

Outlooks On Seven French Government-Related Entities Revised To Negative From Stable After Similar Action On France

December 6, 2022

- On Dec. 2, 2022, we revised our outlook on France to negative from stable and affirmed our unsolicited 'AA/A-1+' ratings on the sovereign.
- We equalize our ratings on Agence Française de Développement, Caisse des Dépôts et Consignations, Assistance Publique - Hôpitaux de Paris, Caisse d'Amortissement De La Dette Sociale, Société Anonyme de Gestion de Stocks de Sécurité, Agence Centrale des Organismes de Sécurité Sociale, and Société de Financement Local with the ratings on France, because we view these as government-related entities (GREs) with an almost certain likelihood of receiving extraordinary government support.
- We therefore revised our outlooks on the seven abovementioned French GREs to negative from stable, and affirmed our 'AA/A-1+' ratings on them.

PARIS (S&P Global Ratings) Dec. 6, 2022--S&P Global Ratings today revised its outlooks to negative from stable and affirmed our 'AA/A-1+' long- and short-term issuer credit ratings on the following seven French GREs:

- Agence Française de Développement (AFD);
- Caisse des Dépôts et Consignations (CDC);
- Assistance Publique - Hôpitaux de Paris (AP-HP);
- Caisse d'Amortissement de la Dette Sociale (CADES);
- Société Anonyme de Gestion de Stocks de Sécurité (SAGESS);
- Agence Centrale des Organismes de Sécurité Sociale (ACOSS); and
- Société de Financement Local (SFIL).

The outlook revisions follow a similar action on France (see "France Outlook Revised To Negative On Rising Budgetary Risks; 'AA/A-1+' Ratings Affirmed," published Dec. 2, 2022, on RatingsDirect).

In line with our criteria for rating GREs, we consider that there is an almost certain likelihood that AFD, CDC, AP-HP, CADES, SAGESS, ACOSS, and SFIL would receive timely and sufficient extraordinary support from the French government in a scenario of financial distress, since all seven entities provide services critical to and have close ties with the French government. As such, we equalize our ratings on these entities with our unsolicited ratings on France.

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Agence Française de Développement (AFD)

Primary analyst: Pierre Hollegien

Outlook

The negative outlook on AFD mirrors that on France. We expect that AFD will retain its critical role for and integral link with the French government, and therefore we expect our ratings on the entity to move in line with those on the sovereign.

Downside scenario: We would lower our ratings on AFD within the next 24 months, if we lowered those on France.

We would also lower the ratings if we believe that AFD no longer had an integral link with the government, for example, if it loses its status as a state public industrial and commercial agency (Établissement Public à Caractère Industriel et Commercial d'État; EPIC d'Etat); or if AFD's role diminishes, for instance, because the state decided to rely solely on multilateral banks for international aid or concessional loans. However, we view these scenarios as unlikely.

Upside scenario: We would revise our outlook to stable if we took the same action on France and the likelihood of support for AFD remained almost certain.

Caisse des Depots et des Consignations (CDC)

Primary analyst: Adrienne Benassy

Outlook

The negative outlook on CDC mirrors that on France. We expect that CDC will retain its critical role for and integral link with the French government, and therefore we expect our ratings on CDC to move in line with those on the sovereign.

Downside scenario: We would lower our ratings on CDC within the next 24 months if we took a similar rating action on France or perceived a weakening of the group's link with or role for the French government.

Upside scenario: We would revise our outlook on CDC to stable if we took the same action on France and the likelihood of extraordinary support for the group remained almost certain.

Assistance Publique - Hopitaux de Paris (AP-HP)

Primary analyst: Pierre Hollegien

The negative outlook on AP-HP mirrors that on France. We expect that AP-HP will retain its critical role for and integral link with the French government, and therefore we expect our ratings on AP-HP to move in line with those on the sovereign.

Downside scenario: We would lower the ratings on AP-HP within the next 24 months, if we lowered those on France.

Although unlikely at this stage, we would also consider a negative rating action if we saw any indication of AP-HP's role for or link with the French government weakening that resulted in a lower likelihood of extraordinary support from the French government.

Upside scenario: We would revise our outlook on AP-HP to stable if we took the same action on France and the likelihood of support for AP-HP remained almost certain.

Caisse d'Amortissement De La Dette Sociale (CADES)

Primary analyst: Adrienne Benassy

Outlook

The negative outlook on CADES mirrors that on France. We believe that CADES will retain its critical role for and integral link with the French state, and therefore we expect our ratings on CADES to move in line with those on the sovereign.

Downside scenario: We would lower the ratings on CADES within the next 24 months, if we lowered those on France or perceived a weakening of the entity's link with or role for the French government.

Upside scenario: We would revise our outlook on CADES to stable if we took the same action on France and the likelihood of extraordinary support for the entity remained almost certain.

Societe Anonyme de Gestion de Stocks de Securite (SAGESS)

Primary analyst: Pierre Hollegien

Outlook

The negative outlook on SAGESS mirrors that on France. We expect that SAGESS will retain its critical role for and integral link with the French government, and therefore we expect our ratings on SAGESS to move in line with those on the sovereign.

Downside scenario: We would lower the ratings on SAGESS within the next 24 months, if we lowered those on France. We would also lower the ratings on SAGESS if we revised down our assessment of the likelihood of support from almost certain, which we consider very unlikely. However, it could occur if we observed weakening of the French government's commitment to international rules regarding oil stock management, or if there were changes in the regulatory framework, such as the one guaranteeing full cost coverage for SAGESS.

Upside scenario: We would revise our outlook on SAGESS to stable if we took the same action on France and the likelihood of support for the entity remained almost certain.

Agence Centrale des Organismes de Securite Sociale (ACOSS)

Primary analyst: Adrienne Benassy

Outlook

The negative outlook on ACOSS mirrors that on France. We believe that ACOSS will retain its critical role for and integral link with France, and therefore we expect our ratings on the entity to move in line with those on the sovereign.

Downside scenario: We would lower the ratings on ACOSS within the next 24 months, if we lowered those on France. We could also lower the ratings if we believe that ACOSS no longer has an integral link with the government, for example, if ACOSS were to lose its status as a state public administrative agency (Établissement Public à Caractère Administratif; EPA) or if its role were to diminish.

Upside scenario: We would revise our outlook on ACOSS to stable if we took the same action on France and the likelihood of support for the entity remained almost certain.

Societe de Financement Local (SFIL)

Primary analyst: Pierre Hollegien

Outlook

The negative outlook on SFIL mirrors that on France. We expect that SFIL will retain its critical role for and integral link with the French government, and therefore we expect our ratings on the entity to move in line with those on the sovereign.

Downside scenario: We would lower the ratings on SFIL within the next 24 months, if we lowered those on France.

We would also lower the ratings on SFIL if the central government were to change SFIL's full public-sector entity status or if SFIL's role diminishes.

Upside scenario: We would revise our outlook on SFIL to stable if we took the same action on France and the likelihood of support for the entity remained almost certain.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016

- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- France Outlook Revised To Negative On Rising Budgetary Risks; 'AA/A-1+' Ratings Affirmed, Dec. 2, 2022
- Agence Francaise de Developpement, Dec. 1, 2021
- Groupe Caisse des Depots et des Consignations (CDC), May 2, 2022
- Assistance Publique - Hôpitaux de Paris, Sept. 6, 2022
- Caisse d'Amortissement de la Dette Sociale (CADES), May 24, 2022
- Société Anonyme de Gestion de Stocks de Sécurité, Sept. 30, 2022
- Agence Centrale des Organismes de Securite Sociale (ACOSS), April 13, 2022
- SFIL S.A., May 23, 2022
- Sovereign Ratings List, Nov. 9, 2022
- Sovereign Ratings History, Nov. 9, 2022
- Sovereign Ratings Score Snapshot, Nov. 8, 2022
- Sovereign Risk Indicators, Oct. 10, 2022; a free interactive version is available at <http://www.spratings.com/sri>

Ratings List

****** Agence Centrale des Organismes de Securite Sociale (ACOSS) ******

Ratings Affirmed

Agence Centrale des Organismes de Securite Sociale (ACOSS)

Commercial Paper	A-1+
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Ratings Affirmed; Outlook Action

	To	From
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Agence Centrale des Organismes de Securite Sociale (ACOSS)

Issuer Credit Rating	AA/Negative/A-1+	AA/Stable/A-1+
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******* Agence Francaise de Developpement *******

Ratings Affirmed

Agence Francaise de Developpement

Senior Unsecured	AA
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Commercial Paper	AA
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Ratings Affirmed; Outlook Action

	To	From
Agence Francaise de Developpement		
Issuer Credit Rating	AA/Negative/A-1+	AA/Stable/A-1+

***** Assistance Publique - Hopitaux de Paris *****

Ratings Affirmed

Assistance Publique - Hopitaux de Paris

Senior Unsecured	AA	
Commercial Paper	A-1+	

Ratings Affirmed; Outlook Action

	To	From
Assistance Publique - Hopitaux de Paris		
Issuer Credit Rating	AA/Negative/A-1+	AA/Stable/A-1+

***** Caisse d'Amortissement de la Dette Sociale *****

Ratings Affirmed

Caisse d'Amortissement de la Dette Sociale

Senior Unsecured	AA	
Commercial Paper	A-1+	

Ratings Affirmed; Outlook Action

	To	From
Caisse d'Amortissement de la Dette Sociale		
Issuer Credit Rating	AA/Negative/A-1+	AA/Stable/A-1+

***** Caisse des Dépôts et Consignations *****

Ratings Affirmed

Caisse des Dépôts et Consignations

Certificate Of Deposit		
Foreign Currency	AA	
Local Currency	AA/A-1+	

Caisse des Dépôts et Consignations

Senior Unsecured	AA	
Commercial Paper	A-1+	

Ratings Affirmed; Outlook Action

	To	From
Caisse des Dépôts et Consignations		
Issuer Credit Rating	AA/Negative/A-1+	AA/Stable/A-1+

***** SFIL *****

Ratings Affirmed

SFIL

Senior Unsecured	AA	
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Outlooks On Seven French Government-Related Entities Revised To Negative From Stable After Similar Action On France

Commercial Paper	A-1+	
Ratings Affirmed; Outlook Action		
	To	From
SFIL		
Issuer Credit Rating	AA/Negative/A-1+	AA/Stable/A-1+
***** Societe Anonyme de Gestion de Stocks de Securite *****		
Ratings Affirmed		
Societe Anonyme de Gestion de Stocks de Securite		
Senior Unsecured	AA	
Commercial Paper	A-1+	
Ratings Affirmed; Outlook Action		
	To	From
Societe Anonyme de Gestion de Stocks de Securite		
Issuer Credit Rating	AA/Negative/A-1+	AA/Stable/A-1+

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