



RATING ACTION COMMENTARY

Fitch Downgrades 27 French GREs on Sovereign Rating Action; Outlooks Stable

Fri 12 May, 2023 - 06:07 ET

Fitch Ratings - Paris - 12 May 2023: Fitch Ratings has downgraded the Long-Term Issuer Default Ratings (IDRs) on 27 French Government-Related Entities (GRE), following a similar action on the French state (AA-/Stable) on 28 April 2023. The Outlooks are Stable.

Fitch has also downgraded the long-term unsecured debt issued or guaranteed by the GREs, as well as a joint bond issue made by eight public hospitals. The Short-Term IDRs of four entities (Clesence, Erilia, LogiRrep Societe d'habitations a loyer modere and SHLMR) were also downgraded to 'F1' from 'F1+' as a result of the downgrade of their Long-Term IDRs.

A full list of rating actions is detailed below.

KEY RATING DRIVERS

On 28 April 2023, Fitch downgraded the French state's Long-Term IDR to 'AA-' from 'AA' and assigned a Stable Outlook (see <https://www.fitchratings.com/research/sovereigns/fitch-downgrades-france-to-aa-outlook-stable-28-04-2023>). This rating action has a direct impact on the ratings and Outlooks of 27 entities considered as GRE of the French state, as well as on Bpifrance's debt programmes, and on a EUR100 million bullet bond issued by eight French hospitals, which will mature on 29 December 2025 (French Public Hospitals Joint Bond Issue CHU; CHU 2015).

The list of 27 GREs includes 14 entities whose ratings are equalised with the French state's, eight entities that are rated on a top-down minus 1 approach from the French state's ratings, and five social housing providers rated using a bottom-up approach.

The Standalone Credit Profiles (SCPs) of the GREs were not reviewed. All rating factors based on the Government-Related Entities Criteria and the Public-Sector Revenue-Supported Entities Rating Criteria are unchanged since our last reviews. For rating factors, see the latest published rating action commentary for each entity.

DERIVATION SUMMARY

The ratings of 14 GREs are equalised with those of the French state. They are Action Logement Groupe, Action Logement Immobilier, Action Logement Services, Agence Centrale des Organismes de Securite sociale (ACOSS), Agence Francaise de Developpement (AFD), Assistance Publique- Hopitaux de Paris (AP-HP), Caisse d'Amortissement de la Dette Sociale (CADES), Caisse de Depots et Consignations (CDC), Caisse nationale des autoroutes (CNA), EPIC Bpifrance, Regie Autonome des Transports Parisiens (RATP), SNCF Reseau, Societe du Grand Paris (SGP), Unedic.

These entities have a support score of 45 or above under our GRE Criteria, meaning that their ratings are driven by support from the French state. They may not be rated above the French state, and their ratings are equalised with those of the French state. Their Short-Term IDRs remain unchanged at 'F1+', which is the only option mapping to a 'AA-' Long-Term IDR under Fitch's correspondence table.

Eight entities are rated on a top-down rating minus 1 approach from the sovereign rating. They are Assistance Publique Hopitaux de Marseille (AP-HM), the university hospitals (CHU) of Angers, Nancy, Nantes, Nice, Rennes and Strasbourg, and Ile-de-France Mobilites. This reflects a support score of 35 under our GRE Criteria. The SCPs of these entities are all at more than three notches away from the French state's rating. The same approach applies to the weakest members of the joint bond issue CHU 2015.

The Short-Term IDRs of these eight entities are 'F1+', the highest of two options possible, reflecting the rating approach applied. According to Fitch's GRE Criteria, the higher of the two Short-Term IDR options applies when an issuer's rating is derived on a top-down notching basis.

Four social housing providers are rated under a bottom-up approach with a support score of 15 under our GRE Criteria. They are Clesence, Erilia, LogiRep Societe d'habitations a loyer modere, and Societe Anonyme d'Habitations a loyer modere de

la Reunion (SHLMR). The gap between these entities' SCPs (bbb+) and the sovereign rating is now four notches away. The uplift from the SCP to the IDR is now one notch, versus two notches previously, as a result of the sponsor's weakened credit quality. Their Short-Term IDRs are now 'F1', the highest of two options mapping to their Long-Term IDRs, as the conditions set in our criteria are met (ie 'Stronger' assessment on revenue defensibility, neutral debt characteristics and liquidity profile, and liquidity coverage above 1.1x).

Residences le Logement des Fonctionnaires' (RLF) ratings now reflect its SCP of 'a+'. The latter is only one notch below the sovereign rating. According to Fitch's GRE Criteria, the uplift is capped at government minus 1 in such a case, which applies to RLF. The Short-Term IDR of this entity remains 'F1+', the highest of the two possible options, as the conditions set in our criteria are met (ie 'Stronger' assessment on revenue defensibility, neutral debt characteristics and liquidity profile, and liquidity coverage above 2x).

DEBT RATINGS

The ratings of all long-term issuance debt programmes and senior debt instruments have been downgraded as they are aligned with Long-Term IDRs of their respective issuers.

Bpifrance's debt programmes and issuance were downgraded to 'AA-' from 'AA' as they benefit from an independent, unconditional and irrevocable first-call guarantee from EPIC Bpifrance.

The ratings of Clesence's Neu CP programme were also downgraded to 'F1' from 'F1+', in line with its Short-Term IDR.

RATING SENSITIVITIES

Factors That Could, Individually or Collectively, Lead to Positive Rating

Action/Upgrade:

-A positive rating action on the sovereign would be reflected in the ratings of all 27 GREs, as well in those of Bpifrance's debt programmes and CHU 2015 joint bond issue, all else being equal.

Factors That Could, Individually or Collectively, Lead to Negative Rating

Action/Downgrade:

-A further downgrade on the sovereign would be reflected in a similar downgrade to the 27 GREs, Bpifrance's debt programmes and CHU 2015 joint bond issue. For CHU Angers and the five social housing providers rated using a bottom-up rating approach, a multiple-notch downgrade of the sovereign would be required.

Other rating sensitivities are unchanged since our last reviews.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

The ratings of the 27 GREs and of CHU 2015 joint bond issue are linked to those of France (AA-/Stable)

ESG CONSIDERATIONS

Fitch no longer provides ESG scores for Action Logement Groupe or Action Logement Services as their ratings and ESG profiles are derived from their ultimate parent (the French state). ESG relevance scores and commentary for the parent entity can be found here <https://www.fitchratings.com/entity/france-80442195#ratings>

Other ESG scores are unchanged since our last reviews and are available on www.fitchratings.com

RATING ACTIONS

ENTITY / DEBT ⚡	RATING ⚡			PRIOR ⚡
Agence Centrale des Organismes de Securite Sociale (ACOSS)	LT IDR	AA- Rating Outlook Stable		AA Rating Outlook Negative
	Downgrade			
	ST IDR	F1+	Affirmed	F1+
	LC LT IDR	AA- Rating Outlook Stable		AA Rating Outlook Negative
	Downgrade			
	LC ST IDR	F1+	Affirmed	F1+
senior unsecured	ST	F1+	Affirmed	F1+
Ile-de-France Mobilites	LT IDR	A+ Rating Outlook Stable		AA- Rating Outlook Negative
	Downgrade			
	ST IDR	F1+	Affirmed	F1+
	LC LT IDR	A+ Rating Outlook Stable		AA- Rating Outlook Negative
	Downgrade			
	LC ST IDR	F1+	Affirmed	F1+
senior unsecured	LT	A+	Downgrade	AA-

[VIEW ADDITIONAL RATING DETAILS](#)

FITCH RATINGS ANALYSTS

Louis Thivent

Analyst

Primary Rating Analyst

+33 1 44 29 91 33

louis.thivent@fitchratings.com

Fitch Ratings Ireland Ltd

28 avenue Victor Hugo Paris 75116

Antoine Magne

Senior Analyst

Primary Rating Analyst

+33 1 44 29 91 82

antoine.magne@fitchratings.com

Fitch Ratings Ireland Ltd

28 avenue Victor Hugo Paris 75116

Charlelie Lecanu

Associate Director

Primary Rating Analyst

+34 93 323 8407

charlelie.lecanu@fitchratings.com

Fitch Ratings Ireland Spanish Branch, Sucursal en España

Av. Diagonal 601 Barcelona 08028

Andreane Soucaze

Analyst

Primary Rating Analyst

+33 1 44 29 91 78

andreane.soucaze@fitchratings.com

Fitch Ratings Ireland Ltd

28 avenue Victor Hugo Paris 75116

Sara Signorini

Associate Director

Primary Rating Analyst

+39 02 9475 8142

sara.signorini@fitchratings.com

Fitch Ratings Ireland Limited Sede Secondaria Italiana

Via Morigi, 6 Ingresso Via Privata Maria Teresa, 8 Milan 20123

Ekaterina Kozlova

Associate Director

Primary Rating Analyst

+33 1 44 29 92 74

ekaterina.kozlova@fitchratings.com

Fitch Ratings Ireland Ltd

28 avenue Victor Hugo Paris 75116

Chiaramaria Mozzi

Director

Primary Rating Analyst

+39 02 9475 7264

chiaramaria.mozzi@fitchratings.com

Fitch Ratings Ireland Limited Sede Secondaria Italiana

Via Morigi, 6 Ingresso Via Privata Maria Teresa, 8 Milan 20123

Pierre Charpentier

Senior Director

Primary Rating Analyst

+33 1 44 29 91 45

pierre.charpentier@fitchratings.com

Fitch Ratings Ireland Ltd

28 avenue Victor Hugo Paris 75116

Ekaterina Kozlova

Associate Director

Secondary Rating Analyst

+33 1 44 29 92 74

ekaterina.kozlova@fitchratings.com

Antoine Magne

Senior Analyst

Secondary Rating Analyst

+33 1 44 29 91 82

antoine.magne@fitchratings.com

Pierre Charpentier

Senior Director

Secondary Rating Analyst

+33 1 44 29 91 45

pierre.charpentier@fitchratings.com

Louis Thivent

Analyst

Secondary Rating Analyst

+33 1 44 29 91 33

louis.thivent@fitchratings.com

Chiaramaria Mozzi

Director

Secondary Rating Analyst

+39 02 9475 7264

chiaramaria.mozzi@fitchratings.com

Sara Signorini

Associate Director

Secondary Rating Analyst

+39 02 9475 8142

sara.signorini@fitchratings.com

Andreane Soucaze

Analyst

Secondary Rating Analyst

+33 1 44 29 91 78

andreane.soucaze@fitchratings.com

Charlelie Lecanu

Associate Director

Secondary Rating Analyst

+34 93 323 8407

charlelie.lecanu@fitchratings.com

Dorota Dziedzic

Senior Director

Committee Chairperson

+48 22 103 3017

dorota.dziedzic@fitchratings.com

MEDIA CONTACTS

Athos Larkou

London

+44 20 3530 1549

athos.larkou@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure: Caisse d'Amortissement de la Dette Sociale (CADES)

APPLICABLE CRITERIA

[Government-Related Entities Rating Criteria \(pub. 30 Sep 2020\)](#)

[Public Sector, Revenue-Supported Entities Rating Criteria \(pub. 27 Apr 2023\)](#)
(including rating assumption sensitivity)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Action Logement Groupe	EU Issued, UK Endorsed
Action Logement Immobilier	EU Issued, UK Endorsed
Action Logement Services	EU Issued, UK Endorsed
Agence Centrale des Organismes de Securite Sociale (ACOSS)	EU Issued, UK Endorsed
Assistance Publique - Hopitaux de Paris (AP-HP)	EU Issued, UK Endorsed
Caisse Nationale des Autoroutes (CNA)	EU Issued, UK Endorsed
Regie Autonome des Transports Parisiens (RATP)	EU Issued, UK Endorsed
SNCF Reseau	EU Issued, UK Endorsed
Societe du Grand Paris	EU Issued, UK Endorsed
Unedic	EU Issued, UK Endorsed
Agence Francaise de Developpement	EU Issued, UK Endorsed
Assistance Publique Hopitaux de Marseille	EU Issued, UK Endorsed
Ile-de-France Mobilites	EU Issued, UK Endorsed
University Hospital of Angers (CHU Angers)	EU Issued, UK Endorsed
University Hospital of Nancy (CHU Nancy)	EU Issued, UK Endorsed

University Hospital of Nantes (CHU Nantes)	EU Issued, UK Endorsed
University Hospital of Nice (CHU Nice)	EU Issued, UK Endorsed
University Hospital of Rennes (CHU Rennes)	EU Issued, UK Endorsed
University Hospital of Strasbourg (CHU Strasbourg)	EU Issued, UK Endorsed
French Public Hospitals Joint Bond Issue CHU France Finance	EU Issued, UK Endorsed
Clesence	EU Issued, UK Endorsed

UNSOLICITED ISSUERS

Caisse d'Amortissement de la Dette Sociale (CADES) (Unsolicited)

With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information

from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or

withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2023 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited

except by permission. All rights reserved.

[READ LESS](#)

SOLICITATION STATUS

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

UNSOLICITED ISSUERS

ENTITY/SECURITY	ISIN/CUSIP	RATING TYPE	SOLICITATION STATUS
Caisse d'Amortissement de la Dette Sociale (CADES) EUR 200 mln 3.8% Notes 20 Dec 2025	FR0011027929	Long Term Rating	Unsolicited
Caisse d'Amortissement de la Dette Sociale (CADES) USD 3 bln 3.375% Notes 20 Mar 2024	XS1046806821	Long Term Rating	Unsolicited
Caisse d'Amortissement de	FR0013201928	Long Term Rating	Unsolicited

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

International Public Finance Supranationals, Subnationals, and Agencies Europe

France
