PRESS RELEASE

Presentation of the 22nd Annual Report on Banking Supervision 2025

Casablanca, July 21, 2026

In the 22nd edition of its Annual Report on Banking Supervision for the 2025 financial year, Bank Al-Maghrib reviews its regulatory and supervisory activities, as well as developments in the credit institutions and similar entities sector.

During 2025, the national economy evolved in a global environment characterized by a high level of uncertainty, notably due to the implications of U.S. tariff policy and persistent geopolitical tensions. in this context, the Moroccan economy delivered a strong performance, with growth improving to 4.9%, driven by sustained investment in economic and social infrastructure. Despite this acceleration in economic activity, inflation remained low, averaging 0.8%.

In light of these developments, Bank Al-Maghrib reduced its key policy rate by 25 basis points in March 2025, bringing it down to 2.25%, and kept it unchanged during the year. At the same time, Bank Al-Maghrib continued to fully meet banks' liquidity needs while stepping up its efforts to facilitate access to financing for very small enterprises (VSEs).

In this context, loans increased by 6.5%, while customer deposits rose by 7.6%. The non-performing loan ratio stood at 8.3% on a solo basis and 8.8% on a consolidated basis, down by 12 and 18 basis points respectively compared with the previous year.

The aggregate profits of conventional banks increased by 22%, while the profitability of participatory banks, which has been positive since 2023, continued to improve. The average capital adequacy ratio and the average Tier 1 capital ratio stood at 16.1% and 13.5%, respectively, compared with regulatory minimum requirements of 12% and 9%. The average short-term liquidity coverage ratio also remained at a comfortable level.

To further strengthen the resilience of the banking sector, Bank Al-Maghrib renewed its call for prudence regarding dividend distributions for the 2025 financial year.

In addition to monitoring traditional banking risks, Bank Al-Maghrib continued to strengthen its focus on financial risks related to climate change, cybersecurity, and risks arising from digitalization and the expansion of new digital financial services.

In this regard, Bank Al-Maghrib further strengthened its regulatory framework by issuing directives on climate risk-related financial disclosures and on the collection of data concerning large borrowers' exposure to climate-related risks. It also contributed to the development of a national green finance taxonomy and to the implementation of the Climate Finance Strategy 2030.

In the field of cybersecurity, Bank Al-Maghrib continued to strengthen its cyber-risk supervisory framework while enhancing coordination with the General Directorate for Information Systems Security (DGSSI), amid the accelerated digital transformation in the banking sector and growing cyber threats.

With regard to the digitalization of financial services, Bank Al-Maghrib continued its efforts to foster the development of the national fintech ecosystem. In this context, it supported the effective launch of crowdfunding activities and, in December 2025, published the *Fintech Journey Guide at Bank Al-Maghrib* to streamline the processing of fintech applications. At the same time, it contributed to finalizing the draft law on crypto-assets and launched the Open Banking regulatory framework project with the technical assistance of the World Bank and in consultation with the Moroccan banking association.

On the regulatory front, 2025 was marked by progress in reforms aimed at strengthening the framework for handling banking crises. The draft reform of the bank resolution regime, finalized in cooperation with the Ministry in charge of Finance, was submitted to Parliament. In parallel, the draft law on the direct transferability of non-performing loans was finalized and submitted to the General Secretariat of the Government. The prudential framework applicable to such loans was also strengthened through the adoption of a circular regulating their classification and provisioning.

In line with the High Royal Guidelines calling for the reduction of social and territorial disparities and for improved access to financing for small businesses and self-employed entrepreneurs, Bank Al-Maghrib and its public and private sector partners adopted, on December 4, 2025, a Charter dedicated to the financing and support of very small enterprises.

In the area of anti-money laundering and combating the financing of terrorism (AML/CFT), Bank Al-Maghrib strengthened supervision and enhanced the banking sector's compliance with the FATF Recommendations, while continuing its coordination with the National Financial Intelligence Authority (ANRF), in preparation for Morocco's third-round mutual evaluation to be conducted by MENAFATF in November 2026.

Lastly, Bank Al-Maghrib further strengthened its customer protection framework by ensuring compliance with requirements relating to account closures and the issuance of release of the guarantee. It introduced "Mystery Shopping" surveys to assess the quality of customer reception at bank branches, reinforced fee transparency, and continued its efforts to improve the physical and digital accessibility of banking services for persons with disabilities.