

CREDIT OPINION

20 December 2024

Update

Send Your Feedback

RATINGS

Action Logement Services

Domicile	France
Long Term Rating	Aa3
Type	LT Issuer Rating - Fgn
	Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Shahdiya Kureshi +33.1.5330.3352
Analyst
shahdiya.kureshi@moodys.com

Johan Spehner +33 153 30 59 77
Sr Ratings Associate
johan.spehner@moodys.com

Sebastien Hay +34.91.768.8222
Associate Managing Director
sebastien.hay@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Action Logement Services (France)

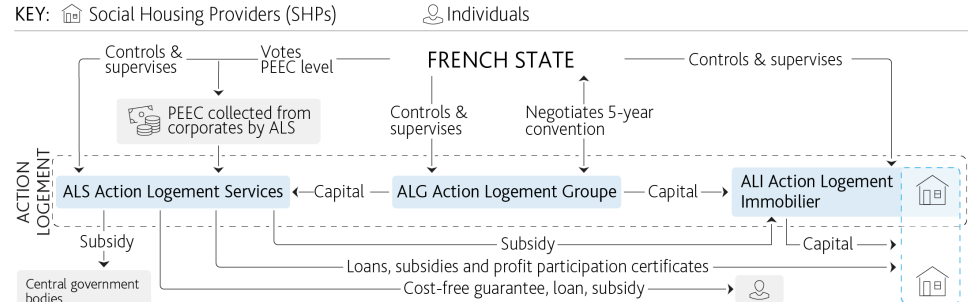
Update following downgrade to Aa3, outlook changed to stable

Summary

[Action Logement Services](#)’ (ALS) issuer rating of Aa3 with a stable outlook reflects its key role in implementing the country’s housing policy, an important element of the French welfare system. ALS can be considered as the financing department of the Action Logement group, whose public mandate is to finance housing policies — which is made possible by the exclusive right to collect and use a tax-like mandatory contribution from private sector employers (*Participation des Entreprises à l’Effort de Construction*, PEEC) — and to operate as the biggest group of French social housing providers (SHPs). Therefore, the Action Logement group benefits from a high degree of support and oversight from the [Government of France](#) (Aa3 stable). As a result, from a credit perspective, we do not distinguish between the Action Logement group, ALS and the central government.

Exhibit 1

Action Logement group’s simplified organizational structure



Sources: Action Logement and Moody’s Ratings

Credit strengths

- » High degree of central government support and supervision
- » Key role in the social housing sector

This report was republished on 8 January 2025 with the corrected CET ratio for 2023 in the key indicators table.

Credit challenges

- » A fairly new entity, established in a changing and difficult environment
- » No formal guarantee or legal provision that ensures timely support from the central government

Rating outlook

The stable outlook mirrors the rating outlook of the Government of France, and reflects the stability of the strong institutional and financial linkages between ALS and the central government.

Factors that could lead to an upgrade

An upgrade of the rating would require an upgrade of France's sovereign rating.

Factors that could lead to a downgrade

A downgrade of France's sovereign rating would exert downward pressure on ALS' ratings. Any material weakening of the institutional framework and financial ties with the central government would also have a negative impact on the ratings.

Key indicators

Exhibit 2

Action Logement Services (consolidated accounts) € millions

Action Logement Services	2019	2020	2021	2022	2023
PEEC income	1,536	1,600	1,304	1,386	1,447
Net banking income	134	125	113	85	85
Surplus/deficit	399	(1,906)	(3,954)	(1,081)	(236)
Total debt	2,373	2,314	4,276	6,247	8,545
Debt-to-assets	10.5%	10.9%	21.3%	29.3%	37.2%
Net debt	(3,588)	(2,215)	1,517	3,085	5,284
CET Ratio	81%	73%	42%	32%	29%

The PEEC amounts indicated correspond to the share paid out in the form of grants and therefore do not include payments made in the form of loans.

Sources: Action Logement and Moody's Ratings

Detailed credit considerations

On 18 December 2024, we downgraded ALS' LT rating to Aa3, and we changed the outlook to stable. The rating downgrade followed the rating downgrade to Aa3 of the Government of France on 14 December 2024, while the outlook was changed to stable.

The credit profile of ALS, as expressed in its Aa3 rating, reflects its very strong links with the French government. From a credit risk perspective, we do not distinguish between ALS and the French government because of the intrinsic ties between the two. Therefore, ALS' rating derives from the application of the approach for government-related issuers (GRIs) rated solely on support, as our [Government-Related Issuers](#) rating methodology describes.

Baseline credit assessment

High degree of central government support and supervision

The Action Logement group is a not-for-profit entity created in 2016 under France's 1901 association law. ALS is a simplified joint-stock company, created by decree and licensed as a financial institution under the supervision of ACPR (*Autorité de contrôle prudentiel et de résolution*), the French banking regulator, from the merger of several entities that have financed the government's social housing and urban policies since 1953, and therefore, can only be dissolved by law. ALS is part of the Action Logement group, which has the public mandate to finance housing policies, focusing on employed people. The Action Logement group finances the housing sector using a tax-like mandatory resource, PEEC, which it manages exclusively. Approved by the French Parliament in 1992, PEEC collects 0.45% of the payroll from all French private sector companies with more than 50 employees. In the Action Logement structure, [Action Logement Groupe](#) (ALG, Aa3 stable) acts as the strategic and supervisory board, while ALS acts as the financing department and [Action](#)

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

[Logement Immobilier](#) (ALI, Aa3 stable) acts as the operational branch. The French Parliament defined in a law (*loi d'habilitation*), the creation and role of the three entities, their joint-governance and fiscal status, and the cash flow within the Action Logement group. A parliamentary vote would be required to change any of these elements.

The three entities within the Action Logement group are jointly managed by the representative major unions, representing both employers and employees, along with three representatives from the French government (from the housing, economy and finance ministries) sitting on the board and endowed with veto rights. Through a five-year agreement (*Convention quinquennale*) negotiated with ALG, the central government effectively dictates the structure's priorities and strategy. The central government is also involved in setting operational targets for Action Logement, including sales of social housing dwellings, energy retrofitting, and first-time buyer aids for employees, as well as spending and debt management guidelines (including the target for leverage and type of debt). The central government's commissioners hold regular reviews with Action Logement entities and requires a biannual report from ALG detailing progress on the Convention quinquennale's goals, using specific key performance indicators (KPIs) and focusing on aspects like operating expense targets and ALI's and ALS' budget executions.

The five-year agreement with the central government was renewed in July 2023, covering the 2023-27 period. While restating the importance of the Action Logement group for the national housing policy, it emphasises the objective for ALS to reach financial equilibrium of its activity from 2024 onwards. To achieve this goal, the agreement includes supportive measures contributing to limit ALS' debt burden, such as the central government's commitment to provide ALS with its guarantee on the VISALE instrument.¹ The agreement also strengthens monitoring from the central government over the execution of commitments made, through semi-annual and quarterly reviews.

The three entities are subject to verification from the national court of accounts (*Cour des comptes*) and the scrutiny of ANCOLS (*Agence nationale de contrôle du logement social*), the regulator of the French social housing sector. The three entities' accounts are also externally audited. Finally, the central government is entitled to place any entity of the Action Logement group under administration in case of financial distress or misuse of the PEEC proceeds according to the French construction and housing code (*Code de la construction et de l'habitation*). Furthermore, the current five-year agreement states that if there were to be lasting and substantial deficits, the convention would be re-examined, supporting our view of ongoing support coming from the central government.

We also note that ALS' debt is included in France's general government debt ratios per EU practices, since INSEE, the national institute of statistics, classified ALS as an "other government body" (or ODAC)² in 2022. This decision could prevent ALS from issuing long-term debt in case the entity is added by the minister in charge of public accounts to the list of ODAC that are currently not allowed to take on debt with maturities longer than 12 months. Action Logement is challenging this reclassification in court. We will, however, continue to monitor the developments related to this legal issue.

Key role in the social housing sector

ALG works with its two fully owned subsidiaries, ALI and ALS, to meet the central government's targets in terms of social housing policy, on the financing of the sector and operations. Social housing is a key sector for France, accounting for 16% of total housing with 5.3 million dwellings as of 2023, housing an estimated 10 million people (or 15% of the French population)³. Action Logement is by far the biggest French SHP, with 1.1 million units under management, including 1 million pure social units that represent 18% of the total French stock of social housing,⁴ and by far the biggest French social housing builder, with 28,371 dwellings built in 2023. ALS is also the second-largest funding source for SHPs after [Caisse des Dépôts Et Consignations](#) (CDC, Aa3 stable) and finances several public policies, such as the new national urban renovation plan (*Nouveau programme national de rénovation urbaine*).

The involvement of the Action Logement group in France's recovery plan from the effects of the coronavirus pandemic in 2021, in the 2022-23 inflation relief measures for SHPs, and its ongoing support for the development of units and in urban renewal programmes demonstrate its important role in housing policies. In our view, the reallocation of Action Logement Services' extra year-end cash to other related public-policy goals by the central government also demonstrates its key role. As ALS' resources increase with national payrolls that move with nominal GDP growth, the entity has benefited from comfortable liquidity positions and reserves, of which the government deducted €2.5 billion in total over the 2020-22 period to fund France's national housing and construction funds (Fonds National d'Aide au Logement - FNAL, and Fonds National d'Aide à la Pierre - FNAP). Action Logement's contribution to these funds is expected to end following the last payment to the FNAP of €150 million in 2024.

A fairly new entity, established in a changing and difficult environment

Over the last few years, the French social housing sector has undergone important changes, without however compromising the strength of the sector as a whole. A social housing reform enacted in 2018 with the ELAN (*Evolution du logement, de l'aménagement et du numérique*) law contributed to the reshaping of the sector with two main goals. Firstly, it aimed at promoting the building of social dwellings by encouraging sales through the creation of a dedicated entity to handle asset disposals (*Opérateur National des Ventes [ONV]*), which is owned by ALS. Secondly, this reform aimed at promoting pooling and equalisation, including through mergers.

In addition, the Agreement to support intermediary housing concluded in March 2024 between the central government and key stakeholders of the housing sector reflects a stronger focus on the French housing policy towards intermediary housing². This increasing focus on intermediary housing matches Action Logement group's public mandate to provide affordable housing for employees, as highlighted by the group's willingness to have one national player focusing on intermediary housing through the internal reorganization of ALI's controlled subsidiary [in'li](#) (A2 negative) and the four other regional in'li entities within a single in'li group owned by ALI.

Additionally, French SHPs are currently facing increased policy uncertainty at the sovereign level while SHPs have limited remaining capacity to adapt in the short term to potential adverse decisions from the central government. This is due to their reduced financial buffers resulting from challenging macroeconomic and financial conditions over the past few years, as well as ambitious retrofitting targets required by legislation to improve the energy efficiency of their housing stock. Therefore, we monitor SHPs' willingness and ability to navigate through heightened policy uncertainty including ALI's stance and plans, as the owner of rated SHPs — [ALLIADE HABITAT](#) (A2 negative), [Clairsienne](#) (A2 negative), [Immobiliere Atlantic Amenagement](#) (A2 negative), [Seqens](#) (A1 negative) and [Valloire Habitat](#) (A1 negative).

No formal guarantee or legal provision to ensure timely support from the central government

Contrary to some of its other peers we rate, entities of the Action Logement group don't benefit from a formal guarantee or a legal provision that ensures timely support from the central government. Most of its French peers, which we rate using the same approach, benefit from their status as a public establishment (EPA or EPIC³) and cannot go bankrupt or have their assets seized as a result of nonpayment of claims. Although Action Logement group's institutional framework is solid, the central government is not the ultimate recourse for the group's creditors. This is mitigated by the central government's high involvement and willingness to maintain a functioning system, as highlighted by the compensations granted in 2006 and 2019 when the law raised the PEEC's collecting threshold to respectively 20 and then 50 employees. Another mitigant is the fact that transferring the activity of the Action Logement group to other entities would require a parliamentary vote, making the substitution of ALS or ALI difficult, which also supports our current rating approach.

The Action Logement group is becoming a flagship issuer in the bond market, as ALS has issued a total of €7 billion of bonds since 2019. Action Logement's Euro Medium-Term Note (EMTN) programme is now set at €9.5 billion to comply with the 2023-27 agreement with the central government. Within the consolidation perimeter of ALS and its subsidiaries, debt projection will reach €11.5 billion in 2027. All of these issuances were labeled as part of ALS' Sustainable EMTN programme and attracted a wide-range of international investors. As Action Logement Services' outstanding debt increases and the GRI becomes a bigger and regular issuer, the reputational risk related to a potential default increases, strengthening our view of extraordinary support coming from the central government.

ESG considerations

How environmental, social and governance risks inform our credit analysis of ALS

Moody's takes account of the impact of environmental (E), social (S) and governance (G) factors when assessing sub-sovereign issuers' economic and financial strength. In the case of Action Logement's entities, the materiality of ESG to its credit profile is as follows:

Environmental risks are not material for the Action Logement group's rating. The Action Logement group is exposed to the same environmental risks as France, which are low across all risk categories including physical climate risks, carbon transition, water management, natural capital and waste and pollution. These risks are not material for the rating, given the Action Logement group's strategic role and the support coming from the Government of France.

Social risks are not material to the Action Logement group's rating. The Action Logement group is exposed to the same social risks as France, which benefits from high-quality education, good housing availability, high quality of health and safety, and very high-quality

access to basic services. France's demographic pressures are less pronounced than many other European countries, though population ageing is a longer-term challenge. These risks are not material for the rating because of the Action Logement group's strategic role and the support from the Government of France.

Governance considerations are material to the Action Logement group's credit profile. The governance framework is intrinsically intertwined with the supporting government, which exerts strong control over the Action Logement group and heavily influences the definition of its strategy.

Further details are provided in the *Detailed credit considerations* section above. Our approach to ESG is explained in our cross-sector methodology [General Principles for Assessing ESG Risks](#).

Rating methodology and scorecard factors

In assessing ALS' credit profile, we apply our [Government-Related Issuers Methodology](#), published on 25 January 2024.

Ratings

Exhibit 3

Category	Moody's Rating
ACTION LOGEMENT SERVICES	
Outlook	Stable
Issuer Rating	Aa3
Senior Unsecured -Dom Curr	Aa3
PARENT: ACTION LOGEMENT GROUPE	
Outlook	Stable
Issuer Rating	Aa3

Source: Moody's Ratings

Endnotes

- ¹ The VISALE instrument is a free rent guarantee that covers the risks of unpaid rent over the entire duration of the lease, and currently targets young people and employees with limited revenue. The target is set at 2.1 million VISALE contracts subscribed over the 2023-27 period, versus 870,000 over 2018-22.
- ² Per INSEE's definition, in the national accounts, "other government bodies" (ODAC) are bodies to which the State has entrusted a functional and specialised competence at the national level. Controlled and mainly financed by the French State, these bodies have a mainly non-trading activity.
- ³ According to the French Ministry of ecological transition: <https://www.statistiques.developpement-durable.gouv.fr/au-1er-janvier-2023-159-des-residences-principales-sont-des-logements-locatifs-sociaux?rubrique=52&dossier=1049>
- ⁴ The runner-up is CDC Habitat, owned at 34% by ALI, with 554,000 social housing units, followed by Groupe Habitat en Region with 243,000 units.
- ⁵ The CG targets the development of 75,000 additional intermediary housing dwellings over 2024-26.
- ⁶ Établissement public administratif (EPA) or Établissement public industriel et commercial (EPIC)

© 2024 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Calificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions (as defined in Moody's Investors Service Rating Symbols and Definitions): Please note that a Second Party Opinion ("SPO") is not a "credit rating". The issuance of SPOs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454