

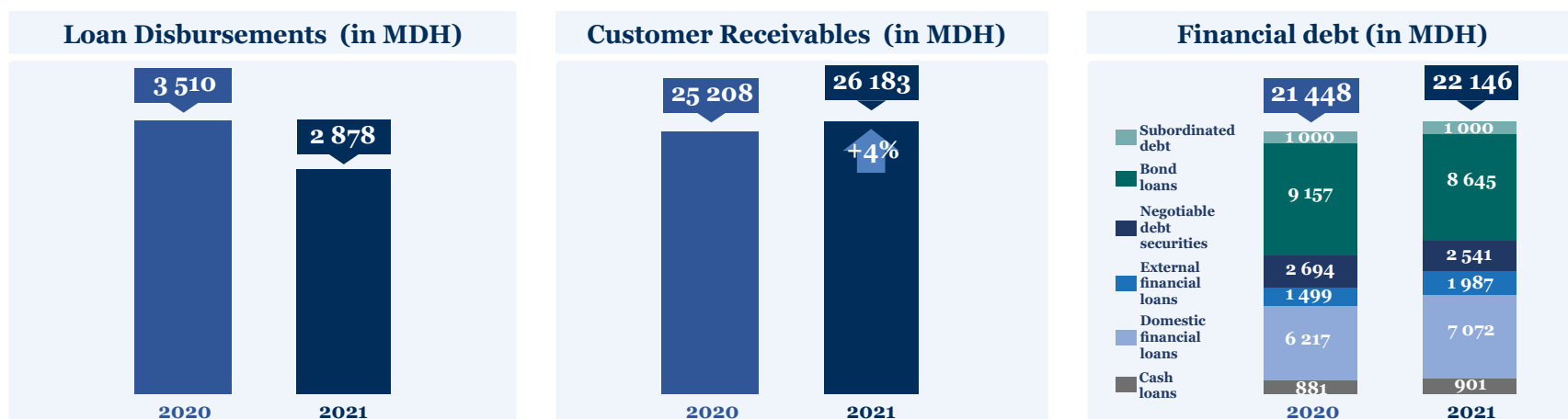
FONDS
D'EQUIPEMENT
COMMUNAL
صندوق التجهيز
الجماعي



**Press release of the Fonds d'Equipelement Communal
on the occasion of the publication
of the Annual Financial Report 2021**

THE **BANK** FOR LOCAL FUNDING

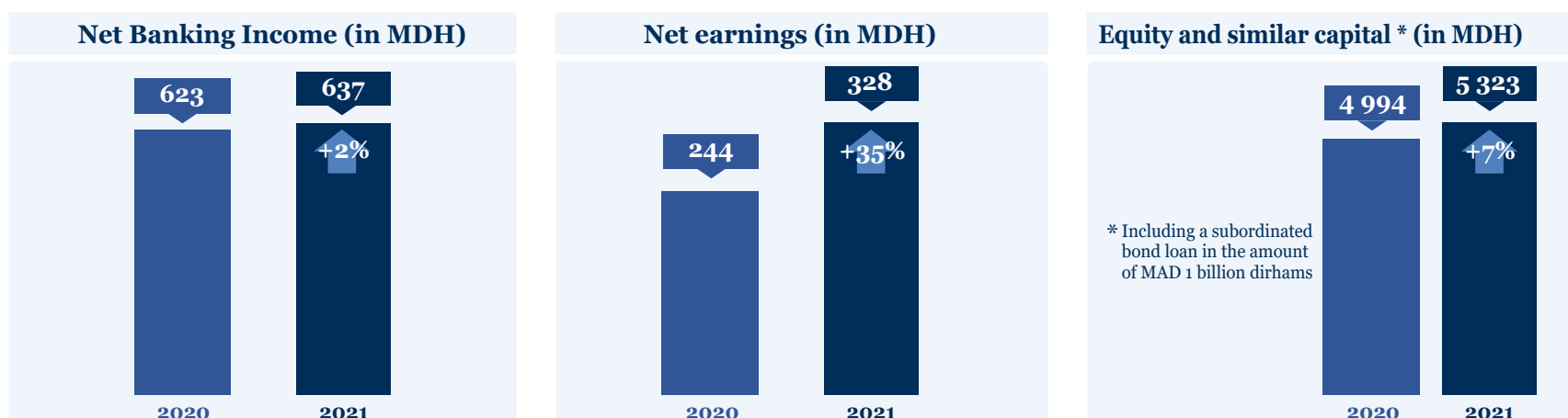
Press release of the Fonds d'Equipeement Communal on the occasion of the publication of the Annual Financial Report 2021



Loan disbursements amounted to MAD 2,878 million and enabled the financing of projects for the benefit of the various categories of Territorial Communities. These loans were mainly focused on the implementation of projects to upgrade cities, restructure under-equipped neighborhoods and build road infrastructure, particularly those aimed at reducing territorial and social disparities.

Through these new financings, customer receivables reached MAD 26,183 million at the end of 2021, up by nearly MAD 1 billion compared to the level recorded during the 2020 financial year, which reached MAD 25,208 million.

It should be recalled that the last two quarters Q3 and Q4 of 2021 were particularly marked by both the conjunctural slowdown observed during the electoral periods and, to a lesser extent, by the persistence of the effects of the pandemic context, which resulted in a lower intensity of activity than that which usually prevails in a normal cycle, not impacted by the effects of this particular context.



Despite the prevailing context, the financial and solvency indicators remain well oriented, reflecting once again the Bank's resilience to date.

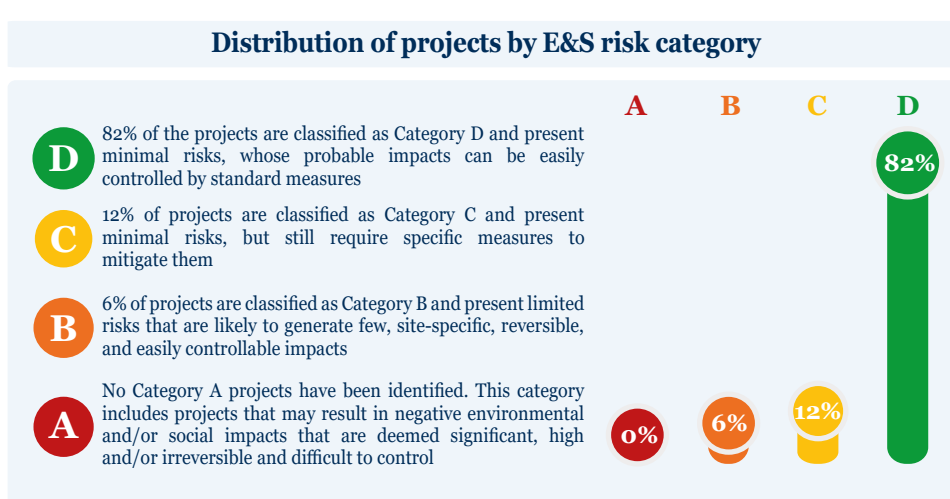
The Institution has thus recorded during the 2021 financial year, a positive evolution of its main financial indicators, with a 2% increase in Net Banking Income which reached 637 MDH at the end of 2021, as a consequence of the increase of customer receivables, combined with the quality of the loan portfolio.

Net earnings reached MAD 328 million at the end of 2021, up 35% compared to 2020, reflecting the positive evolution of NBI, as well as a relatively low level of allocations to provisions for non performing loans. However, the net earnings recorded in 2021 should be compared to that recorded in 2019, amounting to MAD 292 million, since the net earnings for the year 2020 was marked by the recording of the FEC's contribution of MAD 100 million to the Special Fund for the Management of the Coronavirus Pandemic (Covid-19).

In line with the Kingdom of Morocco's strategic vision in terms of Sustainable Development of Territories and in awareness of the importance of environmental, social and climate issues, the FEC was among the first national institutions to initiate the implementation of an Environmental and Social Management System (ESMS).

The Environmental and Social Policy (E&S), which is the main pillar of this System, was approved by the FEC's Board of Directors on October 28, 2021 and will come into force in Q2 2022.

This Policy will formalize and give a new dimension to the integration of E&S risks in the Bank's overall risk management. The chart on the right illustrates the results of the operational tests of the E&S assessment process for projects financed by the FEC in 2021.



For all contact related to the financial communication

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BALANCE SHEET

(In thousand MAD)

ASSETS	12/31/2021	12/31/2020	LIABILITIES	12/31/2021	12/31/2020
CASH VALUE, CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE	24,384	25,695	CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE		
RECEIVABLES ON CREDIT INSTITUTIONS AND SIMILAR	946	290	DEBTS TO CREDIT INSTITUTIONS AND SIMILAR	9,959,027	8,597,456
On sight	946	290	On sight	-	-
At term	-	-	At term	9,959,027	8,597,456
CUSTOMERS RECEIVABLES	26,183,116	25,207,959	CUSTOMER DEPOSITS	-	-
Cash and consumer loans and participatory financing	2,262	2,704	Demand accounts payable	-	-
Loans and participatory financing for equipment	26,158,280	25,183,676	Savings Accounts	-	-
Real estate loans and participatory financing	19,852	20,712	Term deposits	-	-
Other loans and participatory financing	2,722	866	Other accounts payable	-	-
RECEIVABLES ACQUIRED THROUGH FACTORING	-	-	DEBTS TO CUSTOMERS ON PARTICIPATORY PRODUCTS	-	-
TRADING AND INVESTMENT SECURITIES	-	-	ISSUED DEBT SECURITIES	11,186,604	11,850,740
Treasury bills and similar securities	-	-	Issued negotiable debt securities	2,541,450	2,693,831
Other debt securities	-	-	Bond loans	8,645,154	9,156,909
Property securities	-	-	Other debt securities issued	-	-
Sukuks Certificates	-	-	OTHER LIABILITIES	34,157	47,384
OTHER ASSETS	300,649	235,048	PROVISIONS FOR RISKS AND EXPENSES	51,705	27,574
INVESTMENT SECURITIES	-	-	REGULATED PROVISIONS	-	-
Treasury bills and similar securities	-	-	SUBSIDIES, ALLOCATED PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS	-	-
Other debt securities	-	-	SUBORDINATED DEBT	1,000,000	1,000,000
Sukuks Certificates	-	-	INVESTMENT DEPOSITS RECEIVED	-	-
EQUITY SECURITIES AND SIMILAR ASSETS	25	25	REVALUATION DIFFERENCES	-	-
Participation in related companies	-	-	RESERVES AND RELATED PREMIUM CAPITAL	2,994,185	2,750,423
Other equity securities and similar uses	25	25	CAPITAL	1,000,000	1,000,000
Moudaraba and Moucharaka securities	-	-	SHAREHOLDERS, UNPAID CAPITAL (-)	-	-
SUBORDINATED RECEIVABLES	-	-	RETAINED EARNINGS (+/-)	-	-
INVESTMENT DEPOSITS PLACED	-	-	NET EARNINGS PENDING ALLOCATION (+/-)	-	-
FIXED ASSETS GIVEN IN LEASING AND RENTING	-	-	NET EARNINGS FOR THE FISCAL YEAR (+/-)	328,481	243,762
FIXED ASSETS GIVEN IN IJARA	-	-			
INTANGIBLE FIXED ASSETS	320	512			
TANGIBLE FIXED ASSETS	44,719	47,812			
TOTAL ASSETS	26,554,158	25,517,339	TOTAL LIABILITIES	26,554,158	25,517,339

STATEMENT OF INCOME AND EXPENSES

(In thousand MAD)

	12/31/2021	12/31/2020
BANKING OPERATING INCOME	1,256,736	1,283,902
Interest, remunerations and similar income from transactions with credit institutions	1,890	1,846
Interest, remunerations and similar income from transactions with customers	1,254,846	1,282,056
Interest and similar income from debt securities	-	-
Income from property securities and certificates of Sukuks	-	-
Income based on Moudaraba and Moucharaka securities	-	-
Income from fixed assets leased and rented	-	-
Income from fixed assets given in Ijara	-	-
Commissions on services	-	-
Other banking income	-	-
Transfer of expenses on investment deposits received	-	-
BANKING OPERATING EXPENSES	619,309	661,190
Interest and similar expenses on transactions with credit institutions	252,685	293,104
Interest and similar expenses on transactions with customers	-	-
Interest and similar expenses on debts issued	366,403	367,878
Expenses on Moudaraba and Moucharaka securities	-	-
Expenses on fixed assets leased and rented	-	-
Expenses on fixed assets given in Ijara	-	-
Other bank expenses	221	209
Transfer of income on investment deposits received	-	-
NET BANKING INCOME	637,426	622,712
Non-banking operating income	2,193	4,204
Non-banking operating expenses	178	112
GENERAL OPERATING EXPENSES	58,919	58,796
Staff expenses	46,210	46,333
Taxes and dues	838	825
External expenses	5,106	5,093
Other general operating expenses	3,441	2,830
Allocations for depreciation and provisions of tangible and intangible fixed assets	3,325	3,717
ALLOCATIONS TO PROVISIONS AND UNRECOVERABLE RECEIVABLES	26,594	13,950
Allocations to provisions on receivables and pending commitments by signature	488	11
Losses on unrecoverable receivables	-	-
Other allocations to provisions	26,126	13,939
REVERSALS OF PROVISIONS AND RECOVERIES ON WRITTEN OFF RECEIVABLES	2,011	5,152
Reversals of provisions on receivables and pending commitments by signature	16	3,652
Recoveries on written off receivables	-	-
Other reversals of provisions	1,995	1,500
OPERATING RESULT	555,939	559,210
Non-operating income	236	7
Non-operating expenses	19,211	112,370
PRE-TAX EARNINGS	536,964	446,846
Earnings Taxes	208,484	203,085
NET EARNINGS FOR THE FISCAL YEAR	328,481	243,762

Deloitte.

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FONDS D'EQUIPEMENT COMMUNAL

ATTESTATION DES COMMISSAIRES AUX COMPTES EXERCICE DU 1^{er} JANVIER AU 31 DECEMBRE 2021

Nous avons procédé à un examen limité des comptes du Fonds d'Équipement Communal comprenant le bilan, le compte de produits et charges, l'état des soldes de gestion, le tableau des flux de trésorerie et les états des informations complémentaires (ETIC) ci-joints relatifs à l'exercice du 1^{er} janvier au 31 décembre 2021. Ces comptes qui font ressortir un montant de capitaux propres et assimilés totalisant 5.322.666 KMAD, dont un bénéfice net de 328.481 KMAD, relèvent de la responsabilité des organes de gestion de l'émetteur. Ces états ont été établis dans un contexte évolutif de la crise sanitaire de l'épidémie de Covid-19, sur la base des éléments disponibles à date.

Nous avons effectué notre mission selon les normes de la profession au Maroc relatives aux missions d'examen limité. Ces normes requièrent que l'examen limité soit planifié et réalisé en vue d'obtenir une assurance modérée que la situation intermédiaire ne comporte pas d'anomalie significative. Un examen limité comporte essentiellement des entretiens avec le personnel du Fonds et des vérifications analytiques appliquées aux données financières ; il fournit donc un niveau d'assurance moins élevé qu'un audit. Nous n'avons pas effectué un audit et, en conséquence, nous n'exprimons donc pas d'opinion d'audit.

Sur la base de notre examen limité, nous n'avons pas relevé de faits qui nous laissent penser que les comptes, ci-joints, ne donnent pas une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine du Fonds d'Équipement Communal établis au 31 décembre 2021, conformément au référentiel comptable admis au Maroc.

Casablanca, le 21 mars 2022

Les Commissaires aux Comptes

Deloitte Audit

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To download the Annual Financial Report 2021 :
https://www.fec.ma/Com_Financieres/Exercice2021/RFA2021.pdf

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