

Rating Action: Moody's changes outlooks on the long-term ratings of three French financial institutions to stable from positive

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Outlooks on backed ratings of another four French financial institutions changed to stable from positive

Paris, February 25, 2020 -- Moody's Investors Service ("Moody's") today revised the outlooks to stable from positive on the Aa2 long-term deposit, issuer and senior unsecured ratings of Caisse Des Depots et Consignations (CDC), EPIC Bpifrance's Aa2 long-term issuer rating and SFIL's Aa3 long-term deposit, issuer and senior unsecured ratings. Moody's concurrently affirmed all these ratings.

At the same time, Moody's affirmed the Aa2 senior unsecured ratings backed by the government of France, by CDC or by EPIC Bpifrance of the following four entities and changed their outlooks to stable from positive:

- Bpifrance Financement ;
- Caisse Centrale du Credit Immobilier de France (3CIF) ;
- CDC Ixis and Ixis Corporate & Investment Bank (Ixis CIB), now merged into Natixis.

Today's actions followed Moody's change of the outlook on the Aa2 ratings of the government of France to stable from positive. For more details, please refer to Moody's press releases dated 21 February 2020 at "Moody's changes outlook on France's rating to stable from positive, affirms Aa2 rating" (https://www.moodys.com/research/--PR_418349).

RATINGS RATIONALE

--- CAISSE DES DEPOTS ET CONSIGNATIONS

Moody's revised the outlook on CDC's long-term senior unsecured debt, issuer and deposit ratings of Aa2 to stable from positive, in line with the revised outlook on the rating of the French government. CDC is intrinsically linked to the French government, given its governance structure as well as operational and financial ties. As a result, Moody's aligns CDC's ratings with those of the French government.

--- EPIC BPIFRANCE AND BPIFRANCE FINANCEMENT

The change of outlook to stable from positive on the Aa2 issuer rating of EPIC Bpifrance and the Aa2 backed long-term senior unsecured ratings of its fully guaranteed subsidiary Bpifrance Financement reflects the revised outlook on the rating of the government of France.

EPIC Bpifrance is fully owned by the French state and benefits through its status as an Etablissement public à caractère industriel et commercial (EPIC) from an implicit guarantee from the state. EPIC Bpifrance is thus intrinsically tied to the French state through its operational and financial ties with the government. As such, its issuer rating is aligned with that of the French government.

--- SFIL

The change in the outlook on SFIL's Aa3 issuer, deposit and senior unsecured debt ratings reflects the change in outlook on the rating of the government of France to stable from positive.

SFIL is a state-owned financial institution, held 75% directly by the French state and 25% indirectly through CDC and La Banque Postale. It is entrusted with a public service mandate and holds a leading position in French public-sector financing. As SFIL's reference shareholder, the French government is committed to support the bank's solvency and liquidity through a letter of comfort which has been communicated to the French banking supervisor. SFIL also plays a key role in financing French local authorities and hospitals, and a recent expansion in its policy mandate to export and strategic project financing further enhances SFIL's status and importance in the domestic market. Under the planned transfer of the government's stake in SFIL to CDC

in the coming months, CDC will become a 99.99% shareholder of the bank and the government will keep one share. SFIL's ownership will therefore remain entirely public. Moody's expects the bank's future shareholders to remain committed to supporting SFIL's solvency and liquidity. The probability of government support in case of need is thus very high for SFIL's issuer, deposit and debt ratings, which results in a government support uplift of two notches.

--- BACKED RATINGS OF DEBT ISSUED BY CDC IXIS and IXIS CIB

The change in the outlook on the Aa2 backed ratings of senior unsecured debt issued by CDC Ixis and Ixis CIB reflects the revised outlook on the government of France's rating.

Following the creation of Groupe BCPE in 2009, these debt obligations continue to be directly guaranteed by, or to benefit from recourse to CDC. Therefore, this debt continues to be aligned with CDC's Aa2 ratings and outlook.

--- BACKED RATINGS OF CAISSE CENTRALE DU CREDIT IMMOBILIER DE FRANCE (3CIF)

The backed senior unsecured rating of 3CIF is based on the unconditional and irrevocable guarantee from the French government. The change on the outlook on its Aa2 backed ratings reflects the revised outlook on the government of France's ratings.

WHAT COULD MOVE THE RATINGS UP/DOWN

The ratings of CDC, EPIC Bpifrance, SFIL and the backed ratings of Bpifrance Financement, CDC Ixis, Ixis CIB and 3CIF will likely be upgraded if the government of France's rating is upgraded.

A downgrade of the government of France's rating will likely result in a downgrade of all these ratings. SFIL's ratings could also be downgraded if its standalone financial strength deteriorates, if a change in its liability structure results in a higher loss-given-failure for its depositors or senior unsecured creditors, or if the probability of government support decreases.

LIST OF AFFECTED RATINGS

Issuer: CDC Ixis

..Affirmations:

...Backed Senior Unsecured Regular Bond/Debenture, affirmed Aa2, outlook changed to Stable from Positive

..No Outlook assigned

Issuer: IXIS Corporate & Investment Bank

..Affirmations:

...Backed Senior Unsecured Regular Bond/Debenture, affirmed Aa2, outlook changed to Stable from Positive

..No Outlook assigned

Issuer: SFIL

..Affirmations:

...Long-term Bank Deposits, affirmed Aa3, outlook changed to Stable from Positive

...Long-term Issuer Ratings, affirmed Aa3, outlook changed to Stable from Positive

...Senior Unsecured Regular Bond/Debenture, affirmed Aa3, outlook changed to Stable from Positive

...Senior Unsecured Medium-Term Note Program, affirmed (P)Aa3

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Caisse C'ale du Credit Immobilier de France

..Affirmations:

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)Aa2

...Backed Senior Unsecured Regular Bond/Debenture, affirmed Aa2, outlook changed to Stable from Positive

..Stable Outlook not affected

Issuer: Caisse Des Depots et Consignations

..Affirmations:

...Long-term Bank Deposits, affirmed Aa2, outlook changed to Stable from Positive

...Long-term Issuer Rating, affirmed Aa2, outlook changed to Stable from Positive

...Senior Unsecured Regular Bond/Debenture, affirmed Aa2, outlook changed to Stable from Positive

...Senior Unsecured Medium-Term Note Program, affirmed (P)Aa2

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: Bpifrance Financement

..Affirmations:

...Backed Senior Unsecured Medium-Term Note Program, affirmed (P)Aa2

...Backed Senior Unsecured Regular Bond/Debenture, affirmed Aa2, outlook changed to Stable from Positive

..Outlook Action:

...Outlook changed to Stable from Positive

Issuer: EPIC Bpifrance

..Affirmations:

...Long-term Issuer Ratings, affirmed Aa2, outlook changed to Stable from Positive

..Outlook Action:

...Outlook changed to Stable from Positive

PRINCIPAL METHODOLOGIES

The principal methodology used in rating CDC Ixis, IXIS Corporate & Investment Bank, Caisse C'ale du Credit Immobilier de France and SFIL was Banks Methodology published in November 2019. The principal methodology used in rating Caisse Des Depots et Consignations, EPIC Bpifrance and Bpifrance Financement was Government-Related Issuers Methodology published in February 2020. Please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

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