CDC

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This report does not constitute a rating action.

Primary contact

Adrienne Benassy
Paris
33-144206689
adrienne.benassy
@spglobal.com

Secondary contact

Mickael Vidal
Paris
33-14-420-6658
mickael.vidal
@spglobal.com

Contributor

Sofian Chakiri
Paris
sofian.chakiri
@spglobal.com

Credit Highlights

Overview

Key strengths	Key risks
CDC carries out a critical public policy mission for the French government as a public financial institution implementing national economic policies.	Current economic slowdown in France could weigh on CDC's results in 2025.
CDC's public agency status means it is under government supervision and is likely to receive indirect and direct state support.	Risks in the real estate market may negatively affect the performance of some subsidiaries and holdings.
As a result, we think the CDC benefits from an almost certain likelihood of extraordinary French government support in the event of financial distress.	A large equity portfolio, which can lead to sizable swings in net income.

S&P Global Ratings aligns its ratings on Groupe Caisse des Depots et des Consignations (CDC) with those on France (unsolicited; AA-/Negative/A-1+). This is because we regard CDC as a government-related entity that, if under financial stress, would almost certainly benefit from extraordinary support from France. Our assessment is based on CDC's critical role for the French government in conducting key public general interest missions as an important public sector financial institution closely contributing to national economic development. We also think CDC has an integral link to the French state as a state public agency. The legal framework shields it from liquidation and bankruptcy, which ultimately makes the French state responsible for its solvency.

Outlook

The negative outlook on CDC mirrors that on France. We expect CDC will retain its critical role for and integral link with the French government, and therefore we expect our ratings on CDC to move in line with those on the sovereign.

Downside scenario

We would lower our ratings on CDC if we took a similar rating action on France over the next 24 months or perceived a weakening of the group's link with or role for the French government.

Upside scenario

We would revise our outlook on CDC to stable if we took the same action on France and the likelihood of extraordinary support for the group remained almost certain.

Rationale

CDC will continue to play a critical role for the French government since it conducts activities directly on the state's behalf. For example, CDC's savings fund, the Fonds d'épargne, centralizes, custodies, and manages regulated savings deposits (mostly the Livret A) and invests them in long-term projects supporting public policies, mainly in the social housing sector. Also, CDC's pensions and solidarity division manages several public sector retirement schemes, representing one in five retires in France. Finally, CDC manages and develops the public training scheme, Compte Personnel de Formation.

Reflecting its critical role for the French government, CDC is highly involved in public sector schemes to directly or indirectly support sustainable economic growth through its subsidiaries. After the €26 billion economic recovery plan for 2020-2024, CDC launched a €100 billion plan for 2024-2028 based on four pillars that align with the French government's policies--economic transformation, housing renovation, sustainable mobility, and water and biodiversity management.

CDC's other activities serve a general interest purpose, for example:

- CDC is France's leading public sector asset manager and has a portfolio of highly rated bonds and equities in large listed French companies, and to a lesser extent, it operates as a private equity investor.
- Through its local areas division (Banque des Territoires), it supports local economic development with direct lending and investments in local projects.
- CDC supports social security institution funding through short-term liquidity instruments provided to Agence Centrale des Organismes de Securite Sociale (ACOSS; AA-/Negative/A-1+), which manages most of the national social security cash flows.
- CDC manages deposits for some legal professions, in particular notaries.

Its subsidiaries and strategic holdings include, among others:

- The French public investment bank, Bpifrance, which supports private sector and small and midsize enterprises through direct lending, investment, and export financing (49.3%).

In the postal and banking sectors:

- The postal operator La Poste (A/Stable/A-1) with a 66% stake.
- The leading local financing institution SFIL, which is in charge of refinancing medium- and short-term loans granted to French local and regional governments and public health institutions, as well as major export credit contracts (99.9%).

In the services sector:

- The transport operator Transdev, where CDC will likely retain a 34% stake after its negotiations to sell 32% to the Rethmann Group finalize in 2025.
- The ski resorts and leisure park operator Compagnie des Alpes (42.3%).
- The construction and engineering company Egis (33.8%).

In the real estate sector:

- The social and intermediary housing operator CDC Habitat (100%).
- The real estate developer Icade (39.6%).

In the energy and water supply sector:

- The electricity transmission system operator Réseau de Transport d'Electricité (29.9%).
- The gas distribution operator NaTran (34.5%).
- The district heating operator Coriance (49.9%).
- The water distribution operator Suez (16.9%).

We consider CDC benefits from an integral link with the French government given its status as an Etablissement public administratif. This makes the government ultimately responsible for the organization's solvency. By law, CDC is exempt from liquidation and bankruptcy proceedings, and its creditors can ultimately seek recourse from the French state. After the supervisory board's review, the government sets the level of dividends paid to the state through a decree.

CDC's management and organizational structure reflects strong state supervision and oversight. The French president appoints the organization's CEO for a five-year term, and they must then be approved by parliament. The group is subject to parliamentary supervision. CDC's supervisory board, which is responsible for ensuring CDC's business strategy aligns with its mandate while maintaining financial stability, comprises members of the French parliament and senior civil servants.

Current economic slowdown may pose a risk to CDC's results in 2025, but CDC's strong diversification provides some buffer. S&P Global Ratings projects France's GDP growth to slow from 1.1% in 2024 to 0.7% in 2025, reflecting weaker business and consumer confidence, rising trade protectionism, and fiscal constraints, which could weigh on results this year. That said, despite a difficult macroeconomic environment, CDC's consolidated profits for 2024 stood at €5.1 billion, up from €3.9 billion in 2023, thanks to its high level of diversification.

Although CDC is not a bank, the French banking regulator reviews its capital adequacy. The Autorité de contrôle prudentiel et de résolution, the French banking regulator, is in charge of prudential controls over CDC. The group does not disclose the standard regulatory solvency ratios but given its ownership and unique legal status preventing it from bankruptcy proceedings, we do not see that as a meaningful risk.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- France 'AA-/A-1+' Ratings Affirmed; Outlook Stable, Nov. 29, 2024

Ratings Detail (as of March 27, 2025)*	
Caisse des Depots et Consignations	
Issuer Credit Rating	AA-/Negative/A-1+
Commercial Paper	
Local Currency	A-1+
Senior Unsecured	AA-
Short-Term Debt	A-1+
Issuer Credit Ratings History	
04-Mar-2025	AA-/Negative/A-1+
04-Jun-2024	AA-/Stable/A-1+
06-Dec-2022	AA/Negative/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.