



HALF YEAR FINANCIAL REPORT 30 JUNE 2022

BANK OF AFRICA

HALF YEAR FINANCIAL REPORT 30 June 2022

BANK OF AFRICA

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HALF-YEAR RESULTS

30 JUNE 2022

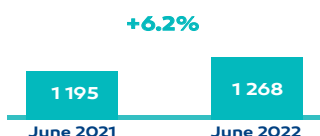
FINANCIAL AND BUSINESS MOMENTUM MAINTAINED IN FIRST HALF 2022

BANK OF AFRICA – BMCE Group’s Board of Directors, chaired by Mr Othman BENJELLOUN, met Friday 23 September 2022 at the Bank’s head office in Casablanca. It reviewed the business activity of the Bank and of the Group for first half 2022 and drew up the financial statements for the period in question.

The first half 2022 financial report is published on the website www.ir-bankofafrica.ma.

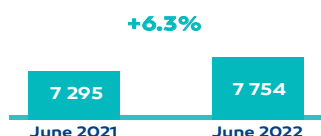
CONSOLIDATED BUSINESS ACTIVITY -MAD MILLIONS-

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY



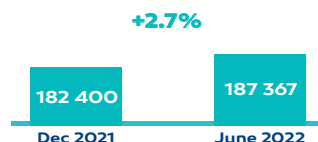
Net income attributable to shareholders of the parent company +6.2% to almost MAD 1.3 billion at 30 June 2022.

NET BANKING INCOME



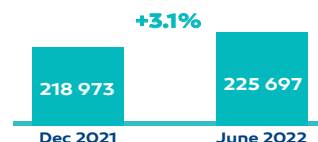
The Group’s net banking income +6.3% to MAD 7.8 billion at 30 June 2022 versus MAD 7.3 billion at 30 June 2021.

CUSTOMER LOANS



Consolidated loans, excluding resales, +2.7% to MAD 187.4 billion versus MAD 182.4 billion at 31 December 2021.

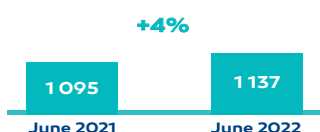
CUSTOMER DEPOSITS



The Group’s customer deposits +3.1% to MAD 226 billion versus MAD 219 billion at 31 December 2021.

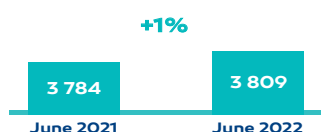
PARENT BUSINESS ACTIVITY -MAD MILLIONS-

NET INCOME



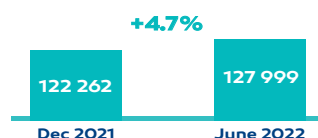
BANK OF AFRICA S.A.’s net income +4% year-on-year to MAD 1.14 billion at 30 June 2022.

NET BANKING INCOME



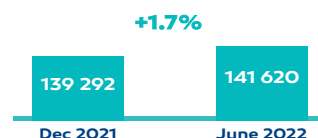
The Bank’s net banking income up almost +1% to MAD 3.8 billion at 30 June 2022.

CUSTOMER LOANS



Strong growth of +4.7% in the Bank’s customer loans to MAD 128 billion at 30 June 2022.

CUSTOMER DEPOSITS



Customer deposits in Morocco +1.7% to almost MAD 142 billion at 30 June 2022 versus MAD 139 billion at 31 December 2021.



POSITIVE REVENUE AND PROFIT GROWTH

Consolidated net banking income +6.3% to MAD 7.7 billion at 30 June 2022, driven by positive growth across business lines with **fee income +12%** and **net interest income +9%**.

Parent company revenue up almost +1% to MAD 3.8 billion thanks to a solid performance by the core business with **fee income +7%** and **net interest income +4%** despite a **-7%** decline in income from market operations.

Parent company **general operating expenses broadly unchanged** year-on-year at **MAD 1.8 billion**, resulting in a **cost-to-income ratio of 46.8%** at 30 June 2022 versus 47.1% at 30 June 2021, an improvement of 0.3 percentage points.

The **rise in general operating expenses at the consolidated level was contained at +2%**, resulting in a **cost-to-income ratio of 51.1%** at 30 June 2022, an improvement of 2.3 percentage points compared to 30 June 2021.

Consolidated gross operating income +12% to MAD 3.8 billion compared to 30 June 2021 and +4% to MAD 2 billion at the parent level.

Consolidated cost of risk +8% year-on-year to MAD 1,384 million in 2022 and **annualised cost of risk +1.3%**, broadly unchanged compared to 2021.

Net income attributable to shareholders of the parent company +6.2% to MAD 1,268 million with net income at the parent level +4% to MAD 1,137 million.

BANK OF AFRICA Group's **total assets +5.5%** to MAD 364 billion.

Shareholders' equity bolstered in first half 2022 with **MAD 1 billion** of perpetual subordinated debt issued.

Strong business performance with consolidated customer loans, excluding resales, +2.7% to MAD 187.4 billion at 30 June 2022, **driven by a 4.7% increase in lending** by the Bank in Morocco.

BANK OF AFRICA's **share of the overall loan market rises to 12.91%** at 30 June 2022.

Consolidated customer deposits +3% to MAD 226 billion at 30 June 2022 versus MAD 219 billion at 31 December 2021.

Customer deposits at the parent level +1.7% to MAD 141.6 billion at 30 June 2022 resulting in a 13.23% share of the market at 30 June 2022.

PRODUCT RANGE ENHANCED IN SUPPORT OF CUSTOMERS

Closer ties with the **Moroccan diaspora** through a **bespoke range of products and technical services, high value-added support-based financing facilities** and increased assistance in customers' **country of residence**, on round trips and during their stay in Morocco.

BANK OF AFRICA has further raised its profile in the Young Professionals segment by launching a **new and competitive range comprising an attractive package which includes mortgage and consumer loans** to meet the basic needs of Young Professionals.

'YASSIR' POSEF programme launched in partnership with the Mohammed VI Foundation, enabling teachers to apply for an **instant regulated and subsidised loan**.

New instant regulated loan launched in partnership with the Caisse Marocaine des Retraites (CMR) for BANK OF AFRICA's retired customers with repayments debited at source from a CMR pension.

Participation by BANK OF AFRICA in the **3rd Property Caravan** organised by the Mohammed VI Foundation for Social Action by Magistrates and Legal Professionals.

Ongoing **strategy to digitise** BANK OF AFRICA's products and services by launching the **latest version of the Agence Directe platform, offering an enhanced customer experience**.

BANK OF AFRICA's commitment to **payment systems inter-connection in Africa** as a means of accelerating intra-African trade underlined at the **14th US-Africa Business Summit 2022**.

Two agreements signed by BANK OF AFRICA for members of the **Foundation for the Promotion of Social Action for the benefit of Civil Servants and Agents at the Ministry of Youth and Sport** and members of the Association for Social Action at the National Agency for the Promotion of Employment and Skills (ANAPEC), enabling BANK OF AFRICA to extend its new civil service offer to all customers.

SANTE LEASE, a new finance product launched by the Group's Maghrebail subsidiary, enabling doctors and dentists to establish or develop their medical practice.

Partnership agreement signed between BTI Bank and Wafa Takaful, enabling the latter's products to be marketed across the BTI Bank network.

Fintech payment service launched as a result of a partnership between **Damane Cash**, a BANK OF AFRICA subsidiary specialising in payment solutions and **Paysend, a UK-based fintech company**. The venture is designed to simplify money transfers in Morocco and enable Moroccans with a bank account to carry out instant international transactions at discounted rates.

PROMISING PERFORMANCE BY THE GROUP'S SUBSIDIARIES

Strong performance by BOA Group in terms of revenue and profit growth with net banking income +9% and net income attributable to shareholders of the parent company +38%, driven primarily by the core business, particularly net interest income and fee income.

Salafin's net production +7.1% to MAD 648 million at 30 June 2022, primarily due to a **sales reorganisation, regained business momentum and increasingly competitive financing deals**. **Net income +9%** à MAD 48 million at 30 June 2022.

Maghrebail's production +12.2% to MAD 1,460 million at 30 June 2022 due to strong business momentum in every region in which the subsidiary is present. As result, Maghrebail is ranked 3rd within the industry with a 23.65% share of the market at 30 June 2022. **Net income +16.5%** to MAD 56.7 million at 30 June 2022 versus MAD 48.6 million at 30 June 2021.

Maroc Factoring's net banking income +12.7% to MAD 16 million at 30 June 2022 with net income +26% to MAD 1.87 million.

Strong performance by the Group's Madrid-based subsidiary with net income +43% compared to 30 June 2021 to EUR 6.8 million. This was due to **strong business momentum by the trade finance business**, as illustrated by a steep increase in foreign trade (+34%) and finex (+14%) transaction volumes at 30 June 2022.

GROUP'S ONGOING COMMITMENT TO A SUSTAINABLE ECONOMY

Ligne Bleue, BANK OF AFRICA's exclusive agreement with the AFD and the EIB signed in 2017, provides assistance and up to EUR 6 million of funding to manufacturing companies for projects such as water treatment plants.

BANK OF AFRICA continuing to market facilities launched in partnership with the EBRD such as the EUR 13 million **Green Economy Financing Facility (GEFF II)** and the EUR 10 million **Green Value Chain (GVC)**.

BANK OF AFRICA appointed as **founder-member of the African Business Leaders Coalition (ABLC)**, established in May 2022 by the **United Nations Global Compact**, to advance sustainable growth, prosperity, and development in Africa.

Funding provided to repower the Koudia El Baida wind farm in the Tangier-Tetouan region, Africa's oldest large-scale wind farm and **Morocco's first independent renewable energy producer**. At a cost of EUR 44 million, this investment is designed to double the wind farm's existing capacity to 100 MW.

BANK OF AFRICA's sustainable finance partnership with the World Environment Center (WEC), signed in March 2020, further bolstered with the visit of the United States Department of State to the Bank's head office in June. The partnership provides **technical assistance to businesses**, including access to the **WEC's Virtual Tech Forum** scheduled for November.

BANK OF AFRICA joins the Board of Directors of Cluster EnR, a transition accelerator and non-profit organisation, which brings together the entire renewable energy sector for the purpose of developing a **competitive industrial sector** capable of meeting national strategic goals and supporting green entrepreneurship.

Partnership agreement signed with the EBRD in social and green bonds and a **round table organised on the theme of Positive Impact Finance in Africa**. The Bank's **expertise in trade finance** and its commitment to sustainable finance was again recognised in 2021.

BMCE BANK FOUNDATION REAFFIRMS ITS COMMITMENT TO SOCIAL ISSUES

Further **tribute paid to Dr Leïla MEZIAN BENJELLOUN, BMCE Bank Foundation's Chair**, by the Bouabate Fez Association, with the former being awarded the Fez Gate Trophy and the title of **'Woman of the Year'** in the Social Action category.

16 pre-school classrooms built and equipped in state schools in partnership with the Ministry of National Education ahead of the start of the 2022-23 academic year with **5 Medersat.Com network schools also renovated and refurbished**.

6 new classrooms built and equipped by the BOA Foundation in the Yama Tahoua schools district in Niger.

Success for 390 or 79% of Medersat.com network school pupils from the 11th cohort sitting the **high school diploma exam**, including 244 girls (62.5% of female candidates), with 59% receiving a commendation, 28 of whom earning the highest distinction.

Participated in the Casablanca-Settat regional conferences organised by Casablanca's Hassan II University to discuss the ESRI PACTE 2030, a national plan for accelerating the transformation of the ecosystem of higher education, scientific research and innovation, which also enabled the Bank to share its experience and the **Foundation's commitment to the education sector and to environmental causes**.

AWARDS AND DISTINCTIONS

ISO 37001 certification of BANK OF AFRICA's anti-bribery management system successfully renewed following a comprehensive audit by EuroCompliance, an accredited certification firm.

BMCE Capital Gestion sees its **services commitments and ISO 9001:2015 certifications successfully renewed** following an external audit by Bureau Veritas Morocco.

BMCE Capital Gestion successfully complying with the **ISAE 3402 Type II Standard** published by the International Auditing and Assurance Standards Board (IAASB) following an audit by Mazars.

BMCE Capital Solutions' securities operation obtains ISAE 3402 Type II certification, attesting to the reliability and quality of BMCE Capital Solutions' internal control system.

BANK OF AFRICA named **Most Active Issuing Bank in Morocco in 2021** by the EBRD in recognition of the productive partnership forged between the two institutions in **foreign trade financing** and BANK OF AFRICA's ongoing efforts at offering its customers appropriate short-term foreign currency financing.

BANK OF AFRICA becomes the **first Moroccan Bank to endorse Women's Empowerment Principles (WEP)**, a partnership initiative of the United Nations Global Compact and UN Women.

Gender Diversity Corporate Charter signed to mark International Women's Day, underlining the Bank's commitment to joining the **African network for diversity**.

BANK OF AFRICA receives the award of **Best Annual Sustainability Report within the financial services industry** for the 2nd consecutive year from the Casablanca Stock Exchange, with a score of 97%.

Eurafric Information, the Group's IT subsidiary, named **'Top Employer'** for the 3rd consecutive year by Top Employers Institute, a prestigious international organisation.

Eurafric Information officially **approved as an Electronic Certification Service Provider** by the General Directorate for Information Systems Security (DGSSI), which reports to the National Defence Administration.

Eurafric Information receives the European Identity and Cloud (EIC) 2022 award in the Identity Fabrics & IDaaS category from KuppingerCole Analysts AG, a consulting firm.

PROFILE



15,000
EMPLOYEES



32
COUNTRIES

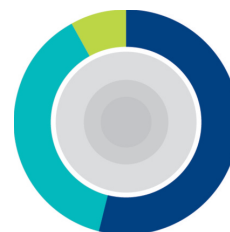


2,000
POINTS OF SALE



6.6
MILLION CUSTOMERS

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY AT 30 JUNE 2022 BY GEOGRAPHICAL REGION



- MOROCCO • 54%
- SUB-SAHARAN AFRICA • 38%
- EUROPE • 8%

RATINGS



BA1,
STABLE
OUTLOOK



BB,
STABLE
OUTLOOK



Non-financial rating
A+

BANK OF AFRICA is one of Africa's main pan-African financial groups. With an extensive portfolio of brands and subsidiaries, BANK OF AFRICA is a universal banking group with a variety of business lines, including commercial banking, investment banking as well as specialised financial services such as leasing, factoring, consumer credit and participatory banking.

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 701 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 Africa, Europe, Asia and North America.

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

BANK OF AFRICA 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.

In January 2019, BANK OF AFRICA created a new subsidiary covering all services and banking processing in order to improve the quality of its services.

BANK OF AFRICA's international activities

BANK OF AFRICA's international vocation can be traced back to its origins as a bank specialising in foreign trade. 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 BMCE International in London, Paris and Madrid, 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 BMCE 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.

Similarly, in Congo Brazzaville, BANK OF AFRICA acquired a stake in LCB BANK since 2003, which has now reached nearly 40%.

BANK OF AFRICA's development accelerated in 2008 following the acquisition of a 35% stake in BOA Group which has operations in 18 countries. BANK OF AFRICA has since increased its stake in the pan-African bank to 73%.

**BANK OF AFRICA BMCE GROUP STATUTORY AUDITORS' LIMITED REVIEW CERTIFICATE
RELATING TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2022**

We have conducted a limited review of the interim financial statements of BANK OF AFRICA BMCE GROUP and its subsidiaries (BANK OF AFRICA Group – BMCE GROUP), comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and a selection of explanatory notes for the period from 1 January to 30 June 2022. The interim financial statements show consolidated shareholders' equity of MAD 29,829,837 K, including consolidated net income of MAD 1,817,011 K. These interim financial statements were drawn up by the Board of Directors 23 September 2022 against the evolving backdrop of the COVID-19 pandemic based on information available at that time.

We conducted our limited review in accordance with the professional standards applicable in Morocco. These standards require that the limited review is planned and conducted so as to obtain reasonable 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 has a stock of non-operating real estate assets, acquired by dation-in-payment, totalling MAD 4.9 billion at 30 June 2022. In accordance with the applicable regulatory requirements, assets of MAD 1.5 billion were identified as presenting uncertainties about their resale value.

Based on our limited review and, except for the possible effects of the matter described above, we have not identified any issues that might lead us to think that the attached consolidated financial statements do not give a true and fair view of the income from operations and of the consolidated financial position and assets of BANK OF AFRICA Group - BMCE GROUP at 30 June 2022, in accordance with international accounting standards (IAS/IFRS).

Casablanca, 23 September 2022

The Statutory Auditors

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

1.1. CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 30 June 2022 were approved by the board of directors on 23 September 2022.

ASSETS UNDER IFRS	Note	30/06/2022	31/12/2021
Cash and balances at central banks, the Public treasury and postal cheque centre	4.1	18.454.884	19.737.051
Financial assets at fair value through profit or loss		-	-
- Financial assets held for trading purposes	4.2	43.914.582	35.604.594
- Financial assets at fair value through profit or loss	4.2	1.106.823	807.037
Derivative hedging instruments		-	-
Financial assets at fair value through other comprehensive income		-	-
- Debt instruments at fair value through other comprehensive income (recyclable)	4.3	560.060	1.708.897
- Equity instruments at fair value through other comprehensive income (non-recyclable)	4.3	4.901.780	4.969.163
Securities at amortised cost	4.4	46.719.960	38.926.888
Loans and advances to credit and similar institutions at amortised cost	4.5	22.543.041	21.001.481
Loans and advances to customers at amortised cost	4.5	198.363.097	197.020.207
Revaluation adjustment for portfolios hedged against interest rate risk		-	-
Financial investments from insurance operations		-	-
Current tax assets	4.8	1.066.367	981.203
Deferred tax assets	4.8	2.501.913	2.466.604
Prepayments, accrued income and other assets	4.9	8.863.358	6.497.978
Non-current assets held for sale		-	-
Investments in companies accounted for using the equity method	4.10	1.062.310	1.003.557
Investment property	4.11	3.571.851	3.560.318
Property, plant and equipment	4.11	8.594.857	8.517.859
Intangible assets	4.11	764.809	1.222.904
Goodwill	4.12	1.032.114	1.032.114
TOTAL ASSETS UNDER IFRS		364.021.806	345.057.854

(In thousand MAD)

LIABILITIES UNDER IFRS	Note	30/06/2022	31/12/2021
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	11.446.987	11.828.034
Amounts due to credit and similar institutions	4.5	65.277.176	60.283.987
Amounts due to customers	4.6	225.696.684	218.973.241
Revaluation adjustment on portfolios hedged against interest rate risk		-	-
Current tax liabilities	4.8	1.447.560	1.357.479
Deferred tax liabilities	4.8	1.171.643	1.187.570
Accruals, deferred income and other liabilities	4.9	15.984.885	9.717.696
Liabilities related to non-current assets held for sale		-	-
Liabilities under insurance contracts		-	-
Provisions	4.13	1.651.236	1.613.520
Subsidies - public funds and special guarantee funds		-	-
Subordinated debt	4.6	11.515.798	10.597.210
TOTAL LIABILITIES		334.191.969	315.558.737
Shareholders' equity			
Share capital and related reserves		19.971.255	19.292.416
Consolidated reserves		-	-
- Attributable to shareholders of the parent company		2.246.619	1.920.836
- Non-controlling interests		4.716.714	4.357.111
Gains and losses recognised directly in equity		-	-
- Attributable to shareholders of the parent company		583.411	587.204
- Non-controlling interests		494.827	492.175
Net income for the period		-	-
- Attributable to shareholders of the parent company		1.268.035	2.007.213
- Non-controlling interests		548.976	842.162
TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY		29.829.837	29.499.117
TOTAL LIABILITIES UNDER IFRS		364.021.806	345.057.854

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT UNDER IFRS	Note	30/06/2022	30/06/2021
Interest and similar income		7.943.002	7.406.634
Interest and similar expenses		-2.221.144	-2.149.240
Net interest income	2,1	5.721.858	5.257.394
Fees received		1.833.571	1.525.216
Fees paid		-338.041	-192.349
Fee income	2,2	1.495.530	1.332.867
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	153.146	297.638
Net gains or losses on trading assets/liabilities		93.552	266.461
Net gains or losses on other assets/liabilities at fair value through profit or loss		59.594	31.177
Net gains or losses on financial instruments at fair value through other comprehensive income	2,4	183.878	189.438
Net gains or losses on debt instruments through other comprehensive income			
Remuneration of equity instruments (dividends) through other comprehensive income (non-recyclable)		183.878	189.438
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	435.330	499.134
Expenses from other activities	2,5	-235.487	-281.250
Net banking income		7.754.255	7.295.221
General operating expenses	2,6	-3.488.534	-3.404.139
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	-474.121	-492.876
Gross operating income		3.791.600	3.398.206
Cost of risk		-1.383.786	-1.285.807
Operating income		2.407.814	2.112.399
Share of earnings of companies accounted for using the equity method		76.845,00	72.102,00
Net gains or losses on other assets	2,7	4.465,00	9.558,00
Changes in value of goodwill		-	-
Pre-tax income		2.489.124	2.194.059
Corporate income tax	2,8	-672.113	-519.910
Income net of tax from discontinued operations			
Net income		1.817.011	1.674.149
Non-controlling interests		548.976	479.527
Net income attributable to shareholders of the parent company		1.268.035	1.194.622

(In thousand MAD)

1.3. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AT 30/06/2022							
	Share capital	Reserves related to share capital	Treasury shares	Reserves & consolidated earnings	Total assets and liabilities recognised directly through other comprehensive income	Shareholders' equity attributable to shareholders of the parent company	Non-controlling interests	Total
Opening adjusted shareholders' equity at 31.12.2020	2.056.066	17.568.565	0	3.341.182	-406.386	22.559.427	5.421.103	27.980.530
Changes in accounting policies								
Opening shareholders' equity at 01.01.2021	2.056.066	17.568.565	0	3.341.182	-406.386	22.559.427	5.421.103	27.980.530
Corporate actions		-332.215		332.215		0		0
Share-based payment arrangements						0		0
Treasury stock transactions						0		0
Dividends				-1.028.033		-1.028.033	-516.561	-1.544.594
Net Income				2.007.213		2.007.213	842.162	2.849.376
Changes in assets and liabilities recognised directly in other comprehensive income					19.582	19.582	-38	19.544
Exchange differences					-35.036	-35.036	-73.617	-108.653
Unrealised or deferred gains or losses	0	0	0	0	-15.454	-15.454	-73.655	-89.109
Changes in the scope of consolidation							0	0
Other				284.516		284.516	18.399	302.915
Closing shareholders' equity at 31.12.2021	2.056.066	17.236.350	0	4.937.094	-421.840	23.807.669	5.691.448	29.499.117
Recognition of expected credit losses (on financial instruments)								
Opening shareholders' equity at 01.01.2022	2.056.066	17.236.350	0	4.937.094	-421.840	23.807.669	5.691.448	29.499.117
Corporate actions		678.839		-678.839		0		0
Share-based payment arrangements						0		0
Treasury stock transactions						0		0
Dividends				-821.987		-821.987	-583.641	-1.405.628
Net Income				1.268.035		1.268.035	548.976	1.817.011
Changes in assets and liabilities recognised directly in other comprehensive income					-3.128	-3.128	2.843	-285
Exchange differences					34.424	34.424	11.609	46.033
Unrealised or deferred gains or losses	0	0	0	0	31.296	31.296	14.452	45.748
Changes in the scope of consolidation				-29.034		-29.034		-29.034
Other				-186.659		-186.659	89.282	-97.378
Closing shareholders' equity at 30.06.2022	2.056.066	17.915.189	0	4.488.609	-390.544	24.069.320	5.760.517	29.829.837

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

	30/06/2022	30/06/2021
Net income	1.817.011	1.674.149
Gains or losses recognised directly in other comprehensive income that will be subsequently reclassified under profit or loss	154.686	-138.395
Exchange differences	154.686	-138.395
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	-19.829	-5.476
Actuarial gains or losses on defined benefit plans		
Items recognised at fair value through other comprehensive income (non-recyclable)	-19.829	-5.476
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	134.857	-143.871
Net income and gains or losses recognised directly through other comprehensive income	1.951.868	1.530.278
Attributable to shareholders of the parent company	1.314.785	1.108.593
Non-controlling interests	637.083	421.684

(In thousand MAD)

1.5. CASH FLOW STATEMENTS AS OF JUNE 30, 2022

	NOTE	30/06/2022	31/12/2021
Pre-tax income		2.489.124	3.834.831
+/- Net depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	474.121	1.057.794
+/- Net impairment of goodwill and other non-current assets			
+/- Net impairment of financial assets	2,7	115.569	154.474
+/- Net provisions	2,7	836.484	1.941.416
+/- Share of earnings of companies accounted for using the equity method	4,10	-76.845	-84.710
+/- Net gain/loss from investing activities		-271.704	152.304
+/- Net gain/loss from financing activities			-
+/- Other movements		-33.670	-570.699
Total non-cash items included in pre-tax income and other adjustments		1.043.955	2.650.578
+/- Flows related to transactions with credit and similar institutions		3.505.455	-209.918
+/- Flows related to transactions with customers		2.911.609	10.969.470
+/- Flows related to other transactions affecting financial assets or liabilities		-14.057.056	-17.712.835
+/- Flows related to other transactions affecting non-financial assets or liabilities		4.379.007	9.710.108
+/- Taxes paid		-700.547	-829.786
Net increase/decrease in assets and liabilities from operating activities		-3.961.532	1.927.039
Net cash flow generated by operating activities		-428.454	8.412.448
+/- Flows related to financial assets at fair value through other comprehensive income		-544.530	-2.338.997
+/- Flows related to investment property		-31.995	31.317
+/- Flows related to plant, property and equipment and intangible assets		-99.384	-996.818
Net cash flow related to investing activities		-675.909	-3.304.499
+/- Cash flows from or to shareholders		-821.987	846.700
+/- Other net cash flows from financing activities		608.797	-1.102.283
Net cash flow related to financing activities		-213.190	-255.584
Effect of exchange rate changes on cash and cash equivalents		23.979	-440.672
Net increase/decrease in cash and cash equivalents		-1.293.574	4.411.694
Cash and cash equivalents at beginning of year		22.679.565	18.267.870
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4,1	19.737.051	16.291.624
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		2.942.513	1.976.247
Cash and cash equivalents at end of year		21.385.991	22.679.565
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4,1	18.454.884	19.737.051
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		2.931.107	2.942.513
Net change in cash and cash equivalents		-1.293.573	4.411.694

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.

1.6.2. 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 30 June 2022, 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.

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 June 30th, 2022, 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

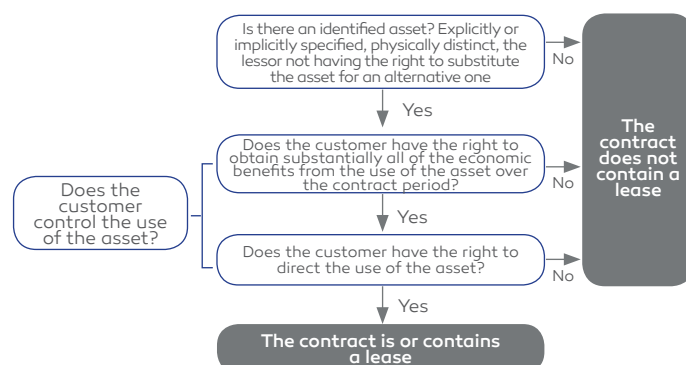
IFRS 16 'Leases' will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

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 30th June 2022, 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.

Health crisis and IFRS 9 impact

BANK OF AFRICA Group's consolidated financial statements are prepared under International Financial Reporting Standards (IFRS).

IFRS 9 has introduced a new model for recognising impairment of financial assets based on expected credit losses. It has introduced a system of classification in 3 stages (buckets 1, 2 and 3) based on a definition of default (bucket 3) and a concept of material deterioration in credit risk (triggering a downgrade from bucket 1 to bucket 2).

The definition of default is consistent with the one defined in Circular 19G, with a rebuttable presumption that default does not occur later than when a financial asset is 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.

Risk deterioration is monitored with the help of systems for monitoring internal risks which includes, in particular, monitoring non-performing loans and past due loans.

A material 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 the financial instrument defaulting at the reporting date with the risk of the financial instrument defaulting at the time of initial recognition.

Each instrument is appraised to ascertain whether there has been a material 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 material increase in credit risk if one or more of the following criteria are met:

- Financial asset placed on the watchlist
- Restructured due to repayment difficulties, although not defaulting
- Past-due event
- Material adverse changes in the borrower's economic, commercial or financial operating environment
- Identifiable risks of financial difficulties, etc.

This standard introduces an impairment model which requires that expected credit losses or 'ECLs' are recognised for loans and debt instruments measured at amortised cost or fair value through other comprehensive income with recycling, for loan commitments and financial collateral arrangements not recognised at fair value as well as for receivables resulting from lease agreements and trade receivables. This approach aims to encourage early recognition of expected credit losses.

The expected losses for the various portfolios are calculated based on the three main risk criteria modelled using the available historical data for each portfolio segment: the 'Probability of Default' (PD) over one year or over the asset's lifetime, the 'Loss Given Default' (LGD) and 'Exposure At Default' (EAD). The historical loss method is used, where appropriate, for certain portfolios.

This standard has been designed to be forward looking, reflecting expectations of future credit events at each reporting date. Forward looking scenarios have therefore been incorporated into the ECL calculation models.

As far as the specific context of the 30 June 2022 reporting date is concerned, BANK OF AFRICA – BMCE Group has made a number of adjustments to anticipate, measure and steer the impacts from the current health crisis.

To ensure that the IFRS 9 model adequately takes into account the impact on the domestic economy from the current situation, prospective data and forward-looking scenarios have been revised, by taking into consideration their effects on probabilities of default (PD). This revision is based on the changes made to economic sector ratings.

The estimated impact factors in information available at end of June 2022. It will be updated in light of changes to the economic environment and any additional information available ahead of future reporting dates.

II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

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.

	30/06/22			30/06/21		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	5.367.880	1.364.561	4.003.319	5.191.928	1.271.712	3.920.215
Deposits, loans and borrowings	5.002.776	1.351.058	3.651.718	4.913.774	1.258.432	3.655.341
Repurchase agreements	0	13.503	-13.503	0	13.280	-13.280
Finance leases	365.104	0	365.104	278.154	0	278.154
Interbank transactions	369.992	517.888	-147.895	320.970	493.931	-172.962
Deposits, loans and borrowings	368.681	414.564	-45.883	315.640	356.745	-41.105
Repurchase agreements	1.311	103.324	-102.012	5.330	137.186	-131.856
Debt issued by the Group		338.695	-338.695		383.596	-383.596
Financial instruments at fair value through other comprehensive income			0			0
Debt instruments	2.205.130		2.205.130	1.893.736		1.893.736
TOTAL INTEREST INCOME/(EXPENSE)	7.943.002	2.221.144	5.721.858	7.406.634	2.149.240	5.257.394

(In thousand MAD)

2.2. NET FEE INCOME

	30/06/22			30/06/21		
	Income	Expense	Net	Income	Expense	Net
Net fees on transactions	1.423.437	123.321	1.300.116	1.158.205	74.964	1.083.241
With credit institutions			-			-
With customers	954.426		954.426	862.911		862.911
In securities	118.133	27.462	90.671	101.093	55.439	45.654
In foreign exchange	350.879	95.859	255.019	194.201	19.525	174.676
In financial futures and off balance sheet transactions			-			-
Provision of banking and financial services	410.134	214.720	195.414	367.011	117.386	249.626
Net income from mutual fund management			-			-
Net income from means of payment	233.445	65.633	167.812	193.026	40.695	152.331
Insurance			-			-
Other	176.688	149.087	27.601	173.986	76.691	97.295
NET FEE INCOME	1.833.571	338.041	1.495.530	1.525.216	192.349	1.332.867

(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..

	30/06/22			30/06/21		
	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	48.042	59.594	107.636	262.899	31.177	294.076
Derivative instruments	45.510		45.510	3.562		3.562
Repurchase agreements						
Loans						
Borrowings						
Revaluation of interest rate risk hedged portfolios						
Revaluation of foreign exchange positions						
TOTAL	93.552	59.594	153.146	266.461	31.177	297.638

(In thousand MAD)

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

	30/06/22	30/06/21
Remuneration from equity instruments (dividends) through other comprehensive income (non-recyclable)	183.878	189.438
TOTAL	183.878	189.438

(In thousand MAD)

2.5. INCOME AND EXPENSES FROM OTHER ACTIVITIES

	30/06/22			30/06/21		
	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	119.975	57.095	62.880	116.083	54.586	61.497
Net income from real estate development activities	0	0	0	0	0	0
Other banking income and expenses	220.573	159.557	61.016	202.481	167.576	34.905
Other non-banking income from operations	94.782	18.835	75.947	180.571	59.088	121.483
TOTAL NET INCOME FROM OTHER ACTIVITIES	435.330	235.486	199.843	499.135	281.250	217.885

(In thousand MAD)

2.6. GENERAL OPERATING EXPENSES

	30/06/22	30/06/21
Employee expenses	1.960.123	1.941.000
Taxes	185.109	177.182
External expenses	1.257.165	1.196.258
Other general operating expenses	86.137	89.700
Impairment and provisions for intangible assets and property, plant and equipment	474.121	492.876
General Operating Expenses	3.962.655	3.897.015

(In thousand MAD)

2.7. COST OF RISK

	30/06/22	30/06/21
Net impairment	-952.053	-946.883
Bucket 1	-170.432	-186.034
Including loans and advances to credit and similar institutions	18.100	527
Including loans and advances to customers	-46.269	-3.507
Including off-balance sheet commitments	-26.694	-7.910
Including debt instruments	-115.569	-175.144
Including debt instruments at fair value through other comprehensive income (recyclable)	-	-
Bucket 2	-181.350	-20.886
Including loans and advances to credit and similar institutions	657	-199
Including loans and advances to customers	-182.167	-19.256
Including off-balance sheet commitments	160	-1.450
Including debt instruments	-	19
Including debt instruments at fair value through other comprehensive income (recyclable)	-	-
Bucket 3	-600.272	-739.963
Including loans and advances to credit and similar institutions	-2.380	25
Including loans and advances to customers	-597.718	-737.100
Including off-balance sheet commitments	-174	-2.888
Including debt instruments	-	-
Including debt instruments at fair value through other comprehensive income (recyclable)	-	-
Amounts recovered on loans and advances	47.862	33.752
Losses on irrecoverable loans and advances	-408.242	-372.246
Other	-71.353	-429
Cost of risk	-1.383.786	-1.285.807

2.8. NET GAINS ON OTHER ASSETS

	30/06/22	30/06/21
Property, plant and equipment and intangible assets used in business operations	5.387	7.497
Capital gains on disposal	5.387	7.772
Capital losses on disposal	-	275
Other	-922	2.061
Net gains or losses on other assets	4.465	9.558

2.9. INCOME TAX

2.9.1. Current and deferred tax

	30/06/22	31/12/21
Current tax	1,066,367	981,203
Deferred tax	2,501,913	2,466,604
Current and deferred tax assets	3,568,280	3,447,807
Current tax	1,447,560	1,357,479
Deferred tax	1,171,643	1,187,570
Current and deferred tax liabilities	2,619,203	2,545,049

(In thousand MAD)

2.9.2. Net income tax expense

	30/06/22	30/06/21
Current tax expense	-705,206	-555,873
Net deferred tax expense for the year	33,094	35,963
Net corporate income tax expense	-672,112	-519,910

(In thousand MAD)

2.9.3. Effective tax rate

	30/06/22	30/06/21
Pre-tax income	2,489,124	2,194,059
Corporate income tax expense	-672,112	-519,910
Average effective tax rate	27,0%	23,7%

(In thousand MAD)

III. 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, RM Experts and Acmar;
- International activities : Banque de Développement du Mali, BANK OF AFRICA Europe, BANK OF AFRICA UK, LCB Bank, BOA Group.

3.1. Earnings by business line

	30/06/2022					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
Net interest income	2.599.543	16.497	346.754	-2.554	2.761.620	5 721 860
Fee income	569.803	91.252	15.378	0	819.097	1 495 530
Net banking income	3.237.379	207.656	367.196	60.324	3.881.700	7 754 255
General operating expenses and impairment	-1.594.313	-149.353	-130.268	-38.500	-2.050.222	(3 962 656)
Gross operating income	1.643.066	58.303	236.928	21.824	1.831.478	3 791 600
Corporate income tax	-344.992	-38.661	-83.501	-3.629	-201.329	(672 112)
Net income attributable to shareholders of the parent company	563.830	58.798	61.543	4.642	579.222	1 268 035

(In thousand MAD)

	30/06/2021					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
Net interest income	2.388.874	33.497	240.725	-1.594	2.595.892	5 257 394
Fee income	536.957	78.174	11.805	0	705.931	1 332 867
Net banking income	3.212.839	177.398	257.304	59.903	3.587.778	7 295 221
General operating expenses and impairment	-1.649.028	-131.671	-126.868	-38.135	-1.951.314	(3 897 015)
Gross operating income	1.563.811	45.727	130.435	21.768	1.636.465	3 398 206
Corporate income tax	-209.563	-33.519	-65.133	-4.861	-206.834	(519 910)
Net income attributable to shareholders of the parent company	511.115	58.090	66.462	1.249	557.707	1 194 622

(In thousand MAD)

3.2. ASSETS AND LIABILITIES BY BUSINESS ACTIVITY

	30/06/2022					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
TOTAL ASSETS	222 872 810	1 215 589	16 233 822	168 455	123 531 129	364 021 806
ASSETS						
Financial assets at fair value through other comprehensive income	3 279 870	13 371	24 725	5 028	2 138 845	5 461 840
Loans and advances to customers at amortised cost	130 784 189	0	15 440 245	1	52 138 663	198 363 097
Financial assets at fair value through profit or loss	43 907 431	157 079	861	0	956 034	45 021 405
Securities at amortised cost	9 136 690	0	0	0	37 583 270	46 719 960
LIABILITIES						
Amounts due to customers	143 533 011	0	623 800	0	81 539 873	225 696 684
Shareholder's Equity	19 764 562	455 706	1 420 897	(276 614)	8 465 286	29 829 837

(In thousand MAD)

	31/12/2021					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
TOTAL ASSETS	212 670 867	974 889	16 397 075	112 191	114 902 832	345 057 853
ASSETS						
Financial assets at fair value through other comprehensive income	3 401 795	13 468	22 987	5 028	3 234 782	6 678 060
Loans and advances to customers at amortised cost	129 816 529	0	15 575 842	1	51 627 835	197 020 207
Financial assets at fair value through profit or loss	35 604 594	127 606	861	0	678 570	36 411 631
Securities at amortised cost	8 940 604	0	0	0	29 986 285	38 926 888
LIABILITIES						
Amounts due to customers	140 432 011	0	681 183	0	77 860 047	218 973 241
Shareholder's Equity	19 445 454	454 028	1 603 473	(241 601)	8 237 763	29 499 117

(In thousand MAD)

IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2022

4.1. CASH AND BALANCES AT CENTRAL BANKS, THE PUBLIC TREASURY AND POSTAL CHEQUE CENTRE

	30/06/22	31/12/21
CASH AND BALANCES	4.896.835	4.035.720
CENTRAL BANKS	13.535.185	15.677.912
PUBLIC TREASURY	18.152	18.655
POSTAL CHEQUE CENTRE	4.712	4.765
CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHEQUE CENTRE	13.558.049	15.701.332
Cash and balances at central banks, the Public treasury and postal cheque centre	18.454.884	19.737.051

(In thousand MAD)

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

	30/06/22			31/12/21		
	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 trad- ing purposes	Other assets/ liabilities at fair value through profit or loss	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable debt securities	36.263.587	-	36.263.587	23.624.711	-	23.624.711
Treasury bills and other marketable assets mobilised with central banks	33.471.585		33.471.585	21.830.202		21.830.202
Other negotiable debt securities	2.792.003		2.792.003	1.794.508		1.794.508
Bonds	1.854.777	-	1.854.777	845.949	-	845.949
Government bonds	750.959		750.959	489.311		489.311
Other bonds	1.103.818		1.103.818	356.638		356.638
Equities and other variable income securities	5.798.603	1.106.823	6.905.425	11.082.442	807.037	11.889.479
Repurchase agreements	-		-	-		-
Loans	-		-	-		-
To credit institutions			0			0
To corporate customers			0			0
To retail customers			0			0
Financial derivative instruments for trading purposes	-2.385	0	-2.385	51.492	0	51.492
Currency derivative instruments	-2.385		-2.385	51.492		51.492
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	43.914.582	1.106.823	45.021.405	35.604.594	807.037	36.411.631
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						

4.3. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30/06/22			31/12/21		
	Balance sheet value	Unrealised gains	Unrealised losses	Balance sheet value	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income (recyclable)	560.060	-	-135.695	1.708.897	12.459	-109.407
Equity instruments at fair value through other comprehensive income (non-recyclable)	4.901.780	1.610.323	-591.709	4.969.163	1.618.324	-589.865

(en milliers de DH)

4.4. SECURITIES AT AMORTISED COST

	30/06/22	31/12/21
Treasury bills and other marketable assets mobilised with central banks	10.314.804	5.289.826
Treasury bills and other marketable assets mobilised with central banks	9.553.990	4.489.117
Other negotiable debt securities	760.815	800.709
Bonds	37.461.753	34.572.774
Government bonds	33.293.978	31.424.962
Other bonds	4.167.775	3.147.812
Impairment	-1.056.598	-935.711
TOTAL DEBT INSTRUMENTS AT AMORTISED COST	46.719.960	38.926.888

(In thousand MAD)

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

LOANS AND ADVANCES TO CREDIT INSTITUTIONS AT AMORTISED COST

	30/06/22	31/12/21
Sight deposits	11.703.737	9.832.598
Loans	10.780.934	11.116.163
<i>Of which overnight loans</i>	<i>189.919</i>	<i>338.224</i>
Repurchase agreements	124.117	137.872
TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS BEFORE IMPAIRMENT	22.608.788	21.086.633
Impairment of loans and advances to credit institutions	-65.748	-85.152
TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS NET OF IMPAIRMENT	22.543.040	21.001.481

(In thousand MAD)

AMOUNTS DUE TO CREDIT INSTITUTIONS

	30/06/22	31/12/21
Sight deposits	6.385.780	5.788.333
Borrowings	28.548.616	28.605.406
<i>Of which overnight loans</i>	<i>2.566.159</i>	<i>1.428.135</i>
Repurchase agreements	30.342.779	25.890.248
TOTAL	65.277.176	60.283.987

(In thousand MAD)

4.6. AMOUNTS DUE TO AND FROM CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

	30/06/22	31/12/21
Overdrawn accounts	21.534.265	21.271.250
Customer loans	168.664.330	163.038.442
Repurchase agreements	10.996.560	14.644.680
Finance leases	14.952.466	14.959.186
TOTAL LOANS AND ADVANCES TO CUSTOMERS BEFORE IMPAIRMENT	216.147.620	213.913.559
Impairment of loans and advances to customers	-17.784.523	-16.893.353
TOTAL LOANS AND ADVANCES TO CUSTOMERS NET OF IMPAIRMENT	198.363.097	197.020.206

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY BUSINESS SEGMENT

	30/06/22	31/12/21
Banking in Morocco	130.784.189	129.816.529
Specialised Financial Services	15.440.245	15.575.842
International Operations	52.138.663	51.627.835
Asset Management	0	0
Other Operations	1,00	1,00
Total - principal	198.363.096	197.020.206
Accrued interest		
Balance sheet value	198.363.096	197.020.206

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL REGION

	30/06/22	31/12/21
Morocco	146.224.435	145.392.371
Africa	48.408.760	47.550.569
Europe	3.729.902	4.077.266
Total - principal	198.363.097	197.020.207
Accrued interest		
Balance sheet value	198.363.097	197.020.207

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES AND IMPAIRMENT BY BUCKET

	30/06/22							
	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	569.869	-	-	569.869	9.809	-	-	9.809
Debt instruments at fair value through other comprehensive income (recyclable)	569.869			569.869	9.809			9.809
Financial assets at amortised cost	246.655.209	18.923.758	20.953.997	286.532.964	2.574.228	2.675.117	13.657.523	18.906.868
Loans and advances to credit institutions	22.562.260	40.883	5.645	22.608.788	59.791	443	5.514	65.747
Loans and advances to customers	176.316.392	18.882.875	20.948.351	216.147.618	1.457.840	2.674.674	13.652.009	17.784.523
Debt securities	47.776.557			47.776.557	1.056.598	-	-	1.056.598
Total assets	247.225.078	18.923.758	20.953.997	287.102.833	2.584.037	2.675.117	13.657.523	18.916.677
Total off-balance sheet	49.136.129	143.842	140.472	49.420.443	228.207	561	119.726	348.495

	31/12/21							
	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	1.728.503	-	-	1.728.503	19.606	-	-	19.606
Debt instruments at fair value through other comprehensive income (recyclable)	1.728.503			1.728.503	19.606			19.606
Financial assets at amortised cost	235.322.843	19.728.446	19.811.502	274.862.792	2.437.089	2.488.478	12.988.649	17.914.216
Loans and advances to credit institutions	21.039.082	41.369	6.182	21.086.634	79.576	539	5.037	85.152
Loans and advances to customers	174.421.162	19.687.077	19.805.320	213.913.559	1.421.802	2.487.939	12.983.612	16.893.353
Debt securities	39.862.599			39.862.599	935.711	-	-	935.711
Total assets	237.051.346	19.728.446	19.811.502	276.591.295	2.456.695	2.488.478	12.988.649	17.933.822
Total off-balance sheet	47.468.431	178.786	129.624	47.776.841	201.288	947	120.387	322.622

AMOUNTS DUE TO CUSTOMERS

	30/06/22	31/12/21
Accounts in credit	137.633.458	132.539.204
Fixed term accounts	31.373.274	31.794.130
Savings accounts	43.884.932	42.213.080
Certificates of deposit	3.740.885	4.004.929
Repurchase agreements	899.081	159.156
Other accounts in credit	8.165.054	8.262.741
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	225.696.684	218.973.241

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS SEGMENT

	30/06/22	31/12/21
Banking in Morocco	143.533.011	140.432.011
Specialised Financial Services	623.800	681.183
International Operations	81.539.873	77.860.047
Asset Management	0	0
Other Operations	0	0
Total - principal	225.696.684	218.973.241
Accrued interest		
Balance sheet value	225.696.684	218.973.241

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

	30/06/22	31/12/21
Morocco	144.156.811	141.113.194
Africa	80.582.183	76.420.029
Europe	957.690	1.440.017
Total - principal	225.696.684	218.973.241
Accrued interest		
Balance sheet value	225.696.684	218.973.241

(In thousand MAD)

4.7. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

	30/06/22	31/12/21
Other debt securities	11.446.987	11.828.034
Negotiable debt securities	11.446.987	11.828.034
Bonds		
Subordinated debt	11.515.798	10.597.210
Subordinated loans	11.515.798	10.597.210
Fixed maturity	8.515.798	7.597.210
Perpetual	3.000.000	3.000.000
Subordinated securities	0	0
Fixed maturity		
Perpetual	0	0
Public funds and special guarantee funds		
Total	22.962.785	22.425.244

(In thousand MAD)

4.8. CURRENT AND DEFERRED TAX

	30/06/22	31/12/21
Current tax	1.066.367	981.203
Deferred tax	2.501.913	2.466.604
Current and deferred tax assets	3.568.280	3.447.807
Current tax	1.447.560	1.357.479
Deferred tax	1.171.643	1.187.570
Current and deferred tax liabilities	2.619.203	2.545.049

(In thousand MAD)

4.9. ACCRUED INCOME, OTHER ASSETS AND LIABILITIES

	30/06/22	31/12/21
Guarantee deposits and bank guarantees paid	188.041	176.286
Settlement accounts relating to corporate actions	67.627	133.348
Cheque-cashing accounts	436.167	399.022
Reinsurers' share of technical provisions		
Accrued income and prepaid expenses	2.311.992	1.548.872
Other debtors	5.736.428	3.983.177
Liaison accounts	123.103	257.273
TOTAL ACCRUED INCOME AND OTHER ASSETS	8.863.358	6.497.977
Guarantee deposits received	5.636	6.297
Settlement accounts relating to corporate actions	3.337.335	147.509
Cheque-cashing accounts	2.604.127	1.593.413
Accrued expenses and deferred income	1.522.622	1.357.115
Other creditors and miscellaneous liabilities	8.515.165	6.613.363
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	15.984.885	9.717.696

(In thousand MAD)

4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

	30/06/22	31/12/21
ACMAR	22.880	27.312
Banque de Développement du Mali	628.115	629.469
Eurafric	-24.058	-23.337
AFRICA MOROCCO LINKS	42.075	6.559
Société Conseil Ingenierie et Développement	146.370	145.843
Bank Al Tamwil wal Inmaa	98.662	92.351
Investments in companies accounted for using the equity method at BOA	148.266	125.359
Investments in companies accounted for using the equity method	1.062.310	1.003.557

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

	Total assets at 30 June 2022	Net banking income or Revenue at 30 June 2022	Subsidiary's earnings	Contribution to net income attributable to shareholders of the parent company at 30 June 2022
ACMAR	719.633	73.561	11.036	2.207
Banque de Développement du Mali	16.147.762	388.914	162.336	52.793
AFRICA MOROCCO LINKS	370.223	190.503	6.090	3.106
Eurafric	305.944	216.290	1.618	-690
Société Conseil Ingenierie et Développement	568.878	124.006	8.466	3.293
Bank Al Tamwil wal Inmaa	679.507	6.139	-18.100	-9.231

(In thousand MAD)

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

	30/06/22			31/12/21		
	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	17.476.758	8.881.902	8.594.856	17.029.325	8.511.467	8.517.858
Land and buildings	5.551.834	1.448.297	4.103.537	5.624.844	1.368.653	4.256.191
Equipment, furniture and fixtures	5.116.893	3.568.529	1.548.364	4.922.622	3.408.838	1.513.785
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other property, plant and equipment	6.808.031	3.865.076	2.942.955	6.481.859	3.733.977	2.747.882
Intangible Assets	2.569.630	1.804.821	764.809	3.164.734	1.941.830	1.222.904
Purchased software	1.928.246	1.602.416	325.831	2.422.268	1.746.005	676.264
Internally-developed software	0	0	0	0	0	0
Other intangible assets	641.383	202.405	438.978	742.466	195.826	546.640
Investment Property	3.890.875	319.024	3.571.851	3.878.551	318.233	3.560.318

(In thousand MAD)

LEASE EXPENSES

	30/06/22	30/06/21
Interest expense on lease liabilities	-28.953	-27.720
Depreciation expenses on right-of-use assets	-130.949	-128.211

RIGHT-OF-USE ASSETS

	30/06/22	31/12/21
Property, plant and equipment	8.594.856	8.517.858
Of which rights of use	1.099.114	1.232.526

LEASE LIABILITIES

	30/06/22	31/12/21
Accruals, deferred income and other liabilities	15.984.885	9.717.696
Of which lease liability	1.136.488	1.259.985

4.12. GOODWILL

	30/06/22	31/12/21
Gross carrying amount at start of period	1.032.114	1.032.114
Accumulated impairment at start of period		
Net carrying amount at start of period	1.032.114	1.032.114
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	1.032.114	1.032.114
Accumulated impairment at end of period		
NET CARRYING AMOUNT AT END OF PERIOD	1.032.114	1.032.114

(In thousand MAD)

THE FOLLOWING TABLE PROVIDES A BREAKDOWN OF GOODWILL

	Valeur nette comptable 30/06/2022	Valeur nette comptable 31/12/2021
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
BOA Group	711.976	711.976
LOCASOM	98.725	98.725
CID	14.555	14.555
GROUP TOTAL	1.032.114	1.032.114

4.13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	30/06/22	31/12/21
TOTAL PROVISIONS AT START OF PERIOD	1.613.520	1.407.895
Additional provisions	75.386	708.868
Write-backs	-57.269	-334.954
Other movements	19.599	-168.289
TOTAL PROVISIONS AT END OF PERIOD	1.651.236	1.613.520

V. FINANCING AND GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENT

	June-22	Dec-21
Financing commitments given	21,193,758	18,579,858
To credit institutions	1,207,673	2,121,021
To customers	19,986,085	16,458,837
Credit lines opened		
Other commitments given to customers		
Financing commitments received	1,403,179	1,349,237
From credit institutions	1,403,179	1,349,237
From customers	-	-

» Financing commitments given to credit and similar institutions

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

» Financing commitments given to customers

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

» Financing commitments received from credit and similar institutions

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

5.2. GUARANTEE COMMITMENTS

	June-22	Dec-21
Guarantee commitments given	28,226,684	29,196,984
To credit institutions	7,045,817	8,226,174
To customers	21,180,867	20,970,810
Sureties provided to administrative and tax authorities and other sureties		
Other guarantees given to customers		
Guarantee commitments received	97,216,841	105,479,486
From credit institutions	93,674,151	101,912,528
From government and other guarantee institutions	3,542,690	3,566,958

» 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

	June-22	Dec-21
Provision for retirement and similar benefits	424,063	526,965
Provision for special long service award		
Other provisions		
TOTAL	424,063	526,965

NB: The provision for employee benefits is measured in accordance with IAS 19 and recognised under 'Provisions, Contingent Liabilities and Contingent Assets'.

6.2.2. Basic assumptions underlying calculations

Economic assumptions	June-22
Discount rate	2,43%
Long-term wage growth (inflation included)	2%
Growth in employer's social security contributions	10,96%
Demographic assumptions	
Retirement terms	Voluntary retirement
Retirement age	60
Mortality table	Male 60/64 - Female 60/64

The discount rate used is based on the secondary market benchmark rate (Treasury yield) with a duration of approximately 22 years.

6.2.3. Cost of post-employment plans

	June-22	Dec-21
Standard expense for the period	-5.261	-9.192
Interest expense	-6.132	-13.498
Funds' expected rate of return		
Additional benefits		
Other	53.547	
Net cost for the period	42.154	-22.690
Of which expense related to retirement and similar benefits		
Other		

6.2.4. Changes in the provision recognised on the balance sheet

	June-22	Dec-21
Actuarial liability at start of period	526.965	504.275
Standard expense for the period	16.867	-26.867
Interest expense	6.132	13.498
Actuarial gains/losses	-53.547	
Other actuarial differences	-45.988	
Amortisation of net gains/losses		
Benefits paid	-11.606	36.059
Additional benefits		
Other	25.241	
Actuarial liability at end of period	464.064	526.965
Of which expense related to retirement and similar benefits		
Other		

VII. ADDITIONAL INFORMATION

7.1. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

7.1.1. Changes in share capital and earnings per share

	30/06/22	30/06/21
SHARE CAPITAL (MAD)	2.056.066.480	2.056.066.480
Number of ordinary shares outstanding during the year	205.606.648	205.606.648
NET INCOME ATTRIBUTABLE TO SHARE-HOLDERS OF THE PARENT COMPANY (MAD)	1.268.034.866	1.194.622.000
Earnings per share (MAD)	6,17	5,81
DILUTED EARNINGS PER SHARE (MAD)	6,17	5,81

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 2018	179.463.390	10	1.794.633.900
Number of shares outstanding at 31 December 2019	199.820.500	10	1.998.205.000
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 30 June 2022	205.606.648	10	2.056.066.480

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

Denomination	Business line	% of control	% of interest	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
LCB Bank	Banking	39,42%	39,42%	Fully consolidated
BMCE INTERNATIONAL HOLDING (BANK OF AFRICA UK)	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%	78,63%	Fully consolidated
BANQUE DE DEVELOPPEMENT DU MALI	Banking	32,38%	32,38%	Equity method
EULER HERMES	Insurance	20,00%	20,00%	Equity method
ACMAR	IT services	41,00%	41,00%	Equity method
EURAFRIC INFORMATION	IT services	41,00%	41,00%	Equity method
CONSEIL INGENIERIE ET DEVELOPPEMENT AFRICA MOROCCO	Engineering consultancy	38,90%	38,90%	Equity method
LINKS	Shipping	51,00%	51,00%	Equity method
BANK AL TAMWIL WAL INMAA	Participatory banking	56,40%	56,40%	Equity method

BANK OF AFRICA holds 39.42% of LCB Bank's voting rights and has a controlling interest in this subsidiary as per the criteria outlined in IFRS 10.

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

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

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

7.2.1. Related-party balance sheet items

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

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

7.3. RELATED PARTY

7.3.1. Relationship between the Group's consolidated companies

	Companies consolidated using the equity method	Fully consolidated companies
Assets		
Loans, advances and securities	225.998	14.003.726
Current accounts	1.725	1.312.911
Loans	224.273	10.244.631
Securities		2.446.184
Finance leases		
Miscellaneous assets		19.874
Total	225.998	14.023.600
Liabilities		
Deposits	3.209	11.557.535
Current accounts	3.209	1.313.019
Other borrowings		10.244.516
Debt securities		2.446.184
Miscellaneous liabilities		19.881
Total	3.209	14.023.600
Financing and guarantee commitments		
Commitments given	2.031	654.472
Commitments received		654.472

7.3.2. Related party profit and loss items

(in thousand MAD)	Companies consolidated using the equity method	Fully consolidated companies
Interest and similar income	-170	-131.032
Interest and similar expenses		160.000
Fees (income)		-135.242
Fees (expenses)		37.942
Services provided		
Services procured		
Lease income	-4.199	-115.735
Other		184.063

BANK OF AFRICA S.A
BANK OF AFRICA S.A STATUTORY AUDITORS' LIMITED REVIEW CERTIFICATE RELATING TO THE INTERIM PARENT FINANCIAL STATEMENTS AT 30 JUNE 2022

In application of the provisions of the Dahir promulgating Act No. 1-93-212 of 21 September 1993, as amended and completed, we have conducted a limited review of the interim financial statements of BANK OF AFRICA S.A, comprising the balance sheet, the off-balance sheet statement, the income statement, the management accounting statement, the cash flow statement and the additional information statement for the period from 1 January to 30 June 2022. These interim financial statements, which show shareholders' equity and equivalent of MAD 32,624,170 K, including net income of MAD 1,137,051 K, are the responsibility of the company's management bodies. These financial statements were drawn up by the Board of Directors 23 September 2022 against the evolving backdrop of the COVID-19 pandemic based on the information available at that time.

We conducted our assignment in accordance with the professional standards applicable in Morocco relating to limited reviews. These standards require that the limited review is planned and conducted so as to obtain reasonable assurance that the interim 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 has a stock of non-operating real estate assets, acquired by dation-in-payment, totalling MAD 4.9 billion at 30 June 2022. In accordance with the applicable regulatory requirements, assets of MAD 1.5 billion were identified as presenting uncertainties about their resale value.

Based on our limited review and, except for the possible effects of the matter described above, we have not identified any issues that might lead us to think that the attached interim financial statements do not give a true and fair view of the income from operations and of the financial position and assets of BANK OF AFRICA S.A at 30 June 2022, in accordance with Moroccan generally accepted accounting standards.

Casablanca, 23 September 2022

The Statutory Auditors

FIDAROC GRANT THORNTON

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Member Réseau Grant Thornton
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Mostafa FRAIHA
Associé

NOTE ABOUT THE PARENT FINANCIAL STATEMENTS

The parent financial statements at 30 June 2022 have been prepared against a global and domestic backdrop which has seen the spread of the Covid-19 pandemic.

In accordance with accounting standards, BANK OF AFRICA has taken into account the various impacts from the pandemic in preparing its parent and consolidated financial statements, particularly in terms of hedging credit risk.

1 - NOTE ON THE ACCOUNTING RULES, PRINCIPLES AND MEASUREMENT METHODS APPLIED

- 1.1- Credit institutions are obliged to publish financial statements each financial year which give a true and fair view of their assets, financial position and results.
- 1.2- Providing a true and fair view will necessarily depend on compliance with seven fundamental accounting principles recommended under General Accounting Standards.
- 1.3- When transactions, events and positions are accounted for in compliance with fundamental accounting principles and recommendations from Accounting Standards for Credit Institutions, the financial statements are presumed to give a true and fair view of the credit institution's assets, financial position, assumed risks and results.
- 1.4- In the event that, after applying these principles, the financial statements do not give a true and fair view, the credit institution is obliged to provide all necessary information in the additional information statement so as to be able to give a true and fair view.
- 1.5- In the exceptional event that, after strictly applying one of these principles or recommendations, the financial statements do not give a true and fair view, the credit institution is obliged to depart from established accounting principles.

Any eventual departure must be mentioned in the additional information statement and must be duly justified. It must also indicate the impact on the credit institution's assets, financial position, assumed risks and results.

- 1.6- The main fundamental accounting principles adopted are listed hereafter:

- Going concern principle
- Consistency principle
- Historical cost principle
- Time period principle
- Prudence principle
- Objectivity principle
- Materiality principle

2. PRESENTATION

The financial statements comprise:

- Head office accounts
- The accounts of domestic branches
- The accounts of overseas branches and representative offices (Paris branch, Shanghai branch and Tangier Offshore)

Any transactions or balances between group entities are eliminated on consolidation.

2.1. GENERAL PRINCIPLES

The financial statements have been prepared in accordance with generally accepted accounting principles applicable to credit institutions.

The presentation of BANK OF AFRICA's financial statements complies with Accounting Standards for Credit Institutions.

2.2. AMOUNTS DUE FROM CREDIT INSTITUTIONS AND CUSTOMERS AND SIGNATURE LOANS

General presentation of amounts due

- Amounts due from credit institutions and customers are classified on the basis of their initial maturity or economic purpose:
 - Demand or term deposits in the case of credit institutions;
 - Operating loans, equipment loans, consumer loans, property loans and other loans in the case of customers.
- Off-balance sheet signature loans relate to irrevocable funding commitments and guarantees.
- Repurchase agreements involving securities are recognised under the relevant receivables entry (credit institutions, customers).
- Values awaiting collection, which are only credited to the remitter on actual receipt or after a contractual period, are not recognised on the balance sheet but are accounted for materially.
- Accrued interest on these receivables is recognised under "Related receivables" through the income statement.

Non-performing customer loans

- Non-performing customer loans and advances are recognised and measured in accordance with applicable banking regulations.

- The main applicable provisions can be summarised as follows:

- Non-performing loans and advances are, depending on the level of risk, classified as “substandard”, “doubtful” or “irrecoverable”.

- After deducting the proportion of the guarantee required under current legislation, provisions are recognised as follows:

- 20% in the case of substandard loans;
- 50% in the case of doubtful loans;
- 100% in the case of irrecoverable loans.

Impairment provisions for credit risks on assets are deducted from the assets' carrying amount.

- On downgrading healthy loans and advances as non-performing loans, interest thereon is no longer calculated and recognised. It is only recognised as income when received.

- Losses on irrecoverable loans are recognised when the possibility of recovering non-performing loans is deemed to be nil.

- Provision write-backs for non-performing loans are recognised when the latter undergo an improvement, are effectively repaid or restructured with partial or total loan repayment.

2.3. AMOUNTS OWING TO CREDIT INSTITUTIONS AND CUSTOMERS

Amounts owing to credit institutions and customers are classified in the financial statements on the basis of their initial maturity or type:

- Demand or term deposits in the case of credit institutions;
- Demand accounts in credit, savings accounts, term deposits and other customer accounts in credit.

Included under these various headings, depending on the category of counterparty, are repurchase agreements involving securities or movable assets.

Interest accrued on these payables is recognised under “Related payables” through the income statement.

2.4. SECURITIES PORTFOLIO

2.4.1 General presentation

Securities transactions are recognised and measured in accordance with the provisions of the Credit Institutions Accounting Plan.

Securities are classified according to their legal type (debt security or equity security) as well as the purpose for which they were acquired (trading securities, available-for-sale securities, held-to-maturity securities and long-term investment securities).

2.4.2 Trading securities

Securities are considered to be Trading securities if they are:

- Bought or sold with the express intention of selling them or repurchasing them in the near future to make a profit;

- Held by the credit institution in the context of its role as market-maker, their classification as trading securities being conditional on them seeing significant trading volume as a function of market conditions;

- Acquired or sold in the context of specialised portfolio management activity comprising derivative instruments, securities or other instruments managed together with recent evidence that a short-term profit-taking approach has been adopted;

- The subject of a sales undertaking in the context of arbitrage activity.

Trading securities are recognised at cost less dealing charges plus accrued interest, where applicable. Dealing charges are recognised directly through the income statement. Securities that have been sold are valued on the basis of the same rules.

2.4.3 Available-for-sale securities

Fixed income or floating rate securities are considered to be Available-for-sale securities if they are acquired with a view to being held for an indefinite period and that the institution may Decide to sell them at any time.

By default, this category includes securities that fail to satisfy the criteria for recognition under another category of securities.

Available-for-sale securities are recognised at cost plus charges and accrued interest.

Securities transferred from the “Portfolio securities” and “Equity securities and Investments in related companies” categories are valued either prior to or at the time of transfer based on the rules relating to their original category. They are reclassified under Available-for-sale securities on the basis of this carrying amount.

Securities transferred from the “Held-to-maturity securities” category are reclassified at their net carrying amount at the time of transfer.

2.4.4 Held-to-maturity securities

Held-to-maturity securities are debt securities which are acquired or which have been transferred from another

category of securities for the purpose of being held until maturity in order to generate regular income over the long-term.

These securities are recognised ex-coupon at the time of acquisition.

At each balance sheet date, the securities are valued at cost, regardless of their market value. Accordingly, unrealised profit or loss is not recognised.

2.4.5 Long-term investment securities

This category comprises securities whose long-term ownership is deemed useful to the Bank. These securities are categorised according to the provisions established by Accounting Standards for Credit Institutions as follows:

- Equity securities;
- Investments in related companies;
- Portfolio securities
- Other similar assets.

At each balance sheet date, they are valued on the basis of generally-accepted criteria such as utility value, share of net assets, future earnings prospects and share price performance. Impairment provisions are booked for unrealised losses on a case by case basis.

2.4.6 Repurchase agreements

Securities delivered under repurchase agreements are recognised on the balance sheet. The amount received, which represents the liability to the transferee, is recognised on the balance sheet under liabilities.

Securities received under reverse repos are not recognised on the balance sheet, although the amount received, which represents the receivable due from the transferor, is recognised on the balance sheet under assets.

2.5. FOREIGN CURRENCY-DENOMINATED TRANSACTIONS

Receivables, amounts owing and signature loans denominated in foreign currencies are translated into dirhams at the average exchange rate prevailing at the balance sheet date.

Foreign currency differences on contributions from overseas branches and on foreign currency borrowings hedged against exchange rate risk are recorded on the balance sheet under other assets or other liabilities as appropriate. Any translation gains and losses arising from the translation of non-current securities acquired in a foreign currency are recorded as translation differences under the category of securities in question.

Foreign currency differences on other accounts held in foreign currencies are recognised through the income statement.

Income and expenses in foreign currency are translated at the exchange rate prevailing on the day they are recognised.

2.6. TRANSLATION OF FINANCIAL STATEMENTS DENOMINATED IN FOREIGN CURRENCIES

The 'closing rate' method is used to translate financial statements denominated in foreign currencies.

Translation of balance sheet and off-balance sheet items

All assets, liabilities and off-balance sheet items of the foreign entity (Paris Branch) are translated based on the exchange rate prevailing at the closing date.

Shareholders' equity (excluding net income for the financial year) is measured at different historical rates (additional charges) and constitutes reserves. The difference arising from this correction (closing rate less historical rate) is recorded under "Translation differences" under shareholders' equity.

Translation of income statement items except for depreciation and amortisation expenses and provisions, which are translated at the closing rate, are translated at the average exchange rate for the financial year. However, income statement items have been translated at the closing rate since this method does not result in any material difference by comparison with the average exchange rate method.

2.7. GENERAL RISK PROVISIONS

These provisions are booked, at the discretion of the management, to address future risks relating to banking operations which cannot be currently identified or accurately measured.

Provisions booked are added back for taxation purposes.

2.8. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets and property, plant and equipment are recognised on the balance sheet at cost less accumulated amortisation and depreciation, calculated using the straight line method over the estimated life of the assets in question.

Intangible assets are categorised under operating and non-operating non-current assets and are amortised over the following periods:

Category	Amortisation period
Lease rights	Non-amortisable
Patents and brands	For the period under patent protection
Research & development assets	1 year
IT software	5 years
Other goodwill items	Non amortisable

Plant, property and equipment are categorised under operating and non-operating non-current assets and are amortised over the following periods::

Category	Amortisation period
Land	Non amortisable
Operating premises:	
Built before 1986	20 years
Built after 1986	40 years
Office furniture	10 years
IT hardware	5 years
Vehicles	5 years
Fixtures, fittings and equipment	10 years
Shares in non-profit companies	Non amortisable

2.9. DEFERRED CHARGES

Deferred charges comprise expenses which, given their size and nature, are likely to relate to more than one financial year.

2.10. STATUTORY PROVISIONS

Statutory provisions, particularly those relating to taxation, are booked in application of statutory or regulatory requirements. The Decision as to whether or not to book such provisions is effectively a management Decision motivated, in particular, by a desire to derive a tax benefit.

If the criteria for booking and utilising such provisions are met and they have been booked to be able to benefit from a definite tax break, statutory provisions, with the exception of accelerated amortisation reserves, are treated as tax-free reserves.

2.11. RECOGNITION OF INTEREST INCOME AND FEE INCOME ON THE INCOME STATEMENT

Interest income

Income and expenditure earned on capital actually lent or borrowed are considered as interest income.

Income and expenditure earned on an accruals basis, which remunerates risk, are considered as interest equivalent. This category includes fees on guarantee and financing commitments (guarantees, collateral etc.).

Interest accrued on capital actually lent or borrowed is recognised under related receivables and payables accounts through the income statement.

Interest equivalent is immediately recognised through the income statement upon invoicing.

Fee income

Income and expenditure, calculated on a flat-rate basis, which remunerate a service provided, are recognised as fees upon invoicing.

2.12. NON-RECURRING INCOME AND EXPENDITURE

This consists exclusively of income and expenditure arising on an exceptional basis. Such items are rare, in principle, as they are unusual by nature and occur infrequently.

2.13. RETIREMENT OBLIGATIONS

Retirement obligations (Wissam Al Choghi, compensation payments for early retirement) not covered by pension schemes and managed by external independent providers (non-mandatory) are not provisioned.

ASSETS	30/06/22	31/12/21
Cash and balances at central banks, the Public treasury and postal cheque centre	4,982,153	7,323,591
Loans and advances to credit and similar institutions	21,004,194	20,167,359
Sight	4,555,946	4,768,697
Fixed-term	16,448,248	15,398,662
Loans and advances to customers	127,686,776	126,845,452
Cash and consumer loans and participatory financing arrangements	42,751,060	41,888,548
Equipment loans and participatory financing arrangements	21,151,557	20,664,448
Mortgage loans and participatory financing arrangements	41,015,144	41,207,258
Other loans and participatory financing arrangements	22,769,015	23,085,198
Factoring receivables	2,714,099	2,954,347
Trading and available-for-sale securities	46,267,072	37,687,594
Treasury bonds and similar assets	22,797,967	14,923,138
Other debt securities	435,811	231,115
Equity securities	22,993,667	22,493,714
Sukuk certificates	39,627	39,627
Other assets	9,059,423	7,831,620
Investment securities	9,139,945	8,936,596
Treasury bonds and similar assets	4,905,862	4,812,092
Other debt securities	4,234,083	4,124,504
Sukuk certificates	-	-
Investments in associates and similar assets	12,187,277	11,639,853
Investments in related companies	9,296,086	9,199,560
Other equity securities and similar assets	2,891,191	2,440,293
Mudarabah and Musharakah securities	-	-
Subordinated loans	198,673	195,925
Investment deposits given	-	-
Leased and rented assets	159,426	167,733
Ijara assets	-	-
Intangible assets	328,059	714,004
Property, plant and equipment	2,770,036	2,637,210
TOTAL ASSETS	236,497,133	227,101,284

(in thousand MAD)

LIABILITIES	30/06/22	31/12/21
Amounts due to central banks, the Public treasury and postal cheque centre	-	-
Amounts due to credit and similar institutions	40,915,594	40,581,191
Sight	4,175,467	3,010,935
Fixed-term	36,740,127	37,570,256
Customer deposits	144,752,367	141,554,206
Sight deposit accounts in credit	96,418,022	91,396,132
Savings accounts	26,432,019	25,927,402
Term deposits	17,581,763	19,469,487
Other accounts in credit	4,320,563	4,761,185
Amounts due to customers on participatory products	-	-
Debt securities issued	8,039,610	8,117,463
Negotiable debt securities	8,039,610	8,117,463
Bonds	-	-
Other debt securities issued	-	-
Other liabilities	8,518,628	3,766,247
Provisions, contingent liabilities	1,310,353	1,294,922
Statutory provisions	336,411	396,735
Subsidies, public funds and special guarantee funds	-	-
Subordinated debt	11,515,798	10,597,210
Investment deposits received	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	17,915,189	17,236,350
Share capital	2,056,067	2,056,067
Shareholders, unpaid share capital (-)	-	-
Retained earnings (+/-)	65	20
Net income to be appropriated (+/-)	-	-
Net income for the year (+/-)	1,137,051	1,500,873
TOTAL LIABILITIES	236,497,133	227,101,284

(in thousand MAD)

BALANCE SHEET	30/06/22	31/12/21
COMMITMENTS GIVEN	32.730.652	27.361.678
Financing commitments given to credit and similar institutions	185.001	239.827
Financing commitments to customers	9.692.118	6.840.594
Guarantees given to credit and similar institutions	4.245.841	4.455.476
Guarantee commitments given to customers	10.872.862	10.385.685
Securities purchased with repurchase agreement	-	-
Other securities to be delivered	7.734.830	5.440.096
COMMITMENTS RECEIVED	23.939.578	24.690.635
Financing commitments received from credit and similar institutions	-	-
Guarantees received from credit and similar institutions	20.492.030	21.169.699
Guarantee commitments received from government and other guarantee institutions	3.388.175	3.342.275
Securities sold with repurchase agreement	-	-
Other securities to be received	59.373	178.661
Mudarabah and Musharakah securities to be received	-	-

STATEMENT OF INCOME AND EXPENSES	30/06/22	30/06/21
OPERATING INCOME FROM BANKING OPERATIONS	6.781.402	5.735.232
Interest, remuneration and similar income from transactions with credit institutions	198.747	123.489
Interest, remuneration and similar income from transactions with customers	2.669.504	2.701.012
Interest and similar income from debt securities	328.135	282.904
Income from equity securities and Sukuk certificates	659.923	714.564
Income from Mudarabah and Musharakah securities	-	-
Income from lease-financed non-current assets	10.120	11.671
Income from Ijarah assets	-	-
Fee income	628.330	577.518
Other banking income	2.286.643	1.324.074
Transfer of expenses on investment deposits received	-	-
OPERATING EXPENSES ON BANKING OPERATIONS	2.972.262	1.951.559
Interest and expenses on transactions with credit and similar institutions	329.231	284.227
Interest and expenses on transactions with customers	422.878	431.870
Interest and similar expenses on debt securities issued	260.717	291.725
Expenses on Mudarabah and Musharakah securities	-	-
Expenses on lease-financed non-current assets	9.871	9.957
Expenses on Ijarah assets	-	-
Other banking expenses	1.949.565	933.780
Transfer of income on investment deposits received	1	-
NET BANKING INCOME	3.809.140	3.783.673
Non-banking operating income	53.365	33.575
Non-banking operating expenses	16.240	51.061
GENERAL OPERATING EXPENSES	1.781.665	1.781.075
Employee expenses	864.404	816.340
Taxes other than on income	49.536	52.556
External expenses	732.949	746.556
Other general operating expenses	4.000	4.806
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	130.776	160.817
PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS	902.833	826.452
Provisions for non-performing loans and signature loans	648.915	607.114
Losses on irrecoverable loans	238.478	214.739
Other provisions	15.440	4.599
WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS	335.534	264.758
Write-backs for non-performing loans and signature loans	326.988	111.209
Amounts recovered on impaired loans	8.536	12.034
Other write-backs	10	141.515
INCOME FROM ORDINARY OPERATIONS	1.497.301	1.423.418
Non-recurring income	65.676	64.338
Non-recurring expenses	140.565	122.256
PRE-TAX INCOME	1.422.412	1.365.500
Corporate income tax	285.361	270.889
NET INCOME FOR THE YEAR	1.137.051	1.094.611

EARNINGS FORMATION TABLE	30/06/22	30/06/21
(+) Interest and similar income	3,196,386	3,107,405
(-) Interest and similar expenses	1,012,826	1,007,822
NET INTEREST INCOME	2,183,560	2,099,583
(+) Income from participatory finance arrangements	-	-
(-) Expenses on participatory finance arrangements	-	-
NET INCOME FROM PARTICIPATORY FINANCE ARRANGEMENTS	-	-
(+) Income from lease-financed non-current assets	10,119	11,671
(-) Expenses on lease-financed non-current assets	9,871	9,957
Net income from leasing and rental transactions	248	1,714
(+) Income from Ijarah assets	-	-
(-) Expenses on Ijarah assets	-	-
Net income from Ijara transactions (1)	-	-
(+) Fees received	810,052	639,110
(-) Fees paid	263,668	127,838
NET FEE INCOME (1)	546,384	511,272
(+) Income from trading securities transactions	262,506	397,274
(+) Income from available-for-sale securities transactions	-16,037	591
(+) Income from foreign exchange transactions	272,764	206,353
(+) Income from derivatives transactions	45,510	3,796
INCOME FROM MARKET TRANSACTIONS (1)	564,743	608,014
(+/-) Income from Mudarabah and Musharakah securities transactions	-	-
(+) Other banking income	659,973	714,603
(-) Other banking expenses	145,769	151,512
(+/-) SHARE OF INCOME FROM INVESTMENT ACCOUNT HOLDERS' DEPOSITS	-	-
NET BANKING INCOME	3,809,139	3,783,674
(+) Income from long-term investments (2)	7,168	-90
(+) Other non-banking operating income	44,202	33,498
(-) Other non-banking operating expenses	14,245	50,894
(-) General operating expenses	1,781,664	1,781,076
GROSS OPERATING INCOME	2,064,600	1,985,112
(+) Net provisions for non-performing loans and signature loans	-551,869	-698,610
(+) Other net provisions	-15,430	136,916
INCOME FROM ORDINARY OPERATIONS	1,497,301	1,423,418
NON-RECURRING INCOME	-74,889	-57,918
(-) Corporate income tax	285,361	270,889
NET INCOME FOR THE YEAR	1,137,051	1,094,611

(in thousand MAD)

EARNINGS FORMATION TABLE	30/06/22	30/06/21
(+) NET INCOME FOR THE YEAR	1,137,051	1,094,611
(+) Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	130,776	160,817
(+) Provisions for impairment of long-term investments	-	-
(+) General provisions	6,897	4,599
(+) Statutory provisions	-	-
(+) Extraordinary provisions	5,353	5,292
(-) Write-backs	65,676	133,638
(-) Capital gains on disposal of intangible assets and property, plant and equipment	132	741
(+) Losses on disposals of intangible and tangible fixed assets	10	-
(-) Capital gains on disposal of long-term investments	9,163	77
(+) Losses on disposal of long-term investments	1,996	166
(-) Write-backs of investment subsidies received	-	-
(+) TOTAL CASH EARNINGS	1,207,112	1,131,029
(-) Distributed earnings	-	-
(+) NET CASH EARNINGS	1,207,112	1,131,029

(in thousand MAD)

STATEMENT OF CASH FLOW	30/06/22	31/12/21
(+) Operating income from banking operations	6.213.581	9.807.055
(+) Amounts recovered on impaired loans	8.536	18.879
(+) Non-banking operating income	44.070	104.145
(-) Operating expenses on banking operations	3.392.870	5.289.409
(-) Non-banking operating expenses	16.240	133.670
(-) General operating expenses	1.650.888	3.336.989
(-) Corporate income tax	285.361	509.470
I. Net cash flows from income statement	920.827	660.540
Change in:		
(+) Loans and advances to credit and similar institutions	-836.835	-18.744
(+) Loans and advances to customers	-601.076	-873.600
(+) Trading and available-for-sale securities	-8.579.478	-6.756.053
(+) Other assets	-1.233.749	170.371
(-) Mudarabah and Musharakah securities	-	-
(+) Lease-financed non-current assets	8.307	23.083
(+) Ijara assets	-	-
(+) Investment deposits deposited with credit and similar institutions	-	-
(+) Amounts due to credit and similar institutions	334.403	3.546.692
(+) Customer deposits	3.198.161	6.761.685
(+) Amounts due to customers on participatory financing arrangements	-	-
(+) Debt securities issued	-77.853	-48.942
(+) Other liabilities	3.924.634	270.093
II. Balance of changes in operating assets and liabilities	-3.863.486	3.074.585
III. NET CASH FLOWS FROM OPERATING ACTIVITIES (I + II)	-2.942.658	3.735.125
(+) Income from the disposal of long-term investments (1) (4)	38.770	-
(+) Income from the disposal of intangible assets and property, plant and equipment (4)	493.351	103.168
(-) Acquisition of long-term investments (1)	584.816	782.803
(-) Acquisition of intangible assets and property, plant and equipment	435.090	911.630
(+) Interest received	52.395	98.566
(+) Dividends received	100.656	785.919
IV. NET CASH FLOWS FROM INVESTING ACTIVITIES	-334.734	-706.781
(+) Subsidies, public funds and special guarantee funds received	-	-
(+) Subordinated debt issuance	1.000.000	1.000.000
(+) Investment deposits received	-	-
(+) Equity issuance	-	-
(-) Repayment of shareholders' equity and similar	-	-
(-) Investment deposits repaid (2)	-	-
(-) Interest paid	64.045	377.008
(-) Remuneration paid on investment deposits (3) (4)	-	-
(-) Dividends paid	-	1.028.033
V. NET CASH FLOWS FROM FINANCING ACTIVITIES	935.955	-405.041
VI. NET CHANGE IN CASH AND CASH EQUIVALENTS (III + IV + V)	-2.341.438	2.623.303
VII. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7.323.591	4.700.288
VIII. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4.982.153	7.323.591

(in thousand MAD)

(1) Other than Moucharaka and Moudaraba securities

(2) Including used IRR

(3) Including used PER

(4) Excluding net cash flows from income and expense accounts

LOANS AND ADVANCES TO CREDIT AND SIMILAR INSTITUTIONS

Claims	Bank Al Maghrib, Treasury	Banks in Morocco	Other credit institutions and equivalent in morocco	Foreign credit institutions	TOTAL 30/06/2022	Total 31 / 12 / 2021
Current accounts in debit	2.751.243	94.668	853.632	3.521.613	7.221.156	12.088.372
Repurchase agreements	-	-	120.712	-	120.712	120.180
Overnight	-	-	-	-	-	-
Fixed-term	-	-	120.712	-	120.712	120.180
Cash loans	-	3.579.965	1.140.994	1.155.320	5.876.279	5.167.347
Overnight	-	-	-	4.000	4.000	-
Fixed-term	-	3.579.965	1.140.994	1.151.320	5.872.279	5.167.347
Financial loans	-	2.388.541	7.577.126	-	9.965.667	9.709.110
Other loans and advances	-	547.575	-	-	547.575	378.622
Accrued interest receivable	-	24.048	-	-	24.048	27.319
Non-performing loans	-	-	-	-	-	-
TOTAL	2.751.243	6.634.797	9.692.464	4.676.933	23.755.437	27.490.950

(in thousand MAD)

LOANS AND ADVANCES TO CUSTOMERS

Claims	Public Sector	Private Sector			TOTAL 30/06/2022	TOTAL 31 / 12 / 2021
		Financial companies	Non-financial companies	Other customers		
Cash loans	420.983	1.369.893	30.814.757	2.063.295	34.668.929	33.939.331
Sight deposit accounts in debit	279.457	1.369.893	11.634.398	1.702.738	14.986.486	15.280.093
Commercial loans within Morocco	19.898	-	3.806.425	4.774	3.831.097	3.856.578
Export loans	-	-	588.699	130.476	719.175	934.931
Other cash loans	121.628	-	14.785.235	225.307	15.132.170	13.867.729
Consumer loans	-	-	28.800	7.764.059	7.792.859	7.636.441
Equipment loans	5.950.654	801.162	13.156.421	977.559	20.885.796	20.381.794
Mortgage loans	288.169	-	8.583.611	32.067.383	40.939.163	41.130.802
Other cash loans	2.000.000	14.943.946	912.611	98.517	17.955.074	18.532.714
Factoring receivables	2.064.950	-	640.016	9.133	2.714.099	2.954.347
Accrued interest receivable	61.589	37.056	407.716	125.019	631.380	668.225
Non-performing loans	826	-	2.667.449	2.145.299	4.813.574	4.556.145
Sub-standard loans	-	-	1.082	562.237	563.319	504.895
Doubtful loans	-	-	713.248	469.498	1.182.746	1.378.440
Impaired loans	826	-	1.953.120	1.113.563	3.067.509	2.672.810
TOTAL	10.787.171	17.152.057	57.211.382	45.250.265	130.400.874	129.799.799

(in thousand MAD)

BREAKDOWN OF TRADING, AVAILABLE-FOR-SALE AND INVESTMENT SECURITIES BY ISSUER CATEGORY

	"Credit Institutions and Equivalent"	Public Issuers	PRIVATE ISSUERS		Total 30/06/2022	Total 31 / 12 / 2021
			Financial companies	Non-financial companies		
Listed securities	-	5,584,225	-	1,405,786	6,990,011	4,357,169
Treasury bonds and similar assets	-	4,541,620	-	-	4,541,620	4,202,183
Bonds	-	1,042,605	-	1,405,786	2,448,391	-
Other debt securities	-	-	-	-	-	147,881
Equity securities	-	-	-	-	-	7,105
Sukuk certificates	-	-	-	-	-	-
Unlisted securities	480,101	20,992,311	23,795,095	3,149,498	48,417,005	42,267,022
Treasury bonds and similar assets	260,998	20,844,868	-	1,908,900	23,014,766	15,525,257
Bonds	219,103	-	536,064	1,049,223	1,804,390	4,190,163
Other debt securities	-	-	288,358	72,538	360,896	-
Equity securities	-	-	22,906,974	22,994	22,929,967	22,486,609
Sukuk certificates	-	-	-	39,627	39,627	39,627
Accrued interest	-	147,443	63,699	56,216	267,358	25,366
TOTAL	480,101	26,576,535	23,795,095	4,555,284	55,407,016	46,624,191

(in thousand MAD)

BREAKDOWN OF TRADING, AVAILABLE-FOR-SALE AND INVESTMENT SECURITIES BY VALUE

	Gross book value	Current value	Redemption price	Unrealised capital gains	Unrealised capital losses	Provisions
Trading securities	45,277,433	45,277,433	-	-	-	-
Treasury bonds and similar assets	22,040,495	22,040,495	-	-	-	-
Bonds	74,915	74,915	-	-	-	-
Other debt securities	288,358	288,358	-	-	-	-
Equity securities	22,834,038	22,834,038	-	-	-	-
Sukuk certificates	39,627	39,627	-	-	-	-
Available-for-sale securities	1,075,669	989,638	989,638	-	-	86,031
Treasury bonds and similar assets	843,475	757,472	757,472	-	-	86,004
Bonds	-	-	-	-	-	-
Other debt securities	72,538	72,538	72,538	-	-	-
Equity securities	159,656	159,629	159,629	-	-	27
Investment securities	9,139,945	9,139,945	6,785,418	142,752	2,497,279	-
Treasury bonds and similar assets	4,905,862	4,905,862	4,876,518	-	29,344	-
Bonds	4,234,083	4,234,083	1,908,900	142,752	2,467,935	-
Other debt securities	-	-	-	-	-	-
TOTAL	55,493,048	55,407,016	7,775,056	142,752	2,497,279	86,031

(in thousand MAD)

DETAILS OF OTHER ASSETS	30/06/22	31/12/21
Options purchased	-9.536	-3.309
Miscellaneous securities transactions	330.665	348.759
Miscellaneous accounts receivable	1.297.632	1.203.147
Amounts due from government	1.087.968	1.008.847
Amounts due from pensions and life insurance providers	-	-
Miscellaneous amounts due from employees	137.236	129.269
Amounts due from customers for non-banking services	-	-
Other miscellaneous accounts receivable	72.428	65.032
Other miscellaneous assets	3.195.387	3.173.392
Accrual accounts	4.245.276	3.109.629
Adjustment accounts for off-balance sheet transactions	176.790	154.462
Equivalence off-balance sheet foreign exchange position account	176.790	154.462
Equivalence off-balance sheet derivative instrument position account	-	-
Equivalence off-balance sheet securities position account	-	-
Foreign currency and securities exchange differences accounts	-	258
Derivative hedging instruments	-	-
Expenses deferred over a number of years	101.334	121.869
Liaison accounts between head office, branch offices and branches in Morocco	123.022	257.193
Accrued income and prepaid expenses	1.649.802	1.076.467
Accrued income	953.681	431.124
Prepaid expenses	696.121	645.343
Clearing account for accounts receivable	2.194.327	-
Other accrual accounts	-	1.499.380
Non performing loans on miscellaneous transactions	-	-
TOTAL	9.059.424	7.831.618

(in thousand MAD)

EQUITY INVESTMENTS AT 30/06/2022

(in thousand MAD)

Issuing company name	Business sector	Number of shares	Share capital	Equity interest (%)	Overall acquisition price	Provisions	Net carrying amount
TANGER MED ZONES	Development company	821.877	906.650.000	9,06	82.188		82.188
RADIO MEDITERRANEE	Audio-visual	708.260	196.650.000	36,02	70.827	-	70.827
CASABLANCA FINANCE CITY AUTHORITY	Casablanca Financial Centre management company	500.000	500.000.000	10,00	50.000		50.000
ECOPARC DE BERRECHID	Development company	120.000	55.000.000	21,82	12.000		12.000
CENTRE MONETIQUE INTERBANCAIRE	Electronic payments management company	109.990	98.200.000	11,20	11.000		11.000
Fonds de garantie de la commande publique	Investment fund	100.000	115.000.000	8,70	10.000		10.000
MOROCCAN INFORMATION TECHNO PARC CIE	Real estate management	56.500	46.000.000	12,28	5.650	-	5.650
BAB CONSORTIUM	Sté pharmaceutique	33.332	10.000.000	33,33	3.333		3.333
BMCE Capital Real Estate	Real estate management	12.495	5.000.000	24,99	1.250		1.250
MARTKO (MAGHREB ARAB TRADING C°)	Financial institution	12.000	600 000 USD	20,00	971	971	-
MITC CAPITAL	MNF Fund manager	4.000	2.000.000	20,00	400	400	-
STE RECOURS	Debt collection	3.750	2.500.000	15,00	375	375	-
511 INVESTMENTS IN ASSOCIATES					247.993	1.746	246.248
INVESTMENTS IN RELATED COMPANIES							
BOA Group	Foreign credit institution	435.192	93 154 535 €	72,41	2.860.423		2.860.423
BMCE INTERNATIONAL HOLDING (BANK OF AFRICA UK)	Foreign credit institution	102.173.261	102 173 261 £	100,00	1.255.914	-	1.255.914
O TOWER	Development company	9.600.000	2.000.000.000	48,00	960.000	-	960.000
BANK OF AFRICA EUROPE	Foreign credit institution	666.149	40.635.089.000	100,00	845.048		845.048
STE SALAFIN	Consumer loans	1.935.692	312.411.900	61,96	707.410		707.410
LITTORAL INVEST	Real estate	26.000	2.600.000	100,00	450.000		450.000
MAGHREBAIL	Leasing	726.220	138.418.200	52,47	370.770		370.770
LOCASOM	Vehicle leasing	784.768	83.042.900	94,50	336.882		336.882
AFRICA MOROCCO LINKS	Shipping	2.346.000	460.000.000	51,00	234.600	30.000	204.600
BANK AL-TAMWEEEL WA AL-INMA - BTI	Participatory banking	2.540.000	450.000.000	56,44	234.000	-	234.000
BOA UGANDA	Foreign credit institution	22.176.454	46 775 206 000 UGX	47,41	141.457	-	141.457
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121.726	50 000 268 220 FCFA	32,38	133.233		133.233
SOCIETE D'AMENAGEMENT TANGER TECH - SA-TT	Development company	1.499.997	500.000.000	30,00	125.000	-	125.000
HANOUTY	Retail	93.624	20.399.000	45,90	123.529	123.529	-
LCB BANK	Foreign credit institution	565.300	14 340 000 000 FCFA	39,42	105.656		105.656
BMCE CAPITAL	Investment banking	100.000	100.000.000	100,00	100.000		100.000
STE CONSEIL INGENIERIE ET DEVELOPPEMENT	Engineering consultancy	155.437	40.000.000	38,85	90.192		90.192
RIYAD ALNOUR	Hospitality	3.000	300.000	100,00	78.357		78.357
BMCE CASH	Financial institution	369.996	37.000.000	99,999	53.000		53.000
MAROC FACTORING	Factoring	450.000	45.000.000	100,00	51.817		51.817
GLOBAL NETWORK SYSTEMS HOLDING	Data processing	116.000	11.600.000	100,00	46.591		46.591
EUROSERVICES	Financial institution	3.768	4 831 000 €	78	39.802	-	39.802
BMCE IMMOBILIER	Real estate investment	200.000	20.000.000	100,00	29.700	-	29.700
RM EXPERT	Debt collection	200.000	20.000.000	100,00	20.000		20.000
DOCUPRINT (STA)	Services	50.000	5.000.000	100,00	19.000		19.000
ACMAR	Insurance and services	100.000	50.000.000	20,00	10.001		10.001
BMCE CAPITAL BOURSE (maroc inter titres)	Securities brokerage	67.500	10.000.000	67,50	6.750		6.750
BMCE CAPITAL GESTION (marfin)	Mutual fund management	250.000	25.000.000	100,00	6.443		6.443
STE FINANCIERE Italie	Financial institution	600.000	600 000 EURO	100,00	6.338	6.338	-
OPERATION GLOBAL SERVICES SA OGS	Sces Back-office	50.000	5.000.000	100,00	5.000		5.000
Eurafric Information	IT services	41.000	10.000.000	41,00	4.100		4.100
BMCE ASSURANCES	Insurance	15.000	1.500.000	100,00	3.025		3.025
IT International service	IT services	3.100	31 000 EURO	100,00	327	327	-
AKENZA IMMO	Real estate development	100	10.000	100,00	10		10
SAISS IMMO NEJMA	Real estate development	100	10.000	100,00	10		10
SUX HILL PRIMERO	Real estate development	100	10.000	100,00	10		10
SUX HILL SECONDO	Real estate development	100	10.000	100,00	10		10
SUX HILL TERCIO	Real estate development	100	10.000	100,00	10		10
NOUACER CITY IMMO	Real estate development	100	10.000	100,00	10		10
MOHIT IMMO	Real estate development	100	10.000	100,00	10		10
FARACHA IMMO	Real estate development	100	10.000	100,00	10		10
KRAKER IMMO	Real estate development	100	10.000	100,00	10		10
BERLY IMMO	Real estate development	100	10.000	100,00	10		10
ERRAHA NAKHIL	Real estate development	100	10.000	100,00	10		10
GOLEMPRIME IMMO	Real estate development	100	10.000	100,00	10		10
ISKANE PRIMERO	Real estate development	100	10.000	100,00	10		10
JASPE IMMO	Real estate development	100	10.000	100,00	10		10
MAADEN SECONDO	Real estate development	100	10.000	100,00	10		10
MONET IMMO	Real estate development	100	10.000	100,00	10		10
NEROPRIM IMMO	Real estate development	100	10.000	100,00	10		10
SALAM PRIMERO	Real estate development	100	10.000	100,00	10		10
VILLASBUGAN IMMO	Real estate development	100	10.000	100,00	10		10
DENIM PRIMERO 1	Real estate development	100	10.000	100,00	10		10
IKAMAT TILILA	Real estate development	1.000	100.000	100,00	0		0
512 INVESTMENTS IN RELATED COMPANIES					9.454.566	160.194	9.294.372
INVESTMENT SECURITIES							
PROPARCO	International credit institution	1.263.425	984 373 280 EUR	2,05	169.480		169.480
E.S.F.G.	Foreign credit institution	923.105	207 075 338 EUR	0,45	168.422	168.422	-
E.S.I	Foreign credit institution	467.250	500 400 000 EUR	0,93	144.984	144.984	-
UBAE ARAB ITALIAN BANK	Foreign credit institution	63.032	261 185 870 EUR	2,65	69.974	18.153	51.821
AMETHIS FINANCE Luxembourg	Private equity	3.644	173 797 226 EUR	2,10	38.480	-	38.480
AMETHIS II	Private equity	2.503	193 305 120 EUR	1,33	34.067		34.067
BOURSE DE CASABLANCA	Stock exchange	310.014	387.517.900	8,00	31.373		31.373
BANQUE MAGHREBINE D'INVEST ET DU COMMERCE EXT	Credit institution	6.000	150 000 000 USD	4,00	30.462		30.462
MAROC NUMERIC FUND	Investment fund	150.000	75.000.000	20,00	15.000	7.566	7.434
MAROC NUMERIC FUND II	Investment fund	156.862	80.000.000	19,61	11.765	-	11.765
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	107.500	150.000.000	7,17	10.750	5.395	5.355
SEAF MOROCCO GROWTH FUND	Investment fund	114.623	180.000.000	6,37	9.181		9.181
INMAA SA	Services	53.333	20.000.000	26,67	5.333	2.323	3.010
AFREXIM BANK (African Import Export)	Foreign credit institution	30	583 524 000 USD	0,020	3.132		3.132

FONDS MONETAIRE ARABE(ARAB TRADE FINANCING PROGRAM)	Financial institution	50 986 635 000 USD	0,03	3,046		3,046
AZUR FUND	Investment fund	96,279	226.000.000	4,26	2,621	2,621
FIROGEST	Investment fund	2,500	2.000.000	12,50	250	250
SOCIETE MAROCAINE DE GESTION DES FONDS DE GARANTIE BANCAIRE	Guarantee fund management company	1,987	3.380.000	5,88	59	59
515 INVESTMENT SECURITIES					748.378	346.842
OTHER INVESTMENTS						401.535
CFG GROUP	Investment banking	285,065	542.889.900	5,25	103,997	103,997
Mutandis SCA	Investment fund	832,458	799.673.700	10,41	96,807	96,807
Mutandis AUTOMOBILE SCA	Car dealership	846,892	630.000.000	13,44	91,359	74,238
ROYAL RANCHES MARRAKECH	Real estate development and tourism	106,667	800.000.000	13,33	60,000	60,000
SOGOPOS	Development company	46,216	35.000.000	13,20	4,622	4,622
LA CELLULOSE DU MAROC	Pulp and paper	52,864	700.484.000	0,75	3,393	3,393
SMAEX	Insurance and services	22,563	50.000.000	4,51	1,690	1,690
FRUMAT	Agribusiness	4,000	13.000.000	3,08	1,450	1,450
STE IMMOBILIERE SIEGE GPBM	Real estate	12,670	19.005.000	6,67	1,267	1,267
STE D'AMENAGEMENT DU PARC INDUSTRIE MAROCLEAR	Development company	10,000	60.429.000	1,65	1,000	1,000
STE IPE	Central custodian	803	100.000.000	4,02	803	803
CASABLANCA PATRIMOINE S.A	Printing and publishing	8,013	10.000.000	8,01	801	801
GECOTEX	Local development	5,000	31.000.000	1,61	500	500
SOCIETE ALLICOM MAROC	Manufacturing	5,000	10.000.000	5,00	500	500
DAR ADDAMANE	Manufacturing	5,000	20.000.000	2,50	500	500
PORNET	Guarantee institution	1,922	75.000.000	0,64	481	481
SINCOMAR	IT services	1,800	11.326.800	1,59	180	180
SWIFT	Agribusiness	494	37.440.000	0,13	49	49
DYAR AL MADINA	Services	23	434 020 000 EUR	0,01	23	23
RMA	Real estate	640	20.000.000	0,32	9	9
RISMA	Insurance	5	1.796.170.800	0,00	2	2
516-9 OTHER INVESTMENTS	Tourism	10	1.432.694.700	0,00010	2	2
BAB CONSORTIUM					544,100	544,100
RYAD ENNOUR					501,232	501,232
FARACHA IMMO					306,706	306,706
O TOWER					135,774	135,774
SAISS IMMO NEJMA					119,947	119,947
KRAKER IMMO					89,019	89,019
NEROPRIM IMMO					75,969	75,969
SUX HILL SECONDO					51,123	51,123
IT International Service ITIS					50,703	50,703
AKENZA IMMO					46,991	46,991
SUX HILL PRIMERO					25,896	25,896
ISKANE PRIMERO					18,431	18,431
SUX HILL TERCIO					17,249	17,249
GOLEMPRIME IMMO					10,025	10,025
MOHIT IMMO					5,619	5,619
ECO PARC					4,736	4,736
BMCE CASH					2,500	2,500
MARTCO					1,500	1,500
Siège G.P.B.M.					723	723
ALLICOM MAROC					552	552
NOUACER CITY IMMO					54	54
MONET IMMO					25	25
SALAM PRIMERO					25	25
JASPE IMMO					25	25
ERRAHA NAKHIL					25	25
DENIM PRIMERO 1					25	25
VILLASBUGAN IMMO					25	25
BERLY IMMO					25	25
MAADEN SECONDO					25	25
514 SIMILAR INVESTMENTS					2.009.052	52.755
Total					12.829.425	642.148
						1.956.298

SUBORDINATED DEBTS

	Amount			Included linked and related Companies	
	30/06/22		31/12/21	30/06/22	31/12/21
	Gross	Provisions	Net	Net	Net
Subordinated loans to credit and similar institutions	198.673	-	198.673	195.925	198.673
Subordinated loans to customers	-	-	-	-	-
TOTAL	-	-	198.673	-	-

(in thousand MAD)

LEASED AND RENTED ASSETS WITH PURCHASE OPTION

Immobilisations	Gross amount beginning of the year	Acquisitions of the year	Cessions of the year	Reallocation	Gross Amount year ended	Depreciation		Provisions			Net Amount year ended
						Depreciation	Total Depreciations	Provisions	Write-backs	Total Provisions	
Leased and rented assets with purchase option	238.508	2.281	1.060	384	240.113	9.871	80.687	-	-	-	159.426
Leased intangible assets	6.310	-	-	28	6.338	314	2.824	-	-	-	3.514
Leasing of movable assets	79.595	-	-	25	79.620	5.233	57.561	-	-	-	22.058
Movable assets under lease	5.595	-	-	-5.595	-	-	-	-	-	-	-
Leased movable assets	74.000	-	-	5.620	79.620	5.233	57.561	-	-	-	22.058
Unleased movable assets after cancellation	-	-	-	-	-	-	-	-	-	-	-
Leasing of immovable assets	151.543	-	-	332	151.875	4.325	20.302	-	-	-	131.573
Immovable assets under lease	-	-	-	-	-	-	-	-	-	-	-
Leased immovable assets	151.543	-	-	332	151.875	4.325	20.302	-	-	-	131.573
Unleased immovable assets after cancellation	-	-	-	-	-	-	-	-	-	-	-
Rent pending receipt	1.060	2.281	1.060	-	2.281	-	-	-	-	-	2.281
Restructured rents	-	-	-	-	-	-	-	-	-	-	-
Rent arrears	-	-	-	-	-	-	-	-	-	-	-
Non-performing loans	-	-	-	-	-	-	-	-	-	-	-
Assets leased under operating leases	-	-	-	-	-	-	-	-	-	-	-
Movable property under operating leases	-	-	-	-	-	-	-	-	-	-	-
Immovable property under operating leases	-	-	-	-	-	-	-	-	-	-	-
Rent pending receipt	-	-	-	-	-	-	-	-	-	-	-
Restructured rents	-	-	-	-	-	-	-	-	-	-	-
Rent arrears	-	-	-	-	-	-	-	-	-	-	-
Non-performing loans	-	-	-	-	-	-	-	-	-	-	-
TOTAL	238.508	2.281	1.060	384	240.113	9.871	80.687	-	-	-	159.426

(in thousand MAD)

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

TYPE	"Gross amount at beginning of year"	Gross re-classification during the year	Gross re-classification during the year / Other changes	Acquisitions during the year	Gross amount at end of year	Amortisation and/or Provisions					Net amount at end of year
						Amortisation and/or provisions at beginning of year	Amortisation re-classification during year	Amortisation re-classification during year / Other changes	Amortisation for the year	Amortisation for removed asset	
Intangible assets	1,445,955	-35	205,978	820,694	831,204	731,951	58	35,374	264,238	503,145	328,059
Lease rights	97,050	4	-	-	97,054	-	-	-	-	-	97,054
Research and development	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets used in operations	1,348,905	-40	205,978	820,694	734,150	731,951	58	35,374	264,238	503,145	231,005
Intangible assets not used in operations	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment used in operations	6,927,267	321	229,111	2,269	7,154,431	4,290,057	263	95,402	1,328	4,384,395	2,770,036
Buildings used in operations	2,181,588	-	186,550	-	2,368,138	407,233	-	15,447	-	422,680	1,945,458
Land used in operations	232,947	-	-	-	232,947	-	-	-	-	-	232,947
Buildings used in operations - Offices	1,948,641	-	186,550	-	2,135,191	407,233	-	15,447	-	422,680	1,712,511
Buildings used in operations - Staff accommodation	-	-	-	-	-	-	-	-	-	-	-
Movable property and equipment used in operations	2,033,528	245	24,455	2,269	2,055,959	1,796,659	183	28,887	1,328	1,824,402	231,557
Office furniture used in operations	525,606	173	10,243	2,132	533,890	422,832	175	6,983	1,300	428,690	105,200
Office equipment used in operations	225,471	4	3,020	-	228,496	213,093	4	3,173	-	216,269	12,226
IT equipment	1,093,081	68	11,089	37	1,104,201	1,000,559	4	14,765	26	1,015,301	88,900
Vehicles used in operations	81,765	-	103	99	81,769	64,972	-	2,783	2	67,754	14,015
Other equipment used in operations	107,604	-	-	-	107,604	95,204	-	1,184	-	96,388	11,216
Other property, plant and equipment used in operations	2,166,116	108	13,849	-	2,180,073	1,823,859	80	41,597	-	1,865,536	314,537
Property, plant and equipment not used in operations	546,035	-31	4,258	-	550,261	262,306	-	9,471	-	271,776	278,485
Land not used in operations	71,129	-	-	-	71,129	-	-	-	-	-	71,129
Buildings not used in operations	325,501	-	-	-	325,501	137,792	-	6,902	-	144,694	180,807
Movable property and equipment not used in operations	66,616	-	139	-	66,755	55,825	-	1,064	-	56,889	9,866
Other property, plant and equipment not used in operations	82,789	-31	4,119	-	86,876	68,688	-	1,505	-	70,193	16,683
TOTAL	8,373,222	286	435,090	822,962	7,985,635	5,022,008	321	130,776	265,565	4,887,540	3,098,095

GAINS OR LOSSES ON THE DISPOSAL OR WITHDRAWAL OF PROPERTY, PLANT OR EQUIPMENT

Sale or withdrawal date	Nature	Gross book value	Accumulated depreciation and/or provisions	Net book value	Revenues from disposals	Capital gain on disposals	Capital loss on disposal
01/01/2022	LAND	52	-	51	52	1	-
10/01/2022	BUILDINGS	37	27	10	-	-	10
18/02/2022	LAND	4	-	4	4	-	-
03/03/2022	PASSENGER CARS	13	1	12	13	1	-
31/03/2022	LAND	747.359	264.238	483.122	483.122	-	-
11/04/2022	BUILDINGS	14	-	14	14	-	-
22/04/2022	BUILDINGS	10.000	-	10.000	10.000	-	-
26/04/2022	MOVABLE PROPERTY	1.300	1.300	-	130	130	-
27/05/2022	MISCELLANEOUS REIT ASSETS	16	-	16	16	-	-
	TOTAL	758.795	265.566	493.229	493.351	132	10

(in thousand MAD)

AMOUNTS DUE TO CREDIT AND SIMILAR INSTITUTIONS

Debts	Bank Al Maghrib, Public treasury and postal cheque centre	"Banks in Morocco"	"Other credit and similar institutions in Morocco"	Credit institutions overseas	Total 30/06/2022	Total 31/12/2021
Current accounts in credit	-	17.946	678.528	1.640.777	2.337.251	1.960.442
Repurchase agreements	22.670.400	1.399.924	3.680.030	2.524.063	30.274.417	25.887.789
Overnight	-	-	-	-	-	-
Fixed-term	22.670.400	1.399.924	3.680.030	2.524.063	30.274.417	25.887.789
Cash borrowings	801.000	3.803.918	230.000	1.388.233	6.223.151	10.078.749
Overnight	-	1.404.928	230.000	203.078	1.838.006	1.078.733
Fixed-term	801.000	2.398.990	-	1.185.155	4.385.145	9.000.016
Financial borrowings	-	96.163	1.665.616	282	1.762.061	2.309.147
Other debts	9.306	398	284.004	-	293.708	317.062
Accrued interest payable	15.994	5.105	1.920	1.987	25.007	28.003
TOTAL	23.496.700	5.323.454	6.540.098	5.555.342	40.915.594	40.581.191

(in thousand MAD)

CUSTOMER DEPOSITS

DEPOSITS	Public sector	Private sector			Total 30/06/2022	Total 31/12/2021
		Financial companies	Non financial companies	Other companies		
Sight deposit accounts in credit	3.516.605	3.699.789	22.495.737	66.694.571	96.406.702	91.384.760
Saving accounts	-	-	-	26.386.077	26.386.077	25.882.621
Fixed-term deposits	549.358	4.873.718	1.303.576	10.680.886	17.407.538	19.219.191
Other accounts in credit	119.972	767.714	2.417.965	1.014.912	4.320.563	4.761.185
Accrued interest payable	20.809	35.875	25.343	149.459	231.487	306.449
TOTAL	4.206.744	9.377.097	26.242.621	104.925.905	144.752.367	141.554.206

(in thousand MAD)

DEBT SECURITIES ISSUED AT 30 JUNE 2022

Issue	Issue date	Maturity	Interest rate	Volume
CD BOA	09/09/2019	09/09/2022	2,76%	225.000,00
CD BOA	15/10/2019	15/10/2022	2,79%	765.000,00
CD BOA	03/12/2019	03/12/2022	2,75%	615.000,00
CD BOA	16/01/2020	16/01/2023	2,72%	200.000,00
CD BOA	14/10/2020	14/10/2022	2,20%	450.000,00
CD BOA	22/12/2020	22/12/2022	2,22%	200.000,00
CD BOA	26/04/2021	26/04/2023	1,99%	865.000,00
CD BOA	26/04/2021	26/04/2024	2,13%	1.050.000,00
CD BOA	06/05/2021	06/05/2023	2,00%	420.000,00
CD BOA	06/05/2021	06/05/2024	2,13%	420.000,00
CD BOA	18/10/2021	17/10/2022	1,82%	303.700,00
CD BOA	18/10/2021	18/10/2023	2,03%	325.100,00
CD BOA	18/10/2021	18/10/2024	2,18%	107.500,00
CD BOA	18/10/2021	18/10/2026	2,48%	613.700,00
CD BOA	25/01/2022	24/01/2023	1,84%	400.000,00
CD BOA	26/04/2022	25/04/2023	1,91%	1.000.000,00
TOTAL				7.960.000

DETAILS OF OTHER LIABILITIES

	30/06/22	31/12/21
Options sold	-21.505	25.140
Miscellaneous securities transactions	3.345.903	87.235
Miscellaneous accounts payable	2.349.251	1.450.905
Amounts due to government	1.281.068	1.184.536
Amounts due to pensions and life insurance providers	65.253	48.798
Miscellaneous amounts due to employees	176.392	188.410
Miscellaneous amounts due to shareholders and associates	822.462	35
Amounts due to providers of goods and services	-83.191	-48.285
Other miscellaneous accounts payable	87.267	77.411
Accrual accounts	2.844.980	2.202.967
Adjustment accounts for off-balance sheet transactions	404.196	165.401
Foreign currency and securities exchange differences accounts	340	-
Derivative hedging instruments	-	-
Liaison accounts between head office, branch offices and branches in Morocco	159.467	9.507
Accrued expenses and deferred income	468.607	376.077
Other accrual accounts	1.812.370	1.651.982
TOTAL	8.518.629	3.766.247

(in thousand MAD)

PROVISIONS	Outstandings 31/12/2021	Additional provisions	Write-backs	Other changes	Outstandings 30/06/2022
Provisions, deducted from assets, on :	7.439.223	734.786	401.319	2.785	7.775.476
Loans to credit institutions and equivalent	5	-	5	-	-
Loans and advances to customers	6.721.621	648.755	326.813	57	7.043.620
Doubtful interest	3.676	-	-	-	3.676
Marketable securities	73.488	86.031	74.501	1.013	86.031
Equity investments and equivalent assets	640.433	-	-	1.715	642.148
Leased and rented fixed assets	-	-	-	-	-
Other assets	-	-	-	-	-
Provisions Recorded under liabilities	1.691.657	20.953	65.856	11	1.646.764
Provisions for risks of fulfilment of commitments	25.738	160	170	-	25.728
Contingent liabilities	-	-	-	-	-
Provisions for general risks	1.170.403	6.897	-	-	1.177.301
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	98.781	8.542	10	11	107.324
Regulated provisions	396.735	5.353	65.676	-	336.411
TOTAL	9.130.880	755.739	467.175	2.796	9.422.239

SUBORDINATED DEBTS

Issuing currency	Amount issued	Exchange rate	Interest rate	Term	Early redemp- tion clause, ranking and convertibility	Amount issued in local currency (equivalent value in MAD K)
DH	150.000	1	6,95%	Perpetual		150.000
DH	950.000	1	3,52%	Perpetual		950.000
DH	50.000	1	5,30%	Perpetual		50.000
DH	200.000	1	7,05%	Perpetual		200.000
DH	800.000	1	4,78%	Perpetual		800.000
DH	910.000	1	3,96%	Perpetual		910.000
DH	90.000	1	4,63%	Perpetual		90.000
DH	160.000	1	6,18%	10 years		160.000
DH	50.000	1	6,18%	10 years		50.000
DH	790.000	1	2,80%	10 years		790.000
DH	154.500	1	5,64%	10 years		154.500
DH	845.500	1	2,79%	10 years		845.500
DH	626.000	1	4,74%	10 years		626.000
DH	1.374.000	1	2,64%	10 years		1.374.000
DH	447.200	1	3,74%	10 years		447.200
DH	78.900	1	3,74%	10 years		78.900
DH	1.473.900	1	2,43%	10 years		1.473.900
DH	400.000	1	3,13%	10 years		400.000
DH	1.000.000	1	2,57%	10 years		1.000.000
						11.400.000

SHAREHOLDER'S EQUITY	Amount 31/12/21	Allocation of earning	Other changes	Outstanding 30/06/22
REVALUATION RESERVE	-	-	-	-
Additional paid-in capital	17.236.789	-	678.400	17.915.189
Legal reserve	460.306	-	-	460.306
Other reserves	7.674.517	-	678.400	8.352.917
Issuance, merger and contribution premiums	9.101.966	-	-	9.101.966
Capital	2.056.066	-	-	2.056.066
Called-up capital	2.056.066	-	-	2.056.066
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	-	-	-	-
Retained earnings (+/-)	20	-	45	65
Net earnings being appropriated (+/-)	-	-	-	-
Net earnings for fiscal year(+/-)	1.500.873	-	-	1.137.051
TOTAL	20.793.748	-	-	21.108.372

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	30/06/22	31/12/21
Financing and guarantee commitments given	24.995.822	21.921.582
Financing commitments given to credit and similar institutions	185.001	239.827
Import documentary credits	-	-
Payment undertakings and acceptances	-	-
Confirmed credit line openings	185.001	239.827
Substitution commitments on securities issuance	-	-
Irrevocable leasing commitments	-	-
Other financing commitments given	-	-
Financing commitments given to customers	9.692.118	6.840.594
Import documentary credits	4.363.323	2.491.675
Payment undertakings and acceptances	1.720.894	1.629.932
Confirmed credit line openings	2.156.629	1.316.652
Substitution commitments on securities issuance	-	-
Irrevocable leasing commitments	-	-
Other financing commitments given	1.451.272	1.402.335
Guarantee commitments given to credit and similar institutions	4.245.841	4.455.476
Confirmed export documentary credits	271.031	6.968
Payment undertakings and acceptances	-1.027	4.231
Loan guarantees given	-	-
Other sureties, pledges and guarantees given	693.715	558.253
Non-performing commitments	3.282.122	3.886.024
Guarantee commitments given to customers	10.872.862	10.385.685
Loan guarantees given	-	-
Sureties and guarantees given to government bodies	6.611.066	6.310.446
Other sureties and guarantees given	4.261.796	4.075.238
Non-performing commitments	-	-
Financing and guarantee commitments received	23.880.205	24.511.984
Financing commitments received from credit and similar institutions	-	-
Confirmed credit line openings	-	-
Substitution commitments on securities issuance	-	-
Other financing commitments received	-	-
Guarantee commitments received from credit and similar institutions	20.492.030	21.169.699
Loan guarantees	9.651.782	9.795.872
Other guarantees received	10.840.248	11.373.826
Guarantee commitments received from government and other guarantee institutions	3.388.175	3.342.285
Loan guarantees	3.388.175	3.342.285
Other guarantees received	-	-

(In thousand MAD)

SECURITIES COMMITMENTS	AMOUNT
Given commitments	7.734.830
Securities acquired under a repurchase agreement	-
Other securities to be delivered	7.734.830
Received commitments	59.373
Securities sold under a repurchase agreement	-
Other securities to be received	59.373

(In thousand MAD)

FORWARD FOREIGN EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES PRODUCTS	Holding transaction		Other transaction	
	30/06/22	31/12/21	30/06/22	31/12/21
Forward foreign exchange transactions	43,462,978	30,233,137	-	-
Foreign currencies to be received	9,269,828	8,513,170	-	-
Dirhams to be delivered	4,884,639	2,788,722	-	-
Foreign currencies to be delivered	16,961,612	12,349,729	-	-
Dirhams to be received	12,346,898	6,581,517	-	-
Of which currency swaps	-	-	-	-
Commitments on derivatives products	6,131,964	3,526,854	-	-
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	5,385,996	2,765,690	-	-
Commitments on regulated foreign exchange markets	-	-	-	-
Commitments on OTC foreign exchange markets	21,073	49,516	-	-
Commitments on regulated markets for other instruments	167,155	246,520	-	-
Commitments on OTC markets for other instruments	557,740	465,129	-	-

(In thousand MAD)

ASSETS AND SURETIES RECEIVED AND GIVEN AS GUARANTEE

ASSETS AND SURETIES RECEIVED AS GUARANTEE	Net carrying amount	Asset or Off-balance sheet entries in which loans and signature loans are given	Value of hedged loans and signature loans given
Treasury bonds and similar instruments	13,091,328		
Other securities	6,827,103		
Mortgages	111,524,500		
Other forms of collateral	263,537,645		
TOTAL	394,980,576		

ASSETS AND SURETIES RECEIVED AS GUARANTEE	Net carrying amount	Asset or Off-balance sheet entries in which loans and signature loans are given	Value of hedged loans and signature loans given
Treasury bonds and similar instruments	18,820,991		
Other securities	435,328		
Mortgages	-		
Other forms of collateral	776,934		
TOTAL	20,033,253		

(In thousand MAD)

BREAKDOWN OF ASSETS AND LIABILITIES BY RESIDUAL MATURITY

	D < 1 month	1 month < D < 3 months	3 months < D < 1 year	1 year < D < 5 years	D > 5 years	TOTAL
Assets						
Loans and advances to credit and similar institutions	8,211,303	68,214	-	2,388,542	-	10,668,059
Loans and advances to customers	14,047	209,958	5,340,960	19,278,121	1,658,967	26,502,053
Leasing and similar	-	-	3,277,871	288,358	-	3,566,229
Debt securities	-	-	-	-	-	-
Subordinated loans	-	-	-	-	-	-
TOTAL	8,225,350	278,172	8,618,831	21,955,021	1,658,967	40,736,341
LIABILITIES						
Amounts due to credit and similar institutions	13,818,988	-	-	-	-	13,818,988
Amounts due to customers	-	-	293,684	-	-	293,684
Debt securities issued	-	-	-	-	-	-
Subordinated borrowings	-	-	-	-	-	-
TOTAL	13,818,988	-	293,684	-	-	14,112,672

(In thousand MAD)

CONCENTRATION RISK TO A SINGLE COUNTERPARTY

Number of counterparties	Total amount of risks	Amount of risk exceeding 5% of capital		
		Disbursed loans	Signature loans	Amount of securities held of the beneficiary's share capital
17	50,025,735	37,135,891	5,683,208	838,238

(In thousand MAD)

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY		AMOUNT
ASSETS		37.682.948
Cash and balances at central banks, the Public treasury and postal cheque centre		191.511
Loans and advances to credit and similar institutions		12.479.063
Loans and advances to customers		10.975.216
Trading securities, available-for-sale securities and investment securities		7.556.459
Other assets		308.250
Investments in associates and similar assets		5.905.664
Subordinated loans		186.967
Leased and rented assets		77.775
Intangible assets and property, plant and equipment		2.043
LIABILITIES		21.329.782
Amounts due to central banks, the Public treasury and postal cheque centre		-
Amounts due to credit and similar institutions		13.681.368
Customer deposits		7.495.509
Debt securities issued		-
Other liabilities		152.905
Subsidies, public funds and special guarantee funds		-
Subordinated debt		-
OFF-BALANCE SHEET		12.139.201
Commitments given		7.912.969
Commitments received		4.226.232

(In thousand MAD)

NET INTEREST INCOME	30/06/22	30/06/21
Interest received	3.196.386	3.107.405
Interest and similar income from transactions with credit institutions	198.747	123.489
Interest and similar income from transactions with customers	2.669.504	2.701.012
Interest and similar income from debt securities	328.135	282.904
Interest paid	1.012.826	1.007.822
Interest and similar expenses from transactions with credit institutions	329.231	284.227
Interest and similar expenses from transactions with customers	422.878	431.870
Interest and similar expenses from debt securities	260.717	291.725

(In thousand MAD)

NON-PERFORMING CUSTOMER LOANS AT PARENT COMPANY LEVEL	30/06/22		31/12/21	
	Credit lines	Provisions for credit lines	Credit lines	Provisions for credit lines
Sub-standard loans	625.491	62.173	554.183	49.288
Doubtful loans	2.206.682	1.023.936	2.590.452	1.212.012
Impaired loans	9.025.021	5.957.511	8.133.135	5.460.325
TOTAL	11.857.194	7.043.620	11.277.770	6.721.626

(In thousand MAD)

INCOME FROM EQUITY SECURITIES	30/06/22	30/06/21
Investments in associates	8.219	7.716
Investments in related companies	596.751	662.509
Trading portfolio securities	6.452	-
Similar assets	48.501	44.339
TOTAL	659.923	714.564

(In thousand MAD)

FEES	30/06/22	30/06/21
Fees received	810.052	639.110
On transactions with credit institutions	-	-
On transactions with customers	223.276	216.366
On foreign exchange transactions	181.722	61.591
On primary market securities transactions	24.470	21.196
On derivatives products	-	-
On transactions in securities under management and custody	11.065	7.099
On means of payment	233.169	192.751
On other advisory and assistance services	-	-
On the sale of insurance products	28.692	29.475
On other services	107.658	110.632
Fees paid	263.668	127.838
On transactions with credit institutions	-	-
On transactions with customers	-	-
On foreign exchange transactions	96.595	35.366
On primary market securities transactions	-	-
On derivatives products	58	141
On transactions in securities under management and custody	101.660	51.873
On means of payment	65.355	40.458
On other advisory and assistance services	-	-
On the sale of insurance products	-	-
On other services	-	-

(in thousand MAD)

INCOME AND EXPENSES	30/06/22	30/06/21
Income	2.104.871	1.262.443
Gains on trading securities	740.479	420.907
Capital gains on disposal of available-for-sale securities	1.376	76.105
Impairment write-backs on available-for-sale securities	74.501	39.486
Gains on derivatives products	115.128	59.396
Gains on foreign exchange transactions	1.173.388	666.548
Expenses	1.540.128	654.430
Losses on trading securities	477.973	23.633
Capital losses on disposal of available-for-sale securities	5.882	74.647
Provisions for impairment of available-for-sale securities	86.031	40.353
Losses on derivatives products	69.618	55.601
Losses on foreign exchange transactions	900.623	460.196
NET INCOME FROM MARKET TRANSACTIONS	564.743	608.014

(in thousand MAD)

EXPENSES	30/06/22	30/06/21
Employee expenses	864.404	816.340
Taxes	49.536	52.556
External expenses	736.949	751.362
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	130.776	160.817

(in thousand MAD)

OTHER INCOME AND EXPENSES	30/06/22	30/06/21
Income and expenses		-
Other banking income and expenses	337.078	390.294
Other banking income	2.286.643	1.324.074
Other banking expenses	1.949.565	933.780
Non-banking operating income and expenses	37.125	-17.486
Non-banking operating income	53.365	33.575
Non-banking operating expenses	16.240	51.061
Other expenses		
Provisions and losses on irrecoverable loans	902.833	826.452
Other income		
Write-backs and amounts recovered on impaired loans	335.534	264.758

(in thousand MAD)

RECONCILIATION OF NET INCOME FOR ACCOUNTING AND TAX PURPOSES

I- Net income for accounting purposes	1.137.051
Bénéfice net	
Perte nette	
II- Tax write-backs	328.408
1- Current	43.047
Non-deductible expenses	43.047
2- Non-current	285.361
Corporate income tax	285.361
III- Tax deductions	685.803
1- Current	
Dividends	620.142
2- Non-current	
WRITE-BACK / DEPRECIATION ET PROVISION	65.661
VI- Net income for tax purposes	779.656

(in thousand MAD)

DETERMINING INCOME AFTER TAX FROM ORDINARY ACTIVITIES

	AMOUNT
I- DETERMINING INCOME FROM ORDINARY ACTIVITIES	1.497.301
Income from ordinary activities as stated in the income statement	43.047
(+) Tax write-backs on ordinary activities	620.142
(-) Tax deductions on ordinary activities	920.206
(=) Theoretical taxable income from ordinary activities	340.476
(-) Theoretical tax on income from ordinary activities	1.156.825
(=) Income after tax from ordinary activities	

II. SPECIFIC TAX TREATMENT AND BENEFITS GRANTED UNDER INVESTMENT CODES OR SPECIFIC LEGAL PROVISIONS

(in thousand MAD)

DETAILS ABOUT VALUE ADDED TAX

TYPE	"Balance at beginning of year (1)"	Transactions liable to VAT during the year (2)	VAT declarations for the year (3)	End-of-year closing balance (4=1+2-3)
A. VAT collected	90.597	305.713	312.173	84.137
B. Recoverable VAT	40.432	216.976	215.362	42.046
On expenses	20.758	177.164	166.854	31.068
On non-current assets	19.674	39.812	48.508	10.979
C. VAT due or VAT credit (A-B)	50.165	88.737	96.811	42.091

(in thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL

Amount of the capital : 2 056 066 480 MAD

Amount of the uncalled committed capital:-

Nominal value: 10.00

Name of the main shareholders	Address	Number of shares		(% of capital held)	(% of voting rights)
		Previous year	Current year		
A- MOROCCAN SHAREHOLDERS (*)					
ROYALE MAROCAINE D'ASSURANCES (**)	83, avenue des FAR 20000 - Casablanca	54.678.598	56.347.727	27,41%	
O CAPITAL GROUP	Avenue Californie	16.493.181	14.840.684	7,22%	
SOCIETE FINANCIERE DU CREDIT DU MAGHREB	67, avenue de l'Armée Royale 20000 - Casablanca	1.810.717	1.810.717	0,88%	
CAISSE INTERPROFESSIONNELLE MAROCAINE DE RETRAITES	100, Boulevard Abdelmoumen-20340- Casablanca	8.088.813	8.088.813	3,93%	
CAISSE DE DEPOT ET DE GESTION	Place Moulay El Hassan - ex Piétri -BP 408 - Rabat	17.108.805	17.088.305	8,31%	
Groupe MAMDA/MCMA (***)	Angle Avenue Mohammed VI et rue Houmane El Fatouaki - Rabat	10.310.567	10.310.563	5,01%	
BANK OF AFRICA employees		2.245.325	2.210.244	1,07%	
FREE-FLOAT		33.322.397	33.361.350	16,23%	
TOTAL (1)		144.058.403	144.058.403	70,07%	
B-ACTIONNAIRES ETRANGERS (*)					
BANQUE FEDERATIVE DU CREDIT MUTUEL	4 rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg - France	50.492.025	50.492.025	24,56%	
British International Investment (ex CDC Group PLC)	123, Victoria Street, Londres SW1E 6DE, Royaume-Uni	11.056.220	11.056.220	5,38%	
TOTAL (2)		61.548.245	61.548.245	29,93%	
TOTAL (1) + (2)		205.606.648	205.606.648	100,00%	

(*) The establishment of this ownership structure is based on:

- The BOA custodian situation for shareholders of whose shares BOA is custodian

- The shareholders' statement whose clients are not deposited with BOA, namely (MAMDA/MCMA Group, CIMR and British International Investment - ex CDC Group PLC)

(**) Including shares held by RMA's dedicated OPCVM funds (2,930,019 shares)

(***) MAMDA/MCMA Group detail (as confirmed by the shareholder):

MAMDA : 41
MCMA : 6 282 315
MAC : 4 028 207

APPROPRIATION OF INCOME EARNED DURING THE YEAR

A- Origin of the earnings allocated	Amount	B- Income allocation	Amount
Decision of : 28 juin 2022			
Retained earnings	20	To statutory reserves	-
Net income awaiting appropriation	-	To dividends	822.427
Net income for the year	1.500.872	Other allocations	678.465
Deduction from earnings	-		
Other deductions	-		
TOTAL A	1.500.892	TOTAL B	1.500.892

(in thousand MAD)

INCOME AND OTHER ITEMS FOR THE LAST THREE YEARS	30/06/22	31/12/21	31/12/20
Shareholders' equity and similar	32.624.170	31.390.520	29.943.306
Transactions and income for the year	-	-	-
Net banking income	3.809.140	6.907.404	6.300.631
Pre-tax income	1.422.412	2.010.343	998.994
Corporate income tax	285.361	509.470	274.812
Dividend distribution	822.427	1.028.033	999.102
Undistributed income (allocated to reserves or awaiting appropriation)	678.445	-	372.800
Per share information (MAD)	-	-	-
Earnings per share	5,53	7,30	3,52
Dividend per share	4,00	5,00	5,00
Staff	-	-	-
Gross remuneration for the year	864.404	1.673.566	1.553.520
Average number of staff employed during the year	4.856	4.985	5.038

(in thousand MAD)

KEY DATES AND EVENTS AFTER THE REPORTING PERIOD

I. KEY DATES

Balance sheet date (1) 30/06/2022

Date for drawing up the financial statements (2)

(1) Reason in the event of any change to the balance sheet date

(2) Reason in the event that the statutory 3-month period for drawing up the financial statements is exceeded

II. EVENTS AFTER THE END OF THE REPORTING PERIOD UNRELATED TO THIS FINANCIAL YEAR KNOWN PRIOR TO INITIAL PUBLICATION OF THE FINANCIAL STATEMENTS

Dates	Event's Indication
	. Favorable
	. Unfavorable

STAFF NUMBERS

	30/06/22	31/12/21
Salaried staff	4.856	4.985
Staff in employment	4.856	4.985
Equivalent full-time staff	4.856	4.985
Administrative and technical staff (full-time equivalent)	-	-
Banking staff (full-time equivalent)	-	-
Managerial staff (full-time equivalent)	4.751	4.841
Other staff (full-time equivalent)	105	144
Of which overseas staff	57	56

(In number)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR CUSTODY	Number of accounts		Amounts	
	30/06/22	31/12/21	30/06/22	31/12/21
Securities for which the institution is custodian	40.228	39.946	250.995.523	267.640.740
Securities managed under a discretionary mandate	-	-	-	-
Mutual fund securities for which the institution is custodian	92	92	124.516.314	133.494.580
Mutual fund securities managed under a discretionary mandate	-	-	-	-
Other assets for which the institution is custodian	-	-	-	-
Other assets managed under a discretionary mandate	-	-	-	-

(in thousand MAD)

BRANCH NETWORK	30/06/22	31/12/21
Permanent counters	704	703
Occasional counters	-	-
Cash dispensers and ATMs	855	846
Overseas branches	41	36
Overseas representative offices	5	5

(In number)

CUSTOMER ACCOUNTS	30/06/22	31/12/21
Current accounts	136.947	132.559
Checking accounts of Moroccans living abroad	185.392	192.860
Other checking accounts	1.301.726	1.285.185
Factoring accounts	-	-
Savings accounts	757.462	779.709
Fixed-term accounts	6.588	7.451
Certificates of deposit	702	876
Other deposit accounts	-	-

(In number)

TANGIER OFFSHORE

ASSETS	30/06/22	31/12/21
Cash, central banks, treasury, giro accounts	1.377	2.033
Loans to credit institutions and equivalent	9.391.713	7.631.717
. Demand	1.135.602	1.314.630
. Time	8.256.111	6.317.087
Loans and advances to customers	4.651.431	4.731.725
. Cash and consumer loans	415.843	552.154
. Equipment loans	4.235.588	4.179.571
. Mortgage loans	-	-
. Other loans	-	-
Advances acquired by factoring	-	-
Transaction and marketable securities	750.959	489.311
. Treasury bonds and equivalent securities	613.276	401.004
. Other debt securities	-	-
. Title deeds	137.683	88.307
. Sukuks Certificates	-	-
Other assets	674.582	606.639
Investment securities	2.467.935	2.315.197
. Treasury bonds and equivalent securities	-	-
. Other debt securities	2.467.935	2.315.197
. Sukuks Certificates	-	-
Equity investments and equivalent uses	-	-
. Investments in joint ventures	-	-
. Other equity securities and similar assets	-	-
. Moudaraba and Moucharaka securities	-	-
Subordinated loans	-	-
Placed investment deposits	-	-
Leased and rented fixed assets	74.951	77.423
Ijara leased assets	-	-
Intangible fixed assets	1.888	1.880
Tangible fixed assets	155	154
TOTAL ASSETS	18.014.991	15.856.079

(In thousand MAD)

LIABILITIES	30/06/22	31/12/21
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	14.971.752	13.312.044
. Demand	1.132.753	649.121
. Time	13.838.999	12.662.923
Customer deposits	2.010.525	1.703.395
. Demand deposits	1.694.082	1.483.632
. Savings deposits	-	-
. Time deposits	294.079	167.901
. Other deposits	22.364	51.862
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	-	-
. Negotiable debt securities	-	-
. Bond loans	-	-
. Other debt securities issued	-	-
Other liabilities	839.291	613.259
Provisions for liabilities and charges	2.904	2.893
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	-	-
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	114.666	109.192
Capital	5.077	4.640
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	-	-
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	70.776	110.658
TOTAL LIABILITIES	18.014.991	15.856.079

(In thousand MAD)

BALANCE SHEET	30/06/22	31/12/21
Given commitments	534.829	839.535
Financing commitments on behalf of credit institutions and equivalent	-	-
Financing commitments on behalf of customers	2.543	1.839
Guarantee commitments given to credit institutions and equivalent	465.532	787.273
Guarantee commitments given to customers	66.754	50.423
Securities repos purchased	-	-
Other securities to be delivered	-	-
Received commitments	4.226.231	4.702.687
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	2.337.471	2.865.430
Guarantee commitments received from the State and various guarantee bodies	1.888.760	1.837.257
Securities repos sold	-	-
Other securities to be received	-	-
Moucharaka and Moudaraba securities to be received	-	-

(In thousand MAD)

INCOME STATEMENT	30/06/22	30/06/21
BANK OPERATING INCOME	544.444	283.821
Interests and assimilated revenues on transactions with credit institutions	87.591	48.081
Interests and assimilated revenues on transactions with customers	81.986	61.440
Interests and assimilated revenues on debt securities	47.229	43.160
Revenue from property securities (1) and Sukuks certificates	3.354	2.573
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	2.249	3.801
Revenue from leased assets (Ijara)	-	-
Fees on provided services	4.356	5.591
Other banking revenues	317.679	119.175
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	422.250	169.349
Interests and assimilated expenses on transactions with credit institutions	75.643	44.714
Interests and assimilated expenses on transactions with customers	10.330	1.030
Interests and assimilated expenses on debt securities issued	-	-
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	2.815	2.901
Expenses from leased assets (Ijara)	-	-
Other banking expenses	333.462	120.704
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	122.194	114.472
Non-banking operating revenues	-	-
Non-banking operating expenses	1.665	-
GENERAL OPERATING EXPENSES	2.725	2.289
Staff expenses	1.975	1.623
Tax expenses	-	-
External expenses	750	666
Other general operating expenses	-	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	-	-
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	1	7
Allowances for non performing loans and commitments	-	-
Loan losses	1	7
Other allowances for provisions	-	-
PROVISION WRITE-BACKS AND RECOVERY ON AMORTISED DEBTS	-	-
Provision write-backs on non performing loans and commitments	-	-
Recovery on amortised debts	-	-
Other provision write-backs	-	-
CURRENT INCOME	117.803	112.176
Non-current revenues	-	-
Non-current expenses	4.420	3.567
PRE-TAX EARNINGS	113.383	108.609
Corporate tax	42.607	39.819
NET EARNINGS FOR THE YEAR	70.776	68.790

(In thousand MAD)

EARNINGS FORMATION TABLE	30/06/22	30/06/21
(+) Interests and equivalent revenues	216.807	152.681
(-) Interests and equivalent expenses	85.973	45.743
NET INTEREST INCOME	130.834	106.938
(+) Revenues from leased and rented fixed assets	-	-
(-) Expenses on leased and rented fixed assets	-	-
INCOME FROM ON PARTICIPATIVE FUNDING	-	-
(+) Profit from leasing and renting operations	2.249	3.801
(-) Expenses from leasing and renting operations	2.815	2.901
Income from leasing and rental operations	-566	900
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
Income from Ijara operation (1)	-	-
(+) Fees received	4.661	5.704
(-) Fees paid	83	98
Fee income (1)	4.578	5.606
(+) Income from trading securities	-60	-35
(+) Income from investment securities	-16.037	591
(+) Income from payload operations	-7.100	-3.087
(+) Income from by-product operation	7.203	1.021
Income from market transactions (1)	-15.994	-1.510
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	3.352	2.571
(-) other banking expenses	10	33
(+/-) Holders' share in investment deposit accounts	-	-
NET BANKING INCOME	122.195	114.474
(+) Income from financial asset operations (2)	-	-
(+) Other non-banking operating revenues	-	-
(-) Other non-banking operating expenses	1.665	-
(-) General operating expenses	2.725	2.289
Gross operating income	117.805	112.185
(+) Allowances for non performing loans and commitments (net of write-backs)	-1	-7
(+) Other allowances net of provision write-backs	-	-
Current income	117.804	112.178
Non-current income	-4.420	-3.567
(-) Corporate tax	42.607	39.819
Net earnings for the year	70.776	68.790

(In thousand MAD)

CASH FLOW	30/06/22	30/06/21
(+) Net earnings for the year	70.776	68.790
(+) Allowances for depreciation and provisions for intangible and tangible fixed assets	-	-
(+) Allowances for provisions for equity investments depreciation	-	-
(+) Allowances for provisions for general risks	-	-
(+) Allowances for regulated provisions	-	-
(+) Non-current allowances	-	-
(-) Provision write-backs	-	-
(-) Capital gains on disposals of intangible and tangible fixed assets	-	-
(+) Capital losses on disposals of intangible and tangible fixed assets	-	-
(-) Capital gains on disposals of equity investments	-	-
(+) Capital losses on disposals of equity investments	-	-
(-) Write-backs of investment subsidies received	-	-
(+) Financing	70.776	68.790
(-) Dividends distributed	-	-
(+) Cash-flow	70.776	68.790

(In thousand MAD)

VIII - NOTE CONCERNING RISKS

8.1. RISK MANAGEMENT POLICY

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 financial 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 loss in value of financial instruments resulting from changes in market parameters, volatility and correlations between them. Concerned parameters include exchange rates, interest rates and the prices of securities (stocks, bonds) and commodities, derivatives and all other assets.

8.1.1.3. Global liquidity and interest rate risk

Interest rate risk is the vulnerability of the financial situation of an institution to adverse changes in interest rates.

Liquidity risk is defined as the risk for the development of not being able to meet its cash flow or collateral requirements when they fall due and at a reasonable cost.

8.1.1.4. Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, personnel error and systems failure or from external events. This definition includes legal risk, but excludes strategic and reputational risks.

8.1.1.5. Country risk

Country risk comprises political risk as well as transfer risk. Political risk generally arises from action taken by the government of a country 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 can be defined as the risk of a resident customer being unable to acquire foreign currency in its country so as to honour its overseas commitments.

8.1.2. Risk management organization

8.1.2.1. Risk control bodies

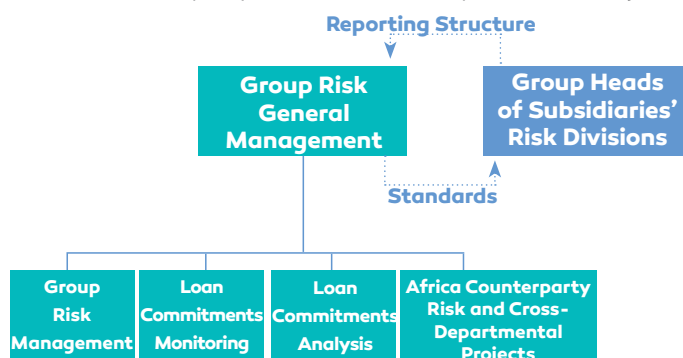
• Group Risk General Management

One of the Group Risk General Management's responsibilities is to ensure that credit, market and operational risks are monitored and controlled. It is responsible for:

- Defining the Group's risk policy
- Defining and managing the credit approval and monitoring processes
- Implementing a risk control system relating to credit, market and operational risks

Group Risk General Management comprises four units:

- Group Risk Management
- Loan Commitments Monitoring
- Loan Commitments Analysis
- Africa Counterparty Risk and Cross-Departmental Projects



8.1.2.2. Governance Bodies

• Group Risks Committee

BANK OF AFRICA Group's Risks Committee is a body reporting directly to BANK OF AFRICA's Board of Directors whose remit extends to the direct and indirect subsidiaries included within the Group's scope of consolidation.

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

• Audit and Internal Control Committees

BANK OF AFRICA Group's Audit and Internal Control Committee is a body reporting directly to BANK OF AFRICA's Board of Directors, whose remit extends to subsidiaries and other entities included within the Group's scope of consolidation.

The Group Audit and Internal Control Committee assists the Board of Directors in matters such as internal control, by ensuring that the existing internal control system is adapted to the Group's organisational structure and that the financial information intended for the Board of Directors and third parties is reliable and accurate. It also reviews the parent and consolidated financial statements prior to submitting them to the Board of Directors for approval.

• General Management Committee

The General Management Committee is responsible for translating and monitoring the Group's corporate strategy into operational initiatives and measures.

This Committee, which meets weekly, is also primarily responsible for steering the Bank's business, managing its internal control and risk management systems, monitoring HR and overseeing commercial, institutional and financial communications.

• Group Risk Steering and Management Committee

Reporting directly to BANK OF AFRICA Group's General Management Committee, the Group Risk Steering and Management Committee assists in managing and monitoring, at the operational level, the Group risk steering policy of 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 that the Group's risk profile is consistent with its risk appetite in the context of the Group's risk management policy.

8.1.2.3. Credit Committees

• Senior Credit Committee

The Senior Credit Committee reviews and approves, on a weekly basis, credit applications from customers of the Bank and of the Group within its delegated powers. Operating rules and powers differ depending on the level of risks incurred, as well as the credit portfolio segment in question – Business, Corporate or Personal & Professional Banking customers.

The scope of the Credit Committee also covers Group entities. It assesses and issues, via the Senior Credit Committee – Group Entities, decisions about risk taking with regard to certain counterparties or groups of counterparties across the banking and trading portfolio for both Moroccan and overseas operations and for individual counterparties based on thresholds predefined by each subsidiary.

This committee is chaired by the Bank's Chairman and Chief Executive Officer with the Group Deputy Chief Executive Officer as Vice-Chairman. Meeting twice a week, it is composed of senior managers of the Bank.

• Regional Credit Committee

The delegated powers enjoyed by the Regional Credit Committee (CCR) enable it to rule on counterparties at the regional level in accordance with the existing scheme of delegation. The Committee meets on a weekly basis. CCR meeting dates are decided by the Regional Director of each region and all members are informed accordingly.

8.1.2.4. Loan Commitments Monitoring Committee (CSE)

As part of its portfolio monitoring remit, the Loan Commitments Monitoring Committee (central CSE and regional CSE) meets on a monthly basis to follow up on the various initiatives to regularise, recover and clean-up accounts showing anomalies. The Committee also reviews customer dossiers that are eligible for downgrade and decides on what action to take.

Responsibility for tracking and monitoring the Loan Commitments situation is assumed by various bodies at four levels, three of which are head office based.

8.2. CREDIT RISK

The Bank's credit division 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

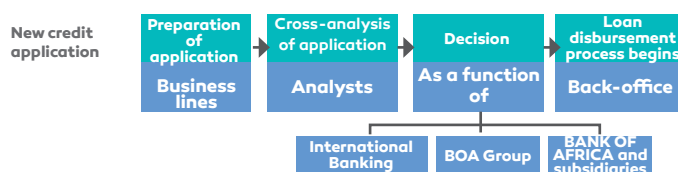
8.2.1.1. General principles

The credit approval process at every level of BANK OF AFRICA Group is guided by the troika principle and is based on the following principles:

- The credit approval process is the same for all types of credit application in that it ensures that the troika principle (at least) is met. Therefore, at least 3 people, including at least one person from the Risk function, must approve any credit application except in a number of predetermined exceptional cases.
- After prior cross-examination, decisions are taken jointly by the Risk and Commercial functions with regard to dossiers assigned by delegation of powers at the local as well as central levels as part of a multi-level pyramid structure. Should both functions fail to find a consensus, the dossier may be referred to a higher hierarchical level which will act as potential arbiter.
- An escalation procedure exists (L+1) in the event of any disagreement between the Risk and Commercial functions.

8.2.1.2. Bodies

The following provides a summary overview of the credit approval process:



- Responsibility for putting together the credit application dossier is incumbent on the Commercial function due to it having a commercial relationship with the customer
- A cross-examination of the credit application dossier 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 made must adhere to the single decision principle.

Credit decisions are either taken by circulating the dossier or by holding a Credit Committee, via a manual or electronic process.

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 Troika or Credit Committees 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 dossier

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 dossier, the format of which is defined in conjunction with the relevant Commercial and Risk functions and in coordination with Group Risks.

A credit application dossier 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 dossier 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 dossier is also responsible for its contents.

The credit application dossier 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 is 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

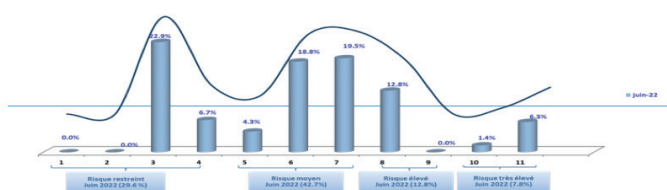
For each of the Bank's third parties, a specific code is assigned to each counterparty type. Each third party is therefore rated using a template corresponding to a benchmark counterparty. As a result, for each third party, which has a particular and therefore unique counterparty type, the appraisal 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

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

CATEGORY	CLASS	DEFINITION
Limited risk	1	1 Extremely stable short- and medium-term; very stable long-term; solvent despite serious disruptions;
	2	2 Very stable short- and medium-term; stable long-term; sufficiently solvent despite persistently negative events;
	3	3 Solvent short- and medium-term despite significant difficulties; moderately negative developments can be withstood long-term;
	4	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	5 Stable short-term; no expected change to threaten the loan in the coming year; can only withstand small negative developments medium-term;
	6	6 Ability limited to withstand unexpected negative developments;
	7	7 Ability very limited to withstand unexpected negative developments;
High risk	8	8 Ability limited 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	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	10 Very high risk of default; incapable of repaying interest and principal on time; partial default in repayment of interest and capital;
	11	11 Total default in repayment of interest and capital.

Breakdown of loan commitments by risk category at 30 June 2022:



8.3.3. Retail customer scoring system

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

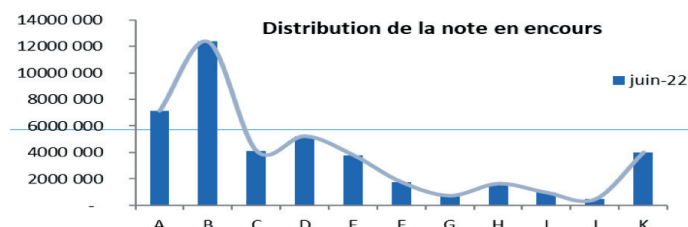
Two types of score have been introduced, a behavioural score and a credit approval score.

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-	Very high risk
B	Low risk	G	Major risk
B-		G-	Major risk
C	Average risk	H	Proven risk
C-		H-	Proven risk
D	Average-high risk	I	Sub-standard
D-		J	Doubtful
E		L	Loss

Four separate behavioural scoring models have been introduced for specific market segments: personal banking 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. SYSTEM FOR CONTROLLING AND MONITORING CREDIT RISK

The system 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 Group Risk General Management.

The checks carried out by the various entities reporting to Group Risk General Management 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 Division, through the Loan Commitments Permanent 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 Division, 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, Back-office and Legal Department etc.

These checks, which are implemented by entities reporting to Group Risk General Management, 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 Group Risk General Management.

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. Steering the loan commitments portfolio

The loan commitments portfolio of the Group and its entities is steered using a number of indicators of risk resulting when credit approval is given as well as those arising during the life of the loan.

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 its entities 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 is based on a system in which a risk opinion and formal risk limits are attributed to strategic initiatives at the business line level, such as in the event of a new business or product launch. For BANK OF AFRICA Group, the risk of credit risk concentration may result from exposure to:

- Individual counterparties
- Interest groups
- Counterparties from the same business sector.

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 largest 10, 20 and 100 largest customers by commitment.

The following table shows commitments to the Bank's main debtors at the end of June 2021:

	30 June 2022	
	Amount disbursed	% of total
Commitments to 10 largest customers	20 174	16%
Commitments to 20 largest customers	27 243	21%
Commitments to 100 largest customers	47 747	37%

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 the Bank Al-Maghrib 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.

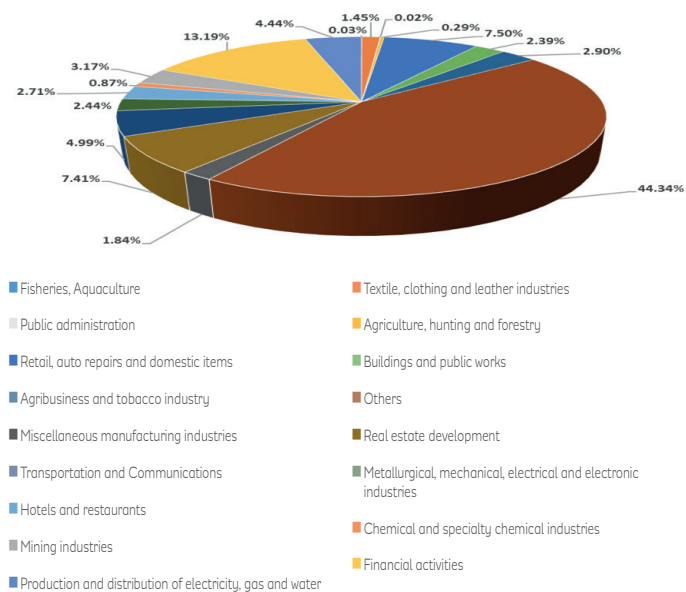
The objective is to model the probability of default by using appropriate econometric techniques and a dependent random variable whose value is derived from the number of default occurrences.

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 30 June 2022:



8.5. COUNTRY RISK

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

Country risk may also result from restrictions on the free movement of capital or other political or economic factors, in which case it is qualified as transfer risk. It may also result from other risks related to events occurring that impact the value of commitments to the country concerned (natural disasters, external shocks).

The primary goal of the Group's country risk policy is to establish a system that will enable it to assess, mitigate, reduce and, if necessary, prudently suspend its commitments in high-risk countries, in a coordinated manner, at Group level.

Country risk policy, in addition to the country risk management strategy, comprises 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 for delegating and limiting commitments.

This system has been designed in such a way as to be increasingly restrictive in proportion to any increase in country risk. The level of exposure adopted is determined as a function of the country risk level, reflected in the rating attributed to each country and as a percentage of each Group entity's capital.

BANK OF AFRICA is primarily exposed to Morocco in terms of country risk. The Bank's commitments to foreign counterparties relate to foreign credit institutions. These commitments require:

- Post-rating authorisation and fundamental analysis of each counterparty
- Monthly monitoring, with the findings sent to the Central Bank in the form of a required regulatory statement.

The reporting process provides an overview of BANK OF AFRICA Group's overall exposure to foreign bank counterparties. It also reflects exposure by country, which includes all assets on the balance sheet and off-balance sheet items, including loans and advances to residents of foreign countries.

In addition to these statements, Group Risk Management prepares a monthly analytical report on BANK OF AFRICA Group's foreign exposure. This report enables BANK OF AFRICA Group to assess the level of its foreign exposure and provides a management tool for monitoring the development of a country's risk profile. The Group's country risk policy is outlined as follows:



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

The ALM department regularly monitors 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.

Two indicators are used to evaluate the Bank's liquidity profile:

- The Liquidity Coverage Ratio (LCR), which stood at 167.6% on a consolidated basis at 30 June 2022 and above the regulatory requirement of 100% set by Bank Al Maghrib

- The Bank's cumulative gap profile – this method of periodic or cumulative gaps in dirhams and in foreign currencies helps measure the level of liquidity risk incurred by the Bank over the short, medium and long term.

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

Interest rate risk

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

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

Interest rate risk is measured by conducting simulation-based stress tests under a scenario in which interest rates are raised by 200 basis points as recommended by the Basel Committee.

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

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

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

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

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

Sensitivity in the value of the banking portfolio

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

At 30 June 2022, if the trading book portfolio were excluded, the impact from a +200-basis points change in interest rates on net interest income was estimated to be negative MAD 0.168 billion or -3.72% of projected net interest income. The impact from a -200-basis points change in interest rates on net interest income was estimated to be positive MAD 0.163 billion or +3.61% of projected net interest income.

The change in the economic value of equity, if the trading book portfolio were excluded, in the event of a 200-basis points shock was estimated to be MAD 0.88 billion or 6.46% 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 as defined by 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 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 Instruments	I- Corporate and interbank loans/ borrowings
	Fixed rate (MAD and foreign currencies)
	Floating rate (MAD and foreign currencies)
	II-Treasury bills and negotiable debt instruments
	II-1 Sovereign securities
	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)
	III- Stock lending/borrowing
	Stock lending/borrowing
	Repos/Reverse repos
	IV- Interest rate derivatives (MAD and foreign currencies)
Interest rate swaps	
Swap futures	
Forward Rate Agreement	
Mutual funds	Money market mutual funds
	Bond mutual funds
	Equity mutual funds
	Composite mutual funds
Foreign Exchange Instruments	I-Foreign exchange
	FX spot
	FX forwards
	II-FX derivatives
	FX swaps
	Foreign exchange options
Equity Instruments	Equities
	Equity/index derivatives
Commodity Products	Commodity futures
	Commodity options
	Commodity swaps

8.7.1. Dispositif de Gestion des Risques de Marché

8.7.1.1. Governance

The main contributors to BANK OF AFRICA Group's market risk management policy are as follows:

- General Management, 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 monitoring 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
- Internal Audit, which ensures implementation of the market risk management policy and rigorous compliance with procedures.

8.7.1.2. 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 a scheme of delegation based on the troika principle.

• 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 used different scenarios for calculating stressed VaR.

The Group has selected a number of events that have generated a high level of volatility in financial markets.

Examples of such events include:

- The bankruptcy of Lehman Brothers, which was unable to withstand the sub-prime crisis
- The USD 1,000 billion widening in the US budget deficit to support financial markets
- The Greek crisis and the threat of contagion spreading to the 'PIIGS' countries.

The reaction, however, by Morocco's financial markets to these events was limited. A number of scenarios were therefore applied to simulate global market conditions:

- Price action in the Casablanca stock market identical to that of the United States

- Price action in the dirham exchange rate identical to that of USD
- The knock-on effect of EURUSD volatility on EURMAD and USDMAD
- The knock-on effect of EURUSD volatility on EURMAD volatility and USDMAD volatility.

a - 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 and foreign exchange risk on the trading portfolio are outlined below.

b- Fixed income portfolio

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

This scenario would result in a MAD 59 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 117 million impact on the P&L.

c- Equity portfolio

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

This scenario would result in a MAD 9.5 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 15.7 million impact on the P&L.

Foreign exchange

1st scenario: A 5% rise or fall in the value of the dirham.

This scenario would result in a MAD 8.5 million impact on the P&L.

2nd scenario: A 10% rise or fall in the value of the dirham.

This scenario would result in a MAD 17 million impact on the P&L.

The results of the stress tests show that the Group has sufficient capital to withstand adverse stress scenarios and is 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 or losses 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.

8.8.1.1.1. 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, a number of operational risks may be the cause of market risk or credit risk.

8.8.1.1.2. 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 the 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.

8.8.1.1.3. 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.

8.8.1.1.3. 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.

8.8.1.1.4. Operational risk control and mitigation

Several types of attitude 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 SYSEM

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

There are 3 main aspects to ICAAP:

- Determining and steering BANK OF AFRICA SA's risk appetite
- Identifying and steering risks
- As well as establishing a capital buffer aimed at mitigating Pillar 2 risks (interest rate risk, liquidity risk, concentration risk, compliance risk etc.)

The Internal Capital Adequacy Assessment Process (ICAAP) enables the Bank to define a capital structure, dynamic projections of solvency ratios and additional capital requirements.

To complement this process, the Bank carries out simulations and stress tests based on various criteria to assess the impact of risk factors on its resilience in terms of capital.

The introduction of a risk appetite framework has been achieved by incorporating two frames of reference:

- A risk appetite framework which defines the governance and organisational scheme and the process for defining and presenting the Bank's risk appetite
- A risk appetite statement which, consistent with the Group's development strategy, defines the risk appetite aspects which reflect the Bank's risk profile.

These aspects have been broken down into quantitative indicators with related thresholds.

The Risk Department ensures that the risk appetite system is properly aligned to the capital allocation process and limits system.

As far as the Group's main risks are concerned, the Group's risk appetite is governed by limits and alert thresholds. These indicators ensure that the Group is well-positioned to meet its target values and reach its goals in terms of profitability.

8.10. INTERNAL CRISIS RECOVERY PLAN (PRCI)

In response to new measures introduced under Bank Al Maghrib's Circular 4/W/2017 relating to the introduction of an Internal Crisis Recovery (PRCI), BANK OF AFRICA has taken the necessary steps to comply with this regulation.

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 also covered by this PRCI. These include credit risk, market risk, country risk, balance sheet risk, operational risk, cybercrime risk, non-compliance risk and reputational risk.

As a result, a taxonomy of the Group's risks has been developed in conjunction with the ICAAP system, with more robust internal stress tests based on extreme but plausible scenarios covering every category of risk to which the Group is exposed.

The work carried out has enabled the Group to draw up an inventory of which business entities are considered as significant, which operations are fundamental and which functions are critical in the event of a major crisis. Crisis scenarios have been drawn up and simulations and impact calculations carried out. In addition, a simulation of the COVID-19 pandemic has been factored in which assumes a pessimistic and extreme development of the pandemic, similar to the scenarios considered by the IMF.

As a result, for each estimated impact, recovery measures have been defined with objectives established to restore the Bank's financial viability via previously identifiable and quantifiable drivers. As such, the list of recovery measures has been reviewed, detailing the preparatory and prerequisite measures and the operational and financial risks to facilitate implementation of recovery measures as well as prioritising the defined measures.

BANK OF AFRICA Group has adopted a system of early warning indicators with the aim of identifying crises in a timely manner as well as defining a set of indicators for triggering recovery measures. The monitoring of these indicators is carried out as part of the Group's overall risk management and monitoring system.

This plan is updated annually to ensure that it complies with the relevant regulatory requirements. The aim is for it to become a genuine tool within the risk prevention process.

8.11. The environment, climate change and social responsibility

Underpinning BANK OF AFRICA 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 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 8.5% and a solvency ratio of 11.5% at both the parent company and consolidated levels.

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

CREDIT RISK-WEIGHTED ASSETS		30/06/2021
Type of Exposure	Risk-Weighted Assets post-CRM	
		185 768 090
Balance-sheet items		8 814 627
Off balance sheet items: financing commitments		10 307 970
Off balance sheet items: guarantee commitments		-
Counterparty Risk: temporary disposals of securities relating to the bank portfolio		173 278
Counterparty Risk: temporary disposals of securities relating to the trading portfolio		-
Counterparty Risk: derivative products relating to the bank portfolio		599 446
Counterparty Risk: derivative products relating to the trading portfolio		34 637 178
Other assets/Other items		1 037 667
Total		241 338 256

COMPOSITION OF SHARE CAPITAL AND CAPITAL ADEQUACY

Main characteristics of items constituting shareholders' equity

BANK OF AFRICA's share capital stands at MAD 2,056,066,480 made up of 205,606,648 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 30 June 2022, fixed maturity subordinated debt stood at almost MAD 6.7 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.

Since 30 June 2014, capital adequacy ratios have been calculated in accordance with Basel III regulatory standards as defined by BAM.

The method for calculating capital was reviewed in the light of these new regulations and temporary measures have been adopted for a period until 2019.

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	23 434 365
Items to be included in Tier 1 capital	26 747 786
Share Capital	2 056 066
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	20 092 456
Retained earnings	12 766
Net income for the previous period	1 267 851
Minority interests	3 318 647
Items to be deducted from Tier 1 capital	3 313 421
Good will	1 032 114
Other adjustments to Tier 1 capital	1 485 249
Immobilisations	764 258
Other deductions	31 800
Additional core capital	2 000 000
Perpetual subordinated debt	2 000 000
Tier 2 capital	7 588 265
Perpetual subordinated debt	6 737 534
Revaluation differences	668 362
Hidden reserves	182 369
Total	33 022 630

Capital Requirements by Risk Type	June. 2022
Risk-weighted credit risks	241 330 070
Risk-weighted market risks	9 630 296
Risk-weighted operational assets	26 502 663
Total risk-weighted assets	277 463 029
Tier 1 Capital	25 434 365
Tier 1 Capital ratio	9.2%
Total capital	33 022 630
Capital adequacy ratio	11.9%

Parent company	june-22	dec-22	june-23	dec-23
Regulatory Capital	13 812	13 566	13 731	13 935
Tier 1 Capital	15 812	16 066	17 231	17 435
Tier 2 Capital	22 362	22 012	22 627	22 281
Risk-weighted assets	148 367	146 173	148 454	150 953
CET1 Ratio	9.3%	9.3%	9.2%	9.2%
Tier 1 Capital Ratio	10.7%	11.0%	11.6%	11.5%
Capital Adequacy Ratio	15.1%	15.1%	15.2%	14.8%

Consolidated	june-22	dec-22	june-23	dec-23
Regulatory Capital	23 434	24 483	26 450	27 268
Tier 1 Capital	25 434	26 983	29 950	30 768
Tier 2 Capital	33 023	34 033	36 450	36 718
Risk-weighted assets	277 463	281 274	288 285	295 041
CET1 Ratio	8.4%	8.7%	9.2%	9.2%
Tier 1 Capital Ratio	9.2%	9.6%	10.4%	10.4%
Capital Adequacy Ratio	11.9%	12.1%	12.6%	12.4%