FitchRatings

Public Finance
Government-Related Entities
France

Caisse des Depots et Consignations

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 ('etablissement special', a type of 'etablissements 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. The unconsolidated Saving Fund division benefits also from a state guarantee on the regulated savings and of guarantees from LRGs on the loans granted. 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. CDC's total assets represent 44% of France's GDP at end-2020. CDC 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: the CDC group materially changed in 2020 with the integration of the group La Poste and of SFIL: its total assets increased six-fold to reach EUR1,015 billion. On a holding basis (General Section), CDC's balance sheet increased 5% in 2020 to EUR147 billion, driven by an increase in loans to the Saving Fund division and by the above-mentioned change in perimeter. The holding displayed a 44% drop in its net banking income in 2020 due to the reduction in dividend income as the activity of many of its participations was negatively impacted by the pandemic. Likewise, net income was down 76% in 2020 at the holding level.

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

Rating Sensitivities

Sovereign Rating: A rating action on the sovereign's ratings would be reflected in those of CDC.

Weaker Assessment: A downgrade could result from weaker assessment of support leading to a score below '45' points under our GRE criteria.

Ratings

Foreign Currency

Long-Term IDR	AA
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AA
Short-Term IDR	F1+
Senior Unsecured Issues	AA/F1+

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)	2019	2020
Interest revenue	1,406	3,903
Net profit (after tax)	2,363	410
Equity and reserves	45,564	61,441
Total debt	33,573	117,033
Total assets	180,628	1,015,044

Source: Fitch Ratings, CDC

Applicable Criteria

Government-Related Entities Rating Criteria (September 2020)

Related Research

France (May 2021)

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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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

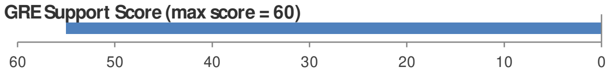
Date	Long-Term Foreign-Currency IDR	Long-Term Local-Currency IDR
18 Dec 14	AA	AA
17 Jul 13	AA+	AA+
24 Dec 96	AAA	AAA

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

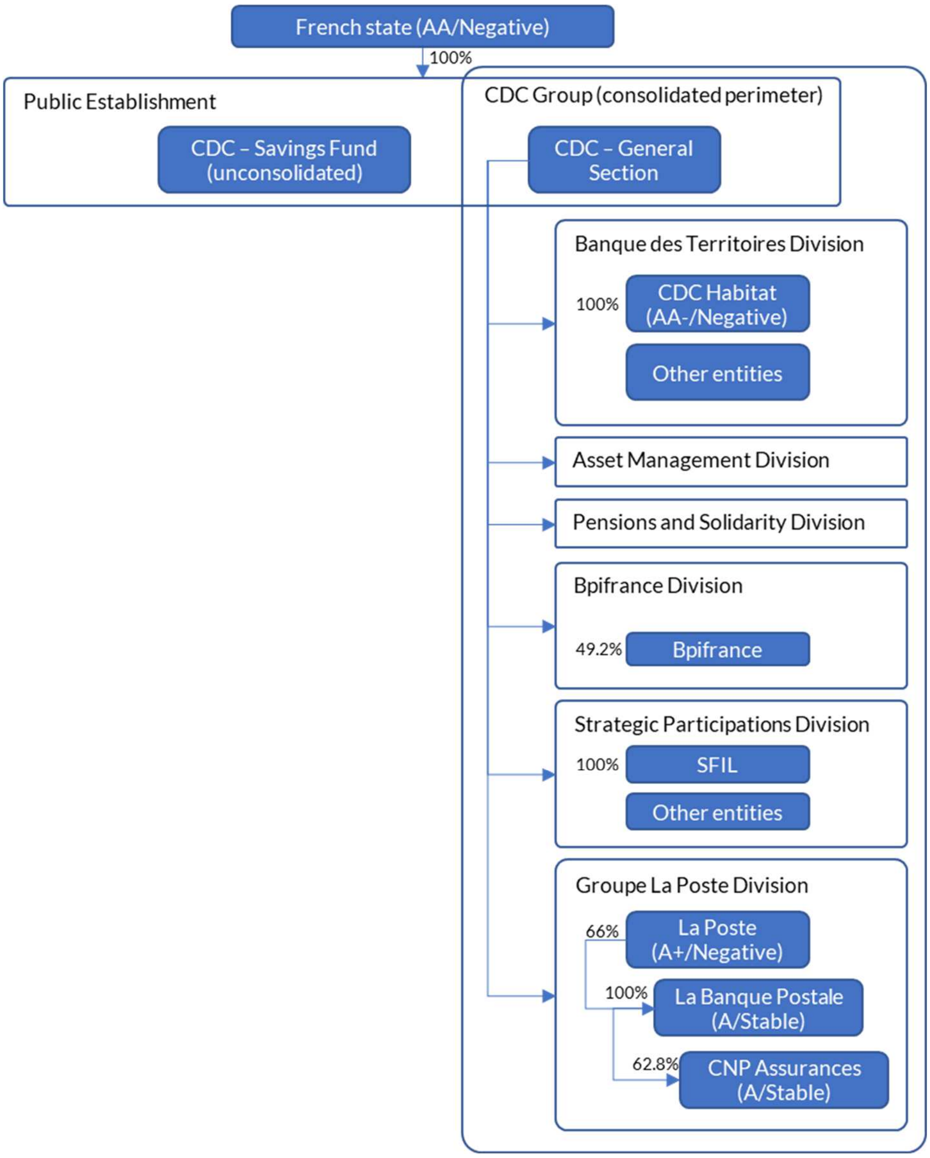
Summary	
Sponsor IDR	AA
GRE SCP	--
Distance Sponsor IDR vs GRE SCP	n.a.
GRE Support Score	55
Notching Approach	Equalised
GRE Suggested IDR	AA
Single Equalisation Factor	No
GRE IDR	**AA**

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.



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 ('etablissement special', a type of 'etablissements 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 'etablissement 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 due to its strong financial profile, leading Fitch to cap the assessment for this factor at 'Strong'.

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 of 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 EUR284 billion at end-2020, benefit from a full, unconditional and irrevocable state guarantee, while the loans granted to social housing providers are largely guaranteed by French LRGs.

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 (50% were already implemented at end-October 2021), 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.

A default by CDC at the holding level would directly endanger the completion of this very large recovery plan, but also threaten its ability to extend loans to social housing providers: although this activity is backed by the unconsolidated Savings Fund, the Savings Fund has been increasingly borrowing from the holding over the past decade to finance the social housing sector.

In addition, CDC holds strategic subsidiaries whose default would have significant socio-political implications for the state, such as EPIC Bpifrance (AA/Negative), 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.

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. As a result, at end-2020 CDC's consolidated balance sheet represented about 44% of French GDP.

Considering CDC's key role in many aspects of the French economic life, Fitch considers there is no potential substitute were CDC not able to perform its missions.

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 outstanding at end-June 2021), EUR1.5 billion Neu MTN programme (EUR0.7 billion outstanding), EUR20 billion Neu CP programme and EUR30 billion Global CP programme (ECP and USCP). CDC also issued a EUR500 million Green Bond in 2017, and since 2019 has been issuing EUR500 million of Sustainable Bonds per year.

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).

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).

Social Security Support

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.

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.

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. It is the intermediary between the Saving Funds, the General Section and a few other entities on one hand, and public sector borrowers on the other hand.

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 526,000 units at end-2020.

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 2021, 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 EUR284 billion at end-2020 from EUR261 billion at end-2019.

Most of these funds are used to finance French social housing entities. Livret A-backed loans generated by CDC are the main source of funding for the French social housing sector, representing about 75% of their total financial debt at end-2019. While loans granted to the social housing sector have been growing by 3.8% a year on average since 2013, deposits on Livret A have only been growing by 2.5% (or even 1.5% excluding the spike in saving rate in 2020 due to the pandemic).

As a result, the Saving Fund section has increasingly been borrowing from the General Section. This does not represent a risk for the General Section as loans granted by the Saving Funds benefit from first demand guarantees from LRGs and, to a lesser extent, from the social housing sector's guarantee fund (CGLLS).

Administration of Retirement Schemes

CDC administers a large number of public retirement schemes, covering over one in five retirees in France with about 9.7 million contributors and 4.1 million pensioners in 2020. 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

Negative Impact of the Pandemic in 2020

At the holding level CDC displayed a 44% reduction in its net banking income in 2020 to EUR1,521 million from EUR2,731 million in 2019. 2019's This reduction was mostly due to a sharp drop in dividend income received from its associates (-48%), some of which having been particularly affected by the crisis. Net interest margin, on the other hand displayed a 12% improvement in 2020 at EUR424 million, the cost of funding having dropped more than interest income.

Fitch notes however than the sustainably low rate environment is gradually depleting CDC's net interest margin which gradually declined from EUR806 million in 2013 to a low EUR377 million in 2019, before a slight rebound to EUR424 million in 2020. Thus, the net interest margin went from representing 50% of CDC's net banking income to less than 30% (2020: 28%), while dividend income from participations is increasing. This makes the General Division more sensitive to the volatility of the capital markets, as highlighted by the situation in 2020 described above.

The integration of the La Poste groupe will also increase the dependence of CDC on dividends from this single business unit. Fitch views the concentration risk for CDC as limited due to the group La Poste's diversified activities and high credit rating at 'A+/Negative'.

Operating expenditures were also down 21% in 2020, leading to an increase in the operating ratio to 35%, from a stable 26% on average over the 2013-2019 period. Operating expenditures remain overall stable, hovering between EUR500 and EUR600 million per year.

The cost of risk, while increasing ten-fold, remains low at EUR68 million, leading to a net income of EUR481 million, compared with EUR1,200 million on average in the previous years.

At the consolidated level, net income was also down 82% to EUR410 million, all business units contributing to this reduction. CDC pays the state a quasi-dividend equals to 50% of its consolidated net income. The amount is set every year by a decree.

CDC – General Section (holding)

Profit & Loss Account

(EURm)	2019	2020
Interest revenue	1,789	1,452
Interest expenditure	-1,412	-1,028
Net interest income	**377**	**424**
Dividend income	1,682	883
Other operating income	672	214
Net banking income	**2,731**	**1,521**
Operating expenses	-677	-537
Net operating income	**2,054**	**984**
Cost of risk	-7	-68
Net income, group's share	**1,975**	**481**

Source: Fitch Ratings, CDCource: Fitch Ratings, CDC

Capital Structure Remains Solid

At the holding level the capital structure is solid with an 'equity-to-assets' ratio consistently above 15%. As a pubic law entity CDC does not have share capital: its equity consists of the reserves accumulated over the years. CDC's return on equity declines to 2.1% in 2020, while averaging a solid 6% over the 2013-2019 period.

CDC's main source of fund remains the legal deposits as part of its custodian role: they include deposits from notaries and other legal professions, as well as unclaimed bank accounts and life insurance funds. They have been increasing by 5.4% a year on average, with a 6.7% jump in 2020, and their share of total assets increased from 34% in 2013 to 42% in 2020. These funds, notably the notaries' deposits, are closely correlated to the real estate market. As such, they can decline in case of slowdown in real estate transactions, as it was the case in 2008/2009. These deposits are remunerated at a rate of 0.3% per year since 2019, making them quite expensive in the current low rates environment.

The potential volatility of the deposits is compensated by CDC's access to the capital market through its different issuance programs. Financial debt represented less than half of CDC's balance sheet at end-2020, down from more than 50% until 2016 thanks to the growing legal deposits.

At the consolidated level the capital structure materially changed in 2020 with the integration of the La Poste group. The 'equity-to-assets' ratio declined to 6% in 2020 from 25% in 2019, the newly integrated entity being more reliant on financial debt.

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.

Consolidated CDC Group Net Income Contribution

(EURm)	Dec 2019	Dec 2020
Pole CDC	**902**	**420**
Pole Bpifrance	**502**	**-48**
Pole La Poste	**239**	**18**
Pole strategic subsidiaries	**720**	**21**
Pole SFIL	*-*	*29*
Of which real-estate and tourism	*409*	*-105*
Of which infrastructure and transport	*311*	*97*
Total CDC's group net income (excluding LP)	**2,363**	**410**

Source: Fitch Ratings, CDC

Debt and Liquidity

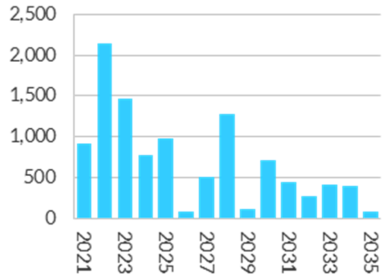
Debt Profile

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-June 2021. CDC has also a EUR1.5 billion Neu MTN programme with an outstanding of EUR0.7 billion at end-June 2021. CDC issued a EUR500 million Green Bond in February 2017, a EUR500 million Sustainable Bond in June 2019 and since 2019 has been issuing EUR500 million of Sustainable Bonds per year.

The debt amortisation profile displays some peak repayments, which are largely covered by CDC's sound liquidity profile.

Debt Amortisation

EUR million



Source: Fitch Ratings, CDC

Sound Liquidity

CDC's liquidity profile is strong. It has wide access to liquidity through its EUR20 billion Neu CP programme (outstanding of EUR1.7 billion at end-September 2021) and EUR30 billion global CP programmes (ECP and USCP; outstanding of EUR13 billion at end-2020).

CDC's liquidity is also enhanced by its equity (available for sale) portfolio (EUR21 billion at end June 2021) and its option to mobilise its bond (investment) portfolio.

Off-Balance-Sheet Commitments

The off-balance-sheet commitments of the consolidated CDC group totalled EUR260 billion at end-2020, including notably EUR115 billion of cross currency swap born by SFIL.

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.

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)	2016	2017	2018[a]	2019	2020
Profit and losses					
Interest revenue	1,426	1,430	1,501	1,406	3,903
Interest expenditure	-1,092	-1,192	-1,081	-1,116	-639
Net interest income	334	238	420	290	3,264
Net fees and commissions	-19	-17	-19	-16	-1,231
Other operating income	3,306	9,457	8,590	10,363	33,160
Personal expenses	-1,503	-5,345	-5,630	-5,910	-16,314
Other operating expenses	-777	-2,705	-2,605	-2,875	-18,232
Net operating income/(loss)	1,341	1,628	756	1,852	647
Provisions	-58	-1	-15	-37	-986
Operating profit (loss) after provisions	1,283	1,627	741	1,815	-339
Other non-operating revenue/expenses	1,257	1,009	1,480	1,074	1,825
Profit (loss) before taxation	2,540	2,636	2,221	2,889	1,486
Taxation	-652	-531	-307	-526	-1,076
Profit (loss) after tax	**1,888**	**2,105**	**1,914**	**2,363**	**410**
Balance sheet					
Assets					
Cash and cash equivalents	7,648	8,785	1,043	3,263	20,518
Liquid securities	68,634	68,621	45,657	46,988	487,522
Deposits with banks	-	-	-	-	-
Loans	19,315	20,725	14,794	19,337	321,567
Other earning assets	22,286	24,661	24,218	24,520	18,733
Long-term investments (securities)	21,875	22,953	51,045	55,708	75,401
Fixed assets	2,758	2,628	2,673	4,339	13,969
Intangible	1,694	1,721	1,709	1,926	7,848
Other long-term assets	22,300	23,449	21,863	24,547	69,486
Total assets	**166,510**	**173,543**	**163,002**	**180,628**	**1,015,044**
Liabilities and equity					
Customer deposits	58,638	64,432	65,741	71,546	310,674
Deposits from banks	10,352	11,295	11,580	11,869	29,667
Short-term borrowing	23,576	23,550	16,342	19,023	36,190
Other short-term liabilities	3	-	-	-	-
Debt maturing after 1 year	16,765	15,554	15,189	14,550	80,843
Other long-term funding	-	-	-	-	-
Other provisions and reserves	1,257	1,188	1,204	1,298	386,841
Other long-term liabilities	18,167	16,622	13,436	16,778	109,388
Equity	24,265	25,304	31,588	33,109	33,597
Reserves	13,487	15,598	7,922	12,455	27,844
Total liabilities and equity	**166,510**	**173,543**	**163,002**	**180,628**	**1,015,044**
Guarantees and other contingent liabilities	48,581	44,452	49,570	53,922	260,194

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

Appendix B

Caisse des Depots et Consignations – Consolidated Group

(%)	2016	2017	2018[a]	2019	2020
Ratios					
Performance					
Interest revenue on loans/loans	0.8	0.7	0.6	0.4	.4%
Interest expense/borrowings and deposits	1.0	1.0	1.0	1.0	.1%
Net interest income/earning assets	0.3	0.2	0.5	0.3	.4%
Net operating income/net interest income and other oper. revenue	37.0	16.8	8.4	17.4	1.8%
Net operating income/equity and reserves	3.6	4.0	1.9	4.1	1.1%
Net operating income/total assets	0.8	0.9	0.5	1.0	.1%
Credit					
Growth of total assets	6.8	4.2	-6.1	10.8	462.0
Growth of loans	-12.5	7.4	-28.0	30.0	1,527.2
Impaired loans/total loans	4.5	5.6	3.2	1.6	.2
Reserves for impaired loans/impaired loans	57.4	47.8	112.2	191.4	540.9
Loan impairment charges/loans	0.2	0.1	0.1	0.1	.3
Liquidity and funding					
Long term debt/total equity and reserves	44.4	38.0	38.4	31.9	131.6
Liquid assets/total assets	45.8	44.6	28.7	27.8	50.1
Total deposits and debt/total assets	65.7	66.2	66.8	64.8	45.1
Liquid assets/short term deposits and borrowing	94.1	89.2	57.3	55.8	146.5
Capitalization					
Equity and reserves/total assets	22.7	23.6	24.2	25.2	6.1
Net profit/total equity and reserves	5.0	5.2	4.8	5.2	.7
Loans/equity and reserves	15.4	13.2	11.5	10.6	527.9
Regulatory capital adequacy ratio	-	-	-	-	-

[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.