

Region of Bretagne

The affirmation of Region of Bretagne’s ratings reflects its unchanged ‘aa+’ Standalone Credit Profile (SCP), which itself reflects a payback ratio of close to 4.5x in 2026-2029 and a synthetic coverage below 3x under our rating case. The region’s ratings are capped by those of France (AA-/Negative) and its Negative Outlook mirrors that on the sovereign.

Key Rating Drivers

Risk Profile: The region’s ‘High Midrange’ risk profile reflects a combination of ‘Stronger’ and ‘Midrange’ assessments. It also reflects Fitch Ratings’ view of a low risk that the region’s ability to cover debt service with its operating balance may weaken unexpectedly over 2025-2029, due to lower-than-expected revenue, higher-than-projected expenditure, or an unexpected rise in liabilities, debt or debt-service requirements.

Revenue Framework: Bretagne’s operating revenue mostly comprises growing and predictable taxes, especially VAT (52% of operating revenue in 2024), and stable resources from the state. Its rate-setting power is limited to vehicle registration tax (10%) and transport levy. We expect Bretagne to have no more revenue flexibility by end-2025. However, Bretagne has access to support mechanisms from the state in case of need.

Expenditure Framework: The region has a strong record of operating expenditure restraint. Bretagne’s opex is non-cyclical and mainly consists of mandatory transfers to transportation, vocational training and high schools. Staff costs (20% of opex in 2024) are also a fairly rigid item. There is more flexibility over capex.

Financial Profile: Bretagne’s payback ratio at close to 4.5x in 2026-2029 under our rating case (2024: 5.7x) is compatible with a financial profile of ‘aaa’. However, we also take into account its synthetic coverage ratio below 3x under our rating case, which aligns with ‘aa’.

Our rating case is for the region’s operating balance to improve to close to EUR300 million by 2029 from EUR273 million in 2024. Self-financing capacity (current balance + capital revenue/capex) exceeds 100% on average as we expect the region to self-finance its capex and use the remainder to repay its debt. As a result, net adjusted debt decreases to EUR1.3 billion by end-2029, from EUR1.6 billion at end-2024.

Sovereign Cap: The region’s Issuer Default Ratings (IDRs) are capped by French sovereign rating) and its Negative Outlook mirrors that on the sovereign.

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

Ratings

Foreign Currency

Long-Term IDR	AA-
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AA-
Short-Term IDR	F1+

Outlooks

Long-Term Foreign-Currency IDR	Negative
Long-Term Local-Currency IDR	Negative

Debt Ratings

Senior Unsecured Debt - Long-Term Rating	AA-
Senior Unsecured Debt - Short-Term Rating	F1+

Issuer Profile Summary

The Region of Bretagne has about 3.4 million inhabitants and is situated in north-western France on the Atlantic coast.

Financial Data Summary

(EURm)	2024	2029rc
Payback ratio (x)	5.7	4.5
Synthetic coverage (x)	2.1	2.8
Fiscal debt burden (%)	121.1	93.4
Net adjusted debt	1,559	1,331
Operating balance	273	299
Operating revenue	1,288	1,427
Debt service	134	190
Mortgage-style debt annuity	127	131

rc: Fitch’s rating-case scenario
Source: Fitch Ratings, Fitch Solutions, Region of Bretagne

Applicable Criteria

International Local and Regional Governments Rating Criteria (August 2024)

Related Research

- French LRGs’ Negative Outlooks Are Mostly Sovereign-Driven (February 2025)
- France’s 2025 Budget Bill Would Weaken LRGs’ Financial Profiles (October 2024)
- French Regions – Peer Review 2024 (September 2024)
- French Regions – Framework Report 2022 (November 2022)

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Rating Synopsis

Region of Bretagne LT IDR Derivation Summary

KRF attribute	Key Risk Factors (KRF)						Risk Profile	Financial Profile Assessments				Standalone Credit Profile (SCP)	From SCP to LT FC IDR			
	Revenue		Expenditure		Liabilities & Liquidity			Primary metric	Secondary metrics		Financial Profile Score		Intergovernmental lending	Ad hoc support	Rating cap	LT IDR Outlook
	Robustness	Adjustability	Sustainability	Adjustability	Robustness	Flexibility		Payback Ratio (x)	Synthetic DSCR (x)	Fiscal Debt Burden (%)						
Stronger	<div></div>		<div></div>		<div></div>	<div></div>	Stronger	aaa	aaa	aaa	aaa	aaa		AAA	AAA	
							High Midrange	aaa	aaa	aaa	aaa	aa+		AA+	AA+	
												aa		AA	AA	
												aa-		AA-	AA-	Negative
								aa	aa	aa	aa	a+		A+	A+	
												a		A	A	
												a-		A-	A-	
												bbb+		BBB+	BBB+	
								a	a	a	a	bbb		BBB	BBB	
												bbb-		BBB-	BBB-	
												bb+		BB+	BB+	
								bbb	bbb	bbb	bbb	bb		BB	BB	
												bb-		BB-	BB-	
								bb	bb	bb	bb	b+		B+	B+	
												b		B	B	
												b-		B-	B-	
												ccc+		CCC+	CCC+	
												ccc		CCC	CCC	
												ccc-		CCC-	CCC-	
								b	b	b	b	cc		CC	CC	
												c		C	C	

Higher Influence KRF

Lower Influence KRF

■ Higher Influence KRF

■ Lower Influence KRF

Source: Fitch Ratings

The six Key Risk Factors, combined according to their relative importance, collectively represent the Risk Profile of the local and regional government (LRG). Risk Profile and Debt Sustainability assessments, that measures the LRG's debt burden and debt service requirements amid a reasonable economic or financial downturn over the rating horizon, are combined in an SCP. The SCP, together with some additional factors not captured in the SCP, such as extraordinary support or rating cap, produce the IDR.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

The Outlook would be revised to Stable if the Outlook on the sovereign is revised to Stable, all else being equal.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Bretagne's Long-Term IDRs could be downgraded if its payback deteriorates to above 9x under our rating case. A downgrade of the sovereign's ratings would lead to a similar action on Bretagne's ratings, all else being equal.

Issuer Profile

Bretagne is a French region that Fitch classifies as a Type B LRG, meaning that it is required to cover debt service from cash flow annually. Its main spending responsibilities cover transportation, vocational training, education and economic development, like other French regions.

The region is in north-western France on the Atlantic coast and consists of four departments (Cotes-d'Armor, Finistere, Ile-et-Vilaine and Morbihan). The region has a population of around 3.4 million and its annual average population growth rate between 2015 and 2021 was 0.5% (0.3% for metropolitan France), driven by net migration, reflecting its attractiveness.

Bretagne's economy is well diversified. It has a large agricultural sector and a strong industrial base (e.g. agri-food industries, car manufacturing, electronics, shipyards), supported by the development of marine biotechnology and

maritime energy (e.g. offshore wind farms). It benefits from a dense network of educational institutions and has good connections with national and European decision-making centres, notably through a high-speed rail link to Paris since 2017.

The region has strong socioeconomic indicators in comparison with international peers. Its GDP per capita was EUR34,645 in 2023, below the French average (EUR41,909). Bretagne’s unemployment rate of 6% was below the French average of 7.2% in 3Q24 and its poverty rate is one of the lowest among French regions (11.1% in 2021 versus 14.9% nationwide).

Socioeconomic Indicators

	Bretagne	Metropolitan France
Population, 2021 (m)	3.4	65.5
2015-2021 average annual population growth (%)	0.5	0.3
Poverty rate, 2021(%)	11.1	14.9
GDP per capita, 2023 (EUR)	34,645	41,909
Unemployment rate, 3Q24 (%)	6.0	7.2

Source: Fitch Ratings, national statistics, Region of Bretagne

Risk Profile Assessment

Risk Profile: High Midrange

Fitch assesses Bretagne’s risk profile at ‘High Midrange’, reflecting the following combination of assessments.

Risk Profile Assessment

Revenue robustness	Revenue adjustability	Expenditure sustainability	Expenditure adjustability	Liabilities & liquidity robustness	Liabilities & liquidity flexibility	Implied operating environment score	Risk profile
Stronger	Midrange	Stronger	Midrange	Stronger	Stronger	aa	High Midrange

Source: Fitch Ratings

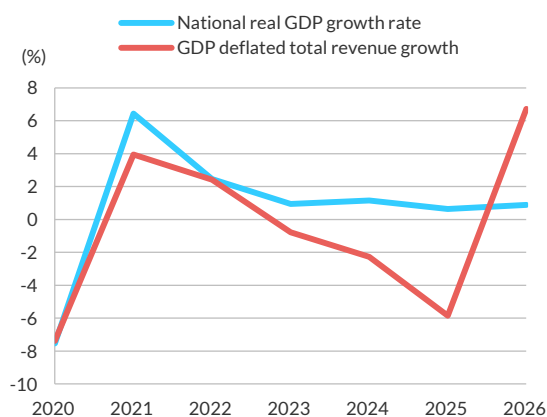
Bretagne’s ‘High Midrange’ risk profile reflects the combination of ‘Stronger’ and ‘Midrange’ assessments of six key risk factors, as outlined below.

Revenue Robustness: Stronger

Bretagne benefits from stable revenue and its solid growth prospects. Operating revenue mostly comprises growing and predictable taxes, especially value added tax (VAT) (52% of operating revenue in 2024). Under the 2025 Budget Law, the French state has frozen 2025 VAT proceeds at their 2024 level, which is credit negative for French regions.

Revenue also includes stable resources from the state with low counterparty risk, including transfers and fuel tax proceeds guaranteed by the state (33%). Vehicle registration fees (10%) are robust as they are linked to a specific market. The Finance Law has also introduced a potential transport levy linked to the region’s wage bill.

Real Total Revenue and GDP Growth



Source: Fitch Ratings, Region of Bretagne

Revenue Breakdown, 2024

	Operating revenue (%)	Total revenue (%)
VAT	52	
Vehicle registration fees	10	
Other taxes	23	
Transfers	12	
Other operating revenue	3	
Operating revenue	100	84
Interest revenue	-	1
Capital revenue	-	16
Total revenue	-	100

Note: Figures may not tally due to rounding.

Source: Fitch Ratings, Fitch Solutions, Region of Bretagne

Revenue Adjustability: Midrange

The region's rate-setting power is limited to the vehicle registration tax and transport levy. We expect Bretagne to have no more flexibility by end-2025. The region raised the vehicle registration tax rate to EUR60, the legal maximum for French regions, from EUR55, on 1 February 2025 and withdrew tax exemptions for electric vehicles. We expect these measures to generate additional EUR18 million on a full year basis.

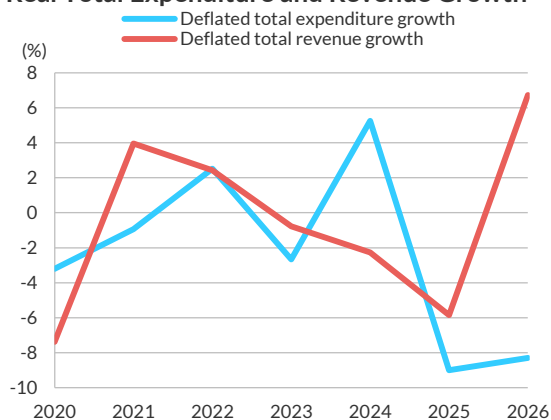
However, Bretagne benefits from state support and redistribution mechanisms between regions in the event of revenue shortfall. The French government has historically supported regions' revenue. In 2020, the replacement of corporate value-added tax with a fraction of the more resilient VAT greatly limited the impact of the Covid-19 pandemic on the regions' revenue. There are also redistribution mechanisms between regions, which should compensate for socio-economic gaps.

The support from the state has no constitutional rank, therefore the assessment is 'Midrange'.

Expenditure Sustainability: Stronger

Bretagne's responsibilities mainly include non-cyclical expenditure that is unlikely to increase in an economic downturn (planned investments, transportation and secondary education). It has a strong record of opex restraint, which we expect to continue. Opex increased by an average of 2% a year in 2020-2024, which was faster than the operating revenue rise of 1.2%, due to high inflation and energy costs in 2022-2023. To maintain its expenditure sustainability, the region aims to contain personnel cost growth, limit non-mandatory expenses and improve the energy efficiency of buildings.

Real Total Expenditure and Revenue Growth



Source: Fitch Ratings, Region of Bretagne

Expenditure Breakdown, 2024

	Operating expenditure (%)	Total expenditure (%)
Staff cost	20	
Transportation	30	
Vocational training	19	
Secondary education	10	
Other operating expenditure	20	
Operating expenditure	100	60
Interest expenditure	-	2
Capital expenditure	-	38
Total expenditure	-	100

Note: Figures may not tally due to rounding.

Source: Fitch Ratings, Fitch Solutions, Region of Bretagne

Expenditure Adjustability: Midrange

Bretagne's opex consists of mandatory transfers to transportation, vocational training and high schools. Staff costs (20% of opex in 2024) are a rigid item as most of its employees are civil servants. It can cut or postpone capex (38% of expenditure in 2024), mostly designated for transportation and high schools, but flexibility is limited by high investment needs due to population growth. We estimate that between 70% and 90% of the region's expenditure is inflexible.

Fitch assesses the balanced-budget rule that applies to French LRGs as a 'Midrange' attribute. French LRGs must cover current expenditure, including financial charges, with current revenue. This rule historically has been respected. However, LRGs can increase their level of debt to finance investment expenditure.

Liabilities and Liquidity Robustness: Stronger

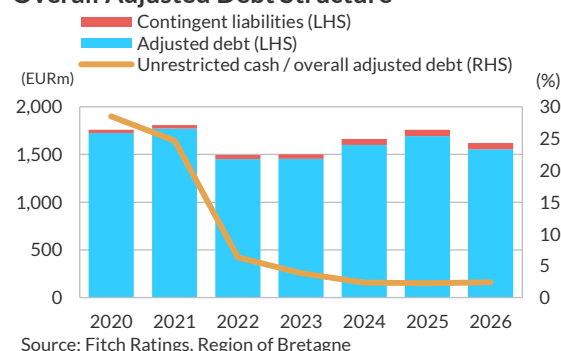
Bretagne's liabilities carry little risk. At end-2024, 49% of its debt was fixed-rate and 100% was deemed risk-free by national regulation (Gissler Charter - 1A). The debt amortisation profile is smooth and debt service is well covered by the region's operating balance (2x in 2024).

At end-2024, 56% of the region's long-term debt consisted of bonds issued under its EUR1.5 billion Euro Medium-Term Note (EMTN) programme, which became its largest channel of financing, followed by 26% of loans from the European Investment Bank (AAA/Stable), 14% from Caisse des Depots et Consignations (CDC; AA-/Negative) and the remaining 4% from commercial banks loans. The region had EUR30m of short-term at end-2024.

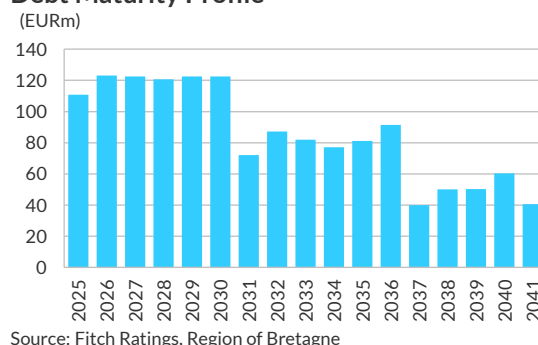
Bretagne's contingent liabilities are low (EUR65 million of guaranteed debt at end-2024), representing 0.2x of the operating balance in 2024. The biggest beneficiaries of guarantees were Megalis, a company that develops fibre optics, and concessionaries of the ports of Saint-Malo and Cancale.

The region operates under a robust national and individual debt management framework, which includes a transparent risk assessment of different types of debt products and limits the level of guarantees.

Overall Adjusted Debt Structure



Debt Maturity Profile



Liabilities and Liquidity Flexibility: Stronger

The framework for emergency liquidity support from the state is strong, as underscored by cash-pooling between French LRGs and the state, with the former's liquidity deposited at the national Treasury. French LRGs may also receive transfers of tax proceeds in advance from the state during liquidity shortfalls. The counterparty risk is low due to the sovereign's high rating.

The region has strong access to liquidity under various forms. At end-2024, it benefitted from EUR220 million of undrawn committed credit lines with banks rated in the 'A' category. It also has access to institutional lenders, such as Caisse des Depots et Consignations (AA-/Negative), in the event of borrowing difficulties with commercial banks.

Debt Analysis

	2024
Fixed rate (% of direct debt)	49.0
Debt in foreign currency (% of direct debt)	0.0
Apparent cost of debt (%)	2.6
Weighted average life of debt (years)	8.5

Source: Fitch Ratings, Region of Bretagne

Liquidity

(EURm)	2024
Total cash, liquid deposits and sinking funds	40
Restricted cash	0
Cash available for debt service	40
Undrawn committed credit lines	220

Source: Fitch Ratings, Region of Bretagne

Financial Profile Assessment

Financial Profile: 'aa' Category

Financial Profile Score Summary

	Primary metric	Secondary metrics	
	Payback ratio (x)	Coverage (x)	Fiscal debt burden (%)
aaa	$X \leq 5$	$X \geq 4$	$X \leq 50$
aa	$5 < X \leq 9$	$2 \leq X < 4$	$50 < X \leq 100$
a	$9 < X \leq 13$	$1.5 \leq X < 2$	$100 < X \leq 150$
bbb	$13 < X \leq 18$	$1.2 \leq X < 1.5$	$150 < X \leq 200$
bb	$18 < X \leq 25$	$1 \leq X < 1.2$	$200 < X \leq 250$
b	$X > 25$	$X < 1$	$X > 250$

Note: Yellow highlights show metric ranges applicable to the issuer.
Source: Fitch Ratings

Bretagne's payback ratio of close to 4.5x in 2026-2029 under our rating case (2024: 5.7x) is compatible with a financial profile of 'aaa'. However, we also take into account its synthetic coverage ratio below 3x under our rating case, which aligns with 'aa', and a fiscal debt burden above 90%. This results in its final 'aa' financial profile.

Operating Balance Set to Increase after a Low in 2024

The operating balance declined to EUR273 million in 2024 from EUR310 million mostly due to a 6% increase in personnel costs and transfers to Societe nationale SNCF SA (AA-/Negative) amid a small 1.15% increase in VAT proceeds, the same as for all French LRGs.

Our rating case is for the region's operating balance to improve to close to EUR300 million by 2029 on higher VAT proceeds from 2026, the expected implementation of a transport levy, and stringent cost control, notably on personnel.

Net Adjusted Debt Set to Decline

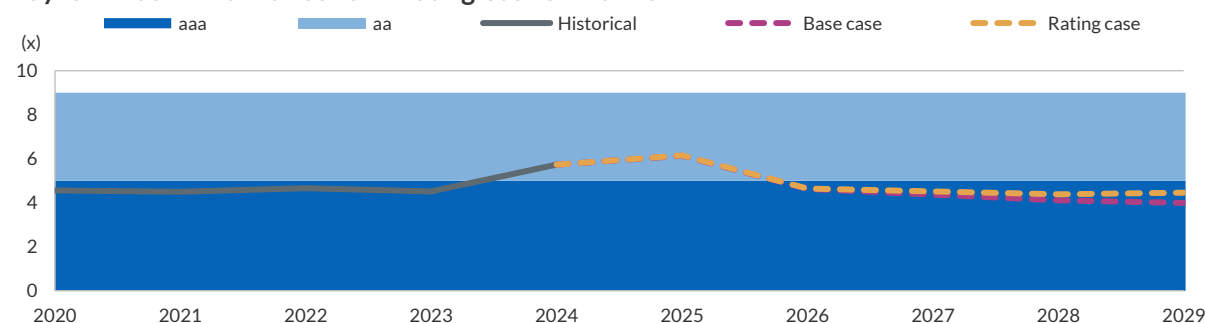
We expect capex to fall from 2026 as a large share of the region's EUR3 billion capex programme covering 2022-2027 is implemented by 2025. In our rating case, self-financing capacity (current balance + capital revenue/capex) exceeds 100% on average as we expect the region to self-finance its capex and use the remainder to repay its debt. As a result, net adjusted debt decreases to EUR1.3 billion by end-2029 from EUR1.6 billion at end-2024.

Mixed Impact of the Finance and Social Security Laws 2025

The negative impact of the Finance Law and Social Security Law 2025 for regions' operating balance mainly includes freezing the 2025 VAT proceeds at their 2024 level, a decline in one of the state transfers (DCRTP, EUR11.8 million impact in 2025 estimated by the region), and an increase in personnel costs in 2025-2028 (additional EUR3.3 million per year for retirement charges). The impact of a new equalisation scheme, which consists in a 2% levy on the region's operating revenue in 2025, estimated at EUR14.7 million by the region, has a slightly negative impact on the net adjusted debt in our scenarios.

Following the Finance Law 2025, the share of the fuel tax (TICPE Grenelle) will be categorised by Fitch as operating (instead of capital) revenue from 2025, which is positive for the operating balance (additional EUR33.4 million from 2025). Another positive effect for regions' operating balance includes potential transport levy and vehicle registration fees on electric vehicles previously exempt from this tax (additional EUR6 million on a full-year basis).

Payback Ratio - Fitch's Base and Rating Case Scenarios



Source: Fitch Ratings, Region of Bretagne

Fitch's rating-case scenario ends in 2029 and is based on the assumptions below. The implementation of a new equalisation scheme will have no impact on its operating balance at end-2029 because it is a measure limited to 2025.

Scenario Assumptions Summary

Assumptions	2020-2024 average	2025-2029 average	
		Base case	Rating case
Operating revenue growth (%)	1.2	2.4	2.1
Tax revenue growth (%)	1.5	3.1	2.7
Current transfers received growth (%)	-2.2	-2.5	-2.5
Operating expenditure growth (%)	2.0	2.1	2.1
Net capital expenditure (average per year; m)	-355	-223	-223
Apparent cost of debt (%)	1.4	2.4	2.4

Outcomes	2024	2029	
		Base case	Rating case
Payback ratio (x)	5.7	4.0	4.5
Synthetic coverage ratio (x)	2.1	3.1	2.8
Fiscal debt burden (%)	121.1	88.6	93.4

Source: Fitch Ratings, Region of Bretagne

SCP Positioning and Peer Comparison

Analytical Outcome Guidance

Risk Profile		Financial Profile					
Stronger	aaa or aa	a	bbb	bb	b		
High Midrange	aaa	aa	a	bbb	bb	b	
Midrange		aaa	aa	a	bbb	bb or below	
Low Midrange			aaa	aa	a	bbb or below	
Weaker				aaa	aa	a or below	
Vulnerable					aaa	aa or below	
Suggested analytical outcome (SCP)		aaa	aa	a	bbb	bb	b

Source: Fitch Ratings

Bretagne has the same 'High Midrange' risk profile as other French regions. Its 'aa+' SCP is the same as that of Region of Ile-de-France due to a payback below 6x in our rating case. Its SCP is higher than the 'aa' SCPs of Regions of Centre-Val de Loire and Occitanie, which have payback between 6x and 7.5x under our rating case. Bretagne's SCP is also higher than that of Region of Nouvelle Aquitaine (aa-) as its payback is between 7.5x and 9x under our rating case.

	Risk Profile	Financial Profile Score	SCP	Rating cap	Long-Term IDR
Region of Bretagne	High Midrange	aa	aa+	AA-	AA-/Negative
Region of Ile-de-France	High Midrange	aa	aa+	AA-	AA-/Negative
Region of Centre-Val de Loire	High Midrange	aa	aa	AA-	AA-/Negative
Region of Nouvelle Aquitaine	High Midrange	aa	aa-	AA-	AA-/Negative
Department of Yvelines	High Midrange	aa	aa+	AA-	AA-/Negative
Region of Occitanie	High Midrange	aa	aa	AA-	AA-/Negative
Flemish Community	Stronger	a	aa+	AA	AA/Negative

Source: Fitch Ratings

Long Term Rating Derivation

From SCP to LT FC IDR: Factors Beyond the SCP

SCP	Sovereign LT FC IDR	Support			Rating cap	Leeway above sovereign (notches)	LT FC IDR
		Intergovern. financing	Ad hoc support	Floor			
aa+	AA-	-	-	-	AA-	-	AA-

Source: Fitch Ratings, Region of Bretagne

Bretagne's IDRs result from its SCP and are capped by the sovereign IDRs. French LRGs may not be rated above the state as they are subject to sovereign interference that may lead to unilateral changes in funding or responsibilities.

Fitch believes the region benefits from good governance, which is reflected in tight expenditure control and prudent debt management. The considerations related to governance are reflected in our 'Stronger' assessment of 'Expenditure Robustness' and 'Liability and Liquidity Robustness' and our rating-case assumptions related to the evolution of operating expenditure.

Transaction and Securities

Bretagne's EUR1.5 billion EMTN and EUR350 million NeuCP programmes ratings are in line with its IDRs.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3' – ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision.

For more information on our ESG Relevance Scores, visit <https://www.fitchratings.com/site/esg>.

Appendix A: Financial Data

Region of Bretagne

(EURm)	2020	2021	2022	2023	2024	2025rc	2026rc	2027rc	2028rc	2029rc
Fiscal performance										
Taxes	910	945	1,017	1,050	1,091	1,126	1,206	1,220	1,235	1,246
Transfers received	199	211	200	195	155	141	139	138	137	137
Fees, fines and other operating revenue	27	51	30	48	42	43	44	44	44	44
Operating revenue	1,136	1,207	1,247	1,293	1,288	1,309	1,389	1,402	1,417	1,427
Operating expenditure	-867	-912	-956	-982	-1,015	-1,039	-1,062	-1,084	-1,107	-1,128
Operating balance	269	295	291	310	273	270	327	318	310	299
Interest revenue	2	4	2	4	8	0	0	0	0	0
Interest expenditure	-10	-12	-12	-31	-40	-36	-38	-35	-35	-35
Current balance	261	287	281	284	241	234	289	283	275	264
Capital revenue	181	181	218	243	244	172	221	172	172	172
Capital expenditure	-563	-523	-559	-560	-639	-500	-371	-371	-371	-411
Capital balance	-382	-343	-341	-317	-395	-328	-150	-199	-199	-239
Total revenue	1,319	1,391	1,467	1,540	1,540	1,481	1,610	1,574	1,589	1,599
Total expenditure	-1,440	-1,447	-1,527	-1,573	-1,694	-1,575	-1,471	-1,491	-1,513	-1,574
Surplus (deficit) before net financing	-121	-56	-60	-33	-154	-94	139	84	75	25
New direct debt borrowing	227	115	77	120	207	216	7	63	73	130
Direct debt repayment	-54	-69	-78	-86	-94	-122	-146	-146	-148	-155
Net direct debt movement	173	46	-1	34	113	94	-139	-84	-75	-25
Overall results	53	-10	-61	1	-41	0	0	0	0	0
Debt and Liquidity										
Short-term debt	350	350	30	0	30	30	30	30	30	30
Long-term debt	1,376	1,422	1,421	1,456	1,569	1,663	1,524	1,441	1,365	1,340
Intergovernmental debt	0	0	0	0	0	0	0	0	0	0
Direct debt	1,726	1,772	1,451	1,456	1,599	1,693	1,554	1,471	1,395	1,370
Other Fitch-classified debt	0	0	0	0	0	0	0	0	0	0
Adjusted debt	1,726	1,772	1,451	1,456	1,599	1,693	1,554	1,471	1,395	1,370
Guarantees issued (excluding adjusted debt portion)	31	37	43	44	65	65	65	65	65	65
Majority-owned GRE debt and other contingent liabilities	0	0	0	0	0	0	0	0	0	0
Overall adjusted debt	1,757	1,809	1,494	1,500	1,664	1,758	1,619	1,536	1,461	1,436
Total cash, liquid deposits, and sinking funds	501	447	95	58	40	40	40	40	40	40
Restricted cash	0	0	0	0	0	0	0	0	0	0
Unrestricted cash	501	447	95	58	40	40	40	40	40	40
Net adjusted debt	1,225	1,326	1,357	1,398	1,559	1,653	1,515	1,431	1,356	1,331
Net overall debt	1,256	1,363	1,399	1,442	1,624	1,718	1,580	1,496	1,421	1,396
Memo:										
Debt in foreign currency/direct debt (%)	0	0	0	0	0	-	-	-	-	-
Issued debt/direct debt (%)	54	67	61	61	56	-	-	-	-	-
Floating interest rate debt/Direct debt (%)	40	27	28	38	51	-	-	-	-	-

rc - rating case

Source: Fitch Ratings, Region of Bretagne

Appendix B: Financial Ratios

Region of Bretagne

	2020	2021	2022	2023	2024	2025rc	2026rc	2027rc	2028rc	2029rc
Fiscal performance ratios (%)										
Operating balance/operating revenue	23.7	24.4	23.3	24.0	21.2	20.6	23.5	22.7	21.9	21.0
Current balance/current revenue	22.9	23.7	22.5	21.9	18.6	17.9	20.8	20.2	19.4	18.5
Operating revenue annual growth	-6.5	6.2	3.3	3.7	-0.4	1.6	6.1	1.0	1.0	0.7
Operating expenditure annual growth	-6.0	5.3	4.8	2.8	3.4	2.3	2.2	2.1	2.1	1.9
Surplus (deficit) before net financing/total revenue	-9.2	-4.0	-4.1	-2.1	-10.0	-6.3	8.6	5.3	4.8	1.6
Total revenue annual growth	-4.8	5.4	5.4	5.0	0.0	-3.8	8.7	-2.2	0.9	0.7
Total expenditure annual growth	-0.5	0.5	5.5	3.0	7.7	-7.0	-6.6	1.4	1.5	4.0
Debt ratios										
Primary metrics (x)										
Payback ratio (net adjusted debt/operating balance)	4.5	4.5	4.7	4.5	5.7	6.1	4.6	4.5	4.4	4.5
Overall payback ratio	4.7	4.6	4.8	4.6	6.0	6.4	4.8	4.7	4.6	4.7
Secondary metrics										
Fiscal debt burden (%) (net debt/operating revenue)	107.8	109.8	108.8	108.2	121.1	126.3	109.1	102.1	95.7	93.4
Synthetic debt service coverage ratio (x)	3.0	3.3	2.9	2.8	2.1	2.1	2.7	2.8	2.9	2.8
Actual debt service coverage ratio (x)	4.2	3.7	3.2	2.6	2.0	1.7	1.8	1.8	1.7	1.6
Other debt ratios										
Liquidity coverage ratio (x)	10.9	9.9	8.2	3.5	2.5	2.0	2.0	2.0	1.9	1.8
Direct debt maturing in one year/total direct debt (%)	24.3	24.1	8.0	6.4	9.5	1.8	1.9	2.0	2.2	2.2
Direct debt (annual % change)	11.2	2.7	-18.1	0.3	9.8	5.9	-8.2	-5.4	-5.1	-1.8
Apparent cost of direct debt (interest paid/direct debt) (%)	0.6	0.7	0.7	2.1	2.6	2.2	2.3	2.3	2.5	2.6
Revenue ratios (%)										
Tax revenue/total revenue	69.0	68.0	69.4	68.2	70.9	76.0	74.9	77.5	77.8	77.9
Current transfers received/total revenue	15.1	15.1	13.6	12.7	10.1	9.5	8.6	8.8	8.6	8.6
Interest revenue/total revenue	0.2	0.3	0.1	0.3	0.5	0.0	0.0	0.0	0.0	0.0
Capital revenue/total revenue	13.7	13.0	14.9	15.8	15.8	11.6	13.7	10.9	10.8	10.8
Expenditure ratios (%)										
Staff expenditure/total expenditure	11.7	12.0	12.0	12.2	12.0	-	-	-	-	-
Current transfers made/total expenditure	25.8	26.7	27.5	34.9	33.4	-	-	-	-	-
Interest expenditure/total expenditure	0.7	0.8	0.8	2.0	2.4	2.3	2.6	2.4	2.3	2.2
Capital expenditure/total expenditure	39.1	36.1	36.6	35.6	37.7	31.8	25.2	24.9	24.5	26.1

rc - rating case

Source: Fitch Ratings, Region of Bretagne

Appendix C: Data Adjustments

Net Adjusted Debt Calculations

Our adjusted debt includes the region's long-term direct debt (EUR1.6 billion at end-2024). Fitch's net adjusted debt (EUR1.6 billion) corresponds to the difference between its adjusted debt and the cash at the end of the year considered by Fitch as unrestricted (EUR40 million).

Specific Adjustments

We consider two items as "pass-through" revenue and deducts them from both operating revenue and expenses: the proceeds from the European Agricultural Fund for Rural Development fund (EUR25 million in 2024); and the share of CVAE (business tax – contribution sur la valeur ajoutée des entreprises) offset by a fixed transfer from the region to the departments (EUR30 million in 2024).

Fitch believes these restatements allow a meaningful comparison with other LRGs. These restatements are neutral for the region's operating balance, and therefore on the payback and coverage assessment. However, they are negative for region's fiscal debt burden.

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