

## DOCUMENTS ACCOMPANYING THE FL 2021 DRAFT - 2019 DEBT REPORT -

The debt report, which is produced each year by the Treasury and External Finance Department (TEFD), describes the financing of the Treasury both on the domestic market and with foreign donors, analyses the evolution of the portfolio debt in terms of outstanding debt and debt service as well as in terms of structure by instrument, by type of interest rate and by currency, and assesses the cost and risk indicators monitored in terms of debt. This document also takes stock of the active management of internal and external debts, in addition to the active management of the public treasury carried out by the Treasury and External Finance Department.

### TREASURY FINANCING

#### 1. Domestic financing

In a context marked by the continued increase in bank liquidity and the increase in investor demand on the auction market, combined with controlled financing needs, the Treasury carried out, during 2019, a policy of flexible financing which aimed to:

- Ensure a regular presence on all maturities while responding as best as possible to changes in market demand ;
- Ensure that the risk indicators for domestic debt remain, as far as possible, close to the levels selected and validated in the annual financing plan ;
- Regularly use BDT's swap and buyback operations to mitigate the refinancing risk by smoothing the monthly Treasury debt falls in 2019 and 2020 which experience significant repayment peaks ;
- Carry out daily investment operations of CCT surpluses in order to optimize the availability of the current account balance and at the same time allow the Treasury to comply with its issuance strategy.

Thus at the end of 2019, the overall volume of Treasury issues on the auction market stood at MAD 104.4 billion against MAD 115.1 billion a year earlier, down 9.3% or more. 10.7 billion DH compared to 2018. This volume is distributed to the tune of 67.3 billion DH or 64.4% of the raised under the auctions against 94.7 billion DH or 82.3% in 2018 and 37.1 billion DH (35.6%) in respect of issues in the context of BDT exchange operations.

By fundraising structure, maturities of 5 years and over represented 76% of the overall volume raised, thus recording a level well above that of 2018 (47%).

In terms of the rates used and like the rates requested by investors, they followed a downward trend during 2019, with an average drop of 37.0 bps compared to the rates recorded at end of 2018.