

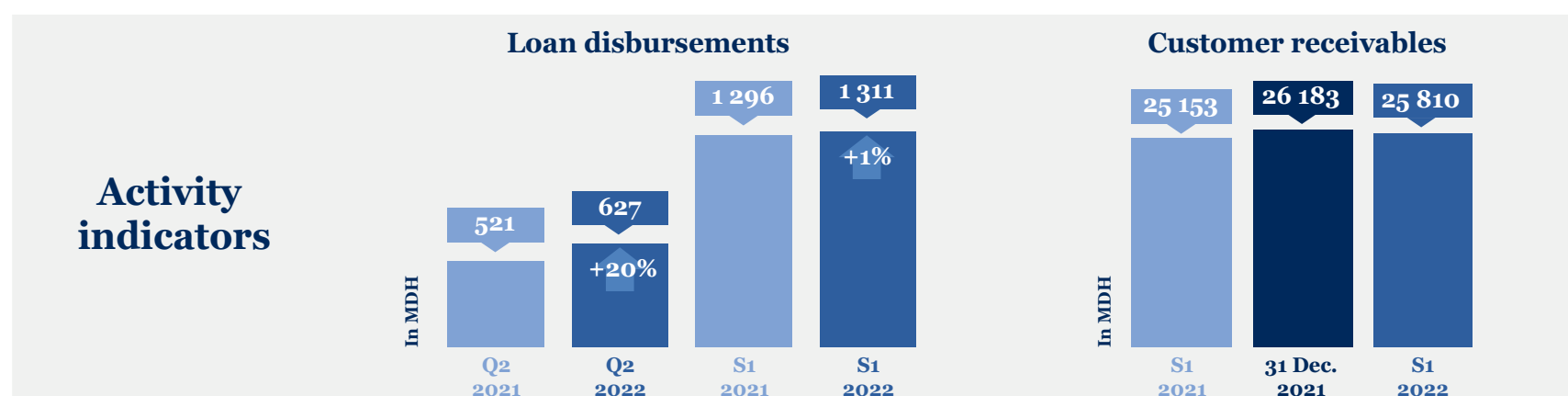
## Press release of the Fonds d'Equipeement Communal for the 2<sup>nd</sup> quarter of 2022



“ One of the main pillars of the FEC's fundamentals is its strong commitment to make the assessment of Environmental and Social risks a sine qua non condition for any financing of territorial projects. This assessment was through the implementation of a Reference Framework, at the level of international standards, set out in the form of an Environmental and Social policy (E&S).

At the strategic level, the Bank sealed, during Q2 2022, its E&S corpus composed of the E&S policy and procedures ensuring the standardization of the conduct of E&S risk assessment. The integration of this assessment throughout the value chain marks the FEC's willingness to continue innovating to better serve a low-carbon, sustainable and resilient development of the territories to the impacts of climate change, thus contributing to the Kingdom's efforts in this area.

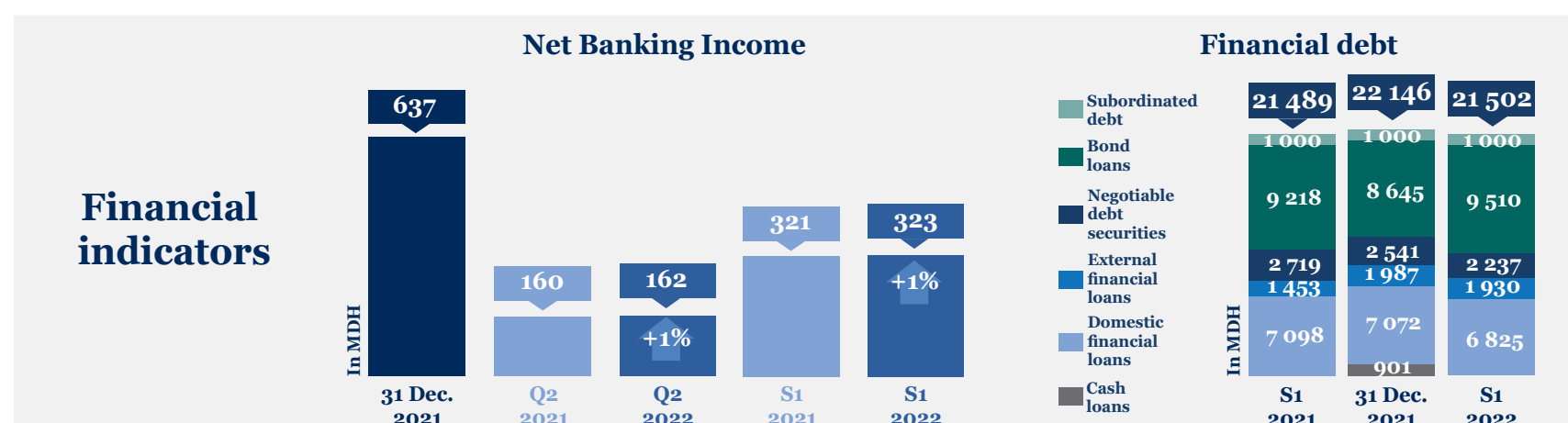
At the operational level, the E&S rating resulting from this assessment, for the 1<sup>st</sup> semester of 2022, shows that 80.5% of the financed projects are classified in "Category D", which includes projects with minimal risks whose probable impacts are manageable, 17.1% of the financed projects are classified in "Category C", which includes projects with minimal risks requiring specific mitigation measures, and 2.4% are classified in "Category B", which includes projects with limited risks requiring the integration of the measures recommended by the E&S impact studies carried out. In addition, no "Category A" project has been identified. This category includes projects that may result in negative environmental or social impacts that are considered significant, high or irreversible and difficult to control. ”



“ In S1 2022, loan disbursements amounted to more than MAD 1.3 billion and enabled the financing of several projects for the benefit of different categories of Territorial Communities. These financings, of which more than 24% fall within the context of the Program for the Reduction of Territorial and Social Disparities (PRDTS), have been mainly used for the achievement of urban development projects, in particular for the implementation of city upgrading programs. They also have been mainly used for the achievement of specialized equipment and road infrastructure projects.

For their part, loan commitments reached an amount of more than MAD 1.8 billion in S1 2022, up by more than 19% compared to S1 2021, and of which more than 87% were granted to Regional Councils and to Prefectural and Provincial Councils, at 53% and 34% respectively.

Reflecting continuous value creation, customer receivables reached nearly MAD 26 billion as of June 30, 2022, an increase of nearly 3% on a year-on-year basis. ”



“ The NBI amounted to MAD 323 million at the end of S1 2022, slightly up compared to S1 2021, thanks in particular to the combined effect of the level of operations and to the quality of the portfolio to date.

As of June 30, 2022, the FEC's financial debt reached more than MAD 21.5 billion, consisting mainly of mobilized resources on the domestic financial market, in particular through bond loans that represent a share of more than 44%. ”

The data in this press release are unaudited.

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For all contact related to the financial communication

Mrs. Sanaa BALAFREJ, Responsible of financial communication : 05 37 56 90 32