



HALF YEAR FINANCIAL REPORT 30 JUNE 2023

BANK OF AFRICA

HALF YEAR FINANCIAL REPORT 30 June 2023

BANK OF AFRICA

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HALF-YEAR RESULTS

30 JUNE 2023

FIRST HALF 2023 – POSITIVE GROWTH IN BUSINESS ACTIVITY

BANK OF AFRICA – BMCE Group’s Board of Directors, chaired by Mr Othman BENJELLOUN, met Friday 22 September 2023 at the Bank’s head office in Casablanca. It reviewed the business activity of the Bank and of the Group for first half 2023 and drew up the financial statements for the period in question.

In response to the terrible earthquake that struck Morocco’s Al-Haouz province, the Board of Directors, its Chairman, Mr Othman BENJELLOUN and BANK OF AFRICA Group’s entire staff wish to express their solidarity alongside the Moroccan people and their commitment to supporting the victims of disaster areas as part of the measures issued by His Majesty King Mohammed VI.

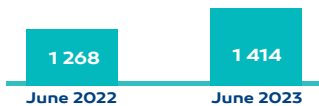
The first half 2023 financial report is published on the website www.ir-bankofafrica.ma

CONSOLIDATED BUSINESS ACTIVITY

-MAD MILLIONS-

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

+12%



Net income attributable to shareholders of the parent company grew by +12% to MAD 1.4 billion at 30 June 2023.

NET BANKING INCOME

+8%



Consolidated net banking income rose by +8% to MAD 8.4 billion at 30 June 2023 versus MAD 7.8 billion at 30 June 2022.

CUSTOMER LOANS -excluding resales-

+1%



Consolidated customer loans, excluding resales, increased by +1% to MAD 198 billion versus MAD 196 billion at 31 December 2022.

CUSTOMER DEPOSITS -excluding repos-

-4%



Consolidated customer deposits, excluding repos, fell by -4% to MAD 231 billion versus MAD 241 billion at 31 December 2022.

PARENT BUSINESS ACTIVITY

-MAD MILLIONS-

NET INCOME

+6%



BANK OF AFRICA S.A.’s net income increased by +6% year-on-year to MAD 1.2 billion at 30 June 2023.

NET BANKING INCOME

+4%



The Bank’s net banking income rose by +4% to MAD 3.9 billion at 30 June 2023.

CUSTOMER LOANS -excluding resales-

+3.8%



Continued strong business performance by the Bank in Morocco with customer loans, excluding resales, up +3.8% to MAD 121 billion at 30 June 2023.

DÉPÔTS DE LA CLIENTÈLE -excluding repos-

-3.9%



Customer deposits in Morocco, excluding repos, fell by -3.9% to MAD 145 billion at 30 June 2023 versus MAD 151 billion at 31 December 2022.

GROWTH REMAINS POSITIVE

Consolidated net banking income increased by +8% to MAD 8.4 billion at 30 June 2023, driven by growth of the core business – **fee income +25% and net interest income +9%** – despite a drop in income from market operations.

Group earnings registered **double-digit growth of +12%** to **MAD 1.4 billion** at 30 June 2023 driven by organic growth and a high level of diversification.

Sub-Saharan African operations contributed strongly, accounting for almost **50%** of Group earnings.

General operating expenses remained firmly under control with the increase at the consolidated level contained at +3% due to the Bank's **cost rationalisation programme**, resulting in a **cost-to-income ratio of 48.6%** at 30 June 2023, an improvement of 2.5 percentage points.

Consolidated gross operating income grew by **+14%** to **MAD 4.3 billion** compared to 30 June 2022.

The **consolidated cost of risk** increased by **+9%** year-on-year to **MAD 1.5 billion**, resulting in a **cost of customer risk ratio of 1.2%** at 30 June 2023.

Revenue from domestic banking operations increased with **net banking income up +4%** to **MAD 3.9 billion**, driven by **+5% growth in net interest income** and a **+9% rise in fee income**.

The Bank's **net income** rose by **+6%** to **MAD 1.2 billion** while parent company **gross operating income** grew by **+7%** to **MAD 2.2 billion**.

Parent company **general operating expenses** were broadly unchanged year-on-year at **MAD 1.8 billion**, resulting in an improvement in the **cost-to-income ratio to 44.9%** at 30 June 2023 versus 46.8% at 30 June 2022.

Total assets rose by **+3.3%** to **MAD 396 billion** at the consolidated level and by **+6%** to **MAD 262 billion** at the parent level at 30 June 2023.

Consolidated customer loans, excluding resales, grew by +1% to **MAD 198 billion** at 30 June 2023.

Consolidated customer deposits, excluding repurchases, fell by -4% to **MAD 231 billion** versus MAD 241 billion at 31 December 2022.

Continued strong business performance in Morocco with **loans to the economy up +4.6%**, resulting in an increased share of the market at **12.66%** versus 12.35% at 31 December 2022.

Customer deposits in Morocco fell by **-3.7%** to **MAD 143 billion**, resulting in a 12.70% share of the market at 30 June 2023, although sight deposits remained broadly unchanged in first half 2023.

BOA Africa demonstrated a **high level of resilience** despite the challenging economic and political environment in sub-Saharan Africa with **consolidated net income up +16%** at **EUR 124.5 million** and **net banking income +10.7%** higher at **EUR 366 million** at 30 June 2023.

BANK OF AFRICA's shareholders' equity was bolstered in 2023 after issuing a **MAD 500 million perpetual subordinated note** containing a loss-absorption and coupon-cancellation provision.

ONLINE BANKING BOLSTERED

BANK OF AFRICA's range of digital and commercial services enhanced with a number of innovative customer service solutions and new promotional deals on the *CréditDaba.ma* website together with a 'welcome package' for self-employed persons and other 100% digital packages for retail, private banking and professional banking customers.

Range of services extended with the **latest version of Agence Directe** offering **tailor-made solutions for professional customers incorporating cutting-edge biometric customer authentication technology**.

BMCE Direct app enhanced with new services better adapted to customers' needs, such as **instantaneous transfers, smoother and more secure messaging** between customers and advisors, an **optimised product subscription process and increased transparency in transactions and management services**.

Business Online portal for business customers further optimised with the introduction of a mobile version as well as online **English language and demo versions**.

SUSTAINABILITY AND VALUE CREATION

Partnership agreements bolstered between BMCE Bank Foundation and its partners – the Ministry of National Education, Preschool and Sports, the French Institute of Morocco, the Confucius Institute, Teach for Morocco and the ProFuturo Foundation – with new activities and new centres provided, **an enhanced educational offering, teacher training and an extended range of technological equipment**.

Educational robotics and artificial intelligence teaching extended and implemented in **20 Medersat.com network schools, benefiting 1,200 pupils**.

Mohammed VI Tower Observatory created by the Bank's Chairman, Mr Othman Benjelloun, and dedicated to His Majesty King Mohammed VI, highlighting the important contributions made by Al-Andalus civilisation to astronomy.

Strong ongoing efforts by BANK OF AFRICA in **support of businesses, including young entrepreneurs**, through an extensive range of financial, non-financial and support services for Moroccan SMEs, in particular, via the Bank's **Entrepreneurship Club, START TPE, INTELAKA and other loans covering up to 60%** of a project's overall funding needs, as well as support, training and coaching.

Positive impact loans account for nearly one-third of the Bank's **business loans** in Morocco, with a strong emphasis on environmental financing.

A series of regional conferences was organised by BANK OF AFRICA in partnership with the **Moroccan Investment & Export Development Agency (AMDIE)** to help implement the **new Investment Charter**.

Memorandum of Cooperation signed by BANK OF AFRICA, the AMDIE, the Wuhan Economic and Technological Development Zone and the Sino-International Entrepreneurs Federation to attract Chinese investment in Morocco.

Cap'Women, an internal innovation programme exclusively for women, launched by BMCE Capital, to help female employees create high value-added digital solutions.

Participation by **BMCE Capital Conseil** in the 2nd **sustainability regional caravan** organised by Cluster ENR, attracting more than one hundred industrial and financial institutions, highlighting the main opportunities and **investment potential of eco-investing** and presenting the main **solar, wind and desalination** projects currently under development or to be developed in the future.

AWARDS AND DISTINCTIONS

Dr Leïla MEZIAN BENJELLOUN, BMCE Bank Foundation's Chair, named **'Woman of the Mediterranean space'** by the Regional Government of Andalusia in partnership with the **Three Cultures of the Mediterranean Foundation**.

Mohammed VI Tower recognised for engineering excellence after winning the **'Best Performance in Engineering Projects'** Award at the annual **Camino Madrid 2022 Awards**.

BANK OF AFRICA named **'Best Bank on the African Continent'** by the prestigious **Global Finance Magazine**.

BANK OF AFRICA named as the **most admired financial brand in Morocco** and in the **top 10 in Africa** by **Brand Africa 100**, a report published in conjunction with the 9th African Digital Summit 2023.

BANK OF AFRICA one of four Moroccan banking groups to be ranked in the **Forbes MENA list of '50 most valued banks'**.

BMCE Capital named **'Best Investment Bank in Morocco in 2023'** by **International Investor Magazine**.

BANK OF AFRICA's **energy management system** awarded dual certification – **ISO 50001:2018** and **NM-50001** – following a joint audit by **Bureau Veritas** and **IMANOR**.

NET INCOME ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY AT 30 JUNE 2023 BY GEOGRAPHICAL REGION



NET BANKING INCOME AT 30 JUNE 2023 BY GEOGRAPHICAL REGION



PROFILE



15,005
EMPLOYEES



32
COUNTRIES



2,000
POINTS OF SALE



6.6
MILLION CUSTOMERS

RATINGS



BA1,
STABLE
OUTLOOK



BB,
STABLE
OUTLOOK



Non-financial rating
A+

BANK OF AFRICA's Board of Directors pays tribute to its Human Capital and its shareholders for their ongoing engagement and determination to generate shareholder and societal value while promoting the ultimate goal of sustainable socio-economic development in Morocco and in Africa. The Board would also like to thank its partners and customers for their ongoing confidence in our Group.

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 674 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
REGARDING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2023**

We have conducted a limited review of the interim financial statements of BANK OF AFRICA BMCE GROUP and of its subsidiaries (BANK OF AFRICA BMCE GROUP), comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in shareholders' equity and a selection of explanatory notes for the period from 1 January 2023 to 30 June 2023. These interim financial statements show consolidated shareholders' equity of MAD 31,899,411 K, including consolidated net income of MAD 2,077,363 K.

We conducted our limited review in accordance with the professional standards applicable in Morocco. These standards require that a limited review is planned and conducted to obtain 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.

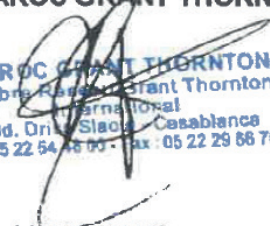
BANK OF AFRICA S.A possesses a stock of non-operating real estate assets, acquired by dation-in-payment, totalling MAD 5 billion at 30 June 2023. Consistent with the current regulatory requirements, there is uncertainty over the net realisable value of MAD 1 billion of these assets.

Based on our limited review and, except for the possible impact from the matter described above, we have not identified any aspects which lead us to believe that the attached consolidated financial statements do not give a true and fair view of the operational income and the consolidated financial position and assets of BANK OF AFRICA BMCE GROUP at 30 June 2023, in accordance with international accounting standards (IAS/IFRS).

Casablanca, 22 September 2023

The Statutory Auditors

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

1.1. CONSOLIDATED BALANCE SHEET

The consolidated financial statements at 30 June 2023 were approved by the board of directors on 22 September 2023.

ASSETS UNDER IFRS	Note	30/06/2023	31/12/2022
Cash and balances at central banks, the Public treasury and postal cheque centre	4.1	16 656 252	18 425 856
Financial assets at fair value through profit or loss		-	-
- Financial assets held for trading purposes	4.2	50 410 053	42 305 151
- Financial assets at fair value through profit or loss	4.2	1 620 305	1 555 980
Derivative hedging instruments		-	-
Financial assets at fair value through other comprehensive income		-	-
- Debt instruments at fair value through other comprehensive income (recyclable)	4.3	366 991	553 274
- Equity instruments at fair value through other comprehensive income (non-recyclable)	4.3	5 560 381	5 575 246
Securities at amortised cost	4.4	52 364 913	51 299 202
Loans and advances to credit and similar institutions at amortised cost	4.5	30 527 985	26 324 021
Loans and advances to customers at amortised cost	4.5	209 614 258	209 469 232
Revaluation adjustment for portfolios hedged against interest rate risk		-	-
Financial investments from insurance operations		-	-
Current tax assets	4.8	1 501 364	1 290 422
Deferred tax assets	4.8	2 459 341	2 443 684
Prepayments, accrued income and other assets	4.9	9 312 009	8 377 263
Non-current assets held for sale		-	-
Investments in companies accounted for using the equity method	4.10	1 193 938	1 215 549
Investment property	4.11	3 406 201	3 434 112
Property, plant and equipment	4.11	8 323 944	8 560 774
Intangible assets	4.11	1 341 872	1 292 679
Goodwill	4.12	1 032 114	1 032 114
TOTAL ASSETS UNDER IFRS		395 691 919	383 154 559

(In thousand MAD)

LIABILITIES UNDER IFRS	Note	30/06/2023	31/12/2022
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	9 433 082	9 167 945
Amounts due to credit and similar institutions	4.5	87 845 597	65 731 476
Amounts due to customers	4.6	236 634 848	246 179 646
Revaluation adjustment on portfolios hedged against interest rate risk		-	-
Current tax liabilities	4.8	1 848 030	1 551 727
Deferred tax liabilities	4.8	1 173 441	1 179 479
Accruals, deferred income and other liabilities	4.9	13 820 205	13 942 922
Liabilities related to non-current assets held for sale		-	-
Liabilities under insurance contracts		-	-
Provisions	4.13	1 482 662	1 458 938
Subsidies - public funds and special guarantee funds		-	-
Subordinated debt	4.7	11 554 642	12 100 668
TOTAL LIABILITIES		363 792 508	351 312 800
Shareholders' equity			
Share capital and related reserves		20 660 756	19 975 690
Consolidated reserves		-	-
- Attributable to shareholders of the parent company		2 726 675	2 253 001
- Non-controlling interests		5 232 778	4 878 592
Gains and losses recognised directly in equity		-	-
- Attributable to shareholders of the parent company		696 170	671 763
- Non-controlling interests		505 669	522 540
Net income for the period		-	-
- Attributable to shareholders of the parent company		1 414 360	2 304 613
- Non-controlling interests		663 003	1 235 561
TOTAL CONSOLIDATED SHAREHOLDERS' EQUITY		31 899 411	31 841 759
TOTAL LIABILITIES UNDER IFRS		395 691 919	383 154 559

(In thousand MAD)

1.2. CONSOLIDATED INCOME STATEMENT

	Note	juin-23	juin-22
Interest and similar income		9 470 922	7 943 002
Interest and similar expenses		-3 253 873	-2 221 144
Net interest income	2,1	6 217 048	5 721 858
Fees received		2 290 823	1 833 571
Fees paid		-422 384	-338 041
Fee income	2,2	1 868 439	1 495 530
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	91 415	153 146
Net gains or losses on trading assets/liabilities		92 312	93 552
Net gains or losses on other assets/liabilities at fair value through profit or loss		-897	59 594
Net gains or losses on financial instruments at fair value through other comprehensive income	2,4	55 485	183 878
Net gains or losses on debt instruments through other comprehensive income			
Remuneration of equity instruments (dividends) through other comprehensive income (non-recyclable)		55 485	183 878
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	393 863	435 330
Expenses from other activities	2,5	-249 078	-235 487
Net banking income		8 377 172	7 754 255
General operating expenses	2,6	-3 651 238	-3 488 534
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	-422 128	-474 121
Gross operating income		4 303 806	3 791 600
Cost of risk	2,7	-1 505 150	-1 383 786
Operating income		2 798 656	2 407 814
Share of earnings of companies accounted for using the equity method		67 162	76 845
Net gains or losses on other assets	2,8	9 607	4 465
Changes in value of goodwill			-
Pre-tax income		2 875 425	2 489 124
Corporate income tax	2,9	-798 062	-672 113
Income net of tax from discontinued operations			
Net income		2 077 363	1 817 011
Non-controlling interests		663 003	548 976
Net income attributable to shareholders of the parent company		1 414 360	1 268 035

(In thousand MAD)

1.3. STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	CHANGES IN EQUITY JUNE 23							
	Share Capital	Reserves related to stock	Treasury stock	Reserves & consolidated earnings	Unrealised or deferred gains or losses	Shareholder's Equity attributable to parent	Non-controlling interests	Total
Ending balance of adjusted Shareholder's Equity 31.12.2021	2 056 066	17 236 350	0	4 937 094	-421 840	23 807 669	5 691 448	29 499 117
Change in the accounting methods								
Beginning Balance of Shareholder's Equity 01.01.2022	2 056 066	17 236 350	0	4 937 094	-421 840	23 807 669	5 691 448	29 499 117
Operations on capital	31 632	651 642		-683 274		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-817 552		-817 552	-580 526	-1 398 078
Net Income				2 304 613		2 304 613	1 235 561	3 540 174
Changes in assets and liabilities recognised directly in equity					-75 009	-75 009		-75 009
Transfer to earnings					80 796	80 796	280 538	361 334
Unrealized or deferred gains or losses	0	0	0	0	5 787	5 787	280 538	286 325
Change in the scope of consolidation						0		0
Others				-95 451		-95 451	9 672	-85 779
Ending balance of Shareholder's Equity 31.12.2022	2 087 698	17 887 992	0	5 645 430	-416 053	25 205 066	6 636 693	31 841 759
Recognition of expected credit losses (on financial instruments)								
Beginning balance of Shareholder's Equity 01.01.2023	2 087 698	17 887 992	0	5 645 430	-416 053	25 205 066	6 636 693	31 841 759
Operations on capital		685 066		-685 066		0		0
Share-based payment plans						0		0
Operations on treasury stock						0		0
Dividends				-835 079		-835 079	-622 908	-1 457 987
Net Income				1 414 360		1 414 360	663 003	2 077 363
Changes in assets and liabilities recognised directly in equity					6 596	6 596		6 596
Transfer to earnings					-409 642	-409 642	-358 594	-768 236
Unrealized or deferred gains or losses	0	0	0	0	-403 046	-403 046	-358 594	-761 640
Change in the scope of consolidation						0		0
Others				116 659		116 659	83 256	199 915
Ending balance of Shareholder's Equity 30.06.2023	2 087 698	18 573 058	0	5 656 304	-819 099	25 497 960	6 401 450	31 899 411

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

	June-23	June-22
Net income	2 077 363	1 817 011
Gains or losses recognised directly in other comprehensive income that will be subsequently reclassified under profit or loss	-768 236	154 686
Exchange differences	-768 236	154 686
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	6 596	-19 829
Actuarial gains or losses on defined benefit plans		
Items recognised at fair value through other comprehensive income (non-recyclable)	6 596	-19 829
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	-761 640	134 857
Net income and gains or losses recognised directly through other comprehensive income	1 315 723	1 951 868
Attributable to shareholders of the parent company	1 011 314	1 314 785
Non-controlling interests	304 409	637 083

(In thousand MAD)

1.5. STATEMENT OF CASH FLOWS AT 30 JUNE 2023

	NOTE	30/06/2023	31/12/2022
Pre-tax income		2 875 425	4 870 310
+/- Net depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2,6	346 482	712 693
+/- Net impairment of goodwill and other non-current assets		-	-
+/- Net impairment of financial assets	2,7	-70 920	15 527
+/- Net provisions	2,7	1 270 867	1 865 924
+/- Share of earnings of companies accounted for using the equity method	4,10	-67 162	-142 334
+/- Net gain/loss from investing activities		80 840	-811 191
+/- Net gain/loss from financing activities		-	-
+/- Other movements		-722 459	79 891
Total non-cash items included in pre-tax income and other adjustments		837 650	1 720 508
+/- Flows related to transactions with credit and similar institutions		14 322 112	-310 746
+/- Flows related to transactions with customers		-9 255 462	8 897 944
+/- Flows related to other transactions affecting financial assets or liabilities		-10 083 845	-11 435 915
+/- Flows related to other transactions affecting non-financial assets or liabilities		-431 264	2 065 565
+/- Taxes paid		-819 126	-1 387 781
Net increase/decrease in assets and liabilities from operating activities		-6 267 585	-2 170 933
Net cash flow generated by operating activities		-2 554 510	4 419 885
+/- Flows related to financial assets at fair value through other comprehensive income		-646 039	-2 005 313
+/- Flows related to investment property		20 691	126 205
+/- Flows related to plant, property and equipment and intangible assets		-262 024	-584 446
Net cash flow related to investing activities		-887 373	-2 463 553
+/- Cash flows from or to shareholders		-1 164 573	-2 239 621
+/- Other net cash flows from financing activities		-209 631	-1 159 965
Net cash flow related to financing activities		-1 374 204	-3 399 586
Effect of exchange rate changes on cash and cash equivalents		-903 709	729 444
Net increase/decrease in cash and cash equivalents		-5 719 796	-713 810
Cash and cash equivalents at beginning of year		21 965 754	22 679 565
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4,1	18 425 856	19 737 051
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		3 539 898	2 942 513
Cash and cash equivalents at end of year		16 245 958	21 965 754
Cash and balances at central banks, the Public treasury and postal cheque centre (assets and liabilities)	4,1	16 656 252	18 425 856
Sight deposits (assets and liabilities) and loans/borrowings with credit institutions		-410 294	3 539 898
Net change in cash and cash equivalents		-5 719 796	-713 811

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 2023, 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 30 June 2023, 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

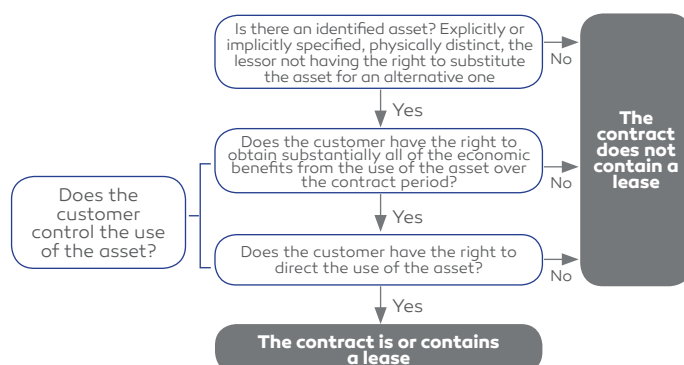
IFRS 16 'Leases' will supersede IAS 17 from 1 January 2019. It will change the way in which leases are accounted for.

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 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 <small>Lessor reasonably certain to exercise the renewal option</small>	Optional periods subsequent to termination dates <small>Lessor reasonably certain of not exercising the renewal option</small>

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 30 June 2023, the Group did not recognise any assets as held for sale or discontinued activities

1.6.2. Employee benefits

Classification of employee benefits

a. Short-term benefits

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

b. Defined-contribution post-employment benefits

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

c. Defined-benefit post-employment benefits

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

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

d. Long-term benefits

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

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

e. Termination benefits

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

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

a. Calculation method

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

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

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

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

b. Accounting principles

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

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

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

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

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

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

1.6.3. Share-based payments

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

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

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

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

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

1.6.4. Provisions recorded under liabilities

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

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

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

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

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

1.6.5. Current and deferred taxes

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

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

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

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

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

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

IFRIC 23 interpretation:

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

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

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

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

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

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

1.6.6. Cash flow statement

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

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

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

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

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

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

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

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

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

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

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

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

II. NOTES TO THE INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

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.

	30/06/23			30/06/22		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	5 947 660	1 684 642	4 263 019	5 367 880	1 364 561	4 003 319
Deposits, loans and borrowings	5 626 713	1 587 560	4 039 154	5 002 776	1 351 058	3 651 718
Repurchase agreements		97 082	-97 082	0	13 503	-13 503
Finance leases	320 947		320 947	365 104	0	365 104
Interbank transactions	742 595	1 200 095	-457 500	369 992	517 888	-147 895
Deposits, loans and borrowings	727 957	743 782	-15 825	368 681	414 564	-45 883
Repurchase agreements	14 637	456 313	-441 676	1 311	103 324	-102 012
Debt issued by the Group	0	369 136	-369 136	338 695	-338 695	0
Financial instruments at fair value through other comprehensive income			0			0
Debt instruments	2 780 667		2 780 667	2 205 130		2 205 130
TOTAL INTEREST INCOME/(EXPENSE)	9 470 922	3 253 873	6 217 048	7 943 002	2 221 144	5 721 858

(In thousand MAD)

2.2. NET FEE INCOME

	30/06/23			30/06/22		
	Income	Expense	Net	Income	Expense	Net
Net fees on transactions	1 828 489	170 428	1 658 061	1 423 437	123 321	1 300 116
With credit institutions			-			-
With customers	1 138 779		1 138 779	954 426		954 426
In securities	91 370	29 301	62 069	118 133	27 462	90 671
In foreign exchange	598 339	141 127	457 212	350 879	95 859	255 019
In financial futures and off balance sheet transactions			-			-
Provision of banking and financial services	462 334	251 957	210 378	410 134	214 720	195 414
Net income from mutual fund management			-			-
Net income from means of payment	268 224	65 557	202 667	233 445	65 633	167 812
Insurance			-			-
Other	194 110	186 400	7 711	176 688	149 087	27 601
NET FEE INCOME	2 290 823	422 384	1 868 439	1 833 571	338 041	1 495 530

(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.

	30/06/23			30/06/22		
	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	-147 741	-897	-148 638	48 042	59 594	107 636
Derivative instruments	240 053		240 053	45 510		45 510
Repurchase agreements						
Loans						
Borrowings						
Revaluation of interest rate risk hedged portfolios						
Revaluation of foreign exchange positions						
TOTAL	92 312	-897	91 415	93 552	59 594	153 146

(In thousand MAD)

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

	june-23	june-22
Remuneration from equity instruments (dividends) through other comprehensive income (non-recyclable)	55 485	183 878
TOTAL	55 485	183 878

(In thousand MAD)

2.5. INCOME AND EXPENSES FROM OTHER ACTIVITIES

	30/06/23			30/06/22		
	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	137 104	60 408	76 696	119 975	57 095	62 880
Net income from real estate development activities	0	0	0	0	0	0
Other banking income and expenses	189 729	177 755	11 975	220 573	159 557	61 016
Other non-banking income from operations	67 029	10 915	56 115	94 782	18 835	75 947
TOTAL NET INCOME FROM OTHER ACTIVITIES	393 863	249 078	144 785	435 330	235 486	199 843

(In thousand MAD)

2.6. GENERAL OPERATING EXPENSES

	30/06/23	30/06/22
Employee expenses	2 038 000	1 960 123
Taxes	155 763	185 109
External expenses	1 348 394	1 257 165
Other general operating expenses	109 081	86 137
Impairment and provisions for intangible assets and property, plant and equipment	422 128	474 121
General Operating Expenses	4 073 366	3 962 655

(In thousand MAD)

2.7. COST OF RISK

	30/06/2023	30/06/2022
Net impairment	-1 218 542	-952 053
Bucket 1	-174 277	-170 432
Including loans and advances to credit and similar institutions	-2 634	18 100
Including loans and advances to customers	-10 868	-46 269
Including off-balance sheet commitments	-3 282	-26 694
Including debt instruments	-157 492	-115 569
Including debt instruments at fair value through other comprehensive income (recyclable)		
Bucket 2	-73 933	-181 350
Including loans and advances to credit and similar institutions		657
Including loans and advances to customers	-74 036	-182 167
Including off-balance sheet commitments	103	160
Including debt instruments		
Including debt instruments at fair value through other comprehensive income (recyclable)		
Bucket 3	-970 333	-600 272
Including loans and advances to credit and similar institutions	8 817	-2 380
Including loans and advances to customers	-945 954	-597 718
Including off-balance sheet commitments	-33 196	-174
Including debt instruments		
Including debt instruments at fair value through other comprehensive income (recyclable)		
Amounts recovered on loans and advances	55 576	47 862
Losses on irrecoverable loans and advances	-203 222	-408 242
Other	-138 961	-71 353
Cost of risk	-1 505 149	-1 383 786

2.8. NET GAINS AND LOSSES ON OTHER ASSETS

	jui-23	jui-22
Property, plant and equipment and intangible assets used in business operations	6 531	5 387
Capital gains on disposal	6 531	5 387
Capital losses on disposal		
Other	3 076	-922
Net gains or losses on other assets	9 607	4 465

2.9. CORPORATE INCOME TAX

2.9.1. Current and deferred tax

	jui-23	dec-22
Current tax	1 501 364	1 290 422
Deferred tax	2 459 341	2 443 684
Current and deferred tax assets	3 960 705	3 734 106
Current tax	1 848 030	1 551 727
Deferred tax	1 173 441	1 179 479
Current and deferred tax liabilities	3 021 471	2 731 205

(In thousand MAD)

2.9.2. Net corporate income tax expense

	jui-23	jui-22
Current tax expense	-859 589	-705 206
Net deferred tax expense for the year	61 527	33 094
Net corporate income tax expense	-798 062	-672 112

(In thousand MAD)

2.9.3. Effective tax rate

	jui-23	jui-22
Pre-tax income	2 875 425	2 489 124
Corporate income tax expense	-798 062	-672 112
Average effective tax rate	27,8%	27,0%

(In thousand MAD)

III. BUSINESS SEGMENT INFORMATION

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

- Banking in Morocco : BANK OF AFRICA;
- Asset management and Investment banking : BMCE Capital, BMCE Capital Bourse and BMCE Capital Gestion;
- Specialised financial services : Salafin, Maghrébaïl, Maroc Factoring, 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. INCOME BY BUSINESS SEGMENT

	30/06/2023					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
Net interest income	2 602 267	41 922	288 219	-3 054	3 287 695	6 217 048
Fee income	638 310	66 744	19 963	0	1 143 422	1 868 439
Net banking income	3 282 513	189 639	314 061	73 642	4 517 318	8 377 172
General operating expenses and impairment	-1 644 168	-158 828	-123 278	-35 347	-2 111 745	(4 073 366)
Gross operating income	1 638 344	30 811	190 783	38 295	2 405 574	4 303 807
Corporate income tax	-372 794	-28 949	-69 343	-4 412	-322 564	(798 062)
Net income attributable to shareholders of the parent company	583 436	53 212	57 352	8 240	712 119	1 414 359

(In thousand MAD)

	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)

3.2. ASSETS AND LIABILITIES BY BUSINESS SEGMENT

	30/06/2023					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
TOTAL ASSETS	250 077 079	909 722	16 719 994	229 945	127 755 179	395 691 920
ASSETS						
Financial assets at fair value through other comprehensive income	3 940 267	9 117	24 725	5 028	1 948 235	5 927 372
Loans and advances to customers at amortised cost	136 273 144	0	15 639 451	0	57 701 663	209 614 258
Financial assets at fair value through profit or loss	50 390 885	121 837	861	0	1 516 774	52 030 357
Securities at amortised cost	14 308 879	0	0	0	38 056 034	52 364 913
LIABILITIES						
Amounts due to customers	150 396 721	0	550 470	0	85 687 657	236 634 848
Shareholder's Equity	20 409 028	476 761	1 463 016	(256 475)	9 807 079	31 899 410
						(In thousand MAD)
	31/12/2022					
	BANKING IN MOROCCO	ASSET MANAGEMENT AND INVESTMENT BANKING	SPECIALISED FINANCIAL SERVICES	OTHER OPERATIONS	INTERNATIONAL OPERATIONS	TOTAL
TOTAL ASSETS	233 204 554	843 156	16 976 188	168 540	131 962 121	383 154 559
ASSETS						
Financial assets at fair value through other comprehensive income	3 901 919	8 809	24 725	5 028	2 188 039	6 128 520
Loans and advances to customers at amortised cost	133 434 271	0	15 836 020	1	60 198 941	209 469 233
Financial assets at fair value through profit or loss	42 301 200	103 052	861	0	1 456 019	43 861 132
Securities at amortised cost	12 637 870	0	0	0	38 661 333	51 299 202
LIABILITIES						
Amounts due to customers	155 264 736	0	647 357	0	90 267 553	246 179 646
Shareholder's Equity	20 040 335	492 999	1 537 563	(236 899)	10 007 762	31 841 759
						(In thousand MAD)

IV. NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2023

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

	30/06/23	31/12/22
CASH AND BALANCES	5 266 322	4 942 621
CENTRAL BANKS	11 353 895	13 467 863
PUBLIC TREASURY	31 304	10 695
POSTAL CHEQUE CENTRE	4 731	4 677
CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHEQUE CENTRE	11 389 930	13 483 235
Cash and balances at central banks, the Public treasury and postal cheque centre	16 656 252	18 425 856

(In thousand MAD)

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

	30/06/23			31/12/22		
	Financial assets/liabilities held for trading purposes	Other assets/liabilities at fair value through profit or loss	Total	Financial assets/liabilities held for trading purposes	Other assets/liabilities at fair value through profit or loss	Total
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS						
Negotiable debt securities	42 466 485	-	42 466 485	34 223 390	-	34 223 390
Treasury bills and other marketable assets mobilised with central banks	40 244 233	-	40 244 233	32 004 837	-	32 004 837
Other negotiable debt securities	2 222 252	-	2 222 252	2 218 554	-	2 218 554
Bonds	2 467 509	-	2 467 509	1 792 635	-	1 792 635
Government bonds	2 054 925	-	2 054 925	807 312	-	807 312
Other bonds	412 584	-	412 584	985 322	-	985 322
Equities and other variable income securities	5 483 452	1 620 305	7 103 757	6 314 522	1 555 980	7 870 502
Repurchase agreements	-	-	-	-	-	-
Loans	-	-	-	-	-	-
To credit institutions	-	-	0	-	-	0
To corporate customers	-	-	0	-	-	0
To retail customers	-	-	0	-	-	0
Financial derivative instruments for trading purposes	-7 393	0	-7 393	-25 396	0	-25 396
Currency derivative instruments	-7 393	-	-7 393	-25 396	-	-25 396
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	50 410 053	1 620 305	52 030 357	42 305 151	1 555 980	43 861 131
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

	30/06/23			31/12/22		
	Balance sheet value	Unrealised gains	Unrealised losses	Balance sheet value	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income (recyclable)	366 991	-	-51 157	553 274	-	-99 328
Equity instruments at fair value through other comprehensive income (non-recyclable)	5 560 381	1 671 430	-594 394	5 575 246	1 703 095	-608 159

(In thousand MAD)

4.4. SECURITIES AT AMORTISED COST

	30/06/23	31/12/22
Treasury bills and other marketable assets mobilised with central banks	15 788 072	9 547 421
Treasury bills and other marketable assets mobilised with central banks	15 032 242	8 795 435
Other negotiable debt securities	755 830	751 986
Bonds	37 928 329	42 943 467
Government bonds	32 640 776	38 626 994
Other bonds	5 287 553	4 316 473
Impairment	-1 351 488	-1 191 686
TOTAL DEBT INSTRUMENTS AT AMORTISED COST	52 364 913	51 299 202

(In thousand MAD)

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

LOANS AND ADVANCES TO CREDIT INSTITUTIONS AT AMORTISED COST

	30/06/23	31/12/22
Sight deposits	15 392 487	11 922 968
Loans	15 000 206	14 349 694
<i>Of which overnight loans</i>	<i>510 121</i>	<i>490 274</i>
Repurchase agreements	221 613	133 014
TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS BEFORE IMPAIRMENT	30 614 305	26 405 676
Impairment of loans and advances to credit institutions	-86 320	-81 655
TOTAL LOANS AND ADVANCES TO CREDIT INSTITUTIONS NET OF IMPAIRMENT	30 527 985	26 324 021

(In thousand MAD)

AMOUNTS DUE TO CREDIT INSTITUTIONS

	30/06/23	31/12/22
Sight deposits	10 316 417	7 209 171
Borrowings	36 528 843	30 825 986
<i>Of which overnight loans</i>	<i>3 485 719</i>	<i>1 507 129</i>
Repurchase agreements	41 000 337	27 696 319
TOTAL	87 845 597	65 731 476

(In thousand MAD)

4.6. AMOUNTS DUE TO AND FROM CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST

	30/06/23	31/12/22
Overdrawn accounts	23 517 161	21 434 885
Customer loans	176 906 164	176 367 379
Repurchase agreements	11 672 411	13 636 192
Finance leases	15 838 185	15 859 122
TOTAL LOANS AND ADVANCES TO CUSTOMERS BEFORE IMPAIRMENT	227 933 921	227 297 577
Impairment of loans and advances to customers	-18 319 663	-17 828 345
TOTAL LOANS AND ADVANCES TO CUSTOMERS NET OF IMPAIRMENT	209 614 258	209 469 232

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY

	30/06/23	31/12/22
Banking in Morocco	136 273 144	133 434 271
Specialised Financial Services	15 639 451	15 836 020
International Operations	57 701 663	60 198 941
Asset Management	0	0
Other Operations	1,00	1,00
Total - principal	209 614 258	209 469 232
Accrued interest		
Balance sheet value	209 614 258	209 469 232

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL REGION

	30/06/23	31/12/22
Morocco	151 912 595	149 270 291
Africa	54 870 637	56 585 407
Europe	2 831 026	3 613 534
Total - principal	209 614 258	209 469 232
Accrued interest		
Balance sheet value	209 614 258	209 469 232

(In thousand MAD)

BREAKDOWN OF LOANS AND ADVANCES AND IMPAIRMENT BY BUCKET

	30/06/23							
	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	383 226	-	-	383 226	16 235	-	-	16 235
Debt instruments at fair value through other comprehensive income (recyclable)	383 226			383 226	16 235			16 235
Financial assets at amortised cost	273 355 447	17 596 522	21 312 654	312 264 623	3 006 458	2 518 117	14 232 892	19 757 468
Loans and advances to credit institutions	30 546 465	64 636	3 201	30 614 302	71 295	11 959	3 062	86 316
Loans and advances to customers	189 092 581	17 531 886	21 309 453	227 933 920	1 583 674	2 506 158	14 229 830	18 319 663
Debt securities	53 716 401			53 716 401	1 351 489			1 351 489
Total assets	273 738 673	17 596 522	21 312 654	312 647 849	3 022 693	2 518 117	14 232 892	19 773 703
Total off-balance sheet	52 603 392	201 719	258 905	53 064 016	207 049	625	217 106	424 780

	31/12/22							
	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	563 824	-	-	563 824	10 550	-	-	10 550
Debt instruments at fair value through other comprehensive income (recyclable)	563 824			563 824	10 550			10 550
Financial assets at amortised cost	267 881 614	17 383 920	20 928 606	306 194 140	2 842 458	2 437 599	13 821 627	19 101 685
Loans and advances to credit institutions	26 295 784	104 048	5 844	26 405 676	73 053	2 897	5 704	81 655
Loans and advances to customers	189 094 943	17 279 872	20 922 762	227 297 577	1 577 719	2 434 702	13 815 923	17 828 345
Debt securities	52 490 888			52 490 888	1 191 686			1 191 686
Total assets	268 445 438	17 383 920	20 928 606	306 757 964	2 853 008	2 437 599	13 821 627	19 112 234
Total off-balance sheet	52 677 148	202 590	218 191	53 097 929	203 766	728	198 529	403 023

AMOUNTS DUE TO CUSTOMERS

	30/06/23	31/12/22
Accounts in credit	145 560 480	148 874 854
Fixed term accounts	28 379 159	33 787 630
Savings accounts	46 019 187	45 962 805
Certificates of deposit	3 627 598	3 483 733
Repurchase agreements	5 461 460	4 882 677
Other accounts in credit	7 586 964	9 187 946
TOTAL LOANS AND RECEIVABLES DUE TO CUSTOMERS	236 634 848	246 179 646

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY BUSINESS SEGMENT

	30/06/23	31/12/22
Banking in Morocco	150 396 721	155 264 736
Specialised Financial Services	550 470	647 357
International Operations	85 687 657	90 267 553
Asset Management	0	0
Other Operations	0	0
Total - principal	236 634 848	246 179 646
Accrued interest		
Balance sheet value	236 634 848	246 179 646

(In thousand MAD)

BREAKDOWN OF AMOUNTS DUE TO CUSTOMERS BY GEOGRAPHICAL REGION

	30/06/23	31/12/22
Morocco	150 947 191	155 912 093
Africa	84 598 996	89 366 493
Europe	1 088 661	901 060
Total - principal	236 634 848	246 179 646
Accrued interest		
Balance sheet value	236 634 848	246 179 646

(In thousand MAD)

4.7. DEBT SECURITIES, SUBORDINATED DEBT AND SPECIAL GUARANTEE FUNDS

	30/06/23	31/12/22
Other debt securities	9 433 082	9 167 945
Negotiable debt securities	9 433 082	9 167 945
Bonds		
Subordinated debt	11 554 642	12 100 668
Subordinated loans	11 554 642	12 100 668
Fixed maturity	8 554 642	9 100 668
Perpetual	3 000 000	3 000 000
Subordinated securities	0	0
Fixed maturity		
Perpetual	0	0
Public funds and special guarantee funds		
Total	20 987 724	21 268 613

(In thousand MAD)

44.8. CURRENT AND DEFERRED TAX

	30/06/23	31/12/22
Current tax	1 501 364	1 290 422
Deferred tax	2 459 341	2 443 684
Current and deferred tax assets	3 960 705	3 734 106
Current tax	1 848 030	1 551 727
Deferred tax	1 173 441	1 179 479
Current and deferred tax liabilities	2 731 205	2 731 205

(In thousand MAD)

4.9. ACCRUED INCOME, OTHER ASSETS AND LIABILITIES

	30/06/23	31/12/22
Guarantee deposits and bank guarantees paid	183 017	174 881
Settlement accounts relating to corporate actions	71 077	65 557
Cheque-cashing accounts	465 174	483 576
Reinsurers' share of technical provisions		
Accrued income and prepaid expenses	2 139 821	1 340 040
Other debtors	6 291 423	6 059 844
Liaison accounts	161 497	253 365
TOTAL ACCRUED INCOME AND OTHER ASSETS	9 312 009	8 377 263
Guarantee deposits received	15 237	19 935
Settlement accounts relating to corporate actions	42 512	2 803 337
Cheque-cashing accounts	3 143 123	1 429 559
Accrued expenses and deferred income	1 933 410	1 844 722
Other creditors and miscellaneous liabilities	8 685 924	7 845 367
TOTAL ACCRUED EXPENSES AND OTHER LIABILITIES	13 820 205	13 942 921

(In thousand MAD)

4.10. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

	30/06/23	31/12/22
ACMAR	31 360	27 172
Banque de Développement du Mali	696 259	702 404
Eurafric	-25 135	-25 053
AFRICA MOROCCO LINKS	57 687	61 919
Société Conseil Ingenierie et Développement	151 829	149 604
BANK AL KARAM	153 264	133 143
Investments in companies accounted for using the equity method at BOA	128 674	166 361
Investments in companies accounted for using the equity method	1 193 938	1 215 549

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

	Total Assets june 2023	Net Banking Income or Net Revenues as of dec 2022	Company Income	Contribution in Net Income attributable to the parent company as of june 2023
ACMAR	365 142	86 273	21 068	4 214
Banque de Développement du Mali	21 050 474	492 610	190 159	61 573
AFRICA MOROCCO LINKS	330 460	241 618	-8 298	-4 232
Eurafric	324 777	184 128	2 235	922
Société Conseil Ingenierie et Développement	606 638	117 718	5 720	2 225
BANK AL KARAM	708 889	6 192	-12 726	-7 183

(en milliers de DH)

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

Financial assets at fair value through profit or loss	30/06/23			31/12/22		
	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	17 795 467	9 471 524	8 323 943	17 982 888	9 422 114	8 560 774
Land and buildings	5 595 208	1 481 353	4 113 855	5 699 703	1 504 559	4 195 144
Equipment, furniture and fixtures	5 148 839	3 562 508	1 586 331	5 157 588	3 551 025	1 606 563
Plant and equipment leased as lessor under operating leases	0	0	0	0	0	0
Other property, plant and equipment	7 051 420	4 427 663	2 623 757	7 125 597	4 366 530	2 759 067
Intangible Assets	2 885 474	1 543 601	1 341 872	2 798 281	1 505 602	1 292 679
Purchased software	2 193 586	1 336 051	857 535	2 072 821	1 297 062	775 758
Internally-developed software	0	0	0	0	0	0
Other intangible assets	691 888	207 550	484 338	725 460	208 539	516 921
Investment Property	3 892 436	486 235	3 406 201	3 918 104	483 991	3 434 112

(In thousand MAD)

LEASE EXPENSES

	30/06/23	30/06/22
Interest expense on lease liabilities	-28 449	-28 953
Depreciation expenses on right-of-use assets	-134 354	-130 949

RIGHT-OF-USE ASSETS

	30/06/23	31/12/22
Property, plant and equipment	8 323 944	8 560 774
Of which rights of use	1 162 259	1 176 079

LEASE LIABILITIES

	30/06/23	31/12/22
Accruals, deferred income and other liabilities	13 820 205	13 942 922
Of which lease liability	1 199 042	1 220 525

4.12. GOODWILL

	30/06/23	31/12/22
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 :

	Net book value 30/06/2023	Net book value 31/12/2022
Maghrébaïl	10 617	10 617
Banque de développement du Mali	3 588	3 588
SALAFIN	184 978	184 978
Maroc Factoring	1 703	1 703
BMCE CAPITAL BOURSE	2 618	2 618
BMCE INTERNATIONAL (MADRID)	3 354	3 354
BANK OF AFRICA	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

	30/06/23	31/12/22
TOTAL PROVISIONS AT START OF PERIOD	1 458 938	1 613 520
Additional provisions	204 924	372 212
Write-backs	-132 604	-473 333
Other movements	-48 596	-53 461
TOTAL PROVISIONS AT END OF PERIOD	1 482 662	1 458 938

V. FINANCING AND GUARANTEE COMMITMENTS

5.1. FINANCIAL COMMITMENT

	June-23	Dec-22
Financing commitments given	19 731 871	20 503 847
To credit institutions	1 454 574	1 466 539
To customers	18 277 297	19 037 308
Credit lines opened		
Other commitments given to customers		
Financing commitments received	1 164 224	1 416 417
From credit institutions	1 164 224	1 416 417
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-23	Dec-22
Guarantee commitments given	33 332 146	32 594 082
To credit institutions	10 158 308	10 438 991
To customers	23 173 837	22 155 091
Sureties provided to administrative and tax authorities and other sureties		
Other guarantees given to customers		
Guarantee commitments received	97 376 141	107 493 452
From credit institutions	93 779 049	103 586 844
From government and other guarantee institutions	3 597 092	3 906 608

» 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-23	Dec-22
Provision for retirement and similar benefits	476 763	476 642
Provision for special long service award		
Other provisions		
TOTAL	476 763	476 642

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

6.2.2. Basic assumptions underlying calculations

Economic assumptions	June-23
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 years
Mortality table	Male 60/64 - Female 60/64

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

6.2.3. COST OF POST-EMPLOYMENT BENEFIT SCHEMES

	june-23	dec-22
Standard expense for the period	-5 369	-37 663
Interest expense	5 490	-11 550
Funds' expected rate of return		
Additional benefits		
Other		53 547
Net cost for the period	121	4 334
Of which expense related to retirement and similar benefits		
Other		

6.2.4. CHANGES IN THE PROVISION RECOGNISED ON THE BALANCE SHEET

	dec-23	dec-22
Actuarial liability at start of period	476 643	526 965
Standard expense for the period	15 820	32 499
Interest expense	5 490	-11 550
Actuarial gains/losses		-53 547
Other actuarial differences		-45 988
Amortisation of net gains/losses		
Benefits paid	-21 189	-20 077
Additional benefits		
Other		25 241
Actuarial liability at end of period	476 764	476 643
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. CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

	june-23	june-22
SHARE CAPITAL (MAD)	2 087 698 270	2 056 066 480
Number of ordinary shares outstanding during the year	208 769 827	205 606 648
NET INCOME ATTRIBUTABLE TO SHARE-HOLDERS OF THE PARENT COMPANY (MAD)	1 414 359 869	1 268 034 866
Earnings per share (MAD)	6,77	6,17
DILUTED EARNINGS PER SHARE (MAD)	6,77	6,17

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 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 31 December 2022	208 769 827	10	2 087 698 270
Number of shares outstanding at 31 December 2023	208 769 827	10	2 087 698 270

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

7.2. SCOPE OF CONSOLIDATION

Name	Business sector	Controlling interest (%)	Ownership (%)	Consolidation method
BANK OF AFRICA	Banque			Mère
BMCE CAPITAL	Banque d'Affaires	100,00%	100,00%	I.G.
BMCE CAPITAL GESTION	Gestion d'actifs	100,00%	100,00%	I.G.
BMCE CAPITAL BOURSE	Intermédiation boursière	100,00%	100,00%	I.G.
MAROC FACTORING	Factoring	100,00%	100,00%	I.G.
MAGHREBAIL	Crédit-Bail	52,47%	52,47%	I.G.
SALAFIN	Crédit à la consommation	61,96%	61,96%	I.G.
BMCE EUROSERVICES	Ets financier	100,00%	100,00%	I.G.
LCB Bank	Banque	39,42%	39,42%	I.G.
BMCE BANK INTERNATIONAL HOLDING	Banque	100,00%	100,00%	I.G.
BANK OF AFRICA EUROPE	Banque	100,00%	100,00%	I.G.
BOA GROUP	Holding Bancaire	72,41%	72,41%	I.G.
LOCASOM	Location de voiture	100,00%	97,39%	I.G.
RM EXPERTS	Recouvrement Services	100,00%	100,00%	I.G.
OPERATION GLOBAL SERVICE	Back-Office Bancaire	100,00%	100,00%	I.G.
FCP OBLIGATIONS PLUS	OPCVM	100,00%	100,00%	I.G.
BOA UGANDA	Banque	92,24%	78,63%	I.G.
BANQUE DE DEVELOPPEMENT DU MALI	Banque	32,38%	32,38%	M E E
EULER HERMES ACMAR	Assurance	20,00%	20,00%	M E E
EURAFRIC INFORMATION CONSEIL	Informatique	41,00%	41,00%	M E E
INGENIERIE ET DEVELOPPEMENT AFRICA MOROCCO LINKS	Bureau d'études	38,90%	38,90%	M E E
AFRICA MOROCCO LINKS	Transport Maritime	51,00%	51,00%	M E E
BANK AL KARAM	Banque Participative	56,40%	56,40%	M E E

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.

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 parties

7.3.1. Balance sheet items regarding transactions with related parties

	Companies consolidated using the equity method	Fully consolidated companies
Assets		
Loans, advances and securities	128 728	12 992 740
Current accounts	119 306	1 678 771
Loans	9 422	10 290 383
Securities		1 023 586
Finance leases		
Miscellaneous assets		25 308
Total	128 728	13 018 048
Liabilities		
Deposits	2 273	11 968 185
Current accounts	2 273	1 402 382
Other borrowings		10 565 803
Debt securities		1 023 586
Miscellaneous liabilities		26 277
Total	2 273	13 018 048
Financing and guarantee commitments		
Commitments given		914 298
Commitments received		914 298

7.3.2. Income statement items regarding transactions with related parties

	Companies consolidated using the equity method	Fully consolidated companies
Interest and similar income	-180	-222 574
Interest and similar expenses		253 260
Fees (income)		-139 774
Fees (expenses)		36 868
Services provided		
Services procured		
Lease income	-3 595	-107 662
Others		179 888

BANK OF AFRICA S.A
STATUTORY AUDITORS' LIMITED REVIEW CERTIFICATE
REGARDING THE INTERIM PARENT FINANCIAL STATEMENTS
AT 30 JUNE 2023

Consistent with the requirements of Dahir promulgating Act No. 1-93-212 of 21 September 1993, as amended and completed, we have conducted a limited review of BANK OF AFRICA S.A's interim financial statements, 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 2023 to 30 June 2023. These interim financial statements, which show shareholders' equity and equivalent of MAD 33,416,136 K, including net income of MAD 1,200,659 K, are the responsibility of the company's management bodies.

We conducted our assignment in accordance with the professional standards applicable in Morocco regarding limited reviews. These standards require that the limited review is planned and conducted 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 possesses a stock of non-operating real estate assets, acquired by dation-in-payment, totalling MAD 5 billion at 30 June 2023. Consistent with the current regulatory requirements, there is uncertainty over the net realisable value of MAD 1 billion of these assets.

Based on our limited review and, except for the possible impact from the matter described above, we have not identified any aspects which lead us to believe that the attached interim financial statements do not give a true and fair view of the operational income and the financial position and assets of BANK OF AFRICA S.A at 30 June 2023, in accordance with Moroccan generally accepted accounting standards.

Casablanca, 22 September 2023

The Statutory Auditors

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Amine BAAKILI
Associé

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	30/06/23	31/12/22
Cash and balances at central banks, the Public treasury and postal cheque centre	4 782 577	5 872 022
Loans and advances to credit and similar institutions	29 876 778	26 718 136
Sight	9 055 093	5 579 695
Fixed-term	20 821 685	21 138 441
Loans and advances to customers	132 416 858	129 962 437
Cash and consumer loans and participatory financing arrangements	43 052 867	42 284 899
Equipment loans and participatory financing arrangements	24 818 709	21 174 518
Mortgage loans and participatory financing arrangements	40 881 527	41 291 221
Other loans and participatory financing arrangements	23 663 755	25 211 799
Factoring receivables	2 947 882	2 745 439
Trading and available-for-sale securities	51 568 788	44 009 829
Treasury bonds and similar assets	35 905 931	27 732 651
Other debt securities	628 460	188 547
Equity securities	15 014 323	16 068 557
Sukuk certificates	20 074	20 074
Other assets	9 138 474	8 073 212
Investment securities	14 313 368	12 644 762
Treasury bonds and similar assets	10 420 986	8 630 225
Other debt securities	3 892 382	4 014 537
Sukuk certificates	-	-
Investments in associates and similar assets	13 187 008	12 942 537
Investments in related companies	9 838 724	9 585 309
Other equity securities and similar assets	3 348 284	3 357 228
Mudarabah and Musharakah securities	-	-
Subordinated loans	191 787	199 866
Investment deposits given	-	-
Leased and rented assets	339 749	369 854
Ijara assets	-	-
Intangible assets	560 173	439 757
Property, plant and equipment	2 723 501	2 749 665
TOTAL ASSETS	262 046 943	246 727 516

(in thousand MAD)

LIABILITIES	30/06/23	31/12/22
Amounts due to central banks, the Public treasury and postal cheque centre	-	-
Amounts due to credit and similar institutions	63 156 942	41 534 120
Sight	11 423 037	4 094 472
Fixed-term	51 733 905	37 439 648
Customer deposits	150 660 468	155 887 985
Sight deposit accounts in credit	101 196 273	101 020 870
Savings accounts	27 502 834	27 127 818
Term deposits	18 193 414	23 421 263
Other accounts in credit	3 767 947	4 318 034
Amounts due to customers on participatory products	-	-
Debt securities issued	6 638 489	6 473 177
Negotiable debt securities	6 638 489	6 473 177
Bonds	-	-
Other debt securities issued	-	-
Other liabilities	6 507 625	7 513 296
Provisions, contingent liabilities	1 463 473	1 447 348
Statutory provisions	203 810	270 073
Subsidies, public funds and special guarantee funds	-	-
Subordinated debt	11 554 642	12 100 668
Investment deposits received	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	18 573 058	17 887 993
Share capital	2 087 698	2 087 698
Shareholders, unpaid share capital (-)	-	-
Retained earnings (+/-)	79	65
Net income to be appropriated (+/-)	-	-
Net income for the year (+/-)	1 200 659	1 525 093
TOTAL LIABILITIES	262 046 943	246 727 516

(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	30/06/23	30/06/22
OPERATING INCOME FROM BANKING OPERATIONS	7,591,843	6,781,402
Interest, remuneration and similar income from transactions with credit institutions	419,446	198,747
Interest, remuneration and similar income from transactions with customers	2,975,990	2,669,504
Interest and similar income from debt securities	689,064	328,135
Income from equity securities and Sukuk certificates	686,970	659,923
Income from Mudarabah and Musharakah securities	-	-
Income from lease-financed non-current assets	19,430	10,120
Income from Ijarah assets	-	-
Fee income	664,781	628,330
Other banking income	2,136,162	2,286,643
Transfer of expenses on investment deposits received	-	-
OPERATING EXPENSES ON BANKING OPERATIONS	3,638,782	2,972,262
Interest and expenses on transactions with credit and similar institutions	894,166	329,231
Interest and expenses on transactions with customers	588,362	422,878
Interest and similar expenses on debt securities issued	310,327	260,717
Expenses on Mudarabah and Musharakah securities	-	-
Expenses on lease-financed non-current assets	16,605	9,871
Expenses on Ijarah assets	-	-
Other banking expenses	1,829,322	1,949,565
Transfer of income on investment deposits received	-	1
NET BANKING INCOME	3,953,061	3,809,140
Non-banking operating income	32,305	53,365
Non-banking operating expenses	59,700	16,240
GENERAL OPERATING EXPENSES	1,776,750	1,781,665
Employee expenses	819,975	864,404
Taxes other than on income	55,405	49,536
External expenses	795,662	732,949
Other general operating expenses	4,065	4,000
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	101,643	130,776
PROVISIONS AND LOSSES ON IRRECOVERABLE LOANS	762,994	902,833
Provisions for non-performing loans and signature loans	671,287	648,915
Losses on irrecoverable loans	57,464	238,478
Other provisions	34,243	15,440
WRITE-BACKS AND AMOUNTS RECOVERED ON IMPAIRED LOANS	264,739	335,534
Write-backs for non-performing loans and signature loans	142,851	326,988
Amounts recovered on impaired loans	16,364	8,536
Other write-backs	105,524	10
INCOME FROM ORDINARY OPERATIONS	1,650,661	1,497,301
Non-recurring income	66,263	65,676
Non-recurring expenses	131,822	140,565
PRE-TAX INCOME	1,585,102	1,422,412
Corporate income tax	384,443	285,361
NET INCOME FOR THE YEAR	1,200,659	1,137,051

EARNINGS FORMATION TABLE	30/06/23	30/06/22
(+) Interest and similar income	4 084 500	3 196 386
(-) Interest and similar expenses	1 792 855	1 012 826
NET INTEREST INCOME	2 291 645	2 183 560
(+) Income from participatory finance arrangements	-	-
(-) Expenses on participatory finance arrangements	-	-
NET INCOME FROM PARTICIPATORY FINANCE ARRANGEMENTS	-	-
(+) Income from lease-financed non-current assets	19 430	10 119
(-) Expenses on lease-financed non-current assets	16 604	9 871
Net income from leasing and rental transactions	2 826	248
(+) Income from Ijarah assets	-	-
(-) Expenses on Ijarah assets	-	-
Net income from Ijara transactions (1)	-	-
(+) Fees received	918 152	810 052
(-) Fees paid	320 536	263 668
NET FEE INCOME (1)	597 616	546 384
(+) Income from trading securities transactions	-31 748	262 506
(+) Income from available-for-sale securities transactions	7 148	-16 037
(+) Income from foreign exchange transactions	313 740	272 764
(+) Income from derivatives transactions	240 183	45 510
INCOME FROM MARKET TRANSACTIONS (1)	529 323	564 743
(+/-) Income from Mudarabah and Musharakah securities transactions	-	-
(+) Other banking income	687 003	659 973
(-) Other banking expenses	155 353	145 769
(+/-) SHARE OF INCOME FROM INVESTMENT ACCOUNT HOLDERS' DEPOSITS	-	-
NET BANKING INCOME	3 953 060	3 809 139
(+) Income from long-term investments (2)	-555	7 168
(+) Other non-banking operating income	31 635	44 202
(-) Other non-banking operating expenses	5 661	14 245
(-) General operating expenses	1 776 750	1 781 664
GROSS OPERATING INCOME	2 201 729	2 064 600
(+) Net provisions for non-performing loans and signature loans	-569 535	-551 869
(+) Other net provisions	18 467	-15 430
INCOME FROM ORDINARY OPERATIONS	1 650 661	1 497 301
NON-RECURRING INCOME	-65 559	-74 889
(-) Corporate income tax	384 443	285 361
NET INCOME FOR THE YEAR	1 200 659	1 137 051

(in thousand MAD)

EARNINGS FORMATION TABLE	30/06/23	30/06/22
(+) NET INCOME FOR THE YEAR	1 200 659	1 137 051
(+) Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	101 642	130 776
(+) Provisions for impairment of long-term investments	-	-
(+) General provisions	255	6 897
(+) Statutory provisions	-	-
(+) Extraordinary provisions	-	5 353
(-) Write-backs	119 077	65 676
(-) Capital gains on disposal of intangible assets and property, plant and equipment	12 109	132
(+) Losses on disposals of intangible and tangible fixed assets	-	10
(-) Capital gains on disposal of long-term investments	670	9 163
(+) Losses on disposal of long-term investments	54 039	1 996
(-) Write-backs of investment subsidies received	-	-
(+) TOTAL CASH EARNINGS	1 224 739	1 207 112
(-) Distributed earnings	835 079	822 427
(+) NET CASH EARNINGS	389 660	384 685

(in thousand MAD)

STATEMENT OF CASH FLOW	30/06/23	31/12/22
(+) Operating income from banking operations	6 906 776	11 255 316
(+) Amounts recovered on impaired loans	16 364	17 665
(+) Non-banking operating income	19 048	52 484
(-) Operating expenses on banking operations	4 266 486	7 201 958
(-) Non-banking operating expenses	59 700	31 896
(-) General operating expenses	1 675 107	3 468 715
(-) Corporate income tax	384 443	406 902
I. Net cash flows from income statement	556 452	215 994
Change in:		
(+) Loans and advances to credit and similar institutions	-3 158 642	-6 550 777
(+) Loans and advances to customers	-2 656 864	-2 908 077
(+) Trading and available-for-sale securities	-7 558 959	-6 322 235
(+) Other assets	-963 204	-456 303
(-) Mudarabah and Musharakah securities	-	-
(+) Lease-financed non-current assets	30 105	-202 121
(+) Ijara assets	-	-
(+) Investment deposits deposited with credit and similar institutions	-	-
(+) Amounts due to credit and similar institutions	21 622 822	952 929
(+) Customer deposits	-5 227 517	14 333 779
(+) Amounts due to customers on participatory financing arrangements	-	-
(+) Debt securities issued	165 312	-1 644 286
(+) Other liabilities	-1 782 716	3 353 031
II. Balance of changes in operating assets and liabilities	470 337	555 940
III. NET CASH FLOWS FROM OPERATING ACTIVITIES (I + II)	1 026 789	771 933
(+) Income from the disposal of long-term investments (1) (4)	443 313	271 989
(+) Income from the disposal of intangible assets and property, plant and equipment (4)	25 226	800 989
(-) Acquisition of long-term investments (1)	794 916	3 743 482
(-) Acquisition of intangible assets and property, plant and equipment	333 326	658 837
(+) Interest received	45 301	108 119
(+) Dividends received	52 325	595 287
IV. NET CASH FLOWS FROM INVESTING ACTIVITIES	-562 077	-2 625 935
(+) Subsidies, public funds and special guarantee funds received	-	-
(+) Subordinated debt issuance	500 000	1 500 000
(+) Investment deposits received	-	-
(+) Equity issuance	-	-
(-) Repayment of shareholders' equity and similar	1 000 000	-
(-) Investment deposits repaid (2)	-	-
(-) Interest paid	219 078	275 141
(-) Remuneration paid on investment deposits (3) (4)	-	-
(-) Dividends paid	835 079	822 427
V. NET CASH FLOWS FROM FINANCING ACTIVITIES	-1 554 157	402 433
VI. NET CHANGE IN CASH AND CASH EQUIVALENTS (III + IV + V)	-1 089 445	-1 451 569
VII. CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5 872 022	7 323 591
VIII. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4 782 577	5 872 022

(En milliers de dirhams)

(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 30/06/2023	TOTAL 31/12/2022
Current accounts in debit	2 261 984	96 437	773 132	7 736 524	10 868 077	9 141 232
Repurchase agreements	-	123 619	-	-	123 619	127 524
Overnight	-	-	-	-	-	-
Fixed-term	-	123 619	-	-	123 619	127 524
Cash loans	-	3 627 759	1 812 968	1 221 184	6 661 911	7 515 280
Overnight	-	-	414 196	-	414 196	300 000
Fixed-term	-	3 627 759	1 398 772	1 221 184	6 247 715	7 215 280
Financial loans	-	5 294 186	8 266 956	355 673	13 916 815	13 329 452
Other loans and advances	-	498 322	-	-	498 322	458 766
Accrued interest receivable	-	70 019	-	-	70 019	54 854
Non-performing loans	-	-	-	-	-	-
TOTAL	2 261 984	9 710 341	10 853 056	9 313 381	32 138 762	30 627 108

(in thousand MAD)

LOANS AND ADVANCES TO CUSTOMERS

Claims	Public Sector	Private Sector			TOTAL 30/06/2023	TOTAL 31/12/2022
		Financial companies	Non-financial companies	Other customers		
Cash loans	1 426 113	1 457 266	29 670 591	2 155 442	34 709 412	34 117 414
Sight deposit accounts in debit	172 125	1 457 266	12 332 160	1 685 510	15 647 061	14 504 668
Commercial loans within Morocco	74 809	-	4 089 704	3 477	4 167 990	4 012 957
Export loans	-	-	464 082	301 357	765 439	712 262
Other cash loans	1 179 179	-	12 784 645	165 098	14 128 922	14 887 526
Consumer loans	-	-	28 800	7 989 392	8 018 192	7 869 820
Equipment loans	6 250 575	3 510 809	13 746 842	993 362	24 501 588	20 898 159
Mortgage loans	451 613	-	8 285 585	32 070 269	40 807 467	41 210 452
Other cash loans	1 600 000	16 034 051	844 985	153 232	18 632 268	20 237 648
Factoring receivables	2 700 687	-	247 196	-	2 947 883	2 745 439
Accrued interest receivable	77 995	41 708	450 072	151 180	720 955	659 443
Non-performing loans	948	-	2 867 134	2 158 892	5 026 974	4 969 501
Sub-standard loans	-	-	1 269	476 161	477 430	579 272
Doubtful loans	-	-	623 255	405 479	1 028 735	1 381 350
Impaired loans	948	-	2 242 609	1 277 252	3 520 809	3 008 879
TOTAL	12 507 931	21 043 834	56 141 206	45 671 769	135 364 740	132 707 876

(En milliers de dirhams)

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

	"Credit Institutions and Equivalent"	Public Issuers	PRIVATE ISSUERS		Total 30/06/2023	TOTAL 31/12/2022
			Financial companies	Non-financial companies		
Listed securities	-	5 723 721	-	1 451 931	7 175 652	5 949 968
Treasury bonds and similar assets	-	5 086 291	-	-	5 086 291	3 731 976
Bonds	-	637 431	-	1 451 931	2 089 361	2 217 991
Other debt securities	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Sukuk certificates	-	-	-	-	-	-
Unlisted securities	148 865	41 948 009	14 107 828	2 501 804	58 706 505	50 704 624
Treasury bonds and similar assets	-	41 092 874	-	-	41 092 874	32 314 627
Bonds	-	707 382	907 587	309 279	1 924 247	1 755 770
Other debt securities	148 865	-	-	222 505	371 370	125 576
Equity securities	-	-	12 929 055	1 814 083	14 743 138	15 997 624
Sukuk certificates	-	-	-	20 074	20 074	20 073
Accrued interest	-	147 753	271 186	135 863	554 802	490 954
TOTAL	148 865	47 671 730	14 107 828	3 953 734	65 882 156	56 654 592

(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	49 075 609	49 075 609	-	-	-	-
Treasury bonds and similar assets	33 745 753	33 745 753	-	-	-	-
Bonds	257 089	257 089	-	-	-	-
Other debt securities	94 560	94 560	-	-	-	-
Equity securities	14 958 133	14 958 133	-	-	-	-
Sukuk certificates	20 074	20 074	-	-	-	-
Available-for-sale securities	2 501 580	2 493 179	2 493 179	-	-	8 401
Treasury bonds and similar assets	2 168 447	2 160 178	2 160 178	-	-	8 269
Bonds	-	-	-	-	-	-
Other debt securities	276 810	276 810	276 810	-	-	-
Equity securities	56 323	56 191	56 191	-	-	132
Investment securities	14 313 368	14 313 368	12 199 196	187 382	2 301 554	-
Treasury bonds and similar assets	10 420 986	10 420 986	10 240 296	-	180 690	-
Bonds	3 892 382	3 892 382	1 958 900	187 382	2 120 864	-
Other debt securities	-	-	-	-	-	-
TOTAL	65 890 558	65 882 156	14 692 375	187 382	2 301 554	8 401

(in thousand MAD)

DETAILS OF OTHER ASSETS	30/06/232	31/12/22
Options purchased	-23 004	-29 347
Miscellaneous securities transactions	214 963	113 154
Miscellaneous accounts receivable	1 715 794	1 542 557
Amounts due from government	1 531 478	1 352 634
Amounts due from pensions and life insurance providers	-	-
Miscellaneous amounts due from employees	145 263	138 682
Amounts due from customers for non-banking services	-	-
Other miscellaneous accounts receivable	39 053	51 241
Other miscellaneous assets	3 228 851	3 231 775
Accrual accounts	4 001 869	3 215 072
Adjustment accounts for off-balance sheet transactions	343 127	242 683
Equivalence off-balance sheet foreign exchange position account	343 127	242 683
Equivalence off-balance sheet derivative instrument position account	-	-
Equivalence off-balance sheet securities position account	-	-
Foreign currency and securities exchange differences accounts	283	419
Derivative hedging instruments	-	-
Expenses deferred over a number of years	82 721	90 390
Liaison accounts between head office, branch offices and branches in Morocco	158 131	253 280
Accrued income and prepaid expenses	1 548 326	898 920
Accrued income	1 066 383	461 431
Prepaid expenses	481 943	437 489
Clearing account for accounts receivable	1 869 282	1 729 380
Other accrual accounts	-	-
Non performing loans on miscellaneous transactions	-	-
TOTAL	9 138 474	8 073 211

(in thousand MAD)

EQUITY INVESTMENTS AT 30/06/2023

(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	1746	246 248
INVESTMENTS IN RELATED COMPANIES							
BOA Group	Foreign credit institution	435 192	93 154 535 €	72,41	2 929 286	-	2 929 286
BMCE INTERNATIONAL HOLDING (BANK OF AFRICA UK)	Foreign credit institution	13 311 209	2 773 168 600	48,00	1 331 121	-	1 331 121
O TOWER	Development company	102 173 261	102 173 261 €	100,00	1 280 844	-	1 280 844
BANK OF AFRICA EUROPE	Foreign credit institution	666 149	40 635 089	100,00	865 392	-	865 392
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	3 240 000	520 000 000	54,62	284 000	-	284 000
BANK AL-TAMWEEEL WA AL-INMA - BTI	Participatory banking	2 346 000	460 000 000	51,00	234 600	30 000	204 600
BOA UGANDA	Foreign credit institution	71 116 055	150 000 000 000 UGX	47,41	142 148	-	142 148
BANQUE DE DEVELOPPEMENT DU MALI	Foreign credit institution	121 726	50 000 268 220 FCFA	32,38	136 440	-	136 440
SOCIETE D'AMENAGEMENT TANGER TECH - SA-TT	Development company	1 249 996	500 000 000	25,00	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	108 199	-	108 199
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	40 760	-	40 760
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	600 000	600 000 EURO	100,00	6 490	6 490	-
STE FINANCIERE Italie	Financial institution	250 000	25 000 000	100,00	6 443	-	6 443
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	100	10 000	100,00	10	-	10
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	1 000	100 000	100,00	0	-	0
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					9 997 030	160 019	9 837 011
PROPARCO	International credit institution	1 263 425	1 008 104 000 EUR	2,05	173 560	-	173 560
E.S.F.G.	Foreign credit institution	923 105	207 075 338 EUR	0,45	172 477	172 477	-
E.S.I	Foreign credit institution	467 250	500 400 000 EUR	0,93	148 474	148 474	-
UBAE ARAB ITALIAN BANK	Foreign credit institution	63 032	261 185 870 EUR	2,65	71 658	18 590	53 068
AMETHIS FINANCE Luxembourg	Private equity	6 000	150 000 000 USD	4,00	59 279	-	59 279
AMETHIS II	Private equity	3 404	270 648 000 EUR	1,33	37 886	-	37 886
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	2 564	122 302 000 EUR	2,10	27 725	-	27 725
MAROC NUMERIC FUND	Investment fund	156 862	80 000 000	19,61	13 725	-	13 725
MAROC NUMERIC FUND II	Investment fund	63 785	25 514 000	20,00	12 000	6 897	5 103
FONDS D'INVESTISSEMENT DE L'ORIENTAL	Investment fund	114 623	180 000 000	6,37	10 857	-	10 857
SEAF MOROCCO GROWTH FUND	Investment fund	107 500	150 000 000	7,17	10 750	5 395	5 355
INMAA SA	Services	53 333	20 000 000	26,67	5 333	2 323	3 010

AFREXIM BANK (African Import Export)	Foreign credit institution	96 279	226 000 000	4,26	4 185	-	4 185
FONDS MONETAIRE ARABE (ARAB TRADE FINANCING PROGRAM)	Financial institution	30	849 504 000 USD	0,020	3 047	-	3 047
AZUR FUND	Investment fund	50	986 635 000 USD	0,03	2 964	-	2 964
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					785 602	354 156	431 446
CFG GROUP	Investment banking	285 065	591 068 300	4,98	103 997	-	103 997
Mutandis SCA	Investment fund	832 458	924 673 700	9	96 807	-	96 807
Mutandis AUTOMOBILE SCA	Car dealership	846 892	630 000 000	13,44	91 359	74 238	17 122
ROYAL RANCHES MARRAKECH	Real estate development and tourism	106 667	800 000 000	13,33	60 000	-	60 000
SOGEPOS	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	-
PORNET	Manufacturing	5 000	20 000 000	2,50	500	500	-
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
	Tourism	10	1 432 694 700	0,00010	2	-	2
516-9 OTHER INVESTMENTS					368 956	80 131	288 825
BAB CONSORTIUM					792 144	-	792 144
RYAD ENNOUR					501 301	-	501 301
O TOWER					343 570	-	343 570
FARACHA IMMO					306 733	-	306 733
KRAKER IMMO					117 532	-	117 532
SAISS IMMO NEJMA					116 413	-	116 413
SUX HILL SECONDO					51 736	-	51 736
AKENZA IMMO					47 157	-	47 157
JASPE IMMO					37 902	-	37 902
SUX HILL PRIMERO					26 262	-	26 262
SUX HILL TERCIO					17 784	-	17 784
GOLEMPRIME IMMO					10 867	-	10 867
MOHIT IMMO					5 749	-	5 749
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					76	-	76
MONET IMMO					42	-	42
SALAM PRIMERO					42	-	42
DENIM PRIMERO 1					42	-	42
ERRAHA NAKHIL					42	-	42
VILLASBUGAN IMMO					42	-	42
BERLY IMMO					42	-	42
MAADEN SECONDO					42	-	42
514 Autres emplois assimilés					2 385 531	2 052	2 383 479
Total Général					13 785 112	598 104	13 187 009

SUBORDINATED DEBTS

	Amount			Included linked and related Companies	
	30/06/23		31/12/22	30/06/23	31/12/22
	Gross	Provisions	Net	Net	Net
Subordinated loans to credit and similar institutions	191 787		191 787	199 866	191 787
Subordinated loans to customers			-		
TOTAL			191 787		

(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	Reallo- cation	Gross Amount year ended	Depreciation		Provisions			Net Amount year ended
						Depre- ciation	Total Depre- ciations	Provi- sions	Write- backs	Total Provi- sions	
Leased and rented assets with purchase option	453 409	1 060	1 060	-2 820	450 590	16 604	111 017	-	-	-	339 749
Leased intangible assets	6 696	-	-	-205	6 490	-	3 213	-	-	-	3 278
Leasing of movable assets	289 537	-	-	-182	289 355	12 220	78 507	-	-	-	210 848
Movable assets under lease	-	-	-	-	-	-	-	-	-	-	-
Leased movable assets	289 537	-	-	-182	289 355	12 220	78 507	-	-	-	210 848
Unleased movable assets after cancellation	-	-	-	-	-	-	-	-	-	-	-
Leasing of immovable assets	156 117	-	-	-2 433	153 684	4 385	29 297	-	-	-	124 388
Immovable assets under lease	-	-	-	-	-	-	-	-	-	-	-
Leased immovable assets	156 117	-	-	-2 433	153 684	4 385	29 297	-	-	-	124 388
Unleased immovable assets after cancellation	-	-	-	-	-	-	-	-	-	-	-
Rent pending receipt	1 060	1 060	1 060	-	1 060	-	-	-	-	-	1 060
Restructured rents	-	-	-	-	-	-	-	-	-	-	-
Rent arrears	-	176	-	-	176	-	-	-	-	-	176
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	453 409	1 060	1 060	-2 820	450 590	16 604	111 017	-	-	-	339 749

(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	952 809	-425	252 391	115 101	1 089 675	513 052	-360	16 810	-	529 502	560 173
Lease rights	96 460	-32	-	250	96 178	-	-	-	-	-	96 178
Research and development	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets used in operations	856 349	-393	252 391	114 851	993 497	513 052	-360	16 810	-	529 502	463 995
Intangible assets not used in operations	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment used in operations	7 122 483	-400	80 935	34 192	7 168 825	4 372 817	-375	84 833	11 951	4 445 324	2 723 501
Buildings used in operations	2 273 697	-	17 574	57	2 291 214	358 348	-	14 496	40	372 804	1 918 410
Land used in operations	229 878	-	3 522	-	233 399	-	-	-	-	-	233 399
Buildings used in operations - Offices	2 043 819	-	14 052	57	2 057 815	358 348	-	14 496	40	372 804	1 685 011
Buildings used in operations - Staff accommodation	-	-	-	-	-	-	-	-	-	-	-
Movable property and equipment used in operations	2 132 006	-223	39 358	12 598	2 158 543	1 852 765	-201	29 643	3 212	1 878 995	279 548
Office furniture used in operations	575 404	-112	25 347	12 573	588 065	435 500	-140	6 381	3 200	438 541	149 524
Office equipment used in operations	230 676	-32	426	-	231 071	219 219	-31	2 197	-	221 385	9 686
IT equipment	1 138 756	-79	12 947	-	1 151 624	1 030 648	-30	17 541	-	1 048 159	103 465
Vehicles used in operations	79 472	-	11	25	79 458	69 901	-	2 509	12	72 398	7 060
Other equipment used in operations	107 698	-	627	-	108 325	97 497	-	1 015	-	98 512	9 813
Other property, plant and equipment used in operations	2 159 775	-177	20 883	-	2 180 481	1 880 535	-174	31 346	-	1 911 707	268 774
Property, plant and equipment not used in operations	557 005	-	3 120	21 537	538 587	281 169	-	9 348	8 699	281 818	256 769
Land not used in operations	71 129	-	-	3 930	67 199	-	-	-	-	-	67 199
Buildings not used in operations	325 501	-	-	16 761	308 740	151 488	-	6 558	7 853	150 193	158 547
Movable property and equipment not used in operations	69 968	-	651	846	69 773	57 943	-	1 128	846	58 225	11 548
Other property, plant and equipment not used in operations	90 407	-	2 469	-	92 875	71 738	-	1 662	-	73 400	19 475
TOTAL	8 075 292	-825	333 326	149 293	8 258 500	4 885 869	-735	101 643	11 951	4 974 826	3 283 674

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
02/01/2023	MATERIEL ROULANT	6	5	1	3	3	-
02/01/2023	MATERIEL ROULANT	4	3	1	5	4	-
02/01/2023	MATERIEL ROULANT	5	2	3	4	1	-
02/01/2023	MATERIEL ROULANT	5	1	3	5	1	-
02/01/2023	MATERIEL ROULANT	5	1	5	5	-	-
02/01/2023	MOBILIER HORS EXPLOITATION	260	260	-	26	26	-
02/01/2023	MOBILIER HORS EXPLOITATION	586	586	-	59	59	-
02/01/2023	LOCAL COMMERCIAL	307	40	267	2 500	2 233	-
02/01/2023	MOBILIER DE BUREAU	3 200	3 200	-	320	320	-
16/02/2023	IMMEUBLE HORS EXPLOITATION	3 481	858	2 624	3 400	776	-
16/02/2023	IMMEUBLE HORS EXPLOITATION	4 282	1 055	3 227	4 250	1 022	-
27/02/2023	IMMEUBLE HORS EXPLOITATION	4 939	1 223	3 716	4 250	534	-
04/04/2023	IMMEUBLE HORS EXPLOITATION	4 543	3 843	700	7 000	6 300	-
26/04/2023	IMMEUBLE HORS EXPLOITATION	3 445	875	2 570	3 400	830	-
TOTAL		25 068	11 952	13 116	25 226	12 109	-

(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 30/06/2023	Total 31 / 12 / 2022
Current accounts in credit	-	94 478	537 348	4 968 510	5 600 336	2 870 614
Repurchase agreements	29 272 160	6 890 027	365 077	4 184 035	40 711 299	27 368 907
Overnight	-	2 781 425	-	-	2 781 425	144 902
Fixed-term	29 272 160	4 108 602	365 077	4 184 035	37 929 874	27 224 005
Cash borrowings	5 060 000	6 324 333	1 089 045	3 102 871	15 576 249	9 650 856
Overnight	1 400 000	552 230	1 089 045	-	3 041 275	1 078 955
Fixed-term	3 660 000	5 772 103	-	3 102 871	12 534 974	8 571 901
Financial borrowings	-	15 759	23 486	1 027 173	1 066 418	1 420 723
Other debts	82 050	-	398	-	82 448	148 835
Accrued interest payable	74 512	25 760	9 489	10 431	120 192	74 186
TOTAL	34 488 722	13 350 358	2 024 843	13 293 020	63 156 942	41 534 120

(in thousand MAD)

CUSTOMER DEPOSITS

DEPOSITS	Public sector	Private sector			Total 30/06/2023	Total 31/12/2022
		Financial companies	Non financial companies	Other companies		
Sight deposit accounts in credit	4 585 291	2 764 966	21 958 718	71 874 369	101 183 344	101 005 394
Saving accounts	-	-	-	27 434 763	27 434 763	27 072 118
Fixed-term deposits	388 717	4 677 000	1 521 008	11 442 406	18 029 131	23 233 938
Other accounts in credit	278 422	249 727	2 066 226	1 173 572	3 767 947	4 318 034
Accrued interest payable	22 449	46 566	27 820	148 448	245 283	258 501
TOTAL	5 274 879	7 738 259	25 573 772	112 073 558	150 660 468	155 887 985

(in thousand MAD)

DEBT SECURITIES ISSUED AT 30 JUNE 2023

Issue	Issue date	Maturity	Interest rate	Volume
CD BOA	26/04/2021	26/04/2024	2,13%	1 050 000,00
CD BOA	06/05/2021	06/05/2024	2,13%	420 000,00
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	18/01/2023	19/07/2023	3,55%	140 000,00
CD BOA	07/03/2023	05/09/2023	3,35%	230 000,00
CD BOA	07/03/2023	05/03/2024	3,66%	650 000,00
CD BOA	19/04/2023	17/04/2024	3,79%	855 000,00
CD BOA	17/04/2023	15/04/2024	3,79%	1 195 000,00
CD BOA	17/04/2023	16/10/2023	3,38%	60 000,00
CD BOA	17/04/2023	17/07/2023	3,20%	935 000,00
			TOTAL	6 581 300

DETAILS OF OTHER LIABILITIES

	30/06/23	31/12/22
Options sold	-32 874	-26 653
Miscellaneous securities transactions	84 341	2 881 203
Miscellaneous accounts payable	2 880 296	1 736 268
Amounts due to government	1 675 884	1 407 887
Amounts due to pensions and life insurance providers	86 623	56 031
Miscellaneous amounts due to employees	222 880	211 216
Miscellaneous amounts due to shareholders and associates	835 124	44
Amounts due to providers of goods and services	-119 839	-69 534
Other miscellaneous accounts payable	179 624	130 625
Accrual accounts	3 575 862	2 922 478
Adjustment accounts for off-balance sheet transactions	176 075	216 467
Foreign currency and securities exchange differences accounts	-	-
Derivative hedging instruments	-	-
Liaison accounts between head office, branch offices and branches in Morocco	231 478	289 847
Accrued expenses and deferred income	668 002	530 575
Other accrual accounts	2 500 308	1 885 588
TOTAL	6 507 625	7 513 296

(in thousand MAD)

PROVISIONS	Outstandings 31/12/22	Additional provisions	Write-backs	Other changes	Outstandings 30/06/23
Provisions, deducted from assets, on :	8 140 858	685 078	201 808	10 716	8 612 567
Loans to credit institutions and equivalent	-	-	-	-	-
Loans and advances to customers	7 468 983	636 614	142 851	-423	7 962 323
Doubtful interest	3 676	40 062	-	-	43 739
Marketable securities	5 251	8 402	5 046	205	8 401
Equity investments and equivalent assets	662 948	-	53 910	10 934	598 104
Leased and rented fixed assets	-	-	-	-	-
Other assets	-	-	-	-	-
Provisions Recorded under liabilities	1 717 421	68 916	118 973	-81	1 667 283
Provisions for risks of fulfilment of commitments	26 811	34 672	-	-	61 483
Contingent liabilities	-	-	-	-	-
Provisions for general risks	1 260 477	255	-	-	1 260 732
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Other contingent liabilities (E.C)	160 060	33 989	52 710	-81	141 257
Regulated provisions	270 073	-	66 263	-	203 810
TOTAL	9 858 279	753 994	320 780	10 635	10 279 850

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%	Perpétuel		150 000
DH	850 000	1	4,30%	Perpétuel		850 000
DH	950 000	1	5,34%	Perpétuel		950 000
DH	50 000	1	6,30%	Perpétuel		50 000
DH	200 000	1	7,05%	Perpétuel		200 000
DH	800 000	1	6,66%	Perpétuel		800 000
DH	910 000	1	4,58%	Perpétuel		910 000
DH	90 000	1	4,63%	Perpétuel		90 000
DH	500 000	1	5,09%	Perpétuel		500 000
DH	500 000	1	5,54%	Perpétuel		500 000
DH	154 500	1	5,64%	10 ANS		154 500
DH	845 500	1	3,27%	10 ANS		845 500
DH	626 000	1	4,74%	10 ANS		626 000
DH	1 374 000	1	4,47%	10 ANS		1 374 000
DH	447 200	1	3,74%	10 ANS		447 200
DH	78 900	1	3,74%	10 ANS		78 900
DH	1 473 900	1	4,24%	10 ANS		1 473 900
DH	400 000	1	3,74%	10 ANS		400 000
DH	1 000 000	1	2,57%	10 ANS		1 000 000
						11.400.000

SHAREHOLDER'S EQUITY	Encours 31/12/22	Affectation du résultat	Autres variations	Encours 30/06/23
REVALUATION RESERVE	-	-	-	-
Additional paid-in capital	17 887 993	690 000	-	18 573 058
Legal reserve	460 306	-	-	460 306
Other reserves	7 724 716	690 000	-4 934	8 409 782
Issuance, merger and contribution premiums	9 702 970	-	-	9 702 970
Capital	2 087 698	-	-	2 087 698
Called-up capital	2 087 698	-	-	2 087 698
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	-	-	-	-
Shareholders. Unpaid-up capital	-	-	-	-
Retained earnings (+/-)	65	14	-	79
Net earnings being appropriated (+/-)	-	-	-	-
Net earnings for fiscal year(+/-)	1 525 093	-1 525 093	-	1 200 659
TOTAL	21 500 849	835 079	-	21 861 495

(In thousand MAD)

FINANCING AND GUARANTEE COMMITMENTS	30/06/23	31/12/22
Financing and guarantee commitments given	27 023 363	25 668 611
Financing commitments given to credit and similar institutions	90 650	200 370
Import documentary credits	-	-
Payment undertakings and acceptances	-	-
Confirmed credit line openings	90 650	200 370
Substitution commitments on securities issuance	-	-
Irrevocable leasing commitments	-	-
Other financing commitments given	-	-
Financing commitments given to customers	8 958 798	8 921 779
Import documentary credits	3 817 593	3 694 350
Payment undertakings and acceptances	1 039 548	1 432 161
Confirmed credit line openings	2 337 907	2 909 233
Substitution commitments on securities issuance	-	-
Irrevocable leasing commitments	-	-
Other financing commitments given	1 763 750	886 035
Guarantee commitments given to credit and similar institutions	6 245 824	5 370 037
Confirmed export documentary credits	429 125	431 554
Payment undertakings and acceptances	9 065	74 323
Loan guarantees given	-	-
Other sureties, pledges and guarantees given	843 696	501 682
Non-performing commitments	4 963 938	4 362 477
Guarantee commitments given to customers	11 728 092	11 176 425
Loan guarantees given	-	-
Sureties and guarantees given to government bodies	7 416 319	7 255 691
Other sureties and guarantees given	4 311 773	3 920 734
Non-performing commitments	-	-
Financing and guarantee commitments received	22 239 273	23 304 312
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	18 733 536	19 518 360
Loan guarantees	8 981 578	9 303 915
Other guarantees received	9 751 958	10 214 444
Guarantee commitments received from government and other guarantee institutions	3 505 737	3 785 953
Loan guarantees	3 505 737	3 785 953
Other guarantees received	-	-

(In thousand MAD)

SECURITIES COMMITMENTS	AMOUNT
Given commitments	9 151 326
Securities acquired under a repurchase agreement	-
Other securities to be delivered	9 151 326
Received commitments	-
Securities sold under a repurchase agreement	-
Other securities to be received	-

(In thousand MAD)

FORWARD FOREIGN EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVES PRODUCTS	Holding transaction		Other transaction	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Forward foreign exchange transactions	32 584 596	44 002 596	-	-
Foreign currencies to be received	5 461 114	11 398 738	-	-
Dirhams to be delivered	1 239 655	3 646 291	-	-
Foreign currencies to be delivered	14 987 071	18 380 892	-	-
Dirhams to be received	10 896 756	10 576 675	-	-
Of which currency swaps	-	-	-	-
Commitments on derivatives products	3 696 278	2 831 586	-	-
Commitments on regulated interest rate markets	-	-	-	-
Commitments on OTC interest rate markets	3 408 015	2 272 035	-	-
Commitments on regulated foreign exchange markets	-	-	-	-
Commitments on OTC foreign exchange markets	25 824	6 757	-	-
Commitments on regulated markets for other instruments	336 015	97 669	-	-
Commitments on OTC markets for other instruments	-73 576	455 125	-	-

(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	13 998 838		
Other securities	7 048 970		
Mortgages	117 784 000		
Other forms of collateral	304 597 370		
TOTAL	443 429 177		

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	22 932 070		
Other securities	-		
Mortgages	-		
Other forms of collateral	776 934		
TOTAL	23 709 003		

(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	13 713 508	3 685 491	4 843 874	9 510 220	4 763 756	36 516 849
Loans and advances to customers	20 022 640	10 512 851	9 065 846	29 265 273	35 409 049	104 275 659
Leasing and similar	17 496 398	2 002 562	17 743 511	11 139 859	4 778 728	53 161 058
Debt securities	-	-	-	-	-	-
Subordinated loans	5 945	1 996	18 308	81 309	176 041	283 599
TOTAL	51 238 491	16 202 900	31 671 539	49 996 661	45 127 574	194 237 165
LIABILITIES						
Amounts due to credit and similar institutions	55 289 241	1 320 274	8 307 252	1 773 301	342 366	67 032 434
Amounts due to customers	6 749 735	3 714 337	7 054 527	510 236	1 303	18 030 138
Debt securities issued	1 075 000	230 000	4 555 100	721 200	-	6 581 300
Subordinated borrowings	-	-	-	5 000 000	5 900 000	10 900 000
TOTAL	63 113 976	5 264 611	19 916 879	8 004 737	6 243 669	102 543 872

(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
18	56 522 637	42 581 467	4 065 877	607 074

(In thousand MAD)

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET IN FOREIGN CURRENCY		AMOUNT
ASSETS		36 402 997
Cash and balances at central banks, the Public treasury and postal cheque centre		135 837
Loans and advances to credit and similar institutions		13 990 083
Loans and advances to customers		9 493 478
Trading securities, available-for-sale securities and investment securities		6 641 541
Other assets		152 299
Investments in associates and similar assets		5 718 474
Subordinated loans		191 468
Leased and rented assets		77 775
Intangible assets and property, plant and equipment		2 043
LIABILITIES		22 128 004
Amounts due to central banks, the Public treasury and postal cheque centre		-
Amounts due to credit and similar institutions		15 592 428
Customer deposits		6 424 505
Debt securities issued		-
Other liabilities		111 071
Subsidies, public funds and special guarantee funds		-
Subordinated debt		-
OFF-BALANCE SHEET		11 789 014
Commitments given		7 562 782
Commitments received		4 226 232

(In thousand MAD)

NET INTEREST INCOME	30/06/2023	30/06/2022
Interest received	4 084 500	3 196 386
Interest and similar income from transactions with credit institutions	419 446	198 747
Interest and similar income from transactions with customers	2 975 990	2 669 504
Interest and similar income from debt securities	689 064	328 135
Interest paid	1 792 855	1 012 826
Interest and similar expenses from transactions with credit institutions	894 166	329 231
Interest and similar expenses from transactions with customers	588 362	422 878
Interest and similar expenses from debt securities	310 327	260 717

(In thousand MAD)

NON-PERFORMING CUSTOMER LOANS AT PARENT COMPANY LEVEL	30/06/23		31/12/22	
	Credit lines	Provisions for credit lines	Credit lines	Provisions for credit lines
Sub-standard loans	521 777	44 347	632 503	53 231
Doubtful loans	2 073 334	1 044 599	2 452 011	1 070 662
Impaired loans	10 437 925	6 917 116	9 353 969	6 345 090
TOTAL	13 033 036	8 006 062	12 438 483	7 468 982

(In thousand MAD)

INCOME FROM EQUITY SECURITIES	30/06/2023	30/06/2022
Investments in associates	8 219	8 219
Investments in related companies	639 100	596 751
Trading portfolio securities	403	6 452
Similar assets	39 248	48 501
TOTAL	686 970	659 923

(In thousand MAD)

FEES	30/06/2023	30/06/2022
Fees received	918 152	810 052
On transactions with credit institutions	-	-
On transactions with customers	224 625	223 276
On foreign exchange transactions	253 370	181 722
On primary market securities transactions	19 297	24 470
On derivatives products	-	-
On transactions in securities under management and custody	12 532	11 065
On means of payment	267 917	233 169
On other advisory and assistance services	-	-
On the sale of insurance products	24 774	28 692
On other services	115 636	107 658
Fees paid	320 536	263 668
On transactions with credit institutions	-	-
On transactions with customers	-	-
On foreign exchange transactions	112 133	96 595
On primary market securities transactions	-	-
On derivatives products	143	58
On transactions in securities under management and custody	142 966	101 660
On means of payment	65 294	65 355
On other advisory and assistance services	-	-
On the sale of insurance products	-	-
On other services	-	-

(in thousand MAD)

INCOME AND EXPENSES	30/06/2023	30/06/2022
Income	1 882 758	2 104 871
Gains on trading securities	544 373	740 479
Capital gains on disposal of available-for-sale securities	11 738	1 376
Impairment write-backs on available-for-sale securities	5 046	74 501
Gains on derivatives products	333 067	115 128
Gains on foreign exchange transactions	988 533	1 173 388
Expenses	1 353 434	1 540 128
Losses on trading securities	576 121	477 973
Capital losses on disposal of available-for-sale securities	1 234	5 882
Provisions for impairment of available-for-sale securities	8 402	86 031
Losses on derivatives products	92 884	69 618
Losses on foreign exchange transactions	674 793	900 623
NET INCOME FROM MARKET TRANSACTIONS	529 323	564 743

(in thousand MAD)

EXPENSES	30/06/2023	30/06/2022
Employee expenses	819 975	864 404
Taxes	55 405	49 536
External expenses	799 727	736 949
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	101 643	130 776

(in thousand MAD)

OTHER INCOME AND EXPENSES	30/06/2023	30/06/2022
Income and expenses		-
Other banking income and expenses	306 839	337 078
Other banking income	2 136 162	2 286 643
Other banking expenses	1 829 323	1 949 565
Non-banking operating income and expenses	-27 395	37 125
Non-banking operating income	32 305	53 365
Non-banking operating expenses	59 700	16 240
Other expenses		
Provisions and losses on irrecoverable loans	762 994	902 833
Other income		
Write-backs and amounts recovered on impaired loans	264 739	335 534

(in thousand MAD)

PASSAGE DU RÉSULTAT NET COMPTABLE AU RÉSULTAT NET FISCAL

I- Net income for accounting purposes	1 200 659
Bénéfice net	1 200 659
Perte nette	
II- Tax write-backs	462 877
1- Current	78 435
Non-deductible expenses	78 435
2- Non-current	384 442
Corporate income tax	384 442
III- Tax deductions	775 612
1- Current	
Dividends	656 639
2- Non-current	
WRITE-BACK / DEPRECIATION ET PROVISION	118 973
IV- RESULTAT BRUT FISCAL (A)	887 923
V - REPORTS DEFICITAIRES IMPUTES (B)	
VI- Net income for tax purposes	887 923
Impôts sur les sociétés	384 443

(in thousand MAD)

DÉTERMINATION DU RÉSULTAT COURANT APRÈS IMPOTS	AMOUNT
I- DETERMINING INCOME FROM ORDINARY ACTIVITIES	1 200 659
(+) Tax write-backs on ordinary activities	78 435
(-) Tax deductions on ordinary activities	656 639
(=) Theoretical taxable income from ordinary activities	622 454
(-) Theoretical tax on income from ordinary activities	234 976
(=) Income after tax from ordinary activities	965 682
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	88 790	313 382	313 597	88 575
B. Recoverable VAT	14 805	241 283	220 797	35 291
On expenses	14 287	215 937	194 896	35 328
On non-current assets	518	25 346	25 902	-38
C. VAT due or VAT credit (A-B)	73 985	72 099	92 800	53 284

(in thousand MAD)

DISTRIBUTION OF THE SHARE CAPITAL

Amount of the capital : 2 087 698 270 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	57 214 824	57 214 824	27,41	
O CAPITAL GROUP	Avenue Californie	14 955 000	14 955 000	7,16	
SOCIETE FINANCIERE DU CREDIT DU MAGHREB	67, avenue de l'Armée Royale 20000 - Casablanca	1 953 191	1 952 575	0,94	
CAISSE INTERPROFESSIONNELLE MAROCAINE DE RETRAITES	100, Boulevard Abdelmoumen-20340 - Casablanca	8 213 256	8 213 251	3,93	
CAISSE DE DEPOT ET DE GESTION	Place Moulay El Hassan - ex Piétri -BP 408 - Rabat	17 351 202	16 964 385	8,13	
Groupe MAMDA/MCMA (***)	Angle Avenue Mohammed VI et rue Houmane El Fatouaki - Rabat	10 469 117	10 469 117	5,01	
BANK OF AFRICA employees		2 231 883	2 231 883	1,07	
FREE-FLOAT		33 886 214	35 087 854	16,81	
TOTAL (1)				70,46	
B- FOREIGN SHAREHOLDERS (*)					
BANQUE FEDERATIVE DU CREDIT MUTUEL	4 rue Frédéric-Guillaume Raiffeisen, 67000 Strasbourg - France	51 268 825	51 268 825	24,56	
British International Investment (ex CDC Group PLC)	123, Victoria Street, Londres SW1E 6DE, Royaume-Uni	11 226 315	10 412 113	4,99	
TOTAL (2)		62 495 140	61 680 938	29,54	
TOTAL (1) + (2)		208 769 827	208 769 827	100	

(*) The reported shareholder breakdown is based on:

- Blocking certificates received by the mixed shareholder meeting of 20 June 2023

- Shareholder declarations if there is no blocking certificate

(**) including shares held by RMA's specialised mutual funds (2,975,095 shares)

(***) a breakdown of MAMDA/MCMA Group's shareholdings as declared by the shareholder

APPROPRIATION OF INCOME EARNED DURING THE YEAR

A- Origin of the earnings allocated	Amount	B- Income allocation	Amount
Decision of : 20 june 2023			
Retained earnings	65	To statutory reserves	-
Net income awaiting appropriation	-	To dividends	835 079
Net income for the year	1 525 093	Other allocations	690 079
Deduction from earnings	-		
Other deductions	-		
TOTAL A	1 525 158	TOTAL B	1 525 158

(in thousand MAD)

INCOME AND OTHER ITEMS FOR THE LAST THREE YEARS	30/06/2023	31/12/2022	31/12/2021
Shareholders' equity and similar	33 416 136	33 601 517	31 390 520
Transactions and income for the year	-	-	-
Net banking income	7 591 843	6 630 368	6 907 404
Pre-tax income	1 585 102	1 931 997	2 010 343
Corporate income tax	384 443	406 902	509 470
Dividend distribution	835 079	822 427	1 028 033
Undistributed income (allocated to reserves or awaiting appropriation)	690 079	678 465	-
Per share information (MAD)	-	-	-
Earnings per share	7	7	7
Dividend per share	4	4	5
Staff	-	-	-
Gross remuneration for the year	819 975	1 736 291	1 673 566
Average number of staff employed during the year	4 596	4 671	4 985

(in thousand MAD)

KEY DATES AND EVENTS AFTER THE REPORTING PERIOD

I. KEY DATES

Balance sheet date (1) 30/06/2023

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

	30/06/2023	31/12/2022
Salaried staff	4 596	4 671
Staff in employment	4 596	4 671
Equivalent full-time staff	4 596	4 671
Administrative and technical staff (full-time equivalent)	-	-
Banking staff (full-time equivalent)	-	-
Managerial staff (full-time equivalent)	4 523	4 614
Other staff (full-time equivalent)	73	57
Of which overseas staff	56	55

(In number)

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR CUSTODY	Number of accounts		Amounts	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Securities for which the institution is custodian	41 970	41 601	249 894 043	232 769 376
Securities managed under a discretionary mandate	-	-	-	-
Mutual fund securities for which the institution is custodian	92	92	113 526 400	106 634 093
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	30/06/2023	31/12/2022
Permanent counters	677	681
Occasional counters	-	-
Cash dispensers and ATMs	837	835
Overseas branches	31	27
Overseas representative offices	6	5
		(In number)

CUSTOMER ACCOUNTS	30/06/2023	31/12/2022
Current accounts	143 772	138 325
Checking accounts of Moroccans living abroad	184 054	185 682
Other checking accounts	1 321 600	1 301 673
Factoring accounts	-	-
Savings accounts	761 776	756 104
Fixed-term accounts	5 526	5 910
Certificates of deposit	162	174
Other deposit accounts	-	-
		(In number)

TANGIER OFFSHORE

ASSETS	30/06/2023	31/12/2022
Cash, central banks, treasury, giro accounts	1.725	1.944
Loans to credit institutions and equivalent	7.918.182	9.750.606
. Demand	1.051.562	1.188.991
. Time	6.866.620	8.561.615
Loans and advances to customers	5.501.694	5.326.539
. Cash and consumer loans	384.913	349.189
. Equipment loans	5.113.060	4.977.350
. Mortgage loans	-	-
. Other loans	3.721	-
Advances acquired by factoring	-	-
Transaction and marketable securities	2.054.925	807.312
. Treasury bonds and equivalent securities	2.023.834	659.765
. Other debt securities	-	-
. Title deeds	31.091	147.547
. Sukuks Certificates	-	-
Other assets	806.803	709.561
Investment securities	2.120.864	2.237.535
. Treasury bonds and equivalent securities	-	-
. Other debt securities	2.120.864	2.237.535
. 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	71.487	76.207
Ijara leased assets	-	-
Intangible fixed assets	1.642	1.566
Tangible fixed assets	56	36
TOTAL ASSETS	18.477.378	18.911.306

(In thousand MAD)

LIABILITIES	30/06/2023	31/12/2022
Central banks, treasury, giro accounts	-	-
Liabilities to credit institutions and equivalent	15.459.686	15.395.651
. Demand	898.024	932.000
. Time	14.561.662	14.463.651
Customer deposits	2.027.743	2.316.795
. Demand deposits	1.519.941	1.866.310
. Savings deposits	-	-
. Time deposits	481.307	420.996
. Other deposits	26.496	29.489
Customer borrowings and deposits on participatory products	-	-
Debt securities issued	-	-
. Negotiable debt securities	-	-
. Bond loans	-	-
. Other debt securities issued	-	-
Other liabilities	833.076	816.035
Provisions for liabilities and charges	2.964	3.045
Regulated provisions	-	-
Subsidies, assigned public funds and special guarantee funds	-	-
Subordinated debts	-	-
Received investment deposits	-	-
Revaluation reserve	-	-
Reserves and premiums related to capital	114.167	119.101
Capital	4.940	5.224
Shareholders unpaid-up capital (-)	-	-
Retained earnings (+/-)	-	-
Net earnings being appropriated (+/-)	-	-
Net earnings for the year (+/-)	34.802	255.455
TOTAL LIABILITIES	18.477.378	18.911.306

(In thousand MAD)

BALANCE SHEET	30/06/2023	31/12/2022
Given commitments	1.087.682	1.061.051
Financing commitments on behalf of credit institutions and equivalent	-	-
Financing commitments on behalf of customers	47	2.028
Guarantee commitments given to credit institutions and equivalent	1.020.536	990.976
Guarantee commitments given to customers	67.099	68.047
Securities repos purchased	-	-
Other securities to be delivered	-	-
Received commitments	4.211.888	5.073.993
Financing commitments received from credit institutions and equivalent	-	-
Guarantee commitments received from credit institutions and equivalent	2.192.134	2.722.298
Guarantee commitments received from the State and various guarantee bodies	2.019.754	2.351.695
Securities repos sold	-	-
Other securities to be received	-	-
Moucharaka and Moudaraba securities to be received	-	-

(In thousand MAD)

INCOME STATEMENT	30/06/2023	30/06/2022
BANK OPERATING INCOME	577.736	544.444
Interests and assimilated revenues on transactions with credit institutions	191.419	87.591
Interests and assimilated revenues on transactions with customers	97.564	81.986
Interests and assimilated revenues on debt securities	56.714	47.229
Revenue from property securities (1) and Sukuks certificates	185	3.354
Revenue from Moudaraba and Moucharaka securities	-	-
Revenues from leased and rented fixed assets	4.470	2.249
Revenue from leased assets (Ijara)	-	-
Fees on provided services	6.235	4.356
Other banking revenues	221.149	317.679
Cost transfer on received investment deposits	-	-
BANK OPERATING EXPENSES	499.035	422.250
Interests and assimilated expenses on transactions with credit institutions	270.882	75.643
Interests and assimilated expenses on transactions with customers	9.764	10.330
Interests and assimilated expenses on debt securities issued	-	-
Expenses from Moudaraba and Moucharaka securities	-	-
Expenses on leased and rented fixed assets	2.562	2.815
Expenses from leased assets (Ijara)	-	-
Other banking expenses	215.827	333.462
Cost transfer on received investment deposits	-	-
NET BANKING INCOME	78.701	122.194
Non-banking operating revenues	-	-
Non-banking operating expenses	-	1.665
GENERAL OPERATING EXPENSES	2.501	2.725
Staff expenses	1.675	1.975
Tax expenses	-	-
External expenses	826	750
Other general operating expenses	-	-
Allowances for depreciation and provisions for intangible and tangible fixed assets	-	-
ALLOWANCES FOR PROVISIONS AND LOAN LOSSES	3.770	1
Allowances for non performing loans and commitments	3.758	-
Loan losses	12	1
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	72.430	117.803
Non-current revenues	-	-
Non-current expenses	10.286	4.420
PRE-TAX EARNINGS	62.144	113.383
Corporate tax	27.342	42.607
NET EARNINGS FOR THE YEAR	34.802	70.776

(In thousand MAD)

EARNINGS FORMATION TABLE	30/06/2023	30/06/2022
(+) Interests and equivalent revenues	345.697	216.807
(-) Interests and equivalent expenses	280.646	85.973
NET INTEREST INCOME	65.051	130.834
(+) 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	4.470	2.249
(-) Expenses from leasing and renting operations	2.562	2.815
Income from leasing and rental operations	1.908	-566
(+) Revenue from leased assets (Ijara)	-	-
(-) Expenses from leased assets (Ijara)	-	-
Income from Ijara operation (1)	-	-
(+) Fees received	6.656	4.661
(-) Fees paid	195	83
Fee income (1)	6.461	4.578
(+) Income from trading securities	-	-60
(+) Income from investment securities	7.148	-16.037
(+) Income from payload operations	-7.345	-7.100
(+) Income from by-product operation	5.593	7.203
Income from market transactions (1)	5.396	-15.994
(+/-) Income from Moudaraba and Moucharaka securities	-	-
(+) other banking products	186	3.352
(-) other banking expenses	301	10
(+/-) Holders' share in investment deposit accounts	-	-
NET BANKING INCOME	78.701	122.195
(+) Income from financial asset operations (2)	-	-
(+) Other non-banking operating revenues	-	-
(-) Other non-banking operating expenses	-	1.665
(-) General operating expenses	2.500	2.725
Gross operating income	76.201	117.805
(+) Allowances for non performing loans and commitments (net of write-backs)	-3.770	-1
(+) Other allowances net of provision write-backs	-	-
Current income	72.431	117.804
Non-current income	-10.286	-4.420
(-) Corporate tax	27.343	42.607
Net earnings for the year	34.802	70.776

(In thousand MAD)

CASH FLOW	30/06/2023	30/06/2022
(+) Net earnings for the year	34.802	70.776
(+) 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	34.802	70.776
(-) Dividends distributed	-	-
(+) Cash-flow	34.802	70.776

(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

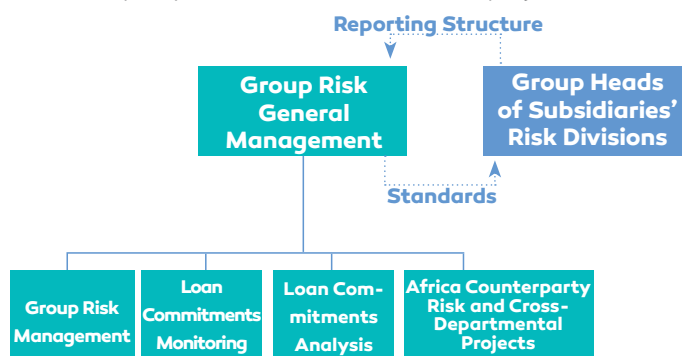
► Group Risk Division

One of the missions assigned to the Group Risk management is to strengthen the monitoring and control of credit, market, country and operational risks. It is also responsible for:

- Defining BANK OF AFRICA Group's risk policy;
- Definition and management taking and monitoring of commitments;
- Implementing of a credit risks control system, market transactions and operational risks;

The Group Risk management is composed of four entities:

- Group Risk management
- Monitoring commitments
- Commitments analysis
- Counterparty risks Africa & transversal projects.



8.1.2.2. Governance bodies

► Group Risk Committee

The Group Risk committee BANK OF AFRICA is an instance from the board of Directors of BANK OF AFRICA, whose prerogatives are extended to direct and indirect subsidiaries included in the scope of consolidation of the Group.

This committee assists the board on strategy and risk management, including ensuring that the global risk strategy is adapted to the risk profile of the bank and the Group, to the degree of risk aversion, its systemic importance, its size and its financial basis.

► Group Audit and Internal Control committee

BANK OF AFRICA Group's audit and Internal control committee is an instance from the board of Directors of BANK OF AFRICA, whose prerogatives are extended to subsidiaries and other entities included in the scope of consolidation.

Group audit and Internal control committee assists the board of Directors on internal control, by ensuring the existence and maintenance of an internal control system adapted to the Group's organization, the reliability of financial information intended for the board of Directors and third parties, the examination of the corporate and consolidated accounts before their submission to the Board of Directors.

► Executive Committee

The Group Executive Committee is responsible for the Declination in equity and operational measures of the Group's strategy and monitoring.

This Committee, whose periodicity is weekly, has main tasks the management of the business of the bank, the conduct of internal control and risk management, monitoring the HR component, commercial communication policy, institutional and financial

► The Steering Committee and Group Risk Management

After the BANK OF AFRICA Group's Executive committee, the Steering committee and Risk management assists in the management and monitoring of effective and operational of piloting device Group risks (BANK OF AFRICA S.A and its direct and indirect subsidiaries) and the consistency of Group activities with the policies fixed of risks and limitations.

This committee ensures the efficiency of the piloting device of the risks (credit, market, country and operational) and its adequacy with the level of risk appetite defined within the framework of the 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 degree of risk incurred as well as the nature of the bank's credit portfolio segment in question - business, corporate or Personal & Professional banking customers.

The Credit Committee's scope also covers Group entities. It assesses and issues, via the Senior credit committee - Group entities, decisions regarding risk-taking with regard to certain counterparties or groups of counterparties within the banking and trading portfolio in respect of domestic operations as well as for individual counterparties in respect of overseas operations based on predefined thresholds by subsidiary.

This committee is chaired by the Bank's Chairman and Chief Executive Officer with the Group Executive Managing Director. It is sub-divided by market segment into two committees, one specialising in corporate banking, the other in Personal and Professional banking. These committees meet twice-weekly and include senior managers of the Bank.

► Regional Credit Committee

The Regional Credit Committee (CCR) enjoys delegated powers enabling it to rule on counterparties at a regional level in accordance with the existing scheme of delegation. The committee meets on a weekly basis. Each region's Regional Director decides on when the CCR will meet and informs all members accordingly. Regional Directors decide on meeting dates and inform committee members.

8.1.2.4. Supervisory Committee for Sensitive Accounts

As part of its portfolio monitoring remit, the Loan Commitments Monitoring Committee (CSE) (at head office or on a select basis) meets on a monthly basis to followup on the various initiatives implemented for the purpose of resolving, recovering and cleaning up accounts showing anomalies. The committee also reviews customer dossiers that are eligible for downgrade and decides on what action to take.

Bodies responsible for following up and monitoring, operating at four levels, three of which are at head office, oversee the process of monitoring the loan commitments situation.

8.2. CREDIT RISK

The Bank's credit activity is part of the general credit policy approved by the Bank's senior management. Among the guiding principles include the Group's requirement related to ethics, attribution of responsibilities, the existence and adherence to procedures and rigour in risk analysis.

This policy is available in specific policies and procedures appropriate to the nature of activities and counterparties.

8.2.1. Credit decision cycle

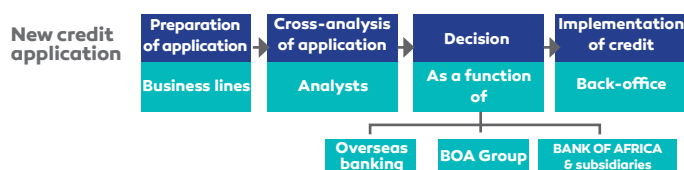
8.2.1.1. General principles

The approval process at BANK OF AFRICA Group level respects the "Troïka" principle and is based on the following principles :

- All credit requests adhere to the same approval process which ensures that the Troïka principle is respected (minimum requirement). Therefore, at least 3 people, one of which is from the Risk Division, should approve all credit requests except for some predefined specific cases;
- The Decision, jointly taken by the Risk and Commercial Divisions – which includes at least one preliminary counterfactual analysis – applies to the applications assigned to the local Decision committees as well as to the central Decision committees. This involves a multilevel pyramid structure, where the higher level acts as an arbitrator in the event that consensus is not reached;
- The Risk Division can use the escalation procedure (n+1) if there is a disagreement with the Commercial Division.
- Appeal to the highest authority having ruled on any other case of a related case with the highest level of high delegation (in case of a group).

8.2.1.2. Credit approval process

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



- The Commercial Division in charge of customer relations is responsible for preparing the credit application;
- Counterfactual analysis of the credit application is performed by credit analysts from the entity's Risk Division;
- The Decision is jointly taken by the Risk and Commercial Divisions, based on their respective levels of delegation;
- The loan is actually implemented by the back-office, which is a unit independent from the Risk and Commercial Divisions.

8.2.1.3. Decision making and choice of circuits

In order to facilitate the reporting exercise, the principle of a single Decision for each credit proposal should be respected.

Credit Decisions are made either by circulation file, or by holding a Credit Committee, via a manual or electronic process.

8.2.1.4. Delegation

The credit Decision process is based on a delegation system whereby an entity's Board of Directors delegates powers to its employees or a group of employees by setting limits, as it sees fit.

The delegation may in turn involve a sub-delegation depending on the organisation, volume, products and risks.

The delegation of authority to employees is assigned intuitu personae on the basis of their Decision-making ability, experience, personal skills, professional skills and training.

8.2.1.5. Approval rules

The credit approval Decision is sent for consideration to the Troika or to Credit Committees depending on the approval levels required.

The present delegation system defines the following decision levels:

- At local branch level;
- At "hub" level (BOA Group and Europe);
- At central BANK OF AFRICA level.

The local branch level may involve a sub-delegation depending on the entity's organisation, volume, products and risks.

8.2.1.6. Credit application contents

All requests for obtaining credit should meet the product's eligibility criteria as defined in the product factsheets. All credit Decisions are taken on the basis of a standard credit application whose format is defined in consultation with the Commercial Division and Risk concerned and in coordination with the Group Risk Division.

A credit application is prepared for each counterparty or transaction to which the entity wishes to make a commitment or for which the entity has already made a commitment in the case of an annual review or renewal. This is done on the basis of the documents mentioned in the product checklist and provided by the client.

The document checklist to be sent by the client and the analysis form should be identical to the one at Group level and these will be modified based on the type of credit. The contents of the credit application should provide the Decision-makers with the necessary information as well as the quantitative and qualitative analysis required for taking the credit Decision.

The Commercial Division is responsible for preparing the credit application and its contents.

The credit application shall remain the single point of reference for any credit Decision; it should contain all the signatures or stamps that guarantee the accuracy of the information provided therein.

8.3. RATING MODEL

BANK OF AFRICA has an internal rating tool covering several customer segments.

8.3.1. Key rating rules

8.3.1.1. Rating's uniqueness

The rating is established for each client, provided as a third code group. The rating process is thus carried out for each third code group so that a third party has one and only one ratings. Thus, BANK OF AFRICA ensures the uniqueness of the rating attributed to each assessed counterparty.

8.3.1.2. Rating's integrity

As per the regulatory principles, the attribution of the rating and its periodic review should be carried out or approved by a party that does not benefit directly from the credit approval. It is for this reason that the rating is validated in the back office by the Group Risk Management Division following initial attribution by front-office commercial operations. The rating's integrity is a key component in the credit risk management process and should reinforce and encourage independence in the rating process.

8.3.1.3. Rating's singularity

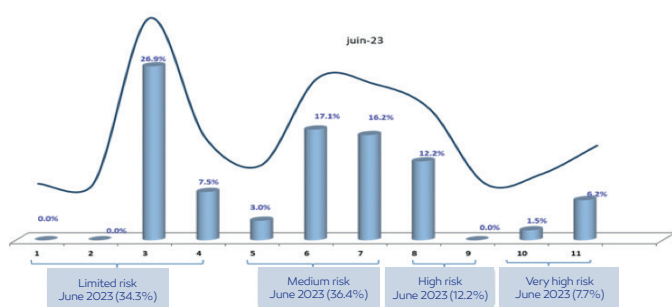
A counterparty code is assigned to each of the Bank's counterparties. The rating of each third party is carried out using the counterparty reference code in such a manner that, for all third parties (the counterparty type is single and unique), the assessment will be carried out by using a single rating model but with data specific to each counterparty. BANK OF AFRICA thus ensures the rating's singularity for each counterparty.

8.3.2. Rating scale

BANK OF AFRICA Group has adopted an 11-level rating scale to attribute a final counterparty rating :

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

As of 30 June 2023, the breakdown of the portfolio by asset class was as follows :



8.3.3. Retail customer scoring system

Scoring for the Retail Customer segment consists of modeling statistics of default and risk behaviour.

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

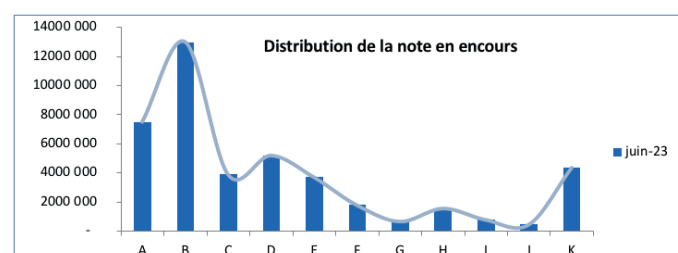
The behavioural score, for open accounts, is a dynamic risk assessment based on a customer's behaviour.

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

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. CREDIT RISK CONTROL AND MONITORING PROCEDURE

Credit risk control and monitoring ensures the second-level checking, separate from daily monitoring by the Commercial Division.

This procedure may be adapted depending on how each subsidiary is organised in consultation with the Group Risk Division.

Commercial Division is responsible for risk monitoring. Indeed, the credit manager in the Commercial Division is responsible to the daily monitoring of transaction risks. To fulfill this mission, the Commercial Division is helped by the risks which play an alert role.

The risk Division's main objective is to ensure the efficiency running of a forward-looking alert system that allows the Commercial Division to optimize risk management as well as anticipating potential risks so that the bank's portfolio may be properly managed. The risk Division also ensures that the Commercial Division is monitoring properly and provides alerts for accounts in default.

- Performs pre-checks ;
- Performs post-checks ;
- Identifies and monitors the portfolio of commitments based on several factors : products, maturities, beneficiaries, business sectors, branches, geographical regions etc.;
- Fixes and monitors concentration limits;
- Detects and monitors accounts showing anomalies and high-risk accounts;
- Categorised the portfolio based on regulatory criteria and proposes provisioning;
- Performs stress tests;
- Produces regulatory reports and internal steering reports.

8.4.1. Pre-checks

Pre-checks include all compliance checks carried out prior to a credit mine's initial authorisation and use. These checks are performed in addition to automatic checks and checks carried out by the Commercial Division, Back-office and Legal Department etc.

These checks are implemented by the Risk Division. They mainly 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 in the information systems.

8.4.2. Post-checks

Like pre-checks, post-checks are also performed by the Risk Division.

These checks are aimed at ensuring measurement, control and monitoring of credit risks in terms of the entire portfolio and not just the counterparty. Special attention is therefore paid to credit quality, anticipating and preventing irregularities and risks as well as controlling and monitoring risks by the Commercial Division.

8.4.2.1. Portfolio monitoring

Group's portfolio Monitoring commitments and its entities is performed through several indicators, both on the risks to the granting and during the life of the credit records.

The first post-check consists of identifying and monitoring the entity's total commitments based on several factors including products, maturities, customers, business groups, customer segments, counterparty ratings, loan categories (healthy loans and non-performing loans), industries, branches, geographical regions, type of collateral etc. The multi-criteria analysis is a credit risk management tool.

The production of multi-criteria analysis commitments portfolio is the responsibility of the Credit Risk die which also ensures the reporting of credit risks, both internally

and vis-à-vis the Risk Committees and management, that external, vis-à-vis the regulators.

8.4.2.2. Concentration limits

Credit Risk Management has adopted a policy of analysing business line strategies from a risk perspective, especially in respect of new activities or product launches, by setting formal limits on these risks. Credit concentration risk incurred by BANK OF AFRICA Group can arise from exposure to :

- Individual counterparties ;
- Interest groups ;
- Counterparties belonging to the same industry or country.

8.4.2.2.1. Individual counterparties

The Group proceeds monthly monitoring of individual concentrations, on social and consolidated basis, and ensures close monitoring of the commitments of its 10, 20 and first 100 customers with the greatest commitments.

The following table shows commitments to the bank's main debtors at the end of June 2023:

	June 23	
	Amount	% of the total
Commitments to 10 largest customers	22 308	17%
Commitments to 20 largest customers	30 122	23%
Commitments to 100 largest customers	52 742	40%

8.4.2.2.2. Interest groups

Diversification of the portfolio by counterparty is monitored on a regular basis, notably under the Group's individual risk concentration policies. Credit risks that result from concentration on a single counterparty or group of counterparties with a relative high level of outstandings (more than 5% of shareholders' equity) are specifically monitored from an individual as well as consolidated perspective.

In addition, monitoring of major risks also ensures that the aggregate exposure to each beneficiary does not exceed 20 % of the Group's net consolidated shareholders' equity capital as recommended by the Moroccan banking regulations. BANK OF AFRICA remains well below the concentration limits defined by the Bank Al Maghrib directive.

8.4.2.2.3. Counterparties belonging to the same company

The Group has a methodology for setting sector limits based on a statistical model based on the historical default rate and the number of counterparties by business sector and risk class (rating).

The objective is to model default risk using appropriate econometric techniques, using a random variable dependent, whose value is the result of the enumeration of realization of fault events.

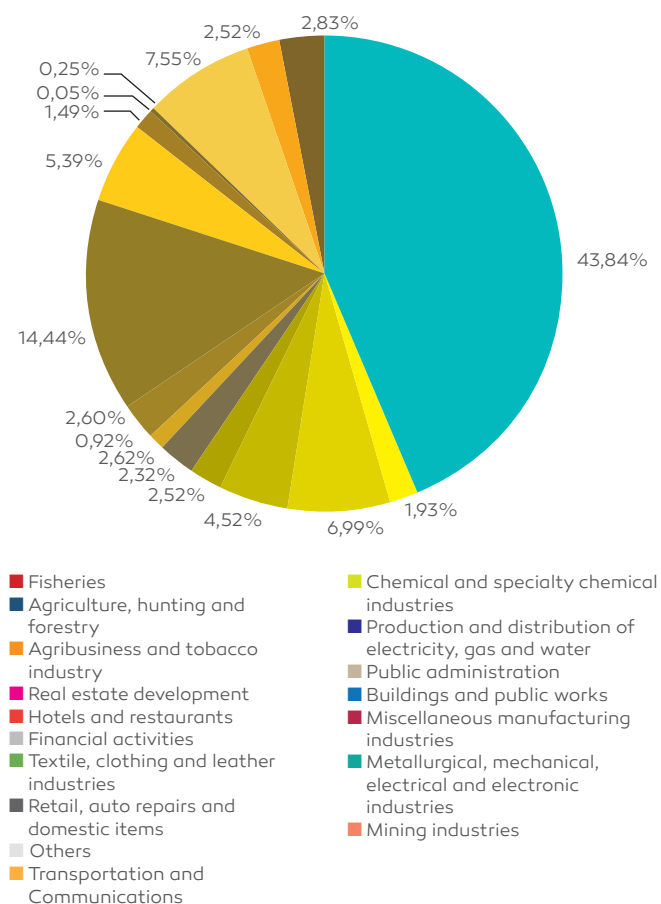
The approach is based on assumptions of the independence of the counterparties and the non-correlation of defaults. Thus, the key notion of this methodological approach is

the probability of default of a counterparty given. This probability is measured through the use of the rate failure of the rating pair / business sectors.

The model also allows you to calibrate the envelopes to be allocated to each business sector, particularly in view of the development plan of the Bank and the sector's loss experience. This approach adopted by the Group Risk Division is completed by the implementation of back Testing of the model every six months.

The review of the sectoral limits is carried out every six months in consultation with the commercial sector and the Intelligence Centre The Bank's economics, which provide their business vision and costing of the macroeconomic and sectoral perspectives. The opinions of these entities thus make it possible to challenge and further strengthen the relevance of the model in relation to the economic context.

The breakdown of activities at the end of June 2023 is as follows:



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 or refuses to fulfil its foreign obligations due to socio-political, economic or financial reasons.

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

The Group reviewed its country risk policy in detail. It set itself the primary objective of implementing a system for assessing, limiting, reducing and, if necessary, prudently suspending its commitments to high-risk countries across the Group.

The proposed policy, in addition to outlining a strategy for managing Country Risk, includes rules for identifying, managing and controlling these risks as well as the Group entities responsible. The main feature of this risk prevention policy is the system of delegation and limitation of commitments.

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

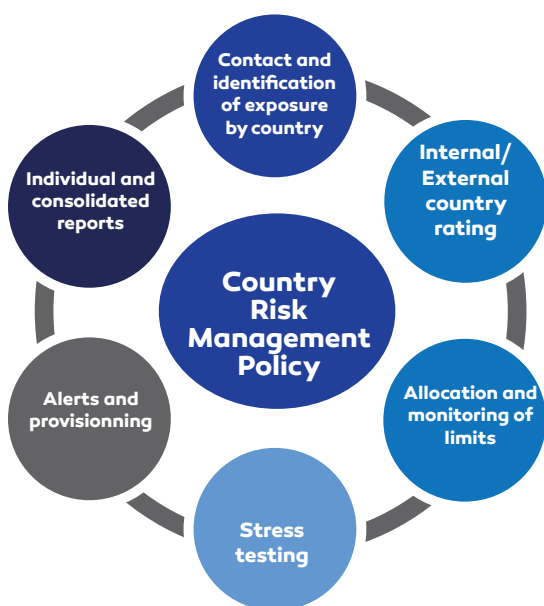
BANK OF AFRICA's commitments are primarily within Morocco.

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 regulatory statement.

Realized reporting provide an overview of the global commitment of BANK OF AFRICA against foreign bank counterparties. They reflect the commitment by countries which includes all assets in the balance sheet and Offbalance sheet representing claims on residents of foreign countries.

In addition to these statements, the Group Risk Division develops a monthly analytical report on the foreign exhibitions of BANK OF AFRICA. Use this report to assess the level of foreign exhibitions of BANK OF AFRICA Group and is a dashboard for monitoring the evolution of the risk inherent in each country. The Group's country risk policy is illustrated as follows:



• Exposure limits by country

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

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

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

• Country risk mapping

The Bank's country risk appraisal is based on the ratings of external rating agencies (e.g. S&P) which provide a rating for more than 80% of the world's countries and have a high level of expertise and know-how on the issues and future challenges faced by countries.

The Bank uses ratings from Coface, a credit insurer, for those countries not rated by S&P. Country reports published by BANK OF AFRICA's Economic Intelligence Centre (CIE) are also used to provide further insight as well as providing inputs for risk mapping.

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

8.6. DESCRIPTION OF THE POLICY FOR MANAGING LIQUIDITY AND INTEREST RATE RISKS

BANK OF AFRICA has established a policy for controlling balance sheet risks such as liquidity and interest rate risks so that it is able to as to continuously monitor changes in financial market trends and their impact on the Bank's operations.

In order to maintain balance sheet stability from a medium- to long-term perspective, the Bank's liquidity and interest rate risk management policy aims to:

- Ensure income 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 protecting 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 so as to take full advantage of growth opportunities available in the market.

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 direct asset-liability sub-committees;
- Possess in-depth knowledge of types of risk inherent in the Bank's operations and keep abreast of any changes in these risks based on financial market trends, risk management practices and the Bank's operations ;
- Review and approve procedures aimed at limiting 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 sources of risk on a daily basis ;
- Review and approve risk limits periodically given changes to the institutional strategy, approve new products and respond to important changes in market conditions;
- Ensure that the different business lines are properly managed by HR, the latter possessing a high level of competence, experience and expertise in relation to supervised activities.

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

Maintaining short- and medium-term balance sheet stability entails the involvement of all parties within the Bank and requires that each party's responsibilities are 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 objectives, validated by the general

management team on a medium-term basis. This enables the relevant bodies to ensure orderly monitoring and control of the three-year plan while balance sheet stability and compliance with regulatory capital requirements.

The ALM department regularly tracks changes in the Bank's balance sheet structure by comparison with the plan's objectives and indicates any divergence during ALCO committee meetings, attended by representative of all entities, and any required corrective measures.

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

The following two major sources may generate liquidity risk :

- Inability of the institution to raise the required funds to deal with unexpected situations in the short term, such as a massive withdrawal from deposits 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) was 134.5% on a consolidated basis at 30 June 2023, above the 100% regulatory limit set by Bank Al-Maghrib.
- The profile of cumulative impasses: the technique of periodic or cumulative impasses / Gap in dirhams and currencies, makes it possible to assess the level of liquidity risk incurred by the Bank in the short, medium and long term.

This technique makes it possible to estimate the net refinancing needs on different horizons and determine the appropriate terms of coverage.

Interest Rate Risk

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

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 aims to ensure the stability of results against changes in interest rates, 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 of the value of the banking portfolio

Simulation-based stress-tests are conducted to measure the impact of changes in interest rates on net interest income and on economic value of equity.

At 30 June 2023, with the trading book portfolio excluded, the impact from a 200-basis points change in interest rates on net interest income was an estimated at MAD -0.101 billion or +2.23% of projected net interest income (and + MAD 0.106 billion for an interest rate variation of -200 basis points, i.e. -2.35% of projected net interest income).

The change in the economic value of shareholders' equity in the event of a 200-basis points shock was an estimated MAD 1.13 billion or 8.10% of regulatory capital.

8.7. MARKET RISK

Market risk management at BANK OF AFRICA Group adheres to regulatory standards as defined by supervisory authorities and in application of best international management practices as defined by the Basel Accords. Market risk is defined as the risk of loss on balance sheet and off-balance sheet positions due to changes in market prices. For BANK OF AFRICA, these risks encompass the following:

- Interest rate risk;
- Foreign currency risk;
- Credit risk on market transactions.

Mapping of financial instruments

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
Equity Instruments	Foreign exchange options
	Equities
Commodity Products	Equity/index derivatives
	Commodity futures
	Commodity options
	Commodity swaps

8.7.1. Market risk management policy

8.7.1.1. Governance

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

- General Management, which implements market risk management strategies and policies approved by the Board of Directors;
- Group Risk Committee, which defines Group market risk management policy and validates any amendment to the steering of market risk across the entire Group;
- The Group Market Risk Committee, which ensures the efficiency of the Market Risk Management System of the BANK OF AFRICA and its adequacy with the risk management policy of Group market;
- Group Market Risk Department, which centralises market risk management for BANK OF AFRICA Group as a department which is independent from the Group's front-offices. This gives it maximum objectivity in steering market risks and arbitrating between the Group's various market activities;
- Risk Management Units of BANK OF AFRICA Group entities, which provide a first level check on market activities within their entity and send regular reports to Group Risk Management;
- Internal Audit, which ensures implementation of the market risk management policy and rigorous compliance with procedures.

8.7.1.2. Description of the Market Risk Management Policy

BANK OF AFRICA Group's market risk management policy is based on four main factors:

- Limits ;
- Risk indicators ;
- Capital requirements ;

8.7.1.2.1. Limits

▸ Counterparty limits in market transactions

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

Market transactions are subject to a fixing priori limits, according to a delegation scheme based on the principle of the Troika.

▸ 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 the limits adopted for internal purposes, BANK OF AFRICA Group also complies with regulatory limits defined by Bank Al-Maghrib such as:

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

8.7.1.2.2. Risk indicators

Different risk indicators reflecting the level of exposure to market risks are used within BANK OF AFRICA Group as follows :

▸ Overall Value-at-Risk (VaR) and VaR by asset class

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

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

BANK OF AFRICA Group uses KVar software to calculate overall Value-at-Risk and VaR by asset class as well as back-testing by using different methods.

► Stressed VaR

The Group has established different scenarios for calculating stressed VaR.

The Group has focused on events that create a high level of volatility in financial markets. These events include

- The bankruptcy of Lehman Brothers, which was unable to withstand the sub-prime crisis;
- 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 by Morocco’s financial markets to these events was limited however. A number of scenarios were applied to simulate global market conditions:

- Fluctuation in the Casablanca stock market identical to that of the United States;
- Fluctuation in the dirham rate identical to that of USD;
- Repercussion of EUR/USD volatility on EUR/MAD and USD/MAD;
- Repercussion of EUR/USD volatility on EUR/MAD volatility and USD/MAD volatility.

► Stress-testing by risk factor

BANK OF AFRICA Group conducts stress tests to assess the vulnerability of the Group’s trading portfolio to extreme scenarios. Stress tests cover all components of the trading portfolio by simulating all risk factors which have an impact on the portfolio. The results of stress tests for interest rate risks and exchange rate risks on the trade portfolio are described below :

As at 30 June 2023, the results of the stress tests were as follows:

a- Fixed income portfolio

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

This scenario would result in a MAD 56 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 111 million impact on the P&L.

b- Equity portfolio

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

This scenario would result in a MAD 9 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 16 million impact on the P&L.

c- Foreign exchange

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

This scenario would result in a MAD 18 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 36 million impact on the P&L.

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

8.8. OPERATIONAL RISK

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

8.8.1. Operational risk management policy

8.8.1.1. Operational risk management objective

The operational risk management policy has the following objectives:

- Assess and prevent operational risks;
- Assess controls;
- Implement preventive and/or corrective action for major risks.

The management of operational risks through the implementation of preventive actions and / or corrective address the identified major risks.

The risk management system is regularly reviewed and monitored, allowing continuous improvement of said device.

8.8.1.2. Classification

Operational risks or losses can be analysed and categorised on the basis of two factors and it is important to differentiate between them: cause and effect, in terms of their financial or other impact. They are classified under Basel by event type.

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

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

- Overall level, analysis of the Bank’s overall level of risk aversion (and in terms of allocation of capital) must be carried and monitoring of “trans-risks”;
- Detailed level, some operational risks can be directly linked to market and credit risk management.

8.8.1.2.2. Operational risk management organisation

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

- Define a target policy consistent with BANK OF AFRICA Group's business organisation and inspired by best practice;
- Involve and empower business lines and subsidiaries in the day-to-day management of operational risk management;
- Ensure that Audit/Control function is separate from the Operational Risk Management function.

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

- BANK OF AFRICA's Group Operational Risk Department;
- BANK OF AFRICA network;
- BANK OF AFRICA 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 includes other Group subsidiaries.

8.8.1.2.3. Governance of operational risk management

Governance of operational risks within BANK OF AFRICA Group is organised by three Operational Risk Committees:

- Group Operational Risks Committee;
- Operational Risk Monitoring (Business Lines) Committee;
- Operational Risk (Subsidiaries) Committee.

These committees are tasked with periodically:

- Reviewing changes in the exposure to operational risks and in the environment for controlling such risks;
- Identifying the main areas of risk, in terms of activities and risk types;
- Defining preventive and corrective action required to reduce the level of risk ;
- Reviewing the amount of capital to be allocated to operational risks, the cost of preventive action required and the costs of insurance.

8.8.1.3. Fundamental methodology principles

BANK OF AFRICA Group's operational risk management policy has two strategic objectives:

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

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

- Collecting risk events;
- Mapping operational risks,
- Key risk indicators.

The data produced are part of the process of monitoring and control of operational risk profile.

The management of the entity in question, general management and the board of directors are regularly notified of operational risk exposure and losses incurred. Management systems are properly documented, ensuring compliance with a formalised set of controls, 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.

Management of operational risks at BANK OF AFRICA Group is entirely automated by means of a dedicated system, "MEGA GRC". The collection of risk events, the mapping of operational risks and the key risk indicators are currently managed by this system which is used at Bank level as well as by Moroccan and European subsidiaries.

8.8.1.4. Operational risk control and mitigation

Several types of action may be taken to manage operational risks:

- Reinforce checks;
- Hedge risks, especially through insurance contracts;
- Avoid risks, in particular, by redeploying activities
- Draw up business continuity plans.
- Closely monitoring the compliance with the assigned risk limits or thresholds.

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 and via its dedicated policy, the Group is at liberty to identify optimal behaviour, 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 benefiting from its services.
- Services are provided along the entire chain from frontoffice to back-office e.g. from branch level up until recognition in accounting terms.

8.9. ICAAP SYSTEM

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

There are 3 essential elements to ICCAP:

- Determining and steering Bank of Africa S.A.'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 equity.

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

- A risk appetite framework which defines the governance and organisational scheme, the definition process and 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.

The ICAAP system is regularly reappraised internally when the Bank files its annual ICAAP report. The Bank's 2023 ICAAP report has been duly filed with Bank Al-Maghrib.

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. 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 businesses 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 health crisis 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 identified 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 – BMCE GROUP has adopted a system of early warning indicators for crises 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. CORPORATE SOCIAL RESPONSIBILITY

Underpinning BANK OF AFRICA - BMCE Group’s management framework relating to its undertakings regarding the environment, climate change and social responsibility is a set of values and an underlying commitment to respecting human rights and the environment. This framework has been adopted by every one of the Group’s banking and banking-related subsidiaries.

It should also be noted that this framework applies to all financial products and services offered by the Bank. As a result, BANK OF AFRICA - BMCE Group factors sustainable development considerations and goals into its commercial approach and manages the environmental, climate-related and social risks associated with its commercial commitments.

The risks resulting from environmental, climate-related and social (ECS) issues are inherent in any financial transaction. They translate into financial, legal, collateral-related or reputational impacts for the Bank.

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

8.12. MEASUREMENT OF CAPITAL ADEQUACY

BANK OF AFRICA Group has opted for the standardised approach as outlined in Bank Al Maghrib circulars (BAM).

The latter require banks to have a Tier 1 capital ratio of 9% and a solvency ratio of 12% at both the parent company and consolidated levels.

These thresholds calculated for BANK OF AFRICA Group comply with the regulatory prerogatives established by Bank Al- Maghrib.

Level of exposure related to counterparty risk consistent with methods applied to off-balance sheet items

CREDIT RISK-WEIGHTED ASSETS		30/06/2023
Type of Exposure		Risk-Weighted Assets post-CRM
Balance-sheet items		185 768 090
Off balance sheet items: financing commitments		8 814 627
Off balance sheet items: guarantee commitments		10 307 970
Counterparty Risk: temporary disposals of securities relating to the bank portfolio		-
Counterparty Risk: temporary disposals of securities relating to the trading portfolio		173 278
Counterparty Risk: derivative products relating to the bank portfolio		-
Counterparty Risk: derivative products relating to the trading portfolio		599 446
Other assets/Other items		34 637 178
Delivery and settlement risk		1 037 667
Total		241 338 256

Capital adequacy and composition

BANK OF AFRICA’s share capital stood at MAD 2 087 698 270 made up of 208 769 827 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.

Measurement of capital adequacy

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

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 ratio

Tier 1 capital	24 664 882
Items to be included in Tier 1 capital	28 102 130
Share Capital	2 087 698
Consolidated reserves, including premiums related to share capital and not included in hidden reserves	19 881 633
Retained earnings	12 766
Net income for the previous period	2 304 075
Minority interests	3 815 958
Items to be deducted from Tier 1 capital	3 437 247
Good will	1 032 114
Other adjustments to Tier 1 capital	1 502 071
Immobilisations	873 671
Other deductions	29 390
Additional core capital	2 500 000
Perpetual subordinated debt	2 500 000
Tier 2 capital	6 994 262
Perpetual subordinated debt	6 126 684
Revaluation differences	675 932
Hidden reserves	191 646
Total	34 159 144

Capital Requirements by Risk Type	December, 2022
Risk-weighted credit risks	247 753 270
Risk-weighted market risks	9 417 091
Risk-weighted operational assets	26 412 784
Total risk-weighted assets	283 583 145
Tier 1 Capital	27 164 882
Tier 1 Capital ratio	9.6%
Total capital	34 159 144
Capital adequacy ratio	12.0%

18-month forward-looking ratios

Parent company	dec-22	jun-23	dec-23	jun-24
Regulatory Capital	13 960	13 766	13 572	14 116
Tier 1 Capital	16 460	17 266	17 072	18 616
Tier 2 Capital	22 390	22 645	21 902	22 932
Risk-weighted assets	147 909	150 911	153 384	156 415
CET1 Ratio	9.4%	9.1%	8.8%	9.0%
Tier 1 Capital Ratio	11.1%	11.4%	11.1%	11.9%
Capital Adequacy Ratio	15.1%	15.0%	14.3%	14.7%

Consolidated	dec-22	jun-23	dec-23	jun-24
Regulatory Capital	24 665	26 219	27 269	29 417
Tier 1 Capital	27 165	29 719	30 769	33 917
Tier 2 Capital	34 159	36 164	36 663	39 298
Risk-weighted assets	283 583	291 085	298 042	305 651
CET1 Ratio	8.7%	9.0%	9.1%	9.6%
Tier 1 Capital Ratio	9.6%	10.2%	10.3%	11.1%
Capital Adequacy Ratio	12.0%	12.4%	12.3%	12.9%