

Results of Caisse des Dépôts Group for 2013

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Attributable net profit	€2.137 billion
Recurring profit	€1.35 billion
Caisse des Dépôts statutory earnings	€554 million

Results of Savings Funds

Outstanding deposits	€243 billion
Outstanding loans	€158 billion
Operating profit	€901 million
Net profit, after additions to the FGBR	€443 million

"As France's leading investor in equity, infrastructure and housing as well as a key partner in projects to finance the energy transition in France, Caisse des Dépôts remains more committed than ever to national economic development.

Caisse des Dépôts Group delivered attributable net profit of €2.137 billion for the year ended 31 December 2013 (including non-recurring items).

Recurring profit for the year came in at €1.35 billion and attributable equity at €27.5 billion has now been restored to pre-financial crisis levels.

These good results are also reflected in the performance of the Savings Funds which generated a net profit of €443 million for the period."

Jean-Pierre Jouyet
Chairman and Chief Executive Officer of Caisse des Dépôts



- **Caisse des Dépôts Group posted attributable net profit of €2,137 million in 2013, compared with an attributable net loss of €454 million in 2012.**

This figure includes three non-recurring items:

- a €1.2 billion gain on assets transferred to Bpifrance;
- a €0.3 billion write-down of CDC's equity investment in La Poste, based on a revised estimate of the contingent consideration payable to the State under the agreements signed in 2011. This write-down brings the value of the Group's stake back to the amount initially recognised when it acquired the investment;
- impairment losses of €0.1 billion taken by Transdev Group, broadly attributable to its investment in SNCF.

- **Recurring profit (i.e., excluding non-recurring items) dropped €0.2 billion on the year to €1.35 billion, due to low interest rates that weighed on margins.**

Recurring profit is a measure of the Group's economic performance and corresponds to the recurring profit of the Central Sector as well as the Group's share in the recurring profit of its subsidiaries.

It does not include gains and losses and impairment of equity portfolios, or non-recurring items such as the creation of Bpifrance in 2013 or the write-down of CDC's stake in La Poste.

(in millions of euros)	2013	2012 pro forma*	Year-on-year change
Net banking income	3,649	3,533	116
Operating expenses	(1,969)	(2,073)	104
Operating profit	1,362	961	401
Profit (loss) before tax	2,973	(962)	3,935
Attributable net profit (loss)	2,137	(454)	2,591
<i>Non-recurring profit (loss)</i>	<i>787</i>	<i>(2,006)</i>	<i>2,793</i>
Recurring profit	1,350	1,552	(202)

Net banking income rose 3% in 2013 to €3.6 billion, mostly on the back of a better year in the Group's institutional investor business where charges for other-than-temporary impairment came out lower than in 2012.

Consolidated operating expenses dropped 5% year on year to €1.97 billion, due largely to the effect of changes in the scope of consolidation.

Attributable equity grew significantly from €23.7 billion at 31 December 2012 to €27.5 billion at 31 December 2013, thanks to the combined impact of net profit for the year and higher unrealised capital gains generated by the ongoing bull market (the CAC 40 index rose by 18% in 2013).

* Caisse des Dépôts early adopted IFRS 11 with effect from 1 January 2013. This means that CNP Assurances and Transdev Group are now accounted for using the equity method and there has been a change in the presentation of income statement sub-headings, but no impact on consolidated net profit.

- **The Caisse des Dépôts division contributed €480 million to consolidated net profit in 2013 (excluding non-recurring items), compared with €336 million in 2012.**

Excluding the gain on assets transferred to Bpifrance (€1.2 billion) and the estimated contingent consideration payable on CDC's stake in La Poste (€0.2 billion), Caisse des Dépôts division's contribution to consolidated net profit jumped 43% year-on-year to €480 million.

Net banking income grew 16% on the year to €1.16 billion. This reflected the combined impact of lower impairment charges taken against the equity portfolio due to the ongoing bull market, offset in part by weaker yields on fixed-income securities as interest rates remained at an all-time low.

- **The subsidiaries and long-term equity interests added €232 million to net profit in 2013, compared to a negative contribution of €790 million in 2012. Results in 2012 were badly hit by significant write-downs taken on participating interests carried on the books of the Strategic Investment Fund (SIF).**

- ▶ **CNP Assurances**

CNP Assurances' net profit jumped 8.3% to €1.03 billion for the year (versus €951 million in 2012), after the recognition of €63 million in impairment losses on its Cypriot subsidiary. Premium income rose 4.6% to €27.7 billion on the back of continuing growth in Latin America, especially in Brazil. CNP's contribution to net profit grew 12.8% in 2013 to €406 million, up from €360 million in 2012.

- ▶ **La Poste**

La Poste posted net profit of €627 million for the year. Caisse des Dépôts subscribed to €334 million of La Poste's €600 million capital increase, bringing the Group's ownership interest to 26.32% at 31 December 2013.

La Poste contributed a negative amount of €314 million to consolidated net profit for the year, compared with a positive amount of €109 million in 2012. This was attributable to the remeasurement of our equity interest in line with the changes in La Poste's business model since 2010, and the resulting €0.3 billion net write-down taken during the period brings the value of the investment back into line with the acquisition price (€1.6 billion).

- ▶ **Bpifrance**

Bpifrance was set up in July 2013 and posted a net profit of €386 million for the second-half of 2013.

It generated a negative contribution of €30 million to Caisse des Dépôts' net profit for 2013 as a result of consolidation adjustments arising mainly on valuation differences on certain assets transferred to Bpifrance, between the financial statements of Caisse des Dépôts Group and those of Bpifrance. However, this should be seen in the context of the €1.2 billion gain recognised in parallel by the Central Sector.

- ▶ **Icade**

Icade's contribution to net profit leapt from €22 million in 2012 to €50 million this year, on the back of the consolidation of Silic with effect from 22 July 2013. It posted a solid performance despite tough market conditions and net operating cash flow was 1.2% higher than in the prior year.

- ▶ **Société nationale immobilière (SNI)**

SNI's contribution to the Group's consolidated net profit grew 11.5% to €134 million, versus €116 million in 2012.

- ▶ **Compagnie des Alpes (CDA)**

CDA contributed €1 million to consolidated net profit for the year, down from €11 million in 2012, reflecting profit of €2 million for 2013 versus €28 million one year ago. This decline was the result of write-downs taken on certain leisure parks despite revenues holding firm at €678 million.

▶ **Egis**

Egis' contribution to net profit dipped slightly in 2013 to €29 million, versus €31 million in 2012. The backlog is at an all-time high of €1 billion, 57% higher than this time last year.

▶ **Compagnie Nationale du Rhône (CNR)**

CNR's contribution to Caisse des Dépôts' net profit slipped from €73 million in 2012 to €68 million this year due to lower electricity prices which outweighed higher levels of activity. Operating income was virtually unchanged at €361 million.

▶ **CDC infrastructure**

CDC infrastructure contributed €24 million to the Group's net profit.

▶ **Transdev Group**

Transdev Group generated a negative contribution of €65 million to consolidated net profit for 2013. Excluding impairment losses (mostly on SNCF), operating income jumped from €43 million last year to €83 million in 2013.

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**Savings Funds: buoyant lending activity and a healthy financial position
operating profit of €901 million; net profit of €443 million**

1. Buoyant lending activity supporting investment in the French economy

▶ **Business remained brisk in 2013 with €21 billion in new loans signed, higher outstanding deposits and new projects partnered in the social housing and local public sectors.**

New loans signed in 2013 totalled €20.7 billion (compared to €24 billion last year, which included €6.3 billion in one-off financing packages) and **represented an all-time high**.

In the Savings Funds' core lending businesses of **social housing** and urban policy, new loans jumped 10% year on year to reach **an all-time record** of €16.4 billion. In 2013, Caisse des Dépôts reasserted its credentials as a key partner to the social housing sector and central government by investing in projects to boost housing production as well as in renovation projects and programmes designed around environmental performance objectives.

Loans totalling more than €4.3 billion were signed for financing packages targeting the **local public sector** (local and regional development, French local public bodies, hospitals and universities, etc.). The sustainable infrastructure and emergency funding packages (earmarked in 2011 and 2012) were used up in full (with new loans of €1.5 billion and €0.8 billion signed in 2013). The extra €2 billion in loans signed during the period was taken from the new €20 billion long-term programme fund for regional and local development and public health initiatives over the period 2013-2017.

The Savings Funds expects its lending activity to remain buoyant over the next five years. The outstanding loans balance of €158 billion at end-2013 is expected to continue to grow substantially – in line with government social housing construction targets and local and regional investment plans – to reach around €220 billion in 2018.

2. Solid financial position and good results

- ▶ After two years of strong growth in centralised deposits in 2011 and 2012, **the implementation of the reform of regulated savings accounts in July 2013 resulted in the decentralisation of €30 billion worth of popular savings accounts (Livret A, LDD, LEP passbook savings accounts)**. By providing new guarantees that safeguard liquidity, the reform enhances the financial position of the Savings Funds.

Overall, centralised deposits (including accrued interest) stood at €243.3 billion at end-2013 (versus €255.5 billion at end-2012).

After remaining unchanged at 2.25% throughout 2012, there were two successive cuts in the interest rate paid on Livret A passbook savings accounts in 2013: on 1 February it was lowered to 1.75%, before being cut again on 1 August to 1.25%.

- ▶ Net deposit outflows during the year combined with high levels of loan payments (€18.6 billion) to bring the balance of financial asset portfolios back to end-2011 levels. As well as helping to finance French economic development, this portfolio also serves to guarantee the liquidity and profitability of the Savings Funds.
- ▶ Net assets held by the Savings Funds stood at €259.3 billion at 31 December 2013.
- ▶ Given the very low interest rate environment, operating margin from the Savings Funds declined to €391 million for the year, largely as a result of lower returns on financial assets. Lower charges on deposits related to the implementation of the reform of regulated savings accounts and cuts in the regulated rate of interest paid on passbook savings accounts in 2012 and 2013 (the average rate paid on Livret A passbook savings accounts fell from 2.25% in 2012 to 1.58% in 2013) only partially offset weaker yields on portfolio assets. Income on loans remained stable year on year, reflecting two contrasting effects: lower amounts of interest payable due to cuts in regulated rates over the period 2011/2013, and higher outstanding deposits.

The remeasurement of the financial asset portfolio resulted in the reversal of provisions totalling €219 million. Securities sold in 2013 generated net overall gains of €425 million.

After net additions to the Fund for General Banking Risks (FGBR), net profit of the Savings Funds came in at €443 million for the year (compared to €350 million in 2012), thus confirming their underlying financial solidity.

About Caisse des Dépôts

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

The Group intends to develop its renowned expertise in managing public service mandates and has earmarked a number of priority sectors: business development, housing, infrastructure and the energy transition.

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