

Consolidation of the Bank’s commitment to sustainable and inclusive development of territories

In line with the Kingdom of Morocco's strategic commitment to sustainability, in 2024 the Fonds d'Equipement Communal pursued its determination to strengthen its technical and financial support for territorial projects that are in line with the Sustainable Development Goals, thus helping to strengthen the resilience of territories in the face of the challenges of climate change.

In this dynamic, the Bank has adopted a reinforced approach to integrating the management of climate risks and opportunities into its Environmental and Social (E&S) Policy, thereby consolidating its alignment with international sustainability standards.

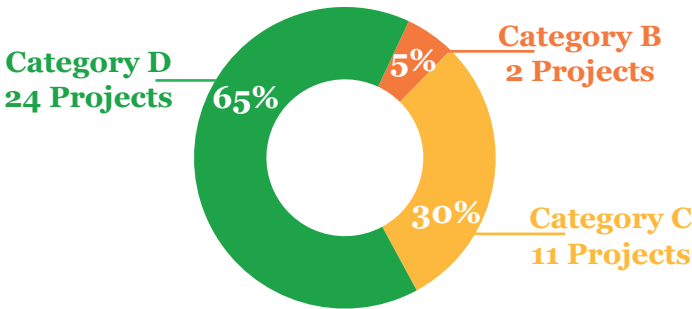
Overall, during the first half of 2024, the FEC aligned its global risk strategy and its variations into strategies and policies by type of risk, as well as its risk appetite framework, with best practices in the banking sector.

The year 2024 was also marked by the signing by the FEC of two new financing agreements, respectively with the Agence Française de Développement (AFD) and the African Development Bank (AfDB), for an amount of 100 million euros each. These operations are part of the Bank's financial strategy, open to the international market, which allows it to perpetuate and diversify its sources of financing, in order to be able to offer the best financing conditions to its customers.

In addition, the FEC proceeded, during the year 2024, to the signing of three major financing agreements, respectively with the Drâa-Tafilalet Region, the Tanger-Tétouan-Al Hoceïma Region and the Rabat-Salé-Kénitra Region, through the granting of three lines of credit for a total amount of 6 billion dirhams.

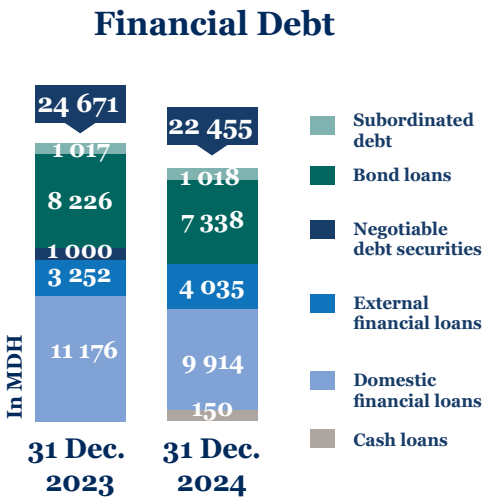
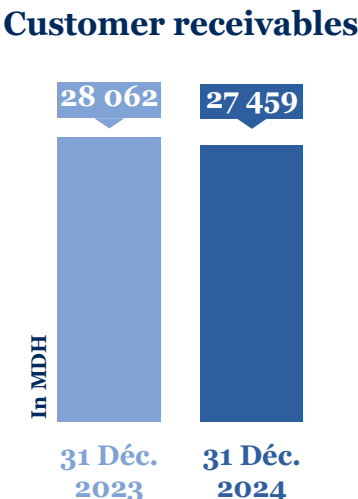
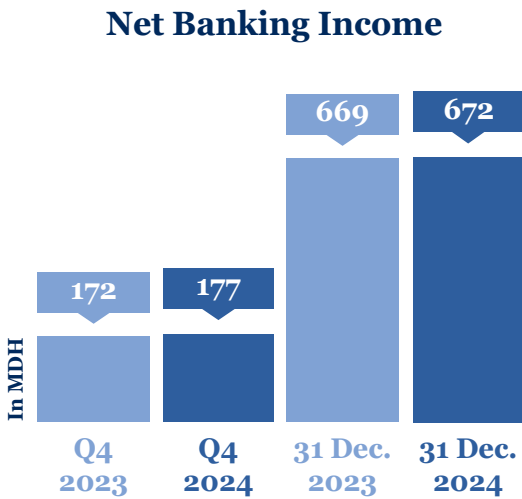
E&S rating of financed projects*

In line with the Institution's E&S policy, the results of the E&S rating show that the majority of projects financed by the Bank at the end of December 2024 are classified in “Categories D or C” and concern projects with minimal and manageable risks.



* Allocated projects at the end of December 2024

Main financial indicators as of December 31, 2024



On the operational level, loan commitments and disbursements reached 2 569 MDH and 1 821 MDH respectively for the year 2024, and enabled the FEC to contribute to the financing of several projects carried out by the Territorial Communities in different sectors of intervention. It should be noted that the lending activity at the end of December 2024 was marked by a return to a normative level compared to the year 2023, which had been marked by the co-financing by the FEC of a strategic project, relating to the construction of water supply works as part of the interconnection of two hydraulic basins, which is distinguished by the importance of its investment volume.

At the end of the 2024 financial year, the Bank recorded a positive evolution of its main financial indicators, since the NBI reached 672 MDH, a slight increase compared to the previous financial year. Customer receivables reached nearly 27.5 BDH at the end of December 2024.

The data in this press release are unaudited.

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