



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

19 Apr 2024

Paris, April 19, 2024 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of the City of Bellinzona and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 16 April 2024 in which Moody's 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.moody's.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

The City of Bellinzona's aa3 baseline credit assessment (BCA) and Aa3 long-term rating with a stable outlook reflect good governance and management practices, and a mature institutional framework. The credit profile also benefits of steady tax receipts, which are based on a solid, albeit small, economic base, and the robust cantonal equalization system. The issuer's prudent budgetary management and strong commitment to financial equilibrium also support sound financial results. These strengths are counterbalanced by a very high debt service and a high debt burden, which is likely to gradually increase because of high investment and refinancing needs. Growing social spending and cantonal fiscal policy changes could adversely impact the city's finances.

This document summarizes Moody's 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 January 2018. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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