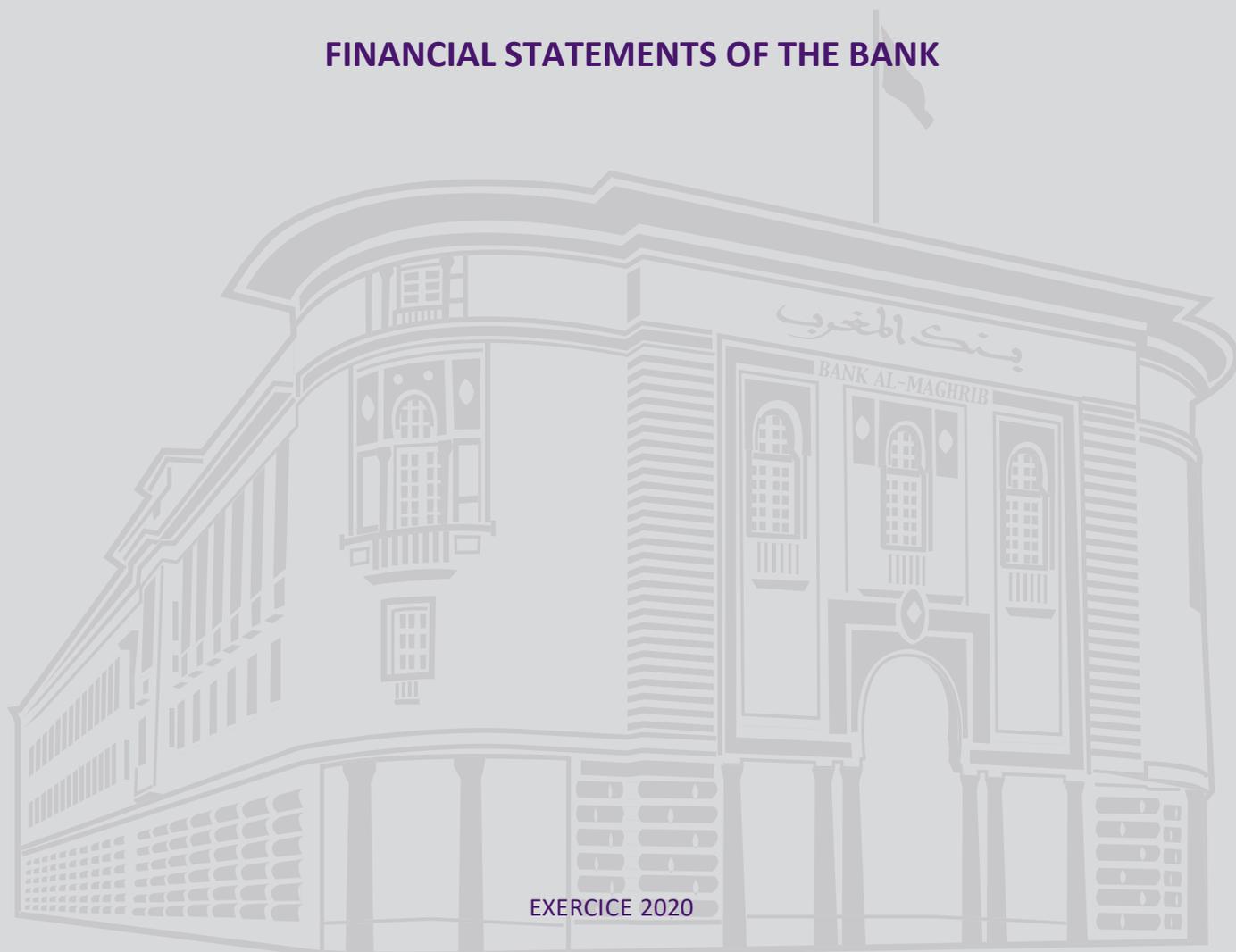




## FINANCIAL STATEMENTS OF THE BANK



EXERCICE 2020



*In this part of the report, figures are rounded to the nearest thousand dirhams. Therefore, totals and sub-totals do not always correspond to the sum of the relevant rounded off figures.*



## 3.1 Overview of the financial situation for fiscal year 2020<sup>(1)</sup>

### 3.1.1 Balance sheet

The Bank's total balance sheet stood at 412,800,465 KDH on December 31, 2020, up 25 percent as against 6 percent in 2019, mainly reflecting an increase in foreign currency assets and investments on the assets side and, on the liabilities side, in currency circulation as well as in liabilities towards international financial institutions.

**Table 3.1.1: Balance sheet by transaction**

In thousand dirhams	2020	2019	Change (%)
(of which)			
Currency in circulation	319 282 169	266 771 075	20
Transactions with foreign countries	-270 000 683	-228 115 295	18
Transactions with the State	6 022 680	2 075 556	>100
Net position of credit institutions	-59 537 133	-45 666 911	-30
Patrimonial transactions	688 718	2 404 801	-71

Liabilities -Assets

In 2020, currency in circulation recorded an exceptional increase of 20 percent to 319,282,169 KDH, compared to an average of 7 percent over the last five years, mainly due to the massive cash outflow resulting from the health crisis. Meanwhile, operations with foreign countries reached 270,000,683 KDH, up 18 percent compared to the end of 2019, mirroring the consolidation of foreign exchange reserves. Regarding operations with the State, their balance rose sharply to 6,022,680 KDH, explained mainly by the higher current account holdings of the Treasury. The net position of credit institutions fell or went from -45,666,911 KDH to -59,537,133 KDH, due to the increase in the liquidity deficit. The balance of patrimonial transactions decreased significantly by 71 percent to 688,718 KDH, following the subscription to the capital of the Bank for International Settlements in February 2020 for an amount of 1.6 billion dirhams<sup>2</sup>.

### 3.1.2 Income

The Bank's net income amounted to 1,684,169 KDH at the end of 2020, up slightly by 1 percent, following the 69 percent increase in 2019. This change was mainly due to a deceleration in the growth rate of income from activities from 26 percent to 5 percent, an increase in the general operating expenses by 6 percent, against a decline of 1 percent a year earlier and a decrease in non-current result.

<sup>1</sup> Changes in the balance sheet and profit and loss account items are addressed in more details in the comments section of the financial statements. For analysis purposes, the balance sheet and profit and loss account items were adjusted in this part of the report.

<sup>2</sup> See box of Note 6 in the balance sheet.

**Table 3.1.2: Net income of the fiscal year**

In thousand dirhams	2020	2019	Change (%)
Income from foreign exchange reserves management operations	2 393 510	2 310 854	4
Income from monetary policy operations	1 726 349	1 758 933	-2
Income from other operations	650 350	489 402	33
<b>Income of activities</b>	<b>4 770 209</b>	<b>4 559 188</b>	<b>5</b>
General operating expenses	-1 890 677	-1 776 210	6
<b>Gross operating income</b>	<b>2 879 532</b>	<b>2 782 979</b>	<b>3</b>
Noncurrent income	-64 862	-28 874	<-100
Income tax	-1 130 502	-1 085 978	4
<b>Net income</b>	<b>1 684 169</b>	<b>1 668 127</b>	<b>1</b>

Income from foreign exchange reserve management operations improved by 4 percent to 2,393,510 KDH at end-2020, mainly due to the increase in net income from the bond portfolio to 2,422,913 KDH (+14 percent). This evolution resulted from the rise of net capital gains on securities held for sale to 592,210 KDH, in a context marked by a significant drop in the dollar yields, and of interests generated by the investment portfolio to 1,692,836 KDH (+7 percent), following the faster acquisitions in this tranche, mainly after the PLL drawdown, whereas the net interests from money market investments decreased to -73,772 KDH.

After an upward trend since 2017, the result of monetary policy operations posted a decrease by 2 percent to 1,726,349 KDH, mainly due to the reduction of the key rate by 75 bps<sup>1</sup> to 1.50 percent, the impact of which was mitigated by the strengthening of the Bank's injections, with a view to satisfying the increased liquidity needs of banks.

On the other hand, the other operations yielded a 33 percent increase in income to 650,350 KDH, showing a decrease in expenses related to the remuneration of certain private customers' accounts.

General operating expenses rose by 6 percent to 1,890,677 KDH, mainly due to increased operating expenses (+4 percent).

The decline recorded in non-current income to -64,862 KDH resulted from the rise of the amount of the social solidarity contribution on profits for the year 2020, which reached 73,393 KDH, as against 39,440 KDH in 2019.

<sup>1</sup> Cut of 25 bps decided by the Bank's Board in March 2020, followed by a 50 bps cut in June 2020.

## 3.2 Summary statements and related notes

### 3.2.1 Balance sheet (assets)

Table 3.2.1: Assets as at December 31, 2020

In thousand dirhams	Notes	2020	2019
<b>Assets and investments in gold</b>	<b>1</b>	<b>11 989 425</b>	<b>10 386 758</b>
<b>Assets and investments in foreign currency</b>	<b>2</b>	<b>297 853 278</b>	<b>233 532 384</b>
- Holdings and investments held in foreign banks		88 485 179	38 555 629
- Foreign Treasury bills and similar securities		205 947 284	191 386 500
- Other holdings in foreign currency		3 420 815	3 590 255
<b>Assets with international financial institutions</b>	<b>3</b>	<b>9 188 280</b>	<b>9 785 191</b>
- IMF subscription-Reserve tranche		2 084 098	2 146 798
- Special Drawings Rights holdings		6 715 532	7 236 397
- Subscription to the Arab Monetary Fund		388 650	401 997
<b>Lending to the Government</b>		<b>243 839</b>	<b>-</b>
<b>Claims on Moroccan credit institutions and similar bodies</b>	<b>4</b>	<b>84 356 146</b>	<b>67 383 292</b>
- Securities received under repurchase agreements		15 280 279	-
- Advances to banks		68 955 288	67 303 319
- Other facilities		120 579	79 973
<b>Treasury bills - Open market operations</b>		<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>5</b>	<b>4 329 415</b>	<b>6 976 082</b>
<b>Fixed assets</b>	<b>6</b>	<b>4 840 082</b>	<b>3 123 873</b>
<b>Total assets</b>		<b>412 800 465</b>	<b>331 187 580</b>

## 3.2.2 Balance sheet (liabilities)

Table 3.2.2: Liabilities as at December 31, 2020

In thousand dirhams	Notes	2020	2019
<b>Banknotes and coins in circulation</b>	<b>7</b>	<b>319 282 169</b>	<b>266 771 075</b>
Banknotes in circulation		315 640 803	263 254 622
Coins in circulation		3 641 365	3 516 453
<b>Commitments in gold and foreign currency</b>	<b>8</b>	<b>8 387 871</b>	<b>9 340 911</b>
Commitments in gold		-	-
Commitments in foreign currency		8 387 871	9 340 911
<b>Commitments in convertible dirhams</b>	<b>9</b>	<b>29 434 460</b>	<b>210 500</b>
Commitments to international financial institutions		29 421 299	201 537
Other liabilities		13 161	8 963
<b>Deposits and commitments in dirhams</b>	<b>10</b>	<b>35 974 495</b>	<b>29 789 757</b>
- Current account of the Treasury		6 242 051	2 057 416
- Deposits and commitments in dirhams to Moroccan banks		24 819 013	21 716 369
- Current accounts		24 819 013	21 716 369
- Liquidity-withdrawal accounts		-	-
- Deposit facility accounts		-	-
- Deposits of general government and public institutions		973 357	1 159 281
- Other accounts		3 940 073	4 856 691
<b>Other liabilities</b>	<b>11</b>	<b>5 308 085</b>	<b>10 430 843</b>
<b>Special Drawing Rights allocations</b>	<b>3</b>	<b>7 200 415</b>	<b>7 447 693</b>
<b>Equity capital and the like</b>	<b>12</b>	<b>5 528 801</b>	<b>5 528 673</b>
- Capital		500 000	500 000
- Reserves		5 001 340	5 001 340
- Retained earnings		27 460	27 333
- Other equity capital		-	-
<b>Net income of the fiscal year</b>		<b>1 684 169</b>	<b>1 668 127</b>
<b>Total liabilities</b>		<b>412 800 465</b>	<b>331 187 580</b>

### 3.2.3 Off-balance sheet

Table 3.2.3: Off-balance sheet as at December 31, 2020

In thousand dirhams	Notes	2020	2019
<b>Spot foreign exchange transactions</b>			
- Spot delivery of currencies		-	-
- Spot purchase of dirhams		-	-
<b>Forward foreign exchange transactions</b>	<b>13</b>		
- Foreign currencies receivable		28 749 736	8 525 178
- Foreign currencies deliverable		28 856 663	8 568 575
<b>Foreign exchange transactions- currency deposits</b>	<b>13</b>	<b>2 137 152</b>	<b>-</b>
<b>Foreign exchange transactions-arbitrage operations</b>	<b>13</b>		
Foreign currencies receivable		1 529 663	158 563
Foreign currencies deliverable		1 530 914	158 583
<b>Off-balance currency adjustment</b>		<b>-</b>	<b>-</b>
<b>Commitments on derivatives</b>		<b>-</b>	<b>-</b>
<b>Commitments on securities</b>	<b>14</b>		
Securities received on advances granted		63 257 199	68 533 178
Securities received on advances to be granted		6 792 000	12 918 700
Other guarantees received on advances granted		29 740 812	2 556 954
Advances to be granted		6 452 400	13 172 765
Foreign securities receivable		3 549 354	1 662 271
Foreign securities deliverable		1 414 877	549 571
<b>Other liabilities</b>	<b>15</b>		
Received market guarantees		120 463	105 237
Guarantees commitments received for staff loans		879 661	871 976
Financing commitments granted to the staff		21 480	18 439
Other granted commitments		1 000	1 000

### 3.2.4 Profit and loss account

Table 3.2.4: Profit and loss account as at December 31, 2020

In thousand dirhams	Notes	2020	2019
<b>Profit</b>		<b>5 961 582</b>	<b>6 138 883</b>
Interests earned on holdings and investments in gold and in foreign currency	16	2 623 873	2 785 084
Interests earned on claims on credit institutions and similar bodies	17	1 627 045	1 744 558
Other interests earned	18	13 384	12 591
Commissions earned	19	611 277	664 105
Other financial revenues	20	813 906	535 274
Sales of produced goods and services	21	204 829	131 409
Miscellaneous revenues	22	15 786	19 045
Reversal of depreciation		-	-
Reversal of provisions	23	50 359	243 576
Noncurrent revenues	24	1 123	3 243
<b>Expenses</b>		<b>4 277 414</b>	<b>4 470 756</b>
Interests paid on commitments in gold and in foreign currency	25	132 119	179 768
Interests paid on deposits and commitments in dirhams	26	174 404	340 159
Commissions paid	27	15 667	16 386
Other financial expenses	28	754 764	986 330
Staff expenses	29	878 935	863 391
Purchases of materials and supplies	30	285 073	236 625
Other external expenses	31	354 619	356 045
Depreciation and provision endowments	32	474 870	364 132
Noncurrent expenses	33	76 461	41 941
Income tax	34	1 130 502	1 085 978
<b>Net income</b>		<b>1 684 169</b>	<b>1 668 127</b>

### 3.2.5 Cash flow statement

Tableau 3.2.5 : Cash flow as at December 31, 2020

In thousand dirhams	2020	2019
<b>Cash and foreign currency deposits at the beginning of the year</b>	<b>41 303 899</b>	<b>55 055 218</b>
<b>Cash flow from operating activities</b>	<b>29 699 757</b>	<b>-40 294 787</b>
Interests received	4 320 361	4 568 820
Commissions on banking transactions received	611 277	664 105
Other products received	369 390	214 035
Interests and commissions paid	-336 390	-556 180
Staff expenses paid	-874 254	-844 120
Taxes paid	-1 717 512	-570 780
Other expenses paid	-658 894	-603 638
+/- Change in Treasury deposits in Dirhams	4 184 636	841 017
+/- Change in deposits with Moroccan banks in Dirhams	3 086 294	-3 777 272
+/- Change in other customer deposits in Dirhams and in foreign currencies	28 370 305	2 079 362
+/- Change in foreign-currency-denominated investment securities	10 019 846	-42 027 300
+/- Change in foreign currency trading securities	-1 167 133	-66 292
+/- Change in advances to banks	-16 932 249	1 998 938
+/- Change in other liabilities	-1 597 733	-716 946
+/- Change in other assets	2 021 815	-1 498 537
<b>Cash flow from investment activities</b>	<b>-31 160 396</b>	<b>8 747 087</b>
+/- Change in foreign investment securities in foreign currencies	-29 554 643	9 046 827
+/- Change in IMF subscription-Reserve branch	-	-178
+/- Change in SDR holdings	291 779	51 089
+/- Change in gold assets and investments	-	-
+/- Change in deposits with the IMF	-	-
+/- Change in FMA subscription	-	-
+/- Change in SDR allocations	-	72
Acquisition of fixed assets	-1 897 944	-353 622
Proceeds from sale of fixed assets	412	2 897
<b>Cash flows from financing activities</b>	<b>52 511 094</b>	<b>18 293 233</b>
+/- change in banknotes and currency in circulation	52 511 094	18 293 233
<b>Revaluation of cash and foreign currency deposits</b>	<b>-1 245 543</b>	<b>-496 852</b>
<b>Cash and foreign currency deposits at end of year</b>	<b>91 108 812</b>	<b>41 303 899</b>

### 3.2.6 Statement of change in shareholders' equity

Table 3.2.6 : Change in shareholders' equity at December 31, 2020

In thousands of Dirhams	2020 opening balance	Appropriation of 2019 income	Distribution of dividends*	2020 Income	Capital transactions (+incr. / -decr.)	2020 closing balance
Equity	500 000					500 000
Carry forward	27 333	127				27 460
Reserves	5 001 340	1 668 000	-1 668 000			5 001 340
Income for the year				1 684 169		1 684 169
Income pending allocation	1 668 127	-1 668 127				0
<b>Total</b>	<b>7 196 801</b>	<b>0</b>	<b>-1 668 000</b>	<b>1 684 169</b>	<b>0</b>	<b>7 212 969</b>

\* In accordance with statutory provisions

## 3.2.7 Main accounting rules and evaluation methods

### 3.2.7.1 Legal framework

The financial statements are developed and presented in conformity with the BAM Chart of Accounts, approved by the National Accounting Board in May 2007.

The Bank applies the accounting requirements specified in the General Accounting Standard for issues common to companies in terms of assessing stocks and its fixed and other assets and applies particular assessments the evaluation of its financial operations.

The financial statements, as cited under Article 47 of Law No.40-17 bearing Statutes of Bank Al-Maghrib, include the balance sheet, off-balance sheet, profit and loss account (PLA) and additional information statement (AIS).

Concurrently, the Bank prepares an annual off-balance sheet statement, and as of fiscal 2019, it has integrated into its financial statements the cash-flow statement and the statement of changes in shareholders' equity.

### 3.2.7.2 Evaluation methods

#### **Assets and commitments in gold and foreign currency**

Assets and liabilities in gold and foreign currency are converted into dirhams based on the applied exchange rate of foreign currencies on the closing date of the fiscal year.

Profits and losses resulting from this operation are entered in the exchange reserves' revaluation account as liabilities on the Bank's balance sheet, in accordance with the agreement governing this account, concluded between Bank Al-Maghrib and the State on December 29, 2006.

By virtue of this agreement, the "foreign exchange reserve evaluation account" shall maintain a minimum credit balance equal to 2.5 percent of Bank Al-Maghrib's net foreign assets. In case the balance of the "foreign exchange reserve evaluation account" reaches a level below the required minimum threshold due to a foreign exchange loss, the deficit amount will be deducted from the income statement of Bank Al-Maghrib of the relevant fiscal year, without exceeding 10 percent of the net profit, and placed in a "foreign exchange loss reserve" account. If the said deficit exceeds 10 percent of the net profit of the Bank, the "reserve for foreign exchange loss" account may be replenished over several years.

The balance of the “foreign exchange loss reserve” account is returned to the Treasury if the balance of the “foreign exchange reserve revaluation account” exceeds the required minimum threshold.

This re-evaluation mechanism has no tax impact.

### **Foreign exchange operations**

Foreign exchange operations include spot and forward purchases and sales of foreign currencies, whether for Bank Al-Maghrib’s own account or as part of intermediation with banks. These transactions are entered in the corresponding off-balance sheet accounts on their commitment date. Then, they are recorded in the balance sheet accounts on the value or delivery date.

### **Securities**

The securities acquired as part of the management of exchange reserves are classified according to the purpose for which they are held (in portfolio of transaction, of securities held for sale, or of investment).

**Transaction portfolio** consists of securities purchased with the intention, right from the start, to resell them within a short deadline. They are recorded at their purchase price, including costs and, if need be, accrued coupons. Gains and losses resulting from the daily evaluation of these securities at the market price are entered in the corresponding income accounts.

**Investment portfolio** consists of securities acquired with the intention of being held until maturity. They are entered according to the rules below:

- They are recorded at their purchase price, excluding costs and, if need be, accrued coupons;
- Gains on these securities are not recorded;
- Losses on these securities are recorded only when the Bank judges that the security, which suffers a loss, will be probably sold in the following fiscal year and in the case where there is a probable issuer’s default risk;
- The differences (discounts or premiums) between securities’ prices of purchase and redemption are amortized in a actuarial manner over the remaining life of the securities.

As of January 1, 2020, the Bank switched from the straight-line method to the actuarial method for spreading discounts/surcharges on investment securities to comply with international best practice. This method is also accepted by the accounting plan of Bank Al-Maghrib as validated by the National Accounting Board. This new method has improved the pre-tax result for the year 2020 by 8.7 MDH.

As at December 31, 2020, no provision has been recorded for this portfolio.

**Portfolio of securities held for sale** consists of securities other than those classified as transaction or investment securities. Their recording comes as follows:

- Entries into the portfolio are recorded in the balance sheet at their purchase price, excluding costs and, if need be, accrued coupons;
- The differences (discounts or premiums) between securities' purchase price and redemption price are not amortized over the duration for these securities holding;
- The unrealized losses resulting from the difference between the book value and the market value of these securities are recorded as depreciation provisions on a daily basis. However, unrealized gains are not taken into account.

It is worth reminding that as of October 2008, the Bank came up with a sub-category in its securities held-for-sale to include discount securities. These securities are recorded at their market value. Discount securities are spread over the life of the securities and entered in the revenue or expense accounts on a daily basis.

#### **Other foreign assets**

The Bank holds a portfolio of securities denominated in US dollars. The management of this portfolio is delegated to the World Bank by virtue of delegation contracts.

These securities are initially entered at their purchase price. The gains or losses are entered in the appropriate profit and loss accounts, on the basis of the market values duly audited and reported by authorized agents and controlled by the Bank's staff.

#### **Tangible and intangible fixed assets**

Tangible and intangible fixed assets are recorded at their purchase cost. They are posted on the assets side of the balance sheet at a net value representing their acquisition cost minus accumulated depreciations.

Fixed assets, including incidental expenses, are amortized according to the straight-line method, depending on the estimated duration of use of the goods, and by applying the depreciation rate in force.

The depreciation deadlines retained according to the nature of each fixed asset are as follows:

**Table 3.2.7: Fixed assets depreciation periods**

Real properties	20 years
Fixtures, fittings and facilities	5 years
Dar As-Sikkah equipment	10 years
Office equipment, computing materials and software, vehicles and other materials	5 years
Office furniture	10 years

### Financial fixed assets

Shareholdings in Moroccan and foreign financial institutions are entered in the assets side of the balance sheet for their net value representing their acquisition cost minus the provisions set up at the closing date. Regarding foreign holdings, their value is converted into dirhams at the historical rate of the currency.

In respect of securities that are not fully paid up, they are recorded as assets at their total value, including the remainder to be paid up. The share not yet paid up is recorded as a counterpart to a debt account on the liabilities side of the balance sheet.

The provisions for depreciation of these unlisted securities are evaluated at the end of the fiscal year following the net asset value method, based on the last financial statements available.

### Inventories

Inventories are composed of:

- consumable materials and supplies;
- raw material for the manufacturing of banknotes and coins (paper, ink, and blanks);
- finished goods and in-process inventory (secured documents and foreign banknotes);
- and commemorative coins.

Consumable materials and supplies are recorded in the balance sheet at their purchase price, minus the provisions for their depreciation, if need be, at the closing date.

Raw materials are recorded in the balance sheet at their purchase price plus the handling costs, and minus the provisions for their depreciation, if need be.

Finished goods and in-process inventory are recorded in the balance sheet at their production cost, minus the provisions for their depreciation, if need be.

### 3.2.8 Financial risk management system

#### Definition of financial risks

The financial risks to which the Bank is exposed while managing foreign exchange reserves are:

- The **credit risk**, defined as:
  - On the one hand, the payment default risk (counterparty risk) which corresponds to a risk of economic loss due to the inability of a counterparty to fulfil its obligations;
  - On the other hand, the credit rating reduction risk, relating to the risk of lowering credit rating by one or more rating agencies.
- The **market risk**, which is the risk of loss arising from adverse changes in market factors. It concerns, inter alia, risks related to movements in interest or foreign exchange rates.
- The **liquidity risk**, which represents the possibility of not being able to meet the country's immediate commitments, through the sale of assets, without significant impact on their prices.

#### Governance framework

As part of its mission relating to foreign exchange reserve management, the Bank has set up a financial risk management system. This system identifies, monitors, and mitigates the risks inherent in the investment of the foreign reserves, namely credit, market, and liquidity risks.

To achieve this objective, risk management at Bank Al-Maghrib is based on a clear and well-structured governance framework.

The **Bank Board** validates, each year, the foreign exchange reserve investment policy and risk tolerances. It also approves the investment sphere and the strategic asset allocation. The **Monetary and Financial Committee (MFC)** carries out a monthly and as needed supervision of the strategic allocation implementation and validates the management strategy. It also examines changes in reserve management financial risk indicators. Finally, the **Audit Committee** examines the annual changes in the Bank's financial and operational risks.

Reserve holding and management purposes, investment principles, asset class limits, and issuer and counterparty eligibility and concentration rules are set out in an investment directive, while portfolio benchmarks and their management method are defined in the strategic allocation decided by the Bank's Board.

From an operational point of view, all the Bank's foreign currency exposures are controlled and monitored on a daily basis to ensure compliance with strategic allocation guidelines approved by the Bank's Board.

In this context, these exposures are analysed in detail in regular reports.

All deviations to the rules are reported for validation purposes to the Monetary and Financial Committee which is called upon to validate them.

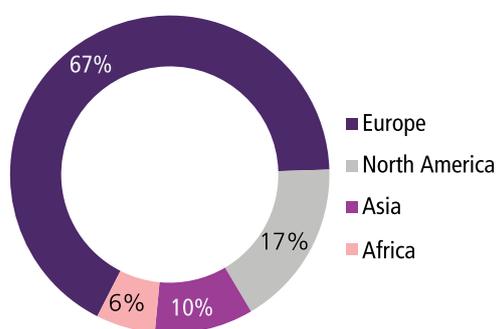
## Financial risk management

### Credit risk

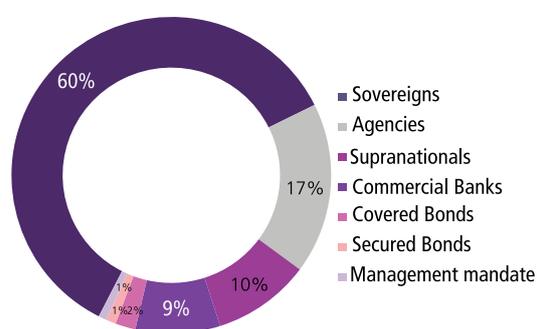
Bank Al-Maghrib ensures that investments made within the framework of its foreign exchange reserve management comply with its two main objectives, namely security and liquidity. Thus, in addition to the eligibility criteria for issuers and counterparties, the Bank uses many tools to grasp the credit risk. These are exposure limits helping to avoid excessive risk taking and concentration. The different categories of limits applied and monitored are credit rating, asset category, country risk, issuer risk and counterparty risk.

In addition to this arrangement, the Bank calculates an average rating with a view to ensuring a better assessment of overall exposure to credit risk.

**Chart 3.2.1 : Breakdown of portfolio exposures by region**



**Chart 3.2.2 : Breakdown of portfolio exposures by asset class**



On December 31, 2020, assets under management amounted to \$30.7 billion with an average rating of "AA-" thus indicating a very good credit quality of the assets held.

### Market risk

The market risk associated with foreign exchange reserves management mainly arises from interest rate risk and foreign exchange risk.

### - Interest rate risk

The Bank manages interest rate risk through the strategic allocation exercise, which defines benchmark portfolios reflecting the tolerated risk level. Also, management of this risk consists in ensuring that the relative exposures of the management portfolios, compared to the benchmarks, remain within the authorized range in terms of duration.

In addition, exposure to market risk is measured through the maximum potential loss (VaR).

At December 31, 2020, the overall duration of the foreign exchange reserves managed by the Bank amounted to 1.89 year, as against 1.5 year in 2019.

### - Foreign exchange risk

The foreign exchange risk is generated by the impact of fluctuations in the exchange rate of foreign currencies against the Moroccan dirham. This risk is measured by the deviation between the composition of foreign exchange reserves and the weighting of the Moroccan dirham basket, which is 60 percent euro and 40 percent dollar. Such exposure is managed through a maximum deviation limit.

Besides, as foreign exchange reserves are mainly composed of euros and US dollars, exposure arising from holding other currencies is very low.

### Liquidity risk

Managing the liquidity risk of foreign exchange reserves aims to meet the financing needs of the country's balance of payments and to maintain liquidity reserves at a level sufficient to absorb shocks in times of crisis or restricted access to external financing.

The Bank manages liquidity risk through the strategic allocation that defines the minimum sizes of the reserves' liquid tranches:

- **Precautionary reserves:** composed of available and liquid assets, which allows financing needs estimated in the balance of payments over a one-year horizon. At the end of 2020, precautionary reserves reached 93.7 billion dirhams;
- **Excess reserve portfolios recorded at market value:** made up of liquid assets that can be mobilised in the event of exhaustion of the "precautionary reserves" tranche following an extreme shock to foreign exchange reserves. The value of these portfolios reached 48.1 billion dirhams at end-2020.

### 3.2.9 Comments on the balance sheet items

#### Assets

##### Note 1: Assets and investments in gold

By virtue of Article 12 of its Statutes, Bank Al-Maghrib holds and manages foreign exchange reserves, which consist of gold, foreign currency and SDRs assets. This item contains the dirham equivalent of gold assets deposited in Morocco and with foreign depositors, as well as investments in gold made with foreign counterparties. Since the end of 2006, these assets are evaluated at market prices. Gains and losses resulting from this operation are allocated to the re-evaluation account of foreign exchange reserves<sup>1</sup>, in accordance with the agreement governing this account concluded in 2006 between Bank Al-Maghrib and the State.

At end-2020, the value of gold assets amounted to 11,989,425 KDH, posting an increase of 15 percent, solely due to the rising gold price per ounce, which reached 16,862 DH (+ 15 percent) on December 31, 2020.

The quantity of gold ounces, from one year to the next, remained stable at 711,032 ounces (equal to 22 tons).

Besides, similarly to the previous year, the Bank carried no gold lending operations in 2020, given the negative investment rates prevailing on the market.

**Table 3.2.8: Assets and investments in gold**

	2020	2019
Gold price per ounce in dirhams <sup>(1)</sup>	16 862	14 608
Quantity of gold ounces	711 032	711 032
<b>Market value <sup>(2)</sup></b>	<b>11 989 425</b>	<b>10 386 758</b>
<b>Gold stock (in tons)</b>	<b>22,12</b>	<b>22,12</b>

<sup>(1)</sup> Price of Gold/MAD

<sup>(2)</sup> In thousand of dirhams

##### Note 2: Assets and investments in foreign currency

Under the aforementioned Article of the Bank's Statutes, this item presents the equivalent in dirhams of assets in convertible foreign currencies, held in the form of money deposits (current and term accounts) and foreign bond securities.

<sup>1</sup> The credit balance in this account may not be credited to the income for the year, nor distributed or used for any purpose.

At the end of the 2020 fiscal year, foreign currency assets and investments increased by 28 percent to reach 297 853 278 KDH, mainly attributable to the PLL drawdown made in April 2020 for about 3 billion dollars and to the Treasury's international market issues in September and December 2020, for a global amount equivalent to the counter value of 37.5 billion dirhams.

**Table 3.2.9: Breakdown by type of investment**

In thousand dirhams	2020	Share	2019	Share
Current accounts	21 283 856	7%	9 926 287	4%
Term accounts	40 400 865	14%	21 627 617	9%
Securities held for sale <sup>(1)</sup>	81 404 380	27%	93 492 604	40%
Investment securities	123 419 518	41%	97 893 896	42%
Trading securities	1 123 387	0,4%	-	-
Other <sup>(2)</sup>	30 221 273	10%	10 591 980	5%
<b>Total</b>	<b>297 853 278</b>	<b>100%</b>	<b>233 532 384</b>	<b>100%</b>

<sup>(1)</sup> Taking into account provisions for depreciation. The market price valuation of securities held for sale at December 31, 2020 amounts to 82 540 639 KDH.

<sup>(2)</sup> Including accrued interests, management mandates and foreign banknotes.

These assets represent 72 percent (as against 71 percent in 2019) of the Bank's assets, 69 percent (82 percent in 2019) of which are invested in bonds. Within this category, the investment portfolio increased by 26 percent to 123,419,518 KDH, further to the accelerated acquisitions, particularly after the PLL drawdown. At the end of the year, deposits and money market investments rose sharply to 61,684,721 KDH, due to the redemption of the Treasury's international loan.

**Table 3.2.10 : Breakdown by currency**

In thousand dirhams	2020	2019	change (%)
EUR	189 171 557	146 058 650	30
USD	105 251 512	86 157 241	22
Other currencies	3 430 210	1 316 493	>100
<b>Total</b>	<b>297 853 278</b>	<b>233 532 384</b>	<b>28</b>

**Table 3.2.11 : Breakdown by remaining maturity<sup>(\*)</sup>**

	2020	2019
≤ 1an	24%	40%
> 1an	76%	60%
<b>Total</b>	<b>100%</b>	<b>100%</b>

<sup>(\*)</sup> Securities held in internally-managed portfolios, including certificates of deposit.

### Note 3: Assets with international financial institutions

This item, reflecting positions with the IMF and the AMF, fell by 6 percent to 9,188,280 KDH, mainly as a result of the decline in SDR holdings.

## Position with the IMF

### On the assets side:

- IMF subscription - Reserve tranche, which composes the fraction (18.1 percent) supported by Bank Al-Maghrib as Morocco's quota in the capital of the IMF. It is composed of:
  - **The available tranche:** 147.35 million SDRs (1,889,836 KDH), representing Bank Al-Maghrib's contribution to the IMF in foreign currency. This tranche, which could be used by our country when needed, is included in the foreign exchange reserves of the Bank. In 2016, an amount of 76.55 million SDRs, equivalent to its share (25 percent) in Morocco's quota in the IMF capital under the 14th General Quota Review of the IMF;
  - **The mobilized tranche** 14.36 million SDR (194,262 KDH) equal to Bank Al-Maghrib's subscription in national currency, deposited in the IMF "Account No.1" open in the books of the Bank.

Table 3.2.12: Position with the IMF

In thousand dirhams	2020	2019	Change (%)
<b>ASSETS</b>			
IMF subscription - Reserve tranche	2 084 098	2 146 798	-3
SDR holdings	6 715 532	7 236 397	-7
<b>Total</b>	<b>8 799 630</b>	<b>9 383 195</b>	<b>-6</b>
<b>LIABILITIES</b>			
SDR allocations	7 200 415	7 447 693	-3
Accounts n°1 et 2*	29 401 935	193 060	>100
<b>Total</b>	<b>36 602 350</b>	<b>7 640 753</b>	<b>&gt;100</b>

\* Also includes the equivalent value in dirhams (28,764,740 KDH) of the PLL drawing proceeds (see Note 9 of the balance sheet).

- SDR holdings record the equivalent of Bank Al-Maghrib's assets with the IMF. This account records, in the debit side, SDR purchase transactions by the Bank and the remunerations paid by the IMF, while in the credit side, it records payments of commissions on SDR allocations on a quarterly basis and reimbursement of Morocco's borrowings. These assets strengthened substantially in 2014, as the Bank purchased 320 million SDRs to restore a neutral position vis-à-vis the IMF. At the end of 2020, the equivalent value of SDR holdings declined to 6,715,532 KDH, thus recording a 7 percent drop compared to 2019, as a result of the 3 percent fall in the SDR price to 12.83 DH. At a lesser extent, this decline is explained by the withdrawal of 243,839 KDH, under the financial costs of the PLL, from the SDR assets in accordance with the IMF schedule.

**The liabilities side** include the « SDR allocations item », which corresponds to the equivalent value, in dirhams, of SDR allocations granted by the IMF to Morocco as a member country. In 2009, this account was credited with 5.7 billion dirhams, representing Morocco's share in the general allocation and special allocation (475.8 million SDRs)<sup>1</sup> granted by the IMF to member countries. In 2020, the value of these allocations in dirhams fell by 3 percent to 7,200,415 KDH, as a result of the above mentioned depreciation in the SDRs value.

### AMF subscription

This account represents the fraction paid by the Bank for the paid-in subscription in the capital of the AMF. Morocco's participation in this institution amounts to 41.33 million Arab dinars, divided between Bank Al-Maghrib and the Treasury as follows:

- 200,000 Arab dinars paid in national currency and deposited in the AMF account open in Bank Al-Maghrib books. The share paid by BAM amounts to 150,000 Arab dinars (5,970 KDH);
- 21.69 million Arab dinars, subscribed in foreign currency, of which 10.10 million Arab dinars subscribed by the Bank (388,650 KDH), similar to the previous year, following the Bank's settlement in 2018 of the last tranche of the Bank's participation in the AMF capital increase, scheduled for member countries over the five-year period 2014-2018 ;
- 19.44 million Arab dinars, of which 9.10 million are attributable to Bank Al-Maghrib under the AMF capital increase by incorporation of reserves, which took place in 2005 (5.88 million Arab dinars) and in 2013 (3.23 million Arab dinars).

### Note 4: Claims on Moroccan credit institutions and similar bodies

This item covers refinancing operations of credit institutions made as part of the monetary policy conduct, in conformity with Article 7 of the Bank's Statutes.

The Bank's liquidity injections reached very high levels during the first eight months of 2020, posting a peak of 124.5 billion dirhams on August 6, 2020, before falling sharply from September onwards, reflecting both the improvement in foreign exchange reserves and the decline in currency in circulation. To meet the increased liquidity needs of banks, Bank Al-Maghrib has activated all available instruments this year, in the wake of the measures taken to mitigate the impact of the Covid-19 crisis. Thus, these injections have been carried out more through long-term operations (repurchase agreements and guaranteed loans) in addition to the main operations (7-day advances), thus leading to a prolonged duration of these interventions.

<sup>1</sup> Of which 436 million SDRs under the general allocation corresponding to 74.13 percent of Morocco's quota in 2009 (588.2 million SDRs) and 39.7 million SDRs relating to the special allocation granted in accordance with the IMF's fourth amendment.

At December 31, 2020, the bank refinancing totalled 84,235,567 KDH including:

- 44,673,288 KDH through 7-day advances at auction granted at the key rate (1.50 percent since June 2020);
- 24,282,000 KDH corresponding to secured loans notably granted within the framework of the programme designed in 2013 to support the financing of VSME, granted at the average of the key rate during the period under consideration and, since February 2020, under the integrated programme of business support and financing (PIAFE) over 1 year at a preferential rate of 1.25 percent;
- 15,280,279 KDH for long-term repurchase agreements (1 and 3 months), activated since March 2020 and granted at the average of the key rate during the period under review.

**Table 3.2.13: Structure of claims on banks**

In thousand dirhams	2020	2019	Change (%)
<b>Repo type operations</b>	<b>59 953 567</b>	<b>65 003 319</b>	<b>-8</b>
7-day advances	44 673 288	65 003 319	-31
Repurchase agreements	15 280 279	-	-
<b>Secured loans</b>	<b>24 282 000</b>	<b>2 300 000</b>	<b>&gt;100</b>
<b>Total</b>	<b>84 235 567</b>	<b>67 303 319</b>	<b>25</b>

### Note 5: Other assets

This item includes, inter alia, cash accounts and equalization accounts, which are mainly composed of expenses to be spread out over many fiscal years, prepaid expenses, and accrued revenues, and any other debtor amount pending equalization.

It fell, from one year to the next, from 6,976,082 KDH to 4,329,415 KDH, down by 38 percent on an annual basis.

### Note 6: Fixed assets

This item reached 4,840,082 KDH at end-2020, up by more than a half, as a result of increased financial fixed assets.

Table 3.2.14: Fixed assets

In thousand dirhams	2020	2019	Change (%)
(including)			
Fixed loans	768 945	768 867	0,01
Equity securities and the like	2 107 417	439 564	>100
Tangible and intangible fixed assets	7 355 197	6 986 886	5
<b>Gross fixed assets</b>	<b>10 231 690</b>	<b>8 195 380</b>	<b>25</b>
Depreciation and provision endowments	-5 391 608	-5 071 508	6
<b>Net fixed assets</b>	<b>4 840 082</b>	<b>3 123 873</b>	<b>55</b>

### Equity securities and the like

The gross value of Bank Al-Maghrib's equity securities portfolio moved from 2,107,417 KDH in 2020, representing a substantial increase of 1 667 852 KDH, which is mainly explained by the subscription to the capital of the BIS, carried out during this year.

Table 3.2.15: Equity securities and the like

In thousand dirhams	Type of activity	2020				2019 Gross book value	change (%) <sup>(3)</sup>
		Net book value	Gross book value <sup>(1)</sup>	Net situation <sup>(2)</sup>	Quote-part (%)		
<b>Securities held in Moroccan institutions and the like (including)</b>		<b>221 709</b>	<b>218 944</b>			<b>198 373</b>	<b>12</b>
Dar Ad-Damane	Financial	1 265	0	140 618	1,69	1 265	-
Maroclear	Financial	4 000	4 000	305 769	20,00	4 000	-
Casablanca Finance City Authority	Financial	50 000	50 000	507 998	10,00	50 000	-
The Moroccan Deposit Insurance corporation (SGFG)	Financial	59	59	4 719	5,92	59	-
Receivables attached to equity		164 885	164 885	-		141 549	16
<b>Securities held in foreign financial institutions</b>		<b>1 885 708</b>	<b>1 860 419</b>			<b>241 192</b>	<b>&gt;100</b>
Ubac Curaçao	Financial	23 228	23 228	81 578 USD	6,85	23 228	-
Swift	Financial	519	519	442 948 EUR	0,02	519	-
Arab Monetary Fund	Financial	5 970	5 970	1 367 615 DA <sup>(4)</sup>	0,02	5 987	-0,3
Arab Trade Financing Program	Financial	16 856	16 856	1 177 881 USD	0,28	16 856	-
Africa50-Project Finance	Financial	175 142	157 443	359 922 USD	4,91	175 142	-
Africa50-Project Development	Financial	19 460	11 870	26 969 USD	4,94	19 460	-
Bank for International Settlements	Financial	1 644 533	1 644 533	21 639 900 SDR	0,53	-	-
<b>Gross total of equity securities and the like</b>		<b>2 107 417</b>	<b>2 079 363</b>			<b>439 564</b>	<b>&gt;100</b>

(1) Minus of provisions made for the impairment of the Bank's holdings

(2) Net position of the organizations in which the Bank holds investments, based on the financial statements of 2019.

(3) Change in the gross accounting value between 2019 et 2020.

(4) Arab Dinars.

### Box 3.2.1: Bank for International settlements (BIS)

Following the decision Board in December 2019 and the BIS Board to appoint the Bank as a member, the Bank subscribed, in February 2020, to the capital of this institution up to 3,000 shares of the third tranche of its capital with a nominal value of 5,000 SDRs. One quarter of this subscription was paid up while the remainder may be called up later in accordance with Article 7 of its Statutes.

This subscription is recorded as an asset on the balance sheet for a total value of 123.5 million SDR (equivalent to 1,644,533 KDH) of which 112.3 million SDRs are paid up (1,494,747 KDH) and 11.2 million SDRs represent the unreleased portion (149,786 KDH) recorded in the "foreign currency liabilities" item of the liabilities side of the balance sheet.

## Tangible and intangible fixed assets

Table 3.2.16: Tangible and intangible fixed assets

In thousand dirhams	2019 Gross amount	Increase	Decrease	2020 Gross amount
Operating real estate properties	1 969 643	107 815		2 077 457
Operating furniture and equipment	2 562 899	165 998	7 284	2 721 612
Other operating tangible fixed assets	919 878	87 405	1 428	1 005 854
Non-operating tangible fixed assets	787 051	4 076	1 020	790 106
Intangible fixed assets	747 416	12 751		760 167
<b>Total</b>	<b>6 986 886</b>	<b>378 043</b>	<b>9 733</b>	<b>7 355 197</b>

At end-2020, the gross value of tangible and intangible fixed assets reached 7,355,197 KDH, up 368,311 KDH compared to 2019. Investments made this year are broken down as follows:

- 26 percent in real estate investments for the redevelopment and extension projects at the operating sites, particularly concerning the upgrade of the central administration, the extension of Dar As-Sikkah, with the construction of a building dedicated to the production of secure identity cards;
- 45 percent for the acquisition of machinery and components of equipment for computer security infrastructure personalisation and production and for the purchase of new furniture and equipment for the Central Administration and for the premises housing the Bank's units in the "Casablanca Finance City". This share also covers the renewal and the modernization of the computer and phone equipment of the Bank;
- 22 percent mainly for upgrading security and electrical installations, carpentry, air conditioning, plumbing, painting and fittings of various sites of the Bank (operational and social) as well as the development of a museum at the former Fez branch.

Decreases mostly concerned sales and donations of old furniture and equipment.

## Liabilities

### Note 7: Banknotes and coins in circulation

In accordance with Article 5 of its Statute, Bank Al-Maghrib shall issue banknotes and coins. The amount of this item covers the difference between banknotes and coins issued by the Bank and those deposited with the Bank.

Remaining the most important item of the Bank's liabilities (77 percent), the currency in circulation increased significantly from one year-end to the other from 266,771,075 KDH to 319,282,169 KDH, i.e. +20 percent against +7 percent on average during the last five-year period. 319,282,169 KDH. On a monthly basis, it increased significantly between March and June 2020, due to significant cash withdrawals in connection with the health crisis. It continued to increase until the end of July 2020, with the celebration of Eid Al-Adha, when it reached its highest historical level at 332,644,554 KDH before declining starting from August of this year.

### Note 8: Commitments in gold and foreign currency

These liabilities mainly comprise currency deposits of foreign banks and non-residents. They fell by 10 percent compared to the previous year to reach 8,387,871 KDH.

### Note 9: Commitments in convertible dirhams

This item includes the Bank's commitments in convertible dirhams towards foreign banks, international financial institutions (IMF, IBRD) and non-residents.

Account No.1 of the IMF represents the major component of this entry. Its assets, as well as those of "Account No.2" of the IMF, are readjusted each year to take into consideration the parity of the dirham against SDRs. These liabilities increased, at the end of 2020, to 29,434,460 KDH, following the recognition, in the IMF's account n°1, of the equivalent value in dirhams (28,764,740 KDH) of the PLL proceeds posted on the assets side of the balance sheet as foreign currency assets.

**Table 3.2.17: Commitments in convertible dirhams**

In thousand dirhams	2020	2019	Change (%)
<b>Commitments to international financial institutions</b>	<b>29 421 299</b>	<b>201 537</b>	<b>&gt;100</b>
Commitments to foreign banks	17 867	7 620	>100
Current accounts of international financial institutions	29 403 432	193 917	>100
<b>Other commitments</b>	<b>13 161</b>	<b>8 963</b>	<b>47%</b>
<b>Total</b>	<b>29 434 460</b>	<b>210 500</b>	<b>&gt;100</b>

### Note 10: Deposits and liabilities in dirhams

This item mainly includes:

- The current account of the Treasury, held by Bank Al-Maghrib by virtue of Article 16 of its Statute. It is remunerated according to the requirements below, in accordance with the agreement signed between the Ministry of Economy and Finance and Bank Al-Maghrib on July 28, 2009:
  - The tranche lower than or equal to 2 billion dirhams is remunerated at the rate of 7-day advances minus fifty basis points, or 1,00 percent ;
  - The tranche above 2 billion dirhams up to 3 billion dirhams is remunerated at the rate of 7-day advances minus one-hundred basis points, or 0.50 percent ;
  - The tranche higher than 3 billion dirhams is not remunerated.
- Accounts of Moroccan banks, held mainly to meet their commitments regarding the reserve requirement, established by virtue of Article 25 and 66 of the above-mentioned Statutes, which was totally paid up to the benefit of banks by decision of the Bank's Board on June 16, 2020;
- Deposits of general government and public institutions, including the account of Hassan II Fund for Economic and Social Development.

This item can also include, in a context of excess liquidity:

- 7-day liquidity withdrawals as unsecured deposits by tenders, remunerated at the key rate minus fifty basis points, or 1.00 percent;
- 24-hour deposit facilities allowing banks to place, on their own initiative, a cash surplus. The remuneration applied to these deposits equals the key rate minus one-hundred basis points, or 0.50 percent

At end -2020, this item amounted to 35,974,495 KDH, up by 6,184,738 KDH from 2019, mainly reflecting the increase in both the Treasury account (+4,184,636 KDH) and the current account balances of Moroccan banks (+3,102,644 KDH).

**Table 3.2.18: Deposits and liabilities in dirhams**

In thousand dirhams	2019	2018	Change (%)
Public Treasury current account	6 242 051	2 057 416	>100
Moroccan banks' current account	24 819 013	21 716 369	14
Liquidity withdrawals	-	-	-
Deposit facilities	-	-	-
Deposits of general government and public institutions	973 357	1 159 281	-16
Other accounts	3 940 073	4 856 691	-19
<b>Total</b>	<b>35 974 495</b>	<b>29 789 757</b>	<b>21</b>

**Note 11: Other liabilities**

Other liabilities particularly include:

- Miscellaneous creditors, primarily consisting of tax and fiscal withholdings, other sums payable to the State and third parties, and pending contributions to provident funds and institutions for social security.

They presented, at the end of 2020, a balance of 675,030 KDH of which 393,463 KDH as debts to suppliers. The breakdown of these debts by due date, pursuant to the provisions of Law n°32-10 relating to payment deadlines which came into force in 2013, is presented at December 31, 2020 as follows:

**Table 3.2.19: Breakdown by maturity of suppliers' debt balance**

In thousand of dirhams	Amount of suppliers' debt at the end of the FY	Amount of unmatured debts	Amount of debts due			
			Less than 30 days	Between 31 and 60 days	between 61 and 90 days	More than 90 days
<b>Closing dates</b>						
Fiscal Year 2019	344 160	343 297	69	158	-	636
Fiscal Year 2020	393 463	393 013	57	9	236	147

- The equalization accounts, mainly composed of transactions between branches, expenses to be paid and revenues recognized in advance and any other debtor amount pending settlement. At the end of the year, they reached 294,335 KDH against 322,104 KDH one year earlier.
- Amounts claimable after receipt of payment, whose accounts make up the counterpart of securities presented for payment, fell from 197,494 KDH in 2019 to 170,603 KDH in 2020;
- Provisions for risks and expenses allowing to note the existing losses and expenses related to operations executed during the fiscal year and that are most likely realized. They reached

160,202 KDH instead of 119,631 KDH, following the recognition in 2020 of a provision of 60,000 KDH intended to partially cover the net commitment of social funds. The provision for penalties relating to payments to suppliers exceeding the regulatory time limit, set up in accordance with the aforementioned Law n°32-10, amounted to 164 KDH (see Table 3.2.35 of Note 32 of the profit and loss account);

- The foreign exchange reserves re-evaluation account, which includes the exchange variations resulting from the assessment of assets and liabilities in gold and in foreign currency, based on the year-end exchange rates, in accordance with the provisions of the agreement governing this account concluded between Bank Al-Maghrib and the Ministry of Economy and Finance (See the section relating to the main accounting rules and evaluation methods).

This agreement stipulates that in case of an insufficiency vis-à-vis the required minimum, a reserve for foreign exchange losses deducted from the net profit is built up. The credit balance of this account can neither be posted in the revenues of the financial year, nor distributed or allocated to any other usage.

As at December 31, 2020, the foreign exchange reserve revaluation account posted a balance of 4,007,554 KDH, down by more than half compared to the previous year. This evolution is mainly explained by the depreciation of the US dollar (-7 percent), whose impact was mitigated by the appreciation of the EUR (+2 percent) and gold (+15 percent).

**Table 3.2.20: Other liabilities**

In thousand dirhams	2020	2019	Change (%)
Other securities transactions	361	361	-
Miscellaneous creditors	675 030	1 201 319	-44
Equalization accounts	294 335	322 104	-9
Amounts claimable after receipt of payment	170 603	197 494	-14
Provisions for risks and expenses	160 202	119 631	34
Revaluation account of foreign exchange reserves	4 007 554	8 589 934	-53
<b>Total</b>	<b>5 308 085</b>	<b>10 430 843</b>	<b>-49</b>

## Note 12: Equity capital and the like

Under Article 2 of the Bank's Statute, the capital is set at 500,000 KDH, totally released and held by the State. It can be increased by decision of the Bank's Board, after consulting the government representative, subject to the conditions set out in that article.

The general reserve fund was established in accordance with Article 48 of the above-mentioned Statute, by deducing 10 percent from the net profit until it reaches the amount of the capital.

Special reserve funds were built up, pursuant to Article 48 above, by allocating part of the profits. They have been standing at 4,501,340 KDH since 2004, and make the most part of equity capital.

**Table 3.2.21: Equity capital and the like**

In thousand dirhams	2020	2019	Change (%)
<b>Equity</b>	<b>500 000</b>	<b>500 000</b>	-
<b>Reserves</b>	<b>5 001 340</b>	<b>5 001 340</b>	-
General reserve funds	500 000	500 000	-
Special reserve funds	4 501 340	4 501 340	-
<b>Retained earnings</b>	<b>27 460</b>	<b>27 333</b>	<b>0.5</b>
<b>Total</b>	<b>5 528 801</b>	<b>5 528 673</b>	<b>0.002</b>

### 3.2.10 Comments on off-balance sheet items

The Bank keeps record of off-balance sheet commitments, both given and received. The accounts on the off-balance sheet are registered to debit when the liabilities materialize on maturity or in case of realization by a debit on the balance sheet, and to credit side in the opposite case.

They include commitments in foreign currency, commitments on securities and other liabilities.

#### Note 13 : Foreign exchange transactions

This item records foreign exchange swap transactions in foreign currencies carried out, in particular, in the context of monetary regulation, as well as currency transitional arbitrage operations initiated on the first day pending their unwinding on D+2.

**Table 3.2.22: Foreign exchange transactions**

In thousand dirhams	2020	2019
<b>Forward foreign exchange transactions</b>		
Forward currencies receivable	28 749 736	8 525 178
Forward currencies to be delivered	28 856 663	8 568 575
<b>Foreign exchange transactions- currency deposits</b>	<b>2 137 152</b>	
<b>Foreign exchange transactions-arbitrage operations</b>		
Foreign currencies receivable	1 529 663	158 563
Foreign currencies deliverable	1 530 914	158 583

#### Note 14: Commitments on securities

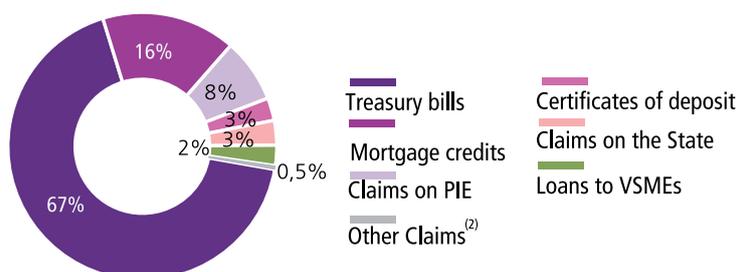
This heading records mainly securities pledged to Bank Al-Maghrib to secure various advances to banks (debt securities issued or guaranteed by the State, negotiable debt securities, private claims,

etc.) and advance facilities<sup>1</sup>. As part of the easing measures introduced in 2020 in response to the Covid-19 crisis, the Bank expanded the list of assets eligible as collateral to include banks' refinancing operations.

**Table 3.2.23: Commitments on securities**

In thousand dirhams	2020	2019
Securities received on advances granted	63 257 199	68 533 178
Securities received on advances to be granted	6 792 000	12 918 700
Other guarantees received on advances granted	29 740 812	2 556 954
Advances to be granted	6 452 400	13 172 765
Foreign securities receivable	3 549 354	1 662 271
Foreign securities deliverable	1 414 877	549 571

**Chart 3.2.3: Structure of commitments on securities<sup>(1)</sup>**



<sup>(1)</sup> Collateral received on the advances granted by the Bank as part of the monetary policy implementation.

<sup>(2)</sup> Receivables for the benefit of VSME and microcredit associations.

## Note 15: Other commitments

**Table 3.2.24: Other commitments**

In thousand dirhams	2020	2019
Received market guarantees	120 463	105 237
Guarantees liabilities received for staff loans	879 661	871 976
Financing liabilities granted to the staff	21 480	18 439
Other granted liabilities	1 000	1 000

<sup>1</sup> Possible advances to the participants in the Moroccan Gross Settlement System (SRBM) to avoid systemic bottlenecks.

### 3.2.11 Comments on profit and loss account items

#### Note 16: Interests earned on holdings and investments in gold and in foreign currency

This item is highly correlated with levels of foreign exchange reserves and interest rates. It includes interests from the transactions of investments in gold, SDRs and foreign currencies, made by the Bank as part of its statutory mission of foreign exchange reserves management:

- Bond market investments (investment portfolio and portfolio of securities held for sale);
- Investments in the international money market and in other Moroccan commercial banks (Treasury portfolio);
- SDR holdings and the reserve tranche available with the IMF;
- Foreign securities lending;
- Gold loans.

**Table 3.2.25: Interests earned on holdings in gold and in foreign currency**

In thousand dirhams	2020	2019	Change (%)
Investments in gold	-	100	-
Bond investments	2 551 938	2 533 467	1
Money market investments	43 343	156 365	-72
Claims on the IMF	17 291	87 434	-80
Other interests <sup>(*)</sup>	11 301	7 717	46
<b>Total</b>	<b>2 623 873</b>	<b>2 785 084</b>	<b>-6</b>

<sup>(\*)</sup> Mainly include interests on foreign securities loans and holdings.

The 6 percent drop in these interests to KDH 2,623,873 is mainly explained by the decline in yield rates. Thus, the interests on the monetary segment contracted by 72 percent to KDH 43 343, primarily reflecting the lower yield levels of investments on the dollar compartment. On the other hand, bond interests increased slightly by 1 percent to 2,551,938 KDH, in connection with the strengthening of investments on the investment tranche whose interests increased by 7 percent to 1,692,836 KDH, while those induced by the investment portfolio decreased by 9 percent to 859,102 KDH, as a result of the lowering of both reinvestment rates and the outstanding amount of the Securities held for sale portfolio in dollars.

Interest earned on SDR receivables showed a sharp decline of 80 percent to 17,291 KDH, illustrating the 79 basis point drop to 0.20 percent of the average yield rate of the SDR (0.99 percent in 2019) and to a lesser extent the decline in SDR holdings.

### Note 17: Interests earned on claims on credit institutions and similar bodies

This item records interests received by the Bank on various advances to credit institutions as part of the monetary policy conduct (for payment conditions, see Note 4 of the balance sheet).

These interests totalled an amount of 1,627,045 KDH, i.e. 7 percent less compared to 2019, despite the higher injections made, mainly due to the 75 bps cut in the key rate. They are composed of:

- 793,567 KDH for interests from 7-day advances, whose decrease by more than half is explained by the aforementioned rate effect and by the 42 percent reduction in the average outstanding amount of this instrument to 43,253,429 KDH;
- 508,430 KDH resulting from repurchase agreements activated since March 2020, involving an outstanding amount of 29,867,372 KDH;
- 323,051 KDH relating to secured loans operations whose outstanding amount posted a significant increase to 20,323,089 KDH, following the new measures taken by the Bank to address the effects of the health crisis.

**Table 3.2.26: Interests received on claims on credit institutions**

In thousand dirhams	2020	2019	Change (%)
(Including)			
7-day advances	793 567	1 683 109	-53
24-hour advances	1 556	4 603	-66
Repurchase agreements	508 430	-	-
Secured loans	323 051	55 794	>100
<b>Total</b>	<b>1 627 045</b>	<b>1 744 558</b>	<b>-7</b>

### Note 18: Other interests earned

This item covers mainly interests due to the Bank under loans granted to its staff for the purchase and construction of housing. These interests reached 13,384 KDH at the end of this fiscal year, up 6 percent compared to 2019.

### Note 19: Commissions earned

Commissions are deducted by the Bank in payment of banking transactions for customers, which cover, mainly, foreign exchange operations and the centralization of the Treasury's auction operations.

In 2020, these commissions decreased by 8 percent, mainly due to the 12 percent drop in foreign exchange fees, following the decrease in the sales volume of foreign banknotes. The auctions

centralisation fee increased by 37 percent, in line with the Treasury's sustained presence on the primary market to finance its deficit.

**Table 3.2.27: Commissions earned**

In thousand dirhams	2020	2019	Change (%)
Foreign exchange commissions	521 661	593 765	-12
Intermediation margin	1 822	1 919	-5
Management of Treasury bonds	71 018	51 885	37
Other commissions	16 776	16 535	1
<b>Total</b>	<b>611 277</b>	<b>664 105</b>	<b>-8</b>

## Note 20: Other financial revenues

The other financial revenues item mainly covers gains generated from foreign currency transactions, deferral of discounts on investment securities and gains from foreign exchange swap operations.

At the end of this year, these revenues rose substantially by 813,906 KDH, up by 278,632 KDH, mainly due to the strong increase of capital gains realized against a background of significant fall in yield rates of assets in dollars.

Foreign exchange swap operations with Moroccan banks, resumed as of the last quarter of 2019 within the framework of the monetary policy, generated gains of 99,745 KDH, up by 71,958 KDH following the increasing use of this monetary policy instrument to satisfy part of their liquidity needs induced by the health crisis.

The -63,865 KDH variation in capital gains realised on the management mandate was the result of the 7 percent depreciation of the US dollar to 8.90 DH.

**Table 3.2.28: Other financial revenues**

In thousand dirhams	2020	2019	Change (%)
Capital gains on sales of marketable securities	602 294	335 679	79
Spreading of discounts on foreign securities	52 838	37 466	41
Capital gains on management mandates	28 302	92 166	-69
Capital gains on trading securities	1 044	1 152	-9
Gains on foreign exchange swap transactions (monetary policy)	99 745	27 787	>100
Gains on foreign exchange swap transactions (premium/discount)	24 593	37 111	-34
Other revenues	5 091	3 912	30
<b>Total</b>	<b>813 906</b>	<b>535 274</b>	<b>52</b>

### **Note 21: Sales of produced goods**

This item includes revenues from sales of various goods produced by the Bank, which mainly cover secured documents including the biometric passport, and export-oriented foreign banknotes. Their sale price is particularly set on the basis of the costs derived from the Bank's analytical system. This item also consists of changes in inventories of finished products, in-process production and commemorative coins.

At the end of the 2020 fiscal year, revenues from these various sales amounted to 204,829 KDH, i.e. 73,420 KDH higher compared to their level in 2019. This evolution is mainly due to the 3 percent increase in sales of secure documents to 198,278 KDH, under the combined effect of revenues from sales of secure identity cards<sup>1</sup> newly produced in 2020 (72,151 KDH) and the decrease in sales of biometric passports to 112,645 KDH (-37 percent). For their part, inventories improved, showing a positive variation of 5,261 KDH at the end of 2020 against -63,481 KDH in 2019.

### **Note 22: Miscellaneous revenues**

Miscellaneous revenues include the contribution of banks to the invoicing system of the Moroccan Gross Settlement System (SRBM) and the recovery of costs paid by Bank Al-Maghrib. These revenues amounted to 15,786 KDH, of which 12,266 KDH were revenues from the SRBM billing system.

### **Note 23: Reversal of provisions**

At end-2020, these reversals amounted to 50,359 KDH. They particularly covered the provisions set up for the depreciation of foreign investment securities recovered up to 11,881 KDH, as well as those intended to cover the pension commitment as part of implementing the financing plan of the gradual transition to the TV 88-90 mortality table, the reversed amount of which totals 20,000 KDH (see Table 3-2-35 of note 32 of the PLA).

### **Note 24: Noncurrent revenues**

This item includes exceptional noncurrent revenues. At the end of 2020, it posted a balance of 1,123 KDH, as against 3,243 KDH one year before.

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<sup>1</sup> The driving licence and the electronic registration certificate.

### Note 25: Interests paid on commitments in gold and in foreign currency

These interests dropped by 27 percent to 132 119 KDH, mainly due to the decrease by 80 percent to 15 004 KDH of the commissions paid by the Bank on SDR allocations, due to the depreciation of the SDR remuneration rate.

### Note 26: Interests paid on deposits and commitments in dirhams

This item includes interests paid by the Bank, mainly for cash in the Treasury's current account and for remuneration of the monetary reserve (for conditions of remuneration of the above-mentioned accounts, see Note 10 of the balance sheet). It can also include, in a context of excess liquidity, interests paid by the Bank under 7-day liquidity withdrawals, overnight deposits facilities and swap of dirhams against currencies.

In 2020, these interests fell by almost the half to reach 174,404 KDH. This change mainly resulted from the lower charges relating to the interests on customer accounts and on the monetary reserve, which was suspended on September 26, 2019 following the 2 percent cut in the rate applied on this reserve, before its release, further to the decision of the Bank Board on June 16, 2020, to the benefit of the banks.

**Table 3.2.29: Interests on commitments in dirhams**

In thousand dirhams	2020	2019	Change (%)
(of which)			
Monetary reserve accounts	-	12 360	-
Other accounts (including)	172 691	316 691	-45
Treasury account	31 805	43 655	-27
<b>Total</b>	<b>174 404</b>	<b>340 159</b>	<b>-49</b>

### Note 27: Commissions paid

These are commissions paid in exchange for financial services provided to the Bank as well as negative intermediation margins on foreign exchange transactions carried out with authorised intermediaries. At end-2020, these commissions fell by 4 percent to 15,667 KDH, mainly as a result of the 22 percent decline of the above mentioned intermediation margin to 3,054 KDH.

### Note 28: Other financial expenses

This item covers losses on foreign currency transactions, including capital losses on the sales of investment securities and deferral of premiums on investment securities.

They fell to 754,764 KDH, i.e. -231,566 KDH from 2019, mainly resulting from the strong drop (96 percent) in losses generated by the sales of foreign securities.

**Table 3.2.30: Other financial expenses**

In thousand dirhams	2020	2019	Change (%)
Losses in investment securities held for sale <sup>(*)</sup>	10 084	228 713	-96
Deferral of premiums on foreign securities	574 735	648 079	-11
Negative interest rates paid on investment securities	163 098	102 323	59
Losses on foreign exchange swap transactions	2 481	-	-
Other expenses	4 365	7 216	-40
<b>Total</b>	<b>754 764</b>	<b>986 330</b>	<b>-23</b>

\* Result of the difference between the book value and the sale price.

### Note 29: Staff expenses

This item includes mainly the salaries and wages, allowances and bonuses paid to the Bank staff, employer contributions to Bank Al-Maghrib Staff Pension Fund and contributions to the Mutual Fund, various staff insurance premiums and vocational training expenses.

The significant decrease in training expenses is due to the non-implementation in 2020 of the training actions programmed, due to the COVID-19 health crisis.

**Table 3.2.31: Staff expenses**

In thousand dirhams	2020	2019	Change (%)
Staff salaries	672 012	644 351	4
Social expenses	191 761	191 060	0,4
Training expenses	2 337	10 991	-77
Other expenses	12 827	16 988	-24
<b>Total</b>	<b>878 935</b>	<b>863 391</b>	<b>2</b>

### Note 30: Purchases of materials and supplies

This entry includes fees of raw materials (paper, ink, coin blanks, electronic chips and precious metals) used in the manufacturing of coins and banknotes, secured documents and commemorative coins. It also includes changes in inventories of raw materials and supplies as well as rebates, discounts and payment deductions obtained on purchases, and granted to the Bank by its suppliers.

The 20 percent rise recorded under this heading, to 285,073 KDH, is mainly explained by the higher cost of purchasing materials and supplies for the production of new identity documents.

**Table 3.2.32: Purchases of materials and supplies**

In thousand dirhams	2020	2019	Change (%)
Purchase of raw materials	188 097	168 012	12
Purchase of consumable materials and supplies	59 667	31 122	92
Other purchases	37 309	37 491	-0,5
<b>Total</b>	<b>285 073</b>	<b>236 625</b>	<b>20</b>

### Note 31: Other external expenses

They include Bank overheads and current expenditure covering, inter alia, computer maintenance, building upkeep, rental, water and electricity consumption, donations and grants as well as various taxes and duties.

Other external expenses decreased slightly by 0.4 percent to 354,619 KDH, reflecting the combined effect of lower travel costs and expenses related to holiday and socio-sport centres as well as the conclusion of new maintenance contracts in 2020.

**Table 3.2.33: Other external expenses**

In thousand dirhams	2020	2019	Change (%)
Maintenance and repair of fixed assets	125 730	113 888	10
Rents	43 477	45 338	-4
Water, electricity and fuel costs	25 233	26 694	-5
Transportation, travel, mission and reception expenses	8 859	23 947	-63
Postal and telecommunication costs	31 631	32 116	-2
Taxes and duties	20 464	18 775	9
Other expenses	99 225	95 286	4
<b>Total</b>	<b>354 619</b>	<b>356 045</b>	<b>-0,4</b>

## Note 32: Depreciation and provision endowments

### Depreciation charges

Table 3.2.34: Depreciations

In thousand dirhams	2020	2019	Change (%)
<b>Depreciations of tangible and intangible fixed assets</b>	<b>309 269</b>	<b>293 235</b>	<b>5</b>
Properties <sup>(1)</sup>	101 576	82 192	24
Furniture and equipment	171 171	174 967	-2
Other tangible fixed assets	4	13	-67
Intangible fixed assets	36 518	36 063	1
<b>Depreciations of other costs to be spread out over many fiscal years</b>	<b>5 380</b>	<b>3 787</b>	<b>42</b>
<b>Depreciations of previous fiscal years</b>	<b>6 375</b>	<b>4 359</b>	<b>46</b>
<b>Total</b>	<b>321 024</b>	<b>301 381</b>	<b>7</b>

<sup>(1)</sup> Including fixtures, fittings and facilities.

### Allocations to provisions

Table 3.2.35: Provisions

In thousand dirhams	Outstanding amount December 31, 2019	Expenses	Reversals	Other changes	Outstanding amount December 31, 2020
<b>Provisions for depreciation</b>					
Foreign T-bonds and similar securities	11 883	59 153	11 881	39	59 193
Miscellaneous stocks and values	5 654	6 536	5 654		6 536
Moroccan equity securities	2 765			2 765	
Foreign equity securities	11 575	13 714			25 289
Other provisions <sup>(3)</sup>	3 773	1 063	15		4 821
<b>Provisions for risks and expenses posted under liabilities</b>					
Provisions for risks and expenses (including)	119 242	73 380	32 808		159 814
Pension commitment	60 000	60 000	20 000		100 000
Provisions for risks	47 646	3 850	1 212		50 284
Late penalty fees	133	164	133		164
Other provisions	389				389
<b>Total</b>		<b>153 846 <sup>(2)</sup></b>	<b>50 359 <sup>(4)</sup></b>		

<sup>(2)</sup> Totalling 474,870 KDH equivalent to the amount of the heading "Depreciation and provision endowments" of the PLA.

<sup>(3)</sup> Includes, in particular, provisions for receivables from customers presenting a high default risk.

<sup>(4)</sup> Corresponds to the amount of the PLA item "reversals of provisions".

For the terms governing provisions constitution and reversal, see Section 3-2-7-2 "Evaluation methods" and Note 11 of the balance sheet.

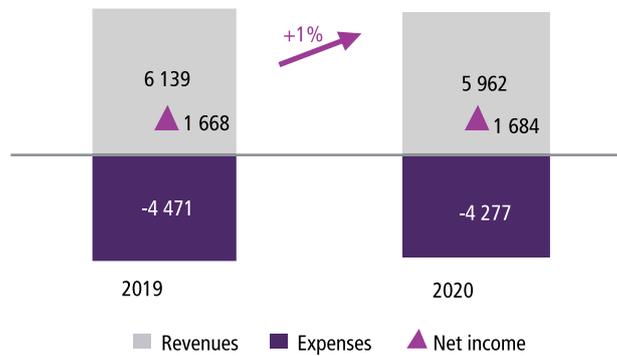
### Note 33: Non-current expenses

Non-current expenses totalled 76,461 KDH, up 34,520 KDH compared to 2019. They primarily include the social solidarity contribution on profits, calculated on the basis of a rate of 2.5 percent of the previous fiscal year (73,393 KDH in 2020 as against 39,440 KDH in 2019).

### Note 34: Income tax

The tax rate is fixed at 37 percent under Article 19 of the General Tax Code, which is the taxation level applied to credit institutions under common law. Between 2019 and 2020, the income tax rose from 1,085,978 KDH to 1,130,502 KDH.

Chart 3.2.4: Change in revenues, expenses and net income (in millions of dirhams)



### 3.3 Commitments to social funds

The Bank's staff is covered by two internal pension and medical insurance schemes called, respectively, "Caisse de Retraite du Personnel de Bank Al-Maghrib- CRP-BAM (Bank Al-Maghrib's staff pension fund)" and the "Fonds Mutuel-FM (Mutual Fund)".

The CRP-BAM provides the staff members of the Bank or their dependants with a retirement pension, an invalidity pension, a dependants' pension and a mixed capital-pension allowance. The FM reimburses medical and pharmaceutical expenses for the benefit of Bank staff and eligible members of their families.

These two schemes have individual accounts but do not have legal personality.

**Table 3.3.1 : Social funds' commitments and financing**

En milliers de dirhams	Pension Fund of BAM staff		Mutual Fund	
	2020	2019	2020	2019
Gross Commitment	3 409 224	3 267 833	567 424	541 463
Hedging assets	3 393 290	3 320 742	463 158	440 663
Net Commitment <sup>(1)</sup>	-15 934	52 909	-104 266	-100 800

\* Net liability of social funds partially provisioned in 2020 for an amount of 60,000 KDH (see Note 11 of the balance sheet).

Retirement and health commitments are calculated in accordance with actuarial standards, using the projected unit credit method, which takes into account changes in salaries, pension revaluations and the benefit entitlement.

An independent actuary validates the data and assumptions used in the actuarial valuations, as well as the pension and health liabilities.

Social funds' assets are managed within the framework of a strategic allocation, defining an optimal allocation by asset class, taking into account the objectives of the pension and medical coverage schemes, in terms of return and risk.

By virtue of the Charter for the social funds steering, an annual report is drafted in this regard. Its purpose is to present, on the one hand, the conclusions of the actuarial balance sheet drawn up internally, duly validated and certified by the independent actuary and, on the other, the achievements of the financial management of the hedging assets. The drafted report is then forwarded to the Social Funds Steering Committee for review and validation and the ensuing decisions are submitted to the Bank Board for approval.

## 3.4 Statutory Audit Report

**BANK AL-MAGHRIB**  
**FISCAL YEAR ENDED DECEMBER 31st, 2020**

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### *Opinion*

In accordance with our engagement as statutory auditors by the Bank's Board, we have audited the accompanying financial statements of Bank Al-Maghrib, for the year ended December 31st, 2020. Which include the balance sheet, the profit and loss account, and the attached disclosures. These statements present a net equity amounting to 5 528 801 thousands of Moroccan Dirhams, and a net profit of 1 884 189 thousands of Moroccan Dirhams. These financial statements were adopted by the Bank's Board on March 23, 2021 in an evolving context of the health crisis of the Covid-19 epidemic, on the basis of the elements available at that date.

We certify that the financial statements mentioned in the first paragraph show, in all material respects, a fair view of the results of the operations for the year ended as well as of the financial situation and assets of Bank Al-Maghrib on December 31st, 2020 in accordance with generally accepted accounting principles in Morocco.

#### *Basis for Opinion*

We conducted our audit in accordance with professional standards applicable in Morocco. Our responsibilities under those standards are further described in the Statutory Auditors' responsibilities for the audit of the annual financial statements section of our report. We are independent of the Bank as required by laws and regulations accepted in Morocco, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of management and those charged with governance for the annual financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Moroccan generally accepted accounting principles. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, and making accounting estimates that are reasonable in the circumstances.

In preparing the annual financial statements, management is responsible for assessing the bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting principle unless it is expected to liquidate the bank or to cease operations or if no other realistic solution is available to it.

Those charged with governance are responsible for overseeing the bank's financial reporting process.

#### *Statutory Auditors' responsibilities for the audit of the annual financial statements*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with professional standards applicable in Morocco.

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards applicable in Morocco will always detect a

**Statutory Auditor exercises professional judgment throughout the audit and furthermore:**

- Identifies and assesses the risks of material misstatement of the annual financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein. This assessment is based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Bank's Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Specific verifications and information**

We have notably ensured the correspondence of the information provided in the management report with the bank's financial statements.

Casablanca, March 24th 2021

**Mazzars Audit et Conseil**

Mazzars Audit et Conseil  
101 Bd. Abdou Moumen  
21360/CASABLANCA  
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Fax : 0522 423 400

**Abdou SOULEYE DIOP**  
Managing Partner

### **3.5 Approval by the Bank Board**

Pursuant to Article 47 of Law No. 40-17, bearing Statutes of Bank Al-Maghrib, the Governor submits the management report and the financial statements to the Bank Board for approval.

At its meeting of March 23, 2021, after having taken cognizance of the statutory auditor's opinion on the sincerity of the financial statements and their conformity with the information provided in the Bank's management report, the Board approved the financial statements and net income distribution for the fiscal year 2020.



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**Bank Al-Maghrib**  
**Finance and Strategy Department**

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