

RATING ACTION COMMENTARY

Fitch Downgrades 27 French GREs on Sovereign Rating Action

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Fitch Ratings - Paris - 18 Sep 2025: Fitch Ratings has downgraded the Long-Term Issuer Default Ratings (IDRs) of 27 French government-related entities (GRE) following the downgrade of France to 'A+' from 'AA-' on 12 September 2025 (see <https://www.fitchratings.com/research/sovereigns/fitch-downgrades-france-to-a-outlook-stable-12-09-2025>). The Outlooks on the GREs are Stable, mirroring that on the sovereign.

Fitch has also downgraded the long-term unsecured debt issued or guaranteed by the entities, as well as a joint bond issue from eight public hospitals.

The Short-Term IDRs of three entities (Clesence, Erilia and LogiRep) have been downgraded to 'F1' from 'F1+' following the downgrade of their Long-Term IDRs. The Short-Term IDRs of the other entities have been affirmed.

A full list of rating actions is below.

KEY RATING DRIVERS

The downgrade of France has a direct impact on the ratings and Outlooks of 26 entities considered GREs of the French state and an indirect impact on Agence France Locale (AFL). It also affects Bpifrance's debt programmes and issuances, and a EUR100 million bullet bond made by eight French hospitals that matures on 29 December 2025 (French Public Hospitals Joint Bond Issue CHU; CHU 2015).

The 27 GREs include 20 entities with ratings that are equalised with the French state, two entities that are rated one notch below the sovereign, three entities that are rated two notches below the sovereign and one that is constrained by the sovereign. AFL's ratings are equalised with the credit profile of its "supporting government" a group of French local and

regional governments, which is capped by the sovereign rating. Following the sovereign downgrade, the reference credit profile has been revised down to 'A+'.

The Standalone Credit Profiles (SCPs) of the GREs are unchanged. Fitch considers liquidity characteristics 'Midrange' for all GREs that rely on liquidity support from the French state, such as hospitals, or on access to Caisse des Depots et Consignations' (CDC) financing, such as affordable housing providers. This is due to the change in rating category of both entities. However, we expect our overall assessment of 'Liabilities and Liquidity Risks' to be unchanged.

All other rating factors based on the GRE Criteria and Public-Sector Revenue-Supported Entities Rating Criteria are unchanged since our last reviews. For more details on rating factors, see the latest published rating action commentary for each entity.

DERIVATION SUMMARY

For 13 entities, rating equalisation is driven by Fitch's view that extraordinary government support from the French state would be 'Virtually certain' in case of need. This is the case for Action Logement Groupe (ALG), Action Logement Immobilier (ALI), Action Logement Services (ALS), Agence Centrale des Organismes de Securite sociale (ACOSS), Agence Francaise de Developpement (AFD), Caisse nationale des autoroutes (CNA), Caisse d'Amortissement de la Dette Sociale (CADES), Caisse de Depots et Consignations (CDC), EPIC Bpifrance, Regie Autonome des Transports Parisiens (RATP), SNCF Reseau, Societe des Grands Projets (SGP), Unedic. Three of these entities (ALI, RATP and SNCF Reseau) have SCPs that are a maximum six notches away from the sovereign rating. Fitch does not assign SCPs to the other entities in this group.

The ratings of CDC Habitat, Ile-de-France-Mobilites (IDFM), Societe Nationale SNCF SA, University Hospital of Angers (CHU Angers) and University Hospital of Brest (CHU Brest) are also equalised with those of the French state. The equalisation results from the combination of 'Extremely Likely' support from the state in case of need and SCPs a maximum two notches away from the sovereign.

The ratings of in'li and Residences le Logement des Fonctionnaires (RLF) are equalised with the those of the state, resulting from the combination of 'Very Likely' support from the state in case of need and SCPs a maximum one notch below the sovereign.

AFL's ratings are equalised with the credit profile of its "supporting government" a group of French local and regional governments, which is capped by the sovereign rating. Following

the sovereign downgrade, the reference credit profile has been revised down to 'A+'.

The Short-Term IDRs of these 21 entities are unchanged at 'F1+' as if a GRE's Long-Term IDRs are equalised with those of a supporting government, the Short-Term IDRs are also equalised.

The ratings of Croix-Rouge française (French Red Cross; CRF) is the same as that of France, resulting from 'Strong expectations' of support from the sovereign in case of need and a 'aa-' SCP. The rating is constrained by the sovereign as the state and LRGs are major counterparties of CRF's revenue. CRF's Short-Term IDRs are unchanged at 'F1+'. CRF meets the two conditions to have a Short-Term IDR at 'F1+': the liabilities and liquidity risk is assessed at 'Stronger' and the liquidity coverage score is in the 'aaa' category.

The ratings of Assistance Publique Hôpitaux de Marseille (AP-HM) and University Hospital of Rennes (CHU Rennes) are one notch below the sovereign, at 'A', reflecting 'Extremely likely' support from the state in case of need and SCPs at eight and four notches below the sovereign, respectively. Their Short-Term IDRs are 'F1+', the highest of two options possible, reflecting our top-down rating approach.

The ratings of social housing providers Erilia, Clesence and LogiRep are two notches below the sovereign, at 'A-', reflecting 'Very likely' support from the state in case of need and SCPs five notches below the state for Erilia and LogiRep and six notches below for Clesence. Their Short-Term IDRs are 'F1', the highest of two options mapping to their Long-Term IDRs, as they are rated under a top-down approach.

DEBT RATINGS

The ratings of all long-term issuance debt programmes and senior debt instruments have been downgraded as they are aligned with the issuer's Long-Term IDRs.

Bpifrance's debt programmes and issuances have been downgraded to 'A+' from 'AA-' as they benefit from an independent, unconditional and irrevocable first-call guarantee from EPIC Bpifrance.

The senior unsecured rating of French Public Hospitals Joint Bond Issue CHU France Finance has been downgraded to 'A' from 'A+', following the downgrade of its weakest links as a result of the downgrade of the French state.

CRITERIA VARIATION

For AFL, Fitch applies two criteria variations:

Under our GRE Criteria, multi-owners of a GRE are defined by ownership or control of 25% or more of the GRE. In a deviation from the criteria, we have considered all LRG members with a credit profile of 'A+' for the rating equalisation to reflect that all members are committed to support AFL through the guarantee mechanism. We use this in lieu of the IDR of the 'supporting government' as required by the criteria.

For AFD, Fitch applied a variation to the GRE criteria to the "Issuers with no SCPs" provision, under which it determined that assigning an SCP is unnecessary for the analysis, even though the specific conditions to consider an SCP 'not meaningful' defined in the criteria were not strictly met. We assess government support, underpinned by a clear policy mandate, as 'Virtually certain'.

We conclude there is no risk that the IDR would differ if an SCP was assigned, or that an assessment of the SCP would enhance the analysis. This accompanies our assessment that the entity is not in financial distress (where default is a real possibility) and that the supporting government would have ample access to the cash or assets of the GRE, so that the rating would be constrained by that of the French government.

RATING SENSITIVITIES

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

A further downgrade of the sovereign would be reflected in downgrades of 26 of the GREs, Bpifrance's debt programmes and issuances and CHU 2015 joint bond issue.

For CHU Rennes, a multiple-notch downgrade of the sovereign would be required to lead to a one-notch downgrade.

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

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 issuances and CHU 2015 joint bond issue, all else being equal.

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, Bpifrance's debt programmes and issuances and CHU 2015 joint bond issue are linked to those of France.

ESG CONSIDERATIONS

Fitch no longer provides ESG scores for ALG, ALS, AFL, ACOSS, AFD, CADES, CDC, EPIC Bpifrance, CNA, SGP or Unedic as their ratings and ESG profiles are derived from their ultimate parent (the French state).

AP-HM and the university hospitals (CHU) of Angers, Brest, and Rennes have ESG Relevance Scores of '4' for Labour Relations & Practices, due to labour-related spending pressures on French hospitals, which has a negative impact on the credit profiles, and is relevant to the ratings in conjunction with other factors.

Clesence has an ESG Relevance score of '4' for Energy Management as we believe its high levels of dwellings classified E, F and G energy-wise lead to a high level of rehabilitation capex as social housing providers have legally binding deadlines to rehabilitate those dwellings. This has a negative impact on Clesence's credit profile, and is relevant to the ratings in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means 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 Fitch's ESG Relevance Scores, visit

<https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

[VIEW ADDITIONAL RATING DETAILS](#)

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APPLICABLE CRITERIA

- Public Policy Revenue-Supported Entities Rating Criteria (pub. 12 Jan 2024) (including rating assumption sensitivity)
- Government-Related Entities Rating Criteria (pub. 18 Jul 2025)

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- Dodd-Frank Rating Information Disclosure Form
- Solicitation Status
- Endorsement Policy

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Unedic

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Action Logement Immobilier	EU Issued, UK Endorsed
Agence France Locale S. A.	EU Issued, UK Endorsed
Action Logement Groupe	EU Issued, UK Endorsed
Action Logement Services	EU Issued, UK Endorsed
CDC Habitat	EU Issued, UK Endorsed
Clesence	EU Issued, UK Endorsed
Caisse des Depots et Consignations	EU Issued, UK Endorsed
Agence Centrale des Organismes de Securite Sociale (ACOSS)	EU Issued, UK Endorsed
Assistance Publique Hopitaux de Marseille	EU Issued, UK Endorsed
Agence Francaise de Developpement	EU Issued, UK Endorsed
Caisse Nationale des Autoroutes (CNA)	EU Issued, UK Endorsed
Caisse d'Amortissement de la Dette Sociale (CADES)	EU Issued, UK Endorsed
Croix-Rouge francaise (French Red Cross)	EU Issued, UK Endorsed

Societe nationale SNCF SA	EU Issued, UK Endorsed
LogiRep	EU Issued, UK Endorsed
Residences le Logement des Fonctionnaires	EU Issued, UK Endorsed
Societe des grands projets	EU Issued, UK Endorsed
Unedic	EU Issued, UK Endorsed
University Hospital of Angers (CHU Angers)	EU Issued, UK Endorsed
University Hospital of Brest (CHU Brest)	EU Issued, UK Endorsed

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Unedic (Unsolicited)

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

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Unedic	-	Short Term Issuer Default Rating	Unsolicited
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