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Nehmat Hantas Describes How IMF-METAC is Helping Morocco Strengthen Bank Supervision

Throughout 2022 and in early 2023, I collaborated with IMF colleagues from the Monetary and Capital Markets Department to support the Bank Al Maghrib (BAM) in developing a new bank evaluation methodology called the Supervisory Review Process (SRP). Inspired by the European Central Bank methodology, the BAM's SRP aims to establish a forward-looking review of banks' business models, governance, and risk management in addition to capital and liquidity adequacy.



The methodology was developed in a proportionate and tailored manner taking account of the size, complexity, business models, and risks of the Moroccan banking system. The SRP methodology introduced new rating areas and enhanced the implementation of Basel Pillar II. It was built on tools previously developed to assess the capital adequacy of banks, which reinforces the integration of stress testing in the risk assessment process.

The BAM is the first METAC member central bank to implement the SRP. This project was among several banking supervision and regulation technical assistance (TA) activities that I have been assisting in providing to the BAM. As an Long Term Expert in METAC, I've built solid working relationships with BAM officials as well as with banking supervisors from other METAC member countries. Earlier this year, my IMF Headquarters colleagues Abdullah Haron and Luc Riedweg collaborated with METAC in organizing an outreach event during which the BAM shared its success story with METAC member countries and development partners. The Central Bank of Jordan has recently embarked on a new project with METAC to develop similar rating methodologies, and the Central Bank of Algeria has expressed interest in developing its own SRP and enhancing its risk-based supervision framework.

