

Bank Of Africa Single document prospectus

Capital increase by opting to convert the total or partial dividend entitlement in relation to financial year 2019

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| Maximum number of shares to be issued: | 7,292,717 new shares |
| Issue price per share: | MAD 137 per share |
| Nominal value per share: | MAD 10 per share |
| Overall transaction amount, including issue premium: | MAD 999,102,229 |
| Capital increase subscription period by exercising the option to convert the 2019 dividend: | From 13 August 2020 to 15 September 2020 inclusive |

ADVISORY INSTITUTION

BMCE CAPITAL
CONSEIL 

Moroccan Capital Markets Authority (AMMC) approval visa

In accordance with the provisions of the AMMC circular, published in application of Article 5 of *Dahir* No. 1-12-55 of 28 December 2012 promulgating Act No. 44-12 relating to public offerings and information required of legal entities and organisations making a public offering, this prospectus, reference number VI/EM/013/2020, has been approved by the AMMC as of July 29th 2020.

WARNING

The Moroccan Capital Markets Authority (AMMC) has approved this prospectus, reference number VI/EM/013/2020, as of July 29th 2020, relating to BMCE Bank of Africa's capital increase by opting to convert dividends in relation to financial year 2019.

The AMMC-approved prospectus is available at any time at BMCE Bank of Africa's head office, on its website at:

<https://www.ir-bankofafrica.ma/sites/default/files/202007/Prospectus%20Augmentation%20du%20capital.pdf>

and from its advisory institution.

The prospectus is available to the general public at the head office of Casablanca Stock Exchange and on its website at www.casablanca-bourse.com. It is also available on the AMMC website at www.ammc.ma.

This summary prospectus has been translated by Intelligent Lingua Limited for which the said translator and Bank of Africa are jointly responsible.

In the event of any discrepancy between the contents of this summary prospectus and that of the AMMC-approved prospectus, the latter alone shall be deemed authoritative.

I. Transaction overview

1. Overall characteristics of the transaction

Assuming that all of Bank of Africa's existing shareholders were to exercise their option to convert their entire 2019 dividend entitlement into shares in the Company, this transaction being approved by the Extraordinary General Meeting held 23 June 2020 on the occasion of the Combined General Meeting, then the maximum overall size of the capital increase referred to in this prospectus would be MAD 999,102,229 (excluding statutory deductions).

The capital increase referred to in this prospectus will be carried out by issuing up to a maximum 7,292,717 new shares at an issue price of MAD 137 i.e. a nominal value of MAD 10 per share and an issue premium of MAD 127 per share.

It shall be expressly understood that the size of this capital increase by dividend conversion may be between MAD 0 and MAD 999,102,229 (excluding statutory deductions), depending on the number of shares to be issued in relation to this transaction.

Subscription by shareholders will result in the Company's share capital increasing by a maximum of MAD 72,927,170 in relation to the nominal value and a maximum issue premium of MAD 926,175,059 i.e. a total of MAD 999,102,229.

| Maximum amount (MAD) | |
|--|---|
| Number of shares (at 31 December 2019) | 199,820,460 |
| Dividend per share | MAD 5 per share |
| Gross dividend distribution | MAD 999,102,300 |
| Maximum amount | MAD 72,927,170 (nominal) and MAD 926,175,059 (issue premium) |

2. Transaction aims

Through this transaction, Bank of Africa aims to:

- Enable existing shareholders to consolidate their holding in the Company (if they so wish);
- Finance the strategic development plan for the period 2019-2021 while supporting the Group's domestic and overseas growth strategy;
- Bolster the Bank's capital to enable it to meet banking and financial requirements.
- Finance Bank of Africa's day-to-day business operations.

It is worth noting that the financing aspect of BMCE Bank of Africa's strategic development plan assumes an injection of MAD 6.5 billion of Tier 1 capital over the period 2019-21, mainly via:

→ Transactions that have taken place or are scheduled to take place in 2019:

- ✓ A capital increase by:
 - Opting to convert dividends in relation to the period ended 31 December 2018 amounting to MAD 734,958,180, including issue premium; and
 - A public offering amounting to MAD 999,074,520, including issue premium;
- ✓ CDC Group plc acquiring a stake of about 5% in Bank of Africa, amounting to MAD 1,930,239,900.

→ Forthcoming transactions in 2020-21 (pending shareholders' approval and the required formalities):

- ✓ The capital increase, referred to in this prospectus, amounting to a maximum of MAD 999,102,229 in 2020 by optional dividend conversion;
- ✓ A capital injection, if needed, amounting to an additional MAD 2 billion overall:
 - MAD 1 billion by issuing perpetual subordinated debt with a loss absorption provision/AT1 capital.
 - MAD 1 billion via a new share issue reserved for the Bank's employees.

- The launch of a real estate investment trust comprising a portfolio of Bank of Africa's real estate operating assets.

In accordance with Bank Al-Maghrib's Circular No. 14/G/2013 relating to how credit institutions should calculate regulatory capital, the funds raised from this transaction will be classified under core capital.

3. Transaction schedule

The following table outlines the schedule for Bank of Africa's capital increase in cash by converting dividends in relation to financial year 2019:

| Stage | Date |
|---|-------------------|
| Casablanca Stock Exchange receives the complete transaction dossier | 23 July 2020 |
| Casablanca Stock Exchange issues an approval notice | 29 July 2020 |
| AMMC approves the prospectus relating to the transaction Casablanca Stock Exchange receives the said prospectus | 29 July 2020 |
| Prospectus excerpt published on Bank of Africa's website on the day that it is approved | 29 July 2020 |
| Capital increase and ex-dividend notices published in the Official Bulletin | 3 August 2020 |
| Bank of Africa publishes a press release in a journal containing legal notices relating to the approval of the prospectus | 3 August 2020 |
| Ex-dividend date: share price adjusted, and order book purged | 10 August 2020 |
| Capital increase subscription period opens by exercising the option to convert the total or partial 2019 dividend entitlement | 13 August 2020 |
| Capital increase subscription period closes by exercising the option to convert the total or partial 2019 dividend entitlement | 15 September 2020 |
| The bookrunner receives the subscription forms | 18 September 2020 |
| The bookrunner collates subscriptions and makes the final allocation | 22 September 2020 |
| Board meeting held to ratify the capital increase | 25 September 2020 |
| Casablanca Stock Exchange receives, before 10 am: (i) The minutes of the Board meeting ratifying the capital increase and (ii) The results of the capital increase | 28 September 2020 |
| Cash dividend payment | 28 September 2020 |
| Delivery of new shares to custodians and odd-lot payments made by Bank of Africa | 29 September 2020 |
| New shares admitted for trading on the 1 st line Capital increase on the Exchange registered Transaction results published by the Casablanca Stock Exchange in the Official Bulletin | 30 September 2020 |
| Transaction results published by Bank of Africa in a journal containing legal notices | 1 October 2020 |

4. Characteristics of the securities to be issued

| Stage | |
|--|---|
| Type of securities to be issued | Bank of Africa shares, each of the same class |
| Legal form | Bearer, entirely non-physical, registered in book-entry form with authorised financial intermediaries and eligible for Maroclear clearing |
| Maximum transaction size | MAD 999,102,229, comprising MAD 72,927,170 of nominal value and MAD 926,175,059 of issue premium |
| Maximum number of shares to be issued | 7,292,717 new shares |

| | |
|--|---|
| Issue price | MAD 137 per share |
| Nominal value per share | MAD 10 per share |
| Issue premium per share | MAD 127 per share |
| Restrictions on the shares to be issued | The shares to be issued will be fully paid-up and free of all restrictions |
| Securities' entitlement date | 1 January 2020 ¹ |
| Capital increase subscription period by exercising the option to convert the total or partial 2019 dividend entitlement | From 13 August to 15 September 2020 inclusive. |
| Shares' tradability | The shares to be issued will be freely tradable on the Casablanca Stock Exchange |
| Date new shares listed | 30 September 2020 |
| Payment method for securities | By converting the total or partial dividend entitlement in relation to financial year 2019 into shares |
| Trading in new shares | The shares issued in relation to this capital increase will be admitted for trading on the 1 st line alongside the existing shares listed on the Casablanca Stock Exchange |
| ISIN code | MA0000012437 |
| Rights attached to the securities issued | All shares confer equal rights with regard to the distribution of profits. The new shares to be issued will confer rights with regard to the profit distributed in relation to financial year 2020. Each share entitles its holder to one voting right at shareholder meetings. There are no shares with double voting rights. |

¹ It is worth noting that this date corresponds to the date of entitlement to dividends in relation to financial year 2020 and distributable in 2021

II. Risks factors relating to the financial instruments on offer

1. Liquidity risk associated with the stock:

Subscribers in Bank of Africa shares are subject to liquidity risk on the stock market. The stock's liquidity may be momentarily affected as a function of market conditions and its offer price. A shareholder that wishes to rapidly sell his or her holding in Bank of Africa may, under certain circumstances, experience a fall in liquidity.

However, Bank of Africa's stock is one of the flagship listings on the Casablanca Stock Exchange and is highly liquid by comparison with all other stocks listed on the Casablanca Stock Exchange.

The number of outstanding shares constituting the free float was 33,208,189 shares at 30 June 2020 or 16.62% of Bank of Africa's share capital, ensuring an ample level of liquidity and mitigating any financial risk.

2. Volatility risk associated with the stock:

As Bank of Africa shares are listed on the Casablanca Stock Exchange, they are governed by the rules of supply and demand as far as its quote is concerned. Share prices are to a large extent determined by investors' expectations of future earnings. As a result, as a function of investor perceptions about a stock, the latter may experience significant fluctuations depending on a number of factors (announcements, earnings releases, prospects, development strategy, etc.). An investor may therefore see the value of its stock fall or rise on the Moroccan stock market.

3. The risk of investment loss

An investor-shareholder in Bank of Africa, like any shareholder in any other company (listed or unlisted), runs the risk of losing some or even all of the original investment. This is the inherent risk of being a shareholder, if the price trend were to become negative.

WARNING

The above information constitutes only part of the prospectus, reference number VI/EM/013/2020, approved by the Moroccan Capital Markets Authority (AMMC) as of 29/07/2020. The AMMC recommends that interested parties read the complete prospectus which is available to the general public in French.

