



PRESS RELEASE

MEASURES TAKEN BY BANK AL-MAGHRIB TO SUPPORT THE ECONOMY AND THE BANKING SYSTEM

Rabat, March 29, 2020

The current pandemic will likely have a significant impact on the global economy with a strong uncertainty regarding the scale and duration of its effects on most sectors at the domestic level. In view of this situation, Bank Al-Maghrib adopts a set of new monetary policy and prudential measures to support access to bank credit for both households and businesses.

Such a mechanism will allow tripling banks' refinancing capacity with Bank Al-Maghrib through to the following measures:

- The possibility for banks to use all refinancing tools available in Dirhams and in currency;
- The extension to a very wide range of securities and commercial paper accepted by Bank Al-Maghrib in return for the refinancing loans granted to banks;
- The lengthening of these loans' terms;
- The strengthening of its specific refinancing program for the benefit of SMEs by including operating loans, in addition to investment loans, and increasing the frequency of their refinancing.

Bank Al-Maghrib is also taking measures to support credit institutions on the prudential front, covering liquidity, capital and loan provisioning requirements with a view to strengthening the capacity of these institutions to support households and businesses in these exceptional circumstances.

Bank Al-Maghrib will continue to closely monitor the repercussions of the health crisis on the national economy and the financial system and would, where appropriate, take the necessary initiatives to overcome these challenges.

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