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# *Public-interest renewed*

*The public-interest missions carried out by Caisse des Dépôts were redefined in the new economic regulations enacted in May 2001. They relate to mandates from the French State, local and regional governments, and, more recently, the European Union.*

*These missions are organized into three lines of business:*

- administration of funds requiring special protection: Caisse des Dépôts administers tax-exempt savings account deposits; funds deposited with members of the legal professions (notaries and court-appointed receivers and agents) and public-sector retirement funds;*





# *missions* *and enhanced*

- *loans: CDC provides financing via loans backed by savings deposits for investments deemed in the public interest, primarily for social housing and urban renewal;*
- *investments: CDC invests its own funds in projects in the public interest in line with national and local public policies.*

*These missions were renewed and enhanced during 2001, and are emblematic of the dual role played by Caisse des Dépôts of providing financial security while contributing to economic and social progress.*

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## *Caisse des Dépôts, administration of funds requiring special protection*

*The primary function of Caisse des Dépôts is to administer, under conditions of total security, private funds entrusted to it by the State. This function is at the heart of its public-interest missions, and involves the administration of tax-exempt savings deposits collected by the entire French banking system, of regulated funds such as escrow deposits and funds deposited with notaries by private individuals, and of public-sector retirement funds.*

*These missions date from CDC's creation and were renewed and enhanced in 2001. The French authorities extended financing backed by savings deposits to new areas deemed to be in the public interest (see page 69), and entrusted Caisse des Dépôts with the administration of the Reserve Retirement Fund. In addition, the European Union has commissioned CDC to manage the structural funds for its Interreg and Urban programs.*



## Regulated banking activities

Caisse des Dépôts provides deposit banking services, from cash management to the processing of payment media. Its main clients are the legal professions and the central body for the French Social Security system (ACOSS), for which it is the legally designated banker, as well as public-interest institutions such as social housing authorities (HLM) and Social Security agencies.

In 2001, average deposits came to € 30.7 billion, 13% more than in 2000. This increase can be attributed on the one hand to an increase in ACOSS's cash position with € 1.1 billion more in deposits in 2001 than in the previous year, and on the other to a € 2.1 billion increase in deposits from notaries.

### Average Annual Deposits\*

€ billions	2001	2000	Evolution
Legal professions	22.1	20.5	+8%
Escrow deposits	2.3	2.1	+9%
Public-interest institutions (excluding ACOSS)	2.8	2.2	+27%
ACOSS	3.4	2.3	+48%
Other	0.1	0.2	-50%
<b>TOTAL</b>	<b>30.7</b>	<b>27.3</b>	<b>+13%</b>

\* Excluding savings deposits.

### Average Annual Deposits

€ billions	2001	2000	1999	1998
Notaries	14.4	12.3	8.5	6.4
Court appointed agents and administrators	7.5	8.0	8.5	8.8
Other legal professions	0.2	0.2	0.2	0.2

## ■ Products and services meeting the highest professional banking standards

Quality assurance and the use of new technologies are of the utmost importance to Caisse des Dépôts, which must guarantee that clients receive services meeting the highest professional banking standards.

CDC continued to develop ETEBAC, its automated client communications system, through its client contact center. In early 2001, this center obtained ISO 9002 certification from AFAC, the French quality assurance association. A direct participant in SIT, the French clearing system, CDC processed nearly 180 million transactions in 2001, 4.5% more than in 2000.

It also continued to invest in enhanced capabilities for its online banking system, CDC.Net, and set up dedicated banking portals for its main clients.

Two significant financial market developments also took place last year:

- EIC, the Check Image Exchange, began operations making possible the electronic processing of the exchange of checks between banks. Caisse des Dépôts began to exchange check images (IC) via SIT beginning in November 2001;
- the switchover of client accounts to the euro led to close collaboration between Caisse des Dépôts and its clients' main representative bodies. This made it possible to complete the switchover of accounts ahead of the deadline, in particular, the accounts of notaries with nearly 85% of notary firms using the euro by July 1, 2001.

## ■ Renewal of the partnership with the French Treasury

Deposits are centralized at the Paris headquarters of Caisse des Dépôts, as well as via the French Treasury network acting on behalf of Caisse des Dépôts. An agreement was signed on June 15, 2001 spelling out the respective obligations of Caisse des Dépôts and the French Treasury and their working methods that respect their shared public-interest values.

# Administration of protected funds

## ■ Custody of third-party deposits with the legal professions

The decree 2000-1156 of November 30, 2000 made Caisse des Dépôts the only authorized institution to hold in custody escrow funds for French notaries on behalf of third parties. Similarly, the law mandates to CDC the administration of funds received by court-appointed receivers and agents for companies

undergoing bankruptcy reorganization or liquidation proceedings.

Overall deposits for the legal professions increased by 8% in 2001 compared with 2000.

However, while deposits from notaries increased by 17% to € 14.4 billion, deposits from court-appointed receivers and agents continued their decline, falling by 6% to € 7.5 billion.

Caisse des Dépôts actively develops partnerships with the legal professions, enabling the upgrading of the conditions under which they carry out their activities:

- in addition to continuing cooperative developments in new technologies with CSN, the French notaries' association, efforts were undertaken to promote the spread of a civil law system internationally. Results of these efforts included the creation of a Notary House in Shanghai and the signing of a cooperation agreement between CSN and its Moroccan counterpart.
- Caisse des Dépôts also helped court-appointed receivers and agents put into place procedures so that their firms could obtain ISO certification.
- a technology partnership agreement was concluded with CNHJ, the French association of court bailiffs,

calling for the creation of a central server in order to promote the computerized exchange of information between bailiffs and their main partners.

## ■ The security of escrow deposits and participation in programs for the restitution of illegally confiscated assets

The Public Institution receives escrow deposits pursuant to legislative acts and regulations as well as judicial decisions. Average annual deposits of this kind amounted to € 2.3 billion in 2001, 9% more than in 2000.

Caisse des Dépôts is a participant in programs to reconstitute illegally seized assets. The French-American agreement reached in January 2001 entrusted CDC with the administration of two funds (one for \$ 50 million and the other for \$ 22.5 million) set up to ensure that victims are indemnified for illegally confiscated banking assets.

## ■ The banker for French Social Security's central body (ACOSS)

A new agreement with ACOSS was signed on October 16, 2001 to replace the previous agreement that dated from 1980. The new arrangement was concluded in a framework of overall partnership intended to modernize the management of cash flows and financial information and therefore optimize the Social Security system's cash management. The ceiling on cash advances from CDC to ACOSS was set at € 4.1 billion as of October 1, 2001.

## ■ Management of European structural funds - Interreg and Urban

Caisse des Dépôts has been mandated by the French government to act as the "payment authority" for the two European structural funds, Interreg (cross-border inter-regional cooperation) and Urban (the rehabilitation of urban areas experiencing difficulties). The mission of Caisse des Dépôts is to manage these two EU initiatives by calling in funds, certifying expenditures by the organizations carrying the projects, making payments, and managing their cash.





## Administration of public-sector retirement funds

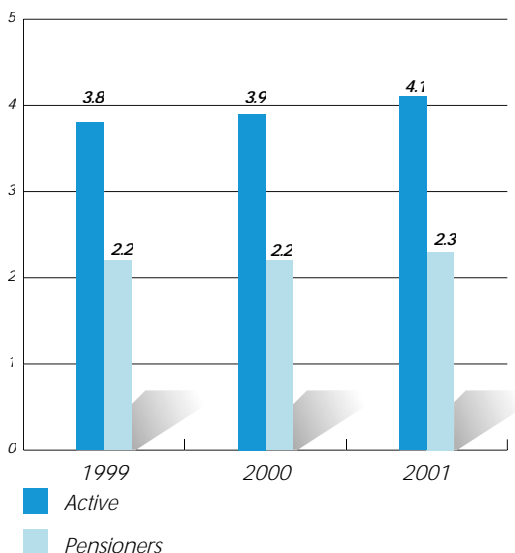
At the time of its formation in 1816, Caisse des Dépôts was entrusted with the management of France's first public-sector retirement plans. This responsibility is part of the Public Institution's primary mission to ensure the financial security of French citizens and to encourage personal savings and financial planning.

The Retirement Administration Division manages 46 retirement funds for 2.3 million pensioners (one seventh of the total in France), 4.1 million individuals currently employed, and 70,000 employers.

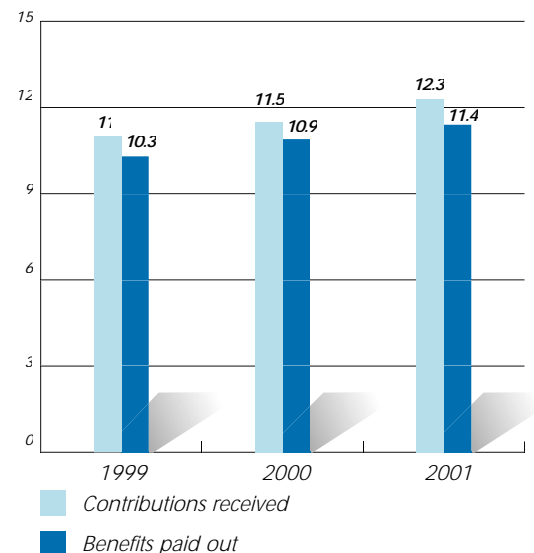
In 2001, CDC was awarded the administration of the Reserve Retirement Fund and the creation of the Fund for work-related accident and illness prevention. The Division also completed work on its information systems. Lastly, all accounting and payment systems were successfully converted to the euro.

### Public-sector retirement funds administration (CNRACL - IRCANTEC - FSPOEIE)

Currently active members and pensioners  
millions



Contributions and benefits  
€ billions



# Administration of protected funds



## Two new mandates

### The Retirement Reserve Fund

*Caisse des Dépôts has been commissioned to administer the Retirement Reserve Fund, or FRR (Fonds de réserve pour les retraites), created by the 1999 Social Security Finance Law. This body is overseen by a Board of Supervisors comprising 20 members appointed for six-year terms (French legislative representatives, union and employer organization members, and government ministries responsible for Social Security, the Economy and the Budget). The Chairman and Chief Executive Officer of CDC is the Chairman of the Fund's Executive Board.*

*The Retirement Administration Division's mission involves ensuring the corporate secretarial functions of the Funds management bodies, providing legal, accounting and budgetary assistance, preparing the calls for tenders used to select investment service providers, and providing day-to-day cash management services. CDC is also responsible for defining the Funds overall investment strategy and verifies the proper performance of asset management mandates. Although all asset classes traded on regulated markets are authorized, the law provides strict rules for risk diversification. It is expected that the Fund will need cumulative reserves of more than € 150 billion by 2020 in order to ensure continued payments by France's pay-as-you-go retirement system.*

### ...as well as the Fund for the prevention of work-related accidents and professional illnesses

*The July 17, 2001 Law also created a fund for the prevention of work-related accidents and professional illnesses that will be incorporated into CNRACL, confirming its continued responsibility in the area of disability.*

## ■ Caisse des Dépôts, administration of retirement funds

Following clear ethical guidelines, the Retirement Administration Division manages pension funds on behalf of other institutions. These activities are clearly separated from CDC's proprietary activities and are supervised by Boards of Directors representing member institutions and the French government.

The Retirement Administration Division provides its services to public-sector employers and their affiliates in its roles as:

- a specialist able to supply customized services adapted to the diverse and complex needs of their retirement funds;
- a rigorous manager that applies high standards of quality as evidenced by the ISO 9001 certification of its CNRACL payments and temporary-disability benefits systems, as well as its management of IRCANTEC. All of these activities are subject to frequent internal and external audits;
- a results-oriented organization that generates economies of scale thanks to the sharing of staff, information systems and new-technology know-how;
- an active contributor to sustainable development.

## ■ Main funds administered

Three major pay-as-you-go plans for permanent civil servants, and fixed-term public-sector employees:

- CNRACL, the basic retirement fund for permanent civil servants employed by local governments and public hospitals with 1,713,130 contributing members and 666,900 pensioners;
- IRCANTEC, the supplementary retirement fund for fixed-term contractual employees of France's three public-sector functions – the State, local government and hospitals – as well as for local elected officials. IRCANTEC has 2,350,000 contributing members and pays benefits to 1,515,000 pensioners;
- FSPOEIE (*Fonds spécial des pensions des ouvriers de l'État*), a special pension fund for permanent blue-collar workers of State-owned industrial establishments, with 54,230 contributing members and 113,830 pensioners.



Supplementary retirement plans for specific professional categories:

- FONPEL (*Fonds spécial des pensions des ouvriers de l'État*), a fully-funded pension plan;
- the supplementary plan of Compagnie Générale Maritime (CGM);
- Anticipa, a portfolio of supplementary retirement contracts marketed to public-sector companies and bodies and insured by CNP Assurances.

Old-age pension funds that are part of State welfare programs including: the SASV (Service de l'Allocation spéciale vieillesse) funds for particularly needy senior citizens.

National compensation funds between local governments and public agencies, including those for part-time workers and semi-retirement systems.

Disability benefit programs that are most often directly associated with specific retirement funds, as is the case with CNRACL.

### ■ **Additional services**

The Retirement Division has developed a range of primary and ancillary services for pensioner members of CNRACL, IRCANTEC and FSPOEIE, including loans, long-term care insurance, remote security systems, funds to cover funeral expenses, cruises, vacations, and vacation vouchers.

### ■ **Financial performance and productivity**

Administrative and financial performance is benchmarked closely in areas such as market risk and performance.

Administrative management is also subject to risk monitoring and management control procedures based on detailed measurements of administrative productivity, cost comparisons and quality assurance procedures.

### ■ **Financial situation of CNRACL and IRCANTEC**

Financial decisions concerning CNRACL and IRCANTEC are taken by boards of directors appointed by the public authorities, taking into account their individual situations as well as general trends in the ratio of the actively employed to pensioners for all of France's retirement plans.

#### **CNRACL**

To ensure the financial stability of CNRACL, the Authorities decided to increase the employer's contribution rate by 0.5 percentage point to 26.1%, while at the same time reducing the system's contribution to special retirement insurance programs from 34% to 30%.

The combined effect of these two measures was offset by steps taken to increase guaranteed minimum benefit payments and by the continuing deterioration in demographic trends, despite this being globally one of the less unfavorable in the employees private sector. In 2001, CNRACL's financial situation was once again in balance.

To meet its obligations, CNRACL drew against the € 381 million in advances authorized by the Social Security financing act of 2001. As in previous years, the Authorities have also allowed part of total compensation payments, amounting to € 812 million, to be carried forward to early 2002.

In 2002, the situation is expected to worsen, despite the planned recruitment of additional local civil servants to compensate for the reduction in the work week.

## Administration of protected funds

### IRCANTEC

Thanks to decisions to increase contribution rates and the proportion of contributors, IRCANTEC has collected more than it has paid out in pensions each year over the last ten years, thus building up its reserves. The plan's reserves equaled around 14 months of pension benefits as of the end of 2001.

IRCANTEC has also constituted a reserve for reimbursing contributions when members become full-time permanent civil servants.

Operations increased continuously throughout 2001. Part of the affiliations related to "youth jobs" (*emplois jeunes*) and census takers registered late in 2000 were carried forward into 2001.

In terms of liquidating accounts, specific steps were taken to deal with the situations of around 25,000 elected local officials following the March 2001 municipal elections.



Overall, 2001 was financially favorable for IRCANTEC. The strong increase in contributions of the previous two years continued in 2001 with 9.5%

growth, while the increase in liquidations advanced more slowly, by just 5.5%, because of lower birth rates during the Second World War. As a result, the net contribution to reserves for the year reached € 315 million.

2001 also saw net proceeds from several non-recurring operations:

- including more than € 120 million for settling accounts with France Télécom. France Télécom's change in legal status led to the transfer of supplementary pension rights originally built up with IRCANTEC to the Arrco-Agirc private-sector systems. A 1998 agreement between Arrco, Agirc and IRCANTEC provided for a financial contribution to IRCANTEC in order to maintain the rights of a number of beneficiaries, mainly employees who chose to maintain their civil servant status. This contribution was paid in 2001;
- and the signing of an agreement with Unedic to finance pension points for unemployed members, which involved around € 14 million last year. IRCANTEC accorded supplementary pension rights for periods of unemployment by attributing free points. An agreement was reached with Unedic for the financing of these rights beginning in 2001 (contributions based on 60% of the reference salary used to calculate unemployment benefits).

Over the longer term, COR (*Conseil d'Orientation des retraites*) has analyzed a number of scenarios that show IRCANTEC losing its self-financing ability between 2006 and 2013, i.e. contributions will no longer be greater than pension payments. Beyond that date, a doubling in the number of pensioners by 2020 (when baby boomers' rights will be liquidated) will place increasing financing demands on the system. Decisions will need to be made within the next few years aimed at maintaining the system's financial health.

The Angers establishment of CDC's Retirement Administration Division has administrative responsibility for IRCANTEC.



### ■ *Efficient information systems and the effective use of new technology*

In 2001, the entire staff of the Retirement Administration Division worked successfully on three major projects:

- the last stage in the development of information systems that make it possible to streamline activities and integrate new retirement plans; € 173 million has been invested in this effort over four years;
- the elimination of paper-based administrative acts and correspondence with partners, by relying on new communications technologies, most notably the Internet. These efforts to develop paper-free exchanges will continue for several more years;
- the conversion of accounting and payment systems to the euro.

### ■ *Active participation in the pension debate*

Against the background of an aging population, greater life expectancy and a growing number of pensioners, the Retirement Administration Division has been an active participant in national and international discussions on the future of pension systems.

Each year, it organizes a forum in Bordeaux attended by all of the players in the pension universe.

A monthly, *Questions Retraite*, and its Web site [www.cdc.retraites.fr](http://www.cdc.retraites.fr) publish the results of the Forum's analyses. Research by these same experts contributed significantly to the COR report that was submitted to the Prime Minister last December.

Internationally, the Division acts as the secretary general of the European Association of Public-Sector Retirement Institutions and plays an active role with French organizations that are members of AISS. It also has undertaken several cooperative efforts to provide technical assistance to foreign retirement administrators.

## *Administration of regulated savings deposits*

### ■ *Resources: savings deposits*

With a net centralized inflow of € 3.58 billion in 2001, Caisse des Dépôts staged a significant recovery from its € 2.90 billion net outflow in 2000. Several products contributed to this excellent performance, the most important of which were Livret A passbook accounts. On the other hand, Livret Bleu, PEP, and Livret Jeune accounts had net outflows of € 203 million, € 129 million and € 25 million, respectively.

#### **Livret A: + € 1.6 billion**

In the wake of the recovery that clearly began in the second half of 2000, and boosted by an increase in the interest rate paid, Livret A passbook accounts had a net inflow of funds for the first time since 1995 – a cumulative inflow of € 1.6 billion excluding capitalized interest. This result was significantly better than the average outflow of € 3.15 billion over the past seven years. The stabilization in deposit-taking that coincided with the interest rate increase from 2.25% to 3% on July 1, 2000 represented a significant recovery as the Livret A again became appealing to savers. While the increase in the interest rate was the most important factor behind the turnaround, the bursting of the speculative bubble and the fall in stock market prices also helped the Livret A take on the aspect of a safe haven.

The uncertainty at the end of the year provoked by the September 11 attacks very likely had an impact as well, albeit marginal since there was no significant increase in deposits from that date. The decline in short-term interest rates reinforced the general trend.



# Administration of protected funds

## Other liquid savings products: + € 1.6 billion

The net inflow of deposits (excluding capitalized interest payments) on other passbook accounts amounted to € 1.6 billion. Livret Bleu accounts had a net outflow of € 203 million while Codevi accounts

were up by € 606 million, LEP accounts by € 719 million, and La Poste CEL home purchase accounts by € 534 million. Livret Jeune accounts at La Poste and the Treasury saw a net outflow of € 25 million.

### Net infl ow (outfl ow) of centralized deposits at Caisse des Dépôts – 1992-2001 (excluding capitalized interest)

€ billions	2001 <sup>(1)</sup>	2000	1999	1998	1997	1996	1995	1994	1993	1992
Livret A	1.60	(3.50)	(8.35)	(1.97)	0.14	(11.42)	2.50	1.54	(5.06)	(7.96)
LEP	0.72	1.33	3.37	3.23	3.60	8.64	0.73	0.64	(0.35)	(0.40)
Livret Bleu <sup>(1)</sup>	(0.20)	(0.61)	4.50	2.38	2.29	0.37	1.23	1.98	0.82	0.47
Codevi <sup>(2)</sup>	0.60	(0.60)	(0.24)	0.37	(0.03)	1.31	1.43	0.90	0.17	(0.32)
Home purchase savings plans	0.98	0.88	2.16	2.06	2.16	3.41	1.28	1.30	1.14	(0.11)
Other plans	(0.12)	(0.41)	(0.18)	(0.03)	0.26	0.70	0.11	(1.23)	(0.12)	(0.08)
<b>Total</b>	<b>3.58</b>	<b>(2.90)<sup>(3)</sup></b>	<b>1.25</b>	<b>6.04</b>	<b>8.42</b>	<b>3.02</b>	<b>7.29</b>	<b>5.12</b>	<b>(3.40)</b>	<b>(8.38)</b>

(1) Deposits gradually centralized from 1991 through 1999.

(2) Including capitalized depositor interest.

(3) Excluding Caisses d'Epargne d'Alsace et de Lorraine Nord deposits centralized in full as from January 1, 2000.

### Total deposits centralized by Caisse des Dépôts – 1992-2001 (including capitalized interest)

€ billions	2001 <sup>(1)</sup>	2000	1999	1998	1997	1996	1995	1994	1993	1992
Livret A (& B CNE)	108.76	104.04	103.82	109.38	107.97	104.29	112.01	104.91	100.36	101.45
LEP	42.16	39.79	36.97	32.18	27.59	22.85	13.30	11.91	10.70	10.50
Livret Bleu <sup>(1)</sup>	13.79	13.99	14.59	10.09	7.72	5.44	5.08	3.84	1.87	1.04
Codevi	6.97	6.36	6.96	7.15	6.78	6.72	5.41	3.98	3.08	2.91
Home purchase savings plans	25.25	23.48	21.86	18.98	16.29	13.56	9.70	8.07	6.49	5.15
Livret jeunes <sup>(2)</sup>	0.93	0.92	0.91	0.87	0.79	0.61	0.00	0.00	0.00	0.00
PEP CNE	1.17	1.26	1.44	1.58	1.62	1.43	1.25	1.09	0.97	0.83
<b>Total</b>	<b>198.96</b>	<b>189.84</b>	<b>186.55</b>	<b>180.23</b>	<b>168.76</b>	<b>154.90</b>	<b>146.75</b>	<b>133.80</b>	<b>123.47</b>	<b>121.88</b>

(1) Deposits gradually centralized from 1991 through 1999.

(2) Launched on May 2, 1996.



## Contractual savings plans: + € 322 million

In 2001, contractual savings plans centralized by Caisse des dépôts experienced a small net inflow of € 322 million. Popular savings plans (PEP) at banks saw a net outflow of € 129 million, but conversely La Poste's home purchase plans (PEL) were up by € 451 million.

### ■ Trends in product lines within centralized deposits

The breakdown of centralized savings account deposits by main product is in line with trends observed in recent years. Despite a significant increase in deposits of around € 4.7 billion, the relative share of deposits held in Livret A accounts has stabilized at 54.6% after steadily declining from 1992 to 2000. Conversely, LEP accounts and home purchase savings plans have continued their steady progress to account for 21.2% and 12.7%, respectively, in 2001 compared with 8.62% and 4.23% in 1992. The Livret Bleu, which continues to account for a significant share of 7%, is holding steady after several years of increases linked to the gradual complete centralization by Caisse des Dépôts that took place from 1991 to March 1999.

### ■ Financial assets

Savings deposits not used to finance loans are invested in the financial markets in order to ensure the system's liquidity, security and profitability with respect to both savings deposits and the financing of investments in the public interest.

In that context, the fixed income portfolio, which accounts for the bulk of the financial assets, plays an essential role in managing the overall interest rate and liquidity risks for the savings funds.

### Financial assets increased significantly in 2001

As of December 31, 2001, the book value<sup>(1)</sup> of the financial assets was € 107 billion, of which € 5.7 billion consisted of equities and the rest was made up mostly of fixed-income products (bonds and money market instruments).

The portfolios increased by € 5.5 billion overall on the year.

(1) Excluding accrued interest on fixed-income securities.

This increase can be attributed to the 4.6% growth in deposits coupled with the modest 0.7% increase in loan stocks.

Portfolio growth and amortization combined to create a still substantial gross investment volume in 2001. The net investment in securities with maturities exceeding one year totaled € 15.8 billion.

### Continued investment in equities

2001 was a very bad year for global equity markets. The CAC 40 index fell by 22% after having remained essentially flat in 2000. In early 2001, the broad market continued its decline that began in March 2000. From early 2001 to its low for the year, the Nasdaq lost nearly 50% of its value. The market rebounded after September 11, 2001 but was not able to make up all of the ground lost earlier in the year.

We continued to increase the share of equities in our savings funds portfolios, adding total book value of € 461 million. Last year, the equities portfolio outperformed the CAC 40 by 10.15%, after having outperformed the index by 6.40% in 2000. These results can be attributed both to a strategy of avoiding technology, media and telecommunications (TMT) stocks and to timely stock selection. Purchases made during 2001 were completed at levels that were 10% below CAC 40 averages for the year.



## Administration of protected funds

### **Expanded investment opportunities for financial assets in 2002**

*The range of possible financial investments for the savings funds is governed for the most part by Article 19 of the Bylaws of the Regional Savings Banks. To date, they have been limited to securities listed on a French exchange and to negotiable debt instruments.*

*The advent of the common currency has removed the justification for the geographic restrictions on investments, which could now result in opportunity costs or even unnecessary risks in the form of excessive portfolio concentration.*

*In 2001, efforts were made together with the French Treasury to update the rules governing the use of savings funds. These efforts led to a proposed investment code presented to the Supervisory Board and approved by the Minister of the Economy.*

*The new rules extend the range of investment possibilities for the savings funds to include all regulated financial markets in the European economic area. They also establish rules governing acceptable risks and related controls.*

*This diversification of savings fund investments will be implemented gradually in 2002.*

Moreover, the savings funds equity portfolios were 25% less volatile than the index.

The market downturn nevertheless made a substantial dent in the portfolio's unrealized capital gains, which fell by € 1.7 billion to € 3.9 billion at end-2001. This figure includes, however, realized gains of € 460 million.

### ■ **Financial equilibrium of savings funds**

Last year, the financial equilibrium of savings funds was marked by a strong increase in net centralized deposits of € 3.58 billion, compared with net withdrawals totaling more than € 1.57 billion<sup>(1)</sup> in 2000.

Given that revenues and repayments on maturing loans remained slightly below their 2000 level, the increase in net centralized deposits largely explains the savings funds' gross increase in sources of funds, which jumped from € 13.88 billion in 2000 to € 18.86 billion last year.

After netting out the € 3.2 billion<sup>(2)</sup> in commissions paid to the collection networks and the € 3.1 billion State levy for its guarantee, total net resources amounted to € 12.63 billion, nearly 50% more than in 2000.

*(1) This book amount is different from the net outflow for the year presented on page 62 because it includes Caisses d'Épargne d'Alsace et de Lorraine Nord, deposits centralized in full as from January 1, 2000.*

*(2) For Codevi and Livret Bleu accounts, this amount includes commissions paid to the networks and interest paid on deposits.*



Early repayments were down significantly from € 963 million in 2000 to € 588 million last year following the heavy loan refinancing campaigns undertaken in recent years.

Overall, total available resources increased significantly from € 9.4 billion in 2000 to € 13.21 billion in 2001.

Loans for social housing and urban planning remained at a high level in 2001, € 4.3 billion, comparable to the previous year. Total lending on the savings funds amounted to € 7.7 billion.

Last year's available resources came to € 5.51 billion, compared with a € 640 million shortfall in 2000, and were invested on financial markets, bringing the liquidity ratio for the Livret A up to 33.9% as of December 31, 2001 from 33.8% at the end of 2000.

### *Savings accounts: sources and uses of funds*

<i>€ millions</i>	<i>Realized in 2001</i>	<i>Realized in 2000</i>
<b>SOURCES</b>		
<i>Centralized deposits</i>	3,588	(1,576)
<i>Revenues, repayments</i>	15,275	15,464
<b><i>Total sources, gross</i></b>	<b>18,863</b>	<b>13,888</b>
<i>Commissions</i>	(3,187)	(3,071)
<i>State levy</i>	(3,049)	(2,378)
<b><i>Total sources, net</i></b>	<b>12,627</b>	<b>8,439</b>
<i>Refinancings</i>	588	963
<b><i>Total available resources</i></b>	<b>13,215</b>	<b>9,401</b>
<b>USES</b>		
<i>Housing loans and other</i>	7,702	10,041
<i>Financial assets</i>	5,513	(640)
<b><i>Total uses</i></b>	<b>13,215</b>	<b>9,401</b>

## *Caisse des Dépôts public lender*



*Social housing and urban renewal and project loans totaled € 4.3 billion in 2001, slightly less than the previous year's level, which was the highest since 1996. Of the total loan volume, urban renewal and project loans accounted for € 1 billion, up 25% compared with 2000.*

*This sustained lending volume reflects the diversification of loans and the extension of financing to new borrowers decided by the government in recent years.*

*In 2001, the French government extended savings fund loans to broadband telecommunications infrastructure. In 2000, they had already been extended to investments in security for mass transit infrastructure and environmental protection initiatives.*



## *Financing social housing and urban projects*

Loans for housing and urban projects totaling € 4.3 billion were granted in 2001, virtually unchanged from the previous year's high level. Growth trends among the various loan categories were uneven.

### ■ *Contraction of social housing construction loans*

In the area of new construction, 2001 saw a continuation of the trend of the previous five years, as new social housing construction gradually contracted from a level of 45,000 new starts in 1997 to 40,000 in 2001.

The level of loans for the construction of social housing (PLUS) stood at € 2.1 billion, down 16% relative to 2000. Housing authorities typically gave priority to managing existing units in order to adapt to changes in local demand. In addition, savings fund loans were used to a limited extent to finance housing purchases and the acquisition of older properties in order to build up the overall social housing inventory, in keeping with housing authorities' strategy of managing their inventory.

The downturn in new construction lending may be reversed in 2002, as the initial effects of the government's stimulus package, first implemented in the spring of 2001, take effect.

### ■ *Stabilization of very low income housing loans*

After several years of robust growth, including more than 30% in 2000, new construction for very low income housing leveled off in 2001. The range of loans set aside for this type of housing also underwent significant changes. These transactions are now financed for the most part by PLUS, which in the interests of heightened social diversity, reserves at least 30% of its loans for people with the lowest income, i.e. equal to 60% of the PLUS ceiling.

PLA integration, which was created in tandem with the PLUS reforms, also enables the housing authorities to build up a

supply of housing for people who require welfare assistance. Its lower borrowing costs and higher government subsidies are the determining factors for these transactions. In its second year of existence, PLA integration paid out € 280 million.

### ■ *Reforms for the financing of middle income public housing*

Caisse des Dépôts uses its savings funds to provide refinancing to banks selected by the Finance Ministry through an auction process for the distribution of PLS social housing loans. In March 2001, Caisse des Dépôts began distributing these loans directly. Although its loan volume totaled only € 100 million in 2001, this relatively modest amount was not unexpected given the start-up process for a newly approved program, and it bodes well for 2002. The increases recorded by this product demonstrate that it meets the needs of public housing (HLM) authorities, who want to maintain the diversity of their property inventories by providing new public housing aimed at households with incomes falling between the public housing income ceiling and the low end of the private housing sector.

The volume of middle income housing loans (PLI), on the other hand, fell by 30% as a result of a relatively high borrowing cost, which made it difficult to balance out new transactions.

### ■ *Success for housing loans for the disadvantaged*

PHARE loans, which were successfully launched in 2000, continued their steady growth in 2001 with volume rising by 60% to € 500 million. This increase confirms the strong demand for housing on behalf of the elderly, disabled and young people entering the workforce.



## Stabilization of rents and increase in rates paid on Livret A accounts

In 2001, Caisse des Dépôts ensured the implementation of the rebate. The government authorized this exceptional measure in order to ensure that social housing authorities would not pass on to tenants the July 2000 increase in interest paid on Livret A accounts.

Caisse des Dépôts paid € 160 million to social housing authorities that qualified for the measure and respected the rent freeze in 2001, as well as the moderate and gradual lifting of this freeze over five years.

## ■ Diversification of home improvement loans

In 2001, the volume of home improvement loans, narrowly defined, fell by 23% to € 543 million, compared with € 709 million in 2000.

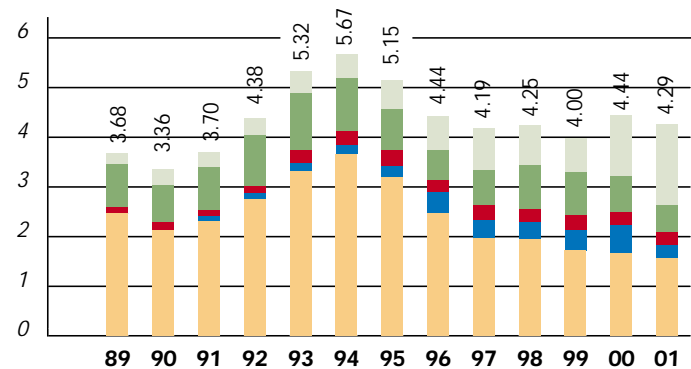
This year-to-year comparison was not especially significant, however, since the urban renewal loan program (PRV) was terminated at the end of 2000. Because the interest rate for this financing was particularly advantageous, many housing authorities brought forward their construction so as to benefit from the favorable terms, which helped to limit construction expenses and keep rents under control.

The volume of Urban Renewal Loans (PRU) aimed at improvements, on the other hand, jumped by 58%. These loans provide suitable financing for many of the improvement projects that are integrated into larger urban renewal programs.

Spurred on by the government, demolition/reconstruction projects also grew significantly, with loan volume increasing from € 71 million

## Financing trends

€ billions



- Building in overseas territories (PAE and PAETS)
- PLA integration and very low income
- Building (PLUS-PLA)
- Other (PDR-PRU, PPU, PEX-PHEBE, PLI)
- Improvement, renovation and PRV

in 2000 to € 112 million last year. Experience has shown that many large-scale renovation programs for buildings ill-suited for the purpose because of their technical design, density or location have not produced the desired results. In those cases, demolition/reconstruction projects provide housing authorities with a sound alternative.

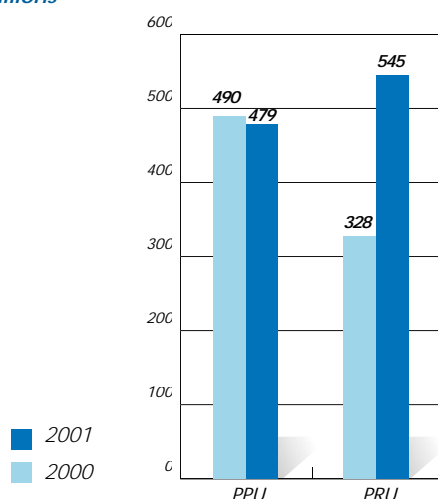
## ■ Urban renewal: + 25%

Urbanization and urban renewal loan programs (PPU and PRU) recorded strong gains of 25% in 2001 to reach a total volume of € 1 billion. The demand from local organizations, backed by increased funding authorized by public policy, has grown even more as many housing demolition projects and neighborhood revitalization projects have now reached maturity. The especially favorable interest rates on these loans coupled with the subsidies provided by the national and local governments are the key success factors behind these programs.



The importance of urban renewal programs and their underlying public interest were confirmed at the most recent meeting of the Urban Affairs interministerial committee, where the PPU and PRU loan authorizations were renewed for € 1.5 billion and € 2.3 billion, respectively, over the next three years.

**Urban renewal loans (PRU) and urbanization loans (PPU) - Loans paid out**  
€ millions



### ■ Broadening the scope of savings fund lending

The major development in 2000 with regard to savings fund loans was the decision to extend their scope (on a total annual budget of € 1.52 billion) to new public-interest investments in three sectors: urban and housing policies, mass transit infrastructure security and environmental quality. In 2001, the operational structure was set up. The financial terms for the loans were reviewed during the year along two lines: the possibility of lending at fixed rates above the LEP adjustable rate, and adjustments to the guarantee mechanisms depending on the type of borrower. In early 2001, 60 potentially eligible were identified for these loans. The first tripartite committee, comprising Caisse des Dépôts, the Finance Ministry and the other relevant ministries (Environment and Public Works), held a meeting in May 2001 in order to set the lending

policies based on the initial projects proposed by Caisse des Dépôts. The committee spelled out the types of eligible investments, decreed the first rules for qualifying loans and approved four of the six projects presented by Caisse des Dépôts. In August 2001, the lending scope was further extended to a third area, broadband telecommunications infrastructure, thereby strengthening the role of savings funds in the financing of public interest projects.

The growth of the amount of new financing is therefore proceeding at a gradual rate suited to the challenges of sustainable development, which serve as a reference for the partners involved in putting together projects targeted by savings funds.

### Growth in loans outstanding

Savings fund loans outstanding for housing and urbanization grew for the second consecutive year in 2001, rising from € 76.3 billion to € 77.1 billion. This increase resulted from the combined effect of new loans and a low level of early repayments, despite the overall decline in interest rates. The low level of early repayments demonstrates the foresight of the debt restructuring transactions carried out in 1999 as well as the proper setting of rates with regard to the purpose and duration of the loans. Two other types of savings fund loans are granted:

- loans related to home-savings plans at La Poste, with outstandings continuing their steady growth of the past five years, increasing by 14% from € 10.5 billion at the end of 2000 to € 12 billion last year;
- other loans, generally using Codevi funds, with outstandings remaining unchanged from 2000 to 2001 at € 6.3 billion, half of which concerned loans to BDPME (banking for SMEs).



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# *Caisse des Dépôts, public investor*



*Caisse des Dépôts, a longtime partner of regional and local governments, provides local decision-makers with its investing and financial engineering experience.*

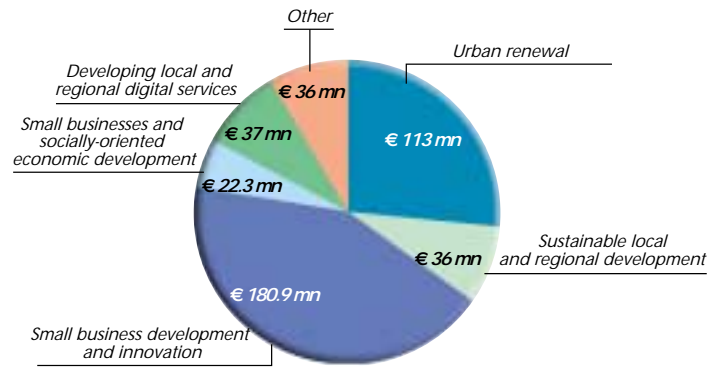
*Caisse des Dépôts supports their local public policy initiatives in economic and social areas that are insufficiently addressed by private companies.*

*As an investor, Caisse des Dépôts seeks to build a foundation that helps to establish the public/private partnerships needed to foster and complete these projects.*

*Caisse des Dépôts devotes a considerable portion of its consolidated earnings to these investments. In 2001, it invested € 425 million of its own funds in various areas, an increase of 25% on the previous year.*



## € 425 million invested in 2001



## Urban renewal

Since 1999, Caisse des Dépôts has assisted cities in their implementation of major urban renewal projects. A coordinated approach at the city and neighborhood level is essential in order to ensure the lasting transformation of the targeted metropolitan region and its integration into the larger urban area.

Three hundred projects have been identified, of which more than 100 operational projects involve significant participation by Caisse des Dépôts. These projects are consistent with the geographical priorities of urban planning, and are therefore subject to contractual agreements with the French government, either through large-scale urban projects (GPV), urban renovation projects (ORU) or other building and urban rezoning projects within the framework of municipal or greater metropolitan area contracts.

### ■ A global approach

These investment projects mainly involve the redevelopment of large-scale social housing projects through the demolition and reconstruction of social housing units, the redevelopment of municipal facilities, transportation infrastructure to make them more accessible and economic and commercial development. These projects also involve rezoning undeveloped urban or industrial lots (Seine-Saint-Denis, the Lyon suburbs, the Creil metropolitan region, etc.) and old city-center neighborhoods (Roubaix, Bordeaux, Perpignan, etc.).

In addition, new emphasis was placed in 2001 on investments aimed at cooperatively owned apartment buildings experiencing difficulties. Caisse des Dépôts becomes involved financially pursuant to an agreement reached with the ANAH (National Agency for the Improvement of Accommodation) in order to provide local governments and property managers with comprehensive financial services through local banks that includes subsidies from the ANAH and financing from Caisse des Dépôts.

In accordance with agreements negotiated with the government, Caisse des Dépôts also implemented a new program to promote economic and job development in urban renewal areas. This program involves the four major support networks for new business start-ups, using their personnel and other internal resources.

It also involves close coordination between the Caisse des Dépôts's urban renewal program and its new business creation and economic development program.

### ■ A leading player

Through its new business creation and economic development program, Caisse des Dépôts has been able to develop its public investment and lending businesses by positioning the bank as a leading player in urban renewal financing. To that end, the bank taps specific financial resources such as the Urban Renewal Fund (FRU) or savings fund loans aimed at urban renewal (urban project loans and urban renewal loans).

In 2001, this financing was used for:

- prior commitments made in 2000 (financing of engineering projects, financing public/private partnership real estate investments, pre-financing investment subsidies through advances);
- new loans – land and real estate carrying costs, long-term financing for social housing authorities, allocation to an initial guarantee fund for the cities of Roubaix-Tourcoing and Wattrelos.

Two projects were financed that involved land carrying costs:

- EPORA (Rhône-Alpes): state-owned land company specialized in renovating and rezoning run-down industrial and urban sites (Saint-Etienne, Grand Roanne and Vallée du Giers);
- SAF 94 (Ile-de-France): state-owned institution that acquires land at the Seine-Amont Nord (Choisy commercial zone) site for company relocations.



The SRU Law allows regional governments to participate in the equity capital of regional investment companies (SIR) along with one or more government- or privately-owned companies. In this framework, the Rhône-Alpes SIR received banking approval from CECEI (the French credit institution and investment company committee).

The SIR's equity capital was set at € 30.4 million with Caisse des Dépôts holding a stake of € 10.6 million. The SIR's mission is to bring additional financial resources to urban renewal transactions in order to facilitate their financing and completion.

### Financial commitments

Commitments by the Urban Renewal Fund totalled € 113 million in 2001, versus € 56 million in 2000.

#### Commitments made by the Urban Renewal Fund (FRU)

€ millions	2001	2000
Engineering	15	18
Advances (pre-financing of subsidies)	53	11
Carrying of land and buildings	6	0
Investments	36	27
Guarantee funds	3	0
<b>Total</b>	<b>113</b>	<b>56</b>

In all, savings fund urban renewal loans totaled € 1 billion in 2001, up 25% from the previous year (see page 68).



## Sustainable local and regional development

Through its Local Development and Investment Department, Caisse des Dépôts supports local government bodies in their efforts to promote economic development projects.

As part of its local and regional sustainable development program, Caisse des Dépôts invested € 36 million in 2001. Caisse des Dépôts is involved:

- upstream, to support the organization and modernization of the local and regional areas further to the July 6, 2000 agreement with DATAR, the French delegation for the improvement of the territory and regional action (€ 12 million);
- in co-financing operational studies of development projects and economic restructuring (€ 4 million);
- investing in for-profit real estate management companies (SEM, SA, SCI, etc.) and public facility operating companies (€ 20 million).

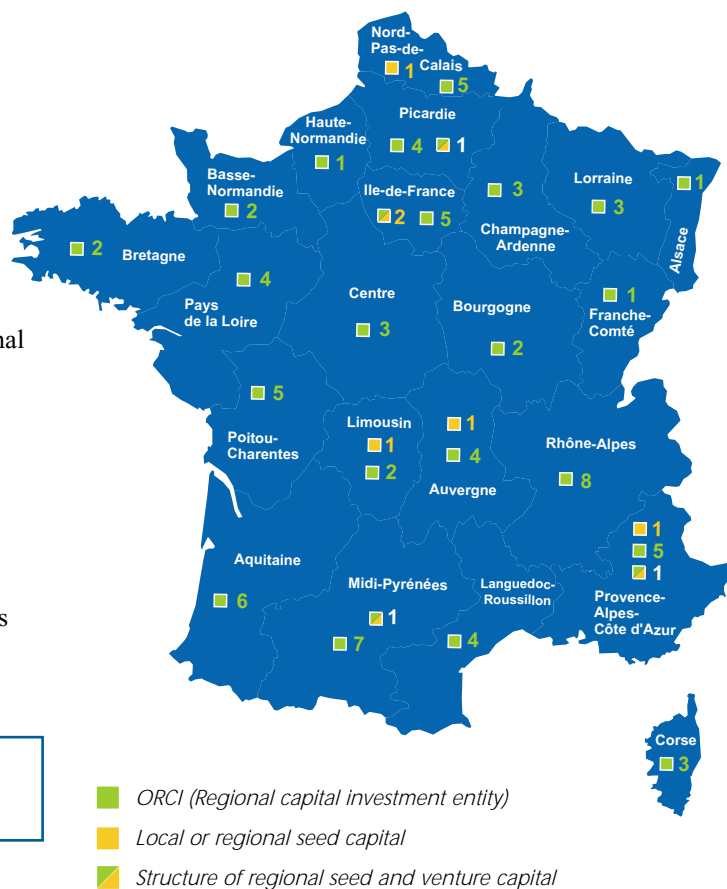
The program is implemented through a link to the local and regional components of the State-Region development plans and emphasizes the following points:

- regional economic and industrial site reconversion (real estate investments and aid to companies);
- corporate real estate (setting up technology parks, assistance to incubators and companies through financing of facilities and adapted services);
- deriving value from cultural and tourist assets (providing methodological assistance and advisory services in structured financing, acquisition of stakes in delegated management companies and/or carrying real estate assets);
- the environment in general and, in particular, renewable sources of energy.

The semi-state-owned companies (SEM) have demonstrated their ability to respond to the local and regional areas' institutional changes by playing a more active role as operators for the new intercommunal organizations.



## The 68 regional entities of seed and venture capital investment



Consequently:

- the equity capital of the SEMs was extended to intercommunal organizations for metropolitan areas, cities and towns;
- SEMs for the French departments stepped in as operators for rural development charters;
- for-profit real estate, SEMs were established to ensure the carrying of company real estate.

The investment portfolio held by Caisse des Dépôts in these local public policy operators grew by 8% last year, bringing its total equity investments in these companies to € 260 million.

### Small business development and innovation

The Small-and Medium-Sized Business Development and Innovation Unit (DPMEI) oversees all the private equity (also known as investment capital) activities and investments made by Caisse des Dépôts and its exit strategy on markets for growth stocks, both for the bank's own account and for third parties.

In 2001, Caisse des Dépôts and its subsidiaries (CDC PME, FPCR Gestion, CDC PME Gestion) invested € 119.3 million, well below the € 194.5 million invested in 2000. For these investments, the bank seeks to bring together state-owned and private companies in partnerships in order to improve the efficiency of the financing made available.

#### ■ Regional private equity investments: a € 160 million portfolio

At end-2001, CDC PME was a shareholder in 68 companies or private equity regional funds managing more than € 1 billion in assets.

CDC PME invested € 19.8 million (compared with € 58.2 million in 2000) in 24 regional private equity entities.

Since the program was founded in 1994, Caisse des Dépôts has participated in the creation of 29 entities, of which a majority is specialized in financing start-up companies.

The co-investment business, which was launched in 1999 in order to enable regional entities to take shares in the equity capital of small- and medium-sized businesses, has helped develop a portfolio of 19 equity lines representing a total investment of € 14 million. In order to strengthen this business, CDC PME contributed this portfolio to Capital Régions, the national co-investment fund that it established together with the Caisse d'Epargne group for a total of € 92 million (with each partner subscribing 50%).

## ■ Seed capital and venture capital funds

CDC PME finances investment funds and companies that specialize in the financing of innovative companies in their initial start-up phase. Typically bringing together research institutions and investors with a credible business plan, these companies have sufficient management skills and can arrange access to the venture capital market for the projects they are financing.

This essential stage, which is carried out at the regional, national and even international levels, led to total commitments of € 38.3 million, of which € 28.3 million in firm subscriptions aimed most notably at:

- the launch of the national I-Source 2 seed capital fund (software);
- continued efforts to develop international bilateral partnerships through an investment by CDC PME in a Canadian seed capital fund, T2C2 Bio, with a corresponding Canadian investment in the French seed fund Bioam;
- the launch of seed capital funds for the regions of Provence-Alpes-Côte d'Azur (Primavéris and Sophia Eurolab), Auvergne-Limousin (Le Lanceur), Ile-de-France (Cap Décisif) and Nord Pas-de-Calais (Inovam).

In addition, DPMEI has reached a partnership agreement with the two state-owned seed capital associations.



## ■ The co-investment fund for young companies

The French government, the European Investment Fund (EIF) and Caisse des Dépôts agreed to launch a new co-investment fund for young companies,

with € 90 million in capital subscribed equally by the three partners. This fund will invest along with other seed and venture capital funds in young technology companies, typically at the second round of financing stage. The fund will be operational in 2002 and be managed by FPCR Gestion, a subsidiary of CDC PME, while having its own delegated management responsibility.

## ■ Public, EIB and Venture Capital Promotion Funds

FPCR Gestion, a 100% subsidiary of CDC PME, continued to carry out its mandate to manage the Public Venture Capital Fund (€ 91.47 million), to which the EIB fund (€ 45.73 million) was added in December 1998. At the end of 2001, these funds had invested in 20 venture capital funds up to their prescribed limits. Total assets amounted to € 807.98 million, with the investments in 280 companies going back to 1998. The new Venture Capital Promotion Fund, created in July 2000 and funded in equal measure by the French government, EIF and Caisse des Dépôts for a total of € 150 million, made its first investments. The Fund is organized as a venture capital fund, managed by FPCR Gestion, a subsidiary of CDC PME, and is designed to participate in the financing of venture capital funds targeting young, innovative companies. In 2001, the Venture Capital Promotion Fund provided assistance for the creation of eight new venture capital funds, with total commitments of € 76 million.

## ■ Guarantee business

Guarantee funds make it easier for financial institutions to provide small businesses with financing by reducing their risk. Consequently, Caisse des Dépôts finances the Capital PME fund, which is managed by Sofaris, a subsidiary of BDPME. The € 19.1 million allocation is aimed mainly at new business start-ups and small business succession, which helped to respond to the growing demand from institutions and to guarantee 1,200 transactions for a total of € 155.5 million.



## ■ Participation in the development of markets for growth stocks

CDC PME created CDC PME Gestion, a mutual fund management company, whose purpose is to manage a portfolio of listed French and European small-cap stocks. As a part of Caisse des Dépôts's portfolio investment activity, the company buys shares in listed small-cap companies directly on the stock exchange, thereby helping to support the share prices of companies that would otherwise receive insufficient private-sector financing. At the end of 2001, the CDC PME Croissance Fund managed by CDC PME Gestion had invested € 5.7 million in 13 companies.

## ■ € 180,9 million invested in 2001

In 2001, Caisse des Dépôts committed a total of € 180.9 million, directly or through CDC PME. This amount breaks down as follows:

### Breakdown of commitments – 2001

€ millions

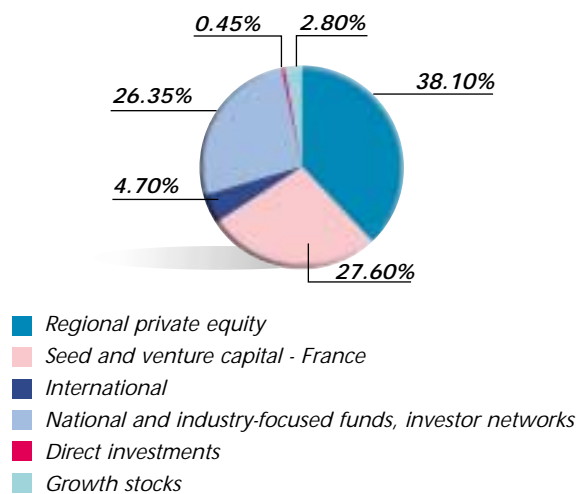
#### CDC PME

Regional	16.1
National (including Capital Régions)	46.5
Seed and venture capital	38.3
International	6.9
Direct investments	8.6
Co-investment funds for young companies	30.0
CDC PME Croissance	10.5
<b>Total CDC PME</b>	<b>156.9</b>
<b>Caisse des Dépôts (Central sector)</b>	
Small business guarantees and other initiatives	24.0
<b>Total</b>	<b>180.9</b>

#### Annual results:

- CDC PME's portfolio increased by 19.8% from € 185.8 million to € 222.5 million. In addition, off-balance sheet commitments totaled € 129.2 million;
- the portfolio reduced its number of lines from 122 to 120, of which 15 are venture mutual fund companies;
- CDC PME's authorized equity capital is € 400 million, of which € 280.6 million is fully paid-in.

### The portfolio (on- and off-balance sheet) breaks down as follows:



## Small businesses and socially-oriented economic development

Caisse des Dépôts has decided to increase its initiatives with small businesses and players in socially-oriented economic development in order to promote entrepreneurial approaches that create jobs and social cohesiveness.

For that purpose, in June 2001, it created a unit entirely devoted to this endeavor, its Small Business and Socially-Oriented Economic Development Department (DPES). The Caisse des Dépôts initiatives in this area lay the groundwork upon which other public and private companies, banks and investors can build within their respective competencies.

#### Five guiding principles:

- to create and develop viable private companies, either traditional or as part of the social-oriented economy;
- to become involved in segments that are insufficiently developed by the market in terms of assisting and

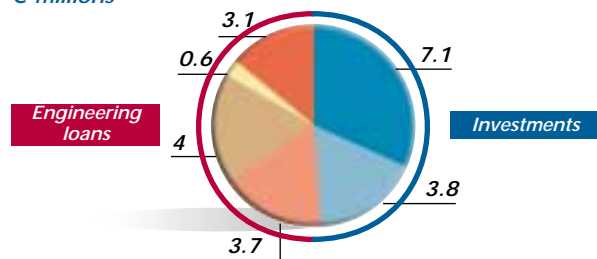
## Public investor



- financing small businesses or those in underdeveloped regions;
- to favor social-economic initiatives for the disadvantaged and companies providing entry-level jobs;
- to provide institutions working in the socially-oriented, associative and cooperative economy with the tools they need;
- to support the creation of new financial, ethical and solidarity-based instruments and to influence the relationship between finance and social cohesion.

### Commitments in 2001

€ millions



- Collateral-free loan associations
- Investment companies- SIFA
- France Active
- New services - Youth employment
- Neighborhood economic development
- Social-economic innovation

Caisse des Dépôts has developed a range of services for local and regional governments and local economic development agencies that involves:

- **for small businesses:**
  - including the € 7.1 million invested in 2001, total investments reached € 33 million in 225 collateral-free loan funds in a partnership with *Association pour le droit à l'initiative économique* (ADIE), *France Initiative Réseau* and the *Entreprendre network*;
  - the promotion and support for the creation of guarantee facilities with 32 local and regional France Active funds and 19 Sofaris Région funds in partnership with BDPME.

- the promotion and creation of Force, an entity that brings together organizations specialized in company start-ups and sponsoring in order to represent their collective interests on behalf of the principals;
- **for socially-oriented economic development:**
  - a framework agreement signed with the French government for € 43 million over three years, aimed at consolidating the new for-profit and semi-profit-based *Services Emplois Jeunes associatifs* (Associative youth employment services);
  - a workforce initiative program for people in economic difficulty and an expanded partnership agreement with France Active;
  - the development of tools that will promote financial and social cohesion;
  - a research and development program focused on social-economic initiatives (incubators, non-profit cooperatives, etc.).

### Developing local and regional digital services

Caisse des Dépôts created its New Information and Communications Technology Department (DNTIC) to meet the challenges of rolling out information and communications technology in local and regional areas. In 2001, this unit developed the first elements of its action plan and built up its range of Internet services. It invested € 37 million in 2001, versus € 15 million the previous year.

#### Investor services for the development of local and regional digital services

- Caisse des Dépôts has taken on the mission of meeting the strong demand in this field from local government bodies:
- by assisting in the development of local digital infrastructure and services;
  - by supporting the creation of 400 “cyberbases” over a period of four years (2001-2004), financed through a specialized € 15.24 million fund as part of a CISI mandate (July 10, 2000). The financing of some 50 cyberbases has already begun.



In all, the bank has identified 368 telecommunications network support infrastructure projects, local government services projects aimed at government employees, citizens and companies, and cyberbase projects.

In July 2001, CIADT entered into an agreement with Caisse des Dépôts whereby Caisse des Dépôts will support the roll-out of broadband access through investments of € 230 million over five years. These investments could be complemented by savings fund loans granted to the local governments for periods ranging from 15 to 30 years.

Caisse des Dépôts has already invested in projects such as Sipperec in the Ile-de-France region. It is also examining 17 other investment projects, including projects on the island of Reunion, in the Midi-Pyrénées region, in the Quimper metropolitan region, the Câble de l'Est SEM, the Moselle General Council, the Pyrénées-Atlantiques General Council, etc.

### ■ *The development of Internet services for clients*

In 2001, the CDC Mercure subsidiary became the Internet services development unit for Caisse des Dépôts clients, with two missions:

- bringing together the skills and experience needed to help the Public Institution business lines roll out their services in a consistent manner;
- providing local government bodies with services that develop their use of new technologies to upgrade their operations and relationships with users.

#### **Public Institution services**

Three Internet sites have been created – one site for regulated banking transactions (*CDC-Net*), a site dedicated to social housing (HLM) services (*e-OLS*), and a site for local semi-public companies (SEM).

At year-end, a group-wide project in the area of secure transactions (PKI) was launched.

#### **Internet services on behalf of local governments**

In 2001, the bank designed Localtis, a portal providing professional information and services for local and regional

government bodies. As a successor to Mercure, Localtis is designed to be a reference portal and day-to-day resource for all local players.

Localtis is organized into three broad areas (local initiatives, local management, local governance) and 23 themes corresponding to the broad range of local government skills (housing, education, sports, social initiatives, local finance, human resources management, intercommunal organizations, etc.). The portal will provide daily information (news, legal updates, document files, especially on innovative experiences, etc.). This information will be rounded out with services, for example online verification of a project's eligibility, European programs, etc.

#### **Local government bodies and users**

In addition, CDC Mercure will develop a package of services and content aimed at enhancing local government Internet sites.



The first such package involves administrative information: the Interministerial Committee for Government Reform has asked Caisse des Dépôts to form a partnership with *La Documentation Française* to disseminate the data from *Service-public.fr* on local government sites, supplemented with local data.