

1 August 2024

Error Identification Notification

Capital Intelligence Ratings (CI Ratings or CI) has identified an error in the application of its notching guidelines for incorporating extraordinary support into the long-term foreign currency ratings (LT FCRs) of banks.

The error affects the ratings of two banks based in Morocco.

Under CI's criteria, an Extraordinary Support Level (ESL) of 'high' should translate into a two- or three-notch uplift for the LT FCR, provided the resulting rating is no higher than the LT FCR of the supporter.

In the case of two Moroccan banks with 'high' ESLs, the uplift was incorrectly restricted to one notch. Consequently, the banks' LT FCRs should be one notch above the level currently assigned.

As short-term foreign currency ratings (ST FCRs) are mapped from LT FCRs under CI's approach, the banks' ST FCRs should also be one notch higher than currently assigned.

CI is in the process of rectifying the errors. The affected banks have been informed of the errors and expected rating impact.

This notification does not constitute a rating action.

Contact

Internal Review Officer: Anthony Cooke, E-mail: anthony.cooke@ciratings.com

Conditions of Use and General Limitations

The information contained in this publication including opinions, views, data, material and ratings may not be copied, distributed, altered or otherwise reproduced, in whole or in part, in any form or manner by any person except with the prior written consent of Capital Intelligence Ratings Ltd (hereinafter "CI"). All information contained herein has been obtained from sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error or other factors by third parties, CI or others, the information is provided "as is" and CI and any third-party providers make no representations, guarantees or warranties whether express or implied regarding the accuracy or completeness of this information.

Without prejudice to the generality of the foregoing, CI and any third-party providers accept no responsibility or liability for any losses, errors or omissions, however caused, or for the results obtained from the use of this information. CI and any third-party providers do not accept any responsibility or liability for any damages, costs, expenses, legal fees or losses or any indirect or consequential loss or damage including, without limitation, loss of business and loss of profits, as a direct or indirect consequence of or in connection with or resulting from any use of this information.

Credit ratings and credit-related analysis issued by CI are current opinions as of the date of publication and not statements of fact. CI's credit ratings provide a relative ranking of credit risk. They do not indicate a specific probability of default over any given time period. The ratings do not address the risk of loss due to risks other than credit risk, including, but not limited to, market risk and liquidity risk. CI's ratings are not a recommendation to purchase, sell, or hold any security and do not comment as to market price or suitability of any security for a particular investor.

The information contained in this publication does not constitute investment or financial advice. As the ratings and analysis are opinions of CI they should be relied upon to a limited degree and users of this information should conduct their own risk assessment and due diligence before making any investment or other business decisions.

Copyright © Capital Intelligence Ratings Ltd 2024