



CAISSE D'AMORTISSEMENT DE LA DETTE SOCIALE

Établissement public national administratif (*French national public entity*)

(Established in Paris, France)

EURO 130,000,000,000

DEBT ISSUANCE PROGRAMME

This first prospectus supplement (the "**Supplement**") which has obtained approval number n°20-437 on 3 September 2020 from the *Autorité des marchés financiers* (the "**AMF**") is supplemental to and must be read in conjunction with the base prospectus dated 19 August 2020 which has been granted approval number n°20-414 on 19 August 2020 by the AMF (the "**Base Prospectus**"), prepared by the *Caisse d'Amortissement de la Dette Sociale* ("**CADES**" or the "**Issuer**") with respect to the Euro 130,000,000,000 Debt Issuance Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The Base Prospectus as supplemented constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the European Council of 14 June 2017 (the "**Prospectus Regulation**"). This Supplement has been prepared in accordance with Article 23 of the Prospectus Regulation. Application has been made for approval of this Supplement to the AMF in its capacity as competent authority under the Prospectus Regulation.

This Supplement has been produced for the purposes of updating the general description of the Programme, the risk factors and the use of proceeds sections to include references to potential issues of Social Bonds by the Issuer under the Programme. It also updates the description of the Issuer section.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in the Base Prospectus, the statements in this Supplement will prevail.

Copies of the Base Prospectus and this Supplement will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection by Noteholders at the specified offices of the Fiscal Agent and will be available without charge (i) on the website of the AMF (www.amf-france.org) and (ii) on the website of the Issuer (www.cades.fr).

To the extent applicable and in accordance with Article 23.2 of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Supplement is published, have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in this Supplement arose or was noted before the closing of the offer period or the delivery of the Notes, whichever occurs first. That offer period may be extended by the Issuer. This right to withdrawal shall expire by close of business on 7 September 2020. Investors may contact the Authorised Offerors should they wish to exercise the right to withdrawal.

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MODIFICATION TO THE GENERAL DESCRIPTION OF THE PROGRAMME

The paragraph "Use of Proceeds" on page 6 of the Base Prospectus is replaced in its entirety by the following:

"Use of Proceeds: The net proceeds of the issue of the Notes will be used for general financing purposes of the Issuer unless otherwise specified in the relevant Final Terms.

The relevant Final Terms might notably specify that the proceeds of the issue of the Notes will be used to finance and/or re-finance, in part or in full, transfers of eligible debt that has been voted and is effective as of 2020 and that relates to the deficits of specific social security branches ("**Social Bonds**") as set out in the Issuer's Social Bond Framework (as amended and supplemented from time to time) (the "**Framework**") available on the Issuer's website (https://www.cades.fr/pdf/investisseurs/uk/Cades_Social_Bond_Framework_3_sept2020.pdf)"

MODIFICATION TO THE RISK FACTORS SECTION

The following risk factor is to be added at the end of Section 2.3 (Risks related to the structure and the characteristics of a particular issue of Notes) beginning on page 12 of the Base Prospectus:

"Risks relating to Social Bonds

The Final Terms relating to any specific Series of Notes may provide that such Notes will constitute Social Bonds. In such case, it will be the Issuer's intention to use the net proceeds of such Notes to finance and/or refinance, in part or in full, transfers of eligible debt as set out in the Issuer's Framework available on the Issuer's website (https://www.cades.fr/pdf/investisseurs/uk/Cades_Social_Bond_Framework_3sept2020.pdf). The terms "Social Bonds" and "Framework" are defined in the "*Use of Proceeds*" section in this Base Prospectus.

Since there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "social" or equivalently-labelled project or a loan that may finance such a project, the use of proceeds of any Social Bonds may not satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any or all investors' expectations regarding such "social" or other equivalently-labelled performance objectives.

While it is the intention of the Issuer to apply the proceeds of any Social Bonds in, or substantially in, the manner described in under the "*Use of Proceeds*" section, such proceeds may not be totally or partially disbursed as planned. Social Bonds, or the social security deficits they finance or refinance, may not have the results or outcome (whether or not related to social or other objectives) originally expected or anticipated by the Issuer. In addition, while the Issuer intends to provide regular information on the use of proceeds of its Social Bonds and to publish related assurance reports, it is under no obligation to do so. Any such events or failures by the Issuer will not constitute an Event of Default in respect of any Social Bonds.

Any failure to apply the proceeds of any issue of Social Bonds as intended, any withdrawal of any applicable opinion or certification, any opinion or certification to the effect that the Issuer is not complying in whole or in part with criteria or requirements covered by such opinion or certification or any change to the Issuer's Framework and/or selection criteria may have an adverse impact on the value of Social Bonds, and may result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

MODIFICATION TO THE USE OF PROCEEDS SECTION

The Use of Proceeds section on page 69 of the Base Prospectus is replaced in its entirety by the following:

"The net proceeds of the issue of the Notes will be used for general financing purposes of the Issuer unless otherwise specified in the relevant Final Terms.

The relevant Final Terms might notably specify that the proceeds of the issue of the Notes will be used to finance and/or re-finance, in part or in full, transfers of eligible debt that has been voted and is effective as of 2020 and that relates to the deficits of specific social security branches ("**Social Bonds**") as set out in the Issuer's Social Bond Framework (as amended and supplemented from time to time) (the "**Framework**") available on the Issuer's website (https://www.cades.fr/pdf/investisseurs/uk/Cades_Social_Bond_Framework_3sept2020.pdf) and sets out categories of eligible social security deficits that have been identified by the Issuer.

In relation to Social Bonds and as further described in the Framework, the Issuer intends to be fully compliant with the following four core components of the 2020 Social Bond Principles published by the International Capital Market Association (or any more recent version such as specified in the relevant Final Terms) (the "**Principles**"): (i) use of proceeds, (ii) process for evaluation and selection of eligible social security deficits, (iii) management of proceeds and (iv) reporting. It may be further updated or expanded to reflect evolutions in market practices, regulation and in the Issuer's activities.

A second party opinion has been obtained from the second party opinion provider Vigeo Eiris on the Framework, assessing the sustainability of the Framework and its alignment with the Principles. This document is available on the Issuer's website on the "Investor Relations" page.

In relation to each issue of Social Bonds, the Issuer intends to publish on an annual basis a report including an exhaustive and nominative list of social security deficits that have been financed/refinanced by such Social Bonds. The Issuer's statutory auditors will be requested to certify the effective allocation of proceeds of the Social Bonds. The auditors' reports on the allocation of proceeds will be made available on the Issuer's website.

MODIFICATION TO THE DESCRIPTION OF ISSUER SECTION

The following paragraph in the Recent Developments section on page 86 of the Base Prospectus shall be deleted:

"

- The 2020 Acts provide for a debt assumption of Euro 136 billion by CADES. This debt transfer covers a maximum of Euro 31 billion of past deficits from 2016 to 2019, a maximum of Euro 13 billion payment in support of health insurance to cover hospital debt servicing and a provisional ceiling of Euro 92 billion for projected deficits for the financial years 2020 to 2023."

It shall be replaced by the following paragraph:

"

- The 2020 Acts provide for a debt assumption of Euro 136 billion by CADES. This debt transfer covers a maximum of Euro 31 billion of past deficits up to 2019, a maximum of Euro 13 billion payment in support of health insurance to cover hospital debt servicing and a provisional ceiling of Euro 92 billion for projected deficits for the financial years 2020 to 2023."

MODIFICATION TO THE PRO FORMA FINAL TERMS

The section "*Reasons for the offer, estimated net proceeds and total expenses*" in Part B of the Pro Forma Final Terms for use in connection with issues of securities with a denomination of less than €100,000 to be admitted to trading on an EU Regulated Market and/or offered to the public in the European Economic Area on page 110 of the Base Prospectus is replaced by the following:

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer] [General financing purposes/ To finance and/or re-finance, in part or in full, transfers of eligible debt in accordance with CADES' Social Bond Framework]

(See ("Use of Proceeds") wording in the Base Prospectus – if reasons for offer are different, they will need to be included here.)

[(ii)] Estimated net proceeds: [●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: [●]. *[The expenses will need to be broken into each principal intended use and presented by order of priority of such uses.]*

(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]

The section "*Reasons for the offer, estimated net proceeds and total expenses*" in Part B of the Pro Forma Final Terms for use in connection with issues of securities with a denomination of at least €100,000 to be admitted to trading on an EU Regulated Market on page 131 of the Base Prospectus is replaced by the following:

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer] [General financing purposes / To finance and/or re-finance, in part or in full, transfers of eligible debt in accordance with CADES' Social Bond Framework]

(See ("Use of Proceeds") wording in the Base Prospectus – if reasons for offer are different, they will need to be included here.)

[(ii)] Estimated net proceeds: [●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: [●]. *[The expenses will need to be broken into each principal intended use and presented by order of priority of such uses.]*

(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THIS SUPPLEMENT

Declaration by persons responsible for this Supplement

To the best of the knowledge of the Issuer, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Caisse d'Amortissement de la Dette Sociale represented by the Agence France Trésor

139 rue de Bercy
75012 Paris
France

Directeur général adjoint

Cyril Rousseau

In Paris, on 3 September 2020



This Supplement to the Base Prospectus has been approved on 3 September 2020 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Supplement after having verified that the information contained in the Base Prospectus is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer described in this Supplement.

This Supplement to the Base Prospectus obtained the following approval number: 20-437.