

# Region of Ile-de-France

## Key Rating Drivers

**Rating Derivation Summary:** Ile-de-France's Standalone Credit Profile (SCP) of 'aa+' reflects the combination of a 'High Midrange' risk profile and debt sustainability at the upper end of the 'aa' category. The Issuer Default Rating (IDR) is capped by that of France (AA/Negative) and the Negative Outlook reflects that on the sovereign.

**Risk Profile – High Midrange:** Fitch Ratings assesses the region's risk profile at 'High Midrange', reflecting a combination of 'Stronger' and 'Midrange' assessments. The 'High Midrange' risk profile reflects Fitch's view of a low risk that the region's ability to cover debt service by its operating balance may weaken unexpectedly over the scenario horizon (2023-2027) due to lower revenue, higher expenditure, or an unexpected rise in liabilities or debt or debt-service requirements.

**Debt Sustainability 'aa' Category:** In our rating-case scenario, Ile-de-France's payback ratio is between 5.5x and 6x in 2026-2027 (2022: 5.5x). Debt-service coverage (our synthetic calculation) remains sound, above 2x, while the fiscal debt burden is close to 180%. Under our rating case, we expect the operating balance to vary between EUR1.1 billion and EUR1.3 billion in the coming years, supported by an increase in VAT proceeds. Our rating case takes into account the region's large capex programme (more than EUR2 billion a year in 2023-2027).

**Sovereign Cap:** Ile-de-France's Long-Term IDR is capped by the French sovereign. No other rating factor affects the final rating. The Negative Outlook mirrors that on the sovereign.

**ESG Considerations:** ESG issues have a minimal credit impact on Ile-de-France's ratings, as reflected in a score of '3'.

## Rating Sensitivities

**Revision of Sovereign Outlook:** The Outlook would be revised to Stable if the Outlook on the sovereign was revised to Stable, all else being equal.

**Weaker Payback / Sovereign Downgrade:** Deterioration of the payback to 7.5x on a sustained basis in our rating case could lead to a downgrade, although Fitch views this as unlikely. A downgrade of the sovereign would also be reflected in the region's ratings.

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](http://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

Ile-de-France is France's main political and economic centre, representing more than 30% of national GDP, and is one of the EU's wealthiest regions. It has 12 million residents, or 18% of the national population.

## Financial Data Summary

Region of Ile-de-France			
(EURm)	2022	2027rc	
Payback ratio (x)	5.5	5.8	
Synthetic coverage (x)	2.4	2.2	
Fiscal debt burden (%)	157.5	182.3	
Net adjusted debt	5,884	7,467	
Operating balance	1,079	1,281	
Operating revenue	3,736	4,096	
Debt service	538	931	
Mortgage-style debt annuity	441	591	

rc: Fitch's rating-case scenario  
Source: Fitch Ratings, Fitch Solutions, Region of Ile-de-France

## Applicable Criteria

[International Local and Regional Governments Rating Criteria \(September 2021\)](#)

## Related Research

[French Regions – Peer Review 2022 \(November 2022\)](#)

[French Regions – Framework Report 2022 \(November 2022\)](#)

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## Rating Synopsis

### Region of Ile-de-France IDR/CO Derivation Summary

KRF attribute	Key Risk Factors (KRF)						Risk Profile	Debt Sustainability (DS) Assessments				Stand alone Credit Profile (SCP)	From SCP to IDR/CO					
	Revenue		Expenditure		Liabilities & Liquidity			Primary metric	Secondary metrics		DS Score		Intergovernmental lending	Ad-hoc support	Asymmetric Risks	Rating cap	Leeway Above Sovereign	IDR/CO Outlook
	Robustness	Adjustability	Sustainability	Adjustability	Robustness	Flexibility		Payback	Coverage	Fiscal Debt Burden								
Stronger	Higher Influence KRF		Higher Influence KRF		Higher Influence KRF	Lower Influence KRF	Stronger	aaa	aaa	aaa	aaa	aaa						
							High Midrange	aa	aa	aa	aa	aa+	AA+	AA	AA	Negative		
Midrange		Lower Influence KRF		Lower Influence KRF			Midrange	a	a	a	a	a	AA-	A+	A+			
							Low Midrange	bbb	bbb	bbb	bbb	bbb	A	A-	A-			
Weaker							Low Midrange	bb	bb	bb	bb	bb	BBB+	BBB+	BBB+			
							Low Midrange	b	b	b	b	b	bbb	bbb	bbb			
							Vulnerable	b	b	b	b	b	bb	BBB-	BBB-			
													BB+	BB+	BB+			
													BB	BB	BB			
													BB-	BB-	BB-			
													B+	B+	B+			
													B	B	B			
													B-	B-	B-			
													CCC	CCC	CCC			
													CC	CC	CC			
													C	C	C			

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, which measure 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. This, together with some additional factors not captured in SCP, such as extraordinary support or rating cap, produces the IDR.

## Issuer Profile

Ile-de-France is a region of the unitary state of France and is classified by Fitch as a Type B LRG, meaning that it is required to cover debt service from cash flow annually. Ile-de-France's main spending responsibilities cover transportation, vocational training, education and economic development, like other French regions.

Ile-de-France is by far the most populous French region. With 12 million residents, it accounts for about 18% of the national population. Ile-de-France's average annual rate of population growth was 0.4% in 2013-2019, the same as the national average, and is due to natural balance (+0.9%) as net migration is negative (-0.4%).

Ile-de-France is France's main political and economic centre, and accounts for more than 30% of national GDP. Most of the largest French corporations are based in Ile-de-France or have headquarters there. The region also hosts many of international organisations. These include the OECD, Unesco and the European Space Agency. The region benefits from a highly qualified workforce and strong infrastructure. It has the second-largest airport hub in Europe and is well connected by France's high-speed train network.

Ile-de-France is one of the EU's wealthiest regions. In 2021, GDP per capita was EUR62,105, or more than double the EU average. Unemployment is slightly below the French average (7% compared with 7.2% in 2Q22), but the poverty rate is higher (15.5% in 2020 compared with 14.6% in Metropolitan France).

## Socioeconomic Indicators

	Ile-de-France	France
Population, 2019 (m)	12.0	65.1
2013-2019 average annual population growth (%)	0.4	0.4
GDP per capita, 2021 (EUR)	62,105	37,445
Unemployment rate, 2Q22 (%)	7.0	7.2
Poverty rate, 2020 (%)	15.5	14.6

Note: France means Metropolitan France (excludes overseas territories)  
Source: Fitch Ratings, Insee

## Risk Profile Assessment

### Risk Profile: High Midrange

Fitch assesses Ile-de-France's risk profile at 'High Midrange', reflecting the combination of assessments below:

### Risk Profile Assessment

Risk profile	Revenue robustness	Revenue adjustability	Expenditure sustainability	Expenditure adjustability	Liabilities & liquidity robustness	Liabilities & liquidity flexibility
High Midrange	Stronger	Midrange	Stronger	Midrange	Stronger	Stronger

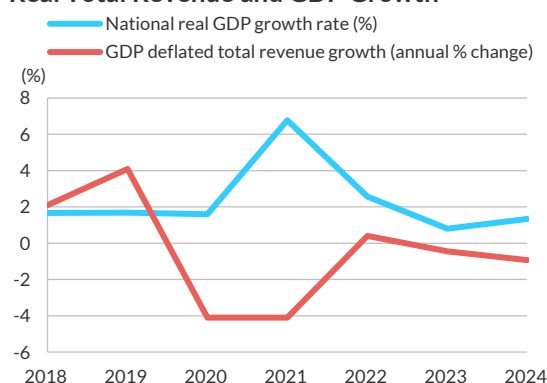
Source: Fitch Ratings

### Revenue Robustness: Stronger

Ile-de-France benefits from stable revenue sources and solid long-term revenue growth prospects. Operating revenue mostly comprises growing and predictable tax items and stable transferred resources with low counterparty risk. The latter includes transfers from the state and fuel tax proceeds, mostly guaranteed by the state (a total 34% of operating revenue in 2022).

Slightly more than half of operating revenue is linked to the economic cycle, which includes VAT proceeds collected nationally (47%, post Fitch adjustments) and vehicle registration fees (7%). In Fitch's view, vehicle registration fees are a less robust revenue source as they are linked to a specific market (vehicle purchases) and the share of electric and hybrid cars that are exempt from vehicle registration fees will progressively increase in the coming years.

### Real Total Revenue and GDP Growth



Source: Fitch Ratings, Region of Ile-de-France

### Revenue Breakdown, 2022, Estimated

	Operating revenue (%)	Total revenue (%)
VAT	47	
Vehicle registration fees	7	
Fuel tax	28	
Other taxes	9	
Transfers	7	
Other operating revenue	2	
<b>Operating revenue</b>	<b>100</b>	<b>84</b>
Interest revenue	-	0
Capital revenue	-	16
<b>Total revenue</b>	<b>-</b>	<b>100</b>

Source: Fitch Ratings, Fitch Solutions, Region of Ile-de-France

**Revenue Adjustability: Midrange**

Ile-de-France’s rate-setting power is limited to vehicle-registration fees, as with other French metropolitan regions. The current rate is EUR46.15, close to the French median. An increase of the tax rate to EUR60 (legal maximum for French regions) would have increased total revenue by 2% in 2022, which in Fitch’s view, would cover more than 100% of a reasonably expected revenue decline in case of economic downturn (estimated at 2% of revenue by Fitch).

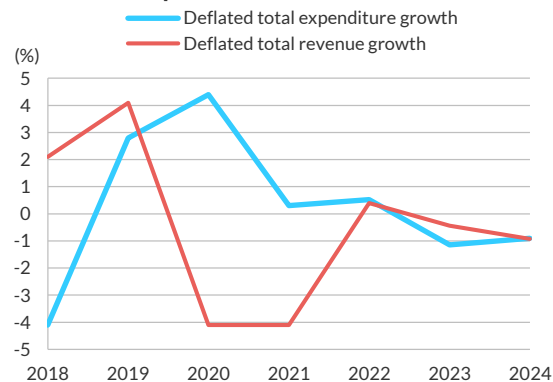
Fitch views the affordability of additional taxation on this item as strong compared with international peers, as an increase in vehicle registration fees would represent only a marginal proportion of the region’s median income. However, the revenue adjustability assessment remains capped by the ‘Midrange’ fiscal flexibility assessment.

**Expenditure Sustainability: Stronger**

Ile-de-France’s expenditure is mainly non-cyclical and unlikely to grow in an economic downturn (planned investments, transportation and secondary education), which drives our ‘Stronger’ assessment of this rating factor.

Ile-de-France has tight control over its expenditure. In 2016-2021, operating expenditure (opex) declined on average 0.8% a year (including the transfer of the responsibility for apprenticeships) while operating revenue increased on average 0.5%. In 2022, opex grew 8% given higher energy costs, a nationwide salary increase for public servants (3.5%) and other inflationary pressures on opex. However, this was offset by an increase in operating revenue (close to 6%).

**Real Total Expenditure and Revenue Growth**



Source: Fitch Ratings, Region of Ile-de-France

**Expenditure Breakdown, 2021**

	Operating expenditure (%)	Total expenditure (%)
Vocational training	24	
Secondary education	12	
Transportation	32	
Staff costs	18	
Other operating expenditure	13	
<b>Operating expenditure</b>	<b>100</b>	<b>52</b>
Interest expenditure	-	2
Capital expenditure	-	46
<b>Total expenditure</b>	<b>-</b>	<b>100</b>

Source: Fitch Ratings, Fitch Solutions, Region of Ile-de-France

**Expenditure Adjustability: Midrange**

Ile-de-France’s operating expenditure mainly comprises mandatory transfers related to public transportation (around one-third of operating spending), vocational training (about one quarter of opex) and secondary education (slightly above 10% of opex). Staff costs (around one-fifth of opex) are also a rigid spending item as most of the region’s employees are civil servants. However, cost-cutting measures may still be implemented, as indicated by cuts to the region’s opex in recent years.

The region retains flexibility to lower capex in case of need, given high capex (43% of total spending in 2022, and above 40% expected in 2023-2027), mostly dedicated to transportation and high schools. The latter could be postponed or scaled back if needed but is offset by the region’s high capex needs. Overall, we estimate the share of inflexible expenditure at 70%-80%.

Fitch assesses the balanced-budget rule that applies to French LRGs as a ‘Midrange’ attribute. French LRGs must cover operating spending with operating revenue, with a good record of application. However, they can increase debt to finance investments.

**Liabilities and Liquidity Robustness: Stronger**

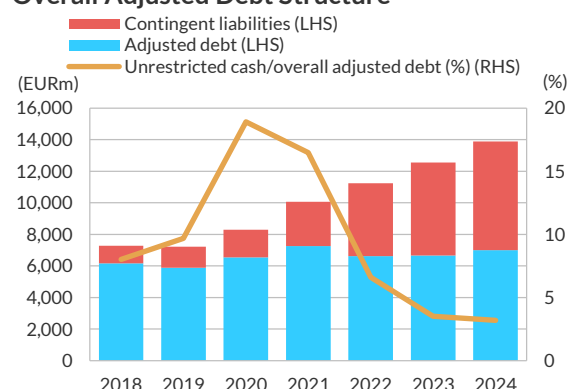
Ile-de-France’s liabilities carry little risk. At end-2022, 98% of debt was fixed-rate and 100% was deemed risk-free under national regulation (Gissler Charter). Debt service is structurally well-covered by the region’s operating balance (2022: 2x). Short-term debt accounted for 4.5% of direct debt at end-2022 and corresponds to commercial paper issues.

The region's debt amortisation schedule has some bullet repayments (around EUR750 million in 2025 and around EUR700 million in 2026, 2027 and 2032). However, the risk of bullet repayments is mitigated, in Fitch's view, by the modest amount of these maturities as a proportion of the region's operating balance.

Off-balance-sheet liabilities mostly relate to Ile-de-France Mobilites (IDFM; AA-/Negative), a public-sector entity in charge of the region's public transport. IDFM is a public body (établissement public) created by the state, which is in the end responsible for IDFM's debt. Nonetheless, the region has 51% of the seats on the company's board of directors. The weakening of IDFM's financial situation has led to a 7.5% rise in transfers from LRGs on its board, including Ile-de-France, starting from 2023.

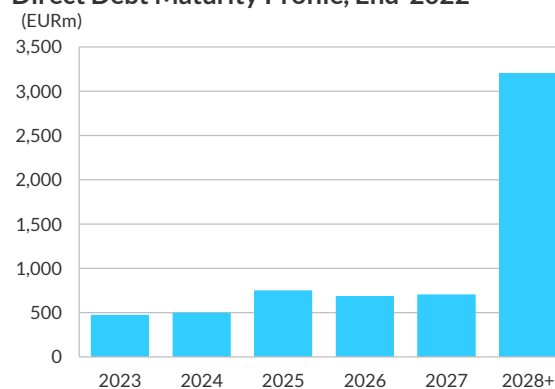
We view IDFM as a government-related entity (GRE) and rates it one notch below the sovereign under our GRE criteria, reflecting a support score of 35 points and a 'bbb' SCP. We assess IDFM's financial profile at 'Midrange' reflecting a leverage ratio close to 14x on average in 2025-2026 under our rating case (2021: 13.4x). The expected increase in capital expenditure in the next few years is likely to lead to a significant increase in IDFM's adjusted net debt, which could reach around EUR17 billion by 2026 (from EUR5.5 billion at end-2021), despite a projected increase in EBITDA.

### Overall Adjusted Debt Structure



Source: Fitch Ratings, Region of Ile-de-France

### Direct Debt Maturity Profile, End-2022



Source: Fitch Ratings, Region of Ile-de-France

### Liabilities and Liquidity Flexibility: Stronger

Fitch views the framework for emergency liquidity support from the state as strong. This is evident in cash-pooling between LRGs and the state, with liquidity from LRGs deposited at the national Treasury. French LRGs may benefit from the transfer of tax proceeds in advance from the state, in case of a liquidity shortfall. Counterparty risk is low due to the sovereign's high rating.

Ile-de-France has strong access to liquidity in various forms, including via institutional lenders, such as Caisse des Depots et Consignations (AA/Negative). As of April 2023, it benefits also from a EUR100 million committed credit line with an 'A-' rated bank.

### Debt Analysis

	End-2022, est.
Fixed rate (% of direct debt)	98
Issued debt (% of direct debt)	91
Apparent cost of debt (%)	1.5
Weighted average life of debt (years)	5.9

Source: Fitch Ratings, Region of Ile-de-France

### Liquidity

(EURm)	End-2022, est.
Total cash, liquid deposits and sinking funds	742
Restricted cash	0
Cash available for debt service	742
Undrawn committed credit lines	0 <sup>a</sup>

<sup>a</sup> The EUR587 million revolving line expired on 30 December 2022

Source: Fitch Ratings, Region of Ile-de-France

## Debt Sustainability Assessment

Debt Sustainability: aa category

### Debt Sustainability Metrics 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	$X > 25$	$X < 1$	$X > 250$

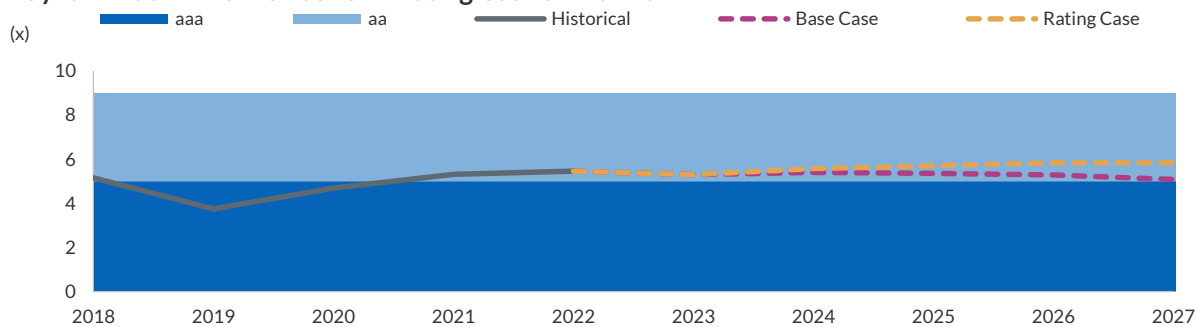
Note: Yellow highlights show metric ranges applicable to Issuer  
Source: Fitch Ratings

Our rating-case scenario expects the payback ratio (net adjusted debt/operating balance) to be close to 5.5x-6x by 2026-2027 (2022: 5.5x); the coverage ratio (Fitch’s synthetic calculation) to be above 2x; and the fiscal debt burden at close to 180%.

Ile-de-France’s operating balance increased slightly, to close to EUR1,080 million from EUR1,056 million in 2021. Under our rating case, we expect the region’s operating balance to vary between EUR1.1 billion and EUR1.3 billion in the coming years. The operating balance will be mainly supported by an increase in VAT proceeds under our rating case. The region’s opex will be affected by inflation, namely from energy costs, rising personnel costs and an increase in transfers to IDFM from 2023 (7.5%).

We expect net adjusted debt to rise to EUR7.5 billion at end-2027 (end-2022: EUR5.9 billion) as the region aims at continuing to implement a large capex programme of more than EUR2 billion a year in 2023-2027.

### Payback Ratio - Fitch's Base and Rating Case Scenarios



Source: Fitch Ratings, Region of Ile-de-France

Fitch’s rating-case scenario ends in 2027 and is based on the following assumptions:

## Scenario Assumptions Summary

Assumptions	2018-2022 average	2023-2027 Average	
		Base case	Rating case
Operating revenue growth (%)	1.4	2.5	1.9
Operating expenditure growth (%)	1.2	1.2	1.2
Net capital expenditure (average per year; EURm)	-1,125	-1,405	-1,405
Apparent cost of debt (%)	1.7	1.8	1.8

Outcomes	2022e	2027	
		Base case	Rating case
Payback ratio (x)	5.5	5.1	5.8
Synthetic coverage ratio (x)	2.4	2.5	2.2
Fiscal debt burden (%)	158	169	182

e – estimate

Source: Fitch Ratings, Region of Ile-de-France

The apparent cost of debt remains contained in the forecast (1.8% on average over 2023-2027) as at end-2022, 98% of region's debt was fixed-rate. We have made an assumption of cost of new debt at 3.7%.

## SCP Positioning and Peer Comparison

### SCP Positioning Table

Risk Profile	Debt Sustainability					
	aaa or aa	aa	a	bbb	bb	b
Stronger	aaa or aa	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

Ile-de-France compares well with other French metropolitan regions in terms of risk profile. Its debt payback ratio close to that of the Region of Bretagne and Departments of Puy-de-Dome and Val d'Oise (all AA/Negative), which have the same 'aa+' SCP and whose ratings are capped by those of France. The payback is lower than that of Regions of Nouvelle Aquitaine, Centre-Val de Loire and Occitanie (all AA/Negative), which have an SCP of 'aa'.

### Peer Comparison

	Risk Profile	Payback ratio, 2027rc (x)	SCP	IDR	Outlook/ Watch
Region of Ile-de-France	High Midrange	5.8	aa+	AA	Negative
Region of Bretagne	High Midrange	5.5	aa+	AA	Negative
Department of Puy-de-Dome <sup>a</sup>	High Midrange	5.8	aa+	AA	Negative
Region of Centre-Val de Loire	High Midrange	7.4	aa	AA	Negative
Department of Val d'Oise <sup>a</sup>	High Midrange	5.2	aa+	AA	Negative
Region of Nouvelle Aquitaine <sup>a</sup>	High Midrange	6.9	aa	AA	Negative
Region of Occitanie <sup>a</sup>	High Midrange	6.7	aa	AA	Negative

a – payback 2026, rc – rating case  
Source: Fitch Ratings

## Long Term Rating Derivation

### From SCP to IDR: Factors Beyond the SCP

SCP	Sovereign	Support			Asymmetric risks	Cap	Notches above the sovereign	IDR
		Intergovern. financing	Ad-hoc support	Floor				
aa+	AA	-	-	-	-	AA	-	AA

Source: Fitch Ratings

Ile-de-France's IDRs 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. The Negative Outlook mirrors that on the sovereign.

## Transaction and Securities

Ile-de-France's senior unsecured debt 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.

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



## Appendix A: Financial Data

### Region of Ile-de-France

(EURm)	2018	2019	2020	2021	2022e	2023rc	2027rc
<b>Fiscal performance</b>							
Taxes	3,312	3,530	3,184	3,196	3,421	3,564	3,809
Transfers received	139	224	245	281	254	269	270
Fees, fines and other operating revenues	66	49	39	39	61	13	17
Operating revenue	3,517	3,803	3,467	3,516	3,736	3,846	4,096
Operating expenditure	-2,434	-2,418	-2,404	-2,460	-2,657	-2,671	-2,815
Operating balance	1,083	1,385	1,064	1,056	1,079	1,175	1,281
Interest revenue	22	8	23	12	5	2	2
Interest expenditure	-119	-125	-98	-93	-103	-92	-173
Current balance	986	1,267	989	975	980	1,085	1,110
Capital revenue	767	730	980	828	716	749	851
Capital expenditure	-1,581	-1,759	-2,110	-2,145	-2,052	-2,166	-2,165
Capital balance	-814	-1,029	-1,130	-1,317	-1,336	-1,417	-1,314
Total revenue	4,306	4,541	4,471	4,356	4,457	4,598	4,949
Total expenditure	-4,134	-4,302	-4,612	-4,698	-4,813	-4,929	-5,153
Surplus (deficit) before net financing	173	239	-141	-342	-356	-332	-204
New direct debt borrowing	600	200	800	500	700	807	962
Direct debt repayment	-527	-476	-433	-191	-434	-475	-758
Net direct debt movement	73	-276	367	309	266	332	204
Overall results	246	-38	226	-34	-90	0	0
<b>Debt and Liquidity</b>							
Short-term debt	500	500	800	1,200	300	0	0
Long-term debt	5,661	5,384	5,751	6,061	6,327	6,658	7,909
Direct debt	6,161	5,884	6,551	7,261	6,627	6,658	7,909
Other Fitch-classified debt	0	0	0	0	0	0	0
Adjusted debt	6,161	5,884	6,551	7,261	6,627	6,658	7,909
Guarantees issued (excluding adjusted debt portion)	0	0	0	0	0	0	0
Majority-owned GRE debt and other contingent liabilities	1,123	1,331	1,740	2,797	4,605	5,895	8,769
Overall adjusted debt	7,284	7,215	8,292	10,058	11,232	12,554	16,679
Total cash, liquid deposits, and sinking funds	807	699	1,568	1,656	742	442	442
Restricted cash	224	0	0	0	0	0	0
Unrestricted cash	583	699	1,568	1,656	742	442	442
Net adjusted debt	5,577	5,185	4,983	5,605	5,884	6,216	7,467
Net overall debt	6,700	6,517	6,723	8,403	10,489	12,112	16,236

e - estimated, rc - rating case  
Source: Fitch Ratings, Fitch Solutions, Region of Ile-de-France

## Appendix B: Financial Ratios

### Region of Ile-de-France

	2018	2019	2020	2021	2022e	2023rc	2027rc
<b>Fiscal performance ratios</b>							
Operating balance/operating revenue (%)	30.8	36.4	30.7	30.0	28.9	30.6	31.3
Current balance/current revenue (%)	27.9	33.3	28.3	27.6	26.2	28.2	27.1
Operating revenue growth (annual % change)	1.0	8.1	-8.8	1.4	6.3	3.0	1.6
Operating expenditure growth (annual % change)	-2.9	-0.7	-0.6	2.3	8.0	0.5	1.0
Surplus (deficit) before net financing/total revenue (%)	4.0	5.3	-3.1	-7.9	-8.0	-7.2	-4.1
Total revenue growth (annual % change)	3.2	5.5	-1.5	-2.6	2.3	3.2	4.0
Total expenditure growth (annual % change)	-3.1	4.1	7.2	1.9	2.5	2.4	0.8
<b>Debt ratios</b>							
<b>Primary metrics (x)</b>							
Payback ratio (net adjusted debt/operating balance)	5.2	3.7	4.7	5.3	5.5	5.3	5.8
Overall payback ratio	6.2	4.7	6.3	8.0	9.7	10.3	12.7
<b>Secondary metrics</b>							
Fiscal debt burden (%) (net debt/operating revenue)	158.6	136.4	143.7	159.4	157.5	161.6	182.3
Synthetic debt service coverage ratio (x)	2.5	3.4	2.8	2.6	2.4	2.6	2.2
Actual debt service coverage ratio (x)	1.7	2.3	2.0	3.7	2.0	2.1	1.4
<b>Other debt ratios</b>							
Liquidity coverage ratio (x)	2.4	3.3	3.3	9.2	5.1	3.4	1.9
Direct debt maturing in one year/total direct debt (%)	15.8	15.9	15.1	22.5	11.7	-	-
Direct debt (annual % change)	1.2	-4.5	11.3	10.8	-8.7	0.5	2.7
Apparent cost of direct debt (interest paid/direct debt) (%)	1.9	2.1	1.6	1.3	1.5	1.4	2.2
<b>Revenue ratios (%)</b>							
Tax revenue/total revenue	76.9	77.7	71.2	73.4	76.8	77.5	77.0
Current transfers received/total revenue	3.2	4.9	5.5	6.5	5.7	5.8	5.5
Interest revenue/total revenue	0.5	0.2	0.5	0.3	0.1	0.1	0.1
Capital revenue/total revenue	17.8	16.1	21.9	19.0	16.1	16.3	17.2
<b>Expenditure ratios (%)</b>							
Staff expenditure/total expenditure	10.5	10.3	9.5	9.6	-	-	-
Current transfers made/total expenditure	41.7	39.2	35.6	35.0	-	-	-
Interest expenditure/total expenditure	2.9	2.9	2.1	2.0	2.2	1.9	3.4
Capital expenditure/total expenditure	38.2	40.9	45.8	45.7	42.6	43.9	42.0

e – estimated, rc – rating case  
Source: Fitch Ratings, Fitch Solutions, Region of Ile-de-France

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## Appendix C: Data Adjustments

### Net Adjusted Debt Calculations

Fitch-adjusted debt includes the region's short-term debt (EUR300 million at end-2022) and long-term debt (EUR6.3 billion). Net Fitch-adjusted debt (EUR5.9 billion) corresponds to the difference between Fitch-adjusted debt and the cash at the end of the year deemed unrestricted by Fitch (EUR700 million).

### Specific Adjustments

Fitch considers the transfers from the region to offset the amount of VAT proceeds it receives as pass-through revenue (EUR1,372 million in 2022). In 2022, this included a transfer from the region to its departments to compensate for the doubling of the company value-added contribution regional share proceeds from 2017.

Fitch believes these restatements allow a meaningful comparison with other LRGs. They are neutral for Ile-de-France's operating balance, and so also for the payback and coverage assessment. However, they reduce the level of operating revenue and are negative on the fiscal debt burden assessment (net adjusted debt/operating revenue).

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

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