

[Tagging Info](#)**Fitch D/grades Groupe Caisse D'epargne & Affiliates; Changes Groupe Banque Populaire's O/look To Neg** [Ratings](#)

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Fitch Ratings-London/Paris-30 November 2007: Fitch Ratings has downgraded the Long-term Issuer Default Ratings (IDR) of Groupe Caisse d'Epargne (GCE), Caisse Nationale des Caisses d'Epargne et de Prevoyance (CNCE), Natixis, Ixis Corporate & Investment Bank (ICIB), Coface group (Coface), Banque Palatine (BP) and Credit Foncier de France (CFF) to 'AA-' (AA minus) from 'AA'. The Outlooks for these Long-term IDRs are Negative, with the exception of the Outlook for the Long-term IDR of Coface which remains Stable, based on its stand-alone financial strength. Fitch has also affirmed the Short-term IDRs and Support ratings of the above banks at 'F1+' and '1', respectively. Fitch has downgraded Natixis's Individual rating to 'C' from 'B/C'. Fitch affirmed the Individual ratings as follows: GCE at 'B'; BP, CFF and ICIB at 'C'. GCE's and CNCE's Support Rating Floors are affirmed at 'A-' (A minus). Fitch has downgraded all Long-term senior debt issued by the above entities to 'AA-' (AA minus) from 'AA'. Subordinated debt is downgraded to 'A+' from 'AA-' (AA minus).

As a consequence of the rating action on Natixis, Fitch has downgraded the Insurer Financial Strength (IFS) ratings of the major insurance entities of the Coface group to 'AA' from 'AA+' and their Long-term IDRs to 'AA-' (AA minus) from 'AA'.

The Outlooks on all ratings remain Stable. At the same time, Fitch has affirmed Coface S.A.'s and Coface Kreditversicherung AG's, the German insurance subsidiary of Coface, Short-term IFS 'F1+' ratings. All the entities and their ratings are listed at the end of this press release.

The rating of the obligations foncieres issued by Compagnie de Financement Foncier is not put under Watch and will be reviewed shortly.

Fitch has changed the Outlook assigned to Groupe Banque Populaire's (GBP) Long-term IDR of 'A+' to Negative from Stable. This change in Outlook affects the Long-term IDRs of GBP's regional banks as well as Credit Cooperatif, Groupe Credit Cooperatif, Credit Maritime Mutuel Societe Centrale de Credit Maritime Mutuel. GBP's other ratings have been affirmed at Short-term IDR 'F1', Individual 'B' and Support '2'. GBP's Support Rating Floor is affirmed at 'BBB+'. Banque Federale des Banques Populaires' Support Rating Floor is affirmed at 'BBB+'.

CNCE is the central body of GCE, a leading French cooperative banking group controlling about 12% of retail deposits in France. Various GCE group entities are 'affiliated' to CNCE and CNCE must, by law, ensure that all its affiliates maintain adequate solvency and liquidity at all times. Natixis, ICIB, BP and CFF are affiliated in this manner and, thus, their Long-term and Short-term IDRs are equalised with those of CNCE.

The downgrade of GCE's Long-term IDR is triggered by increasingly challenging operating conditions for the group's retail network (where operating income grew 2% during the first nine months to end-September 2007) and the worsening outlook for its 34% controlled wholesale and investment banking subsidiary, Natixis. Natixis, of which GBP is also a strategic shareholder, has reported a sharp decline in Q307 results compared to 2006 figures. This mainly reflects the need for valuation writedowns on structured products (EUR407m charged to operating income), including writedowns reported by CIFG (the bank's US monoline insurance company, currently undergoing recapitalisation (USD1.5bn) shared equally between GCE and GBP to maintain its 'AAA' rating).

CIFG will be transferred out of Natixis and onto the books of GCE and GBP (equally) by end-2007. While this will prove beneficial for Natixis, its Individual rating was downgraded because the conditions for two businesses that contribute significantly to its net income (corporate and investment banking and domestic retail banking) remain uncertain. Its exposures to the sub-prime sector and other troubled areas (conduits, warehoused loans) remain sizeable and, given current market conditions, further writedowns cannot be

ruled out, as does LBO exposure.

GCE's affiliation responsibilities to Natixis are shared, joint and severally, with GBP. While the ability to share the onus of potential support is positive (and demonstrated by the joint recapitalisation of CIFG), Natixis is large in relation to GCE and GBP taken individually, and its investment banking activities have exposed its strategic shareholders to additional risks. These risks are not yet quantified and the Long-term IDRs of GCE (plus all affiliates) and GBP thus have Negative Outlooks.

The 'AAA' Long-term rating of ICIB's commitments guaranteed by Caisse des Depots et Consignations is affirmed. The 'AA' Long-term rating of ICIB's commitments guaranteed by CNCE is downgraded to 'AA-' (AA minus).

Coface entities and their ratings:

Coface S.A.: IFS 'AA', Long-term IDR 'AA-' (AA minus) with Stable Outlook, Short-term IFS 'F1+'

Coface Kreditversicherung AG: IFS 'AA' with Stable Outlook, Short-term IFS 'F1+'

Coface Assicurazioni Spa: IFS 'AA' with Stable Outlook

Coface Austria Kreditversicherung AG: IFS 'AA' with Stable Outlook

Coface North America Insurance Company: IFS 'AA' with Stable Outlook

Coface Finanz GmbH: Long-term IDR 'AA-' (AA minus) with Stable Outlook

Coface Holding AG: Long-term IDR 'AA-' (AA minus) with Stable Outlook

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