



CITY OF JOHANNESBURG
METROPOLITAN MUNICIPALITY

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MOODY'S CONFIRMS CITY OF JOHANNESBURG'S CREDIT RATING, REVISES OUTLOOK TO POSITIVE

Moody's Ratings has confirmed the City of Johannesburg's credit ratings and revised its outlook from under review to positive, closing out a review for possible downgrade the agency opened in April 2026.

Moody's confirmed the City's long-term issuer rating at Ba3, its national-scale rating at A1.za, and its short-term national-scale rating at P-1.za, and affirmed the short-term issuer rating at Not Prime. The outlook now stands at positive.

The rating action follows the Johannesburg Stock Exchange's decision in May 2026 to lift the suspension on trading in the City's debt instruments, after the City published its outstanding audited financial statements for the 2024/25 financial year with an unqualified opinion. Moody's noted that the City continued to meet its debt obligations in full and on time throughout the suspension period, servicing R159.1 million in principal and R272.2 million in interest.

Executive Mayor Cllr Dada Morero says this outcome reflects the seriousness with which the administration responded to a difficult period for the City. When the audited financial statements were delayed, the City's debt instruments were suspended from the JSE and its credit rating was placed under review for a possible downgrade — a serious governance failure that the administration took full responsibility for. The City moved to finalise and publish its financial statements, restored its compliance with JSE requirements, and continued meeting all of its debt obligations in full and on time throughout. Moody's decision to confirm the rating and move the outlook to positive is confirmation that those corrective actions worked.

The Mayor is clear that this is not only good news. Moody's rating action also flags ongoing concerns over the City's internal governance controls and cash liquidity, and the administration accepts that assessment in full. Over the coming months, the administration will strengthen the internal controls that govern its financial reporting, improve the credibility and monitoring of its budget process, and build up the City's cash reserves, reporting back to residents on progress. A

positive outlook is not a reward, the Mayor says — it is a responsibility, and the City intends to meet it.

Moody's also pointed to the underlying strength of Johannesburg's economy, which accounts for approximately 15% of South Africa's GDP, and to the City's improved operating performance, helped by higher electricity revenue on the back of reduced load-shedding. The City's operating balance for the 2024/25 financial year stood at approximately 11% of operating revenue, and its debt burden was assessed as moderate at approximately 28% of operating revenue.

For the Mayor, a credit rating is not an abstract number. It determines the cost at which the City borrows to build and maintain the roads, water infrastructure and electricity network that residents rely on every day, and a confirmed rating with a positive outlook supports the City's ability to keep financing that infrastructure programme on reasonable terms, for the benefit of every resident of Johannesburg.

The Mayor has thanked the City's finance, treasury and audit teams for the work done to restore compliance with reporting requirements, and reaffirmed the administration's commitment to transparent and accountable financial governance.

Moody's noted that the positive outlook also reflects improving conditions at national sovereign level, with South Africa's own sovereign outlook having moved to positive during the review period. The agency said further improvement in the City's governance and reporting practices, or an upgrade of South Africa's sovereign rating, could support upward pressure on the City's rating — while a deterioration in the City's operating performance, liquidity position or debt burden, or a downgrade of the national sovereign rating, could place downward pressure on it.

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ISSUED BY THE OFFICE OF THE EXECUTIVE MAYOR