



# **FINANCIAL STATEMENTS**

## **as of June 30, 2024**

BALANCE SHEET (In thousand MAD)		
ASSETS	June 30, 2024	Dec 31, 2023
CASH VALUE, CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE	56,467	8,522
RECEIVABLES ON CREDIT INSTITUTIONS AND SIMILAR	1,986,421	1,251,600
On sight	9,416	907
At term	1,977,006	1,250,692
CUSTOMER RECEIVABLES	27,049,142	28,061,641
Cash and consumer loans and participatory financing	2,344	2,403
Loans and participatory financing for equipment	26,949,118	28,017,114
Real estate loans and participatory financing	13,760	14,559
Other loans and participatory financing	83,920	27,565
RECEIVABLES ACQUIRED THROUGH FACTORING	-	-
TRADING AND INVESTMENT SECURITIES	-	-
Treasury bills and similar securities	-	-
Other debt securities	-	-
Property securities	-	-
Sukuks Certificates	-	-
OTHER ASSETS	443,398	539,438
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	75	95
TANGIBLE FIXED ASSETS	42,009	40,931
TOTAL ASSETS	29,577,537	29,902,251

LIABILITIES	June 30, 2024	Dec 31, 2023
CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE		
DEBTS TO CREDIT INSTITUTIONS AND SIMILAR	13,761,506	14,428,012
On sight	-	-
At term	13,761,506	14,428,012
CUSTOMER DEPOSITS	-	-
Demand accounts payable	-	-
Savings Accounts	-	-
Term deposits	-	-
Other accounts payable	-	-
DEBTS TO CUSTOMERS ON PARTICIPATORY PRODUCTS	-	-
ISSUED DEBT SECURITIES	9,030,251	9,226,263
Issued negotiable debt securities	1,014,177	1,000,154
Bond loans	8,016,074	8,226,109
Other debt securities issued	-	-
OTHER LIABILITIES	625,818	283,028
PROVISIONS FOR RISKS AND EXPENSES	88,469	88,469
REGULATED PROVISIONS	-	-
SUBSIDIES, ALLOCATED PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS	-	-
SUBORDINATED DEBT	1,035,283	1,016,831
INVESTMENT DEPOSITS RECEIVED	-	-
REVALUATION DIFFERENCES	-	-
RESERVES AND RELATED PREMIUM CAPITAL	3,859,648	3,660,561
CAPITAL	1,000,000	1,000,000
SHAREHOLDERS. UNPAID CAPITAL (-)	-	-
RETAINED EARNINGS ( +/- )	-	-
NET EARNINGS PENDING ALLOCATION ( +/- )	-	-
NET EARNINGS FOR THE FISCAL YEAR ( +/- )	176,562	199,087
TOTAL LIABILITIES	29,577,537	29,902,251

OFF-BALANCE SHEET (In thousand MAD)		
	June 30, 2024	Dec 31, 2023
COMMITMENTS GIVEN	5,514,692	4,990,773
Financing commitments given to credit institutions and similar	-	-
Financing commitments given to customers	5,514,692	4,990,773
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	3,211,485	2,132,329
Financing commitments received from credit institutions and similar	3,211,485	2,132,329
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)		
	June 30, 2024	June 30, 2023
BANKING OPERATING INCOME	764,272	676,255
Interest, remunerations and similar income from transactions with credit institutions	32,536	7,606
Interest, remunerations and similar income from transactions with customers	730,818	649,179
Interest and similar income from debt securities	-	17,888
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	917	553
Other banking income	-	1,029
Transfer of expenses on investment deposits received	-	-
BANKING OPERATING EXPENSES	438,496	349,104
Interest and similar expenses on transactions with credit institutions	259,308	188,591
Interest and similar expenses on transactions with customers	-	-
Interest and similar expenses on debts issued	179,154	160,462
Expenses on Moudaraba and Moucharaka securities	-	-
Expenses on fixed assets leased and rented	-	-
Expenses on fixed assets given in Ijara	-	-
Other bank expenses	33	51
Transfer of income on investment deposits received	-	-
NET BANKING INCOME	325,776	327,151
Non-banking operating income	460	264
Non-banking operating expenses	69	89
GENERAL OPERATING EXPENSES	30,417	29,895
Staff expenses	23,751	24,153
Taxes and dues	424	426
External expenses	3,232	2,726
Other general operating expenses	1,806	1,403
Allocations for depreciation and provisions of tangible and intangible fixed assets	1,205	1,187
ALLOCATIONS TO PROVISIONS AND UNRECOVERABLE RECEIVABLES	2,848	3,910
Allocations to provisions on receivables and pending commitments by signature	2,848	3,910
Losses on unrecoverable receivables	-	-
Other allocations to provisions	-	-
REVERSALS OF PROVISIONS AND RECOVERIES ON WRITTEN OFF RECEIVABLES	1,807	613
Reversals of provisions on receivables and pending commitments by signature	1,807	613
Recoveries on written off receivables	-	-
Other reversals of provisions	-	-
OPERATING RESULT	294,708	294,134
Non-operating income	0	19
Non-operating expenses	14,527	15,119
PRE-TAX EARNINGS	280,182	279,034
Earnings Taxes	103,620	107,073
NET EARNINGS FOR THE FISCAL YEAR	176,562	171,961



STATUS OF MANAGEMENT BALANCES (In thousand MAD)		
I- INCOME STATEMENT TABLE	June 30, 2024	June 30, 2023
(+) Interest and similar income	763,354	674,673
(-) Interest and similar expenses	438,463	349,053
INTEREST MARGIN	324,892	325,620
(+) 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	917	553
(-) Commissions paid	33	51
MARGIN ON COMMISSIONS	884	502
(+) Result of trading securities operations	-	1,029
(+) Result of investment securities operations	-	-
(+) Result of exchange operations	-	-
(+) Result of derivative products operations	-	-
RESULT OF MARKET OPERATIONS	-	1,029
(+) 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	325,776	327,151
(+) Net income from financial fixed assets	-	-
(+) Other non-banking operating income	460	264
(-) Other non-banking operating expenses	69	89
(-) General operating expenses	30,417	29,895
GROSS OPERATING RESULT	295,750	297,430
(+/-) Net allocations of reversals to provisions for receivables and non performing commitments by signature	1,041	3,297
(+/-) Other net allocations of reversals to provisions	-	-
OPERATING RESULT	294,708	294,134
NON-OPERATING RESULT	- 14,527	- 15,100
(-) Earnings Taxes	103,620	107,073
NET EARNINGS FOR THE FISCAL YEAR	176,562	171,961

II- SELF-FINANCING CAPACITY	June 30, 2024	June 30, 2023
(+) NET EARNINGS FOR THE FISCAL YEAR	176,562	171,961
(+) Allocations to amortization and provisions of tangible and intangible fixed assets	1,205	1,187
(+) Allocations to provisions for depreciation of financial fixed assets	-	-
(+) Allocations to provisions for general risks	-	-
(+) Regulated provisions allocations	-	-
(+) Non-operating provisions allocations	-	-
(-) Reversal of provisions	-	-
(-) Capital gains on disposals of tangible and intangible fixed assets	113	-
(+) 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	177,653	173,148
(-) Distributed Profit	-	-
(+) SELF-FINANCING	177,653	173,148

CASH FLOW STATEMENT (In thousand MAD)		
	June 30, 2024	Dec 31, 2023
Banking operating income received	764,272	1,402,869
Recoveries on written off receivables	-	-
Non-banking operating income received	460	540
Banking operating expenses paid	438,496	733,618
Non-banking operating expenses paid	14,596	180,511
General operating expenses paid	29,213	59,638
Earnings taxes paid	103,620	210,819
NET CASH FLOWS FROM THE STATEMENT OF INCOME AND EXPENSES	178,807	218,823
Variation of :		
Receivables on credit institutions and similar	- 734,822	- 1,251,379
Receivables on customers	1,011,457	- 1 214,874
Trading and investment securities	-	-
Other assets	96,040	23,641
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	- 666,505	1,762,205
Customer deposits	-	-
Debt to customers on participatory products	-	-
Issued receivables securities	- 177,559	- 725,869
Other liabilities	342,790	11,632
II. BALANCE OF VARIATIONS IN OPERATING ASSETS AND LIABILITIES	- 128,599	- 1,394,644
III. NET CASH FLOWS FROM OPERATING ACTIVITIES (I + II)	50,208	- 1,175,821
Income from disposals of financial fixed assets	-	-
Income from disposals of tangible and intangible fixed assets	-	-
Acquisition of financial fixed assets	-	- 1,131,044
Acquisition of tangible and intangible fixed assets	2,263	1,176
Interest received	-	-
Dividends received	-	-
IV. NET CASH FLOWS FROM INVESTMENT ACTIVITIES	- 2,263	1,129,869
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	47,945	- 45,952
VII. CASH POSITION AT THE BEGINNING OF THE FISCAL YEAR	8,522	54,474
VIII. CASH POSITION AT THE END OF THE FISCAL YEAR	56,467	8,522

MAIN APPLIED EVALUATION METHODS
INDICATION OF THE EVALUATION METHODS APPLIED BY THE INSTITUTION
<div>*Application of the evaluation methods provided for in the "Chart of Accounts of Credit Institutions" which came into force on 01/01/2000.</div> <div>*Non-Performing Loans (NPLs) on the clients are accounted for and valued in accordance with current banking regulations.</div> <div>The main provisions applied can be summarized as follows :<div>- Non-Performing Loans (NPLs) are, depending on the degree of risk, classified as pre-doubtful, doubtful or compromised loans.</div><div>- Non-Performing Loans (NPLs) are, after deduction of the guarantee rates provided for by the regulations in force (Circular Letter No. 25/G/97, Circulars No. 19/G/2002 and 38/G/2004), provisioned for :<div>- 20% for pre-doubtful loans,</div><div>- 50% for doubtful loans,</div><div>- 100% for compromised loans.</div></div><div>*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.</div><div>Intangible and tangible fixed assets are amortized according to the regulations in force.</div><div>*The summary statements are presented in accordance with the provisions of the Chart of Accounts of Credit Institutions.</div></div>

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 June 30, 2024	Total Dec 31, 2023
ORDINARY DEBIT ACCOUNTS	53,933	9,411	4	-	63,349	7,224
VALUES RECEIVED IN PENSION	-	-	-	-	-	-
Day by day	-	-	-	-	-	-
At term	-	-	-	-	-	-
CASH LOANS	-	1,950,000	-	-	1,950,000	1,250,000
Day by day	-	-	-	-	-	-
At term	-	1,950,000	-	-	1,950,000	1,250,000
FINANCIAL LOANS	-	-	-	-	-	-
OTHER RECEIVABLES	-	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	2,513	27,006	-	-	29,518	2,851
NON PERFORMING LOANS	-	-	-	-	-	-
TOTAL	56,446	1,986,417	4	-	2,042,867	1,260,076

CUSTOMER RECEIVABLES					(In thousand MAD)	
RECEIVABLES	Public sector	Private sector			Total June 30, 2024	Total Dec 31, 2023
		Financial companies	Non-financial companies	Other customers		
Cash loans	-	-	-	-	-	-
Current debit accounts	-	-	-	-	-	-
Trade receivables on Morocco	-	-	-	-	-	-
Export credits	-	-	-	-	-	-
Other cash loans	-	-	-	-	-	-
CONSUMER LOANS	-	-	-	2,344	2,344	2,403
EQUIPMENT LOANS	26,319,577	-	-	-	26,319,577	27,193,075
REAL ESTATE LOANS	-	-	-	13,760	13,760	14,559
OTHER CASH LOANS	-	-	-	-	-	-
RECEIVABLES ACQUIRED THROUGH FACTORING	-	-	-	-	-	-
ACCRUED INTERESTS RECEIVABLE	629,541	-	-	-	629,541	824,039
NON PERFORMING LOANS	83,920	-	-	-	83,920	27,565
Pre-doubtful loans	82,644	-	-	-	82,644	7,488
Doubtful loans	680	-	-	-	680	19,481
Compromised loans	596	-	-	-	596	596
TOTAL	27,033,038	-	-	16,104	27,049,142	28,061,641

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 June 30, 2024	Total Dec 31, 2023
			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	-	-	-	-	-	-

INTANGIBLE AND TANGIBLE FIXED ASSETS										June 30, 2024
										(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	Amount of depreciation and/or provisions at the beginning of the fiscal year	Depreciation and/or provisions	Amount of depreciation on fixed assets withdrawn	Cumulative	Net amount at the end of the fiscal year	
INTANGIBLE FIXED ASSETS	21,131	-	-	21,131	21,037	19	-	21,056	75	
Lease rights	-	-	-	-	-	-	-	-	-	
Research and development fixed assets	-	-	-	-	-	-	-	-	-	
Other operating intangible fixed assets	21,131	-	-	21,131	21,037	19	-	21,056	75	
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-	
TANGIBLE FIXED ASSETS	125,098	2,263	677	126,685	84,168	1,185	677	84,676	42,009	
OPERATING BUILDINGS	69,323	-	-	69,323	31,516	776	-	32,292	37,031	
Operating land	7,229	-	-	7,229	-	-	-	-	7,229	
Operating buildings - Offices	61,194	-	-	61,194	30,890	765	-	31,655	29,540	
Operating buildings - Staff housing	900	-	-	900	626	11	-	638	263	
FURNITURE AND OPERATING EQUIPMENT	27,759	1,582	677	28,664	27,092	164	677	26,579	2,085	
Operating office furniture	7,921	-	-	7,921	7,705	27	-	7,732	189	
Operating office equipment	950	-	-	950	949	0	-	949	1	
Computer equipment	18,211	1,582	-	19,793	17,761	137	-	17,898	1,895	
Rolling stock related to operations	677	-	677	-	677	-	677	-	-	
Other operating equipment	-	-	-	-	-	-	-	-	-	
OTHER OPERATING TANGIBLE ASSETS	18,180	679	-	18,859	17,353	151	-	17,504	1,355	
NON-OPERATING TANGIBLE FIXED ASSETS	9,837	2	-	9,839	8,206	94	-	8,300	1,539	
Non-operating land	-	-	-	-	-	-	-	-	-	
Non-operating buildings	5,545	-	-	5,545	4,061	69	-	4,130	1,415	
Non-operating furniture and equipment	2,344	-	-	2,344	2,234	14	-	2,247	97	
Other non-operating tangible fixed assets	1,948	2	-	1,950	1,911	11	-	1,923	27	
TOTAL	146,230	2,263	677	147,816	105,204	1,205	677	105,732	42,084	

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	June 30, 2024	Dec 31, 2023
Optional instruments purchased	-	-
Miscellaneous transactions on securities	-	-
Other debtors	149,642	263,826
Amounts due by the State	149,029	263,483
Amounts due by provident organizations	-	-
Miscellaneous amounts due by staff	-	-
Client accounts for non-banking services	-	-
Various other debtors	613	343
Various values and uses	-	-
Regularisation accounts	293,756	275,612
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	4,462	5,553
Results of hedging derivative products	212,516	215,359
Deferred expenses over several fiscal years	8,024	4,060
Liaison accounts between headquarters, branches and agencies in Morocco	-	-
Accrued receivable income and prepaid expenses	68,412	50,301
Other regularisation accounts	343	339
Non Performing loans on miscellaneous transactions	-	-
TOTAL	443,398	539,438

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 earning	
Participation in affiliated companies									
Other equity participation securities									
MAROCLEAR SA	Central depository	100,000	0.025%	25	25	12/31/2023	350,268	16,199	
TOTAL PARTICIPATIONS				25	25	-	350,268	16,199	-
SIMILAR ASSETS				-	-	-	-	-	-
GRAND TOTAL				25	25	-	350,268	16,199	-

SUBORDINATED RECEIVABLES	(In thousand MAD)				
SUBORDINATED RECEIVABLES	Amount			Including affiliated and related companies	
	June 30, 2024	Dec 31, 2023		June 30, 2024	Dec 31, 2023
	Gross	Provisions	Net	Net	Net
Subordinated receivables from credit institutions and similar	NONE				
Subordinated receivables to customers	NONE				
TOTAL					

FIXED ASSETS GIVEN IN LEASE CREDIT, LEASE WITH PURCHASE OPTION AND SIMPLE LEASE					June 30, 2024				
(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		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	Accumulated 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									
Furnished goods under simple lease									
Real estate under simple lease									
Accrued rent receivable									
Restructured rents									
Unpaid rents									
Non-Performing Loans									
TOTAL									

VALUES GAINS OR LOSSES ON DISPOSALS OR WITHDRAWALS OF FIXED ASSETS (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
01/19/2024	Rolling equipment assigned to operations	677	677		113	113	-
TOTAL		677	677		113	113	-



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 June 30, 2024	Total Dec 31, 2023
ORDINARY CREDIT ACCOUNTS	-	-	-	-	-	-
VALUES GIVEN IN PENSION	-	-	-	-	-	-
Day by day	-	-	-	-	-	-
At term	-	-	-	-	-	-
CASH LOANS	-	50,000	-	-	50,000	-
Day by day	-	-	-	-	-	-
At term	-	50,000	-	-	50,000	-
FINANCIAL BORROWINGS	-	7,536,032	1,850,000	3,938,014	13,324,046	13,977,995
OTHER DEBTS	-	-	-	214,231	214,231	211,956
ACCRUED INTEREST PAYABLE	-	102,297	34,684	36,248	173,229	238,061
TOTAL	-	7,688,329	1,884,684	4,188,493	13,761,506	14,428,012

CUSTOMER DEPOSITS (In thousand MAD)					
DEPOSITS	Public Sector	Financial companies	Private Sector Non-Financial Companies	Other customers	Total June 30, 2024 Total Dec 31, 2023
Current credit accounts	NONE				
Savings accounts					
Term deposits					
Other credit accounts					
Accrued interest payable					
TOTAL					

DEBT SECURITIES ISSUED June 30, 2024 (In thousand MAD)									
NATURE OF THE SECURITIES (1)	Characteristics					Amount	Of which		Unamortized amount of issue or redemption premiums
	Date of entitlement	Maturity date	Nominal value per unit	Nominal rate	Repayment method (2)		Related companies	Other related parties	
Negotiable debt securities						1,000,000			
Certificates of Deposit	12/30/2019	12/30/2024	100	2.82%	In fine	1,000,000			
Bond loans						7,824,933			
Bond loans	01/20/2012	01/20/2027	100	5.30%	Redeemable	200,000			
Bond loans	12/08/2014	12/08/2029	100	3.44%	Redeemable	339,600			
Bond loans	12/08/2014	12/08/2024	100	3.69%	In fine	151,000			
Bond loans	07/13/2015	07/13/2030	100	4.60%	Redeemable	336,000			
Bond loans	07/13/2015	07/13/2025	100	3.86%	In fine	60,000			
Bond loans	07/13/2015	07/13/2025	100	3.96%	In fine	220,000			
Bond loans	10/13/2016	10/13/2031	100	3.92%	Redeemable	170,667			
Bond loans	10/13/2016	10/13/2026	100	3.64%	In fine	225,000			
Bond loans	10/13/2016	10/13/2031	100	4.04%	Redeemable	242,667			
Bond loans	12/06/2017	12/06/2032	100	3.93%	Redeemable	480,000			
Bond loans	12/06/2017	12/06/2027	100	3.59%	In fine	200,000			
Bond loans	12/06/2017	12/06/2032	100	3.79%	Redeemable	600,000			
Bond loans	07/19/2018	07/19/2033	100	3.84%	Redeemable	666,667			
Bond loans	07/12/2019	07/12/2034	100	3.49%	Redeemable	366,667			
Bond loans	07/12/2019	07/12/2034	100	3.49%	Redeemable	1,100,000			
Bond loans	12/18/2020	03/31/2036	100	3.70%	Redeemable	1,600,000			
Bond loans	01/12/2022	01/12/2037	100	3.70%	Redeemable	866,667			
TOTAL						8,824,933			

(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	June 30, 2024	Dec 31, 2023	
Optional instruments sold	-	-	
Miscellaneous transactions on securities	-	-	
Other creditors	519,014	227,318	
Amounts due to the State	135,143	225,074	
Amounts due to the provident organizations	-	685	
Miscellaneous amounts due to the staff	-	-	
Various amounts due to shareholders and partners	-	-	
Suppliers of goods and services	3,714	1,484	
Various other creditors	380,157	74	
Regularisation accounts	106,804	55,710	
Adjustment accounts for off-balance sheet transactions	-	-	
Currency and securities gap accounts	932	131	
Results on hedging derivative products	91,858	43,583	
Liaison accounts between headquarters, branches and agencies in Morocco	-	-	
Accrued expenses and deferred income	8,280	11,654	
Other regularisation accounts	5,734	342	
TOTAL	625,818	283,028	

PROVISIONS (In thousand MAD)						
	Outstanding Dec 31, 2023	Allocations	Reversals	Other variations	Outstanding June 30, 2024	
PROVISIONS DEDUCTED FROM ASSETS ON :	18,348	2,848	1,807	-	19,389	
Receivables on credit institutions and similar	-	-	-	-	-	
Receivables on customers	7,966	2,848	1,807	-	9,007	
Investment securities	-	-	-	-	-	
Equity securities and similar assets	-	-	-	-	-	
Fixed assets leased and rented	-	-	-	-	-	
Other assets	10,382	-	-	-	10,382	
PROVISIONS RECORDED UNDER LIABILITIES :	88,469	-	-	-	88,469	
Provisions for risks of implementing commitments by signature	-	-	-	-	-	
Provisions for exchange risks	-	-	-	-	-	
Provisions for general risks	88,469	-	-	-	88,469	
Provisions for retirement pensions and similar obligations	-	-	-	-	-	
Provisions for other risks and expenses	-	-	-	-	-	
Regulated provisions	-	-	-	-	-	
GRAND TOTAL	106,817	2,848	1,807	-	107,858	

SUBSIDIES, ALLOCATED PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS (In thousand MAD)						
	Economic purpose	Total amount	Amount Dec 31, 2023	Use June 30, 2024	Amount June 30, 2024	
Subsidies	NONE					
Allocated public funds						
Special guarantee funds						
TOTAL						

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) June 30, 2024	Amount (equivalent MAD) Dec 31, 2023	Amount (equivalent MAD) June 30, 2024	Amount (equivalent MAD) Dec 31, 2023
Dirhams	200,000		3.61%	10		200,000	-	-	-	-
Dirhams	800,000		3.66%	10		800,000	-	-	-	-
TOTAL	1,000,000					1,000,000	-	-	-	-

(1) Bank Al-Maghrib price at 12/31 /N  
(2) Eventually undetermined  
(3) Refer to the subordinated debt contract

EQUITY CAPITAL (In thousand MAD)					
EQUITY CAPITAL	Outstanding as of Dec 31, 2023	Allocation of earnings	Other variations		Outstanding at June 30, 2024
Revaluation differences	-	-	-		-
Reserves and premiums related to capital	3,660,561	199,087	-		3,859,648
Legal reserve	-	-	-		-
Other reserves	3,660,561	199,087	-		3,859,648
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 (+/-)	199,087	- 199,087	176,562		176,562
TOTAL	4,859,648	-	176,562		5,036,210

FINANCING AND GUARANTEE COMMITMENTS (In thousand MAD)		
COMMITMENTS	June 30, 2024	Dec 31, 2023
Financing and guarantee commitments given	5,514,692	4,990,773
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	5,514,692	4,990,773
Import documentary credits	-	-
Payment acceptances or commitments	-	-
Opening of confirmed credit	5,514,692	4,990,773
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	3,211,485	2,132,329
Financing commitments received from credit institutions and similar	3,211,485	2,132,329
Opening of confirmed credit	3,211,485	2,132,329
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 June 30, 2024 (In thousand MAD)	
COMMITMENTS	Amount
Commitments given	NONE
Securities purchased with a repurchase option	
Other securities to be delivered	
Commitments received	NONE
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	
	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023
Forward exchange transactions	120,658	171,775	-	-
Currencies to be received	-	-	-	-
Dirhams to be delivered	212,516	215,359	-	-
Currencies to be delivered	-	-	-	-
Dirhams to be received	91,858	43,583	-	-
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	-	-	-	-





VALUES GAINS OR LOSSES ON DISPOSALS OR WITHDRAWALS OF FIXED ASSETS				June 30, 2024
				(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	Account 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				

INCOME FROM PROPERTY SECURITIES		June 30, 2024
		(In thousand MAD)
CATEGORY OF SECURITIES	Income received	
Investment securities	NONE	
Equity securities		
Investments in affiliated companies		
Portfolio activity securities		
Similar uses		
TOTAL		

BREAKDOWN OF USES AND RESOURCES BY RESIDUAL DURATION							June 30, 2024
							(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	63,349	-	1,950,000	-	-	2,013,349	
Receivables from customers	329,209	199,834	1,726,664	9,008,230	14,996,484	26,260,422	
Debt securities	-	-	-	-	-	-	-
Subordinated receivables	-	-	-	-	-	-	-
Leasing and similar	-	-	-	-	-	-	-
TOTAL	392,558	199,834	3,676,664	9,008,230	14,996,484	28,273,770	
LIABILITIES							
Debts to credit institutions and similar	217,651	50,000	788,765	4,329,516	8,202,345	13,588,277	
Debts to customers	-	-	-	-	-	-	-
Receivables securities issued	248,000	-	1,645,933	4,543,400	2,387,600	8,824,933	
Subordinated loans	-	-	-	-	1,000,000	1,000,000	
TOTAL	465,651	50,000	2,434,698	8,872,916	11,589,945	23,413,210	

CONCENTRATION OF RISKS ON A SINGLE BENEFICIARY					June 30, 2024
					(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	
					NONE

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS IN FOREIGN CURRENCY		June 30, 2024
		(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	4,188,493	
Central Banks, Public Treasury, Postal Checks Service	-	
Debt to credit institutions and similar	4,188,493	
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	2,711,485	

RESULT OF MARKET OPERATIONS			(In thousand MAD)
INCOME AND EXPENSES	June 30, 2024	Dec 31, 2023	
Income	-	1,029	
Gains on trading securities	-	1,029	
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 investment securities	-	-	
Allocation to provisions for depreciation of investment securities	-	-	
Losses on derivative products	-	-	
Losses on exchange transactions	-	-	
RESULT	-	1,029	

GENERAL OPERATING EXPENSES		June 30, 2024
		(In thousand MAD)
	Amount	
Staff expenses	23,751	
Taxes and duties	424	
External expenses	3,232	
Other general operating expenses	1,806	
Allocations to depreciation and provisions for tangible and intangible fixed assets	1,205	
TOTAL	30,417	

INTEREST MARGIN			(In thousand MAD)
	June 30, 2024	June 30, 2023	
Interest perceived	763,354	674,673	
Interest and similar income on transactions with credit institutions	32,536	7,606	
Interest and similar income on transactions with customers	730,818	649,179	
Interest and similar income on receivables securities	-	17,888	
Interest served	438,463	349,053	
Interest and similar expenses on transactions with credit institutions	259,308	188,591	
Interest and similar expenses on transactions with customers	-	-	
Interest and similar expenses on receivables securities issued	179,154	160,462	
TOTAL	324,892	325,620	

OTHER INCOME AND EXPENSES		June 30, 2024
		(In thousand MAD)
	Amount	
Other banking income and expenses	-	
Other banking income	-	
Other banking expenses	33	
Non-banking operating income and expenses		
Non-banking operating income	460	
Non-banking operating expenses	69	
Allocations to provisions and losses on uncollectible receivables	2,848	
Reversals of provisions and recoveries of written-off receivables	1,807	
Non-current income and expenses		
Non-current income	0	
Non-current expenses	14,527	

BREAKDOWN OF RESULTS BY BUSINESS LINE OR ACTIVITY POLE AND BY GEOGRAPHICAL ZONE				June 30, 2024
				(In thousand MAD)
BREAKDOWN BY ACTIVITY POLE				
Activity Pole	Net Banking Income	Gross Operating Earnings	Pre-Tax Earnings	
Bank activity	325,776	295,750	280,182	
Other activities	-	-	-	
TOTAL	325,776	295,750	280,182	
BREAKDOWN BY GEOGRAPHICAL ZONE				
Geographical Zone	Net Banking Income	Gross Operating Earnings	Pre-Tax Earnings	
Morocco	325,776	295,750	280,182	
Other Zones	-	-	-	
TOTAL	325,776	295,750	280,182	

TRANSITION FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS			June 30, 2024
Titles		Amount	Amount
I- Net book earnings		176,562	
Net gain		176,562	
Net loss			-
II- Tax reintegrations		117,582	
1- Current		-	
2- Non-current		117,582	
Corporate income tax		103,620	
Social solidarity contribution		13,962	
-			
-			
-			
III- Tax deductions			25,000
1- Current			-
-			
-			
-			
-			
2- Non-current			25,000
1/5 Contribution to the Special Fund for the management of the Coronavirus (Covid-19) pandemic			10,000
1/5 Contribution to the Special Fund to manage the impact of the earthquake of September 8, 2023			15,000
-			
-			
-			
TOTAL		294,143	25,000
IV- Gross fiscal earnings			269,143
Gross fiscal profit (A)			269,143
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			269,143
Net fiscal profit (A - C)			269,143
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		June 30, 2024
		(In thousand MAD)
I- EARNINGS DETERMINATION		Amount
Current earnings according to the statement of income and expenses		294,708
(+) Tax reintegrations on current transactions		-
(-) Tax deductions on current transactions		-
(=) Current earnings theoretically taxable		294,708
(-) Theoretical tax on current income		113,463
(=) Current earnings after tax		181,246
II. INDICATIONS OF THE TAX SYSTEM AND THE BENEFITS GRANTED BY THE INVESTMENT CODES OR BY SPECIFIC LEGAL PROVISIONS		

DETAIL OF VALUE ADDED TAX				June 30, 2024
				(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	10,053	115,358	106,075	19,336
B- VAT to be recovered	10,342	44,006	50,680	3,667
On expenses	10,342	43,869	50,549	3,661
On fixed assets	0	137	131	6
C- VAT due or VAT credit (A-B)	- 289	71,352	55,394	15,668

SHARE CAPITAL DISTRIBUTION					June 30, 2024
					(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		
STATE				100	100
TOTAL				100	100

STATEMENT OF NON PERFORMING LOANS AND RELATED PROVISIONS					(In thousand MAD)
AT 06/30/2023					
		June 30, 2024		Dec 31, 2023	
		Receivables	Provisions	Receivables	Provisions
Conventional loans					
pre-doubtful loans		88,122	3,442	7,919	312
doubtful loans		756	76	22,583	2,164
compromised loans		5,927	5,344	5,927	5,344
Subtotal 1		94,805	8,861	36,428	7,820
MEN loans					
		Receivables	Provisions	Receivables	Provisions
pre-doubtful loans		-	-	-	-
doubtful loans		-	-	-	-
compromised loans		851	146	851	146
Subtotal 2		851	146	851	146
GRAND TOTAL		95,656	9,007	37,279	7,966

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR				June 30, 2024
				(In thousand MAD)
A- Origin of the allocated earnings	Amount	B- Earnings allocation	Amount	
Decision of the Board of Directors : 05/29/2024				
Retained earnings	-			-
Net earnings being allocated	-			-
Net earnings for the fiscal year	199,087			199,087
Deduction from profits	-			
Other deductions	-			
TOTAL A	199,087	TOTAL B		199,087

EARNINGS AND OTHER ELEMENTS FOR THE LAST THREE FISCAL YEARS				(In thousand MAD)
	June 30, 2024	Dec 31, 2023	Dec 31, 2022	
Capital equity and similar				
To be deducted -Amount concerning the Fonds d'Accompagnement des Collectivités Territoriales (Support Fund for Territorial Communities)	5,036,210	4,859,648	4,660,561	-
Net capital equity and similar	5,036,210	4,859,648	4,660,561	
Operations and earnings for the fiscal year				
Net banking income	325,776	669,251	661,461	
Pre-tax earnings	280,182	409,906	554,026	
Earnings taxes	103,620	210,819	216,131	
Distributed profits	-	-	-	
Retained earnings (placed in reserves or pending allocation)	176,562	199,087	337,895	
Earnings per share (in MAD)				
Net earnings per share or unit				
Earnings distributed per share				
Gross remuneration for the fiscal year	25,084	42,948	40,887	
Average number of employees during the fiscal year	86	89	91	

DATING AND SUBSEQUENT EVENTS		(In thousand MAD)
I. DATING		
Closing date (1)		06/30/2024
Date of preparation of the summary statements (2)		September 2024

(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	
Dates	Indication of events
	Favorables
	Unfavorable

NONE

STAFF			(In number)
STAFF	June 30, 2024		Dec 31, 2023
Paid staff	85		87
Staff used	85		87
Full-time equivalent staff	85		87
Administrative and technical staff (full-time equivalent)	-		-
Staff assigned to banking tasks (full-time equivalent)	-		-
Executives (full-time equivalent)	79		81
Employees (full-time equivalent)	6		6
Of which, staff employed abroad	-		-

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR ON DEPOSIT				(In thousand MAD)
SECURITIES		Number of accounts		Amount
		June 30, 2024	Dec 31, 2023	June 30, 2024
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				

NONE

NETWORK			(In number)
NETWORK	June 30, 2024		Dec 31, 2023
Permanent branches			
Temporary branches			
Automatic teller machines and Bank ATMs			
Branches and agencies abroad			
Representative offices abroad			

NONE

CUSTOMER ACCOUNTS			(In number)
CUSTOMER ACCOUNTS	June 30, 2024		Dec 31, 2023
Current accounts			
Checking accounts of Moroccans living abroad			
Other checking accounts			
Factoring accounts			
Savings accounts			
Term accounts			
Cash vouchers			
Other deposit accounts			

NONE



# **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’Equipement 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

The bodies described below ensure governance and risk management :

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 and Finance;
- 1 representative of the Ministry of Health and Social Protection;
- 1 representative of the Ministry of Equipment and Water;
- 1 representative of the Ministry of Energy Transition and Sustainable Development;
- The representative of the National Agency for the Strategic Management of State participants and Monitoring of the Performance of Public Institutions and Enterprises (ANGSPE);
- The General Manager of the Caisse de Dépôt et de Gestion (CDG);
- Members representing elected officials: 8 communal councillors appointed from among the communal councillors appearing on a list established 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 regulations 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, in accordance with legal and regulatory provisions related to the internal control of credit institutions.

The Audit and Risk Committee includes, in addition to the General Manager of the National Agency for the Strategic Management of State participants and Monitoring of Performance of Public Institutions and Enterprises, or his representative, as Chairman:

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

The Audit and Risk Committee is particularly in charge of assessing the quality of the internal control system and the coherence of 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 in charge of reviewing and granting loans under the conditions set by the Board of Directors.

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

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

The Credit Committee meets 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 particularly in charge of:

- ensuring the monitoring of the implementation of the FEC’s global risk management strategy;
- ensuring compliance of internal procedures with current legal and regulatory requirements as well as professional and ethical norms and standards;
- monitoring and evaluating the risk prevention measures put in place by the FEC;
- ensuring the implementation of recommendations from the Audit and Risk Committee and external control stakeholders regarding risk prevention;
- reviewing risk management information and ensuring its reliability before transmitting it 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 necessary limits for managing interest rate and liquidity risks;
- monitoring the Bank’s balance sheet stability;
- 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.

Information System Security Committee

The Information System Security Committee (ISSC) is in charge of monitoring the implementation of the Information Security policy and ensuring its compliance by FEC’s employees and third parties, as well as monitoring the development of the plan related to Information Security risks, particularly cybersecurity risks.

The Information System Security Committee, chaired by the Secretary-General or his representative, is composed of the following members :

- The Deputy Director in charge of the Information System Division;
- The Deputy Director in charge of the Risk and Permanent Control Division;
- The Chief Project Management Office;
- The Information System Security Manager;
- The Technological Infrastructures Officer (Operational Security).

- The ISSC’s main tasks include:
- Monitoring the implementation of the Information Security policy and ensuring its compliance by FEC’s employees and third parties;
- Overseeing the action plans in the field of Information Security, including validation, resource allocation, and ensuring the proper execution of these action plans;
- Monitoring the evolution of the Information Security risks and ensuring the regular review of the security risk mapping;
- Monitoring key projects in the field of Information Security;
- Reviewing Information Security indicators and monitoring actions aimed at improving them;
- Addressing issues related to major Information Security incidents;
- Approving the allocation of necessary resources for implementing Information Security actions;
- Prioritizing the bank’s security needs in terms of Information Security.

Risks and Permanent Control Division

The Risks and Permanent Control Division is particularly in charge of 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.

Legal, Compliance and Governance Division

The Legal, Compliance and Governance Division is mainly in charge of ensuring the security of the Bank’s transactions and commitments, assessing any potential legal risks to the institution, and implementing appropriate procedures to manage them. It also monitors the compliance of the FEC’s operations with legal and regulatory provisions applicable to the FEC, supervises, and strengthens the Bank’s internal governance mechanisms. Additionally, it is in charge of the

Internal Audit

Internal Audit is in charge of audit operations related 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 in charge of providing the necessary assistance to external control stakeholders and monitoring the implementation of their recommendations.

2. Risk exposure

Given the nature of its activities, the FEC’s risk profile as formalized in its Global Risk Strategy is as follows:

Credit risk: The risk that the FEC’s borrowers may not fulfill their contractual obligations.

Concentration risk: This refers to the inherent risk of significant individual exposure, likely to generate losses that could threaten the Bank’s financial solidity or its ability to pursue its core activities.

Environmental and social risks: These risks may manifest as environmental damage (air, soil, water pollution, etc.) or as economic harm to individuals resulting in a reduction of their income or an increase in their expenses.

The responsibility for managing these risks lies with customers and relevant authorities. The FEC’s role is to address the main environmental and social issues of financed projects and ensure that its customers comply with the relevant legislative and regulatory requirements.

Operational risks: These are losses resulting from deficiencies or failures attributable to procedures, human resources, internal systems, or external events.

Structural interest rate risk: This refers to the effects that fluctuations in interest rates could have on the FEC’s margins, its income, and the economic value of its equity.

Structural liquidity risk: This relates to the risk that the FEC may not be able to meet liquidity demands and fulfill its obligations when they come due. Liquidity requests may arise upon debt maturity and credit agreement terms.

Structural exchange rate risk: The risk that fluctuations in exchange rates negatively affect the Bank’s revenues.

Non-compliance risk: This refers to the FEC’s exposure to reputational risks, financial losses, or sanctions due to non-compliance with legal and regulatory provisions, applicable standards and practices, or codes of conduct.

Strategic risk: The risk inherent in the chosen strategy or resulting from the institution’s inability to implement its strategic plan.

Reputation risk: The risk resulting from a negative perception, particularly from counterparties or regulators, which may adversely affect the institution’s ability to fulfill its mission and its access to financing sources.

Cybersecurity risk: The risk that the FEC may face a cyber-attack or security breach compromising the confidentiality, integrity, or availability of its customers’ data, financial transactions, or other sensitive information.

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 instalments, comprising principal and interest.

Decision-making

The Risk and Permanent Control Division is in charge of 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 and Finance.

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 the generated savings;
- 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 in charge of assessing the level of risk involved in the granting of the new loan based on:

- Analysis of the content of the client’s 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 subject to the legal requirement of being included in their budgets.

The FEC’s loan contracts include:

- a suspensive 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

As of June 2024:

The net weighted risks borne by the FEC reached 7,833,695 thousand MAD, composed of 84% credit risk and 16% operational risk.

In compliance with prudential requirements, the solvency ratio reached 77.04%, while the Tier One ratio reached 64.27%, reflecting the institution’s strong solvency level.

Credit Portfolio Analysis

Customer receivables, consisting of 99.9% commitments to Territorial Communities, totaled 27,060,878 thousand MAD as of June 30, 2024.

Financing commitments provided by the FEC to customers amounted to 5,514,692 thousand MAD as of June 30, 2024.

The analysis of off-balance sheet commitments as of June 30, 2024, reveals that 62.63% of the total volume corresponds to recent loans committed within the past 3 years.

Provisions, provisioning policy and credit risk coverage

The Accounting and Reporting Division is in charge of 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’s Circular No. 19/G/2002.



Maximum Risk Division Coefficient (MRDC)  
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 the financing requests, the operating entities as well as the Risk and Permanent Control Division ensure compliance with the maximum risk division coefficient, which is also monitored by the Accounting and Reporting Division.

The maximum risk division coefficient, in accordance with the provisions of Circular No. 08/G/2012 of Bank Al-Maghrib, is established at 9.55% as of June 2024, thus falling below the regulatory threshold set by BAM.  
Pursuant to Bank Al-Maghrib's Directive No. 2/G/2010, related 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 (ALM)

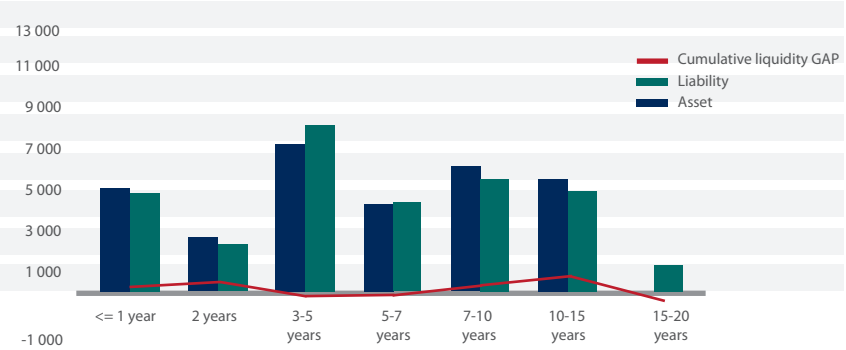
Responsibility for Asset/Liability Management (ALM)  
The Management Control and ALM Department carries out ALM risk management within the Financial Pole.  
The ALCO committee, chaired by the Governor, General Manager of the FEC, is in charge of the transversal and collective monitoring of the financial risks to which the institution is exposed and is also in charge of reviewing decisions that may affect 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, in order 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 balances, the ALM system aims to:  
• ensure sufficient liquidity level, enabling the Bank to meet its obligations at any time and safeguarding it from potential crisis;  
• ensure that the inherent risk in foreign currency positions does not diminish the Bank's profit margin;  
• ensure stability of results against interest rate variations by preserving interest margin and optimizing the economic value of equity;  
• guide the Bank's strategy in terms of refinancing.

Liquidity risk  
Liquidity risk is defined as the risk that the Bank may not be able to meet its obligations at their maturity under normal conditions.  
The FEC may be exposed to liquidity risk, which may arise in one of the following forms:  
• The inability of the institution to raise necessary funds to meet unexpected short-term situations, notably a significant drawdown of funding commitments given to TCs.  
• The mismatched assets and liabilities or financing of medium and long-term assets by 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.  
As of June 30, 2024, the liquidity gap profile is as follows :

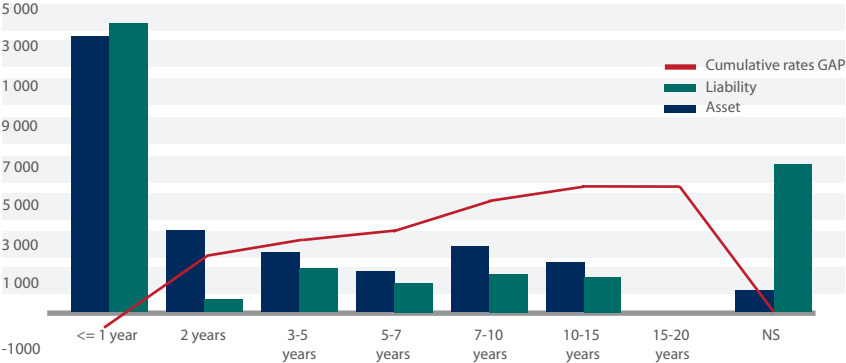
ANNUAL LIQUIDITY GAPS



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: Fall in 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 June 30, 2024,  
The flow of interest rate gaps as of June 30, 2024 is as follows:

ANNUAL RATES GAPS



The impact of regulatory scenarios is -5.01% on the forecasted net interest margin and 14.68% on the economic value of Shareholders' equity.  
Foreign exchange risk  
In order to hedge against foreign exchange risk, the FEC has implemented a perfect and comprehensive coverage policy since 2019 for draws on credit lines contracted with foreign lenders.

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 compensation, within a system specific to each credit line.

2.3 Operational Risks

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.

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

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, Operational and Support areas. The general mapping of processes and procedures has been developed according to the requirements of the ISO 9001 Quality standards.

In addition, the integration of the modelling tool allowed to have a single, structured procedure referential accessible by all FEC's employees through an intranet site. This referential is regularly updated to comply with regulatory, business activity and information systems developments.

» 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 Circular No. 4/W/2014 of the Wali of Bank Al-Maghrib on internal control of credit institutions and Directive No. 47/G/2007 of Bank Al-Maghrib on business continuity plan within credit institutions, the FEC has a Business Continuity Plan (BCP) that has been approved by the Board of Directors.

The BCP enables the FEC to ensure the Bank's operations in degraded mode and the resumption of activities, according to various crisis scenarios.

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. Similarly, a maintenance and operational plan for the Business Continuity Plan (BCP) is currently being reinforced.

Furthermore, the FEC continues to maintain permanent monitoring regarding the occurrence of any event that may require the activation of its BCP, in order to guarantee the continuity of the Bank's activity and the safety of its employees. Thus, and in the absence of any incident requiring its activation, the FEC's BCP has not been activated during the first semester of 2024.

Operational risk management  
The FEC has an operational risk mapping based on the Basel II typology, which is updated annually. This mapping covers processes related to credit, support, and information systems and allows targeting the identification of processes requiring particular or enhanced monitoring.

The operational risk management mechanism 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 mechanism 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 mechanism is fully automated following the deployment of an IS application, allowing it to ensure:  
• The identification, assessment and monitoring of operational risks through risk mapping.  
• The reconciliation of the risk mapping with the general procedures manual.  
• The monitoring of action plans adopted for the major risks identified.  
• The collection of incidents related to operational risks.

Organization  
On the organizational level, the Risk and Permanent Control Division carries out the management of the operational risk management system. It is supported by Operational Risk Correspondents (ORCs) at the Business and Support entities' level.

These ORCs are in charge of reporting operational incidents, analysing 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 Internal Risk Committee ensures the governance of operational risks.  
Hedging of operational risks

In accordance with the regulatory provisions related 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 related to the compliance function of August 31, 2007, the FEC has adopted a compliance and a charter policy.



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### FONDS D'EQUIPEMENT COMMUNAL

#### ATTESTATION D'EXAMEN LIMITE DES COMMISSAIRES AUX COMPTES SUR LA SITUATION INTERMEDIAIRE DES COMPTES SOCIAUX

PERIODE DU 1<sup>er</sup> JANVIER AU 30 JUIN 2024

En application des dispositions de la loi n°44-12 relative à l'appel public à l'épargne et aux informations exigées des personnes morales et organismes faisant appel public à l'épargne, nous avons procédé à un examen limité de la situation intermédiaire du Fonds d'Equipement Communal comprenant le bilan, le compte de produits et charges, l'état des soldes de gestion, le tableau des flux de trésorerie et une sélection des états des informations complémentaires (ETIC) relatifs à la période du 1<sup>er</sup> janvier au 30 juin 2024. Cette situation intermédiaire qui fait ressortir un montant de capitaux propres et assimilés totalisant 6.071.493 KMAD dont un bénéfice net de 176.562 KMAD, relève de la responsabilité des organes de gestion de l'émetteur.

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 la situation intermédiaire, ci-jointe, ne donne pas une image fidèle du résultat des opérations du semestre écoulé ainsi que de la situation financière et du patrimoine du Fonds d'Equipement Communal établis au 30 juin 2024, conformément au référentiel comptable admis au Maroc.

Casablanca, le 27 septembre 2024

#### Les Commissaires aux Comptes

FORVIS MAZARS



Taha FERDAOUS  
Associé

COOPERS AUDIT MAROC S.A



Abdellah LAGHCHAOUI  
Associé



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