

CNP Assurances

Top personal insurer in France



CNP Assurances (39.99% Caisse des Dépôts), the leading provider of personal insurance in France, designs, originates, markets and manages savings, pension and personal-risk policies. To expand the range of services on offer, CNP Assurances has keenly focused on policyholder needs. Today it offers a full range of innovative solutions to ensure that people are protected against all eventualities.

Core business: life insurance

Personal lines insurance covers life's unknowns by pooling resources among policyholders. CNP Assurances wants its policies to be universally accessible and to include needs that have recently come to the forefront such as individual/group coverage of long-term care. Besides financial support, we offer services for people living on their own. As conditions are changing constantly, CNP Group regularly recalibrates its policies to meet new areas of need. CNP Assurances has sought to combat financial exclusion, for example, by helping develop micro-insurance for those wanting to start their own business.

CNP Assurances markets policies through partner channels – Banque Postale and Caisses d'Epargne – which together have close to 19,000 outlets, and via advisors at CNP Trésor. The commercial agreements with Banque Postale and Caisses d'Epargne have been renewed until 2015.

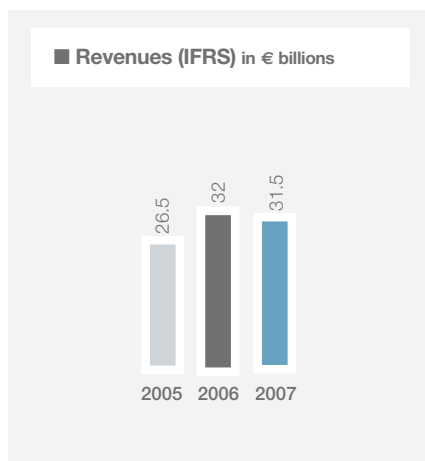
In group insurance, it maintains close ties with 250 financial institutions, 4,000 companies, over 100 mutual insurers, 20,000 local authorities and several associations. In 2007, CNP Assurances generated consolidated revenues of €31.5 billion. This represents a decline of 1.4% on a reported basis and 1.9% like for like, in this instance excluding the consolidation of CNP Vida in Spain, effective from 5 April 2007. Amid a decline in the French personal-lines market in 2007 after three successive years of double-digit growth, CNP Assurances' market share in this country held steady. At the same time, business abroad grew by almost 10%.

Developments abroad

Abroad, CNP Assurances has over 8 million policyholders and 6,000 points of sale. It replicates its *bancassurance* strategy with the help of subsidiaries and business partners in Brazil, Italy, Portugal, Argentina and China. It also does business in Belgium, Greece, Hungary, Ireland and the Czech Republic. In 2007, CNP Assurances acquired a new subsidiary in Spain. In 2007, revenues generated outside France rose by close to 10% to €4.5 billion. Non-French business accounted for over 14% of total revenues.

Earnings rise sharply

EBITDA advanced by 21% (20% like for like) to €1,837 million. International subsidiaries added €439 million to EBIT, 24% of the total, up 22% relative to 2006. Net attributable profit from ordinary activities before capital gains on the sale of equity and property investments rose 34.8% to €1,120 million, an increase of 20% on a like-for-like basis. Reported net attributable profit was up 6.7% to €1,222 million.



Efficient and innovative management methods

With 13 million individual policies to manage and 12 million customers covered by loan insurance, CNP Assurances has to match large-scale efficiency with personalised service. The group's new organisational structure takes the customer as the starting point and uses new technologies all along a policy's life span. Each of its business partners has committed itself to quality standards, especially processing times. CNP Assurances has pledged to pay death benefits in the 30 days following receipt of the full application, which is faster than required by law. These decisions are endorsed by the regular extension in the sphere of certification.

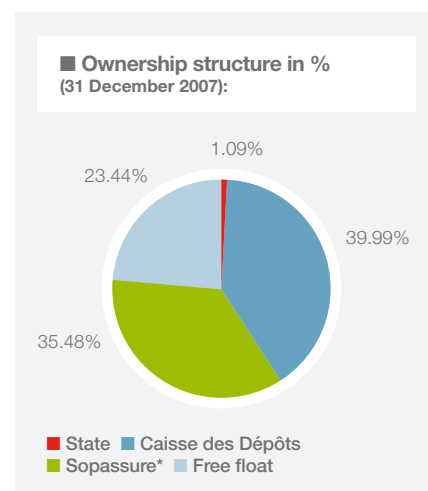
In claims management, customer satisfaction is gauged systematically, complaints (less than 1 for every 1,000 policies in force) are monitored and mediation requests (1 for 10,000) are handled by an outside arbitrator. In addition, CNP Assurances attaches a great deal of importance to the application of new regulations, particularly in terms of policyholder disclosure.

Responsible handling of investments

CNP Assurances manages investments with safety and performance in mind. Investment policy looks for stability over time and allocates assets strategically. Each investment is selected to be held for a long period: eight years on average for equities; in general bonds are held to maturity. The rise in assets invested in socially responsible investments (SRI) far exceeds growth in the market (+47.7% in 2006 and +35.5% in 2007).

With this in mind, CNP Assurances has taken a socially responsible outlook to each asset class. Since 2006 virtually the whole

of the equities portfolio has been screened on a quarterly basis using SRI criteria in conjunction with main asset manager Natixis AM. The company is also instrumental in supporting the development of SRI investments. CNP Assurances is the foremost private-sector manager of forests in France, managing 49,000 hectares of forest – representing a carbon reserve of 322,000 tonnes.

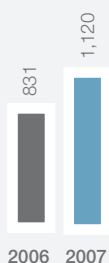


* Sopassure is a holding company owned by La Poste (50.1%) and Groupe Caisse d'Épargne (49.9%).

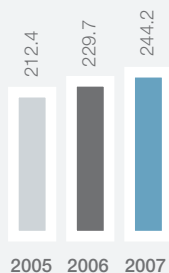
2007 highlights

- CNP Assurances successfully raises close to €700 million in fresh capital.
- Finalises purchase of 49.9% equity stake in Ecureuil Vie (Groupe Caisse d'Épargne).
- Buys 94% of Skandia Vida, renamed CNP Vida, in Spain.
- Changes corporate structure to a public limited company (*société anonyme*) overseen by a Board of Directors.
- Caisse des Dépôts raises holding in CNP Assurances to 39.99% under the terms of the revised shareholder agreement dated 8 January 2007.
- CNP Trésor network markets CNP Développement Durable, a fund investing in various ethical and environmental unit trusts.
- CNP Assurances integrates Ecureuil Vie following approval by the general meeting of shareholders.

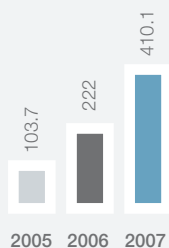
■ Net attributable profit from ordinary activities excluding capital gains (IFRS) in € millions



■ Liabilities related to insurance contracts (IFRS) in € billions



■ Socially responsible investing in € millions



In 2007, Standard & Poor's confirmed its AA rating with a stable outlook on CNP Assurances, a sign of its financial strength. As financial markets started to seize up in July 2007 on US subprime concerns, CNP Assurances made it clear that it had no direct exposure to US mortgages or mortgage-backed securities and announced indirect exposure of approximately €10 million.

People-centric human resources

Human resources management at CNP Assurances provides support throughout the careers of the 2,942 employees based in France. More than half of job positions are filled internally. The training budget is now three times the sum required by law. The working community at CNP Assurances features a higher percentage of female employees, a larger proportion of management-level personnel and a younger average age than the insurance sector as a whole.

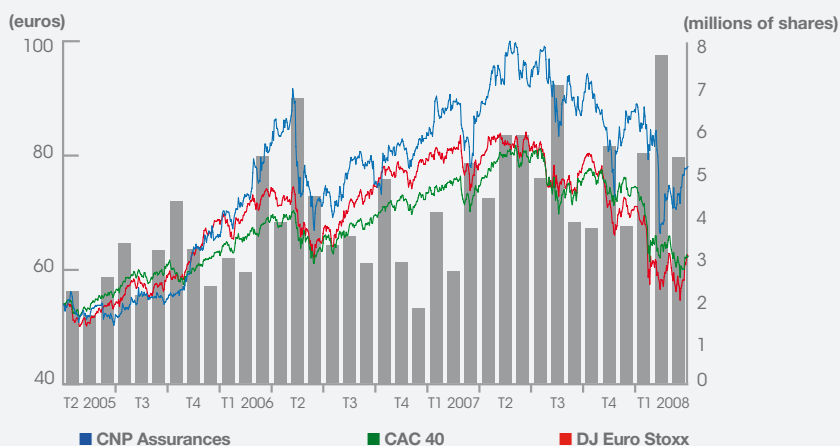
The promotion of equal opportunities is a central part of the formula. This was enshrined in late 2006 in the signing of a diversity charter. The same principles guide HR policy at international subsidiaries.

The CNP Assurances share price

As the start of 2008, CNP Assurances had 142,000 individual shareholders. Over three years, the share has risen 35%.

For further information:
www.cnp.fr

■ Trading price and monthly volumes



Subsidiaries providing services to local authorities

Transdev (passenger transportation), Egis (infrastructure), Compagnie des Alpes (leisure resorts) and Belambra vvf (tourist accommodation) make up Caisse des Dépôts group's division providing services to local authorities. Each subsidiary is dynamic in its sector and makes an effective contribution to the public interest mission of Caisse des Dépôts, which supports them in their development.

■ TRANSDEV

■ **Transdev is 69.6% owned by Caisse des Dépôts and is active in providing public transport from A to Z, from managing large-scale projects and operating transport networks to developing passenger services. In 2007 Transdev was responsible for the journeys of 1.2 billion passengers with a footprint in nine countries (Germany, Australia, Canada, Spain, France, Italy, the Netherlands, Portugal and the UK). With revenues under management of €3.3 billion, the company this year ranks as the fourth-largest private transport operator in Europe.**

Transdev transports people in a variety of contexts (e.g. urban, inter-city, on demand and tourism) using a full range of transport modes (e.g. trains, undergrounds, trams, coaches, buses, river shuttles and bikes). Applying the policies defined by local authorities, it has built up expertise in integrating mobility solutions, covering the full range of skills needed to set up and manage complex transport systems.

Transdev works with transport bodies to define the best type of public-private initiative for any given public transport project service in its real-life setting and takes over the running of the project. For example, Transdev and Caisse des Dépôts won the bid to build and operate a cog railway in Puy-de-Dôme. They also form part of the company awarded the urban network concession in and around Reims, in northern France.



Exceptional growth in 2007

In 2007, Transdev continued to expand business in France and abroad, teaming up with Connexxion, the leading operator of public transport in the Netherlands. Transdev, hand in hand with BNG, the Dutch bank for local authorities, at the start of the summer won the call for tenders to acquire the 66.67% stake in Connexxion being sold off by the Dutch government. Transdev and Connexxion share the same vision about modern transport facilities and their complementary expertise will enable them to increase the effectiveness of their business and growth potential.

The group also made inroads into Canada, acquiring Limocar, an urban and inter-city transport operator based in the Montreal region, and shored up existing positions via acquisitions in the north of England and the Alps region of France.

Caisse des Dépôts supported this ambitious external-growth operation with a capital increase.

On networks operated, momentum was buoyant throughout the year as new tram lines were inaugurated in Madrid and Tenerife and routes were extended in Nantes, Strasbourg and Valenciennes. Concessions to operate bus networks in Saint-Brieuc, Chartres, Vienne and Ville-neuve-sur-Lot were also awarded.

THE MULTINATIONAL CHALLENGE

Caisse des Dépôts subsidiary Transdev is the fourth-largest provider of public transport in Europe. It has been able to grow vigorously by developing business in France, across Europe, in North America and Australia. This track record has enabled the group to move into pole position as regards local authorities in France. Transdev is also running innovative transport projects in Edinburgh and Madrid.

In the UK, the group operates no fewer than 70 lines carrying 175 million passengers annually across Greater London, thereby branching out into non-regulated market. Subsidiary Transdev Blazefield has acquired two companies: Blackburn Borough Transport and Northern Blue. The diversity of these markets has endowed Transdev with an ability to adapt to local conditions and different administrative contexts. This has included the integration of staff with strikingly different profiles.



For further information:
www.solutionscaissedesdepots.com

4th largest
private local
transport provider
in Europe

■ In 2007 Transdev reported a 39% increase in consolidated revenues to €1,389 million, operating profit of €57 million and a 25% rise in net attributable profit to €31.1 million.



Committed to transport services that respect the environment

Transdev's business is about offering alternatives to passenger cars and is run with corporate responsibilities in mind. The group is a signatory to the United Nations Global Compact and the sustainable development charter of the International Union of Public Transport.

By reducing the number of cars on the roads, Transdev's attractive services are helping to reduce greenhouse gas emissions.

By switching to green fuels and vehicles complying with the strictest standards, Transdev is committed to reducing the size of its own ecological footprint. As part of its programme to improve its fleet, its aim is that, by 2012, 80% of vehicles will run cleanly, with emissions in line with European benchmarks. Transdev is also acting as a pioneer in creating "green depots" that save on water and energy resources. In 2007, this type of installation was inaugurated in Melbourne and similar projects were launched in the greater Paris region.

Aware of its responsibilities in the life of local communities, Transdev is active in

initiatives that seek to increase safety and accessibility and to promote diversity. One particular project is the Transdev Foundation, "Travelling better together", which supports local community projects that promote insertion, employment and diversity. In 2007, with the support of Caisse des Dépôts and the association TransCité, the Foundation funded 22 programmes in France and from this year plans to broaden its sphere of action to other European countries where Transdev is active.

Innovative high-potential scheme: BusWay®

BusWay®, a premium bus services concept developed by Transdev, was launched in Nantes with the Semitan in late 2006. This service carries more than 24,000 passengers each day. BusWay® vehicles use segregated lanes. The service offers the advantages of a tramway (i.e. punctuality, frequency and accessibility) while costing significantly less in infrastructure investment. This is a useful solution that can be tailored to a wide variety of urban settings, especially in the development of quality transport networks in suburban areas and mid-sized towns.

■ EGIS

■ Egis, wholly owned by Caisse des Dépôts, is a major European and world player in regional and local development services. It boasts world-class expertise in transport infrastructures and systems engineering, in hydraulics, and the environment, in project financing and in infrastructure operation.

As part of its “One” development project started in 2006, Egis has revised its organisational structure and adopted a new corporate identity to better meet customer needs, make the group easier to comprehend and shore up its position as a reference in its field. Egis operates in five broad market sectors: roads, railways, urban, water management and air traffic. At the same time, it operates cross-disciplinary and specialised activities (tunnels, geotechnics, engineering structures, environment, traffic and operating systems, consultancy services to local authorities, project management and decision support). Outside France, the group also participates in projects financed by international fund providers for local development missions. Furthermore, Egis works on concession projects and public-private partnerships in France and abroad, and manages road and motorway operations. The group has set a target to double revenues in the next five years through a combination of organic expansion and acquisitions.

With more than 50 sites in France and operations in more than 80 countries, Egis is active in the design and implantation of €10 billion worth of infrastructure investments each year – a sign of its commitment to regional and local development.



Egis and the challenges of sustainable development

Being involved in design stages gives Egis “leverage” in construction and development projects at the heart of the environmental and social challenges we are facing today: eco-mobility, climate change, water access, living environment, structural sustainability, biodiversity, and so forth. Egis takes an innovative, pragmatic approach to projects, conducts consultations and takes part in research consortiums, so as to develop best practices that enshrine sustainable development principles. For example, carbon audit for road infrastructure has been introduced, along with an international study on the implantation of artificial eco-reefs, to support biodiversity and economic activity. In 2007, Egis developed Optra, a tool enabling contracting authorities to reduce inconvenience for users at roadwork sites.

Active in regional development

■ Egis, which has a headcount of 6,300 of which 3,750 work in engineering, delivered revenues of €449.5 million and net attributable profit of €12.3 million in 2007.

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TOOLS FOR MANAGING CLIMATE RISKS

Experience shows that thinking ahead is essential for succeeding in the management of climatic events (e.g. flooding and storms) and their consequences. To be able to handle the various risks that arise, Egis has designed Geric, a tool for managing infrastructure risks associated with structural weak points. Geric can be used to simulate risks and ascertain the degree of vulnerability of road sections and tunnels, for example, when facing climatic events.



For further information:
www.solutionscaissedesdepots.com



Business report

In 2007, Egis integrated Société Lorraine d'Ingénierie (water engineering), Mutations (a consultancy) and set up two new foreign subsidiaries: Egis Algeria and Egis Bulgaria.

In the road sector, Egis won a contract in Algeria to supervise work on the western stretch of the country's east-to-west motorway, and in France signed a major engineering contract for the A65 linking Pau and Langon. Motorway concessions were entrusted to the group in Germany and Austria.

Last year Egis continued to develop business in air-transport systems, winning large export contracts in places such as Egypt.

In railways, Egis was assigned the management of a tramway project in Rabat, Morocco, and in France was named overall project manager for the northern inter-suburban rail link in the greater Paris

region, the Dijon tramway and the eastern Paris tram link. Several tram lines designed by Egis entered into service (Marseilles, Valenciennes, Grenoble and Le Mans). Technically innovative contracts were awarded in the water sector, e.g. a flood protection project in Nimes.

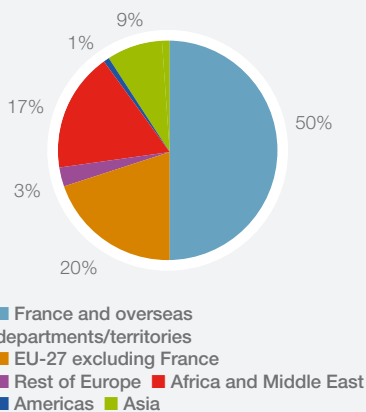
In the area of urban renewal, Egis was entrusted with large-scale operations such as the preparation, urbanisation and landscaping of the Hauts-de-Saint-Marthe mixed development zone (Marseilles). Stand-out projects such as Masséna Square in Nice and the Monampteuil leisure park in the Aisne region were successfully completed in 2007.

At 31 December 2007, Egis' order book represented 18 months of business.



For further information:
www.egis.fr

Breakdown of 2007 revenues by geographical area



Mainstay

in the European leisure market

■ This year, Compagnie des Alpes is operating 17 ski resorts and 21 leisure parks across seven European countries. With 4,115 people on its payroll (FTE), it generated consolidated revenues of €506 million in 2007, of which 24% derived from outside France, and operating income of €68.6 million.



■ COMPAGNIE DES ALPES

■ **Compagnie des Alpes went public in 1994 and today has close to 4,000 shareholders. Caisse des Dépôts owns a 39.8% stake in the company, a mainstay in the European leisure sector, operating ski resorts and leisure parks. During the 2006/2007 financial year, its activities spanned 17 ski resorts and 21 leisure parks in seven European countries, with over 24 million visitors welcomed.**

2007 results

In the financial year to 30 September 2007, the company's two business lines resisted well against extremely detrimental conditions, i.e. the mildest winter in Europe for the past 50 years and the wettest summer in 15 years.

Revenues rose 4.3% adjusted for divestments and acquisitions to €506 million. Operating income was up 8.7% and net attributable profit increased by 7.3% to €28.1 million. The single reason for the slow growth in headline revenues and earnings was consolidation scope. Results in fiscal 2005/2006 had been boosted by the acquisition of Walibi theme parks at the start of the summer season and its strong effect on earnings.

Future strategy and outlook

Compagnie des Alpes has stayed on the acquisitions trail, buying a 60% stake in Société des Téléphériques de Val d'Isère (STVI) and 20% holdings in three other companies. The STVI acquisition cost €102.6 million and was partly financed by a capital increase restricted to new shareholder Sofival (8.65% stake).

In the future, Compagnie des Alpes will continue making acquisitions balanced out between its two lines of business. For the ski business, it plans to focus attention outside France, particularly on Switzerland. It has also started streamlining its network of leisure parks, refocusing on larger-scale venues with close geographical ties and flying the same banner. The sale of PanoramaPark in early 2008 was the first concrete expression of this change in strategy.

Environmental performance

Compagnie des Alpes' business takes place in an arena where environmental standards are a central part of customer satisfaction. The group's companies share the same concerns over protection of the environment and the management of natural areas.

The group's ecological footprint corresponds mainly to energy (chiefly electricity), water and effects on natural scenery. In 2007, on an unchanged consolidation basis, the group cut power consumption by 3% (135 GWh) and water used by 13% (4 million m³). To keep natural scenery intact, Compagnie des Alpes is continuing to reorganise its facilities so that each year the number of units removed is higher than those installed. In the space of two years, 11 ski lifts and close to 100 pylons have been removed from the landscape.

The group's target is that all French subsidiaries running ski areas can be certified ISO 14001 this year.



For further information:
www.compagniedesalpes.com



focus

BRINGING THE BIOSCOPE-ALSACE ÉCOMUSÉE PARKS TOGETHER

The Ecomusée in Alsace (France), the largest museum in Europe devoted to the environment, and the Bioscope, a play-learning park, started out as two neighbouring but independent theme parks. Caisse des Dépôts, an investor in the Bioscope alongside Compagnie des Alpes, plans to help the Ecomusée develop, creating a single combined operation from the two competing parks. The Bioscope is a cross between a conventional museum and a theme park - an original concept combining fun and interactive learning. Parents and children can enjoy the park by wandering freely between exhibits, which are based on real-life experiences and games. The aim of the Ecomuseum is to make visitors aware of nature and its intrinsic balance.

60 holiday clubs

in France (40,000 beds)

■ Belambra vvf chalked up revenues of €155 million in 2007. The company employs 1,230 people (FTE) and as many as 3,000 in peak season.

■ BELAMBRA VVF



Belambra vvf (40% Caisse des Dépôts) is the leading operator of holiday clubs in France for European families. It has recently been stepping up renovations and has undergone rebranding. A carbon audit carried out in 2007 marked the starting point of an ambitious policy to ensure sustainable development in the future.

Creation of a property division

VVF Développement was set up last year to house the group's property activities, covering network expansion, property-asset management, the management of operating leases and jointly owned areas, renovation work and prospecting. It is building up expertise in the promotion of older holiday resorts.

Renovation drive

Belambra vvf is accelerating plans to renovate its clubs between 2005 and 2010 (€200 million). In 2007, 6 sites were renovated and work started on a further 10. Close to half of all clubs will be "new generation" in 2008.

Extending the network

First moves to extend the club network were made in 2007, adding 1,400 beds, with the acquisition of new sites from a pension fund. Three of these sites are currently being renovated.

Rebranding

In late 2007, the group switched to a new brand, Belambra vvf, which symbolises the company's renewed success, enshrines its momentum for change and evokes outstanding destinations, near or far.

Making sustainable development part and parcel of operations

For sites being developed, Belambra vvf aims for the highest eco-friendly standards. In cases of renovation, efforts are made to make buildings blend in with landscapes, ringfence natural areas in conjunction with forestry services, and save on energy. In 2007, Belambra vvf carried out a carbon audit in partnership with Ademe (French Environment and Energy Management Agency), ranging from lighting and heating systems to water usage and waste treatment.

Economic performance

In 2007, revenues generated from all business operations rose 9.5% to €144 million, a rise of 4% adjusted for acquisitions and divestments. The success of the "new generation" clubs is encouraging the group to refocus on this category and gradually shelve business outside of this sphere. Operating income came to €4.6 million, up 77% on the 2006 financial year.



For further information:
www.belambra-vvf.fr

Using savings to fund social housing

Caisse des Dépôts manages the savings of households placed in tax-exempt passbook accounts. These funds are principally used to finance social rented housing and urban development projects through long-term loans. These loans rose sharply in 2007 under the impetus of the Social Cohesion Plan and financial incentives implemented by Caisse des Dépôts to promote the construction of social housing and help low-income households gain access to accommodation.

Sources of funds: regulated savings deposits

Amid slowing spending by consumers and unstable financial markets, 2007 was marked by a rise in household saving ratios and an attraction towards liquid savings despite high market returns. However, the financial turmoil in the summer of 2007 increased the preference among savers for investments offering a guaranteed return. Total outstanding deposits centralised by Caisse des Dépôts (including accrued interest) increased from €191.6 billion at 31 December 2006 to €200.4 billion at 31 December 2007.

The Livret A account offered an interest rate of 2.75% over the first seven months of the year. This rose to 3% as of 1 August 2007. As a result, net inflows exceeded €2 billion in 2007 after several years of low or at times negative net inflows. Total outstanding Livret A centralised deposits (excluding capitalisation of interest) reached €117.5 billion.

All other centralised savings products also gained from these buoyant conditions. For example, inflows into the Livret Bleu (€1.38 billion) and LEP, whose interest rate rose from 3.75% to 4% at 1 August 2007 following the standard semi-annual review, led to a sharp rise in outstanding deposits. Net inflows, which were negative at 30 September, ended the year at a positive €0.27 billion.

Only the centralised Livret pour le Développement Durable (LDD) experienced a net outflow of funds (€0.55 billion) due chiefly to a statutory decline in the level of funds that La Banque Postale has to have with Caisse des Dépôts.

Uses of funds: loans

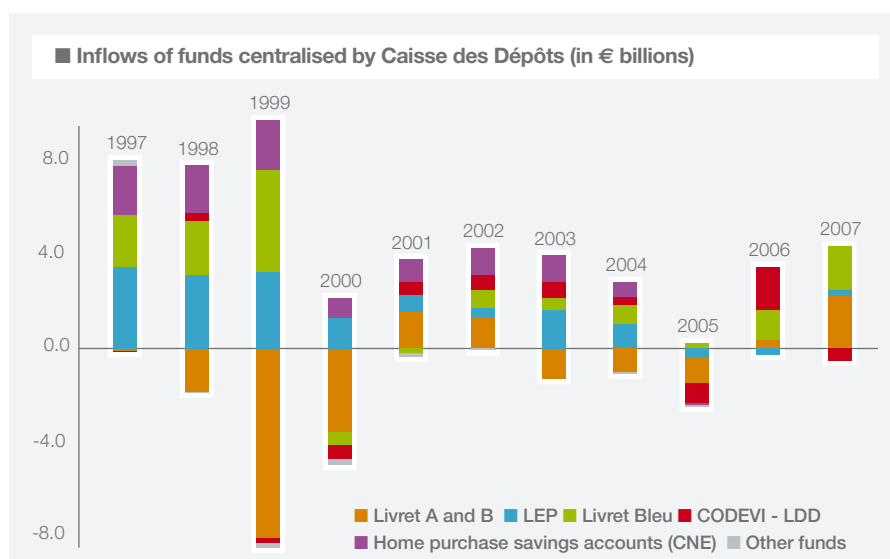
Loans granted from savings funds continued to rise in 2007. The sum granted rose 33% from €5.5 billion in 2006 to €7.3 billion.

■ Urban project loans

Of these €7.4 billion, €6.5 billion was assigned to the financing of social housing and urban development.

The value of loans assigned for the **construction or acquisition of social housing** (excluding PRU loans) in 2007 rose 31% relative to 2006 to €4.4 billion. This money was chiefly used to develop standard social housing (€3.9 billion) but some funds were assigned to residences (for the elderly, handicapped and students) and construction projects under the aegis of the Agence Nationale pour la Rénovation Urbaine (National Urban Renewal Agency).

This increase results from the ramifications of the ramped-up Social Cohesion Plan and the adaptation of Caisse des Dépôts' services to the specific financial needs of social housing agencies, which benefited from preferential terms, especially Prêts au Logement Très Social (PLAI) and Gaia land-carrying loans.



■ Improvement loans

This type of loan also increased following a decision by Caisse des Dépôts in 2004 to offer a 0.50% interest rate subsidy, using its own capital, on a designated sum of “non-ANRU” loans amounting to €400 million over five years. The 32% increase in new loans in 2007 is a sign of the uptrend and confirms that construction business is not being developed at the expense of the maintenance of existing assets. Close to three-quarters of the €579 million in improvement loans awarded in 2007 were offered at a preferential rate.

Loans granted for urban renewal rose 13% to €892 million. Loans to finance housing **reconstruction** and **improvements** through the agency of the ANRU climbed 27% and 10% respectively relative to 2006 to a total of €669 million. Conversely, as in 2006, the value of loans assigned for **urban development** (PPU and PRU Aménagement – Urban Renewal Loans) decreased 1% and 16% respectively. The first was handicapped by a high interest rate while the second reflected a policy to redirect most PRU resources to housing reconstruction and improvements.

■ Housing for at-risk population groups and property financing

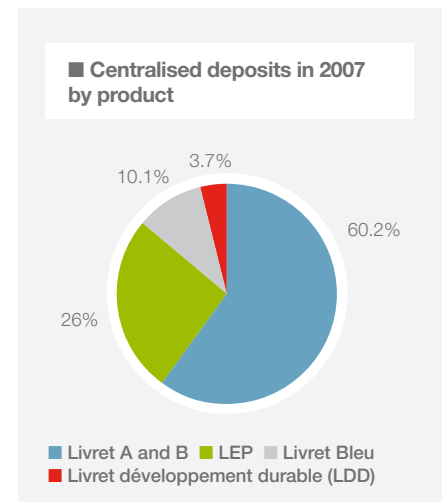
Under Other loans (€634 million), PHARE loans, dedicated to the financing of housing residences (for the elderly, handicapped and students), jumped 64% compared with 2006 to €294 million. Despite being placed at a disadvantage by fierce competition for a long time, improvements to the offer (extended durations and possibility of fixed rates), a wider sphere of intervention (to include the “second-chance” mechanism of EPIDe, an agency giving young people a helping hand into society) and a marketing push all paid off in 2007.

For all types of products (PLUS, PLS, PHARE), financing granted to the medical/social sector by Caisse des Dépôts led to the creation of 6,230 new places in 2007 and the renovation of a further 4,127.

PEX loans were principally used to finance the acquisition of assets contributing to the development of the social housing network. In the housing sector, these loans were chiefly earmarked for accommodation for the national Gendarmerie.

■ Energy Performance Loans

Caisse des Dépôts has rounded out its financial offer with a range of Energy Performance loans, to encourage energy savings in the area of social housing. These loans make it possible for social-housing landlords to obtain preferential financing for investments aimed at saving energy, in new construction or the renovation of existing stock (two-thirds of housing units predate the introduction of insulation regulations). In 2007, the Energy Performance Construction loan was awarded to 49 projects covering a total of 850 housing units.





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AREA OF EXPERTISE

It is currently estimated that France lacks close to one million housing units.

Caisse des Dépôts group is instrumental in meeting this need. It has committed to financing and building 90,000 homes each year as from 2010, 50% more than at present. On the financing front: Caisse des Dépôts finds the right solutions, tailored to the needs of property owners, either by reducing the interest rate or extending loan durations. On the construction front: property subsidiaries SNI and Icade are starting a host of projects all over France, from individual houses selling for 100,000 euros to entire blocks of residential flats.

In the new urban core of Vauréal (Val d'Oise region), Valestis (SNI group) inaugurated two blocks of social housing units last year, the Gavroche and La Paix residences (photo).



For further information:
www.solutionscaissedesdepots.com

■ Surge in lending for infrastructure and TCSP projects

Financing of transport infrastructure by Caisse des Dépôts ramped up in 2007. With €842 million granted, origination was 58% higher than in 2006. 40% of the total was assigned to 16 TCSP (dedicated lanes for public transport) projects and 60% to finance seven major transport infrastructures. Caisse des Dépôts became a leading force in the Rhine-Rhone high-speed rail link and lent €350 million to help finance the “Tram-Train” project on Reunion Island.

■ Outstanding loans using savings funds

The total amount lent from savings funds rose by €3.3 billion or 3.7% in 2007, increasing from €90 billion at 31 December 2006 to €93.3 billion at year-end 2007. This reflected the sharp rise in loan origination, low early redemptions and the scheduled amortisation of loans.

2007 highlights

Initiatives by Caisse des Dépôts to aid access to housing among low-income households

Following on from measures initiated in 2006, Caisse des Dépôts, in consultation with public authorities and partners, last year renewed a range of schemes aimed at reducing the obstacles that prevent low-income households from accessing accommodation:

- **Emergency housing:** used proprietary capital to continue to apply the 50bp interest rate subsidy to emergency housing loans to finance 4,000 new housing units planned over the next two years;
- **Social integration housing:** used proprietary capital to continue to apply the 50bp interest rate subsidy to PLAI (subsidised housing insertion loans);
- **Rebuilding stock of properties following sales under social home-ownership access schemes:** awarded interest-free Équilibre Foncier loans over a 15-year period to finance the land to be used for the construction of new social rented housing, to replace homes sold by owners to tenants in the context of home-ownership access schemes;
- **Land-carrying loans:** used proprietary capital to continue to apply the 25bp interest rate subsidy to Gaïa loans. These loans are used to finance land-carrying transactions.



focus

SAVINGS FUNDS: AT THE HEART OF OUR BUSINESS

Savings funds give Caisse des Dépôts a pivotal position – though not a monopoly – in the financing of social housing. It is the only player able to use demand deposits to provide all social housing operators with long-term financing at below-market, transparent rates.

The mechanism involves Caisse des Dépôts transforming funds gathered in subsidised savings accounts into long-term loans, granted without a margin being levied. To ensure financial stability, liquidity and safety, the Savings Funds Division invests a large portion of these funds in financial markets. Investment proceeds are then paid over to the State in return for the guarantee it grants on deposits.

The preservation of outstanding loans is a major issue for the Savings Funds Division. A new debt management service was used to adjust the terms of a loan receivable totalling €6.4 billion in 2007.

■ **Refinancing of loans for social housing: sharp rise in designated sums**
Caisse des Dépôts was called upon by the State in January 2001 to put into place a lending mechanism, for social (PLS) and intermediate (PLI) housing, via direct distribution (using savings funds) and indirect distribution (refinancing by lending

institutions participating in an annual tender offer). Over time, the total amount designated for PLS social housing loan refinancing has risen strongly. In 2007, it amounted to €2.6 billion compared with €2.2 billion in 2006. In contrast, the total amount dedicated to PLI intermediate housing loan refinancing dropped from €320 million in 2006 to €80 million in 2007. Despite the change in the index (Livret A plus 145bp instead of LEP plus 70bp), draw-downs on sums designated for PLI intermediate housing loan refinancing in 2006 and 2007 were immaterial.

“Caisse des Dépôts has an excellent outlook across all its business lines.”

Uses of funds: financial assets

Changes in fund amounts and the rise in loans outstanding resulted in a sharp increase in **financial assets**, which totalled €119.8 billion ⁽¹⁾ compared with €111.6 billion at 31 December 2006, representing an increase of €8.2 billion. Financial assets equated to 55.3% of total asset value (up from 54.4% at 31 December 2006).

The value of **bond investments** grew €3 billion to €103.7 billion. The investment strategy aimed at providing better safeguards against global interest-rate risks was continued: the value of inflation-linked investments increased considerably, rising from below €9 billion at 31 December 2005 to over €20 billion at 31 December 2007, at the expense of fixed-income securities. Likewise, investments remunerated according to short-term rates continued to expand over the period and accounted for over 30% of the total portfolio at the end of 2007.

Equity investments continued to grow in value, reflecting the long-term investment policy for savings funds. The net investment target projected for 2007 (€1.5 billion) was reached.



■ André Pinchon

Official representative – Finance and Strategy Department – Caisse des Dépôts group

Spokesperson for the “Future of the Public Institution’s traditional businesses” working group

“Caisse des Dépôts, through its traditional businesses, is instrumental in meeting today’s social challenges. Caisse des Dépôts’ businesses have been to act as banker to legal professions, manage savings funds, finance social housing and manage pensions. Its core values – safety, specialisation, impartiality and responsibility – are the bedrock of its unique role as a first-class counterparty in France.

Caisse des Dépôts has excellent development prospects across all its businesses. It plans to harness its strengths to improve the services offered to its customers and to the country, in the following fields:

- **social housing:** the construction and renovation of social housing units has become an imperative in France from a social and environmental standpoint. Caisse des Dépôts, whose pivotal role in the financing of public housing has been reaffirmed, plans to increase the amount of money available and step up its own initiatives in regard to new housing;
- **pension management,** by playing an active part in the upcoming reforms to the system;
- **as banker to legal professions,** by shoring up and expanding its role.”

(1) Including accrued interest and provisions.

Total sums of contracts signed (€ million) by loan type and recipient category

Loans granted (€ millions)	Development of social housing	Urban development	Specific population groups	Total 2007	Change (%) 2007/2006
PLUS and similar	3,274.2	90.1	239.3	3,603.5	28.7
PLAI and similar	282.3	30.5	65.2	377.9	56.2
PLS and PLI	344.8	2.7	71.5	419.0	33.0
Total loans for construction and acquisition-renovation	3,901.2	123.2	376.0	4,400.4	31.1
Renovations through special schemes (PALULOS & QS.)		307.4	29.3	336.6	25.7
Renovations outside of special schemes		230.6	11.8	242.4	42.1
Total, renovation loans		538.0	41.1	579.1	32.1
PRU (for construction)		499.5		499.5	26.9
PRU (for renovation)		166.2	2.9	169.1	10.3
PRU (for facilities)		92.8		92.8	(16.4)
PPU (for urban projects)	2.5	128.2		130.6	(1.2)
Total, loans for urban development	2.5	886.6	2.9	892.0	12.9
PHARE			294.0	294.0	63.5
PEX and other loans	246.6	13.6	80.2	340.4	46.7
Total, other loans	246.6	13.6	374.2	634.5	54.1
Total, housing-urban development loans	4,150.3	1,561.5	794.2	6,505.9	30.2
Change (%) 2007/2006	35.6	21.2	22.3	30.2	
Infrastructure and TCSP loans				842.3	58.1
Total loans excluding refinancing	4,150.7	1,561.7	794.4	7,348.3	32.9
PLI-PLS-PSLA refinancing				1,235.8	(9.0)
Grand total				8584.1	24.6

The portfolio rose from €9 billion at 31 December 2006 to €10.4 billion at 31 December 2007 (at adjusted book value) and represented 8.8% of total financial assets, up from 8.2%.

The Savings Funds Division has initiated a scoring system for equity investments based on environmental, social and corporate-governance criteria. Sustainable development as a theme is discussed in meetings between fund managers and executives at French and European companies.

The Savings Funds Division systematically exercises its shareholders' right to vote.

Financial results

Net profit at 31 December 2007 (€1,257 million) was up sharply on 31 December 2006 (€678 million) as a result of a reversal of the provision relating to the Funds for General Banking Risks (FGBR).

Net banking income fell by €61 million to €831 million at 31 December 2007, compared with €892 million at 31 December 2006. Higher interest margins, the rise in income from lending and increased income from investment securities were unable to fully offset the steeper cost of deposits, lower net gains on sales of securities and higher impairment losses on investment securities.

Administration of protected private sector funds

Central to Caisse des Dépôts historical missions of protecting third-party funds, the administration of private sector funds that are protected by French law is the responsibility of the Banking Services Division. The Division's services are provided within the framework of an ISO 9001-certified system, which attests to the quality of its economic performance, management and risk management policy. In 2007, the cash and securities deposits administered by Caisse des Dépôts averaged €44 billion and €15 billion respectively.

Public banker to the judicial system

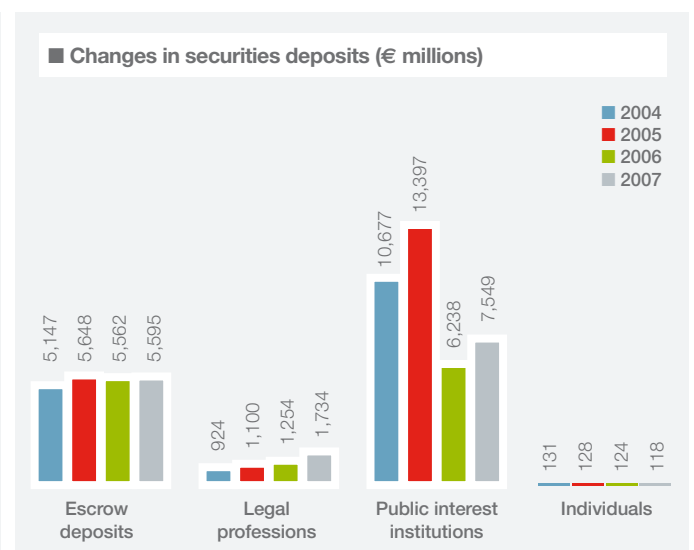
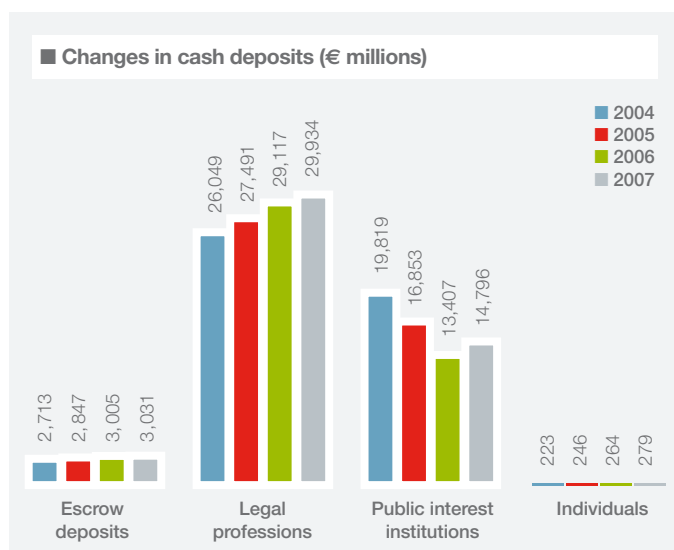
Caisse des Dépôts is the leading bank for the third-party funds of the legal professions. Notaries and court-appointed receivers and agents must deposit with Caisse des Dépôts the funds entrusted to them as part of their assignments. Two-thirds of French bailiff firms have chosen Caisse des Dépôts to manage their third-party fund accounts within the framework of the Ministry of Justice's reform of the judicial system; on 10 July 2008, Caisse des Dépôts renewed its partnership with the National Chamber of Bailiffs.

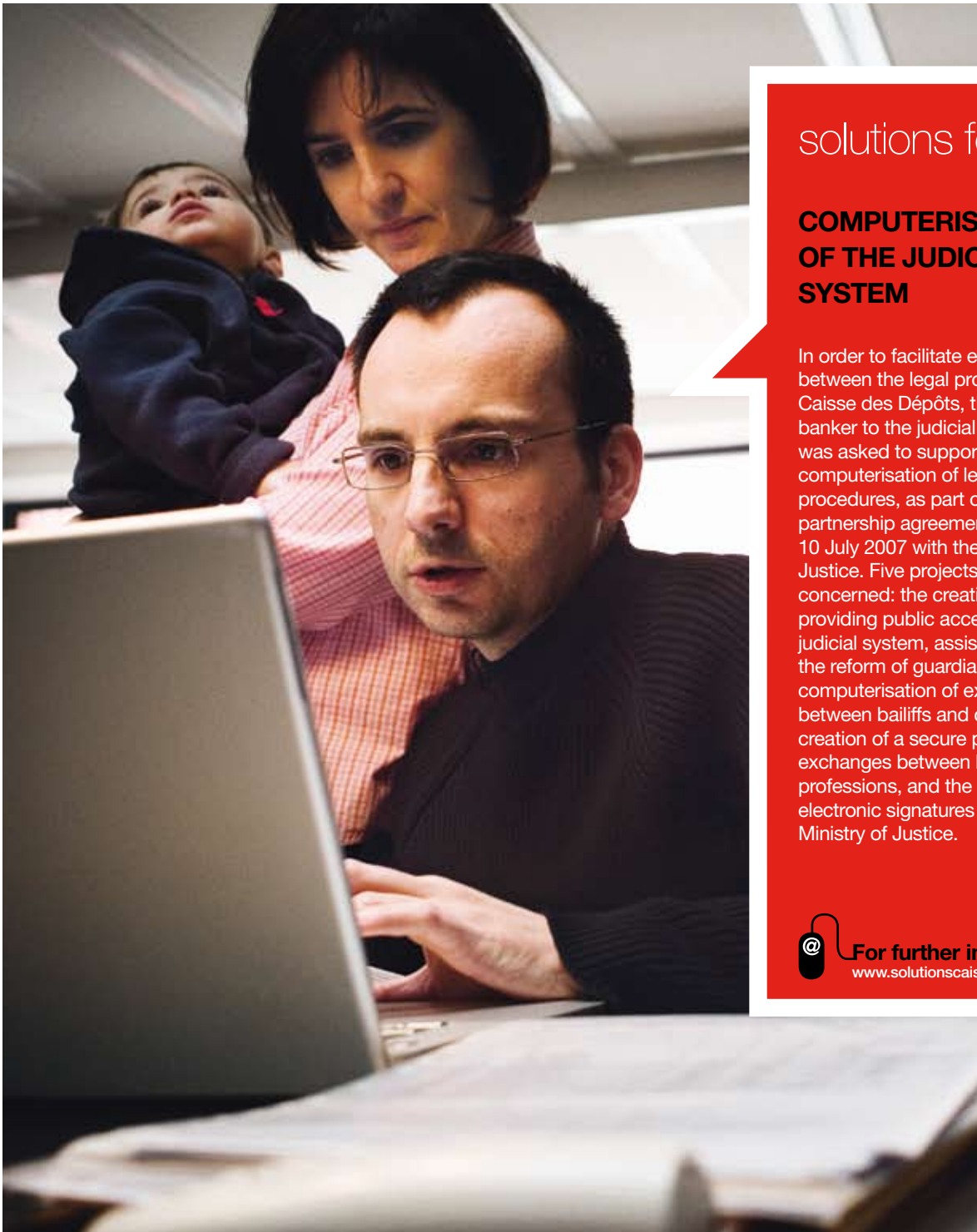
The Banking Services Division ensures high quality services consistent with best market practices and the specific security requirements applicable to the third-party funds held by its legal clients. Measuring customer satisfaction lies at the heart of the Banking Services Division's approach. It has implemented action plans with a view to ensuring a high level of operational

security in the areas of account management services and payment media, and plays a leading role in the fight against money laundering and the funding of terrorism.

Fund protection of funds is also Caisse des Dépôts' primary concern in its work with minors in the entertainment and modelling industries (decree no. 2007-1271). January 2007 saw the rollout of "ESM-Net", an online banking service designed for statutory guardians which enables them to monitor their children's assets and to notify the bank of any change of address, a key factor in the management of these 30,000 accounts.

Caisse des Dépôts has also been authorised to perform services for legally protected adults (law no. 2007-308 of 5 March 2007).





solutions forum

COMPUTERISATION OF THE JUDICIAL SYSTEM

In order to facilitate exchanges between the legal professions, Caisse des Dépôts, the public banker to the judicial system, was asked to support the computerisation of legal procedures, as part of the partnership agreement signed on 10 July 2007 with the Ministry of Justice. Five projects are concerned: the creation of a portal providing public access to the judicial system, assistance with the reform of guardianships, the computerisation of exchanges between bailiffs and courts, the creation of a secure platform for exchanges between legal professions, and the rollout of electronic signatures within the Ministry of Justice.



For further information:
www.solutionscaissedesdepots.com

The Public Institution has been tasked with improving security and making a tool designed to prevent conflicts of interest available to judges and families. Such services represent a discretionary solution to be used on the instruction of the judge or the family counsel when the protected adult's interests require it. The guiding principle behind the reform is that of maintaining the account with the bank that the individual had chosen before being placed under legal protection.

Through partnership agreements entered into with the representative bodies of the legal professions, Caisse des Dépôts invests its quality and technological expertise in projects that contribute to the efficient performance of the public legal system.

On 10 July 2007, the Ministry of Justice and Caisse des Dépôts signed a framework agreement covering three major areas: the reintegration of juvenile delinquents, the modernisation of judicial systems through the development of exchange platforms between legal professions, courts and citizens and housing assistance for persons concerned by the recent overhaul of the “judicial map” (the location and jurisdiction of French courts).

Within this context, Caisse des Dépôts is participating in six projects which will be extended into 2008 and 2009: communication in civil cases, assistance with the rollout of electronic signatures in the various courts, electronic exchanges between guardians and guardianship judges, a portal providing public access to the judicial system, electronic exchanges between bailiffs and courts, and a secure platform for exchanges between legal professions.

As a founding member of the *Fondation pour le droit continental* (Civil Law Initiative), Caisse des Dépôts also furthers the aims of this cross-border project by supporting actions fostering professional cooperation.

Banker to the social security system

Caisse des Dépôts is the banker to the central body for France’s social security system (Acoiss), (Art. D 253-37 of the Social Security Code [*Code de la Sécurité Sociale*]). This is the Banking Services Division’s largest client in terms of financing volumes and the complexity of the account management services provided.

focus

Civil law initiative

■ The need to promote civil law in the face of the predominance of common law in international exchanges and the efforts of Caisse des Dépôts in this area led to the creation in May 2007 of the Civil Law Foundation. State-approved, the foundation aims to present the advantages of civil law, to channel initiatives and actions, to make its presence felt in situations of international legal competition and to contribute to the continued development of law. The foundation has already created knowledge bridgeheads with Arab-speaking and African researchers and professors, and strives to promote the economic attractiveness of romano-germanic law with the World Bank, which is establishing a performance ranking of the various law systems.

Eurotunnel

■ Caisse des Dépôts contributed to the final phase of the Eurotunnel rescue plan. Acting in partnership with the commissioners executing the rescue plan, it implemented the technically complex cash and securities exchanges which reduced the Eurotunnel group's debt from €9 billion to €4 billion.

The turnaround plan entailed refinancing by Goldman Sachs and Deutsche Bank as well as the issue of bonds redeemable in shares and equity warrants.

Caisse des Dépôts strengthened its role as public banker to the judicial system by enabling the successful completion of the rescue plan,

thus demonstrating the contribution of French law to rescuing distressed companies. It also assisted legal advisors in the drafting of the request necessary for placing assets unclaimed by certain creditors.

The services offered are described in a multi-annual agreement (2006-2010) and are structured around three categories: (i) account management services, (ii) financing and (iii) back office services with regard to the issue of commercial paper for Acoff, which at the end of 2006 received authorisation from the regulatory authorities to diversify its financing. Account management services in particular permit real time consolidation of the general Social Security system's cash pool, thus boosting its financial and economic performance.

Caisse des Dépôts was initially asked in 2007 to provide €25 billion in financing, an amount which was subsequently reduced to €23 billion, taking into account the financing needs of the general system and Acoff's commercial paper issuance capacity. The financing ceiling set by the Social Security financing law of 19 December 2007 for 2008 is €36 billion. At the end of 2007, Caisse des Dépôts undertook to finance up to €31 billion of Acoff's cash needs for 2008.

Banking partner to public interest institutions

The historical banker for semi-public companies (SEMs) and social housing organisations, Caisse des Dépôts also works with foundations, national public service associations and public institutions. It is developing a comprehensive range of products and services covering account management, payment media and financial investments.

Despite the difficult environment existing since the onset of the subprime financial crisis, client investments in the form of term accounts grew by €750 million in 2007.

Preparation for the implementation of the Single Euro Payments Area (SEPA) project got underway in 2007. The aim is for customers to be able to make and receive the new SEPA transfers as from the beginning of 2008.

Caisse des Dépôts intends to act as a driving force for its suppliers with regard to sustainable development. As part of the renewal of agreements concerning the subcontracting of domestic cheque processing, it has inserted a sustainable development clause whereby it offers a direct financial contribution to socially responsible investments made by the subcontractor.

Caisse des Dépôts was authorised by the *Agence nationale des services à la personne* (French national agency for personal services) to centralise the collection of *CESU TIP* (prepaid personal service vouchers), thus reinforcing its commitment to the development of personal services.

Banking partner to public authorities

Caisse des Dépôts is commissioned by various partners – primarily public authorities – to provide administrative, financial and account management services.

This role encompasses four main activities:

- Public service delegations administering two public institutions which provide financing for the French motorways, CNA and ADF, national funds including the fund to compensate regulated gas and electricity rates (Tartam) and foundations such as the *Fondation pour les œuvres de l'islam de France* which manages funds earmarked for Islamic works in France;
- EU structural funds: as a paying authority, Caisse des Dépôts works alongside the regions responsible for managing

structural fund programmes. In 2007 it was authorised to act as a certification authority for seven EU programmes covering the period 2007-2013;

- EU framework programmes (FP) for research and technological development: Caisse des Dépôts continues to administer projects financed as part of the 6th FP; moreover, in its capacity as a member of the AFINAJ Consortium, the national point of contact for the 7th FP, Caisse des Dépôts organises conferences on the subject of new financing methods;
- Administration of the national register of greenhouse gas allowances (decree of 23 December 2004): Caisse des Dépôts underwent a compliance control and obtained accreditation from the United Nations with an exceptional 90% confidence rating, taking into account the technical and administrative quality of its registration system.

focus

Commitment to quality

- In 2007, Caisse des Dépôts confirmed its support of its customers, partnering them in quality improvement programmes:
 - **Commercial judicial systems:** Caisse des Dépôts supported the efforts of the commercial courts of Chambéry and Pontoise to optimise collective performance and create a climate of trust. After a year of work, the Pontoise commercial court is ready to apply for certification. The Chambéry court has set up an association made up of stakeholders designed to ensure implementation of the court's commitments regarding distressed companies;
 - **Notary firms:** Caisse des Dépôts continued to support this client group in 2007 by setting up a client satisfaction barometer in notary firms and monitoring the ramp-up of the *Télé@ctes* system, which will enter its final phase at the end of 2008. At that time, notaries will be able to electronically transfer all types of legal documents to the mortgage registry.

Administrative mandates for public sector pension funds

Caisse des Dépôts has been entrusted with managing public sector pension schemes since its creation in 1816, a responsibility that is part of its primary mission: to safeguard and contribute to the development of savings and personal insurance on behalf of French citizens. Today, Caisse des Dépôts administers 51 funds serving 80,000 employers, over seven million active contributors and three million pensioners, i.e., one in five retirees. 2007 was marked by the application of the right to information on assets, resulting from the pension reform of 2003.

A leading player in public sector pensions

The Pensions Division is currently engaged in discretionary management in three fields:

- pensions (public sector schemes and the Pensions reserve fund);
- compensation and prevention of occupational hazards as well as professional integration and in-work assistance for disabled persons;
- the administration of various compensation funds.

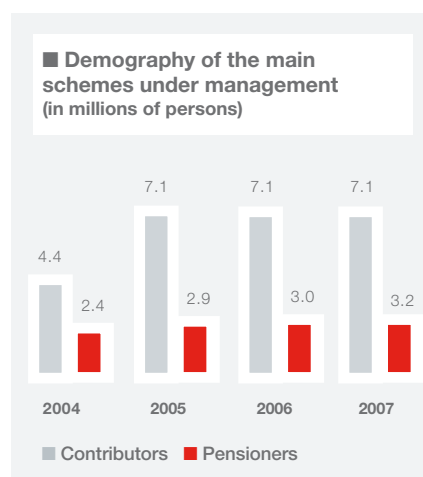
Caisse des Dépôts holds 51 administrative mandates and is one of the key partners of local governments and public employers. Its competencies include the various financing techniques for pension plans, from pay-as-you-go to insurance-based schemes, rights administration and plan management.

To carry out its missions and manage its activities' increasing volumes, the Pensions Division has modernised its information system, adopted the highest standards of administrative and financial management,

implemented procedures for simplifying administrative procedures and expanded its computerised services.

The Pensions Division is active in the technical and administrative management of basic, supplementary and top-up pension schemes, as well as social security benefits based on solidarity. It is currently the only pensions administrator that uses the various points-and annuity-based rights acquisition techniques.

As a committed player in the pensions world, Caisse des Dépôts also supervises the technical administration of the various pension schemes with the aim of achieving the highest performance standards. This includes undertaking studies on the long-term stability of pension plans and performing actuarial calculations and simulations designed to tailor plans to the changing economic and demographic background.



Main funds administered

Five major pay-as-you-go pension schemes for permanent civil servants, fixed-term public sector employees, and manual workers in the three public functions:

- CNRACL, the basic pension fund for permanent civil servants employed by local authorities and public hospitals, has 1,967,369 contributors for 880,162 retirees;

- Ircantec, the supplementary pension fund for fixed-term employees in the three public functions – the State, local authorities and public hospitals – as well as for local officials, has 15.46 million beneficiaries, i.e. one out of every three members of the active population, including 2,493,800 contributors and 1,698,500 retirees;

- RAFF, the civil service top-up scheme covering the three public functions, has 4,580,000 contributors. 106,467 plan settlements resulted in capital payments during the year;

- the *Retraite des mines*, or miners' pension scheme, has 9,800 contributors for 355,981 retirees;

- FSPOEIE, the special pension fund for blue collar workers of State institutions, reports 51,468 contributors for 105,371 retirees.

Assistance funds for the elderly based on national solidarity: solidarity benefit payment for the elderly (formerly the basic old age pension) for certain categories of underprivileged beneficiaries.

Supplementary pension schemes for specific socio-professional categories:

- Pension funds for local elected officials (FONPEL);

- Benefit fund for local elected officials at the end of their term of office (FAEFM);

- Supplementary pension plan of *Compagnie générale maritime*, ANPE and *Office national de l'eau et des milieux aquatiques*.

CNRACL, the national fund for the prevention of industrial accidents and occupational diseases.

National compensation funds between local authorities and public sector institutions.

Disability annuity funds.

FRR, the Pensions reserve fund.

FIPHFP, the fund for the integration of disabled persons in public sector employment.

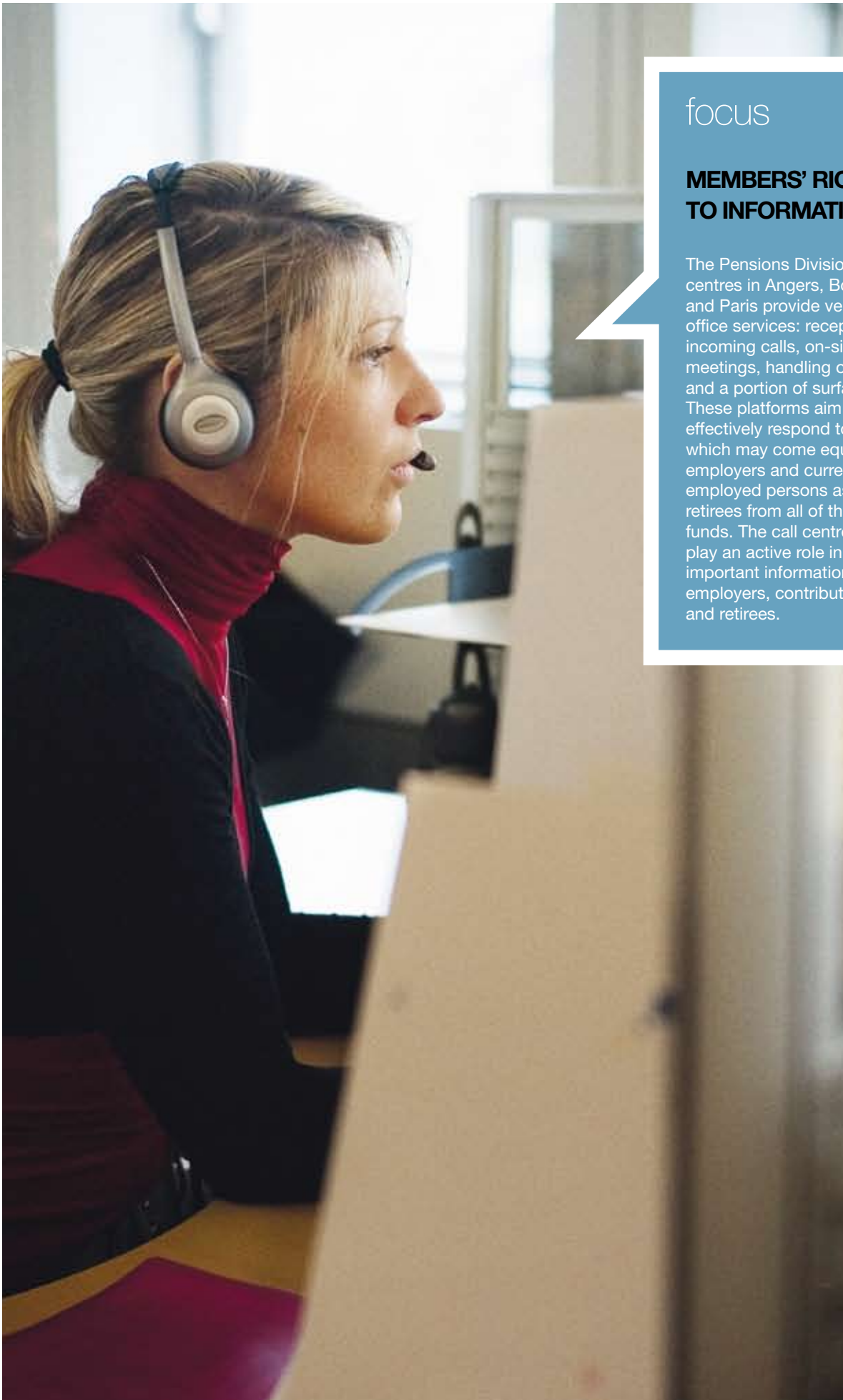
Members' right to information

The 2003 pension reform law requires all organisations administering pensions, be they basic, supplementary or special pensions, to provide members with comprehensive consolidated information concerning their pension status. This information is to be provided on a periodic

focus

Pensions reserve fund

- The Pensions reserve fund (FRR) is a tool for consolidating the pension system for the post-2020 period. Its purpose is to contribute to the continuation of obligatory state pension schemes (the general retirement insurance system) and aligned plans for small businesspersons (Organic) and craftspersons (Cancava). At 31 December 2007, its assets totalled €34.5 billion. In 2007, the FRR, which is a signatory to the Principles for Responsible Investment, renewed a portion of its equity portfolio (€5.8 billion). Two new selection procedures (American small caps for €500 million and French equities for €500 million) were also launched (closure planned for 2008). The strategic allocation, which was revised in 2006, set an investment objective of 60% of the FRR's reserves in equities and diversification of the portfolio, through geographical rebalancing of investment targets (gradual reduction in the share of euro zone equities in favour of international investments) and the introduction of diversified assets (real estate, infrastructures, commodities and private equity).



focus

MEMBERS' RIGHT TO INFORMATION

The Pensions Division's call centres in Angers, Bordeaux and Paris provide veritable front office services: reception of incoming calls, on-site client meetings, handling of emails and a portion of surface mail. These platforms aim to effectively respond to all queries, which may come equally from employers and currently employed persons as well as retirees from all of the managed funds. The call centres thus play an active role in providing important information to employers, contributors and retirees.

basis as well as at the request of members, and will come in two forms: the Individual pension statement (RIS) and the Indicative global estimate (EIG) reports.

In 2005, Caisse des Dépôts and the plans that it manages took all the necessary measures to meet these obligations. They also actively participate in the work of the "Info Retraite" public interest group, to which nearly all French retirement organisations belong. Along with CNRACL, Ircantec, Retraite des mines, RAFP and FSPOEIE, it is a full member of this group.

With the help of Informatique CDC, the Pensions Division designed and implemented the internal changes to existing software and the applications permitting information flows between its IT system and Info Retraite. These applications were rolled out in a reliable and secure manner, thus contributing to the Pensions Division's high level of service quality that was recognised in the report prepared by the French member of the Chamber of Deputies Dennis Jacquat.

The first phase of this Members' Right to information (DAI) has come to a close. About 100,000 RIS and EIG reports were issued as from September 2007, representing 7% of the 1957 (RIS) and 1949 (EIG) generations.

The service offering was broadened in terms of both Internet services and the management of telephone calls, emails and client contacts in general.

With an eye on the opinions and reactions of the first recipients of this data in order to improve the quality of the information provided, the Pensions Division is now preparing the mailings to the groups concerned in 2008 (1950 and 1951 for the EIGs, 1958 and 1963 for the RISs).

Performance, quality and responsibility

With performance, action and services as its watchwords, the Pensions Division's ambition is to strengthen Caisse des Dépôts' position as the leading operator in the administration of public sector pension schemes. The objective is to strengthen its ability to develop projects, thereby serving the public interest through its role as a player determined to modernise public management.

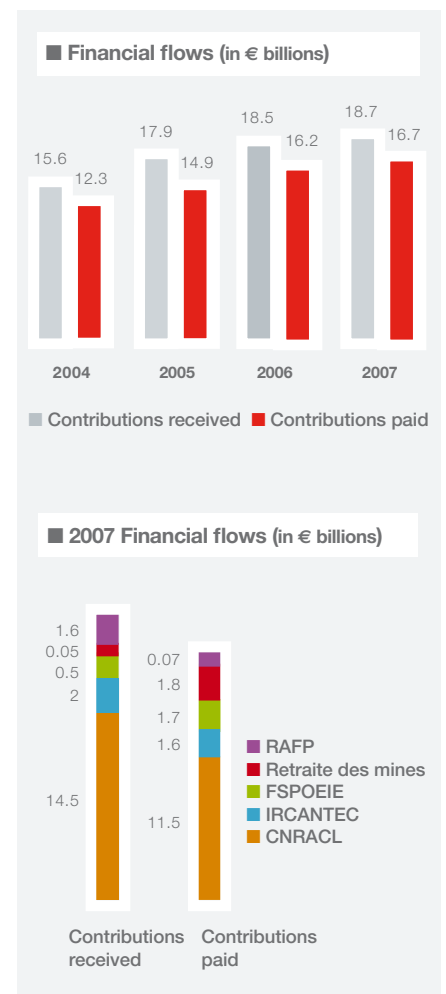
■ A performance culture

The Pensions Division has embarked on a rigorous cost-control programme in order to be able to take on new projects. The recent and future acquisitions of new mandates now reinforces this process. The Division is implementing self-assessment tools in order to compare its performance with that of other pension plan administrators in France and Europe, indeed in the case of certain businesses, with other private and public sector entities.

The Pensions Division has also made a commitment to its customers and partners to clarify and reinforce their relationships. Relations with the main managed funds are governed by management and target-based agreements.

■ An information system to support development

The improved security of the Pensions Division's IT applications, which are based on process architectures common to all funds, enables the system to integrate the key aspects of the management of any type of pension plan or special fund. Accordingly, the Pensions Division's IT system compares favourably with that of similar entities.



Thanks to its flexibility and strong operational performance, the new management mandates – RAFP, Retraite des mines and FIPHFP – were incorporated into the Pensions Division's IT system on schedule.

■ A renewed relationship with public employers

Caisse des Dépôts is implementing an organised, structured and shared policy of direct and indirect relations with employers in the three public functions. This policy is differentiated in accordance with the appropriate segmentation. Caisse des Dépôts periodically conducts customer satisfaction surveys and involves employers in the project planning stage.

The Pensions Division develops online services (individual pension declarations in particular) for employers with a multi-fund financial account, via the e-services Internet platform which is accessible through the www.cdc.retraites.fr portal.

It is also streamlining a number of processes, such as collection. Payment of employer contributions through bank

transfer is possible for all managed funds.

■ Carbon Audit and computerisation

Within the framework of the Carbon Audit initiative, the Pensions Division accurately and comprehensively measures its CO₂ emissions and has set up an emissions reduction plan. By systematically reducing paper exchanges via computerisation, it contributes to cutting the consumption of raw materials and non-renewable energies. The Bordeaux site's environmental management policy has been ISO 14001-certified since 2004.

■ Responsible management

In line with the decision taken by its Board of Directors in November 2005, the financial assets of the civil service top-up pension scheme are invested according to socially responsible criteria. In 2007, ERAFP made its first equity investments, after having selected four discretionary asset management companies at the close of the largest French SRI (social responsible investments) tender offer to date (up to €1.2 billion in

focus

Administration of public sector pension funds: Caisse des Dépôts' key strengths

- Administrator of the civil servants' retirement fund since 1816, Caisse des Dépôts today manages 51 funds. Its key strengths enable it to support the government's efforts to modernise public management:
- its technological expertise in pay-as-you-go obligatory pension schemes;
- its adaptability in relation to new pension plans or administrative acceptance of existing retirement schemes;
- its ability to take into account the specific characteristics of the population covered and guarantee the specificity of schemes;
- the security it derives from its status as a long-term financial institution, ensuring public trust.

assets over the 2007-2011 period).

To supplement its SRI Charter of March 2006, ERAFP drew up a document which details for each type of issuer, both public and private, the criteria and weighting used by the Vigeo and Oekom agencies for the portfolio's extra-financial rating.

The Pension reserve fund plays an active role in organisations that promote SRI and research in this area, as demonstrated by its contribution to the research activities of the "Sustainable finance and responsible investment" chair under the aegis of the *Institut d'Études Industrielles de Toulouse* and the *École Polytechnique*. Having been an active member of the United Nation's PRI Board since its launch, the Pension reserve fund has also joined the Carbon Disclosure Project.

In order to translate its commitments into concrete actions within its organisation, the Pension reserve fund has set up an internal sustainable development programme; a dedicated project committee is now in place and a Carbon Audit will be performed in 2008.

■ Certification

The standardisation of processes, the implementation of monitoring indicators and the existence of good governance guidelines are all elements of socially responsible management. CNRACL's payment management process is ISO 9001-certified; in the case of ATIACL, FSPOEIE and SASV, all of their processes are certified as are Ircantec, FONPEL and ANPE's supplementary pension scheme. This certification covers the management of pension schemes and assistance to principals in a governance and sustainable development perspective.

The certification renewal audit of 2006 underscored the reliability of the Pensions Division's administrative and management systems.

With regard to Ircantec, the "inform and advise the client", "settle and pay pensions" and "grant a welfare benefit" processes are certified. In the case of FONPEL and ANPE, certification extends to all pension plan administrative processes.

The accounting and cash management departments of the Bordeaux site obtained certification renewal in December 2006, while Angers was awarded certification in December 2007.

■ Contribution to the debate on pensions

Against a backdrop of national and international discussion and reforms, longer life expectancy and coverage periods, and the retirement of the babyboom generation, Caisse des Dépôts is an active participant – as it has been for over ten years – in the debate regarding the future of pension plans. In Bordeaux it organises a forum that has become the key annual event for all players in the pension world, aimed at fostering dialogue between political and social-protection decision-makers, researchers, economists, journalists, administrators and trade union leaders.

More than 500 people attended the 2007 forum whose theme was "Pensions: the opinions of European experts". For the occasion, Caisse des Dépôts published a compilation of articles by 40 French and European experts, recognised for their understanding of the political economy of ageing, along with the reactions of major political figures.