

FINANCIAL RATING IN MOROCCO LA NOTATION FINANCIERE AU MAROC

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ABSTRACT

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In 2026, Morocco's financial rating strengthened, marked by its return to the "investment grade" category, signaling strong credibility with international investors.

RESUME

Une notation financière est sensée illustrer la solvabilité d'une entreprise en priorité, mais aussi prendre en compte dans une moindre mesure la liquidité et la génération de flux de trésorerie.

En 2026, la notation financière du Maroc se renforce, marquée par le retour dans la catégorie « investment grade » signalant une forte crédibilité auprès des investisseurs internationaux.

A financial rating is very often expressed using what is known in the industry as a "rating," rather than a numerical score³⁰³⁹.

A rating is a letter grade placed on a scale from worst to best financial standing.

For investors, a financial rating is a key criterion in assessing the risk of an investment, particularly in the context of increasingly global financial markets where information, and therefore all risk parameters, are difficult to control. It is even one of the mandatory criteria for institutional borrowers³⁰⁴⁰, whose bylaws specify a minimum rating level for their investments³⁰⁴¹.

A financial rating is therefore intended to primarily illustrate a company's solvency, but also to a lesser extent, to consider liquidity and cash flow generation.

In 2026, Morocco's financial rating strengthened, marked by its return to the "investment grade" category, signaling strong credibility with international investors.

The better (or higher) the credit rating, the stronger the company's financial position and therefore the lower the risk.

A credit rating thus allows a company to reassure its financial and commercial partners by demonstrating its ability to honor its commitments and contracts. The rating agencies (S&P, Fitch, Moody's) commend the company's economic resilience, diversification, and structural reforms, maintaining a stable outlook despite challenges related to climate change and debt levels³⁰⁴².

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3040 Pension funds, local authorities, etc.)

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3042 Jeune Afrique Ratings: Morocco, Senegal, Togo... The best and worst performers of 2025 according to S&P - February 20, 2026 - Alix Lavoue.

- Here are the key points of Morocco's financial rating:

- Standard & Poor's (S&P): Morocco's rating was raised to BBB-/A-3 with a stable outlook in September 2025, thus returning to the "Investment Grade" category. This rating attests to the Kingdom's ability to meet its financial obligations.
- Fitch Ratings: Maintains the long-term foreign currency issuer default rating (IDR) at BB+ with a stable outlook.
- Moody's Ratings: Confirms the sovereign rating at Ba1 with a stable outlook, highlighting structural reforms and anticipated average economic growth of 3.5% over the medium term.
- Supporting factors: Strong economic performance, fiscal and social reforms, inflation management (projected to decline), and political stability.

A credit rating is a score assigned to a company that reflects its creditworthiness and, consequently, the credit risk it represents.

I - The Legal Framework of Financial Rating

The legal framework for financial rating is strictly regulated to guarantee objectivity and limit conflicts of interest

1-1-Internal Rating

Internally, Moroccan banks use rating scales to assess the risks of companies, particularly SMEs³⁰⁴³. Moroccan banks use internal rating scales to assess the credit risk of SMEs, in accordance with Basel recommendations.

These systems, crucial for risk management, are often based on a "mapping" where internal ratings are aligned with probabilities of default.

Key points on internal rating in Morocco:

- Basel Approach: Banks structure their risk management according to the Basel III and/or VI pillars, requiring adequate capital.

A framework that establishes international standards and minimum requirements for bank capital, stress tests, liquidity regulations, and leverage.

Basel IV requirements further highlight the existence of discrepancies between certain countries, making regulatory harmonization complicated. Indeed, we observe that financing in the European economy is far removed from the American model.

In the United States, bank intermediation is very limited, and 70% of financing is obtained through the market.

- Mapping Technique: For businesses, Moroccan banks often use mapping to convert ratings from external or internal agencies into probabilities of default.

Regarding SMEs and their Financing: This rating is essential for granting credit to SMEs, which are the main driver of external financing.

Internal models take into account financial and qualitative factors, sometimes using the IRB (Internal Ratings-Based) approach³⁰⁴⁴.

The analysis allows us to measure solvency, liquidity, and profitability, and to weight credit risk.

In short, these tools allow us to structure credit granting by measuring counterparty risk.

1-2-Credit Ratings for International Financing

Credit ratings are crucial for accessing international financing at favorable rates.

Global growth is expected to be generally stable in 2024, with persistent disparities that should lessen in 2025 and 2026³⁰⁴⁵.

A good rating lowers interest rates because the risk of default is perceived as low.

Conversely, a poor rating increases the "risk premium," making financing more expensive.

- Determinants: Agencies assess economic health and active debt management³⁰⁴⁶.

This "Investment Grade" status facilitates access to more competitive international financing and attracts more foreign investment, strengthening the country's credibility.

<https://www.finance-club.eu/definitions/notation-financiere/> What does Financial Rating mean?

Credit risk is the risk that a company will be unable to meet its financial obligations, such as repaying its debts or making payments to its suppliers.

³⁰⁴³ Investment grade is a bond issued by borrowing countries with high credit ratings from rating agencies.

³⁰⁴⁴ Bouchra EL KHAMLI, PhD in Economics and Management, FSJES-OUJDA; University Laboratory for Research in Instrumentation and Management of Organizations (LURIGOR) - Review of Accounting and Auditing Control .3: December 2017.

³⁰⁴⁵ Finances.gov.ma Finances.gov.ma

³⁰⁴⁶ (AAA being the highest rating)

(e.g., A+ for France)

• Market Access: Ratings act as keys to attracting foreign capital, which is essential for infrastructure financing and development.

• Governance Signals: Maintaining a good rating reflects investor confidence and stable management, often linked to good governance practices.

Governance signals in credit ratings assess management quality, board structure, and transparency to measure credit risk. Factors such as director independence, separation of roles, financial transparency, and ethics influence the rating³⁰⁴⁷.

Good governance strengthens investor confidence, acting as a positive signal that can improve the credit rating, thereby reducing the cost of debt³⁰⁴⁸.

1-3-The Regulatory Framework and Undertaken Reforms

The regulatory framework is based on budgetary transparency and the reforms undertaken.

The consolidation of economic achievements and national competitiveness is key³⁰⁴⁹. This involves intensifying productive investment, accelerating the implementation of the Investment Charter, and fully deploying Morocco's green hydrogen offering, a strategic sector for the energy transition and the country's economic sovereignty³⁰⁵⁰.

The project also emphasizes promoting a favorable business climate, simplifying administrative procedures, and diversifying funding sources, including through public-private partnerships.

Particular attention is paid to very small, small, and medium-sized enterprises (VSMES), the backbone of the Moroccan economy.

The government is planning a support mechanism combining technical assistance and financial support, designed to stimulate investment, encourage innovation, and create sustainable jobs, particularly for young people and women. Specific mechanisms to support exports and the digitalization of SMEs will also be put in place.

While Senegal is struggling with a debt of 119% of GDP and Madagascar is just emerging from a negative CreditWatch rating, Morocco is closing 2025 with a stable outlook and strengthened fundamentals³⁰⁵¹.

Resilience to external shocks: Despite disruptions in global trade, fluctuating inflation, and geopolitical tensions, the Moroccan economy has maintained a dynamic growth trajectory, driven by key sectors such as manufacturing, tourism, and services.

Robust growth and diversification: Real GDP growth prospects are estimated at around 4% on average between 2025 and 2028, a solid performance in an uncertain global environment.

All banking and financial investors ensure the financial soundness of the companies to which they decide to grant a loan or investment before doing so.

But this can go even further, as they sometimes verify the financial soundness of certain partners of that company.

Let's take a concrete example to illustrate this situation: The (fictional) renewable energy company The Big Wind decides to build a wind farm in Texas. It therefore creates a specific subsidiary for this project (called a Special Purpose Company, or SPC) which will build and own the project³⁰⁵².

3047 • Internal Control and Risk Management: Effectiveness of audit committees and risk management policies.

3048 Transparency and Reporting: Quality of financial information, clarity of annual reports, and compliance with accounting standards.

3049 • Ethics and Conduct: Compliance policy, conflict of interest management, and tax transparency.

3050 Debt level (e.g., debt/GDP)

3051 The Minister of Economy and Finance presented the main points of the 2026 Finance Bill, prepared in accordance with the royal directives contained in the Throne Day speech and the opening of Parliament speech. The text is based on four major priorities, driven by the King.

3052 Financial rating: Morocco aims to achieve "Investment Grade" status - <https://lopinion.ma/fr/actu-maroc/notation-financiere>.

The total investment is estimated at \$100 million. 80% of this investment must be financed through bank loans. All of the electricity produced for 30 years will be sold to Automobile Company, which owns an automobile factory next to the future wind farm, and the power purchase agreement stipulating this has already been signed³⁰⁵³.

In such a scenario, all the banks that The Big Wind will approach to finance 80% of its wind farm will verify the financial soundness, and therefore the credit rating, of... Automobile Company. Indeed, banks will want to ensure that Automobile Company has the financial capacity to fulfill its share of the electricity purchase contract for 30 years, because if it doesn't, the fleet will be left without income and therefore unable to repay its own debt. Therefore, verifying a company's financial rating for a bank loan can often extend beyond the borrower alone.

II- FINANCIAL RATING AGENCIES

Financial rating agencies occupy a central place in the world of finance. Their mission is to assess a state's or company's ability to repay its debt by assigning it a rating, which directly influences investor confidence and the cost of financing.

But how do rating agencies establish their ratings? What criteria are these ratings based on? And above all, what consequences can they have on the economy, particularly in Morocco?

In this article, we aim to help you understand the role, operation, and limitations of these arbiters of global financial credibility³⁰⁵⁴.

1- The Main Rating Agencies

A rating agency is a company whose role is to assess a borrower's risk of default on its financial debts, also known as its creditworthiness.

Borrowers can be private or public companies, states, or local authorities.

Credit rating agencies have become a benchmark for both issuers and investors, allowing them to determine issuers' creditworthiness. Their ratings influence the behavior of institutional investors and indirectly shape the future of the rated states and companies.

The ratings assigned do not constitute recommendations to buy or sell securities, as the objective of a rating is to assess the risk at a given point in time.

Because they directly influence financial markets, credit rating agencies are themselves subject to strict regulation.

In Europe, ESMA ensures their transparency and the reliability of their methods. In the United States, the SEC plays a similar role³⁰⁵⁵.

These rules require agencies such as Moody's, Standard & Poor's, and Fitch Ratings to justify their assessments and guarantee the independence of their analyses. This is crucial because their credibility rests primarily on the trust placed in them by investors and governments. There are many credit rating agencies worldwide, but three of them overwhelmingly dominate the international market: Standard & Poor's (S&P), Moody's, and Fitch Ratings. These three American institutions alone hold more than

³⁰⁵³<https://www.challenge.ma/notation-souveraine-le-maroc-consolide-sa-credibilite-financiere-Sovereign> rating: Morocco consolidates its financial credibility - written by Ismail Saraoui, February 25, 2026.

¹⁶-How to Invest in the Stock Market? The Ultimate Guide for Beginners

³⁰⁵⁵ An investment is considered speculative when it is based on a debt security issued by a company rated BB or lower. Generally speaking, investments rated AAA to A are considered safe; BBB to B are considered speculative; CCC to C indicate the company is at risk of default; and a rating of DDD to D signifies the borrower's bankruptcy. While the purpose of ratings is not to impact stock markets, in reality, a downgrade is almost always followed by a drop in the price of the security in question.

90% of the global credit rating market, giving them considerable influence over the perception of risk for governments and businesses³⁰⁵⁶.

1-1 Standard & Poor's

Standard & Poor's (S&P), founded in 1860, is undoubtedly the best known. It now belongs to the S&P Global group and publishes numerous benchmark indices, including the famous S&P 500. Its rating system, ranging from AAA (top quality) to D (default), has become a global standard. S&P's decisions, often highly publicized, have a direct impact on financial markets and government borrowing conditions.

1-2 Moody's

Moody's Investors Service, created in 1909 by John Moody, is the second oldest of the major rating agencies. Based in New York, it assesses the creditworthiness of thousands of public and private issuers worldwide. Its rating, similar to S&P's but using a slightly different scale (from Aaa to C), is a benchmark, particularly in the bond markets. Moody's is often perceived as the most analytical agency, placing significant emphasis on long-term economic outlooks.

1-3 Fitch

Fitch Ratings, the younger agency, was founded in 1913 and is now jointly owned by the American group Hearst and the British firm Fimalac. Less influential than its two competitors, it remains a key player in sovereign and financial institution ratings. Its rating scale is virtually identical to that of S&P, allowing for direct comparisons between agencies.

Alongside these three giants, there are a few more regional or specialized rating agencies, such as DBRS Morningstar, based in Canada and well-established in Europe, or Scope Ratings, a German agency that aims to offer a European alternative to the major American players. Although their influence remains limited, these players contribute to diversifying approaches and mitigating the concentration of rating power in the hands of the three historical rating agencies.

2-The Rating Process

For over half a century, rating agencies were funded by investors who paid for issuer ratings. Now, issuers seeking a rating pay the agency for its services. Unsolicited ratings rely on publicly available information³⁰⁵⁷.

In the case of a solicited rating, the rating is assigned after information is gathered from the issuer and an interview is conducted. Once the analysis is presented, the issuer can appeal the committee's decision. The final decision is issued in a relatively concise press release.

The rating criteria are available on the websites of Standard & Poor's, Fitch Ratings, and Moody's. They combine the information provided by the issuer with macroeconomic data. A sector analysis is also taken into account, as well as a qualitative assessment of management and the political context. ESG criteria (Environmental, Social, and Governance) are playing an increasingly important role in the work of rating agencies. Once focused almost exclusively on figures, these agencies are now also interested in how a company or a country manages its environmental impact, its teams, and its governance.

These aspects may seem secondary, but they often influence long-term financial stability. A company heavily dependent on fossil fuels or plagued by internal management problems, for example, will be perceived as more vulnerable. This is why Moody's, S&P, and Fitch Ratings now integrate these dimensions into their analyses, considering them to be genuine indicators of long-term risk.

3- Rating Systems

³⁰⁵⁶ Clemence Tanguy, |Which investments should be prioritized this fall? <https://www.cafedelabourse.com> ›05 Nov 2025.

³⁰⁵⁷ [Comment investir en Bourse ? Le guide ultime pour débuter sur les marchés.](#)

The rating system differs from one agency to another, but a consensus can be established: ratings range from A to D, with A being the best rating, and are composed of intermediate levels 3058.

An issuer rated AAA (or Aaa) has a 0.05% risk of default. In other words, the higher the issuer's rating, the lower its risk of default in the coming years.

Investors pay close attention to ratings (rating downgrades or upgrades, issuers under review) and adjust their investment strategies accordingly.

We will now examine how the rating process actually works and what systems are used by rating agencies. These elements are essential for understanding how they assess the creditworthiness of states and companies.

4- The Importance of Rating Agencies for Businesses

For businesses, and especially for publicly traded companies, the rating assigned by a rating agency is crucial. It directly influences investor confidence and the company's ability to raise capital. A good rating reduces the cost of bond borrowing because it reassures markets about the issuer's financial stability. Conversely, a downgrade can lead to higher interest rates demanded by investors, or even a drop in the share price, a sign of shaken confidence.

For large companies that regularly raise capital on the markets, the rating thus becomes a true indicator of credibility. It reflects not only immediate financial health but also the quality of management and long-term strategy. In short, a good rating opens doors, while a bad one closes them.

5- The Importance of Rating Agencies for States

For states, credit ratings are perhaps even more important. They largely determine how easily a country can borrow on the markets to finance its public debt and budget. A high rating inspires confidence in investors and allows the state to borrow at lower interest rates, thus reducing the cost of its debt 3059.

Conversely, a downgrade can quickly drive up rates, increase interest payments, and weaken public finances. While ratings are essential for businesses, they are crucial for countries, whose economic stability and international credibility largely depend on this assessment. In conclusion, a good rating means easier and less expensive access to public borrowing, while a bad one risks a vicious cycle of debt that is difficult to break. Rating agencies are subject to conflicts of interest that diminish their reliability, which we detail here.

- Issuers pay rating agencies to be rated: rating agencies are therefore dependent on their issuers. The remuneration provided by issuers is essential and allows them to publish each of the hundreds of thousands of ratings.

- Blending of consulting and rating activities: the agency does not only act as an evaluator of an existing company, but also advises on transactions in the planning stages. It is part of the process that constitutes the product.

Rating agencies struggle to correctly assess certain increasingly complex financial transactions, which undermine the reliability of ratings.

Rating agencies are not tasked with predicting the future. They primarily provide a snapshot of the current financial situation, based on past and sometimes self-reported data.

3058 How to Invest in the Stock Market? The Ultimate Guide for Beginners

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3059. Vivendi Universal, which went bankrupt two weeks after being rated AAA.

Their rating therefore reflects a present state, not a promise of future stability. Believing that a good rating protects against a future crisis would be a mistake, as it only indicates the current state of affairs, not the future.

III- THE OUTLOOK FOR MOROCCO'S CREDIT RATINGS

This significant improvement elevates Morocco to "Investment Grade" status. According to Standard & Poor's, this upgrade in the Kingdom's credit quality reflects the country's strong political stability and the Moroccan authorities' commitment to advancing their reform program. Standard & Poor's also highlighted the considerable effort made to reduce the public debt burden over the past decade, thus giving Morocco greater flexibility in its economic policy. They added that this was achieved through continuous fiscal consolidation in an unfavorable international environment, where Morocco has been able to maintain positive growth.

Thanks to an ambitious reform and modernization program, the Moroccan authorities are determined, according to Standard & Poor's, to meet the challenge of combating poverty and illiteracy.

These reforms are designed to increase the economy's competitiveness, stimulate economic growth, and allow the country to benefit from greater international openness, Standard & Poor's added.

The Ministry of Economy and Finance welcomes this significant improvement, which confirms the reforms undertaken by Morocco and the stability of our country's macroeconomic framework³⁰⁶⁰.

For their part, Morocco's national ceilings remain unchanged, with a local currency ceiling of Baa1 and a foreign currency ceiling of Baa2.

Finance policies are seeking to reconcile fiscal discipline with social expectations through reforms (health, education, public governance, etc.).³⁰⁶¹ Moody's forecasts that public debt will stabilize at around 65% of GDP, with an increase in health and social security spending estimated at 2.3% of GDP for 2024. The public-private partnerships envisioned by the government should, for their part, limit the impact on the budget.

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³⁰⁶⁰ <https://www.finances.gov.ma/fr/Pages/detail-actualite.aspx?> - The international rating agency Standard & Poor's assigned Morocco an "Investment Grade" rating on March 24, 2010.

³⁰⁶¹ These levels indicate modest transfer and convertibility risks, consistent with the country's fixed exchange rate regime.

The Kingdom's exemplary management of external shocks testifies to the strength of its governance and institutional framework.

Moody's Ratings: Morocco retains its BA1 rating - <https://lematin.ma/economie/moodys-maintient-la-note-du-maroc-a-ba1-octobre-2024>.

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<https://www.challenge.ma/notation-souveraine-le-maroc-consolide-sa-credibilite-financiere>.

"Investment grade" is a bond issued by borrowing countries with high ratings from credit rating agencies.

<https://www.finance-club.eu/definitions/notation-financiere/> What does Financial Rating mean?