FitchRatings

Public Finance
Government-Related Entities
France

Caisse des Depots et Consignations

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	Negative
Long-Term Local-Currency IDR	Negative

Issuer Profile

CDC has the status of 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 deposits. It also manages most of the regulated savings deposits (notably Livret A) and major public pension schemes.

Financial Data

Caisse des Depots et Consignations (CDC)

(EURm)	2018	2019
Interest revenue	1,501	1,406
Net profit (after tax)	1,914	2,363
Equity and reserves	39,510	45,564
Total debt	31,531	33,573
Total assets	163,002	180,628

Source: Fitch Ratings, CDC

Applicable Criteria

Government-Related Entities Rating Criteria (September 2020)

Related Research

France (November 2020)

French State's Massive Support Plan Underpins GREs (April 2020)

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

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Key Rating Drivers

Rating Derivation Summary: Fitch Ratings views Caisse des Depots et Consignations (CDC) as a government-related entity (GRE) of the French state (AA/Negative) 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 rating criteria. The Negative Outlook reflects that of the state.

Status, Ownership, and Control – 'Very Strong': CDC has the status of 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 – '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 both national and international markets 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.

Operations: CDC posted a sound consolidated net profit after allocation of non-controlling interests of EUR2.1 billion in 2019 from EUR1.8 billion in 2018. However, Fitch expects the pandemic to negatively affect CDC's income in 2020 due to the expected drop of dividends from equity portfolio and sharp reduction of activity for some entities of CDC Group. CDC's majority shareholding in La Poste also led to an exceptional loss of EUR511 million on CDC's net income at end-June 2019 and exceptional surplus of EUR1,073 million at end-June 2020.

ESG Considerations: The ESG credit relevant score is '3', meaning that ESG issues are credit neutral on CDC's ratings.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

A positive action on the sovereign's ratings would be reflected in those of CDC.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

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. A negative action on the sovereign's ratings would also be reflected in those of CDC.

Rating Synopsis

Fitch views CDC as a GRE of the French state and assigns a score of 55 to the entity under its GRE rating 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. The Negative Outlook reflects that of the French state.

Rating History

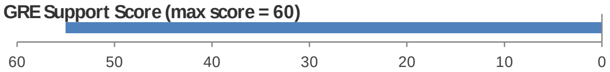
Date	Long-Term Foreign-Currency IDR	Long-Term Local-Currency IDR
18 Dec 14	AA	AA
17 Jul 13	AA+	AA+
24 Dec 96	AAA	AAA

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

GRE Rating Derivation Summary

GRE Key Rating Drivers and Support Score		
Status, Ownership and Control	Very Strong	10
Support Track Record	Strong	5
Socio-Political Implications of GRE Default	Very Strong	20
Financial Implications of GRE Default	Very Strong	20
GRE Support Score		55
Score - Notching Guideline Table		>=45

GRE Support Score (max score = 60)



Notching Guideline Table

Distance \ Score	>=45	35-42.5	27.5-32.5	20-25	15-17.5	12.5	<=10
= or above	Capped	Capped	Capped	Capped	Capped	Capped	Capped
1,2,3	=	=	=	- 1	+ 1	+ 1	SCP
4	=	- 1	- 1	- 2	+ 1	+ 1	SCP
>4	=	- 1	- 2	- 3	+2/+3	+ 1	SCP

Stylized Notching Guideline Table: refer to GRE criteria for details

Standalone Credit Profile (SCP) Derivation	
Revenue Defensibility	--
Operating Risk	--
Leverage Ratio (Rating Case Scenario)	0
Qualitative Factors Adjustments	--
GRE SCP	--
Distance - Notching Guideline Table	>4

Summary	
Sponsor IDR	AA
GRE SCP	--
Distance Sponsor IDR vs GRE SCP	n.a.
GRE Support Score	55
Notching Approach	Equalised
GRE Suggested IDR	AA
Single Equalisation Factor	No
GRE IDR	**AA**

Sponsor IDR	GRE SCP	GRE IDR
AAA	aaa	AAA
AA+	aa+	AA+
AA	aa	AA
AA-	aa-	AA-
A+	a+	A+
A	a	A
A-	a-	A-
BBB+	bbb+	BBB+
BBB	bbb	BBB
BBB-	bbb-	BBB-
BB+	bb+	BB+
BB	bb	BB
BB-	bb-	BB-
B+	b+	B+
B	b	B
B-	b-	B-
CCC/CC/C	ccc/cc/c	CCC/CC/C

Source: Fitch Ratings

Issuer Profile

Created in 1816, CDC is a French public special entity with a highly protected legal status. CDC is 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).

Assessment of the Support

Caisse des Dépôts et Consignations – Assessment of the Support

Status, ownership, and control	Support track record	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 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.

Pursuant to the PACTE Law (Plan d'Action pour la Croissance et la Transformation des Entreprises) in May 2019, CDC's supervisory board is 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. The law ensures the pre-eminence of parliamentarians in CDC's supervisory board and its tight monitoring by the French parliament. It also provides that the French banking regulator (ACPR) will supervise CDC from 2020 under a framework that takes into account its specificities.

Support Track Record: 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 amounted to EUR263 billion at end-2019, benefit from a full, unconditional and irrevocable state guarantee.

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

Socio-Political Implications of Default: Very Strong

In Fitch's view, a default of CDC would endanger the continued provision of essential public services with significant political and social implications. 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. It is also the institutional bank of ACOSS (AA/Negative/F1+), the French social security agency.

Fitch believes the EUR26 billion recovery plan established by CDC in May 2020 to sustain French economy in response to the coronavirus pandemic confirms its key role for the state. This major investment plan will be implemented rapidly (at least 80% between September 2020 and September2022), of which EUR11 billion for housing, EUR8 billion for enterprises (notably in distressed sectors such as tourism and trade), EUR0.5 billion for social cohesion and EUR6 billion for climate.

In addition, CDC holds strategic subsidiaries whose default would have significant socio-political implications for the state, such as Bpifrance SA, the government arm for financing French SMEs and guaranteeing export finance contracts, La Poste (LP; A+/Negative), the French postal operator, and SFIL, the public development bank for French LRGs and public hospitals (see Operations).

Fitch also views CDC's majority shareholding in La Poste since March 2020, to create a major public financial group, as further evidence of CDC's key role for the state. CDC has become the majority shareholder of LP at 66% (versus 34% for the state), in return of its 40.9% stake in CNP Assurances to La Banque Postale (LBP; A-/Stable) and its acquisition of EUR1 billion stake in LP from the state. At end-September 2020, following CDC's increased stake in LP, CDC also took over 99.99% of Société de Financement Local (SFIL) (from initial 20% for CDC, 75% for the state and 5% for LBP), the state retaining one ordinary share (see Affiliates and Strategic Shareholdings).

Financial Implications of Default: Very Strong

CDC is a proxy funding vehicle for the French state, performing numerous state mandatory financial missions. Fitch considers a financial 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. A default would also significantly disrupt social housing financing and pension funds management.

CDC is a large and regular issuer in both national and international markets with its EUR18.5 billion EMTN programme (EUR15.5 billion of outstanding at end-September 2020), EUR1.5 billion Neu MTN programme (EUR0.6 billion of outstanding at end-September 2020), EUR20 billion Neu CP programme and EUR30 billion Global CP programme (ECP and USCP). CDC also issued a EUR500 million Green Bond in 2017, a EUR500 million Sustainable Bond in June 2019 and another EUR500 million Sustainable Bond in September 2020, with the aim to regularly issue on this market.

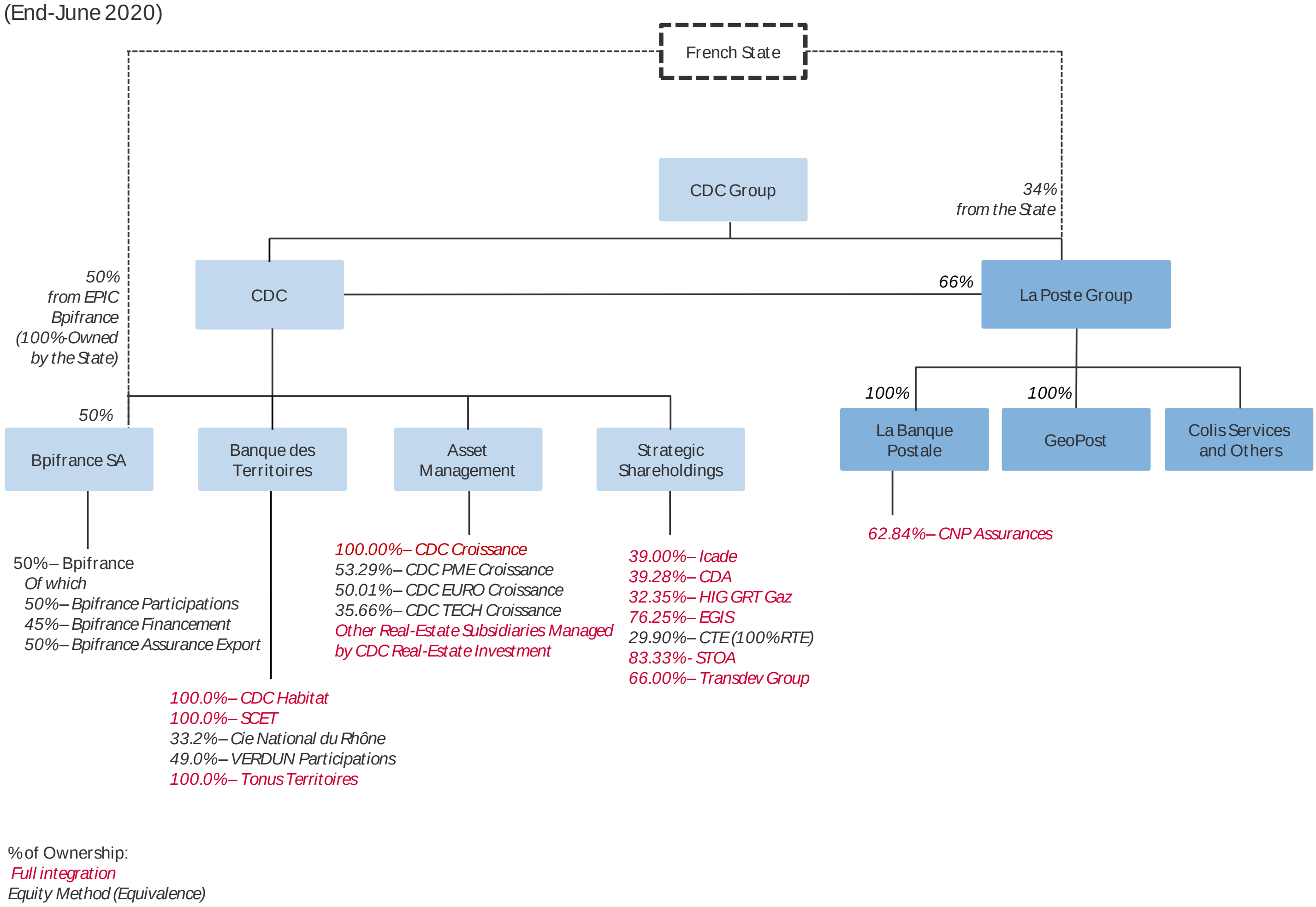
Overall GRE Assessment

The assessment of the above rating factors leads to a score of 55 under our GRE rating 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-June 2020)



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 EUR70 billion NeuCP Programme; a EUR70 billion ECP programme; and different liquidity instruments provided by CDC totalling EUR21 billion in 2020 from EUR11 billion set under the 2019-2023 funding contract (EUR7 billion of three- to six-month loans and EUR4 billion of very short-term loans). CDC provided this exceptional EUR10 billion in 2020 to support ACOSS by purchasing its NeuCP issues in response to the coronavirus pandemic (see French State's Massive Support Plan Underpins GREs).

Affiliates and Strategic Shareholdings

CDC Group holds shares in a number of strategic entities in banking and insurance, housing, infrastructure, transportation, energy and environment. They are organised around five business units since the integration of La Poste in March 2020: La Poste Group, Banque des Territoires, Bpifrance, Strategic Shareholdings and Asset Management (see chart above).

La Poste Group

Since the PACTE law, the state is no longer a mandatory shareholder of LP, which must however be fully owned by public-sector entities under the French postal law (Act 2010-123 of 9 February 2010). As a result, CDC became the majority shareholder of LP on 4 March 2020 by taking over 66% of the latter, in return of its 40.9% stake in CNP Assurances (one of the France's largest life insurance provider and term creditor insurance) to LBP and its acquisition of EUR1 billion stake in LP from the state. At end-June 2020, LP Group comprises LBP, owing 63% of CNP Assurances, GeoPost and other industrial and commercial services (e.g. 'colis' services) (see chart above).

As part of the creation of a major public financial group with the merger of CNP Assurances and LBP, CDC also took over 99.99% of SFIL at end-September 2020 (versus initial 20% for CDC, 75% for the state and 5% for LBP), the state retaining one ordinary stake. SFIL is a financial institution providing funding to French local and regional governments and public hospitals.

Banque des Territoires

Created in May 2018, 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-/Negative), which is one of the largest social housing landlords in France with a portfolio of about 512,000 units at end-2019.

Bpifrance

CDC owns equal shareholdings (50%) with EPIC Bpifrance (AA/Negative; 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).

In 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.

Strategic Shareholdings

At end-June 2020, CDC held majority shares in real-estate and tourism entities, notably ICADE (39%) and CDA (39%). It owned 76% of EGIS, an international engineering service company, 83% of STOA, a company specialised in investing in long-term infrastructure projects, 32% of HIG GRT Gaz, a leader in gas transportation, and 66% of Transdev Group for sustainable transport. As of January 2019, Rethmann Group held the 30% of Transdev's shares previously owned by Veolia. CDC also owns 30% of CTE.

Asset Management

CDC also acts as an asset manager through its subsidiaries CDC Croissance (100%), CDC PME Croissance (53%), CDC EURO Croissance (50%), CDC TECH Croissance (36%) and several real-estate subsidiaries managed by CDC Investissement Immobilier.

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 EUR263 billion at end-2019 from EUR253 billion at end-2018.

Most of these funds are used to finance French social housing entities. CDC's role in social housing strengthened in 2018 and 2019 through the implementation of its Housing Plan I and

II, comprising a EUR10 billion funding envelope each to support the social housing sector's investments in French territories. At end-2019, savings funds agreed EUR13 billion in new loans for social housing and urban planning programmes, or 6% increase compared to 2018. This enabled to finance the building of 89,700 new dwellings and the rehabilitation of 103,600 existing ones.

These funds are also used to finance the French local and regional governments, public hospitals, universities and transportation. In April 2019, a new EUR5 billion funding envelope was established to finance loans in the public local sector through three types of loans ('Mobipret', 'Aquapret' and 'Edupret'). At end-2019, the outstanding amount of loans to the above local authorities totalled EUR16 billion.

Administration of Retirement Schemes

CDC administers a large number of public retirement schemes, covering over one in five retirees in France with about 7.5 million contributors and 3.9 million pensioners in 2019. This represented EUR63 billion contributions and EUR59 billion pensions paid in 2019. 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

Financial Profile

Sound Financial Performances in 2019

CDC operates in a wide range of sectors through its subsidiaries and strategic participations (see Affiliates and Strategic Shareholdings). CDC's consolidated assets totalled EUR181 billion at end-2019 from EUR163 billion at end-2018.

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 EUR42 billion at end-2019 from EUR36 billion at end-2018. This 16% increase was due to higher unrealised gains driven by the growth in stock prices in 2019, notably for the general division (+EUR3.6 billion) and CNP Assurances (+EUR0.4 billion). Fitch however expects a drop of CDC's shareholders equity in 2020 due to the negative consequences of the coronavirus pandemic on stock prices (EUR35 billion at end-June 2020).

At end-2019, CDC posted a sound consolidated net profit after allocation of non-controlling interests of EUR2.1 billion from EUR1.8 billion in 2018 (see table). The difference between 2018 and 2019 net income essentially results from the following elements: some exceptional sales in 2019, notably from the general division (Valeco), the increase in stock prices for the same year and higher market values on Banque des Territoires and real-estate's subsidiaries, in addition to the non-recurrence of negative items in 2018 (e.g. depreciation of Eutelsat's and Transdev's market values).

Consolidated personnel costs were fairly controlled, totaling EUR5.9 million at end-2019 from EUR5.6 million at end-2018. This represented a headcount of 105,756 in 2019 (100,601 in 2018).

Exceptional Items Linked to La Poste in 2019 and 2020

The year 2020 was marked by CDC's majority shareholding in LP to create a large public financial hub. The integration was realised on 4 March 2020, leading CDC to be the majority shareholder of LP (66%) and transfer of its 40.9% shares to LBP. CDC also took over 99.99% of SFIL (see Affiliates and Strategic Shareholdings).

Exceptional items in 2019 include value adjustments on entities as defined in the agreement protocol. At end-June 2020, exceptional items also include the purchase price allocation and the transfer of unrealised gains on CNP Assurances and LP to income, as per international accounting standard IFRS.

The Coronavirus Pandemic Will Affect Financial Profile in 2020

The coronavirus pandemic and containment measures significantly affected CDC's economic and financial environment in 2020, particularly during the first term. Fitch believes it will have negative repercussions on CDC's income in 2020 due to the expected drop of dividends received from its equity portfolio and expected reduction of activity for some entities within CDC Group (e.g. a lower turnover on LP's mail activity, a decrease in Transdev's revenue due to falling attendance in public transportation, a drop in Compagnie des Alpes's revenue due to the closing of ski resorts). As a result, CDC increased its provisions on credit impairments and made prudent valuations on its risky assets.

Overall, this led to a negative CDC's net income of -EUR1,430 million at end-June 2020 (versus EUR1,318 million at end-June 2019), excluding LP operation, and -EUR357 million if we include LP operation at end-June 2020 (versus EUR807 million at end-June 2019) (see table).

In response to the coronavirus, CDC also established a massive EUR26 billion recovery plan to sustain French economy, of which at least 80% aims to be implemented between September 2020 and September 2022. This plan focuses on four priorities: housing (EUR11 billion), enterprises (EUR8 billion), notably in sectors sharply hit by the pandemic such as tourism and trade, social cohesion (EUR0.5 billion) and climate (EUR6 billion).

Consolidated CDC Group Income Statement

(EURm)	2018	2019
Interest revenue	1,501	1,406
Interest expenditure	-1,081	-1,116
Net interest income	420	290
Other operating income[a]	8,590	10,363
Staff expenses	-5,630	-5,910
Net operating income (after provisions)	**741**	**1,815**
Cost of risk	-15	-37
Net income (after tax)	**1,914**	**2,363**
CDC group's net income	**1,768**	**2,056**

[a]Including mainly income from integrated subsidiaries and dividend income

Source: Fitch Ratings, CDC

Consolidated CDC Group Net Income Contribution

(EURm)	June 2019	June 2020
Pole CDC	**476**	**-90**
Pole Bpifrance	**301**	**-625**
Pole La Poste	**394**	**-754**
Of which La Poste	*123*	*-754*
Of which CNP assurances	*272*	*0*
Pole strategic subsidiaries	147	38
Of which real-estate and tourism	*43*	*20*
Of which infrastructure	*105*	*52*
Of which transport	*-1*	*-33*
Total CDC's group net income (excluding LP)	**1,318**	**-1,430**
Exceptional operation La Poste	-511	1,073
Total CDC's group net income (including LP)	**807**	**-357**

Source: Fitch Ratings, CDC

Prudent Risk Management

Since 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. CDC created an internal risk management division, which aims to ensure consistency with ACPR regulation, promoting a centralised risk management and improving risk culture in diverse divisions. CDC will also publish quarterly reports on the risk appetite of its investment strategy, including indicators and risk tolerance thresholds, subject to CDC's supervisory board's approval and ACPR's monitoring.

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 the balance sheet of CDC's general division, chiefly concentrated on ACOSS and SFIL. Corporate loans remain on its 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

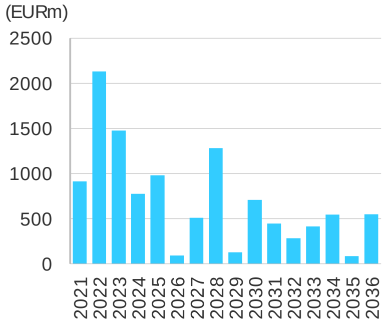
Debt Profile

CDC mainly finances its long-term investments with its accumulated reserves and deposits from the legal professions. At end-2019, 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 EUR15.5 billion at end-September 2020. CDC has also a EUR1.5 billion Neu MTN programme with an outstanding of EUR0.6 billion at end-September 2020. CDC issued a EUR500 million Green Bond in February 2017, a EUR500 million Sustainable Bond in June 2019 and another EUR500 million Sustainable Bond in September 2020, 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 (EUR62 billion at end-2019 versus EUR57 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.

Debt Amortisation Schedule 2021-2036 – Capital Repayments



Source: CDC

Sound Liquidity

CDC's liquidity profile is strong. It has wide access to liquidity through its EUR20 billion Neu CP programme (outstanding of EUR2 billion at end-2019) and EUR30 billion global CP programmes (ECP and USCP; outstanding of EUR13 billion at end-2019).

CDC's liquidity is also enhanced by its equity (available for sale) portfolio (EUR22 billion at end-2019) and its option to mobilise its bond (investment) portfolio. Fitch considers CDC's liquidity cushion is underpinned by its stable savings accounts (EUR263 billion at end-2019), 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).

Off-Balance-Sheet Commitments

The off-balance-sheet commitments of the consolidated CDC group totalled EUR54 billion at end-2019. 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 EUR33 billion received commitments (including swaps) at end-2019, 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/Negative), EPIC Bpifrance and Caisse d'Amortissement de la Dette Sociale (AA/Negative) 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 EPIC Bpifrance to 'Very Strong' for ACOSS and CADES).

Internationally, CDC compares well with Cassa Depositi e Prestiti (CDP; BBB-/Stable) 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.

CDC is an important institution that aims to promote sustainable development and energetic transition in France. Its EUR26 billion recovery plan implemented in May 2020, of which EUR6 billion will be allocated to climate, as a further evidence of CDC's key role for environment. CDC also issued a EUR500 million Green Bond in February 2017, a EUR500 million Sustainable Bond in June 2019 and another EUR500 million Sustainable Bond in September 2020, with the aim to regularly issue on this market.

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)	2015	2016	2017	2018[a]	2019
Profit and losses					
Interest revenue	1,402	1,426	1,430	1,501	1,406
Interest expenditure	-1,021	-1,092	-1,192	-1,081	-1,116
Net interest income	381	334	238	420	290
Net fees and commissions	1	-19	-17	-19	-16
Other operating income	2,731	3,306	9,457	8,590	10,363
Personal expenses	-1,425	-1,503	-5,345	-5,630	-5,910
Other operating expenses	-756	-777	-2,705	-2,605	-2,875
Net operating income/(loss)	932	1,341	1,628	756	1,852
Provisions	-168	-58	-1	-15	-37
Operating profit (loss) after provisions	764	1,283	1,627	741	1,815
Other non-operating revenue/expenses	993	1,257	1,009	1,480	1,074
Profit (loss) before taxation	1,757	2,540	2,636	2,221	2,889
Taxation	-457	-652	-531	-307	-526
Profit (loss) after tax	**1,300**	**1,888**	**2,105**	**1,914**	**2,363**
Balance sheet					
Assets					
Cash and cash equivalents	34	7,648	8,785	1,043	3,263
Liquid securities	68,576	68,634	68,621	45,657	46,988
Deposits with banks	-	-	-	-	-
Loans	22,160	19,315	20,725	14,794	19,337
Other earning assets	21,353	22,286	24,661	24,218	24,520
Long-term investments (securities)	19,628	21,875	22,953	51,045	55,708
Fixed assets	1,508	2,758	2,628	2,673	4,339
Intangible	846	1,694	1,721	1,709	1,926
Other long-term assets	21,739	22,300	23,449	21,863	24,547
Total assets	**155,844**	**166,510**	**173,543**	**163,002**	**180,628**
Liabilities and equity					
Customer deposits	55,246	58,638	64,432	65,741	71,546
Deposits from banks	10,646	10,352	11,295	11,580	11,869
Short-term borrowing	25,113	23,576	23,550	16,342	19,023
Other short-term liabilities	-	3	-	-	-
Debt maturing after 1 year	15,674	16,765	15,554	15,189	14,550
Other long-term funding	-	-	-	-	-
Other provisions and reserves	747	1,257	1,188	1,204	1,298
Other long-term liabilities	13,279	18,167	16,622	13,436	16,778
Equity	23,132	24,265	25,304	31,588	33,109
Reserves	12,007	13,487	15,598	7,922	12,455
Total liabilities and equity	**155,844**	**166,510**	**173,543**	**163,002**	**180,628**
Guarantees and other contingent liabilities	44,002	48,581	44,452	49,570	53,922

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

Appendix B

Caisse des Depots et Consignations – Consolidated Group

(%)	2015	2016	2017	2018[a]	2019
Ratios					
Performance					
Interest revenue on loans/loans	0.8	0.8	0.7	0.6	0.4
Interest expense/borrowings and deposits	1.0	1.0	1.0	1.0	1.0
Net interest income/earning assets	0.3	0.3	0.2	0.5	0.3
Net operating income/net interest income and other oper. revenue	29.9	37.0	16.8	8.4	17.4
Net operating income/equity and reserves	2.7	3.6	4.0	1.9	4.1
Net operating income/total assets	0.6	0.8	0.9	0.5	1.0
Credit					
Growth of total assets	4.4	6.8	4.2	-6.1	10.8
Growth of loans	-23.6	-12.5	7.4	-28.0	30.0
Impaired loans/total loans	3.9	4.5	5.6	3.2	1.6
Reserves for impaired loans/impaired loans	55.5	57.4	47.8	112.2	191.4
Loan impairment charges/loans	0.4	0.2	0.1	0.1	0.1
Liquidity and funding					
Long term debt/total equity and reserves	44.6	44.4	38.0	38.4	31.9
Liquid assets/total assets	44.0	45.8	44.6	28.7	27.8
Total deposits and debt/total assets	68.5	65.7	66.2	66.8	64.8
Liquid assets/short term deposits and borrowing	86.9	94.1	89.2	57.3	55.8
Capitalization					
Equity and reserves/total assets	22.6	22.7	23.6	24.2	25.2
Net profit/total equity and reserves	3.7	5.0	5.2	4.8	5.2
Loans/equity and reserves	30.0	15.4	13.2	11.5	10.6
Regulatory capital adequacy ratio	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.