



Caisse d'Amortissement de la Dette Sociale

n°42 the NEWSletter

February 2018



Jean-Louis REY
Chairman of the Board

Dear Sir, dear Madam,

Year 2017 was remarkable for several reasons.

On the one hand, we have reached a significant milestone in our mandate with the French Parliament, having amortized 140 billion euros of social debt since our inception 21 years ago. This is equivalent to more than half the total debt assumed since we began our mission and demonstrates the effectiveness of our financing and amortisation mechanisms.

We also announced on 1 October 2017 a merger with Agence France Trésor and can update you that the process of integrating both agencies is well underway, with the Agence France Trésor already executing our bond issuance programme using our staff. The next stage will be to bring both teams together in the same location so that we can pool our mutual expertise and resources further.

At the end of these three phases, we will have completed the integration of the teams and skills from CADES and AFT, thus creating a center of excellence in the issuance of French public debt. However, the two organisations will remain separate and independent legal entities; our debts will be kept separate and the French State's and CADES' funding programs will continue without modifications.

In 2018, without any new transfer of social debt, our medium and long-term funding program should amount to 4 billion euros. We have already started this program in January with the successful issue of our first bond of the year: a 2-billion-dollar bond issued in just a few hours to more than 80 investors from the major financial centers.

Concurrently, we intend to remain very active on the international monetary markets in 2018, issuing commercial paper denominated in euros and in other currencies for a total amount of 26 billion euros.

We remain fully committed to continuing our mission and will continue to offer our investors a range of diverse and liquid financial instruments.

2017 KEY FIGURES

- **€ 8.7 billion** long-term debt raised
- **€ 37.0 billion** short-term debt raised
- **€ 17.0 billion** of income tax received
- **€ 14.8 billion** of social debt amortised
- **€ 2.2 billion** of interest paid to investors
- Average refinancing cost of long-term funding for year 2017 was **-0.172%**
- Refinancing rate of the remaining debt stock at 31/12/2017: **1.74%**

MODIFICATION OF THE COMPOSITION OF THE BOARD OF DIRECTORS

The permanent directors were re-elected at the head of their respective Board: Isabelle SANCERNI having succeeded Jean-Louis DEROUSSSEN as Chairman of CNAF's Board.

Chief Executive of AFT, due to his corporate office status, no longer sits on the Board of Directors of CADES. He is replaced by Mr. Gabriel CUMENGE, Deputy Director of Export finance and trade promotion division. The other State's permanent representatives were renewed.

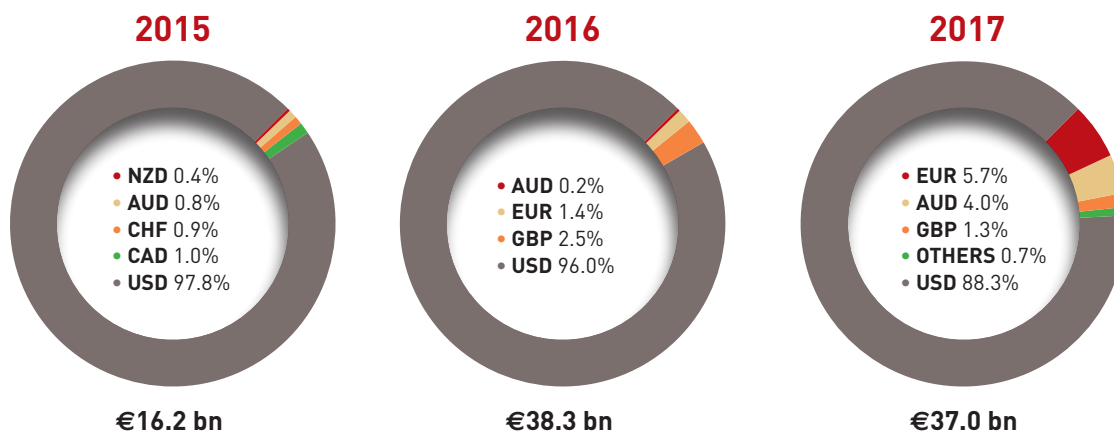
The complete list of CADES Board members is available on its website: www.cades.fr.

EFFICIENCY OF THE FINANCING AND AMORTISATION MECHANISMS

In € billion	In 2017 (e)	Since 1996
Assumed social debt	-	260.5
Ressource collected	17.0	191.3
Amortised social debt	14.8	139.5
In % of assumed debt		53.5%
Interests paid to investors	2.2	51.6
Social debt still to amortise at the end of 2017	121.0	

> An amortisation objective for 2018 of **€15.2 billion**

A MAJOR PLAYER ON THE INTERNATIONAL MONETARY MARKETS



IN 2017

- One of the major issuer of short-term debt in Europe
- Average rate: **-0.653%** Eonia -34 bps
- Minimum rate: **-1.3328%**
- Maximum rate: **-0.4900%**
- Average maturity: **125 days**

> A very active issuance programme of **€26 billion** on the short-term markets planned for 2018

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