



2016 INTERIM RESULTS

In 20 years, CADES has amortised €116.8 billion of French social debt

ACTIVITY AS AT 30 SEPTEMBER 2016

CADES has issued €13.7 billion mid- and long-dated bonds and is close to completing its 2016 funding programme

- **2016 INTERIM RESULTS**

As at 30 June 2016, Caisse d'Amortissement de la Dette Sociale (CADES) had amortised a total of €116.8 billion of social debt since its inception in 1996, equivalent to more than 5 percentage points of French GDP. Including the interest saved on the amortised debt, this figure is equivalent to more than 6 per cent of GDP.

The CADES board of directors met on 7 October 2016 under the chairmanship of Mr. Patrice Ract Madoux to approve the financial statement for the first half of 2016.

Total revenue for the period was € 7.8 billion and net interest was €1.24 billion.

The resulting € 6.6 billion, which is automatically assigned to amortizing debt, is sufficient to allow CADES to pursue the mission entrusted to it by the French Parliament.

As of 30 June 2016, CADES had amortised €116.8 billion of social debt out of the €253.9 billion assumed since its inception in 1996, leaving €137.1 billion still to amortise.

In application of a recommendation of the Court of Auditors, following the end of its contract auditors' mandate, CADES chose by tender statutory auditors. Their appointment, validated by written consultation from the Board members on August 1st, was endorsed by the Board which met on 7 October 2016.

- **YEAR-TO-DATE ACTIVITY REPORT** (as at September 30, 2016)

Since the beginning of the year, CADES has issued €13.7 billion of mid- and long-term bonds, which is almost the total amount of the 2016 funding programme and demonstrates the strength of interest from international investors, particularly Asian investors, for CADES' high quality bond issues and the unconditional confidence they continue to show in the franchise.

The refinancing rate on CADES' debt portfolio reached 1.58% as at September 30, 2016.

The amount of mid- and long-dated debt raised during this period in France and abroad comprises the following:

- €4.5 billion of bonds, representing one benchmark bond with a 4-year maturity date. The bond was the largest issued by a quasi-sovereign agency in 2016;
- €1.3 billion of bonds, representing two tap issues of €500 and €600 million with maturity of 7 to 8 years;
- €6.2 billion of bonds denominated in US Dollars (\$6.75 billion), including two benchmark bonds at \$3.5 and \$3.25 billion with maturities from 3 to 5 years;

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- €1.7 billion of bonds denominated in other currencies and private placements, including one benchmark in pounds of €660 million (£500 million) with a 3-year maturity and one bond in dollars of \$1 billion with a 2-year maturity.

CADES has also operated successfully in **the short-term bond market**, which has benefitted from favourable financing conditions. As at September 30, 2015, outstanding short-term bonds were as follows:

- Euro commercial paper : €14.75 billion;
- US commercial paper: €2.5 billion;
- Treasury bills: €18.0 million.

About CADES

In 1996 the French government set up the Caisse d'Amortissement de la Dette Sociale with a mission to amortise French social debt by issuing debt securities on international financial markets in a diverse range of currencies.

To enable CADES to carry out its mission, it is allocated resources annually which are used to both amortise the social debt and pay interest to bearers of CADES bonds.

Supervised jointly by the Minister of The Economy and Finance and by the Ministers in charge of social security, CADES is directly controlled by the French state.

Backed by the French Parliament, CADES is one of the major institutions involved in the control and reduction of French social debt by using efficient and proven amortization and financing mechanisms.

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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