

MOODY'S

RATINGS

Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of Berne, City of

11 Oct 2024

Frankfurt am Main, October 11, 2024 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of City of Berne and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 8 October 2024 in which we reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the Issuer page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

City of Berne's ratings, including its aa1 baseline credit assessment (BCA) and Aa1 issuer rating with stable outlook, reflect the city's good financial performance with primary operating surpluses over a long time horizon. The city has conservative budgetary management and strong governance practices, which will help in preserving the city's good primary operating margins and contain financial deficits. Cash flows are well predictable and in case of need, the city enjoys unquestioned access to external funding. City of Berne is the capital of Switzerland, with wealth levels significantly higher than the national average and a diversified economic profile. We also take into account the city's relatively high debt and overall limited financial flexibility. The city's debt burden remained stable in 2023, with net direct and indirect debt around 116% of operating revenue and is expected to remain at least that high over the coming three years, a reflection of partly debt-funded infrastructure spending for its growing population. The credit profile also reflects the moderate likelihood that the Kanton of Bern would provide support if the city were to face acute liquidity stress.

This document summarizes our view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Regional and Local Governments published in May 2024. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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