

FONDS
D'EQUIPEMENT
COMMUNAL
صندوق التجهيز
الجماعي



FINANCIAL COMMUNICATION as of December 31, 2021



FINANCIAL STATEMENTS
as of December 31, 2021

BALANCE SHEET		(In thousand MAD)	
ASSETS		12/31/2021	12/31/2020
CASH VALUE, CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE		24,384	25,695
RECEIVABLES ON CREDIT INSTITUTIONS AND SIMILAR		946	290
On sight		946	290
At term		-	-
CUSTOMERS RECEIVABLES		26,183,116	25,207,959
Cash and consumer loans and participatory financing		2,262	2,704
Loans and participatory financing for equipment		26,158,280	25,183,676
Real estate loans and participatory financing		19,852	20,712
Other loans and participatory financing		2,722	866
RECEIVABLES ACQUIRED THROUGH FACTORING		-	-
TRADING AND INVESTMENT SECURITIES		-	-
Treasury bills and similar securities		-	-
Other debt securities		-	-
Property securities		-	-
Sukuks Certificates		-	-
OTHER ASSETS		300,649	235,048
INVESTMENT SECURITIES		-	-
Treasury bills and similar securities		-	-
Other debt securities		-	-
Sukuks Certificates		-	-
EQUITY SECURITIES AND SIMILAR ASSETS		25	25
Participation in related companies		-	-
Other equity securities and similar uses		25	25
Moudaraba and Moucharaka securities		-	-
SUBORDINATED RECEIVABLES		-	-
INVESTMENT DEPOSITS PLACED		-	-
FIXED ASSETS GIVEN IN LEASING AND RENTING		-	-
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

LIABILITIES		12/31/2021	12/31/2020
CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE			
DEBTS TO CREDIT INSTITUTIONS AND SIMILAR		9,959,027	8,597,456
On sight		-	-
At term		9,959,027	8,597,456
CUSTOMER DEPOSITS		-	-
Demand accounts payable		-	-
Savings Accounts		-	-
Term deposits		-	-
Other accounts payable		-	-
DEBTS TO CUSTOMERS ON PARTICIPATORY PRODUCTS		-	-
ISSUED DEBT SECURITIES		11,186,604	11,850,740
Issued negotiable debt securities		2,541,450	2,693,831
Bond loans		8,645,154	9,156,909
Other debt securities issued		-	-
OTHER LIABILITIES		34,157	47,384
PROVISIONS FOR RISKS AND EXPENSES		51,705	27,574
REGULATED PROVISIONS		-	-
SUBSIDIES, ALLOCATED PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS		-	-
SUBORDINATED DEBT		1,000,000	1,000,000
INVESTMENT DEPOSITS RECEIVED		-	-
REVALUATION DIFFERENCES		-	-
RESERVES AND RELATED PREMIUM CAPITAL		2,994,185	2,750,423
CAPITAL		1,000,000	1,000,000
SHAREHOLDERS. UNPAID CAPITAL (-)		-	-
RETAINED EARNINGS (+/-)		-	-
NET EARNINGS PENDING ALLOCATION (+/-)		-	-
NET EARNINGS FOR THE FISCAL YEAR (+/-)		328,481	243,762
TOTAL LIABILITIES		26,554,158	25,517,339

OFF-BALANCE SHEET		(In thousand MAD)	
		12/31/2021	12/31/2020
COMMITMENTS GIVEN		5,556,371	6,072,540
Financing commitments given to credit institutions and similar		-	-
Financing commitments given to customers		5,556,371	6,072,540
Guarantee commitments for credit institutions and similar		-	-
Guarantee commitments on behalf of customers		-	-
Securities purchased with repurchase option		-	-
Other securities to be delivered		-	-
COMMITMENTS RECEIVED		6,458,741	1,500 000
Financing commitments received from credit institutions and similar		6,458,741	1,500 000
Guarantee commitments received from credit institutions and similar		-	-
Guarantee commitments received from the State and from various guarantee bodies		-	-
Sold securities with repurchase option		-	-
Other securities to receive		-	-
Moucharaka and Moudaraba securities to be received		-	-

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		468	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



STATUS OF MANAGEMENT BALANCES		(In thousand MAD)	
I- EARNINGS FORMATION TABLE		12/31/2021	12/31/2020
(+) Interest and similar income		1,256,736	1,283,902
(-) Interest and similar expenses		619,088	660,981
INTEREST MARGIN		637,647	622,921
(+) Income on participatory financing		-	-
(-) Expenses on participatory financing		-	-
MARGIN ON PARTICIPATORY FINANCING		-	-
(+) Income from fixed assets leased and rented		-	-
(-) Expenses on fixed assets leased and rented		-	-
RESULT OF LEASING AND RENTAL TRANSACTIONS		-	-
(+) Income on fixed assets given in Ijara		-	-
(-) Expenses on fixed assets given in Ijara		-	-
RESULT OF IJARA OPERATIONS		-	-
(+) Commissions received		-	-
(-) Commissions paid		221	209
MARGIN ON COMMISSIONS		- 221	- 209
(+) Result of trading securities operations		-	-
(+) Result of investment securities operations		-	-
(+) Result of exchange operations		-	-
(+) Result of derivative products operations		-	-
RESULT OF MARKET OPERATIONS		-	-
(+) Result of operations on Moudaraba and Moucharaka securities		-	-
(+) Various other banking products		-	-
(-) Various other banking expenses		-	-
SHARE OF INVESTMENT DEPOSIT ACCOUNT HOLDERS		-	-
NET BANKING INCOME		637,426	622,712
(+) Net income from financial fixed assets		-	-
(+) Other non-banking operating income		2,193	4,204
(-) Other non-banking operating expenses		178	112
(-) General operating expenses		58,919	58,796
GROSS OPERATING RESULT		580,522	568,008
(+/-) Net allocations of reversals to provisions for receivables and non performing commitments by signature		452	- 3,641
(+/-) Other net allocations of reversals to provisions		24,131	12,439
OPERATING RESULT		555,939	559,210
NON-OPERATING RESULT		- 18,975	- 112,364
(-) Earnings Taxes		208,484	203,085
NET EARNINGS FOR THE FISCAL YEAR		328,481	243,762

II- SELF-FINANCING CAPACITY		12/31/2021	12/31/2020
(+) NET EARNINGS FOR THE FISCAL YEAR		328,481	243,762
(+) Allocations to amortization and provisions of tangible and intangible fixed assets		3,325	3,717
(+) Allocations to provisions for depreciation of financial fixed assets		-	-
(+) Allocations to provisions for general risks		26,126	13,939
(+) Regulated provisions allocations		-	-
(+) Non-operating provisions allocations		-	-
(-) Reversal of provisions		1,995	1,500
(-) Capital gains on disposals of tangible and intangible fixed assets		96	-
(+) Capital losses on disposals of intangible and tangible fixed assets		-	-
(-) Capital gains on disposals of financial fixed assets		-	-
(+) Capital losses on disposals of financial fixed assets		-	-
(-) Reversal of investment grants received		-	-
(+) SELF-FINANCING CAPACITY		355,840	259,917
(-) Distributed Profit		-	-
(+) SELF-FINANCING		355,840	259,917

CASH FLOW STATEMENT		(In thousand MAD)	
		12/31/2021	12/31/2020
Banking operating income received		1,256,736	1,283,902
Recoveries on written off receivables		-	-
Non-banking operating income received		2,429	4,210
Banking operating expenses paid		619,309	661,190
Non-banking operating expenses paid		19,389	112,482
General operating expenses paid		55,595	55,080
Earnings taxes paid		208,484	203,085
NET CASH FLOWS FROM THE STATEMENT OF INCOME AND EXPENSES		356,388	256,276
Variation of :			
Receivables on credit institutions and similar		- 656	979
Receivables on customers		- 975,621	- 2,006,748
Trading and investment securities		-	-
Other assets		- 65,590	- 5,922
Moudaraba and Moucharaka securities		-	-
Fixed assets leased and rented		-	-
Fixed assets given in Ijara		-	-
Investment deposits placed with credit institutions and similar		-	-
Debt to credit institutions and similar		1,361,571	264,767
Customer deposits		-	-
Debt to customers on participatory products		-	-
Issued receivables securities		- 664,136	1,444,840
Other liabilities		- 13,227	- 1,198
II. BALANCE OF VARIATIONS IN OPERATING ASSETS AND LIABILITIES		- 357,659	- 303,282
III. NET CASH FLOWS FROM OPERATING ACTIVITIES (I + II)		- 1,271	- 47,006
Income from disposals of financial fixed assets		-	-
Income from disposals of tangible and intangible fixed assets		-	-
Acquisition of financial fixed assets		-	-
Acquisition of tangible and intangible fixed assets		40	868
Interest received		-	-
Dividends received		-	-
IV. NET CASH FLOWS FROM INVESTMENT ACTIVITIES		- 40	- 868
Subsidies, public funds and special guarantee funds received		-	-
Issuance of subordinated debts		-	-
Investment deposits received		-	-
Issue of shares		-	-
Repayment of equity capital and similar		-	-
Investment deposits reimbursed		-	-
Interest paid		-	-
Remuneration paid on investment deposits		-	-
Dividends paid		-	-
V. NET CASH FROM FINANCING ACTIVITIES		-	-
VI. NET VARIATION IN CASH		- 1,311	- 47,875
VII. CASH POSITION AT THE BEGINNING OF THE FISCAL YEAR		26,695	73,569
VIII. CASH POSITION AT THE END OF THE FISCAL YEAR		24,384	25,695

MAIN APPLIED EVALUATION METHODS

INDICATION OF THE EVALUATION METHODS APPLIED BY THE INSTITUTION

* Application of the evaluation methods provided for in the "Chart of Accounts of Credit Institutions" which came into force on 01/01/2000.
* Non-Performing Loans (NPLs) on the clients are accounted for and valued in accordance with current banking regulations.
The main provisions applied can be summarized as follows :
- Non-Performing Loans (NPLs) are, depending on the degree of risk, classified as pre-doubtful, doubtful or compromised loans.
- Non-Performing Loans (NPLs) are, after deduction of the guarantee rates provided for by the regulations in force (Circular Letter No. 25/G/97, Circulares No. 19/G/2002 and 38/G/2004), provisioned for :
- 20% for pre-doubtful loans,
- 50% for doubtful loans,
- 100% for compromised loans.
* Intangible and tangible fixed assets are recorded in the balance sheet at cost less accumulated amortization, calculated on a straight-line basis over estimated lifespan.
Intangible and tangible fixed assets are amortized according to the regulations in force.
* The summary statements are presented in accordance with the provisions of the Chart of Accounts of Credit Institutions.

STATUS OF EXEMPTIONS

INDICATIONS OF EXEMPTIONS	JUSTIFICATIONS FOR EXEMPTIONS	INFLUENCE OF EXEMPTIONS ON PATRIMONY, FINANCIAL SITUATION AND RESULTS
I. Exemptions from fundamental accounting principles	NONE	
II. Exemptions from assessment methods		
III. Exemptions from the rules for drawing up and presenting summary statements		

STATUS OF CHANGES IN METHODS

INDICATIONS OF CHANGES	JUSTIFICATIONS OF CHANGES	INFLUENCE OF CHANGES ON PATRIMONY, FINANCIAL SITUATION AND RESULTS
I. Changes affecting assessment methods	NONE	
II. Changes affecting presentation rules		

RECEIVABLES ON CREDIT INSTITUTIONS AND SIMILAR

(In thousand MAD)

RECEIVABLES	Bank Al-Maghrib, Public Treasury and Postal Checks Service	Banks in Morocco	Other credit and similar institutions in Morocco	Credit institutions abroad	Total 12/31/2021	Total 12/31/2020
ORDINARY DEBIT ACCOUNTS	23,876	864	81	-	24,822	25,478
VALUES RECEIVED IN PENSION	-	-	-	-	-	-
Day by day	-	-	-	-	-	-
At term	-	-	-	-	-	-
CASH LOANS	-	-	-	-	-	-
Day by day	-	-	-	-	-	-
At term	-	-	-	-	-	-
FINANCIAL LOANS	-	-	-	-	-	-
OTHER RECEIVABLES	-	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	502	-	-	-	502	490
NON PERFORMING LOANS	-	-	-	-	-	-
TOTAL	24,378	864	81	-	25,324	25,969

RECEIVABLES FROM CUSTOMERS

(In thousand MAD)

RECEIVABLES	Public sector	Private sector			Total 12/31/2021	Total 12/31/2020
		Financial companies	Non-financial companies	Other customers		
Cash loans	-	-	-	-	-	-
Current debit accounts	-	-	-	-	-	-
Trade receivables on Morocco	-	-	-	-	-	-
Export credits	-	-	-	-	-	-
Other cash loans	-	-	-	-	-	-
CONSUMER LOANS	-	-	-	2,262	2,262	2,704
EQUIPMENT LOANS	25,431,002	-	-	-	25,431,002	24,400,244
REAL ESTATE LOANS	-	-	-	19,852	19,852	20,712
OTHER CASH LOANS	-	-	-	-	-	-
RECEIVABLES ACQUIRED THROUGH FACTORING	-	-	-	-	-	-
ACCRUED INTERESTS RECEIVABLE	727,277	-	-	-	727,277	783,432
NON PERFORMING LOANS	2,722	-	-	-	2,722	866
Pre-doubtful loans	-	-	-	-	-	-
Doubtful loans	-	-	-	-	-	-
Compromised loans	2,722	-	-	-	2,722	866
TOTAL	26,161,002	-	-	22,114	26,183,116	25,207,959

BREAKDOWN OF TRANSACTION AND PLACEMENT SECURITIES AND INVESTMENT SECURITIES BY ISSUER CATEGORY

(In thousand MAD)

Securities	Credit institutions and similar	Public issuers	Private issuers		Total 12/31/2021	Total 12/31/2020
			Financial	Non-Financial		
Quoted securities						
Treasury bills and similar securities						
Bonds						
Other debt securities						
Property securities						
Non-quoted securities						
Treasury bills and similar securities						
Bonds						
Other debt securities						
Property securities						
TOTAL						

BREAKDOWN OF TRANSACTION AND PLACEMENT SECURITIES AND INVESTMENT SECURITIES

(In thousand MAD)

Securities	Gross book value	Present value	Redemption value	Unrealized capital gains	Unrealized capital losses	Provisions
Trading securities						
Treasury bills and similar securities						
Bonds						
Other debt securities						
Property securities						
Placement securities						
Treasury bills and similar securities						
Bonds						
Other debt securities						
Property securities						
Investment securities						
Treasury bills and similar securities						
Bonds						
Other debt securities						
TOTAL						

DETAILS OF OTHER ASSETS

(In thousand MAD)

ASSETS	12/31/2021	12/31/2020
Optional instruments purchased	-	-
Miscellaneous transactions on securities	-	-
Other debtors	39,395	36,702
Amounts due by the State	38,263	35,747
Amounts due by provident organizations	-	-
Miscellaneous amounts due by staff	-	-
Client accounts for non-banking services	-	-
Various other debtors	1,132	955
Various values and uses	-	-
Regularisation accounts	261,254	198,346
Adjustment accounts for the off-balance sheet transactions	-	-
Counterpart of the off-balance sheet exchange result	-	-
Counterpart of the result on off-balance sheet derivative products	-	-
Counterpart of the result on off-balance sheet securities	-	-
Currency and securities gap accounts	4,224	2,718
Results of hedging derivative products	222,297	171,387
Deferred expenses over several fiscal years	7,977	8,043
Liaison accounts between headquarters, branches and agencies in Morocco	-	-
Accrued receivable income and prepaid expenses	26,404	15,859
Other regularisation accounts	351	339
Non Performing loans on miscellaneous transactions	-	-
TOTAL	300,649	235,048

PARTICIPATION SECURITIES AND SIMILAR ASSETS

(In thousand MAD)

Name of the issuing company	Activity sector	Share capital	Equity's participation (%)	Total acquisition price	Net book value	Extract from the last summary statements of the issuing company			Products recorded in the Statement of Income and Expenses (SIE) for the fiscal year
						Closing date of the fiscal year	Net position	Net earnings	
Participation in affiliated companies									
Other equity participation securities									
MAROCLEAR SA	Central depository	100,000	0.025%	25	25	12/31/2020	311,748	5,500	-
TOTAL PARTICIPATIONS				25	25		311,748	5,500	-
SIMILAR ASSETS				-	-		-	-	-
GRAND TOTAL				25	25		311,748	5,500	-

SUBORDINATED RECEIVABLES

(In thousand MAD)

SUBORDINATED RECEIVABLES	Amount				Including affiliated and related companies	
	12/31/2021		12/31/2020		12/31/2021	
	Gross	Provisions	Net	Net	Net	Net
Subordinated receivables from credit institutions and similar	-	-	-	-	-	-
Subordinated receivables to customers	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FIXED ASSETS GIVEN IN LEASE CREDIT, LEASE WITH PURCHASE OPTION AND SIMPLE LEASE

(In thousand MAD)

NATURE	Gross amount at the beginning of the fiscal year	Amount of acquisitions or withdrawals during the fiscal year	Amount of disposals during the fiscal year	Gross amount at the end of the fiscal year	Depreciation		Provisions		Net amount at the end of the fiscal year
					Allocation for the fiscal year	Accumulated depreciation	Allocation for the fiscal year	Reversal of provisions	
Fixed assets given in lease credit, lease with purchase option	-	-	-	-	-	-	-	-	-
Intangible fixed assets lease	-	-	-	-	-	-	-	-	-
Equipment lease	-	-	-	-	-	-	-	-	-
Equipment leases in progress	-	-	-	-	-	-	-	-	-
Equipment leased under operating lease	-	-	-	-	-	-	-	-	-
Equipment lease not leased after termination	-	-	-	-	-	-	-	-	-
Real estate lease	-	-	-	-	-	-	-	-	-
Real estate lease in progress	-	-	-	-	-	-	-	-	-
Real estate leased under operating lease	-	-	-	-	-	-	-	-	-
Real estate lease not leased after termination	-	-	-	-	-	-	-	-	-
Accrued rent receivable	-	-	-	-	-	-	-	-	-
Restructured rents	-	-	-	-	-	-	-	-	-
Unpaid rents	-	-	-	-	-	-	-	-	-
Non-Performing Loans	-	-	-	-	-	-	-	-	-
Fixed assets given in simple lease	18,280	-	-	18,280	247	15,500	-	-	2,779
Furnished goods under simple lease	-	-	-	-	-	-	-	-	-
Real estate under simple lease	18,280	-	-	18,280	247	15,500	-	-	2,779
Accrued rent receivable	-	-	-	-	-	-	-	-	-
Restructured rents	-	-	-	-	-	-	-	-	-
Unpaid rents	-	-	-	-	-	-	-	-	-
Non-Performing Loans	-	-	-	-	-	-	-	-	-
TOTAL	18,280	-	-	18,280	247	15,500	-	-	2,779

INTANGIBLE AND TANGIBLE FIXED ASSETS

12/31/2021

(In thousand MAD)

NATURE	Gross amount at the beginning of the fiscal year	Amount of acquisitions during the fiscal year	Amount of disposals or withdrawals during the fiscal year	Gross amount at the end of the fiscal year	Depreciation and/or provisions			Cumulative	Net amount at the end of the fiscal year
					Amount of depreciation and/or provisions at the beginning of the fiscal year	Depreciation and/or provisions	Amount of depreciation on fixed assets withdrawn		
INTANGIBLE FIXED ASSETS	21,033	-	-	21,033	20,521	192	-	20,713	320
Lease rights	-	-	-	-	-	-	-	-	-
Research and development fixed assets	-	-	-	-	-	-	-	-	-
Other operating intangible fixed assets	21,033	-	-	21,033	20,521	192	-	20,713	320
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-
TANGIBLE FIXED ASSETS	124,240	40	587	123,694	76,429	3,133	587	78,974	44,719
OPERATING BUILDINGS	69,323	-	-	69,323	26,859	1,552	-	28,411	40,912
Operating land	7,229	-	-	7,229	-	-	-	-	7,229
Operating buildings - Offices	61,194	-	-	61,194	26,300	1,530	-	27,830	33,364
Operating buildings - Staff housing	900	-	-	900	559	23	-	581	319
FURNITURE AND OPERATING EQUIPMENT	27,806	40	587	27,260	26,169	586	587	26,167	1,092
Operating office furniture	7,876	-	-	7,876	7,551	50	-	7,602	274
Operating office equipment	949	-	-	949	938	10	-	948	1
Computer equipment	17,718	40	-	17,757	16,415	525	-	16,941	817
Rolling stock related to operations	1,264	-	587	677	1,264	-	587	677	-
Other operating equipment	-	-	-	-	-	-	-	-	-
OTHER OPERATING TANGIBLE ASSETS	17,291	-	-	17,291	15,884	698	-	16,582	710
NON-OPERATING TANGIBLE FIXED ASSETS	9,820	-	-	9,820	7,518	296	-	7,814	2,006
Non-operating land	-	-	-	-	-	-	-	-	-
Non-operating buildings	5,545	-	-	5,545	3,645	139	-	3,784	1,761
Non-operating furniture and equipment	2,344	-	-	2,344	2,152	27	-	2,179	165
Other non-operating tangible fixed assets	1,931	-	-	1,931	1,720	130	-	1,851	80
TOTAL	145,273	40	587	144,726	96,950	3,325	587	99,687	45,039

VALUES GAINS OR LOSSES ON DISPOSALS OR WITHDRAWALS OF FIXED ASSETS

12/31/2021
(In thousand MAD)

Date of sale or withdrawal	Nature	Gross amount	Accumulated depreciation	Net book value	Disposal income	Capital gains on disposal	Capital losses on disposal
10/01/2021	Rolling stock related to operations	587	587		96	96	-
TOTAL		587	587		96	96	-



DEBTS TO CREDIT INSTITUTIONS AND SIMILAR

(In thousand MAD)

DEBTS	Bank Al-Maghrib, Public Treasury and Postal Checks Service	Banks in Morocco	Other credit institutions and similar in Morocco	Credit institutions abroad	Total 12/31/2021	Total 12/31/2020
ORDINARY CREDIT ACCOUNTS						
VALUES GIVEN IN PENSION						
Day by day						
At term						
CASH LOANS		300,000	600,000		900,000	880,000
Day by day						
At term		300,000	600,000		900,000	880,000
FINANCIAL BORROWINGS		6,983,300		1,778,773	8,762,073	7,417,391
OTHER DEBTS				202,012	202,012	196,571
ACCRUED INTEREST PAYABLE		89,150	25	5,768	94,943	103,494
TOTAL		7,372,450	600,025	1,986,552	9,959,027	8,597,456

CUSTOMER DEPOSITS

(In thousand MAD)

DEPOSITS	Public Sector	Financial companies	Non-Financial Companies	Other customers	Total 12/31/2021	Total 12/31/2020
Current credit accounts						
Savings accounts						
Term deposits						
Other credit accounts						
Accrued interest payable						
TOTAL					NONE	NONE

DEBT SECURITIES ISSUED

12/31/2021
(In thousand MAD)

NATURE OF THE SECURITIES	Date of entitlement	Maturity date	Characteristics			Amount	Of which		Unamortized amount of issue or redemption premiums
			Nominal value per unit	Nominal rate	Repayment method		Related companies	Other related parties	
Negotiable debt securities									
Certificates of Deposit	03/24/2015	03/24/2022	100	2.01%	In fine	328,000			
Certificates of Deposit	09/18/2017	09/18/2022	100	1.87%	In fine	350,000			
Certificates of Deposit	09/18/2017	09/18/2022	100	3.25%	In fine	300,000			
Certificates of Deposit	10/06/2017	10/06/2022	100	1.85%	In fine	250,000			
Certificates of Deposit	10/06/2017	10/06/2022	100	3.19%	In fine	300,000			
Certificates of Deposit	12/30/2019	12/30/2024	100	2.82%	In fine	1,000,000			
Bond loans									
Bond loans	01/20/2012	01/20/2027	100	5.30%	Redeemable	400,000			
Bond loans	12/08/2014	12/08/2029	100	3.44%	Redeemable	452,800			
Bond loans	12/08/2014	12/08/2024	100	2.17%	In fine	151,000			
Bond loans	07/13/2015	07/13/2030	100	4.60%	Redeemable	432,000			
Bond loans	07/13/2015	07/13/2025	100	2.13%	In fine	60,000			
Bond loans	07/13/2015	07/13/2025	100	2.23%	In fine	220,000			
Bond loans	10/13/2016	10/13/2031	100	3.92%	Redeemable	213,333			
Bond loans	10/13/2016	10/13/2026	100	2.04%	In fine	225,000			
Bond loans	10/13/2016	10/13/2031	100	2.44%	Redeemable	303,333			
Bond loans	12/06/2017	12/06/2032	100	3.93%	Redeemable	596,667			
Bond loans	12/06/2017	12/06/2027	100	2.08%	In fine	200,000			
Bond loans	12/06/2017	12/06/2032	100	2.28%	Redeemable	733,333			
Bond loans	07/19/2018	07/19/2033	100	3.84%	Redeemable	800,000			
Bond loans	07/12/2019	07/12/2034	100	3.49%	Redeemable	433,333			
Bond loans	07/12/2019	07/12/2034	100	2.20%	Redeemable	1,300,000			
Bond loans	12/18/2020	03/31/2036	100	2.25%	Redeemable	2,000,000			
TOTAL						11,038,800			

(1) These are: Certificates of deposit - Bond loans - Finance company bonds - Other debt securities

(2) Amortization: Annual - In fine

DETAILS OF OTHER LIABILITIES

(In thousand MAD)

LIABILITIES	12/31/2021	12/31/2020
Optional instruments sold		
Miscellaneous transactions on securities		
Other creditors	22,330	37,481
Amounts due to the State	19,250	33,745
Amounts due to the provident organizations	1,313	1,282
Miscellaneous amounts due to the staff	10	
Various amounts due to shareholders and partners		
Suppliers of goods and services	1,649	2,210
Various other creditors	109	244
Regularisation accounts	11,826	9,903
Adjustment accounts for off-balance sheet transactions		
Currency and securities gap accounts	1,978	274
Results on hedging derivative products		
Liaison accounts between headquarters, branches and agencies in Morocco		
Accrued expenses and deferred income	9,558	9,339
Other regularisation accounts	290	290
TOTAL	34,157	47,384

PROVISIONS

(In thousand MAD)

DEBTS	Outstanding 12/31/2020	Allocations	Reversals	Other variations	Outstanding 12/31/2021
PROVISIONS DEDUCTED FROM ASSETS ON :	17,023	468	16	-	17,475
Receivables on credit institutions and similar	-	-	-	-	-
Receivables on customers	5,556	468	4	-	6,020
Investment securities	-	-	-	-	-
Equity securities and similar assets	-	-	-	-	-
Fixed assets leased and rented	-	-	-	-	-
Other assets	11,467	-	12	-	11,455
PROVISIONS RECORDED UNDER LIABILITIES :	27,574	26,126	1,995	-	51,705
Provisions for risks of implementing commitments by signature	-	-	-	-	-
Provisions for exchange risks	-	-	-	-	-
Provisions for general risks	27,574	26,126	1,995	-	51,705
Provisions for retirement pensions and similar obligations	-	-	-	-	-
Provisions for other risks and expenses	-	-	-	-	-
Regulated provisions	-	-	-	-	-
GRAND TOTAL	44,597	26,594	2,011	-	69,180

SUBSIDIES, ALLOCATED PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS

(In thousand MAD)

Economic purpose	Total amount	Amount 12/31/2020	Use 12/31/2021	Amount 12/31/2021
Subsidies				
Allocated public funds				
Special guarantee funds				
TOTAL	NONE			

SUBORDINATED DEBTS

(In thousand MAD)

Currency of the loan	Amount in currency of the loan	Price (1)	Rate	Term (2)	Prepayment, subordination and convertibility conditions (3)	Amount of the loan in national currency (MAD equivalent)	Of which affiliated companies		Of which related companies	
							Amount (equivalent MAD) 12/31/2021	Amount (equivalent MAD) 12/31/2020	Amount (equivalent MAD) 12/31/2021	Amount (equivalent MAD) 12/31/2020
							Dirhams	200,000		2.30%
Dirhams	800,000		2.35%	10		800,000	-	-	-	
TOTAL	1,000,000					1,000,000	-	-	-	

(1) Bank Al-Maghrib price at 31/12/N

(2) Eventually undetermined

(3) Refer to the subordinated debt contract

EQUITY CAPITAL

(In thousand MAD)

EQUITY CAPITAL	Outstanding as of 12/31/2020	Allocation of earnings	Other variations	Outstanding at 12/31/2021
Revaluation differences				
Reserves and premiums related to capital	2,750,423	243,762	-	2,994,185
Legal reserve	-	-	-	-
Other reserves	2,750,423	243,762	-	2,994,185
Issuance, merger and contribution premiums	-	-	-	-
Capital	1,000,000			1,000,000
Called up capital	-	-	-	-
Uncalled capital	-	-	-	-
Investment certificates	-	-	-	-
Allowance fund	1,000,000	-	-	1,000,000
Shareholders - Unpaid capital				
Retained earnings (+/-)				
Net earnings pending allocation (+/-)				
Net earnings of the fiscal year (+/-)	243,762	- 243,762	328,481	328,481
TOTAL	3,994,185		328,481	4,322,666

FINANCING AND GUARANTEE COMMITMENTS

(In thousand MAD)

COMMITMENTS	12/31/2021	12/31/2020
Financing and guarantee commitments given	5,556,371	6,072,540
Financing commitments in favor of credit institutions and similar		
Import documentary credits	-	-
Payment acceptances or commitments	-	-
Opening of confirmed credit	-	-
Substitution commitments on issuing of securities	-	-
Irrevocable leasing commitments	-	-
Other financing commitments given	-	-
Financing commitments in favor of customers	5,556,371	6,072,540
Import documentary credits	-	-
Payment acceptances or commitments	-	-
Opening of confirmed credit	5,556,371	6,072,540
Substitution commitments on issuing of securities	-	-
Irrevocable leasing commitments	-	-
Other financing commitments given	-	-
Commitments to guarantee orders from credit institutions and similar entities		
Confirmed export documentary credits	-	-
Payment acceptances or commitments	-	-
Credit guarantees given	-	-
Other sureties, endorsements and guarantees given	-	-
Non-performing commitments	-	-
Customer order guarantee commitments		
Credit guarantees given	-	-
Bonds and guarantees in favor of the public administration	-	-
Other deposits and guarantees given	-	-
Non-performing commitments	-	-
Financing and guarantee commitments received	6,458,741	1,500,000
Financing commitments received from credit institutions and similar	6,458,741	1,500,000
Opening of confirmed credit	6,458,741	1,500,000
Substitution commitments on issuing of securities	-	-
Other financing commitments received	-	-
Guarantee commitments received from credit institutions and similar		
Credit guarantees	-	-
Other guarantees received	-	-
Guarantee commitments received from the State and various guarantee organizations		
Credit guarantees	-	-
Other guarantees received	-	-

COMMITMENTS ON SECURITIES

12/31/2021
(In thousand MAD)

COMMITMENTS	Amount
Commitments given	
Securities purchased with a repurchase option	
Other securities to be delivered	
Commitments received	
Securities sold with a repurchase option	
Other securities to be received	

FORWARD EXCHANGE TRANSACTIONS AND COMMITMENTS ON DERIVATIVE PRODUCTS

(In thousand MAD)

	Hedging transactions		Other transactions	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Forward exchange transactions	222,297	171,387		
Currencies to be received	-	-	-	-
Dirhams to be delivered	222,297	171,387	-	-
Currencies to be delivered	-	-	-	-
Dirhams to be received	-	-	-	-
Of which financial currency swaps	-	-	-	-
Commitments on derivative products				
Commitments on regulated interest rate markets	-	-	-	-
Commitments on over-the-counter interest rate markets	-	-	-	-
Commitments on regulated exchange rate markets	-	-	-	-
Commitments on over-the-counter exchange rate markets	-	-	-	-
Commitments on regulated markets for other instruments	-	-	-	-
Commitments on over-the-counter markets for other instruments	-	-	-	-

بنك التمويل المحلي
THE BANK FOR LOCAL FUNDING

VALUES AND SURETIES RECEIVED AND GIVEN AS GUARANTEE			12/31/2021
			(In thousand MAD)
Values and sureties received as guarantee	Net book value	Receivables or commitments by signature given posted to assets or to off balance sheet	Amounts of receivables or commitments by signature given and covered
Treasury bills and similar values	-	-	-
Other securities	-	-	-
Mortgages	380,000	Compte 2313	380,000
Other real values and sureties	-	-	-
TOTAL	380,000		380,000
Values and sureties given as guarantee	Net book value	Debts or commitments by signature received posted to liabilities or to off balance sheet	Amounts of debts or commitments by signature received and covered
Treasury bills and similar values	-	-	-
Other securities	-	-	-
Mortgages	-	-	-
Other real values and sureties	-	-	-
TOTAL	NONE		NONE

BREAKDOWN OF USES AND RESOURCES BY RESIDUAL DURATION							12/31/2021
							(In thousand MAD)
	D ≤ 1 month	1 month < D ≤ 3 months	3 months < D ≤ 1 year	1 year < D ≤ 5 years	D > 5 years	TOTAL	
ASSETS							
Receivables from credit institutions and similar	24,822	-	-	-	-	24,822	
Receivables from customers	39,341	785,732	1,406,536	9,516,485	13,702,294	25,450,389	
Debt securities	-	-	-	-	-	-	
Subordinated receivables	-	-	-	-	-	-	
Leasing and similar	-	-	-	-	-	-	
TOTAL	64,163	785,732	1,406,536	9,516,485	13,702,294	25,475,211	
LIABILITIES							
Debts to credit institutions and similar	694,002	439,645	612,329	3,127,022	4,991,087	9,864,084	
Debts to customers	-	-	-	-	-	-	
Receivables securities issued	66,667	461,333	1,676,267	4,361,067	4,473,466	11,038,800	
Subordinated loans	-	-	-	-	1,000,000	1,000,000	
TOTAL	760,669	900,978	2,288,595	7,488,088	10,464,553	21,902,884	

CONCENTRATION OF RISKS ON A SINGLE BENEFICIARY					12/31/2021
					(In thousand MAD)
Number	Total amount of risks	Amount of risk exceeding 10% of capital equity			
		Credit by disbursement	Credit by signature	Amount of securities held in the capital of the beneficiary	
2	6,233,108	5,164,221	1,068,887	-	

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS IN FOREIGN CURRENCY		12/31/2021
		(In thousand MAD)
BALANCE SHEET	Amount	
ASSETS	-	
Cash value, Central banks, Public treasury, Postal checks service	-	
Receivables from credit institutions and similar	-	
Receivables from customers	-	
Trading, placement and investment securities	-	
Other assets	-	
Participation securities and similar uses	-	
Subordinated receivables	-	
Leased and rented fixed assets	-	
Intangible and tangible fixed assets	-	
LIABILITIES	1,986,552	
Central Banks, Public Treasury, Postal Checks Service	-	
Debt to credit institutions and similar	1,986,552	
Customer deposits	-	
Receivables securities issued	-	
Other liabilities	-	
Subsidies, allocated public funds and special guarantee funds	-	
Subordinated debts	-	
OFF-BALANCE SHEET	Amount	
COMMITMENTS GIVEN	-	
COMMITMENTS RECEIVED	3,108,741	

INTEREST MARGIN			12/31/2021	12/31/2020
			(In thousand MAD)	
Interest perceived	1,256,736	1,283,902		
Interest and similar income on transactions with credit institutions	1,890	1,846		
Interest and similar income on transactions with customers	1,254,846	1,282,056		
Interest and similar income on receivables securities	-	-		
Interest served	619,088	660,981		
Interest and similar expenses on transactions with credit institutions	252,685	293,104		
Interest and similar expenses on transactions with customers	366,403	367,878		
Interest and similar expenses on receivables securities issued	-	-		
TOTAL	637,647	622,921		

INCOME FROM PROPERTY SECURITIES		12/31/2021
		(In thousand MAD)
CATEGORY OF SECURITIES	Income received	
Investment securities	-	
Equity securities	-	
Investments in affiliated companies	-	
Portfolio activity securities	-	
Similar uses	-	
TOTAL	NONE	

COMMISSIONS		12/31/2021
		(In thousand MAD)
COMMISSIONS	Amount	
Commissions received	-	
On transactions with credit institutions	-	
On transactions with customers	-	
On exchange transactions	-	
Related to interventions on primary securities markets	-	
On derivative products	-	
On securities transactions under management and on deposit	-	
On payment methods	-	
On advisory and assistance activities	-	
On sales of insurance products	-	
On other services	-	
Paid commissions	221	
On transactions with credit institutions	66	
On transactions with customers	-	
On exchange transactions	-	
Related to interventions on primary securities markets	-	
On derivative products	-	
On securities transactions under management and on deposit	155	
On payment methods	-	
On advisory and assistance activities	-	
On sales of insurance products	-	
On other services	-	

RESULT OF MARKET OPERATIONS			12/31/2021	12/31/2020
			(In thousand MAD)	
INCOME AND EXPENSES	12/31/2021	12/31/2020		
Income	-	-		
Gains on trading securities	-	-		
Value gain on disposal of investment securities	-	-		
Reversal of provision for depreciation of investment securities	-	-		
Gains on derivative products	-	-		
Gains on exchange transactions	-	-		
Expenses	-	-		
Losses on trading securities	-	-		
Value loss on disposal of investment securities	-	-		
Allocation to provisions for depreciation of investment securities	-	-		
Losses on derivative products	-	-		
Losses on exchange transactions	-	-		
RESULT	-	-		

GENERAL OPERATING EXPENSES		12/31/2021
		(In thousand MAD)
EXPENSES	Amount	
Staff expenses	46,210	
Taxes and duties	838	
External expenses	5,106	
Other general operating expenses	3,441	
Allocations to depreciation and provisions for tangible and intangible fixed assets	3,325	
TOTAL	58,919	

OTHER INCOME AND EXPENSES		12/31/2021
		(In thousand MAD)
Amount		
Other banking income and expenses	-	
Other banking income	-	
Other banking expenses	221	
Non-banking operating income and expenses	2,193	
Non-banking operating income	2,193	
Non-banking operating expenses	178	
Allocations to provisions and losses on uncollectible receivables	26,594	
Reversals of provisions and recoveries of written-off receivables	2,011	
Non-current income and expenses	236	
Non-current income	236	
Non-current expenses	19,211	

BREAKDOWN OF RESULTS BY BUSINESS LINE OR ACTIVITY POLE AND BY GEOGRAPHICAL ZONE				12/31/2021
				(In thousand MAD)
BREAKDOWN BY ACTIVITY POLE				
Activity pole	Net banking income	Gross operating earnings	Pre-tax earnings	
Bank activity	637,426	580,522	536,964	
Other activities	-	-	-	
TOTAL	637,426	580,522	536,964	
BREAKDOWN BY GEOGRAPHICAL ZONE				
Geographical zone	Net banking income	Gross operating earnings	Pre-tax earnings	
Morocco	637,426	580,522	536,964	
Other zones	-	-	-	
TOTAL	637,426	580,522	536,964	

FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS			12/31/2020
			(In thousand MAD)
Titles	Amount	Amount	
I- Net book earnings	328,481		
Net gain	328,481		
Net loss		-	
II- Tax reintegrations	256,988		
1- Current	29,294		
Expenses on previous years	166		
Non-operating expenses	556		
Conversion difference liability	1,978		
Allocations to provisions for general risks	26,126		
Allocations to provisions for NPLs	468		
2- Non-current	227,694		
Corporate income tax	208,484		
Social solidarity contribution	19,211		
Other non-current expenses	0		
-			
-			
III- Tax deductions		22,000	
1- Current		22,000	
Allocations to provisions for general risks		1,995	
Allocations to provisions for NPLs		4	
1/5 Contribution to the Special Fund for the management of the Coronavirus pandemic (Covid-19)		20,000	
-			
-			
2- Non-current			
-			
-			
-			
-			
TOTAL	585,469	22,000	
IV- Gross fiscal earnings		563,469	
Gross fiscal profit (A)		563,469	
Gross fiscal deficit (B)			
V- Deferred tax deficit (C) *			
Fiscal year N-4			
Fiscal year N-3			
Fiscal year N-2			
Fiscal year N-1			
VI- Net fiscal earnings		563,469	
Net fiscal profit (A - C)		563,469	
Or			
Net fiscal deficit (B)			
VII- Cumulative fiscal deferred depreciation			
VIII- Cumulative fiscal deficits to be carried forward			
Fiscal year N-4			
Fiscal year N-3			
Fiscal year N-2			
Fiscal year N-1			

(*) Within the limit of the amount of gross fiscal profit (A)

DETERMINATION OF CURRENT EARNINGS AFTER-TAX		12/31/2021
		(In thousand MAD)
I- EARNINGS DETERMINATION	Amount	
Current earnings according to the statement of income and expenses	555,939	
(+) Tax reintegrations on current transactions	29,294	
(-) Tax deductions on current transactions	22,000	
(=) Current earnings theoretically taxable	563,233	
(-) Theoretical tax on current income	208,396	
(=) Current earnings after tax	354,837	
II. INDICATIONS OF THE TAX SYSTEM AND THE BENEFITS GRANTED BY THE INVESTMENT CODES OR BY SPECIFIC LEGAL PROVISIONS		

DETAIL OF VALUE ADDED TAX					12/31/2021
					(In thousand MAD)
NATURE	Balance at the beginning of the fiscal year (1)	Accounting transactions for the fiscal year (2)	VAT claims for the fiscal year (3)	Balance at the end of the fiscal year (4=1+2-3)	
A- VAT collected	14,686	165,482	169,537	10,632	
B- VAT to be recovered	15,942	64,008	65,615	14,336	
On expenses	15,917	64,000	65,582	14,335	
On fixed assets	26	8	33	1	
C- VAT due or VAT credit (A-B)	- 1,257	101,474	103,922	- 3,704	

SHARE CAPITAL DISTRIBUTION					12/31/2021
					(In thousand MAD)
Amount of capital :					1,000,000
Amount of uncalled subscribed share capital :					-
Nominal value of the shares :					
Name of the main shareholders or partners	Address	Number of shares held		Share of capital held (%)	Percentage of voting rights (%)
		Previous fiscal year	Current year		
ETAT				100	100
TOTAL				100	100

STATEMENT OF NON PERFORMING LOANS AND RELATED PROVISIONS AT 12/31/2020					(In thousand MAD)
	12/31/2021		12/31/2020		
	Receivables	Provisions	Receivables	Provisions	
Conventional loans					
pre-doubtful loans	-	-	-	-	
doubtful loans	-	-	-	-	
compromised loans	8,387	5,812	5,927	5,344	
Subtotal 1	8,387	5,812	5,927	5,344	
MEN loans					
pre-doubtful loans	-	-	-	-	
doubtful loans	-	-	-	-	
compromised loans	1,227	208	1,253	212	
Subtotal 2	1,227	208	1,253	212	
GRAND TOTAL	9,614	6,020	7,180	5,556	

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR				12/31/2021
				(In thousand MAD)
A- Origin of the allocated earnings	Amount	B- Earnings allocation	Amount	
Decision of the Board of Directors: 13/04/2021				
Retained earnings	-	Legal reserves	-	
Net earnings being allocated	-	Dividends	-	
Net earnings for the fiscal year	243,762	Other allocations	243,762	
Deduction from profits	-			
Other deductions	-			
TOTAL A	243,762	TOTAL B	243,762	

EARNINGS AND OTHER ELEMENTS FOR THE LAST THREE FISCAL YEARS				(In thousand MAD)
	12/31/2021	12/31/2020	12/31/2019	
Capital equity and similar	4,322,666	3,994,185	3,750,423	
To be deducted -Amount concerning the Fonds d'Accompagnement des Collectivités Territoriales (Support Fund for Territorial Communities)	-	-	-	
Net capital equity and similar	4,322,666	3,994,185	3,750,423	
Operations and earnings for the fiscal year				
Net banking income	637,426	622,712	550,146	
Pre-tax earnings	536,964	446,846	474,682	
Earnings taxes	208,484	203,085	182,917	
Distributed profits	-	-	-	
Retained earnings (placed in reserves or pending allocation)	328,481	243,762	291,765	
Earnings per share (in MAD)				
Net earnings per share or unit				
Earnings distributed per share				
Staff				
Gross remuneration for the fiscal year	40,366	39,695	38,563	
Average number of employees during the fiscal year	92	96	100	

DATING AND SUBSEQUENT EVENTS		(In thousand MAD)
I. DATING		
Closing date (1)		12/31/2021
Date of preparation of the summary statements (2)		February 2022
(1) Justification in case of change in the closing date of the fiscal year		
(2) Justification in case of exceeding the three-month regulatory deadline for the preparation of the summary statements		

II. EVENTS OCCURRING AFTER THE END OF THE FISCAL YEAR AND NOT RELATED TO THE FISCAL YEAR AND KNOWN BEFORE THE FIRST EXTERNAL COMMUNICATION OF THE SUMMARY STATEMENTS		(In thousand MAD)
Dates	Indication of events	
	Favorable	NONE
	Unfavorable	

STAFF			(In number)
STAFF	12/31/2021	12/31/2020	
Paid staff	91	93	
Staff used	91	93	
Full-time equivalent staff	91	93	
Administrative and technical staff (full-time equivalent)	-	-	
Staff assigned to banking tasks (full-time equivalent)	-	-	
Executives (full-time equivalent)	83	85	
Employees (full-time equivalent)	8	8	
Of which, staff employed abroad	-	-	

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR ON DEPOSIT				(In thousand MAD)
SECURITIES	Number of accounts		Amounts	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Securities for which the institution is custodian				
Securities managed under a management mandate				
Securities of UCITS for which the institution is custodian				
Securities of UCITS managed under a management mandate				
Other assets of which the institution is custodian				
Other assets managed under a management mandate				

NETWORK			(In number)
NETWORK	12/31/2021	12/31/2020	
Permanent branches			NONE
Temporary branches			
Automatic teller machines and Bank ATMs			
Branches and agencies abroad			
Representative offices abroad			

CUSTOMER ACCOUNTS			(In number)
CUSTOMER ACCOUNTS	12/31/2021	12/31/2020	
Current accounts			NONE
Checking accounts of Moroccans living abroad			
Other checking accounts			
Factoring accounts			
Savings accounts			
Term accounts			
Cash vouchers			
Other deposit accounts			



GLOBAL RISK MANAGEMENT MECHANISM

1. Integrated Risk Management

1.1 Risk Management Control and Governance Principles

The governance of risk management at the Fonds d'Équipement Communal is based on :

- the Board of Directors' commitment to prioritizing risk management ;
- the strong involvement of the entire Institution's management in the process ;
- clearly defined procedures and responsibilities within the organization ;
- the allocation of appropriate resources for risk management and the development of risk sensitivity among all stakeholders.

1.2 Structure and Governance of Risk Management

Governance and risk management are ensured by the bodies described below :

Administrative Body

The Board of Directors is chaired by the Head of Government or by the Government Authority delegated by him for this purpose.

It also includes the following members :

- 2 representatives of the Ministry of the Interior ;
- 2 representatives of the Ministry of the Economy, Finance and Administration Reform ;
- 1 representative of the Ministry of Health ;
- 1 representative of the Ministry of Equipment, Transport, Logistics and Water ;
- 1 representative of the Ministry of Energy, Mines and the Environment ;
- the General Manager of the Caisse de Dépôt et de Gestion ;
- members representing elected officials : 8 communal councilors appointed from among the communal councilors appearing on a list drawn up for this purpose.

The Board of Directors meets when convened by its Chairman as often as the needs of the FEC require and at least twice a year.

The Government Commissioner appointed to the FEC, in accordance with the texts in force, attends the meetings of the Board of Directors in an advisory capacity.

Audit and Risk Committee

The Board of Directors is assisted by an Audit and Risk Committee (ARC), in accordance with legal and regulatory provisions, relating to the internal control of credit institutions.

The Audit and Risk Committee includes, in addition to the General Manager of the Caisse de Dépôt et de Gestion, Chairman :

- the Wali, Inspector General of Territorial Administration (Ministry of the Interior) ;
- the Director of the Treasury and External Finances (Ministry of the Economy, Finance and Administration Reform).

The Audit and Risk Committee is responsible in particular for assessing the quality of the internal control system and the consistency of the risk measurement, monitoring and control systems.

Governing Body

The General Management of the FEC evaluates the effectiveness of the risk management process and conducts a regular review of policies, strategies and key initiatives in terms of risk management.

The General Management makes presentations to the Audit and Risk Committee, emanating from the Board of Directors, on the main aspects and major changes in the risk management strategy. The ARC reports on its work regularly to the Board of Directors at each of its meetings.

Credit Committee

The Credit Committee is responsible for reviewing and granting loans under the conditions set by the Board of Directors.

The FEC's Credit Committee includes, in addition to the General Manager of the FEC, Chairman :

- 2 representatives appointed by the Ministry of the Interior ;
- 2 representatives appointed by the Ministry of the Economy, Finance and Administration Reform ;
- 1 representative appointed by the Caisse de Dépôt et de Gestion.

The Credit Committee meet when convened by its Chairman as often as necessary and at least once a month.

Internal Risk Committee

The Internal Risk Committee, chaired by the Governor, General Manager of the FEC, is responsible in particular for :

- validating the overall risk management strategy of the FEC and ensuring its implementation ;
- validating the formal risk management procedures by verifying their compliance with regulatory requirements ;
- monitoring and evaluating the risk prevention measures implemented by the FEC ;
- ensuring the implementation of the recommendations of the Audit and Risk Committee and those of the external control stakeholders in terms of risk prevention ;
- examining the information relating to risk management and ensuring its reliability, before it is transmitted to third parties.

ALCO Committee

The ALCO Committee, chaired by the Governor, General Manager of the FEC, is in charge of :

- developing and implementing the bank's Asset-Liability management policy, in its various components (refinancing, investment, transformation, hedging, Return On Equity (ROE)...), in accordance with the strategic orientations of the Board of Directors and the legislative and regulatory provisions ;
- assessing the pricing policy applied to customers ;
- defining the limits necessary for managing interest rate and liquidity risks ;
- monitoring the Bank's balance sheet balances ;
- assessing the impact of the launch of new products, or any new activity involving an interest rate risk or liquidity risk, on the Bank's financial situation ;
- monitoring the Bank's risk profile (liquidity, interest rate and foreign exchange risk) according to the internal and regulatory limits set by the Bank ;
- validating the conventions and the rate flow methods.

Risks and Permanent Control Division

The Risks and Permanent Control Division is responsible in particular for ensuring the reliability and security of operations carried out by the FEC as well as the implementation of effective processes for measuring, controlling and monitoring risks.

Internal Audit

Internal Audit is responsible for audit operations relating to the organization, procedures and operation of the FEC.

This entity ensures the performance of audit assignments as well as the preparation and follow-up of the meetings of the Audit and Risk Committee.

Internal Audit is also responsible for providing the necessary assistance to external control stakeholders and monitoring the implementation of their recommendations.

Compliance function

The Compliance function is responsible for monitoring the compliance of operations and acts of the FEC with regard to the legal and regulatory provisions applicable to the FEC.

It is also responsible for implementing and monitoring the code of ethics applicable to FEC's staff.

2. Risk exposure

The risks associated with the activities of the Fonds d'Équipement Communal are as follows :

Credit risk : the risk that a counterparty may not be able to honor its contractual obligations.

Liquidity risk : refers to the risk that the FEC will not be able to meet liquidity demands and meet its obligations as they become due. Requests for liquidity may arise upon maturity of a debt and as a result of a credit agreement.

Interest rate risk : Interest rate risk is the effect that fluctuations in interest rates could have on the FEC's margins, revenues and economic value.

Operational risks : risk of losses resulting from deficiencies or failures due to procedures, human resources, internal systems or external events.

Non-compliance risk : corresponds to the risk of an institution's exposure to a risk of reputation, financial loss or sanctions due to non-compliance with legal and regulatory provisions, standards and practices applicable to its activities or codes of conduct.

Currency risk : due to fluctuations in exchange rates.

2.1 Credit Risk

The FEC is exposed to credit risk due to its lending activity.

General loan policy

The FEC requires its clients to self-finance at least 20% of the investment cost, except for justified exceptions approved by the Credit Committee.

The rates applied are either fixed rates or revisable rates.

The FEC's loans are repaid in annual installments, comprising principal and interest.

Decision-making

The Risk and Permanent Control Division is responsible for approving the project to be financed and assessing the level of risk involved by the granting of the new loan as well as the client's ability to carry out his project.

The Credit Committee decides on the granting of the loan. The latter is authorized by a joint decree signed by the Ministers of the Interior and the Economy, Finance and Administration Reform.

Credit risk management process

Upon receipt of a request for financing a project and depending on its size, the Operations' Pole carries out the evaluation of the project and analyzes the client's financial quality.

The evaluation of the project to be financed is based on an in-depth knowledge of the client, the nature of the investment to be made and the financial package put in place.

The analysis of the client's financial situation covers the budgetary data of the budget execution balance sheets for the last three years, and the approved relative budgets as well as the data of the current year's provisional budget.

A retrospective analysis is first established in order to identify the trends in the main budget headings of the Territorial Community.

Secondly, a prospective analysis is carried out on the basis of the trends observed in order to measure, over time, the evolution of the Territorial Community's borrowing capacity.

The calculation of the borrowing capacity incorporates the following principles :

- the repayment capacity of the Community depends on the level of savings generated ;
- the maximum savings convertible into an annuity must not exceed 80% of the gross savings ;
- the maximum debt ratio must not exceed 40%, unless expressly waived by the Board of Directors. Prior to any loan approval, the Risk and Permanent Control Division is responsible for assessing the level of risk involved in the granting of the new loan based on:
- Analysis of the content of the client file: general and legal data, financial and technical data.
- The analysis of the retrospective and prospective financial situation of the client, which allows to determine the intrinsic financial quality of the latter and to assess various debt and solvency ratios as well as self-financing capacity.
- The assessment of the quality of the client based on the background of repayments of loans already contracted and the situation of its arrears regarding the FEC.
- The Assessment of project evaluation based on commonly accepted technical ratios by type of project.
- The Assessment of the need to match the loan to be granted to the provision of guarantees and proposal of risk correction measures to be implemented.

General conditions for granting loans

As with the other debts of the Territorial Communities, the FEC's loan annuities are accompanied by the legal requirement of obligation in their budgets.

The FEC's loan contracts provide for :

- a suspension clause for disbursements in the event of a deterioration in the borrower's financial situation;
- a suspensive clause for disbursements in the event of late payment exceeding 30 days.

Solvency profile

At the end of December 2021 :

The weighted net risks borne by the FEC reached 7,049,010 thousand MAD and consist of 84% of credit risk and 16% of operational risk.

In compliance with prudential requirements, the solvency ratio reached 75.45%, while the Tier One ratio reached 61.26%, thus reflecting the good level of solvency of the Institution.

Analysis of the credit portfolio

Receivables from customers, consisting of 99.84% of commitments for the benefit of Territorial Communities, have totalled 26,190,008 thousand MAD at December 31, 2021.

The financing commitments given by the FEC in favor of the clientele amounted, on December 31, 2021 to 5,556,371 thousand MAD.

The analysis of the situation of off-balance sheet commitments as of December 31, 2021, shows that 63.08% of the overall volume corresponds to recent loans committed for less than 3 years.

Provisions, provisioning policy and credit risk coverage

The Accounting & Reporting Division is responsible for the process of classifying and provisioning non-performing loans.

Receivables from Territorial Communities are assigned a weighting rate of 20%.

The classification and provisioning policy complies with the provisions of Bank Al-Maghrib Circular No. 19/G/2002.

Risk Division Coefficient

The FEC constantly monitors compliance with the maximum ratio of 20% between the total risks incurred on the same client and its equity.

As part of financing requests, the operating entities as well as the Risk and Permanent Control Division ensure compliance with the risk division coefficient, which is also monitored by the Accounting and Reporting Division.

According to the terms of Bank Al-Maghrib's new Circular No. 08/G/2012 (entered into force in 2013), the risk division coefficient is established at 12.03% at the end of December 2021, falling below the regulatory threshold set by BAM.

Pursuant to Bank Al-Maghrib's Directive No. 2/G/2010, relating to the practice of stress tests and in order to strengthen the tools for measuring and assessing credit risk, stress tests were carried out in order to assess the degree of aversion of the FEC to this risk.

The results from the minimum stress tests within the meaning of that directive, incorporating potential changes in the composition of the FEC's portfolio, reflect the FEC's capacity to withstand credit risk. In all scenarios, the FEC displays a solvency ratio above the regulatory threshold and a non performing loans rate not exceeding 1%.

2.2 Asset / Liability Management

Asset/Liability Managers

ALM risk management is carried out within the Finance Division by the Management Control and ALM Department.

The ALCO Committee, chaired by the Governor, General Manager of the FEC, is in charge of the transversal and collegial monitoring of the financial risks to which the institution is exposed and for reviewing decisions that would affect the Asset/Liability Management.

Asset / Liability Management

The FEC has set up a mechanism for managing balance sheet risks such as liquidity, interest rate and exchange rate risks, so as to be able to continuously monitor their evolution according to the trend of the financial markets, and to the Bank's activity.

In order to preserve the Bank's financial balance, the ALM mechanism ensures :

- that there is a sufficient level of liquidity, enabling the Bank to meet its obligations at all times and protecting it from any crisis ;
- that the risk inherent in foreign exchange positions does not reduce the Bank's profit margin ;
- the stability of results against interest rate fluctuations, by preserving the interest margin and optimizing the economic value of equity capital ;
- to guide the Bank's refinancing strategy.

Liquidity risk

Liquidity risk is defined as the risk that the Bank will not be able to meet its commitments as they fall due under normal conditions.

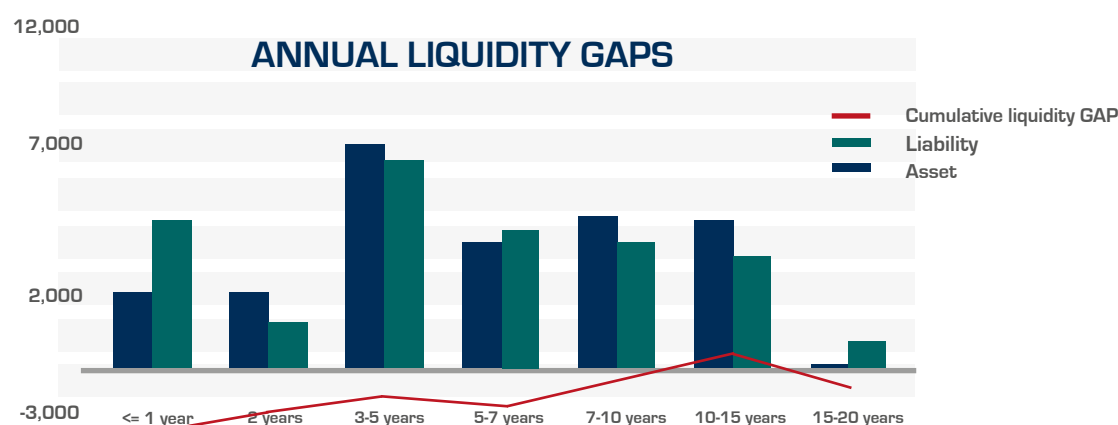
The FEC may be exposed to liquidity risk which may take one of the following forms :

- the inability of the institution to raise the necessary funds to deal with unexpected short-term situations, including a significant drawdown of funding commitments given to TCs ;
- the failure to match assets and liabilities or the financing of medium- and long-term assets with short-term liabilities.

Used approach to calculate Liquidity Gaps :

The measurement of this risk is based on balance sheet items at a given closing date, classified according to their residual maturity, and to which the flow laws and the ALM conventions are applied. The static flow gap makes it possible to determine the surplus or requirement of resources in the medium to long term, assuming that there is no new production of assets and liabilities.

At December 31, 2021, the profile of liquidity gaps is as follows :



Interest Rate Risk Management (IRRM)

Interest rate risk corresponds to the sensitivity of the balance sheet to future interest rate movements. The assessment of this risk is carried out through a series of stress test simulations, in particular in the context of the following six regulatory scenarios :

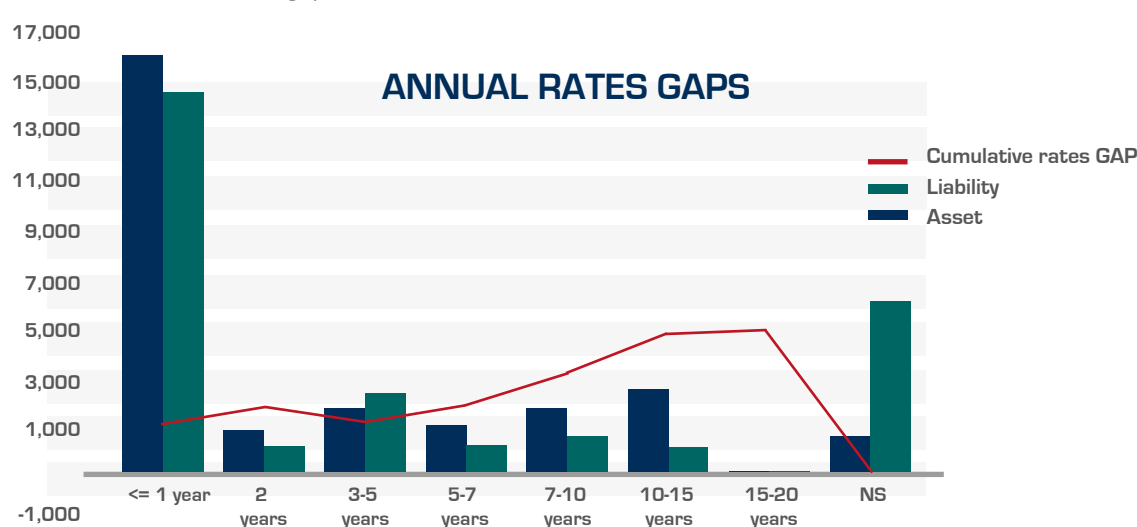
- Scenario 1: Parallel shift of the interest rate curve upwards (+200 bps);
- Scenario 2: Parallel shift of the interest rate curve downwards (-200 bps);
- Scenario 3: Rise in short rates;
- Scenario 4: Falling short rates;
- Scenario 5: Flattening of the yield curve;
- Scenario 6: Steepening of the yield curve.

The analysis and assessment of interest rate risks follows a dual logic, namely the preservation of the interest margin and the economic value of equity capital.

The Bank has opted for the approach known as the static mode maturity method. This approach consists of liquidating all balance sheet positions in static mode according to their contractual or conventional characteristics.

Exposure as of December 31, 2021

The flow of interest rate gaps as of December 31, 2021 is as follows :



The impact of the regulatory scenarios is 8.40% on the forecast net interest margin and 8.78% on the economic value of capital equity.

Foreign exchange risk

In order to be immune to foreign exchange risk, the FEC has set up a perfect and complete hedging on the occasion of :

- the two drawdowns made in during the 2019 fiscal year on a line of credit contracted in 2018 with a foreign lender ;
- the 50 million euros drawdown made in 2021.

As a reminder, the foreign exchange risk coverage related to the majority of the external loans mobilized by the FEC during the 1990s is taken in charge by the State (Ministry of the Economy and Finance/Treasury and External Finance Division) for remuneration, within the framework of a system specific to each line of credit.

2.3 Operational Risks

Organization and Governance

Over the past few years and in accordance with the provisions of Bank Al-Maghrib and the principles of good governance, the FEC has put in place an evolving internal control system that allows to :

- ensure the reliability and integrity of the financial and accounting information produced ;
- ensure that operations are carried out in accordance with the laws and regulations in force and according to the management guidelines and standards defined by the Management Body and the Administrative Body ;
- prevent and control the risks associated with its activity through well-defined and regularly monitored procedures.

General Management supervises the operational risk management system and monitors the actions taken to strengthen it.

The Internal Risk Committee is responsible for validating the operational risk management policy, the business continuity and crisis management strategy.

General framework

The FEC has undertaken several actions to strengthen the internal control system and the establishment of the necessary foundation for the construction of a robust and long-lasting operational risk management system backed by best practices and in compliance with regulatory requirements :

» Signature delegation mechanism

The FEC has set up an advanced signature delegation mechanism, based on a precise definition of powers and a clear delimitation of responsibilities. This mechanism meets the following principles :

- The principle of double signature is mandatory for all transactions affecting the accounts of the FEC or other elements of its assets;
- The separation between initiation and execution on the one hand, and control on the other ;
- The replacements are systematically scheduled in the event of the absence or impediment of a person in order to ensure continuity of service.

» General procedures manual

The FEC has a general procedures manual covering all the functional processes of the Steering, Business and Support domains. The general mapping of processes and procedures has been developed according to the requirements of the ISO 9001 V2008 Quality standard.

In addition, the integration of the MEGA process modeling tool has made it possible to have a single, structured procedure repository accessible by all FEC's employees through an intranet site. This repository is subject to regular evolutionary maintenance.

» Manual of procedures and accounting organization

The FEC has a manual of procedures and accounting organization to ensure that :

- all operations carried out by the FEC are faithfully translated into accounting records ;
- all records comply with the Chart of Accounts for Credit Institutions and the regulations in force ;
- all internal and external financial and accounting informations are reliable, complete and understandable for its users.

» Internal control manual

In accordance with the regulations in force and best practices in this area, the FEC has an internal control manual enabling it to ensure the regularity and proper application of the procedures put in place as well as the formalization of control points.

» Business Continuity Plan

In accordance with the provisions of the circular No. 4/W/2014 and the directive No. 47/G/2007 of Bank Al-Maghrib, the FEC has a Business Continuity Plan approved by the Board of Directors, allowing it to ensure, according to various crisis scenarios, the operation in degraded mode as well as the resumption of activities.

The implementation of the FEC's BCP focused in particular on the establishment of :

- Information System continuity mechanisms;
- Logistical continuity mechanisms;
- Human resources continuity mechanisms;
- Business continuity mechanisms.

In order to ensure the operational maintenance of the mechanisms put in place, the BCP documentation corpus (criticality study, continuity strategy, procedures, communication plan, etc.) is regularly updated and a maintenance and enhancement plan for the FEC's BCP is currently being developed.

» Triggering of the BCP following the pandemic crisis

During the first quarter of 2020, the FEC launched its Business Continuity Plan (BCP) on March 2, 2020, for the management of the COVID-19 health crisis and activated the work of its Crisis Management Committee (CMC), with the priority objective of ensuring the health safety of the FEC's employees, while maintaining the continuity of the Bank's activity. The main missions of this CMC are based on :

- the definition of the strategy for the continuity of operational and banking processes ;
- the definition of the communication strategy ;
- permanent monitoring, especially with regard to the provisions of the circulars and press releases issued by public authorities.

In order to guarantee the health safety of the FEC's employees, the FEC has deployed, since the beginning of March 2020, the health prevention measures, in accordance with the pandemic risk management plans predefined in the BCP documentation corpus and in line with the recommendations issued by the public authorities, in particular by the Ministry of Health, taking into account the evolution of the health context related to COVID-19 (adoption of barrier measures by employees, adoption of restrictive measures related to meetings and travel, use of videoconferencing for communication and exchanges between employees, partners and customers, mandatory wearing of masks, etc.).

Also, the FEC has adopted teleworking within the Institution and has deployed a mechanism for organizing structures with a reduced workforce and in office-working mode with rotation and teleworking. Also, cyber security measures related to teleworking have been deployed, in accordance with the recommendations of the General Directorate of Information Systems Security (DGSSI).

In June 2020, in line with the national deconfinement strategy, the FEC adopted a plan to gradually return to normal by increasing the workforce, excluding vulnerable people, which places the preservation of employees' health at the heart of the institution's concerns.

In addition, during the months of August and September 2020, and in a context of the return of employees from the summer periods, the FEC undertook a PCR screening operation for all of its employees, in order to ensure their safety and to break the chains of the virus transmission, if necessary.

In October 2020, in a context marked by the resurgence of contamination cases at the national and international level and in the pursuit of prevention efforts against Covid-19, the FEC renewed the teleworking mode in hybrid mode with alternating office-working/teleworking, according to a schedule jointly agreed between the Crisis Management Committee (CMC) and the Managers of the structures.

Operational risk management

The FEC has an operational risk map which was reconstructed in 2010 based on the Basel II typology and which is updated annually. This mapping covers the processes in the areas of credit, support and information systems and makes it possible to target the processes requiring special or reinforced monitoring.

The operational risk management system deployed at the FEC, as part of the Basel II reform and in application of Directive No. 29/G/2007 issued by Bank Al-Maghrib, allows the identification and assessment of operational risks as well as the follow-up of action plans adopted for the identified major risks. This system was supplemented in 2011 by an incident collection database, which provides an objective view of the risks incurred and the reassessment of these risks by the results of the collection of operational incidents.

The operational risk management system is fully automated following the deployment of an IS application, making it possible to ensure:

- The identification, assessment and monitoring of operational risks through risk mapping.
- The reconciliation of the risk mapping with the general procedures manual.
- Monitoring of action plans adopted for the major risks identified.
- The collection of incidents related to operational risks.

Organization

On the organizational side, the management of the operational risk management system is carried out by the Risk and Permanent Control Division. The latter is supported by operational risk correspondents (ORC) at the level of the Business and Support entities.

These ORCs are responsible for reporting operational incidents, analyzing the collection base for these incidents and implementing action plans to cover major risks.

To this end, a procedure for collecting and reporting operational incidents as well as a reporting form for the occurrence of an operational incident have been developed and made available to the ORCs in order to equip the collection and reporting process for incidents.

The governance of operational risks is ensured by the Internal Risk Committee.

Hedging of operational risks

In accordance with the regulatory provisions relating to minimum equity requirements, the FEC has been covering operational risks since December 2011.

The equity requirement to cover operational risks is calculated using the "basic indicator" approach, which is equal to 15% of the average net banking income, calculated over the past 3 years.

2.4 Risks of Non-Compliance

In accordance with Bank Al-Maghrib's Directive No. 49/G/2007 relating to the compliance function of August 31, 2007, the FEC has adopted a compliance and a charter policy.

Deloitte.

Bd Sidi Mohammed Benabdellah
Bâtiment C – Tour Ivoire 3 – 3^{ème} étage
La Marina - Casablanca
Maroc

mazars

101, Boulevard Abdelmoumen
Casablanca
Maroc

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'Equipelement 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'Equipelement Communal établis au 31 décembre 2021, conformément au référentiel comptable admis au Maroc.

Casablanca, le 21 mars 2022

Les Commissaires aux Comptes

Deloitte Audit



Hicham Belemqadem
Associé

Mazars Audit et Conseil

MAZARS AUDIT ET CONSEIL
101, Boulevard Abdelmoumen
20360 Casablanca
Tel. : 05 22 42 34 25
Fax : 05 22 42 34 00

Taha Ferdaous
Associé



Fonds d'Equipeement Communal
Espace Oudayas, angle avenue Annakhil et avenue Ben Barka
B.P. 2175 - Hay Ryad 10 100 - Rabat - Maroc
Tél: +212 (0) 537 56 60 90 à 93 - Fax: +212 (0) 537 56 60 94

www.fec.ma