Press release **3 October, 2018**

2018 INTERIM RESULTS

€146.6 BILLION OF FRENCH SOCIAL DEBT AMORTISED AS AT 30 JUNE 2018

The Board of Directors of CADES met on 3 October 2018, under the chairmanship of Mr. Jean-Louis Rey, to approve the financial statements for the six-month period to 30 June 2018.

Highlights of 2018 interim results

As at 30 June, in € billion	**H1 2018**	**H1 2017**
Net revenue	8,0	7.9
Expenses	(1.1)	(1.15)
Net result	6.9	6.75

Total revenue for the period was € 8.0 billion and net interest was €1.1 billion.

The resulting € 6.9 billion, which is automatically assigned to amortising debt, is sufficient to allow CADES to pursue the mission entrusted to it by the French Parliament.

As of 30 June 2018, CADES had amortised 56% of French social debt assumed since inception in 1996, which represents €146.6 billion. There is still €113.9 billion to amortise out of the €260.5 billion assumed.

CADES has issued €2.6 billion euros of mid- and long-term bonds in 2018

Since the beginning of the year, CADES has raised €2.6 billion of mid- and long-term debt on international markets. The refinancing rate on CADES' debt portfolio reached 1.97% as at 30 September 2018.

Mid- and long-dated debt raised in France and abroad during this period can be broken down as follows:

- A $2.0-billion benchmark bond (i.e. €1.6 billion) with a three-year maturity;
- A €1.0-billion benchmark bond with a five-year maturity.

CADES has also operated successfully in the short-term bond market, which has benefitted from favourable financing conditions. As at 30 September 2018, outstanding short-term bonds amounted to €4.7 billion.

Finalization of the second phase of the CADES and Agence France Trésor (AFT) operational merger process

As a reminder, since 1st October 2017, CADES has been operating in accordance with agreements that ensures AFT responsibility for CADES' funding programme and makes staff at CADES available to work for AFT, the French state debt management body.

A first phase reflecting the implementation of these agreements was achieved at the end of 2017 with the combination of administrative and HR functions transferring operational responsibility for all of CADES' funding activities and execution of its issuance programme to AFT. As such, AFT now operates on behalf of and for CADES, using CADES' resources to fulfill the mission.

Since 10 September 2018, CADES has finalized the second phase of the operational merger process by gathering its teams in Bercy to operate from the same location as those of AFT.

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, the French population pays regular taxes which contribute to the payment of interest and amortisation of social debt.

Supervised jointly by the Minister of The Economy and Finance and by the Ministers in charge of social security, CADES operates under the control of the French Parliament and the Constitutional Council.

CADES is well integrated into the French social system having strong joint governance, co-chaired by a Board of Directors and a Supervisory Committee, which includes four members of French Parliament.

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

Since October 1st, 2017, teams from CADES and AFT, the French state debt management office, have merged to create a centre of excellence for issuing French public debt. In this context, CADES has transferred operational responsibility for all of its funding activities to AFT. As such, AFT now operates on behalf of and for CADES, making its staff available when appropriate.

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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