



IN 20 YEARS, CADES HAS AMORTISED €110.3 BILLION OF SOCIAL DEBT

CADES (Caisse d'Amortissement de la Dette Sociale), is today presenting a statement of funding issues carried out in 2015 to the media in Paris and London, as well as the new measures passed at the end of last year by the French Parliament and the proposed funding programme for 2016.

The confidence of international investors in the security and liquidity of the bonds it issues is a key factor contributing to the ongoing success of CADES' mission, entrusted to it by French parliament, to amortize French social debt. In 2015, CADES has amortised €13.6 billion, meeting the revised objective set in the Social Security Financing Act for 2016.

Since its establishment in 1996, CADES has amortised €110.3 billion of French social debt. This reduction in French public debt is equivalent in amount to approximately 5 percentage points of GDP. When the interest saving on the amortised debt is included, the reduction equates to 6 per cent of GDP.

2015: €14.9 billion raised on international financial markets

Amid favorable market conditions, and with investors looking for quality assets, CADES was able to raise €14.9 billion of mid- and long-term debt from international investors in 2015.

Highlights from 2015 include the following:

- A €3 billion benchmark with an 8-year maturity, the first issue with a maturity of this kind completed despite challenging conditions created by the unexpected decision by the Swiss National Bank to unpeg its currency from the euro;
- A first benchmark €3 billion renminbi issue, one of the largest bonds denominated in the Chinese currency launched by a Eurozone issuer to date;
- A \$3.5 billion benchmark issue with a 7-year maturity, the largest issue denominated in dollars carried out by CADES with this maturity;
- A £600 million benchmark with a 3-year maturity, the largest issue in 2015 for the sovereign and supranational sector;
- A \$3 billion issue with a 5-year maturity, the first issue denominated in dollars since 2013 with this maturity; CADES took advantage of the last window of issuance before the summer break and the USD market deterioration in Q3.

In total, CADES issued €10.3 billion denominated in dollars representing close to 70% of the total amount raised.

In the short term market, as at 31 December 2015, outstanding short-term bonds comprise the following: €5.25 billion of Euro Commercial Paper, 2.94 of US Commercial Paper and €0.11 billion of Treasury bills.

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New measures adopted for 2016

In 2016, under the Social Security Financing Act (SSFA) for 2016 which was voted by French Parliament, the plan is to transfer to CADES the total outstanding amount included in article 9 of the Social Security Financing Act for 2011. This will result in €23.6 billion of debt being transferred to CADES in 2016.

In addition, the Social Security Financing Act for 2016 proposes simplifying CADES's sources of funding with the replacement of the 1.3% levy on capital income by an additional 0.12 point of CSG, raising the CSG rate attributed to CADES to 0.6%, without modifying its total income.

The target fixed by the Law pursuant to the SSFA for 2016 is for CADES to amortise €14.2 billion. CADES is scheduled to have amortised €124.5 billion whilst retaining €136.0 billion of debt to be amortised by the end of 2016.

2016: a mid- and long-term funding programme of €15 to 20 billion

To meet its financing requirements, CADES has set out a total programme of €15 to 20 billion of mid- and long-term debts together with a €4 to 9 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 is available on www.cades.fr.

CADES LIGHTEN THE DEBT – BRIGHTEN THE FUTURE



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