



A MID- AND LONG-TERM FUNDING PROGRAMME OF €16 BILLION FOR 2015

– In 2015, CADES will pass the 100 billion euros mark of social debt amortised since 1996 –

Patrice Ract Madoux, Chairman of CADES (Caisse d'Amortissement de la Dette Sociale), has presented a statement of funding issues carried out in 2014 to the media in Paris and London, in addition to the new measures passed at the end of last year by the French Parliament and the proposed funding programme for 2015.

2014: €18.2 billion raised on international financial markets

In 2014, CADES raised €18.2 billion of mid- and long-term debt from international investors. Under favorable market conditions, and with investors looking for quality assets, CADES was able to issue some of the largest bonds in its history, including the following:

- a €5 billion benchmark bond with a 5-year maturity (the largest Eurobond issue in history) was subscribed in less than 24 hours by more than 160 investors, half from Asia ;
- a €5 billion benchmark bond with a 10-year maturity - the highest amount raised by CADES in Euros with this maturity;
- a \$5 billion benchmark bond with a 3-year maturity - the largest issue denominated in dollars carried out since CADES' inception;
- a €3 billion benchmark bond with a 10-year maturity - the highest amount raised by CADES on this maturity and the second largest in 2014 on the sovereign and supranational sector

In total, CADES issued 14 new mid- and long-term bonds in 2014, of which €11.6 billion denominated in euros and €6.6 billion denominated in other currencies.

Bonds issued by CADES in 2014 saw exceptional demand from international investors looking for extremely liquid and secure assets in today's Eurozone crisis environment.

Furthermore, 2014 was marked by a Memorandum of Understanding being signed by the Bank of China, aimed at enabling it to support CADES in issuing bonds denominated in RMB in international markets.

In the short term market, as at 31 December 2014, outstanding short-term bonds were broken down as follows: €5.05 billion of Euro Commercial Paper, 0.38 of US Commercial Paper and €0.18 billion of Treasury bills.

This very favourable environment enabled CADES successfully to pursue its mission to amortise French social debt, entrusted to it by the French Parliament. In 2014, CADES amortised €12.7 billion of additional French social security debt, in accordance with the objective fixed in the Social Security Financing Act for 2014.

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Since its establishment in 1996, CADES has amortised a total of €96.7 billion of French social debt. This reduction in French public debt is equivalent in amount to approximately 4 percentage points of GDP. When the interest saving on the amortised debt is taken into account, the reduction equates to more than 5 per cent of GDP.

New measures adopted for 2015

According to the remit to balance the reform of pensions finance entrusted by the French Parliament to CADES pursuant to the Social Security Financing Act (SSFA) as voted in 2011, CADES assumed €10.0 billion of debt in 2014 and will assume €10.0 billion in 2015. It will include deficits from CNAV and FSV as well as deficits from health (CNAF) and family (CNAM) agencies. This transfer of debt, for which financing terms were voted in the SSFA in 2011, will not change the lifespan of CADES in accordance with its organic law.

The target fixed by the Law pursuant to the SSFA for 2015 is for CADES to amortise €13.1 billion. CADES is scheduled to have amortised €109.9 billion whilst retaining debt to be amortised of €126.9 billion by the end of 2015.

2015: a mid- and long-term funding programme of €16 billion

To meet its financing requirements, CADES has set out a total programme of €16 billion of mid- and long-term debts together with a €7 billion short-term programme. This financing strategy places CADES amongst the top sovereign and quasi-sovereign European issuers.

All information regarding CADES and its bond issues are available on www.cades.fr.

CADES LIGHTEN THE DEBT – BRIGHTEN THE FUTURE



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