Fitch Ratings

Caisse des Dépôts et Consignations (CDC)

Key Rating Drivers

Close Links with State: Fitch Ratings views the Caisse des Dépôts et Consignations (CDC) as a government-related entity (GRE) of the French state (AA/Stable) and equalises its ratings with those of the sovereign. This reflects the very strong links between CDC and the state and the very strong incentives for the latter to support CDC if needed, resulting in an overall score of 55 points under our GRE criteria. Fitch does not assign a stand-alone credit profile (SCP) to CDC given its close financing and operational links with the French state.

Status, Ownership, and Control – 'Very Strong': CDC has the status of fully-owned special public agency ('établissement spécial', a type of 'établissements publics'), which is unique in France. In case of dissolution, all its assets and liabilities would be transferred to the state or another public entity designated by the state. The state exercises tight control over CDC's strategic decisions through the parliament and the presence of representatives on the supervisory board.

Support Track Record and Expectations – 'Strong': As an etablissement public, CDC would have access to emergency liquidity support mechanisms in case of need. It has not needed any extraordinary state support in the past. CDC also benefits from a full state guarantee over its saving funds under its Saving Fund division. Fitch sees no legal or regulatory restrictions on support.

Socio-Political Implications of Default – 'Very Strong': CDC has a highly strategic role for the French state as it is mandated to perform various public interest missions in key government policies. It also acts as a long-term investor to support local and sustainable development, manages French legal deposits and administers major public pension schemes and regulated saving funds. In Fitch's view, a default would endanger the continued provision of essential public services, with significant political and social implications.

Financial Implications of Default – 'Very Strong': Fitch views CDC as a proxy funding vehicle for the state as it performs numerous state-mandated financial missions. CDC is a large and regular issuer in the market with its EUR18.5 billion EMTN programme, EUR1.5 billion Neu MTN programme, EUR20 billion Neu CP programme and EUR30 billion global CP programme. In Fitch's view, a default by CDC would have large impact on the sovereign's credit standing and on the borrowing capacity of other French GREs, especially etablissements publics.

ESG Considerations: The ESG credit relevant score is '3', meaning that ESG issues are credit neutral on CDC's ratings. These issues are minimally relevant to the ratings given the missions of the entity and the institutional framework.

Rating Sensitivities

Change in Sovereign Rating: Any rating action on the sovereign's ratings would be reflected in CDC's ratings.

Weaker Support Factors: A downgrade could result from weaker assessment of the strength of linkage or incentives-to-support factors, leading to a score below '45' points under our GRE criteria. This could result from a change in legal status or a lower financial support from the state, which Fitch views as unlikely.

Ratings

Foreign Currency	
Long-Term IDR	AA
Short-Term IDR	F1+
Local Currency	
Long-Term IDR	AA
Long-Term issues	AA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Issuer Profile

CDC has the status of fully owned special public agency. It is mandated to perform various public interest missions, such as the financing of social housing, local and sustainable development and the protection of legal desposits. It also manages most of the regualted savings deposits (notably Livret A) and major public pension schemes.

Financial Data

Caisse des Dépôts et Consignations (CDC)

(EURm)	2018
Interest revenue	1,501
Net profit (after tax)	1,914
Equity and reserves	39,510
Total debt	31,531
Total assets	163,002

Source: Fitch Ratings, CDC

Applicable Criteria

Government-Related Entities Rating Criteria (November 2019)

Related Research

What Investors Wants to Know: The Status of EPs Is not Tantamount to a Guarantee (February 2018)

France (December 2019)

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Rating Synopsis

Fitch views CDC as a GRE of the French state and assigns a score of 55 to the entity under its GRE criteria. This reflects a ‘Very Strong’ assessment on three rating factors (Status, Ownership and Control, Socio-Political Implications and Financial Implications of Default) and a ‘Strong’ assessment on Support Track Record and Expectations.

The GRE score of 55 leads to an equalisation of CDC’s ratings with those of the sovereign. Fitch does not assign a SCP to CDC given its close financing and operational links with the French state.

Rating History

Date	Long-Term Foreign-Currency IDR	Long-Term Local-Currency IDR
18 Dec 14	AA	AA
17 Jul 13	AA+	AA+
24 Dec 96	AAA	AAA

The downgrades in 2013 and 2014 followed the deterioration of the sovereign’s rating
Source: Fitch Ratings

Notching Guideline Table

SCP of GRE vs. rating of government/overall support score	Equal or more than 45	Between 35 – 42.5	Between 27.5 – 32.5	Between 20 – 25	Between 15 – 17.5	12.5	Equal or less than 10
Same or above	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained
Up to three notches away from government	Equalised	Equalised	Equalised	Top-down minus 1[a]	Bottom up + 1 capped at government minus 1	Bottom up + 1 capped at government minus 1	Standalone
Four notches away	Equalised	Top down minus 1	Top down minus 1	Top down minus 2	Bottom up + 1	Bottom up + 1	Standalone
More than four notches away from government or standalone not derived/not meaningful[c]	Equalised	Top down minus 1	Top down minus 2	Top down minus 3	Bottom up + 2 or +3 capped at government minus 3[b]	Bottom up + 1[b]	Standalone[b]

[a] If the SCP of the GRE is one notch below the government and the credit drivers of the GRE are largely independent from those of the government, a one-notch uplift to the same rating as the government can also be considered
[b] When the standalone is not assigned or not meaningful, entities for which the notching approach is bottom up or standalone would not be rated
[c] The SCP may be ‘not meaningful’ when it the issuer cannot be effectively de-linked from the government - notably when the GRE primarily acts on behalf of the government to perform a policy driven mission and does not generate its own cash flows or because of very tight operational and financial links with the government
Source: Fitch Ratings

Issuer Profile

Created in 1816, CDC is a French public special entity with a highly protected legal status. CDC is fully owned by the French state and supervised by the French parliament. It acts as a long-term institutional investor and performs various public interest missions granted by the law, such as the financing of infrastructure projects, universities and renewable energy contributing to local and sustainable economic development (see *Operations*).

Support Rating Factors

Caisse des Dépôts et Consignations – Assessment of the Support

Status, ownership, and control	Support, track record and expectations	Socio-political implications of default	Financial implications of default	GRE score
Very Strong	Strong	Very Strong	Very Strong	55

Source: Fitch Ratings

Status, Ownership and Control: Very Strong

CDC has the status of fully-owned special public agency ('établissement spécial', a type of 'établissements publics'), which is unique in France. CDC's legal status is defined by the monetary and financial code (article L-518) and an only be modified by law. It provides CDC with immunity to liquidation and bankruptcy law (article L 631-2 and L640-2 under the French commercial code) and decisions relative to its dissolution would revert to the French state.

CDC is closely monitored by the state. It is under the supervision of the French parliament under the French monetary and financial code. CDC's CEO is appointed by the French president for a five-year term and a majority of its supervisory board comprises members of parliament and representatives.

Under the PACTE Law (Plan d'Action pour la Croissance et la Transformation des Entreprises) passed in May 2019, CDC's supervisory board will become a deliberative body with strengthened prerogatives on CDC's strategic positioning and its subsidiaries, the implementation of its public interest mandates, investment strategy and financial situation. Fitch does not view the law as affecting the very strong links between CDC and the state as it ensures the pre-eminence of parliamentarians in CDC's supervisory board and its tight monitoring by the French parliament. The PACTE law also provides that the French banking regulator (ACPR) will supervise CDC from 2020, under a framework that will take into account its specificities.

Support Track Record and Expectations: Strong

As an 'établissement public', CDC would have access to the state's emergency liquidity support mechanisms, such as emergency loans or the purchase by the French treasury of CDC's long-term bonds or short-term notes issued by CDC through its general division. However, it has not needed any extraordinary state support over the last decades.

Fitch considers that the state is liable for the debt of its 'établissements publics', including CDC, under the Law of July 1980 (n° 80-539) on French public establishments. Fitch believes that the Law of 1980 is not tantamount to a first-demand guarantee but constitutes another form of support to EPs (see *What Investors Wants to Know: The Status of EPs Is not Tantamount to a Guarantee*).

One CDC's key mandate under its 'Saving Fund' division is to centralise, custody and manage the funds collected in tax-exempt savings deposits by French banks, notably 'Livret A'. Those funds, which totalled EUR275 billion at end-2018, benefit from a full state guarantee.

Given CDC's core activities, Fitch sees no risk of state support being considered illegal state aid. In Fitch's view, there is no legal or regulatory restriction on support.

Socio-Political Implications of Default: Very Strong

CDC has a highly strategic role for the French state as it is mandated to perform various public interest missions in key government policies (environment, social housing development, local government financing, infrastructure and transportation). CDC's mandates also include the protection of legal deposits, the administration of major public pension schemes and regulated saving funds, and the management of unclaimed accounts held by the French banks. CDC is also the institutional bank of ACOSS, the French social security agency. In Fitch's view, a default of CDC would endanger the continued provision of essential public services with significant political and social implications.

In addition, CDC acts as a long-term investor to support France's economic and local development. It holds strategic subsidiaries whose default would have significant socio-political implications, such as EPIC Bpifrance (AA/Stable), the government arm for financing French SMEs and guaranteeing export finance contracts, SFIL, the public development bank for French LRGs and public hospitals, and La Poste (LP; A+/Stable), the French postal operator (see *Operations*).

As of 2020, CDC will become the majority shareholder of LP (66%). As part of the creation of a large public bank-insurer group with the merger of CNP Assurances and La Banque Postale (LBP; A-/Stable) activities, it will also take over 99.99% of SFIL from 20% currently (see *Strategic Shareholdings*). In Fitch's view, this confirms CDC's central role in supporting French economic and territorial development.

Financial Implications of Default: Very Strong

CDC is a proxy funding vehicle for the French state, performing numerous state mandatory financial missions. A default would notably disrupt French local governments, and social housing funding and pension funds management.

CDC is also a large and regular issuer in markets with its EUR18.5 billion EMTN programme (EUR15.4 billion of outstanding at end-2018), EUR1.5 billion Neu MTN programme, EUR20 billion Neu CP programme and EUR30 billion Global CP programme (ECP and USCP; EUR14 billion of outstanding at end-2018 in short-term programmes). CDC also issued a EUR500 million Green Bond in 2017 and a EUR500 million Sustainable Bond in June 2019, with the aim to regularly issue on this market.

In this respect, Fitch considers a default by CDC would have a large impact on the French state's credit standing and on the borrowing capacity of other French GREs (especially etablissements publics) as it would erode investors' confidence in the willingness of the state to support these entities.

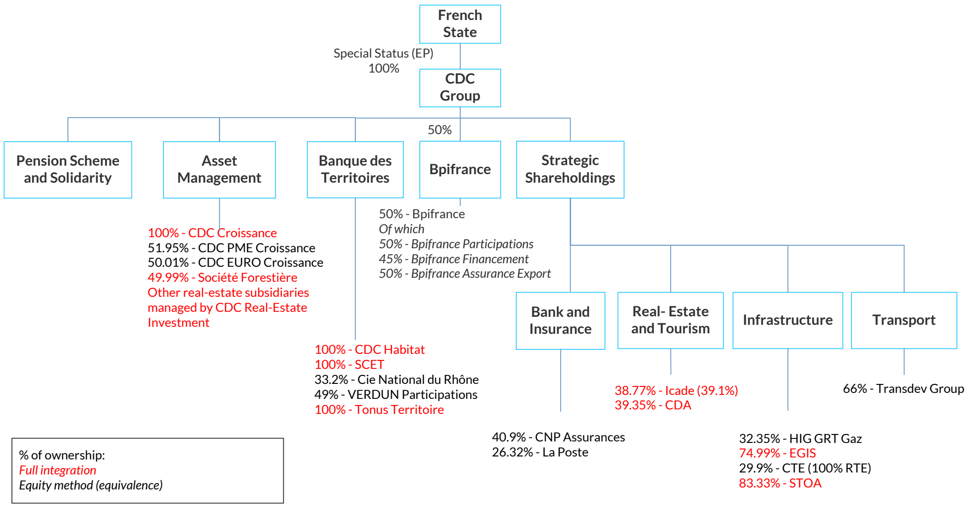
Overall GRE Assessment

The assessment of the above rating factors lead to a score of 55 under our GRE criteria.

Operations

CDC performs various public general interest missions. Some of its activities are consolidated (protection of legal deposits, financing of local and sustainable development, regulated banking, strategic shareholdings), while other activities carried out on behalf of the French state are not consolidated (management of savings deposit funds and administration of major public pension schemes; see chart below).

Consolidated CDC Group – Organisational Chart (end-2018)



Source: Fitch Ratings

Consolidated Activities

Protection of Legal Deposits

CDC is the institutional manager of legal deposits, which comprise over 20 monopolies by law involving legal depositary of specific private funds for protection. CDC centralizes and custodies deposits linked to legal procedures under the control of specialized public appointees, consignations in case of disagreement between parties, dormant bank accounts and unclaimed life insurance.

Local Development Long-Term Investments

CDC finances local government projects by providing equity financing for infrastructure, universities, renewable energy and high-broadband network programmes. In addition, CDC supports new businesses and local job creation schemes and provides private equity financing to SMEs. CDC is engaged in infrastructure finance through long-term public interest projects, and partly through public-private partnerships (PPPs).

Regulated Banking

CDC acts as the institutional bank of ACOSS, a public agency in charge of the social security scheme's cash operations and the financing of short-term deficits accumulated by social security branches. ACOSS's funding is based on a EUR40 billion NeuCP Programme, for which CDC provides back-office services; a EUR40 billion ECP programme; and different liquidity instruments provided by CDC with a ceiling of EUR11 billion according to the 2019-2023 funding contract (EUR7 billion of three- to six-month loans, EUR2.5 billion of very short-term loans, and EUR1.5 billion of cash advances).

Affiliates and Strategic Shareholdings

CDC holds investments in a number of strategic entities in banking and insurance, housing, infrastructure, transportation, energy and environment. They are organised around four business units: Banque des Territoires, Strategic Shareholdings, Asset Management and Bpifrance (see chart above).

Banque des Territoires

Created in May 2018 as part of the CDC division, Banque des Territoires is a unique platform that aims to support social housing, local and sustainable development in French territories.

Within this business unit, CDC fully owns SCET (Services, Conseil, Expertises and Territoires), a company providing financial engineering and advisory services to local governments and social housing entities, and CDC Habitat (AA-/Stable), which is one of the largest social housing landlords in France with a portfolio of about 495,000 units at end-2018.

Strategic Shareholdings

At end-2018, CDC held 26.3% in LP and the French state 73.7%. LP provides key public services, such as universal postal services, regional planning based on its extensive post office network, retail banking access, press distribution and public sector funding through its subsidiary LBP.

Since the PACTE law, the state is no longer a mandatory shareholder of LP, which must be fully owned by public-sector entities under the French postal law (Act 2010-123 of 9 February 2010). As a result, CDC will become the majority shareholder of LP by taking over 66% of the latter in 2020 and in return will transfer its 40.9% stake in CNP Assurances (France's largest life insurance provider and term creditor insurance) to LBP.

As part of the creation of a major public financial group with the merger of CNP Assurances and LBP, CDC will also take over 99.99% of Société de Financement Local (SFIL), the state retaining its remaining stake. SFIL is a financial institution providing funding to French local and regional governments and public hospitals.

At end-2018, CDC held majority shares in real-estate and tourism entities, notably ICADE (39.1%) and CDA (39.4%). It owned 75% of EGIS, an international engineering service company, 83.3% of STOA, a company specialised in investing in long-term infrastructure projects, and 66% of Transdev Group for sustainable transportation. As of January 2019, Rethmann Group held the 30% of Transdev's shares previously owned by Veolia.

Asset Management

CDC also acts as an asset manager through its subsidiaries CDC Croissance (100%), CDC PME Croissance (52%), CDC EURO Croissance (50%) and several real-estate subsidiaries managed by CDC Investissement Immobilier.

As part of this business unit, CDC retains 50% shares in Société Forestière, an entity dedicated to managing the forest assets of most French institutional and private investors. Established in 1966, this subsidiary develops and manages CDC's forest investments.

Bpifrance

CDC owns equal shareholdings with EPIC Bpifrance (AA/Stable; fully owned by the state) in Bpifrance, a development bank created to more efficiently provide funding for technological innovation, SMEs and mid-caps by combining the services previously provided by OSEO, CDC Entreprises and the FSI (Strategic Investment Fund).

As of December 2018, CDC International Capital, CDC's subsidiary specialised in long-term relations with sovereign funds to co-invest in operations in France and internationally, was transferred to Bpifrance. The absorption of CDC International Capital by Bpifrance aims to rationalise services provided by CDC and Bpifrance to support companies' capital growth.

Non-Consolidated Activities

Management of Saving Funds

CDC acts as the custodian and manager of the funds collected in tax-exempt savings deposits by the French banks, mainly Livret A. These funds benefit from a full state guarantee. Total savings deposits increased to EUR253 billion at end-2018 from EUR245 billion at end-2017.

Most of these funds are used to finance French social housing entities. At end-2018, savings funds agreed EUR11.6 billion in new loans for social housing and urban planning programmes. CDC's role in social housing strengthened in 2018 through the implementation of its Housing Plan, comprising a EUR10 billion funding envelope to support the social housing sector's investments in French territories.

These funds are also used to finance the French local and regional governments, public hospitals, universities and transportation. At end-2018, the outstanding amount of loans to the above local authorities totalled EUR26 billion.

Administration of Retirement Schemes

CDC administers a large number of public retirement schemes, covering over one in five retirees in France with about 7.6 million contributors and 3.9 million pensioners in 2018. At end-2018, it represented EUR59 billion of pensions paid. These retirement savings plans are mostly pay-as-you-go schemes. CDC is responsible for collecting contributions, calculating rights and paying out pensions. The activity is managed in such a way as to break even and it is not a profit centre for CDC.

Financial Performance

Fitch does not assign a SCP to CDC given its close financing and operational links with the French state.

Financial Profile

CDC operates in a wide range of sectors through its subsidiaries and strategic participations (see *Affiliates and Strategic Shareholdings*). CDC's consolidated assets totalled EUR163 billion at end-2018 from EUR174 billion at end-2017.

CDC's profitability can be volatile due to the entity's large equity portfolio and yields on fixed-income securities. CDC's shareholders equity totalled EUR36 billion at end-2018 from EUR37 billion at end-2017. This decline was due to a decrease in unrealised gains driven by the fall in stock prices at end-2018. However, CDC's shareholders' equity increased to EUR40 billion at end-June 2019 following the increase in prices in 1Q19.

Consolidated CDC Group Net Income Contribution

(EURm)	2018	(%)
CDC contribution	**251**	**14**
Subsidiaries contribution	**1,517**	**86**
Of which Bpifrance	*408*	*23*
Of which bank & insurance	*741*	*42*
Of which infrastructure	*224*	*13*
Of which real estate subsidiaries	*144*	*8*
Total CDC's group net income	**1,768**	**100**

Source: Fitch Ratings, CDC

Consolidated CDC Group Income Statement

(EURm)	2018
Interest revenue	1,501
Interest expenditure	-1,081
Net interest income	420
Staff expenses	-5,630
Net operating income (after provisions)	**741**
Cost of risk	-15
Net income (after tax)	**1,929**
CDC group's net income	**1,768**

Source: Fitch Ratings, CDC

At end-2018, CDC's general division posted a sound consolidated net profit after allocation of non-controlling interests of EUR1.8 billion from EUR1.9 billion in 2017. The main contributors to CDC's net income in 2018 were its bank and insurer subsidiaries CNP Assurances and LP (EUR741 million or 42% of consolidated CDC's net income; see table). The difference between 2017 and 2018 net income essentially results from the following elements: a change of accounting standard to IFRS9; exceptional elements in 2017 (e.g. sale of CDC's stakes in Sanef and transaction on Christian Dior's shares); and a decrease of Bpifrance's contribution due to the variation of Eutelsat's market values (satellite operator in Europe). These downward elements were partially compensated for by other CDC subsidiaries' performance in 2018 and the non-recurring exceptional depreciation of LP from 2017 (EUR610 million).

Fitch expects CDC's profitability to remain sound in 2019. This expectation considers recorded net profit of EUR1.3 billion at end-June 2019 (EUR1.1 billion at end-June 2018) and the sustained growth of CDC's loans and investment according to the entity's medium-term strategy.

Consolidated personnel costs were fairly controlled, totalling EUR5.6 million at end-2018 from EUR5.4 million at end-2017. This represented a headcount of 100,601 in 2018 (99,672 in 2017).

Secure Risk Management

CDC's investment strategy, which includes risk tolerance thresholds and expected returns, is determined by its board annually and achievements are reviewed regularly. Management considers its risk appetite modest. From 2020, the PACTE law provides that CDC will report to the French banking regulator (ACPR) under a framework which will take into account its specificities as a long-term investor. At end-2018, CDC's leverage was low at 22% (equity/assets including unrealised gain or loss).

CDC's asset quality has historically been robust. Most of its assets are bonds, stocks and participations, a mix that reflects its role as a prominent institutional investor. Loans represent a minimal amount on CDC's balance sheet, chiefly concentrated on ACOSS and SFIL. Corporate loans remain on CDC's balance sheet, but they are not meaningful, and impaired loans are minimal.

Credit risk is concentrated within CDC's securities portfolios. Investment criteria adopted by CDC are strict, requiring high external ratings, adherence to selected industry sectors and concentration limits. CDC has no material exposure to toxic assets, such as subprime mortgages, CDOs or MBS.

CDC is exposed to market risk through its extensive securities portfolios. It is exposed to interest rate risk in its available-for-sale securities portfolio, as all securities held to maturity are fixed-rate bonds. CDC's balance-sheet structure may give rise to significant interest rate gaps, which are not entirely hedged. CDC makes no use of macro hedging instruments, but monitors interest rate gaps and applies stress tests to ensure ranges remain within acceptable limits.

Debt and Liquidity

Debt Profile

CDC mainly finances its long-term investments with its accumulated reserves and deposits from the legal professions. At end-2018 they represented respectively 17.5% and 42.5% of CDC's unconsolidated liabilities. Long-term funding (Neu MTN and EMTN programmes) accounted for 12.5%, short-term funding (Neu CP and Global CP programmes) for 25% and repo funding for a tiny 2.5%.

CDC has good access to long-term funding in capital markets through a EUR18.5 billion EMTN programme that it uses for issues in foreign currencies. Overall outstanding debt under its EMTN programme was EUR14.7 billion at end-September 2019. CDC has also a EUR1.5 billion Neu MTN programme with an outstanding of EUR0.6 billion at end-September 2019. CDC issued a EUR500 million Green Bond in February 2017 and a EUR500 million Sustainable Bond in June 2019, with the aim to regularly issue on this market.

CDC's market liabilities are usually shorter term than many assets, but CDC considers its deposit base stable. Legal deposits have increased in recent years (EUR49 billion at end-2018), mainly driven by notarial deposits in a low-interest and dynamic real-estate environment. CDC has no difficulty in raising funds, given its high ratings and close links with the French state. CDC is 0% risk weighted for bank capital adequacy purposes.

Sound Liquidity

CDC's liquidity profile is strong. It has wide access to liquidity through its EUR20 billion Neu CP programme (outstanding of EUR1 billion at end-2018) and EUR30 billion global CP programmes (ECP and USCP; outstanding of EUR13 billion at end-2018).

CDC's liquidity is also enhanced by its equity portfolio (EUR21 billion at end-2018) and its option to mobilise its bond portfolio. Fitch considers CDC's liquidity cushion is underpinned by its stable savings accounts (EUR275 billion at end-2018), although they are ring-fenced and segregated in the 'Saving Fund' division.

Ultimately, CDC would have immediate access to the state's emergency liquidity support mechanisms if needed, such as emergency loans or the purchase by the French treasury of CDC's long-term bonds or short-term notes issued by CDC through its general division (see *Support Track Record and Expectations*).

Off-Balance-Sheet Commitments

The off-balance-sheet commitments of the consolidated CDC group totalled EUR50 billion at end-2018. They mainly consist of issued guarantees and committed credit facilities in favour of banks and other third parties. On the off-balance-sheet assets side, CDC reported a total of EUR41 billion received commitments (including swaps) at end-2018, mainly from banks.

Peer Analysis

CDC compares well with other French state operators, which are equalised with the sovereign's ratings. ACOSS, Agence Française de Developpement (AFD; AA/Stable), Bpifrance and Caisse d'Amortissement de la Dette Sociale (AA/Stable) are also etablissements publics (EPAs, EPICs). Differences among GRE scores mainly stem from their assessment on Socio-Political Implications of Default (from 'Strong' for AFD and Bpifrance to 'Very Strong' for ACOSS and CADES).

Internationally, CDC compares well with Cassa Depositi e Prestiti (CDP; BBB/Negative) in Italy. CDP issues retails saving products and holds stakes in strategic companies. Its ratings are equalised with the sovereign as the latter guarantees CDP's retails deposits and certificates (ie 85% of its total liabilities) and is strongly linked to CDP (GRE score of '47.5').

Peers

	Sponsor	GRE Score	IDR	Rating approach
ACOSS	France	60	AA	Equalisation
AFD	France	50	AA	Equalisation
Cassa Depositi e Prestiti	Italy	47.5	BBB	Equalisation
CADES	France	60	AA	Equalisation
CDC	France	55	AA	Equalisation
EPIC Bpifrance	France	50	AA	Equalisation

Source: Fitch Ratings

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3' – ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on our ESG Relevance Scores, visit https://www.fitchratings.com/site/esg.

Appendix A

Caisse des Depots et Consignations – Consolidated Group

(EURm)	2014	2015	2016	2017	2018[a]
Profit and losses					
Interest revenue	1,413	1,402	1,426	1,430	1,501
Interest expenditure	-976	-1,021	-1,092	-1,192	-1,081
Net interest income	437	381	334	238	420
Net fees and commissions	10	1	-19	-17	-19
Other operating income	3,201	2,731	3,306	9,457	8,590
Personal expenses	-1,427	-1,425	-1,503	-5,345	-5,630
Other operating expenses	-759	-756	-777	-2,705	-2,605
Net operating income/(loss)	1,462	932	1,341	1,628	756
Provisions	-7	-168	-58	-1	-15
Operating profit (loss) after provisions	1,455	764	1,283	1,627	741
Other non-operating revenue/expenses	1,013	993	1,257	1,009	1,480
Profit (loss) before taxation	2,468	1,757	2,540	2,636	2,221
Taxation	-540	-457	-652	-531	-307
Profit (loss) after tax	**1,928**	**1,300**	**1,888**	**2,105**	**1,914**
Balance sheet					
Assets					
Cash and cash equivalents	16	34	7,648	8,785	1,043
Liquid securities	53,494	68,576	68,634	68,621	45,657
Deposits with banks	16,468	12,102	14,015	15,897	10,813
Loans	12,795	10,058	5,300	4,828	3,981
Other earning assets	20,806	21,353	22,286	24,661	24,218
Long-term investments	22,187	19,628	21,875	22,953	51,045
Fixed assets	1,543	1,508	2,758	2,628	2,673
Intangible	840	846	1,694	1,721	1,709
Other long-term assets	21,200	21,739	22,300	23,449	21,863
Total assets	**149,349**	**155,844**	**166,510**	**173,543**	**163,002**
Liabilities and equity					
Customer deposits	47,786	55,246	58,638	64,432	65,741
Deposits from banks	11,734	10,646	10,352	11,295	11,580
Short-term borrowing	27,670	25,113	23,576	23,550	16,342
Other short-term liabilities	-	-	3	-	-
Debt maturing after 1 year	14,605	15,674	16,765	15,554	15,189
Other long-term funding	1	-	-	-	-
Other provisions and reserves	631	747	1,257	1,188	1,204
Other long-term liabilities	13,685	13,279	18,167	16,622	13,436
Equity	22,427	23,132	24,265	25,304	31,588
Reserves	10,810	12,007	13,487	15,598	7,922
Total liabilities and equity	**149,349**	**155,844**	**166,510**	**173,543**	**163,002**
Guarantees and other contingent liabilities	36,471	44,002	48,581	44,452	49,570

[a] Change of accounting standard (IFRS9)
Source: Fitch Ratings, CDC

Appendix B

Caisse des Depots et Consignations – Consolidated Group

(%)	2014	2015	2016	2017	2018[a]
Ratios					
Performance	1.8	1.7	2.8	2.9	2.1
Interest revenue on loans/loans	1.0	1.0	1.0	1.0	1.0
Interest expense/borrowings and deposits	0.4	0.3	0.3	0.2	0.5
Net interest income /earning assets	40.1	29.9	37.0	16.8	8.4
Net operating income/net interest income and other oper. revenue	4.4	2.7	3.6	4.0	1.9
Net operating income/equity and reserves	1.0	0.6	0.8	0.9	0.5
Net operating income/total assets					
Credit					
Growth of total assets	4.4	4.4	6.8	4.2	-6.1
Growth of loans	22.5	-20.0	-44.9	-7.1	-16.2
Impaired loans/total loans	5.6	8.2	15.0	21.8	-
Reserves for impaired loans/impaired loans	52.2	56.3	58.5	48.4	-
Loan impairment charges/loans	0.1	0.8	0.7	0.2	0.3
Liquidity and funding					
Long-term debt/total equity and reserves	43.9	44.6	44.4	38.0	38.4
Liquid assets/total assets	35.8	44.0	45.8	44.6	28.7
Total deposits and debt/total assets	68.2	68.5	65.7	66.2	66.8
Liquid assets/short-term deposits and borrowing	71.9	86.9	94.1	89.2	57.3
Capitalization					
Equity and reserves/total assets	22.3	22.6	22.7	23.6	24.2
Net profit/total equity and reserves	5.8	3.7	5.0	5.2	4.8
Loans/equity and reserves	39.7	30.0	15.4	13.2	11.5
Regulatory capital adequacy ratio	21.9	22.1	-	-	-

[a] Change of accounting standard (IFRS9)
Source: Fitch Ratings, CDC

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.