338.684

(In thousand MAD)

VIII - NOTE CONCERNING RISKS

8.1. RISK MANAGEMENT SYSTEM

8.1.1. Risk categories

8.1.1.1. Credit risk

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

8.1.1.2. Market risk

Market risk is the risk of a financial instrument losing value due to adverse fluctuations in market parameters, volatility or correlations between them. The parameters in question include exchange rates, interest rates and the prices of securities (stocks or bonds), commodities, derivatives or any other asset.

8.1.1.3. Overall liquidity and interest rate risk

Interest rate risk lies in an institution's financial position being vulnerable to an adverse change in interest rates.

Liquidity risk is the risk of the institution being unable to meet its cash or collateral obligations when they become due and at a reasonable cost.

8.1.1.4. Operational risk

Operational risk may be defined as the risk of loss due to inadequate or failing internal procedures, employee error, systems failure or external events. This definition includes legal risk but excludes strategic risk and reputational risk.

8.1.1.5. Country risk

Country risk comprises political risk as well as transfer risk. Political risk generally arises from action taken by a country's government such as nationalisation or expropriation or an independent event such as war or revolution, which may affect a customer's ability to honour its obligations. Transfer risk may be defined as the risk of a resident customer being unable to acquire foreign currency in its country to be able to honour its overseas commitments.

8.1.2. Risk management organisation

8.1.2.1. Risk control bodies

• Group Risks Division

One of the Group Risks Division's responsibilities is to develop the strategy for monitoring and managing risk in a way that is consistent with the risk profile of the Bank and Group as well as the degree of risk aversion. • Definition of the Group's risk policy

- Definition and management of credit approval and monitoring processes
- Implementation of a risk control system relating to credit, market and operational risks

The Group Risks Division comprises four functions:

- Group Risk Management
- Post-credit approval monitoring
- Group Commitments
- Group Permanent Control

8.1.2.2. Governance Bodies

• Group Risks Committee

The Group Risks Committee assists the Board of Directors in matters such as strategy and risk monitoring and management. In particular, it ensures that overall risk policy is adapted to the risk profile of the Bank and Group, its degree of risk aversion, its systemic importance, its size and its capital base.

• Audit and Internal Control Committee

BANK OF AFRICA Group's Audit and Internal Control Committee is responsible for monitoring and assessing the quality of the internal control system and ensuring that it is adapted to the Group's risk profile, its systemic importance, its size and its complexity, as well as the nature and volume of its businesses.

The internal control system consists of a series of measures intended notably to ensure that the following are done or verified continuously:

- Verification of internal operations and procedures
- Measurement, management and monitoring of risks
- Reliability of the conditions in which accounting and financial data are collected, processed, disseminated and preserved
- Efficiency of information and communication systems

• Executive Committee - Morocco & International

The Executive Committee - Morocco & International is the decision-making body responsible for translating the Group's corporate strategy into operational initiatives and measures, and for monitoring actions undertaken throughout the businesses in Morocco and overseas excluding sub-Saharan Africa, within the limits of the competences conferred upon it.

It manages day-to-day operations and activities and works to ensure that annual business and budget targets are met, taking corrective measures where necessary.

The Committee reviews the individual performances of the business units and business lines and the measures taken, including capital allocations, spending and operations.

• Group Risk Steering and Management Committee

The Group Risk Steering and Management Committee assists in managing and monitoring, at the operational level, the risk steering policy of the Group – BANK OF AFRICA S.A. and of its direct and indirect subsidiaries – and ensuring that the Group's operations comply with risk policies and the limits set. The Committee ensures that the risk steering policy relating to credit, market, country and operational risks is efficient and consistent with the Group's risk appetite.

8.1.2.3. Credit Committees

• Senior Credit Committee

The Senior Credit Committee reviews and approves, on a twice weekly basis, credit applications from customers of the Bank and Group in Morocco, Europe and Asia, within the powers delegated to it.

Loan applications representing total commitments that exceed the limits set under the delegation of powers, and for which the Senior Credit Committee has issued a favourable opinion, are referred to the Major Loan Commitments Committee for a final decision.

Meetings of the Major Loan Commitments Committee are attended by the Chairman and Chief Executive Officer and the senior permanent members of the Senior Credit Committee.

Senior Credit Committee meetings are attended by senior permanent members of that committee and, at minimum, from the Commercial and Risks functions:

- Executive General Manager responsible for Morocco & CIB / Deputy Managing Director responsible for Personal and Professional Banking and SMEs
- The Deputy Chief Executives responsible for Group Risk.

Regional Credit Committee

The delegated powers enjoyed by the Regional Credit Committee enable it to rule on counterparties at the regional level in accordance with the existing scheme of delegation.

Committee meetings are attended by two standing members, at minimum, from the Commercial and Risk functions:

- Regional Director / Network Director / Deputy Regional Director
- Director in charge of commitments, head office

8.1.2.4. Loan Commitments Monitoring Committee

The Loan Commitments Monitoring Committee is broken down into three committees:

- Loan Monitoring Committee, Head Office
- Regional Loan Monitoring Committee
- Sub-standard Loan Monitoring Committee

The Loan Commitments Monitoring Committees handle all loan dossiers showing anomalies (arrears, frozen, persistent overruns, expired authorisations and any other anomalies reported by Group Risks) relating to different markets (large enterprises, SMEs, personal and professional) that meet the regulatory classification criteria and have been reclassified as sub-standard or non-performing loans.

Loan Monitoring Committee, head office

The Head Office Loan Monitoring Committee is a body that meets monthly to decide the course of action to be taken with regard to high-risk accounts, in accordance with the powers delegated to it.

The Committee is chaired by the Heads of Group Risks. Meetings of the Head Office Loan Monitoring Committee are attended by the following:

- Deputy Managing Director, Personal and Professional Banking and SMEs
- Representatives from Group Loan Commitments
- Head of Large Enterprises
- Regional Directors
- Head of Loan Commitments Management and Monitoring
- Head of Sub-standard Loan Recovery
- Head of Non-performing Loan Recovery
- Chief Executive Officer, RM Experts

Regional Loan Monitoring Committee

The Regional CSE meets monthly to decide the course of action to be taken with regard to high-risk accounts, in accordance with the powers delegated to it.

The Committee is chaired by the Head of Loan Commitments Monitoring and meetings are attended by the following:

- Representatives from Group Loan Commitments (directors of loan commitments, regional heads of loans commitments)
- Head of Loan Commitment Management and Monitoring
- Regional Directors and Deputy Regional Directors /
- Greater Casablanca Networks Directors
- Representatives from Sub-Standard Loan Recovery
- Representative from Non-Performing Loan Recovery
- Heads of Business Centres
- Heads of Groups

Sub-standard Loan Monitoring Committee

The Sub-standard Loan Monitoring Committee covers all anomalous cases that meet the criteria for exemption from automatic transfer to pre-litigation recovery.

The Committee is organised to decide whether anomalous cases proposed by the network should remain under commercial management for an additional 30 days or be referred in advance to the pre-litigation recovery phase.

The Committee is chaired by the Head of Loan Commitments Monitoring and its meetings are attended by the following:

- Representatives from Group Loan Commitments
- Head of Enterprise Market
- Head of Large Enterprises or, in his absence, Corporate Bankers
- Head of Personal / Professional Customers and banking for Moroccans living abroad
- Regional Directors and Deputy Regional Directors / GREATER CASA Networks Directors
- Corporate Bankers and/or Senior Bankers – Large Enterprises portfolios
- Managers from Sub-Standard Loan Recovery
- Managers from Loan Commitments Management and Monitoring

8.2. CREDIT RISK

The Bank's credit function operates in accordance with the general credit policy approved by the Group's senior management. The Group's requirements in terms of ethics, reporting lines, compliance with procedures and discipline in risk analysis are guiding principles.

This general policy is further broken down into specific policies and procedures depending on the character of specific operations or counterparties.



8.2.1. Credit Approval Process

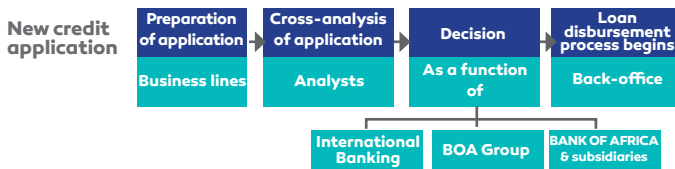
8.2.1.1. General principles

The credit approval process across the entire BANK OF AFRICA Group adheres to a delegation framework based on the principle of dual decision-making for credit applications exceeding the commercial delegation level, as well as the dynamic use of internal ratings and scoring.

Decision-making, carried out jointly by the Risk and Commercial Divisions, requires a preliminary counter-analysis. In the absence of consensus, the matter is resolved through the escalation process.

8.2.1.2. Bodies

The following diagram provides an overview of the credit approval process:



- Responsibility for putting together the credit application is incumbent on the Commercial function due to it having a commercial relationship with the customer
- The counter-analysis of the credit application is carried out by credit analysts from the Risk function
- Decisions are taken jointly by the Risks and Commercial functions based on their respective levels of delegations of power
- Responsibility for setting up the loan rests with the back office, a body that is independent of the Risk and Commercial functions.

8.2.1.3. A choice of decision-making channels

To make the notification process more straightforward, each credit application must adhere to the single decision principle.

Credit decisions are either taken by circulating the application or by holding a Credit Committee.

8.2.1.4. Delegation of powers

The credit decision-making process is based on a system of delegation of powers that derives from the powers granted by an entity's Board of Directors to employees or groups of employees, within the limits deemed appropriate.

Powers may be sub-delegated on the basis of the organisational structure, business volumes, products and risks.

Powers are delegated to employees on an intuitu personae basis as a function of their critical thinking capabilities, experience, personal and professional attributes and training.

8.2.1.5. Approval rules

Credit approval decisions are subject to review by the Commercial function and Risk function based on the dual decision-making principle and depending on the approval levels.

The existing credit delegation system defines the number of decision levels as follows:

- An initial 'local' level within each subsidiary
- A 'hub' level – BOA Group and International Banking
- A 'head office' level within BANK OF AFRICA.

Powers may be sub-delegated to the local level within the entity on the basis of the organisational structure, business volumes, products and risks.

8.2.1.6. The contents of a credit application

Any application to set up a credit line must meet the product's eligibility criteria in accordance with each credit product's profile factsheet. Any credit decision is made on the basis of a standard credit application, the format of which is defined in conjunction with the relevant Commercial and Risk functions and in coordination with the Group Risks Division.

A credit application is prepared for each counterparty or transaction to which the entity wishes to make a commitment or to which the entity has already made a commitment in the case of an annual review or a renewal on the basis of the documents provided by the customer as specified in the product checklists.

The documents checklist to be provided by the customer and the analysis framework are standard at Group level and are governed by the type of credit in question. The contents of a credit application must provide decision-makers with the necessary qualitative and quantitative information and analysis to enable them to make an informed credit decision.

The Commercial function responsible for preparing the credit application is also responsible for its contents.

The credit application remains the sole reference document required to take a credit decision. It must therefore be properly signed and stamped to be valid at the requisite level of the responsibility chain.

8.3. RATINGS SYSTEM

BANK OF AFRICA has an internal ratings system covering several customer segments.

8.3.1. Ratings system's guiding principles

8.3.1.1. One and only one rating

A rating is attributed to each customer, each customer being treated as a Group third party code. The ratings process is carried out for each Group third party code so that a third party has one and only one rating. BANK OF AFRICA therefore ensures that one and only one rating is assigned to each assessed counterparty.

8.3.1.2. Integrity

In accordance with regulatory guidelines, ratings attributions and their periodic revisions must be carried out or approved by a party that does not directly benefit from the loan being approved. This concept of integrity when assigning a rating is a key aspect of the credit risk management charter, which seeks to encourage and ensure that the ratings process is truly independent.

8.3.1.3. Uniqueness

For each of the Bank's third parties, a specific code is assigned to each counter party type. Each third party is therefore rated using a template corresponding to a benchmark counterparty. As a result, for each third party, which has a particular and therefore unique counterparty type, the appraisal is carried out with the help of a single ratings template, but with characteristic data that are specific to the counterparty in question. BANK OF AFRICA is therefore able to ensure that the rating assigned to each counterparty is unique.

8.3.2. Ratings scale

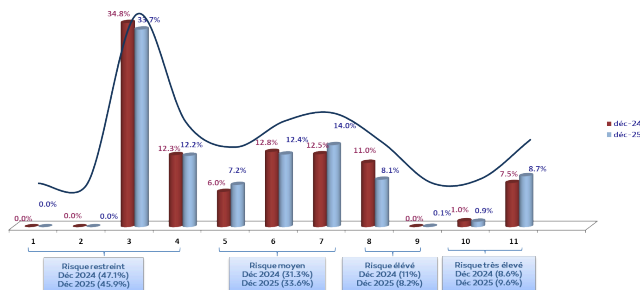
Company ratings are based on a 360-degree analysis of the counterparty, assessing both financial health and behavioural characteristics.

Company rating models have been developed for both large enterprises (LEs) and small and medium-sized enterprises (SMEs).

Based on the ratings scale adopted by BANK OF AFRICA Group, the final counterparty rating ranges from 1 to 11:

	CATE-GORY	CLASS	DEFINITION
Investment grade	Limited risk	1	Extremely stable short- and medium-term; very stable long-term; solvent despite serious disruptions
		2	Very stable short- and medium-term; stable long-term; sufficiently solvent despite persistently negative events
		3	Solvent short- and medium-term despite significant difficulties; moderately negative developments can be withstood long-term
		4	Very stable short-term; no expected change to threaten the loan in the coming year; sufficiently solid medium-term to be able to survive; long-term outlook still uncertain
	Medium risk	5	Stable short-term; no expected change to threaten the loan in the coming year; can only withstand small negative developments medium-term
		6	Limited ability to withstand unexpected negative developments
		7	Very limited ability to withstand unexpected negative developments
Sub-investment grade	High risk	8	Limited ability to repay interest and principal on time; any change in internal and external economic and commercial conditions will make it difficult to fulfil obligations
		9	Incapable of repaying interest and principal on time; fulfilling obligations dependent on favourable internal and external commercial and economic conditions
	Very high risk	10	Very high risk of default; incapable of repaying interest and principal on time; partial default in repayment of interest and capital
		11	Total default in repayment of interest and capital

At 31 December 2025, the breakdown of loan commitments by risk category was as follows:



8.3.3. Retail customer scoring system

The retail customer scoring system consists of statistically modelling defaulting retail customers and their risk behaviour.

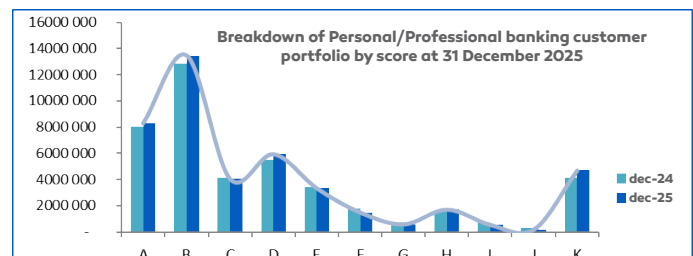
Two types of scores have been introduced, a behavioural score and a credit approval score.

The behavioural score, for accounts already opened, is a dynamic risk assessment based on a customer’s behaviour. Only customers that are known to the Bank may be assigned a behavioural score.

Each of the Bank’s customers is assigned a rating from A to K which is updated on a monthly basis and on a daily basis in the event of any incident.

Class	Description	Rating	Risk Level
A	Very low risk	E-	High risk
A-		F	
B	Low risk	F-	Very high risk
B-		G	
C	Average risk	G-	Major risk
C-		H	
D	Average-high risk	H-	Proven risk
D-		I	
E		J	Sub-standard
		K	Doubtful
		L	Loss

Four separate behavioural scoring models have been introduced for specific market segments: Retail customers, professional banking customers, Moroccans living abroad and small businesses.



The credit approval score is a one-off rating that is assigned on opening a line of credit. New and existing customers are assigned a credit approval score.

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

8.4. CREDIT RISK CONTROL AND MONITORING PROCEDURE

The procedure for monitoring and steering credit risk provides second level control. It operates independently of monitoring carried out by the Commercial function on a daily basis.

The way in which this system is applied may be adapted to the specific character of each subsidiary in concertation with the Group Risks.

The checks carried out by the various entities reporting to the Group Risks are primarily aimed at ensuring that the advanced alert system is efficient both in terms of risk management and the Commercial function being able to anticipate potential risks so that the Bank’s loan portfolio is managed appropriately. The Group Risks, through the Loan Commitments Monitoring Division, also ensures that the Commercial function is properly monitored and alerted to any conspicuous shortcomings.

The main operational responsibilities of the Group Risks, as part of its remit for monitoring and steering credit risks, are to:

- Ensure a priori checks
- Ensure a posteriori checks
- Identify and monitor the portfolio of loan commitments in accordance with a number of analytical criteria such as product type, maturity, beneficiary, business sector, branch, geographical zone etc.

- Set and monitor concentration limits
- Detect high-risk accounts and ensure that they are monitored
- Classify the non-performing loan portfolio according to regulatory criteria and recognise the appropriate provisions
- Conduct stress tests
- Produce and file regulatory reports and ensure internal steering.

8.4.1. A priori checks

A priori checks include all compliance checks carried out prior to a credit line’s initial authorisation and use. These checks are carried out in addition to automated checks as well as checks carried out by the Commercial Division, Backoffice and Legal Department etc.

These checks, which are implemented by entities reporting to the Group Risks, primarily relate to:

- Credit proposal data
- Compliance with the appropriate delegation level
- Legal documentation compliance
- Conditions and reservations expressed before initial use of funds or the facility
- Data entered into IT systems.

8.4.2. A posteriori checks

Like a priori checks, a posteriori checks are also carried out by the entities reporting to Group Risks.

The aim of these checks is to evaluate, mitigate and monitor credit risks for the portfolio as a whole rather than on an individual counterparty basis. Special attention is therefore paid to credit quality, to pre-empting and preventing abnormalities and risks as well as ensuring that the Commercial function is involved in controlling and monitoring risks.

8.4.2.1. Teering the loan commitments portfolio

The loan commitments portfolio of the Group and of its subsidiaries is steered using a number of risk indicators relating to credit approval risks as well as those arising during the loan’s duration.

Multi-criteria analysis of the loan portfolio is a way of controlling risks retrospectively. This consists of identifying and tracking all loan commitments of the Group and of its subsidiaries based on a number of criteria such as products, maturities, customers, business groups, customer segments, counterparty ratings, asset categories (healthy and non-performing), business sectors, agencies, geographical areas, types of security etc. Multi-criteria analysis is a credit risk management tool.

The Credit Risks function is responsible for carrying out multi-criteria analysis of the loan portfolio. It is also responsible for reporting on credit risks, both within the Group to the Risk Committees and to senior management, and externally, to regulators.

8.4.2.2. Concentration limits

Credit Risk Management has adopted a policy of analysing business line strategies from a risk perspective, especially in respect of new activities or product launches, by setting formal limits on these

risks. Credit concentration risk incurred by BANK OF AFRICA Group can arise from exposure to:

- Individual counterparties
- Interest groups
- Counterparties from the same industry or country.

8.4.2.2.1. Individual counterparties

The Group monitors individual concentrations at the parent and consolidated levels on a monthly basis. It closely monitors the commitments to its 10, 20 and 100 largest customers by commitment. The following table shows commitments to the Bank’s main debtors at the end of December 2025:

December 2025		
	Amount disbursed	% of the total
COMMITMENTS TO 10 LARGEST CUSTOMERS	32 357	21.7%
COMMITMENTS TO 20 LARGEST CUSTOMERS	43 126	28.9%
COMMITMENTS TO 100 LARGEST CUSTOMERS	67 120	45.0%

8.4.2.2.2. Interest groups

Portfolio diversification by counterparty is monitored on a regular basis, particularly within the framework of the Group’s individual concentration policies. Credit risk exposure to counterparties or groups of counterparties with relatively sizeable loans, amounting to more than 5% of the Bank’s capital, are specifically monitored, both on an individual and consolidated basis.

Furthermore, controlling major risks also ensures that the aggregate risk incurred for each beneficiary does not exceed 20% of the Group’s net consolidated capital, as required by Moroccan banking industry regulations. BANK OF AFRICA Group ensures that it complies with the concentration thresholds stipulated in Bank Al-Maghrib’s directive.

8.4.2.2.3. Counterparties from the same business sector

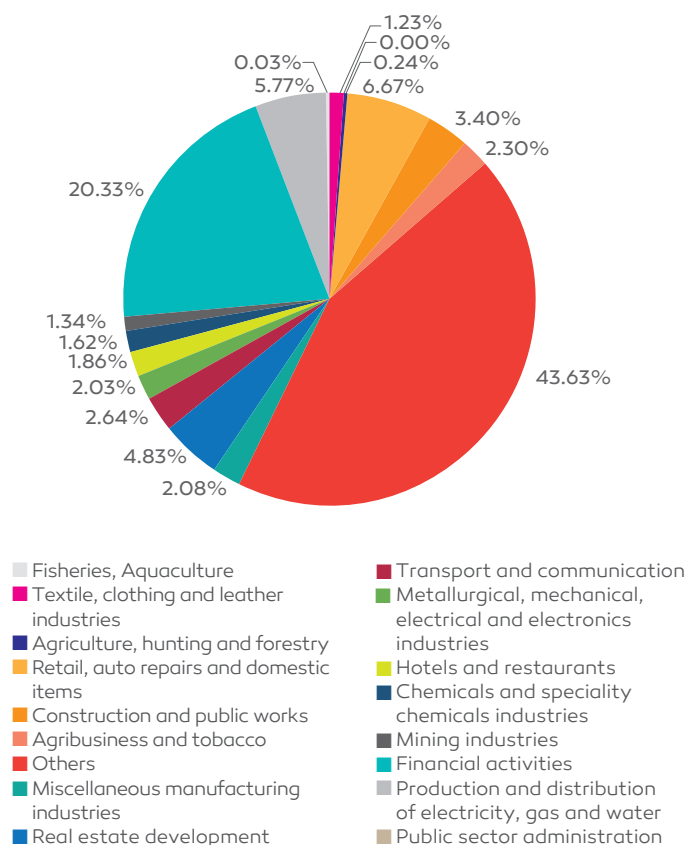
The chosen methodology for setting sector limits is based on a statistical model which includes historical default rates and the number of counterparties by business sector and by risk category (rating).

The goal is to model the probability of default by using appropriate econometric techniques and a dependent random variable whose value is derived from the number of default occurrences.

This procedure is based on the assumption that counterparties are independent and that the defaulting events are not correlated. The key concept underlying this methodology is the probability of default for a given counterparty. This probability is measured by using the rate of default of the business sector-risk category pair.

The model also enables the Bank to identify priority sectors for credit expansion in the context of the Bank’s development plan as well as bad loan experience by sector. This approach, adopted by the Group Risks Division, is complemented by back-testing the model every six months.

Sector-specific limits are reviewed every six months in consultation with commercial units and the Bank's Economic Intelligence Centre which provide operational experience as well as estimates of macroeconomic and industry growth. The opinions of these entities help to challenge and provide further confirmation of the model's suitability in a given economic context. Breakdown of the Group's loan commitments to customers by business sector at 31 December 2025:



8.5. COUNTRY RISK

Country risk is defined as the possibility that a sovereign counterparty in a given country, as well as other counterparties in this country, is unable or refuses to fulfil its foreign obligations due to socio-political, economic or financial reasons.

Country risk can also result from limits on the free movement of capital or due to other political or economic factors, in which case it is qualified as transfer risk. It can also result from other risks related to the occurrence of events impacting the value of commitments for a given country (natural disasters, external shocks).

The primary objective of the Group's country risk policy is to implement a system for assessing, limiting, reducing and, if necessary, prudently suspending its commitments to high-risk countries across the Group, in a synchronised manner and on a Group-wide scale.

The country risk policy includes the strategy for managing country risk as well as rules for identifying, managing and controlling these risks as well as the Group entities responsible. The main feature of this risk prevention policy is the system of delegation and limitation of commitments.

This system has been designed in such a way that limits rise in proportion to the increase in country risk. The level of commitments is determined on the basis of the country risk level, reflected in the rating attributed to each country and the percentage of shareholders' equity of each Group entity.

BANK OF AFRICA Group commitments are mainly with corporates and sovereign clients. These commitments are subject to:

- authorisation following an analysis of each counterparty's fundamentals;
- ongoing monitoring through reports that provide an overview of BANK OF AFRICA Group's exposures.

In addition to these reportings, Group Risks Management develops a monthly analytical report on the foreign exposures of BANK OF AFRICA. This report is used to assess the level of foreign exposure of BANK OF AFRICA Group and serves as a dashboard for monitoring the evolution of the risk inherent in each country. The Group's country risk policy is illustrated as follows:



• Exposure limits by country

As part of the Country Risk Management process, the Group's banking subsidiaries are required to calculate country limits by considering qualitative and quantitative criteria when appraising risk and the extent to which the bank is capitalised.

As such, country limits are set on the basis of each country's risk profile, quantitative and qualitative indicators as well as past consolidated levels of exposure.

These limits are regularly reviewed and readjusted in the wake of an updated appraisal of each country and the occurrence of any factor likely to substantially impact the former (suspension, reduction or even removal). These macro-limits are proposed by Group Risks and submitted for approval by the Group Risks Committee.

• **Country risk mapping**

The Bank’s country risk appraisal is based on the ratings of external rating agencies (e.g. S&P) which provide a rating for more than 80% of the world’s countries and have a high level of expertise and know-how on the issues and future challenges faced by countries. The Bank uses ratings from Coface, a credit insurer, for those countries not rated by S&P. Country reports published by BANK OF AFRICA’s Economic Intelligence Centre (CIE) are also used to provide further insight as well as providing inputs for risk mapping.

The Bank’s risk mapping system sees countries assigned a specific risk profile on a 6-category scale: Excellent risk profile, Very good, Good, Moderate, High and Extreme. This scale is benchmarked to S&P’s rating with each tranche referring to a precise level of risk. This approach enables the Bank to appraise risk accurately.

8.6. LIQUIDITY AND INTEREST RATE RISK MANAGEMENT SYSTEM

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

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

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

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

- Set asset-liability policy
- Organise and steer asset-liability sub-committees
- Possess in-depth knowledge of the types of risk inherent in the Bank’s operations and keep abreast of any changes in these risks as a function of financial market trends, risk management practices and the Bank’s operations
- Review and approve procedures aimed at mitigating the risks inherent in the Bank’s operations in terms of credit approval, investments, trading and other significant activities and products
- Master the reporting systems that measure and control the main risk sources on a daily basis
- Regularly review and approve risk limits as a function of any eventual change in the Group’s strategy, approve new products and react to significant changes in market conditions

- Ensure that the different business lines are properly managed by HR and that the latter possesses an appropriate level of competence, experience and expertise in relation to the activities that they oversee.

Responsibilities of the different departments involved in interest rate and liquidity risk management

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

In this regard, each of the Bank’s entities has its own medium-term budget/goals, approved by the Executive Committee. This enables the relevant bodies to monitor and control, in an orderly manner, implementation of the three-year plan whilst ensuring balance sheet stability and compliance with regulatory capital requirements.

The ALM department regularly monitors developments in the Bank’s balance sheet structure by comparison with the plan and will signal any divergence at ALCO Committee meetings, attended by representatives of each entity to ensure that any required corrective measures are taken.

Liquidity Risk

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

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

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

There are two major sources of liquidity risk:

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

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

Three indicators are used to evaluate the Bank’s liquidity profile:

- The Liquidity Coverage Ratio (LCR), which stood at 186% on a consolidated basis at 31 December 2025, above the regulatory requirement of 100% set by Bank Al-Maghrib
- The Net Stable Funding Ratio (NSFR), which stood at 130% at parent company level at 31 December 2025, above the regulatory requirement of 100% set by Bank Al-Maghrib
- The Bank’s cumulative gap profile – this method of periodic or cumulative gaps in dirhams and in foreign currencies helps



measure the level of liquidity risk incurred by the Bank over the short, medium and long term.

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

Interest Rate Risk

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

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

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

The Bank’s strategy in terms of interest rate risk management is aimed at ensuring earnings stability when interest rates change, thereby maintaining net interest income and optimising the economic value of equity.

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

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

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

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

Sensitivity in the value of the banking portfolio

Simulation-based stress tests are carried out to assess the impact from a change in interest rates on net interest income and on the economic value of equity.

At 31 December 2025, with the trading book portfolio excluded, the impact from a 200-basis points change in interest rates on net interest income was estimated at MAD +0.030 billion or +0.58% of projected net interest income (and MAD -0.036 billion for an interest rate variation of -200 basis points, i.e. -0.69% of projected net interest income).

The change in the economic value of shareholders’ equity in the event of a 200-basis points shock, excluding the trading book portfolio, was an estimated MAD 0.713 billion or 4.43% of regulatory capital.

8.7. MARKET RISK

Management of market risk at BANK OF AFRICA Group adheres to regulatory standards as defined by supervisory authorities in application of best international management practices, particularly the Basel Accords.

Market transactional risk is defined as the risk of incurring losses on balance sheet and off-balance sheet positions as a result of fluctuations in market prices. For BANK OF AFRICA Group, this type of risk notably encompasses:

- Interest rate risk
- Foreign currency risk
- Equity risk
- Credit risk for market transactions..

Financial instruments mapping

The following table shows products traded as part of BANK OF AFRICA Group’s trading portfolio, mapped by risk factor:

Fixed income products	I- Corporate and interbank loans/borrowings
	Fixed rate (MAD and foreign currencies)
	Floating rate (MAD and foreign currencies)
	II-Treasury bonds and negotiable debt securities
	II-1 Sovereign bonds
	Fixed rate (MAD and foreign currencies)
	Floating rate (MAD and foreign currencies)
	II-2 Securities issued by credit institutions and companies
	Fixed rate (MAD and foreign currencies)
	Floating rate (MAD and foreign currencies)
Mutual funds	III-Securities lending/borrowing
	Securities lending/borrowing
	Repos/Reverse Repos
	IV-Interest rate derivatives (MAD and foreign currencies)
	Interest rate swaps
Foreign exchange products	Interest rate futures
	Forward rate agreements
	Money market mutual funds
	Bond mutual funds
	Equity mutual funds
Equity products	Composite mutual funds
	I- Foreign exchange
	FX spot
Commodity products	FX forwards
	II-FX derivatives
	FX swaps
	FX options
	Equities
	Equity/index derivatives
	Commodity futures
	Commodity options
	Commodity swaps

8.7.1. Market risk management policy

8.7.1.1. Governance

The main contributors to BANK OF AFRICA Group’s market risk management policy are:

The Group Risks Division, which implements market risk management strategies and policies approved by the Board of Directors



The Group Risks Committee, which defines the Group's market risk management policy and approves any change in steering risks in market operations implemented by any of the Group's entities

The Group Market Risks Committee, which ensures that the system for steering BANK OF AFRICA Group's market risks is effective and consistent with the policy for managing the Group's market risks

The Group Market Risks unit which, as a separate department from the Group's front-office, centralises management of BANK OF AFRICA Group's market risk; this gives it maximum objectivity in steering market risks and in arbitrating between different market activities

The risk management units of BANK OF AFRICA Group entities, which ensure first level control of market activities within their own entities and report back to Group Risk Management

Group General Control, which ensures implementation of the market risk management system and rigorous compliance with procedures.

8.7.1.2. Description of market risk management system

BANK OF AFRICA Group's market risk management system is structured around three main aspects:

- Limits
- Risk indicators
- Capital requirements.

8.7.1.2.1. Limits

▶ Counterparty limits on market transactions

The approval process for counterparty limits and applications to overrun those limits in market transactions is governed within BANK OF AFRICA Group via a system of delegation of powers within a framework of procedures specific to each counterparty type.

Limits are set beforehand for market transactions in accordance with the scheme of delegation in effect.

▶ Market limits

In order to control market risk within BANK OF AFRICA Group and to diversify the trading portfolio, a set of market limits has been jointly adopted. These limits reflect the Group's risk profile and help it steer market risk effectively by arbitrating between the various market activities. BANK OF AFRICA Group's set of market limits comprises the following:

- Stop-loss limits
- Position limits
- VaR limits
- Trading limits

Market limits are determined using VaR. The system for managing limits is dynamic and takes into account fluctuations in various risk factors as well as existing correlations so as to best appraise the extent to which the trading portfolio is diversified.

▶ Regulatory limits

In addition to limits adopted for internal purposes, BANK OF AFRICA Group also complies with regulatory limits defined by Bank Al-Maghrib including:

- Limits on foreign currency positions which should not exceed 10% of shareholders' equity
- Limits on the overall foreign exchange position which should not exceed 20% of shareholders' equity.

8.7.1.2.2. Risk indicators

A variety of risk indicators, reflecting the level of exposure to market risk, are used by BANK OF AFRICA Group:

▶ Overall value-at-Risk (VaR) and by asset class

Value-at-Risk is a technique used to quantify overall market risk. It helps to quantify the risk incurred by calculating the potential loss over a given time horizon and the degree of probability.

Unlike traditional risk indicators, Value-at-Risk combines several risk factors and measures their interaction, thereby taking into consideration portfolio diversification.

BANK OF AFRICA Group calculates overall Value-at-Risk by asset class on a daily basis as well as carrying out back-testing.



▶ Stressed VaR

The Group has developed different scenarios for calculating stressed VaR.

It selected a number of events that generated a high level of volatility in financial markets between 1 September 2014 and 1 September 2024. Examples of such events include:

- The failure of Silicon Valley Bank (SVB) in the United States
- The near collapse of Crédit Suisse bank and its takeover by UBS
- A USD 500 billion increase in the US budget deficit
- The Covid-19 pandemic

However, the reaction by Morocco's financial markets to these events was very limited. Therefore, the impacts observed on international markets were replicated in the Moroccan market:

- Price action in the Casablanca stock market similar to that of the United States
- Price action in the dirham exchange rate similar to that of USD
- The knock-on effect of EUR/USD volatility on EUR/MAD and USD/MAD rates
- The knock-on effect of EUR/USD volatility on EUR/MAD volatility and USD/MAD volatility.



► Stress-testing by risk factor

BANK OF AFRICA Group conducts stress tests in order to evaluate the vulnerability of the Group's trading portfolio under extreme scenarios. Stress tests encompass every component of the trading portfolio by simulating all risk factors that might impact it.

The results of stress tests in terms of the impact from interest rate risk, foreign exchange risk and equity risk on the trading portfolio are outlined below.

a- Fixed income portfolio

1st scenario: A 25 basis point parallel shift in the yield curve.

This scenario would result in a MAD 50 million impact on the P&L.

2nd scenario: A 50 basis point parallel shift in the yield curve.

This scenario would result in a MAD 101 million impact on the P&L.

b- Equity portfolio

1st scenario: A 15% fall in the value of the equity portfolio.

This scenario would result in a MAD 40 million impact on the P&L.

2nd scenario: A 25% fall in the value of the equity portfolio.

This scenario would result in a MAD 67 million impact on the P&L.

c- Foreign exchange

1st scenario: A 2.5% rise or fall in the value of the dirham.

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

2nd scenario: A 5% rise or fall in the value of the dirham.

This scenario would result in a MAD 19 million impact on the P&L.

The impacts of the stress tests show that BANK OF AFRICA Group has adequate capital to withstand adverse stress scenarios and to be able to comply with regulatory standards, even in crisis situations.

8.8. OPERATIONAL RISK

Operational risk is defined as the risk of loss due to inadequate or failing internal procedures, employee error, systems failure or external events, which are liable to impact the smooth running of the business.

8.8.1. Operational risk management policy

8.8.1.1. Aim of managing operational risk

Operational risk management policy has three aims:

- Identify, analyse and evaluate operational risks
- Evaluate internal checks
- Monitor operational risks via alert indicators.

Operational risk is managed by adopting preventive and/or corrective action for the major risks identified.

The risk management system is regularly reviewed and monitored to ensure its ongoing improvement.

8.8.1.2. Classification

Operational risks may be analysed, classified and ranked on the basis of the following factors: cause, effect (financial impact or otherwise), score, qualification, level of control and event type under Basel.

8.8.1.2.1. Links to other risk types (market risk/credit risk)

The management of operational risks is potentially linked to managing other risks (market risk/credit risk) at two levels:

- At a general level, analysis of the Bank's overall level of risk aversion (in terms of allocation of capital) must be carried out and "trans-risks" monitored
- At a specific level, certain operational risks may be the cause of market risk or credit risk.

8.8.1.2.2. Operational risk management organisation

The framework governing operational risk management within BANK OF AFRICA Group is based on three main objectives:

- Define a target policy consistent with BANK OF AFRICA Group's business organisation, inspired by best practice
- Involve and empower business lines and subsidiaries in the day-to-day management of operational risk management
- Ensure that the audit-control and operational risk management functions are kept separate.

Operational risk management at BANK OF AFRICA Group involves four major entities:

- The Group Operational Risk division at BANK OF AFRICA's head office
- BANK OF AFRICA's branch network
- BANK OF AFRICA's business divisions
- Subsidiaries.

Operational risks coordinators have been appointed by the aforementioned entities. These include:

- Operational Risk Correspondents (CRO)
- Operational Risk Coordinators (CORO)
- Operational Risk Liaison Officers (RRO).

The operational risk management's remit also extends to the Group's subsidiaries.

8.8.1.2.3. Governance of operational risk management

Governance of operational risks within BANK OF AFRICA Group is carried out by three operational risk Committees:

- Group Operational Risk Committee, an offshoot of the Group Risk Steering and Management Committee, the results of whose work are presented to the Group Risks Committee, which reports directly to the Board of Directors
- Operational Risk Monitoring Committee
- Operational Risk (Subsidiaries) Committee.

These committees are tasked with periodically:

- Reviewing changes in operational risk exposure and the environment for controlling such risks
- Identifying the main areas of risk in terms of activities and risk types
- Reviewing the state of progress of the preventive and corrective action plans drawn up with a view to dealing with and mitigating the major operational risks
- Reviewing the amount of capital to be allocated to operational risks, the cost of preventive action required and the cost of insurance..

8.8.1.3. Fundamental methodology principles

BANK OF AFRICA Group's operational risk management policy is underpinned by two strategic priorities:

- Reduce exposure to operational risks
- Optimise capital requirements relating to hedging operational risks.

The internal system for measuring operational risks is closely linked to the Group's day-to-day risk management process via:

- Risk events collection
- Mapping operational risks
- Key risk indicators

The data produced form an integral part of these processes of monitoring and controlling the operational risk profile.

The senior management of the entity in question, General Management and the Board of Directors are regularly notified of operational risk exposure and any losses incurred. The management system is properly documented, ensuring compliance with a formalised set of checks and internal procedures and corrective measures in the event of non-compliance.

Internal and/or external auditors are invited to periodically review management processes and systems for measuring operational risk. These audits relate to units' activities and the independent operational risk management function.

Operational risk management at BANK OF AFRICA Group has been entirely automated by means of specialised MEGA HOPEX software. This software is now used to collect risk events and map operational risks and key risk indicators.

8.8.1.4. Operational risk control and mitigation

Several types of attitudes may be envisaged to manage operational risks:

- Reinforce checks
- Hedge risks, especially via insurance contracts
- Avoid risks, in particular by redeploying activities
- Draw up business continuity plans
- Closely monitor to ensure that risk limits or assigned thresholds are complied with.

BANK OF AFRICA Group has a very strong control policy, resulting in a significant reduction in operational risks. However, in terms of operational risk management, over and above its risk control policy, the Group is at liberty to find the best possible solution on a case-by-case basis, depending on the different types of risks described above.

Additionally, the Group has insurance policies to mitigate risks such as damage to office buildings, fraud, theft of valuable items and third-party liability cover, etc.

8.8.2. Business continuity plan

The Business Continuity Plan is a response to the rising demand to minimise the impact in the event of any interruption to the Bank's operations. This is due to a growing reliance on the resources underpinning those operations, including human, IT or logistical resources.

The Plan comprises a set of measures and procedures aimed at ensuring that the Bank, under different crisis scenarios such as a major shock, is able to maintain essential services in fail-soft mode on a temporary basis, prior to the planned resumption of normal operations.

A targeted rescue organisation has been set up, along with alternative locations and backup systems. A specific project is underway at Group level, with disaster avoidance planning a priority.

The strategic transversal principles underpinning the Business Continuity Plan are as follows:

- BANK OF AFRICA has a moral responsibility to allow its customers access to the funds that they have entrusted to it. Any breach of this obligation in times of crisis may have an impact on public order.

This principle shall prevail above any other.

- BANK OF AFRICA must guarantee its commitments towards Morocco's interbank clearing system
- BANK OF AFRICA intends, as a priority, to comply with every one of the existing legal and contractual commitments entered into (relating to loans and other commitments) before it enters into any other commitment
- BANK OF AFRICA intends to maintain its international credibility by guaranteeing, as a priority, its commitments vis-à-vis foreign correspondents
- BANK OF AFRICA Group's existing customers take priority over all others that might benefit from its services
- Services are provided along the entire chain from front- office to back-office e.g. from branch level up until recognition in accounting terms.

8.9. ICAAP SYSTEM

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

The ICAAP system is based on seven components: risk taxonomy, risk appetite, economic capital adequacy, risk governance and

policies, capital management, system of limits and stress test system.

The process involves:

- Planning a level of capital that is aligned with
- The business and performance objectives
- The risk management strategy (risk appetite, current risk structure and targets)
- Allocating capital optimally, based on a quantification of risk for different categories (industry, market, product, geographical area, etc.)
- Managing capital and its use in a way that is consistent with the risks inherent in the business

Risk appetite is determined and applied based on the following:

- Analysis and assessment of all of the main risks to which the Group is exposed through the risk taxonomy
- Assessment of the Group's capacity for risk-taking. The overall risk appetite must not exceed this risk-taking capacity
- The Group's projected profitability and solvency over a three-year timeframe, as considered for the construction of the strategic development plan
- Application of the risk appetite across the Group, taking into account the risk profile / profitability of the operational units and their growth prospects
- Definition of steering indicators and implementation of a traffic light system
- Division of the indicators into two levels – level 1 and level 2
- Definition of a framework for steering indicators in coordination with the Bank's different entities and a system for sending alerts to management bodies and administrative bodies.

The Group's risk appetite is formalised and reviewed annually in a Risk Appetite Statement that defines the target values, limits and thresholds underpinning its risk profile. Risk appetite is also steered through a series of indicators (levels 1 and 2) and a system for sending alerts to management bodies and administrative bodies based on a traffic light approach.

All indicators and their thresholds are implemented and approved by the Group Risks Committee and tracked by the Executive Committee.

The Group Risks function ensures that the risk appetite framework is consistent with the Bank's strategy and with the various systems put into place (business model, strategic development plan, ICAAP and Internal Crisis Recovery Plan).

8.10. INTERNAL CRISIS RECOVERY PLAN (PRCI)

The Internal Crisis Recovery Plan (PRCI) is a management system introduced in compliance with Bank Al-Maghrib's Circular 4/W/2017, aiming to present the measures planned by the institution to restore its financial viability in response to potential extreme shocks.

The purpose of this prevention system is to assess BANK OF AFRICA Group's resilience, as a systemic institution, in the event of an extreme crisis and to identify the key drivers to restore its viability in terms of solvency, liquidity, asset quality and profitability.

The various risks to which the group is exposed are covered by this PRCI.

The Bank draws up an inventory of its core businesses, significant entities and critical functions, and drafts and updates its PRCI on that basis. The PRCI is reviewed by the Group Risk Steering and Management Committee (management body) and approved by the Group Risks Committee (administrative body), which validates its overall coherency. The Bank steers its internal crisis recovery plan by setting two early alert thresholds and one threshold that triggers recovery measures for a certain number of indicators (solvency, liquidity, profitability, etc.). These thresholds are set and approved based on their alignment with the Group's risk profile and its risk appetite.

The two early alert thresholds make it possible to anticipate the occurrence of a crisis and to determine palliative actions that can be implemented to control risks. The trigger threshold sets the internal crisis recovery plan in motion.

The Bank's recovery measures are established based on a governance escalation process for crisis management.

Four categories of recovery measures have been defined:

1. Operational measures
2. Disposal measures
3. Liquidity measures
4. Equity measures

For each measure taken, the following criteria are considered:

- Speed and complexity of implementation
- Legal and regulatory prerequisites to implementation
- Managers in charge of implementation and bodies responsible for validation
- Impacts of implementation (on profitability, liquidity, weighted risks, capital and solvency)

The PRCI is updated annually to ensure compliance with relevant regulatory requirements.

8.11. THE ENVIRONMENT, CLIMATE CHANGE AND SOCIAL RESPONSIBILITY

Underpinning BANK OF AFRICA - BMCE Group's management framework relating to its undertakings regarding the environment, climate change and social responsibility is a set of values and an underlying commitment to respecting human rights and the environment. This framework has been adopted by each of the Group's banking and banking-related subsidiaries. It should also be noted that this framework applies to all financial products and services offered by the Bank.

As a result, BANK OF AFRICA - BMCE Group factors sustainable development considerations and goals into its commercial approach and manages the environmental, climate-related and social risks associated with its commercial commitments.

Risks arising from environmental, climate-related and social (ECS) factors are inherent in any financial transaction. They translate into financial, legal, collateral-related or reputational impacts on the Bank.

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



8.12. CAPITAL ADEQUACY

BANK OF AFRICA Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib circulars, requiring banks to have a Tier 1 capital ratio of 9% and a solvency ratio of 12% at both the parent company and consolidated levels.

These ratios calculated for BANK OF AFRICA Group comply with Bank Al-Maghrib's regulatory thresholds.

CREDIT RISK-WEIGHTED ASSETS	31/12/2025
Type of Exposure	Risk-Weighted Assets post-CRM
Balance-sheet items	213 295
Off balance sheet items: financing commitments	11 002
Off balance sheet items: guarantee commitments	13 094
Counterparty Risk: temporary disposals of securities relating to the bank portfolio	0
Counterparty Risk: temporary disposals of securities relating to the trading portfolio	305
Counterparty Risk: derivative products relating to the bank portfolio	-
Counterparty Risk: derivative products relating to the trading portfolio	491
Other assets/Other items	45 241
Delivery and settlement risk	338
Total	283 768

(in MAD millions)

Composition of share capital and capital adequacy

Main characteristics of items constituting shareholders' equity

BANK OF AFRICA's share capital stands at MAD 2 202 818 810 made up of 220 281 881 ordinary shares, each with a nominal value of 10 dirhams. The shares are fully paid-up. Each ordinary share entitles the holder to one voting right.

At 31 December 2025, fixed maturity subordinated debt stood at almost MAD 3.4 billion.

Measuring capital adequacy

BANK OF AFRICA Group has opted for the standardised approach to calculating risk-weighted assets as prescribed by Bank Al-Maghrib (BAM) circulars.

The circulars governing these declarations are as follows:

- Circular No. 26/G/2006 relating to calculating capital requirements based on the standardised approach for hedging credit institutions' credit, market and operational risks
- Circular No. 8/G/2010 relating to calculating capital requirements based on internal approaches for hedging credit institutions' credit, market and operational risks
- Circular No. 14/G/13 relating to capital requirements for credit institutions.

Composition of capital and capital adequacy

Tier 1 capital	40 494
Items to be included in Tier 1 capital	36 611
Share Capital	2 203
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	25 665
Retained earnings	13
Net income for the previous period	3 813
Minority interests	4 916
Items to be deducted from Tier 1 capital	3 884
Goodwill	1 018
Other adjustments to Tier 1 capital	1 655
Immobilisations	1 171
Other deductions	40
Additional core capital	6 500
Perpetual subordinated debt	6 500
Tier 2 capital	4 323
Fixed-maturity subordinated debt	3 348
Revaluation differences	745
Hidden reserves	231
Total	43 550

(in MAD millions)

Capital Requirements by Risk Type	Dec-25
Risk-weighted credit risks	283 768
Risk-weighted market risks	12 032
Risk-weighted operational risks	34 198
Total risk-weighted assets	329 998
Tier 1 Capital	38 125
Tier 1 Capital ratio	11.55%
Total capital	42 449
Capital adequacy ratio	12.86%

18-Month forward-looking ratios:

Parent company	2025	June-26	2026	June-27
Regulatory Capital	15 894 505	16 667 277	16 197 594	17 002 979
Tier 1 Capital	22 394 505	23 167 277	22 634 594	23 502 979
Tier 2 Capital	25 546 638	26 181 951	25 511 809	26 292 271
Risk-weighted assets	164 791 914	169 354 696	172 996 185	175 984 976
CET1 Ratio	9.6%	9.8%	9.4%	9.7%
Tier 1 Capital Ratio	13.6%	13.7%	13.1%	13.4%
Capital Adequacy Ratio	15.5%	15.5%	14.7%	14.9%

Consolidated	2025	June-26	2026	June-27
Regulatory Capital	31 625 287	33 777 312	34 951 595	37 632 325
Tier 1 Capital	38 125 287	40 277 312	41 451 595	44 132 325
Tier 2 Capital	42 448 608	44 463 174	45 499 998	48 092 804
Risk-weighted assets	329 997 676	342 313 643	360 731 329	371 159 342
CET1 Ratio	9.6%	9.9%	9.7%	10.1%
Tier 1 Capital Ratio	11.6%	11.8%	11.5%	11.9%
Capital Adequacy Ratio	12.9%	13.0%	12.6%	13.0%