

Press release

04 April, 2018



2017 ANNUAL RESULTS: €139.7 BILLION OF SOCIAL DEBT AMORTISED AS AT THE END OF 2017

The Board of Directors of CADES met on 4 April 2018, under the chairmanship of Mr. Jean-Louis Rey, to approve the financial statements for 2017. These statements are subject to the subsequent approval of the Ministers of Economy, Finance and Social Security. Annual results and activity report will be submitted to Supervisory Board, which will meet on May 28, 2018.

Highlights of 2017 results

As at 31 December, in € billion	<u>2017</u>	<u>2016</u>
Net revenue	17.2	16.75
Expenses	2.2	2.3
Net result	15.0	14.4

Resources allocated to CADES, which amounted €17.2 billion, comprised the following:

- CRDS ⁽¹⁾: €7.2 billion
- CSG ⁽¹⁾: €7.9 billion
- Payment from FRR ⁽¹⁾: €2.1 billion

Net interest of €2.2 billion was paid to investors. The resulting €15.0 billion was used to redeem debt in line with the mission entrusted to CADES by the French Parliament.

As at 31 December 2017, CADES had amortised €139.7 billion, equivalent to more than half (54%) of French social debt assumed since inception in 1996. There is still €120.8 billion to amortise out of the total €260.5 billion assumed.

Implementation of an Audit Committee

Since the beginning of 2018, an Audit Committee has been set up to comply with governance best practices. The Committee, consisting of four members and chaired by David Hoyrup, Deputy Director of Social Security Financing, will report to the Board with an opinion on the interim and annual results, as well as internal control and risk management.

The Committee has met twice since the start of 2018. At the first meeting in February, dedicated to internal control, it analysed the risk map that had been proposed by CADES' internal control compliance unit and recommended to create a prioritized action plan, which will be considered in September.

The purpose of the second meeting, which was held at the end of March, was to review the 2017 annual results. The statutory auditor attending this meeting confirmed the absence of major anomalies and specified that the accounts will be certified without reservation.

CADES' Board, which met today, considered and approved the Audit Committee's recommendations.

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 1 October 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 regard, 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



Geneviève Gauthey

Head of Communication
+33 1 55 78 58 07
genevieve.gauthey@cades.fr

Press relations – Paris

Isabelle Dray
+33 1 56 88 11 11
idray@actifin.fr

Press relations – London

Jeremy Carey/James Verstringhe
+44 207 920 3150
jcarey/jverstringhe@tavistock.co.uk

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