

PRESS RELEASE



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Caisse des Dépôts posts strong 2016 results

Consolidated financial statements show robust Group performance

- Recurring profit: **€1.564 billion (up 3%)**
- Attributable net profit: **€1.783 billion (up 30%)**
- Strong performance fuelled by a **42% higher contribution from Group subsidiaries**
- Coupled with a pro-active portfolio turnover policy in the Central Sector
- Equity: **€34.2 billion, up €2.6 billion (8%)**

Savings Funds report brisk activity

- Outstanding loans: **€182 billion (up 3%)**
- Robust profit from ordinary activities: **€1.335 billion**
- Brisk activity: more than **€17.3 billion in new loan agreements**

“As CEO, my aim has been to boost our assets’ performance and inject fresh impetus into our subsidiaries, with two goals in mind – first to grow our attributable equity and give us some all-important wiggle room going forward, and second to build Group cohesion by bringing our subsidiaries on board and involving them in our overall strategy of supporting government policy and transitions. We want Caisse des Dépôts to operate like a group, not just a collection of strategic affiliates.”

Pierre-René Lemas

Chairman and Chief Executive Officer of Caisse des Dépôts

Ambitious goals for economic development

- **A strong Group:** more than €100 billion of equity investments.
- **An innovative Group:** equity financing loans via the NovESS fund.
- **A useful Group:** 1 in 6 French people lives in social housing built or financed by the Group.

Figures at a glance:

Results of Caisse des Dépôts Group	
Attributable net profit	€1.783 billion
Recurring profit	€1.564 billion
Caisse des Dépôts statutory earnings	€1.223 billion

Results of the Savings Funds	
Outstanding deposits	€237 billion
Outstanding loans	€182 billion
Profit from ordinary activities	€1.335 billion
Net profit, after additions to the FGBR	€0.621 billion

Caisse des Dépôts Group in 2016:

Attributable net profit of €1.783 billion and recurring profit of €1.564 billion

- In 2016, Caisse des Dépôts Group recorded attributable net profit of €1.783 billion, up 30% from €1.371 billion in 2015 when asset write-downs weighed on performance.

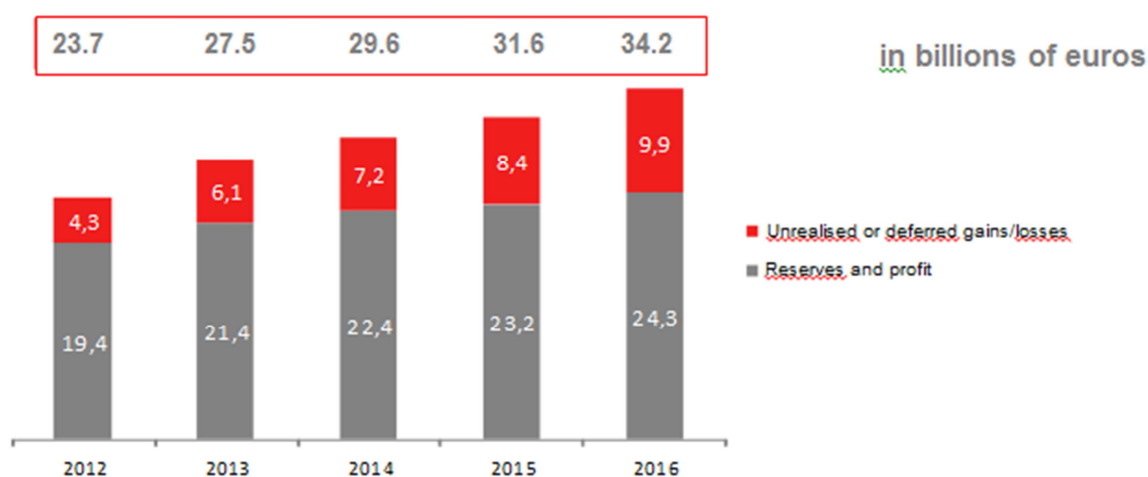
The total contribution to Group profit from subsidiaries and strategic affiliates rose sharply (up 42%) in 2016, as the Group stepped up its strategic affiliate portfolio turnover policy and issued €1.35 billion in subsidised zero-interest loans to support social housing and the renovation of public buildings.

- Recurring profit came in at €1.564 billion in 2016, up 3% from €1.523 billion in 2015.

Recurring profit is a measure of the Group's economic performance, corresponding to the recurring profit of the Central Sector as well as the Group's share in the operating profit of its subsidiaries. It does not include gains, losses and impairment of equity portfolios and shareholdings, or non-recurring items.

(in millions of euros)	2015	2016	Year-on-year change
Recurring profit	1,523	1,564	+41
Non-recurring profit (loss)	(152)	219	+371
Attributable net profit	1,371	1,783	+412

- **Attributable equity grew by €2.6 billion to €34.2 billion at 31 December 2016**, thanks to the impact of net profit for the year and the €1.5 billion jump in unrealised capital gains generated by the ongoing bull market. Excluding unrealised gains, attributable equity totalled €24.3 billion at 31 December 2016, up €1.1 billion year on year and €4.9 billion on 2012.



Contribution to attributable net profit by division

Contribution to consolidated net profit (in millions of euros)	2015	2016	Year-on-year change
Caisse des Dépôts division	507	557	+50
Subsidiaries and strategic affiliates	864	1,226	+362

- **The Caisse des Dépôts division contributed €557 million to consolidated net profit in 2016, compared with €507 million in 2015**, spurred by major gains on assets in the Central Sector in the year (notably following the partial sale of its stake in Veolia Environnement).
- **The subsidiaries' contribution to attributable net profit rose by 42% to €1,226 million in 2016 from €864 million in 2015.**
 - ▶ **CNP Assurances** was the largest contributor to Caisse des Dépôts Group's net profit, up 9% to €459 million in 2016. Premium income remained largely unchanged at €31.5 billion (compared with €31.6 billion in 2015). Net insurance revenue grew by 10.7% year on year to €2,782 million, reflecting a robust business performance in France (up 18.8% on a like-for-like basis). Attributable net profit came in at €1,200 million in 2016 (up from €1,130 million in 2015).
 - ▶ **Bpifrance** contributed €317 million to the Group's consolidated net profit in 2016, up from €234 million in 2015 after consolidation adjustments. Bpifrance's net profit for the year was €723 million (including €571 million from its investment arm), versus €666 million the previous year. The robust performance in 2016 was fuelled by gains on asset disposals (including the sale of Eiffage) as well as measures to rein in the cost of risk.

- ▶ **La Poste** contributed €225 million to Group profit in 2016, up from €162 million in 2015. The subsidiary posted net profit of €849 million for the year (versus €635 million in 2015), reflecting an 11.5% spike in operating profit to €975 million on the back of one-off gains on assets and non-recurring impairment losses recorded in 2015.
- ▶ **Icade** made a €23 million contribution to Group profit in the year, versus a negative €81 million in 2015. Attributable net profit came to €58 million in 2016, after a €208 million loss in 2015 when the subsidiary recorded asset write-downs of €310 million. Net operating cash flow was up 8.4% to €325 million, while EPRA triple-net asset value grew by 8.1% to €5.8 billion.
- ▶ **Société Nationale Immobilière (SNI)** contributed €111 million to Group profit in 2016, down from €122 million the previous year. SNI again posted robust net profit on the back of sustained investment (1,765 homes delivered and 1,299 new homes under construction).
- ▶ **Compagnie des Alpes (CDA)** contributed €13 million to Group profit for the year, up slightly from €12 million in 2015. CDA posted revenue of €720 million in 2016, up 4.4% on a like-for-like basis following strong performances across its theme park and ski resort businesses (up 4.3% and 3.9% respectively). Net profit was €33 million, up from €30 million the previous year.
- ▶ **Transdev group contributed** €33 million to Group profit in 2016, compared with €41 million in 2015. The group continued to invest against a backdrop of fierce commercial competition, posting €66 million in profit for the year, fuelled by strong performance in its public transport business and a sharp drop in net financial debt.
- ▶ **Egis** generated a positive contribution of €18 million for the year, compared with €20 million in 2015. Managed revenues jumped 9.3% to €1,020 million in 2016. The company recorded net profit of €24 million (down from €26 million the previous year) as it shored up its impairment policy for foreign receivables (offset by gains on asset sales).
- ▶ **Compagnie Nationale du Rhône (CNR)** made a contribution to Group profit (excluding goodwill impairment losses) of €36 million in 2016, down slightly from €38 million the previous year. The company posted net profit of €108 million for the year.
- ▶ **CDC Infrastructure** contributed €39 million to Group profit for the year, compared with a negative €68 million contribution in 2015, which was fuelled by non-recurring impairment of financial assets.

Savings Funds:

Profit from ordinary activities of €1,335 million and net profit of €621 million

■ The Savings Funds report another brisk year for loans in 2016

Volumes of new loans signed in 2016 remained at a high level, totalling €17.3 billion, accentuating the Savings Funds' role as a driving force in France's economy.

Total new lending was down year on year (€21.1 billion in 2015) after several schemes (including the FCTVA VAT offset funds) were withdrawn and the economic and financial environment experienced a downturn.

The Savings Funds agreed €14.3 billion in new loans for social housing and urban planning programmes (their core business) – a sustained performance albeit lower than the records achieved in the three previous years. Their loans were used to build or buy 109,000 social housing units and to renovate 311,000 units.

Local government lending remained brisk in 2016, largely in line with the level seen the previous year. The Group launched a series of new schemes as it sought to accelerate the ecology and energy transition, including zero-interest “green growth” loans and EIB-backed fixed-rate loans for social housing renovation.

In 2016, Caisse des Dépôts also introduced a zero-interest “subsidised equity finance loan” for social housing organisations – a new quasi-equity product to support social housing construction and energy retrofits between 2017 and 2019.

■ **Centralised deposits remain largely unchanged after falling in 2015**

Centralised outstanding deposits across the Livret A, LDD and LEP passbook accounts stood at €237.1 billion at 31 December 2016 (including accrued interest), down slightly from €238.3 billion at 31 December 2015. Decree no. 2016-164 of 18 February 2016 put new limits on LEP deposit centralisation, triggering a net centralised deposit outflow of around €3 billion. However, this was partially offset by €1.8 billion of accrued interest.

- **The financial asset portfolio declined by €6.1 billion year on year to €72.4 billion, fuelled by an upward trend in loan volumes.**
- **The Savings Funds kept their balance sheet largely unchanged at €254.8 billion at end-2016, compared with €254.9 billion at 31 December 2015.**
- **Operating margin came in at €1,161 million, down slightly from €1,260 million in 2015, when the Group recorded a one-off reversal of provisions for non-performing loans after the fees paid to banks for centralised deposit management were revised.**

Charges on deposits fell sharply in 2016, under the combined effect of lower Livret A interest rates (0.75% on average in 2016, compared with 0.90% in 2015) and a drop in the amount of fees paid to deposit-taking networks.

Lending income also bore the brunt of falling regulated savings account rates, despite volume growth.

More provisions were set aside for non-performing loans as bank accessibility commission paid to La Banque Postale began rising in 2016 as planned.

- At 31 December 2016, provisions for impairment on financial assets rose by €64 million. Securities sold in the year generated net overall gains of €523 million.
- Provisions for contingencies and losses stood at €130 million at 31 December 2016 in anticipation of higher fee payments to La Banque Postale in 2017.
- **The Savings Funds posted profit from ordinary activities of €1,335 million in 2016 (compared with €1,801 million in 2015). After net additions to the Fund for General Banking Risks (FGBR) of €714 million, net profit came in at €621 million (€1,083 million in 2015).**
- A further rise in equity (up €0.6 billion) helped the Group shore up the Saving Funds’ balance sheet structure.

(in millions of euros)	2015	2016	Year-on-year change
SF operating margin	1,260	1,161	-99
SF profit from ordinary activities	1,801	1,335	-466
<i>Additions to the FGBR</i>	(718)	(714)	+4
SF net profit	1,083	621	-462

About Caisse des Dépôts

Caisse des Dépôts and its subsidiaries together form a State-owned group that is a long-term investor serving France's public interest and local and regional economic development. This role was reaffirmed by the French Law on modernisation of the economy of 4 August 2008.

Widely recognised for its expertise in managing its areas of competence, the Group focuses its efforts on four major areas of transition strategically vital to France's long-term development: territorial, ecology and energy, digital, demographic and social.

<http://www.caissedesdepots.fr>

Press contact

Caisse des Dépôts Group – Media relations: +33 (0)1 58 50 40 00
56 Rue de Lille, 75007 Paris, France