

**Rating Action: Moody's downgrades CDC, OSEO and AFD to Aa1, negative; outlook changed to negative on Credit Mutuel group entities**

---

Global Credit Research - 20 Nov 2012

**Actions follow sovereign downgrade**

Paris, November 20, 2012 -- Moody's Investors Service has today downgraded to Aa1 (negative), from Aaa (negative), the long-term issuer, bank deposit and senior unsecured ratings of Caisse des Depots et Consignations (CDC) and OSEO. Their Prime-1 short-term ratings are unaffected.

Moody's has also downgraded to Aa1 (negative), from Aaa (negative), Agence Française de Développement (AFD)'s backed senior unsecured debt rating which is guaranteed by the French government.

At the same time, Moody's has also revised to negative from stable the outlook on the long-term deposit and senior unsecured ratings of Banque Federative du Credit Mutuel (BFCM), Credit Industriel et Commercial (CIC) and Credit Mutuel Arkea. Other ratings and corresponding outlooks for BFCM, CIC and Credit Mutuel Arkea are unaffected by today's announcement. The ratings and outlooks for other French banks rated by Moody's are unaffected by today's action.

Today's actions were prompted by the weakening of the French government's credit profile, as captured by Moody's recent downgrade of France's government bond rating to Aa1 (negative) from Aaa (negative). For more details, please refer to Moody's press release: [http://www.moodys.com/research/Moodys-downgrades-Frances-government-bond-rating-to-Aa1-from-Aaa--PR\\_260071](http://www.moodys.com/research/Moodys-downgrades-Frances-government-bond-rating-to-Aa1-from-Aaa--PR_260071).

The ratings of instruments that benefit from the guarantee from the aforementioned issuers are also affected. Please click on this link [http://www.moodys.com/viewresearchdoc.aspx?docid=PBC\\_147552](http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_147552) for the List of Affected Credit Ratings. This list is an integral part of this press release and identifies each affected issuer.

For additional information on bank ratings, please refer to the webpage containing Moody's related announcements <http://www.moodys.com/bankratings2012>.

**RATINGS RATIONALE**

**GOVERNMENT RELATED INSTITUTIONS' (GRIs) RATINGS AND GUARANTEED DEBT RATINGS**

**--- CAISSE DES DEPOTS ET CONSIGNATIONS AND OSEO**

The downgrade to Aa1 (negative outlook), from Aaa (negative), of the long-term issuer, deposit and senior unsecured ratings for CDC, of the issuer rating for OSEO and its fully guaranteed subsidiary OSEO S.A. reflects the weakened credit profile of the government of France.

From a credit-risk profile perspective Moody's considers CDC and OSEO to be intrinsically tied to the French state through their operational and financial ties with the government. As such, CDC's deposit and senior debt ratings and OSEO's issuer rating derive from the application of a credit-substitution approach, whereby their ratings are aligned with those of the French government.

**--- BACKED RATINGS OF CAISSE AUTONOME DE REFINANCEMENT**

Moody's says that the backed senior unsecured rating for Caisse Autonome de Refinancement (CAR) is based on the unconditional and irrevocable guarantee from CDC. The downgrade of its backed senior unsecured ratings to Aa1 (negative), from Aaa (negative), therefore reflects the actions on CDC's senior unsecured rating.

**--- BACKED RATINGS OF DEBT ISSUED BY CDC IXIS, IXIS CIB AND NATIXIS STRUCTURED PRODUCTS LIMITED**

Moody's says that the debt instruments issued by CDC IXIS, IXIS CIB and Natixis Structured Products Limited -- and which benefit from the unconditional and irrevocable guarantee from CDC -- are also affected by today's

action. The downgrade to Aa1 (negative), from Aaa (negative) of the backed ratings reflects the action on CDC's senior unsecured ratings.

#### --- BACKED RATINGS OF AGENCE FRANCAISE DE DEVELOPPEMENT

AFD's backed senior unsecured rating is based on the unconditional and irrevocable guarantee from the French government. The downgrade of AFD's backed senior unsecured rating to Aa1 (negative), from Aaa (negative), reflects the similar action on the French government's ratings.

#### BANQUE FEDERATIVE DU CREDIT MUTUEL, CREDIT INDUSTRIEL ET COMMERCIAL AND CREDIT MUTUEL ARKEA

Moody's affirmed the Aa3 long-term deposit and senior unsecured ratings of BFCM, CIC and Credit Mutuel Arkea, and revised the outlooks to negative from stable. This reflects Moody's view that if France's financial strength deteriorates further, the benefit to the banks' senior unsecured creditors -- from potential systemic support to the Credit Mutuel group -- may diminish. As such, the outlook reflects the negative outlook on the sovereign rating.

#### OTHER FRENCH BANKS UNAFFECTED BY TODAY'S ACTION

Moody's says that the ratings and outlooks for other French banks are unaffected by today's rating action. These institutions have lower standalone credit assessments -- taking into account cooperative support -- and senior ratings than BFCM, CIC and Credit Mutuel Arkea. As such, their long-term ratings are less sensitive to the change in creditworthiness of the government of France, according to our framework for determining potential systemic support under Moody's Consolidated Global Bank Rating Methodology.

#### WHAT COULD MOVE THE RATINGS UP/DOWN

There is no upwards ratings pressure on the ratings, as indicated by the negative outlooks.

The senior unsecured ratings for CDC and OSEO, as well as the guaranteed debt issued by OSEO SA, CAR, AFD, CDC IXIS and IXIS CIB and Natixis Structured Products would move in tandem with the rating of the French government.

BFCM's, CIC's and Credit Mutuel Arkea's long-term deposit and debt ratings could come under further negative pressure from any of the following (1) deterioration of their standalone creditworthiness; (2) a weakening of Credit Mutuel group's credit profile, or a weakening of the probability of support from that group; or (3) Moody's downwards adjustment of its currently very high expectations of systemic support for the group which would be re-assessed in case of any further deterioration of the French government's creditworthiness.

#### PRINCIPAL METHODOLOGIES

The methodologies used in these ratings were Moody's Consolidated Global Bank Rating Methodology published in June 2012 and Government-Related Issuers: Methodology Update published in July 2010. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of these methodologies.

#### REGULATORY DISCLOSURES

Please click on this link [http://www.moody.com/viewresearchdoc.aspx?docid=PBC\\_147552](http://www.moody.com/viewresearchdoc.aspx?docid=PBC_147552) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

- Releasing office

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the

respective issuer on [www.moody.com](http://www.moody.com).

The ratings of rated entity Agence Francaise de Developpement was initiated by Moody's and was not requested by the rated entity.

Rated entity Agence Francaise de Developpement or its agent(s) participated in the rating process. The rated entity or its agent(s) provided Moody's access to the books, records and other relevant internal documents of the rated entity.

The ratings have been disclosed to the rated entities or their designated agents and issued with no amendment resulting from that disclosure.

Information sources used to prepare each of the ratings are the following : parties involved in the ratings, public information, and confidential and proprietary Moody's Investors Service information.

Moody's adopts all necessary measures so that the information it uses in assigning the ratings is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Moody's considers the quality of information available on the rated entities, obligations or credits satisfactory for the purposes of issuing these ratings.

Moody's Investors Service may have provided Ancillary or Other Permissible Service(s) to the rated entities or their related third parties within the two years preceding the credit rating action. Please see the special report "Ancillary or other permissible services provided to entities rated by MIS's EU credit rating agencies" on the ratings disclosure page on our website [www.moody.com](http://www.moody.com) for further information.

The below contact information is provided for information purposes only. Please see the issuer page on [www.moody.com](http://www.moody.com) for Moody's regulatory disclosure of the name of the lead analyst and the office that has issued the credit rating.

The relevant Releasing Office for each rating is identified under the Debt/Tranche List section on the Ratings tab of each issuer/entity page on [moody.com](http://moody.com)

Please see the ratings disclosure page on [www.moody.com](http://www.moody.com) for general disclosure on potential conflicts of interests.

Please see the ratings disclosure page on [www.moody.com](http://www.moody.com) for information on (A) MCO's major shareholders (above 5%) and for (B) further information regarding certain affiliations that may exist between directors of MCO and rated entities as well as (C) the names of entities that hold ratings from MIS that have also publicly reported to the SEC an ownership interest in MCO of more than 5%. A member of the board of directors of this rated entity may also be a member of the board of directors of a shareholder of Moody's Corporation; however, Moody's has not independently verified this matter.

Please see Moody's Rating Symbols and Definitions on the Rating Process page on [www.moody.com](http://www.moody.com) for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website [www.moody.com](http://www.moody.com) for further information.

Please see [www.moody.com](http://www.moody.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Stephane Herndl  
Asst Vice President - Analyst  
Financial Institutions Group  
Moody's France SAS

96 Boulevard Haussmann  
Paris 75008  
France  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Carola Schuler  
MD - Banking  
Financial Institutions Group  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Releasing Office:  
Moody's France SAS  
96 Boulevard Haussmann  
Paris 75008  
France  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454



© 2012 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

**CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable, including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have

any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moodys.com](http://www.moodys.com) under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.