



FINANCIAL COMMUNICATION as of June 30, 2023



FINANCIAL STATEMENTS **as of June 30, 2023**

BALANCE SHEET (In thousand MAD)		
ASSETS	June 30, 2023	Dec 31, 2022
CASH VALUE, CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE	8,619	54,474
RECEIVABLES ON CREDIT INSTITUTIONS AND SIMILAR	752,930	221
On sight	2,706	221
At term	750,224	-
CUSTOMER RECEIVABLES	26,516,473	26,848,614
Cash and consumer loans and participatory financing	2,551	2,787
Loans and participatory financing for equipment	26,403,893	26,816,162
Real estate loans and participatory financing	15,496	17,186
Other loans and participatory financing	94,532	12,479
RECEIVABLES ACQUIRED THROUGH FACTORING	-	-
TRADING AND INVESTMENT SECURITIES	-	-
Treasury bills and similar securities	-	-
Other debt securities	-	-
Property securities	-	-
Sukuks Certificates	-	-
OTHER ASSETS	478,026	562,766
INVESTMENT SECURITIES	1,148,932	1,131,044
Treasury bills and similar securities	1,148,932	1,131,044
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	154
TANGIBLE FIXED ASSETS	41,128	42,138
TOTAL ASSETS	28,946,208	28,639,435

LIABILITIES	June 30, 2023	Dec 31, 2022
CENTRAL BANKS, PUBLIC TREASURY, POSTAL CHECKS SERVICE		
DEBTS TO CREDIT INSTITUTIONS AND SIMILAR	12,736,425	12,665,807
On sight	-	-
At term	12,736,425	12,665,807
CUSTOMER DEPOSITS	-	-
Demand accounts payable	-	-
Savings Accounts	-	-
Term deposits	-	-
Other accounts payable	-	-
DEBTS TO CUSTOMERS ON PARTICIPATORY PRODUCTS	-	-
ISSUED DEBT SECURITIES	9,758,594	9,958,173
Issued negotiable debt securities	1,014,139	1,000,155
Bond loans	8,744,455	8,958,018
Other debt securities issued	-	-
OTHER LIABILITIES	523,403	271,396
PROVISIONS FOR RISKS AND EXPENSES	72,709	72,709
REGULATED PROVISIONS	-	-
SUBSIDIES, ALLOCATED PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS	-	-
SUBORDINATED DEBT	1,022,555	1,010,790
INVESTMENT DEPOSITS RECEIVED	-	-
REVALUATION DIFFERENCES	-	-
RESERVES AND RELATED PREMIUM CAPITAL	3,660,561	3,322,666
CAPITAL	1,000,000	1,000,000
SHAREHOLDERS. UNPAID CAPITAL (-)	-	-
RETAINED EARNINGS (+/ -)	-	-
NET EARNINGS PENDING ALLOCATION (+/ -)	-	-
NET EARNINGS FOR THE FISCAL YEAR (+/ -)	171,961	337,895
TOTAL LIABILITIES	28,946,208	28,639,435

OFF-BALANCE SHEET (In thousand MAD)	June 30, 2023	Dec 31, 2022
COMMITMENTS GIVEN	6,102,872	5,185,755
Financing commitments given to credit institutions and similar	-	-
Financing commitments given to customers	6,102,872	5,185,755
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	4,171,037	2,781,831
Financing commitments received from credit institutions and similar	4,171,037	2,781,831
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, 2023	June 30, 2022
BANKING OPERATING INCOME	676,255	619,855
Interest, remunerations and similar income from transactions with credit institutions	7,606	1,360
Interest, remunerations and similar income from transactions with customers	649,179	618,495
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	553	-
Other banking income	1,029	-
Transfer of expenses on investment deposits received	-	-
BANKING OPERATING EXPENSES	349,104	296,865
Interest and similar expenses on transactions with credit institutions	188,591	121,819
Interest and similar expenses on transactions with customers	-	-
Interest and similar expenses on debts issued	160,462	174,956
Expenses on Moudaraba and Moucharaka securities	-	-
Expenses on fixed assets leased and rented	-	-
Expenses on fixed assets given in Ijara	-	-
Other bank expenses	51	89
Transfer of income on investment deposits received	-	-
NET BANKING INCOME	327,151	322,990
Non-banking operating income	264	995
Non-banking operating expenses	89	89
GENERAL OPERATING EXPENSES	29,895	30,707
Staff expenses	24,153	24,320
Taxes and dues	426	421
External expenses	2,726	2,554
Other general operating expenses	1,403	1,664
Allocations for depreciation and provisions of tangible and intangible fixed assets	1,187	1,550
ALLOCATIONS TO PROVISIONS AND UNRECOVERABLE RECEIVABLES	3,910	1,720
Allocations to provisions on receivables and pending commitments by signature	3,910	1,720
Losses on unrecoverable receivables	-	-
Other allocations to provisions	-	-
REVERSALS OF PROVISIONS AND RECOVERIES ON WRITTEN OFF RECEIVABLES	613	907
Reversals of provisions on receivables and pending commitments by signature	613	907
Recoveries on written off receivables	-	-
Other reversals of provisions	-	-
OPERATING RESULT	294,134	292,375
Non-operating income	19	2
Non-operating expenses	15,119	14,087
PRE-TAX EARNINGS	279,034	278,290
Earnings Taxes	107,073	104,479
NET EARNINGS FOR THE FISCAL YEAR	171,961	173,810



STATUS OF MANAGEMENT BALANCES (In thousand MAD)	June 30, 2023	June 30, 2022
I- INCOME STATEMENT TABLE		
(+) Interest and similar income	674,673	619,855
(-) Interest and similar expenses	349,053	296,775
INTEREST MARGIN	325,620	323,080
(+) 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	553	-
(-) Commissions paid	51	89
MARGIN ON COMMISSIONS	502	- 89
(+) 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	327,151	322,990
(+) Net income from financial fixed assets	-	-
(+) Other non-banking operating income	264	995
(-) Other non-banking operating expenses	89	89
(-) General operating expenses	29,895	30,707
GROSS OPERATING RESULT	297,430	293,189
(+/-) Net allocations of reversals to provisions for receivables and non performing commitments by signature	3,297	814
(+/-) Other net allocations of reversals to provisions	-	-
OPERATING RESULT	294,134	292,375
NON-OPERATING RESULT	- 15,100	- 14,085
(-) Earnings Taxes	107,073	104,479
NET EARNINGS FOR THE FISCAL YEAR	171,961	173,810

II- SELF-FINANCING CAPACITY	June 30, 2023	June 30, 2022
(+) NET EARNINGS FOR THE FISCAL YEAR	171,961	173,810
(+) Allocations to amortization and provisions of tangible and intangible fixed assets	1,187	1,550
(+) 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	-	-
(+) 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	173,148	175,360
(-) Distributed Profit	-	-
(+) SELF-FINANCING	173,148	175,360

CASH FLOW STATEMENT (In thousand MAD)	June 30, 2023	Dec 31, 2022
Banking operating income received	676,255	1,257,205
Recoveries on written off receivables	-	-
Non-banking operating income received	284	1,718
Banking operating expenses paid	349,104	595,745
Non-banking operating expenses paid	15,208	28,587
General operating expenses paid	28,708	57,147
Earnings taxes paid	107,073	216,131
NET CASH FLOWS FROM THE STATEMENT OF INCOME AND EXPENSES	176,444	361,313
Variation of :		
Receivables on credit institutions and similar	- 752,710	725
Receivables on customers	328,845	- 665,597
Trading and investment securities	-	-
Other assets	84,739	- 261,356
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	70,618	2,706,780
Customer deposits	-	-
Debt to customers on participatory products	-	-
Issued receivables securities	- 187,814	- 1,217,641
Other liabilities	252,007	237,239
II. BALANCE OF VARIATIONS IN OPERATING ASSETS AND LIABILITIES	- 204,314	800,149
III. NET CASH FLOWS FROM OPERATING ACTIVITIES (I + II)	- 27,869	1,161,462
Income from disposals of financial fixed assets	-	-
Income from disposals of tangible and intangible fixed assets	-	-
Acquisition of financial fixed assets	17,888	1,131,044
Acquisition of tangible and intangible fixed assets	98	328
Interest received	-	-
Dividends received	-	-
IV. NET CASH FLOWS FROM INVESTMENT ACTIVITIES	- 17,986	- 1,131,372
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	- 45,855	30,091
VII. CASH POSITION AT THE BEGINNING OF THE FISCAL YEAR	54,474	24,384
VIII. CASH POSITION AT THE END OF THE FISCAL YEAR	8,619	54,474

MAIN APPLIED EVALUATION METHODS	
INDICATION OF THE EVALUATION METHODS APPLIED BY THE INSTITUTION	
<p>* Application of the evaluation methods provided for in the "Chart of Accounts of Credit Institutions" which came into force on 01/01/2000.</p> <p>* Non-Performing Loans (NPLs) on the clients are accounted for and valued in accordance with current banking regulations.</p> <p>The main provisions applied can be summarized as follows :</p> <ul style="list-style-type: none"> - 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, Circulars No. 19/G/2002 and 38/G/2004), provisioned for : <ul style="list-style-type: none"> - 20% for pre-doubtful loans, - 50% for doubtful loans, - 100% for compromised loans. <p>* 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.</p> <p>Intangible and tangible fixed assets are amortized according to the regulations in force.</p> <p>* The summary statements are presented in accordance with the provisions of the Chart of Accounts of Credit Institutions.</p>	

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, 2023	Total Dec 31, 2022
ORDINARY DEBIT ACCOUNTS	7,600	2,701	5	-	10,306	54,203
VALUES RECEIVED IN PENSION	-	-	-	-	-	-
Day by day	-	-	-	-	-	-
At term	-	-	-	-	-	-
CASH LOANS	-	750,000	-	-	750,000	-
Day by day	-	-	-	-	-	-
At term	-	750,000	-	-	750,000	-
FINANCIAL LOANS	-	-	-	-	-	-
OTHER RECEIVABLES	-	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	980	224	-	-	1,204	489
NON PERFORMING LOANS	-	-	-	-	-	-
TOTAL	8,580	752,925	5	-	761,510	54,692

CUSTOMER RECEIVABLES					(In thousand MAD)	
RECEIVABLES	Public sector	Private sector			Total June 30, 2023	Total Dec 31, 2022
		Financial companies	Non-financial companies	Other customers		
Cash loans	-	-	-	-	-	-
Current debit accounts	-	-	-	-	-	-
Trade receivables on Morocco	-	-	-	-	-	-
Export credits	-	-	-	-	-	-
Other cash loans	-	-	-	-	-	-
CONSUMER LOANS	-	-	-	2,551	2,551	2,787
EQUIPMENT LOANS	25,846,519	-	-	-	25,846,519	26,081,692
REAL ESTATE LOANS	-	-	-	15,496	15,496	17,186
OTHER CASH LOANS	-	-	-	-	-	-
RECEIVABLES ACQUIRED THROUGH FACTORING	-	-	-	-	-	-
ACCRUED INTERESTS RECEIVABLE	557,375	-	557,375	-	557,375	734,469
NON PERFORMING LOANS	94,532	-	-	-	94,532	12,479
Pre-doubtful loans	93,869	-	-	-	93,869	10,060
Doubtful loans	-	-	-	-	-	1,756
Compromised loans	663	-	-	-	663	663
TOTAL	26,498,425	-	-	18,048	26,516,473	26,848,614

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, 2023	Total Dec 31, 2022
			Financial	Non-Financial		
Quoted securities	-	-	-	-	-	-
Treasury bills and similar securities	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Other debt securities	-	-	-	-	-	-
Property securities	-	-	-	-	-	-
Non-quoted securities	-	1,148,932	-	-	1,148,932	1 131 044
Treasury bills and similar securities	-	1,148,932	-	-	1,148,932	1,131,044
Bonds	-	-	-	-	-	-
Other debt securities	-	-	-	-	-	-
Property securities	-	-	-	-	-	-
TOTAL	-	1,148,932	-	-	1,148,932	1,131,044

INTANGIBLE AND TANGIBLE FIXED ASSETS									June 30, 2023
(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	21,041	-	-	21,041	20,888	79	-	20,966	75
Lease rights	-	-	-	-	-	-	-	-	-
Research and development fixed assets	-	-	-	-	-	-	-	-	-
Other operating intangible fixed assets	21,041	-	-	21,041	20,888	79	-	20,966	75
Non-operating intangible fixed assets	-	-	-	-	-	-	-	-	-
TANGIBLE FIXED ASSETS	124,013	98	-	124,111	81,875	1,108	-	82,983	41,128
OPERATING BUILDINGS	69,323	-	-	69,323	29,964	776	-	30,740	38,583
Operating land	7,229	-	-	7,229	-	-	-	-	7,229
Operating buildings - Offices	61,194	-	-	61,194	29,360	765	-	30,125	31,069
Operating buildings - Staff housing	900	-	-	900	604	11	-	615	285
FURNITURE AND OPERATING EQUIPMENT	27,561	98	-	27,659	26,672	214	-	26,886	772
Operating office furniture	7,876	45	-	7,921	7,652	26	-	7,678	243
Operating office equipment	949	-	-	949	949	0	-	949	-
Computer equipment	18,058	53	-	18,112	17,395	188	-	17,582	529
Rolling stock related to operations	677	-	-	677	677	-	-	677	-
Other operating equipment	-	-	-	-	-	-	-	-	-
OTHER OPERATING TANGIBLE ASSETS	17,309	-	-	17,309	17,220	25	-	17,245	64
NON-OPERATING TANGIBLE FIXED ASSETS	9,820	-	-	9,820	8,019	93	-	8,112	1,708
Non-operating land	-	-	-	-	-	-	-	-	-
Non-operating buildings	5,545	-	-	5,545	3,922	69	-	3,992	1,553
Non-operating furniture and equipment	2,344	-	-	2,344	2,207	14	-	2,220	124
Other non-operating tangible fixed assets	1,931	-	-	1,931	1,890	10	-	1,900	31
TOTAL	145,054	98	-	145,152	102,762	1,187	-	103,950	41,203

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	1,148,932	1,148,932	-	-	-	-	
Treasury bills and similar securities	1,148,932	1,148,932	-	-	-	-	
Bonds	-	-	-	-	-	-	
Other debt securities	-	-	-	-	-	-	
TOTAL	1,148,932	1,148,932	-	-	-	-	

DETAILS OF OTHER ASSETS		(In thousand MAD)
ASSETS	June 30, 2023	Dec 31, 2022
Optional instruments purchased	-	-
Miscellaneous transactions on securities	-	-
Other debtors	150,623	251,367
Amounts due by the State	149,576	250,385
Amounts due by provident organizations	-	-
Miscellaneous amounts due by staff	-	-
Client accounts for non-banking services	-	-
Various other debtors	1,046	982
Various values and uses	-	-
Regularisation accounts	327,404	311,399
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	43,488	50,290
Results of hedging derivative products	217,625	219,556
Deferred expenses over several fiscal years	4,198	5,560
Liaison accounts between headquarters, branches and agencies in Morocco	-	-
Accrued receivable income and prepaid expenses	61,749	35,643
Other regularisation accounts	345	351
Non Performing loans on miscellaneous transactions	-	-
TOTAL	478,026	562,766

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									
MARCCLEAR SA	Central depository	100,000	0.025%	25	25	12/31/2022	334,068	12,559	
TOTAL PARTICIPATIONS				25	25	-	334,068	12,559	-
SIMILAR ASSETS				-	-	-	-	-	-
GRAND TOTAL				25	25	-	334,068	12,559	-

SUBORDINATED RECEIVABLES							(In thousand MAD)	
SUBORDINATED RECEIVABLES	Amount				Including affiliated and related companies			
	June 30, 2023		Dec 31, 2022		June 30, 2023	Dec 31, 2022		
	Gross	Provisions	Net	Net	Net	Net		
Subordinated receivables from credit institutions and similar	NONE				NONE			
Subordinated receivables to customers	NONE				NONE			
TOTAL								

[illegible]

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
NONE							
TOTAL							



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, 2023	Total Dec 31, 2022
ORDINARY CREDIT ACCOUNTS	-	-	-	-	-	-
VALUES GIVEN IN PENSION	-	-	-	-	-	-
Day by day	-	-	-	-	-	-
At term	-	-	-	-	-	-
CASH LOANS	-	-	-	-	-	-
Day by day	-	-	-	-	-	-
At term	-	-	-	-	-	-
FINANCIAL BORROWINGS	-	9,404,635	350 000	2,625,527	12,380,161	12,353,528
OTHER DEBTS	-	-	-	209,593	209,593	207,148
ACCRUED INTEREST PAYABLE	-	121,731	4,786	20,154	146,670	105,131
TOTAL	-	9,526,366	354,786	2,855,273	12,736,425	12,665,807

CUSTOMER DEPOSITS (In thousand MAD)					
DEPOSITS	Public Sector	Financial companies	Non-Financial Companies	Other customers	Total June 30, 2023
Current credit accounts					
Savings accounts					
Term deposits					
Other credit accounts					
Accrued interest payable					
TOTAL					

DEBT SECURITIES ISSUED June 30, 2023 (In thousand MAD)									
NATURE OF THE SECURITIES (1)	Date of entitlement	Characteristics				Amount	Of which		Unamortized amount of issue or redemption premiums
		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						8,567,867			
Bond loans	01/20/2012	01/20/2027	100	5.30%	Redeemable	266,667			
Bond loans	12/08/2014	12/08/2029	100	3.44%	Redeemable	396,200			
Bond loans	12/08/2014	12/08/2024	100	3.50%	In fine	151,000			
Bond loans	07/13/2015	07/13/2030	100	4.50%	Redeemable	384,000			
Bond loans	07/13/2015	07/13/2025	100	2.39%	In fine	60,000			
Bond loans	07/13/2015	07/13/2025	100	2.49%	In fine	220,000			
Bond loans	10/13/2016	10/13/2031	100	3.92%	Redeemable	192,000			
Bond loans	10/13/2016	10/13/2026	100	2.79%	In fine	225,000			
Bond loans	10/13/2016	10/13/2031	100	3.19%	Redeemable	273,000			
Bond loans	12/06/2017	12/06/2032	100	3.93%	Redeemable	533,333			
Bond loans	12/06/2017	12/06/2027	100	3.30%	In fine	200,000			
Bond loans	12/06/2017	12/06/2032	100	3.50%	Redeemable	666,667			
Bond loans	07/19/2018	07/19/2033	100	3.54%	Redeemable	733,333			
Bond loans	07/12/2019	07/12/2034	100	3.49%	Redeemable	400,000			
Bond loans	07/12/2019	07/12/2034	100	2.20%	Redeemable	1,200,000			
Bond loans	12/18/2020	03/31/2036	100	2.96%	Redeemable	1,733,333			
Bond loans	01/12/2022	01/12/2037	100	2.51%	Redeemable	933,333			
TOTAL						9,567,867			

(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, 2023	Dec 31, 2022	
Optional instruments sold	-	-	
Miscellaneous transactions on securities	-	-	
Other creditors	485,242	233,118	
Amounts due to the State	137,012	230,288	
Amounts due to the provident organizations	960	1,355	
Miscellaneous amounts due to the staff	-	-	
Various amounts due to shareholders and partners	-	-	
Suppliers of goods and services	1,391	1,445	
Various other creditors	345,879	30	
Regularisation accounts	38,161	38,278	
Adjustment accounts for off-balance sheet transactions	-	-	
Currency and securities gap accounts	305	-	
Results on hedging derivative products	28,836	27,588	
Liaison accounts between headquarters, branches and agencies in Morocco	-	-	
Accrued expenses and deferred income	8,730	10,400	
Other regularisation accounts	290	290	
TOTAL	523,403	271,396	

PROVISIONS (In thousand MAD)						
	Outstanding Dec 31, 2022	Allocations	Reversals	Other variations	Outstanding June 30, 2023	
PROVISIONS DEDUCTED FROM ASSETS ON :	16,813	3,910	613	-	20,110	
Receivables on credit institutions and similar	-	-	-	-	-	
Receivables on customers	6,118	3,910	613	-	9,415	
Investment securities	-	-	-	-	-	
Equity securities and similar assets	-	-	-	-	-	
Fixed assets leased and rented	-	-	-	-	-	
Other assets	10,695	-	-	-	10,695	
PROVISIONS RECORDED UNDER LIABILITIES :	72,709	-	-	-	72,709	
Provisions for risks of implementing commitments by signature	-	-	-	-	-	
Provisions for exchange risks	-	-	-	-	-	
Provisions for general risks	72,709	-	-	-	72,709	
Provisions for retirement, pensions and similar obligations	-	-	-	-	-	
Provisions for other risks and expenses	-	-	-	-	-	
Regulated provisions	-	-	-	-	-	
GRAND TOTAL	89,522	3,910	613	-	92,819	

SUBSIDIES, ALLOCATED PUBLIC FUNDS AND SPECIAL GUARANTEE FUNDS (In thousand MAD)						
	Economic purpose	Total amount	Amount Dec 31, 2022	Use June 30, 2023	Amount June 30, 2023	
Subsidies						
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, 2023	Amount (equivalent MAD) Dec 31, 2022	Amount (equivalent MAD) June 30, 2023	Amount (equivalent MAD) Dec 31, 2022
Dirhams	200 000		2,30%	10		200 000	-	-	-	-
Dirhams	800 000		2,35%	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, 2022	Allocation of earnings	Other variations		Outstanding at June 30, 2023
Revaluation differences	-	-	-		-
Reserves and premiums related to capital	3,322,666	337,895	-		3,660,561
Legal reserve	-	-	-		-
Other reserves	3,322,666	337,895	-		3,660,561
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 (+/-)	337,895	337,895	171,961		171,961
TOTAL	4,660,561	-	171,961		4,832,522

FINANCING AND GUARANTEE COMMITMENTS (In thousand MAD)		
COMMITMENTS	June 30, 2023	Dec 31, 2022
Financing and guarantee commitments given	6,102,872	5,185,755
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	6,102,872	5,185,755
Import documentary credits	-	-
Payment acceptances or commitments	-	-
Opening of confirmed credit	6,102,872	5,185,755
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	4,171,037	2,781,831
Financing commitments received from credit institutions and similar	4,171,037	2,781,831
Opening of confirmed credit	4,171,037	2,781,831
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, 2023 (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	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Forward exchange transactions	188,789	191,967	-	-
Currencies to be received	-	-	-	-
Dirhams to be delivered	217,625	219,556	-	-
Currencies to be delivered	-	-	-	-
Dirhams to be received	28,836	27,588	-	-
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, 2023
				(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, 2023
		(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, 2023
							(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	194,277	-	-	-	-	194,277	
Receivables from customers	317,649	235,120	1,919,490	9,163,634	14,153,400	25,789,293	
Debt securities	-	-	-	-	-	-	
Subordinated receivables	-	-	-	-	-	-	
Leasing and similar	-	-	-	-	-	-	
TOTAL	511,926	235,120	1,919,490	9,163,634	14,153,400	25,983,571	
LIABILITIES							
Debts to credit institutions and similar	136,614	70,833	882,633	4,393,279	7,106,396	12,589,755	
Debts to customers	-	-	-	-	-	-	
Receivables securities issued	248,000	-	494,933	4,761,067	4,063,867	9,567,867	
Subordinated loans	-	-	-	-	1,000,000	1,000,000	
TOTAL	384,614	70,833	1,377,566	9,154,345	12,170,262	23,157,621	

CONCENTRATION OF RISKS ON A SINGLE BENEFICIARY					June 30, 2023
					(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	5,952,036	5,405,146	546,890	-	

BREAKDOWN OF TOTAL ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS IN FOREIGN CURRENCY		June 30, 2023
		(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	2,855,273	
Central Banks, Public Treasury, Postal Checks Service	-	
Debt to credit institutions and similar	2,855,273	
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	2,171,037	

INTEREST MARGIN			(In thousand MAD)
	June 30, 2023	June 30, 2022	
Interest perceived	674,673	619,855	
Interest and similar income on transactions with credit institutions	7,606	1,360	
Interest and similar income on transactions with customers	649,179	618,495	
Interest and similar income on receivables securities	17,888	-	
Interest served	349,053	296,775	
Interest and similar expenses on transactions with credit institutions	188,591	121,819	
Interest and similar expenses on transactions with customers	-	-	
Interest and similar expenses on receivables securities issued	160,462	174,956	
TOTAL	325,620	323,080	

RESULT OF MARKET OPERATIONS			(In thousand MAD)
			(In thousand MAD)
INCOME AND EXPENSES	June 30, 2023	Dec 31, 2022	
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, 2023
		(In thousand MAD)
	Amount	
Staff expenses	24,153	
Taxes and duties	426	
External expenses	2,726	
Other general operating expenses	1,403	
Allocations to depreciation and provisions for tangible and intangible fixed assets	1,187	
TOTAL	29,895	

OTHER INCOME AND EXPENSES		June 30, 2023
		(In thousand MAD)
	Amount	
Other banking income and expenses		
Other banking income	1,029	
Other banking expenses	51	
Non-banking operating income and expenses		
Non-banking operating income	264	
Non-banking operating expenses	89	
Allocations to provisions and losses on uncollectible receivables	3,910	
Reversals of provisions and recoveries of written-off receivables	613	
Non-current income and expenses		
Non-current income	19	
Non-current expenses	15,119	

BREAKDOWN OF RESULTS BY BUSINESS LINE OR ACTIVITY POLE AND BY GEOGRAPHICAL ZONE				June 30, 2023
				(In thousand MAD)
BREAKDOWN BY ACTIVITY POLE				
Activity Pole	Net Banking Income	Gross Operating Earnings	Pre-Tax Earnings	
Bank activity	327,151	297,430	279,034	
Other activities	-	-	-	
TOTAL	327,151	297,430	279,034	
BREAKDOWN BY GEOGRAPHICAL ZONE				
Geographical Zone	Net Banking Income	Gross Operating Earnings	Pre-Tax Earnings	
Morocco	327,151	297,430	279,034	
Other Zones	-	-	-	
TOTAL	327,151	297,430	279,034	

TRANSITION FROM NET BOOK EARNINGS TO NET FISCAL EARNINGS			June 30, 2023
			(In thousand MAD)
Titles		Amount	Amount
I- Net book earnings		171,961	
Net gain		171,961	
Net loss			-
II- Tax reintegrations		121,676	
1- Current		-	
2- Non-current		121,676	
Corporate income tax		107,073	
Social solidarity contribution		14,603	
-			
-			
-			
III- Tax deductions			10,000
1- Current			-
-			
-			
-			
-			
2- Non-current			10,000
1/5 Contribution to the Special Fund for the management of the Coronavirus (Covid-19) pandemic			10,000
-			
-			
-			
TOTAL		293,637	10,000
IV- Gross fiscal earnings			283,637
Gross fiscal profit (A)			283,637
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			283,637
Net fiscal profit [A - C]			283,637
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, 2023
		(In thousand MAD)
I- EARNINGS DETERMINATION		Amount
Current earnings according to the statement of income and expenses		294,134
[+] Tax reintegrations on current transactions		-
[-] Tax deductions on current transactions		-
[=] Current earnings theoretically taxable		294,134
[-] Theoretical tax on current income		111,035
[=] Current earnings after tax		183,098
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, 2023
				(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	9,764	99,748	90,399	19,112
B- VAT to be recovered	14,578	22,476	31,989	5,065
On expenses	14,576	22,455	31,967	5,063
On fixed assets	3	21	22	1
C- VAT due or VAT credit (A-B)	- 4,814	77,271	58,410	14,047

SHARE CAPITAL DISTRIBUTION					June 30, 2023
					(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)
June 30, 2023			Dec 31, 2022			
	Receivables	Provisions		Receivables	Provisions	
Conventional loans						
pre-doubtful loans	99,717	3,910		10,584	419	
doubtful loans	-	-		2,125	194	
compromised loans	5,927	5,344		5,927	5,344	
Subtotal 1	105,644	9,253		18,635	5,957	
MEN loans						
pre-doubtful loans	-	-		-	-	
doubtful loans	-	-		-	-	
compromised loans	995	162		995	162	
Subtotal 2	995	162		995	162	
GRAND TOTAL	106,639	9,415		19 631	6,118	

ALLOCATION OF EARNINGS THAT OCCURED DURING THE FISCAL YEAR				June 30, 2023
				(In thousand MAD)
A- Origin of the allocated earnings	Amount	B- Earnings allocation	Amount	
Decision of the Board of Directors : 05/31/2023				
Retained earnings	-			-
Net earnings being allocated	-			-
Net earnings for the fiscal year	337,895			337,895
Deduction from profits	-			-
Other deductions	-			-
TOTAL A	337,895	TOTAL B		337,895

EARNINGS AND OTHER ELEMENTS FOR THE LAST THREE FISCAL YEARS				(In thousand MAD)
	June 30, 2023	Dec 31, 2022	Dec 31, 2021	
Capital equity and similar				
To be deducted -Amount concerning the Fonds d'Accompagnement des Collectivités Territoriales (Support Fund for Territorial Communities)	4,832,522	4,660,561	4,322,666	-
Net capital equity and similar	4,832,522	4,660,561	4,322,666	
Operations and earnings for the fiscal year				
Net banking income	327,151	661,461	637,426	
Pre-tax earnings	279,034	554,026	536,964	
Earnings taxes	107,073	216,131	208,484	
Distributed profits	-	-	-	
Retained earnings (placed in reserves or pending allocation)	171,961	337,895	328,481	
Earnings per share (in MAD)				
Net earnings per share or unit				
Earnings distributed per share				
Gross remuneration for the fiscal year	25,730	40,887	40,366	
Average number of employees during the fiscal year	91	91	92	

DATING AND SUBSEQUENT EVENTS		(In thousand MAD)
I. DATING		
Closing date [1]		06/30/2023
Date of preparation of the summary statements [2]		September 2023

[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, 2023	Dec 31, 2022	
Paid staff	91	91	
Staff used	91	91	
Full-time equivalent staff	91	91	
Administrative and technical staff (full-time equivalent)	-	-	
Staff assigned to banking tasks (full-time equivalent)	-	-	
Executives (full-time equivalent)	84	84	
Employees (full-time equivalent)	7	7	
Of which, staff employed abroad	-	-	

SECURITIES AND OTHER ASSETS UNDER MANAGEMENT OR ON DEPOSIT				(In thousand MAD)
SECURITIES		Number of accounts	Amount	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
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, 2023	Dec 31, 2022	
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, 2023	Dec 31, 2022	
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'Equipeement 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.

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.

Internal Audit

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

Compliance function

The Compliance function is in charge of 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 in charge of implementing and monitoring the code of ethics applicable to the FEC's employees.

2. Risk exposure

The risks associated with the activities of the Fonds d'Equipeement Communal are as follow :

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 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

At the end of June 2023:

The weighted net risks carried by the FEC reached 7,591,498 thousand MAD and consist of 84% of credit risk and 16% of operational risk.

In compliance with prudential requirements, the solvency ratio reached 76.80%, while the Tier One ratio reached 63.63%, thus reflecting the good level of solvency of the Institution.

Analysis of the credit portfolio

Customer receivables, consisting of 99.89% of commitments for the benefit of Territorial Communities, have totalled 26,528,580 thousand MAD as of June 30, 2023.

The financing commitments given by the FEC in favor of the clients amounted on June 30, 2023 to 6,102,872 thousand MAD.

The analysis of the situation of off-balance sheet commitments as of June 30, 2023 shows that 71.24% of the overall volume corresponds to recent loans committed for less than 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.

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 the 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 Circular No. 08/G/2012, the risk division coefficient is established at 10.29% at the end of June 2023, thus remaining 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

The Management Control and ALM Department carries out ALM risk management within the Financial Division.

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:

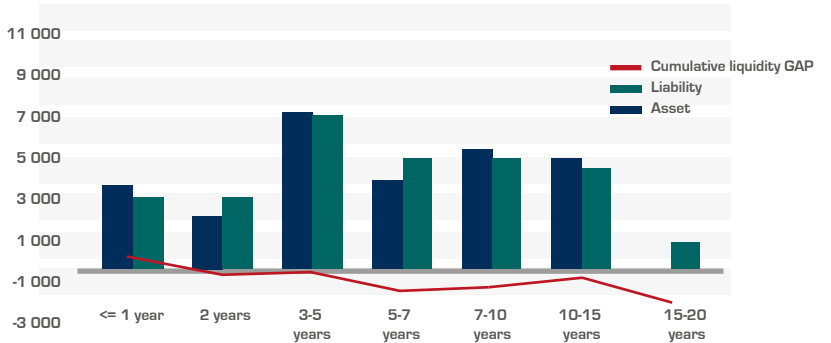
- The inability of the institution to raise necessary funds to meet unexpected short-term situations, notably a significant drawdown of funding commitments given to TCs.
- The mismatched assets and liabilities or financing of medium and long-term assets by short-term liabilities.

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.

At June 30, 2023, the profile of liquidity gaps 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:

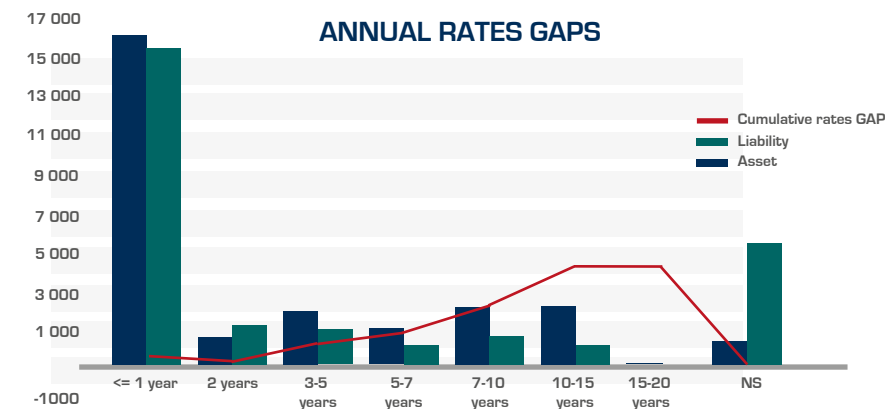
- Scenario 1: Parallel shift of the interest rate curve upwards (+200 bps);
- Scenario 2: Parallel shift of the interest rate curve downwards (-200 bps);
- Scenario 3: Rise in short rates;
- Scenario 4: Fall in short rates;
- Scenario 5: Flattening of the yield curve;
- Scenario 6: Steepening of the 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, 2023

The flow of interest rate gaps as of June 30, 2023 is as follows:



The impact of regulatory scenarios is -2.55% on the forecasted net interest margin and 11.91% on the economic value of capital 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.

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 fields. 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 referential accessible by all FEC's employees through an intranet site. This referential is subject to regular progressive 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 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. Additionally, a maintenance and enhancement plan for the FEC's BCP has been developed.

Moreover, the FEC continues to ensure a 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 the year 2023.

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 allows 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, 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 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.

mazars

Avia Business Center
Boulevard Moulay Abdellah
Cherif - Casa Anfa - Maroc

Coopers Audit

83, Avenue Hassan II
Casablanca
Maroc

FONDS D'EQUIPEMENT COMMUNAL

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

PERIODE DU 1^{er} JANVIER AU 30 JUIN 2023

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'Equipeement 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^{er} janvier au 30 juin 2023. Cette situation intermédiaire qui fait ressortir un montant de capitaux propres et assimilés totalisant 5.855.077 KMAD dont un bénéfice net de 171.961 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'Equipeement Communal établis au 30 juin 2023, conformément au référentiel comptable admis au Maroc.

Casablanca, le 25 septembre 2023

Les Commissaires aux Comptes

MAZARS AUDIT ET CONSEIL

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

Taha FERDAOUS
Associé

COOPERS AUDIT MAROC S.A

COOPERS AUDIT MAROC
Siège Social : 83, Avenue Hassan II
Casablanca
Tél : 0522 42 11 90 - Fax : 0522 27 47 34

Abdellah LAGHCHAUI
Associé



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

www.fec.ma