CADES

MEDIA BRIEFING

10 December, 2019

CONTENT

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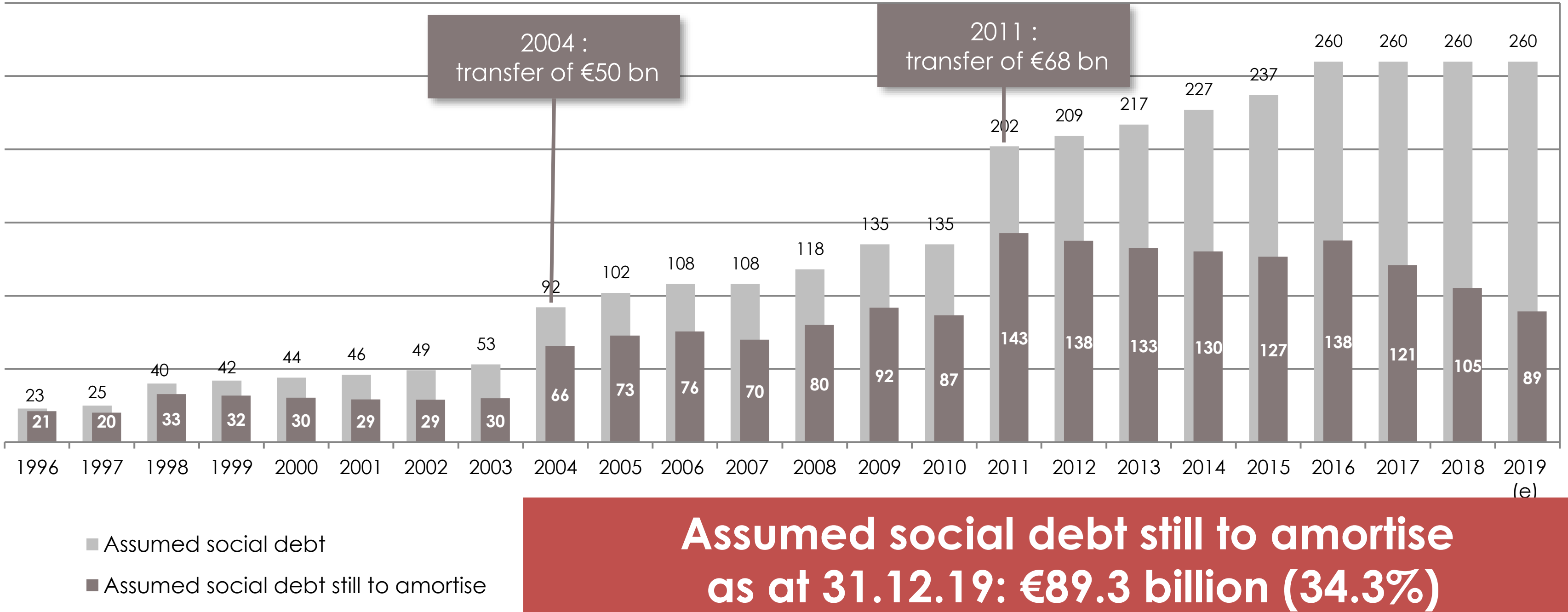
2019 REVIEW

TWO-THIRDS OF THE SOCIAL DEBT ALREADY AMORTIZED

At the end of 2019, two-thirds of social debt assumed has been amortised

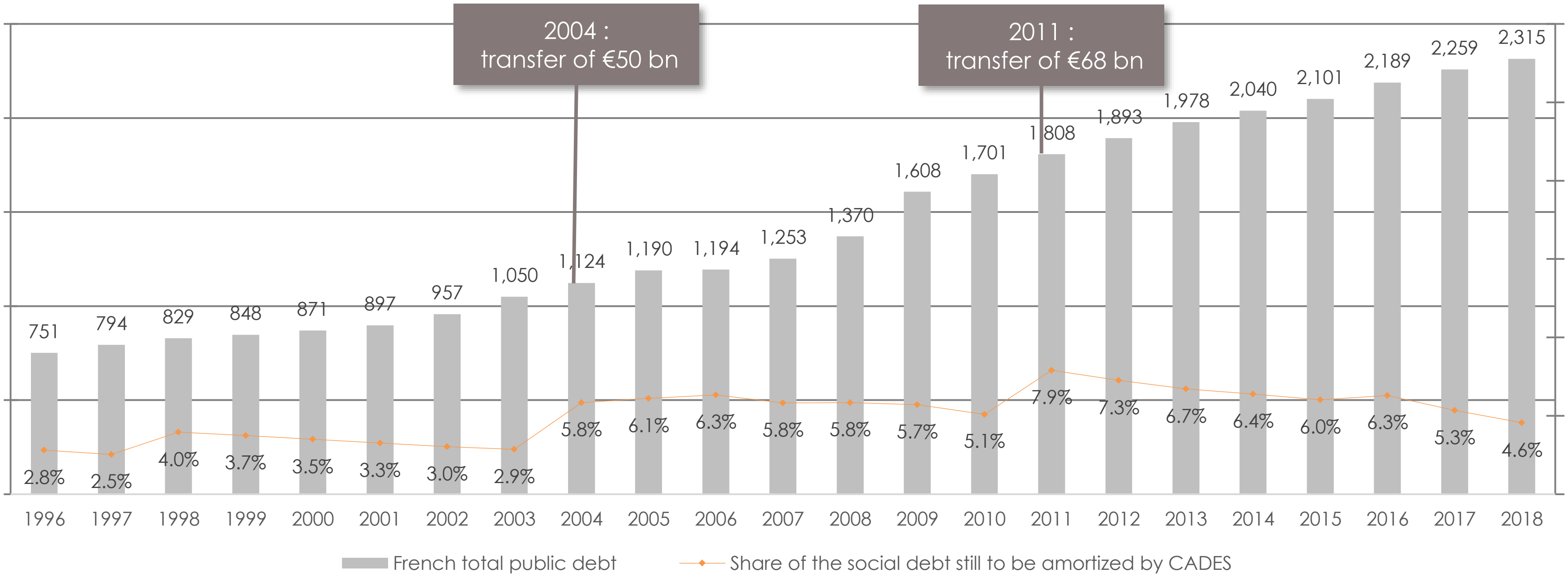
- Evolution of assumed social debt vs. social debt assumed already amortised (in €bn)



Assumed social debt still to amortise as at 31.12.19: €89.3 billion (34.3%)

Decrease of the CADES debt compound to total French public debt

- Evolution of social debt assumed already amortised vs. French total public debt



A €4 billion funding programme

Total funding: ~ €4 billion

Mid- and long-term

~ €3 bn

EUR
USD
Other currencies
Private placements

- 25/01 : tap issue on the benchmark bond 0.125% 25/10/2023 (€2.5bn) at reoffer price of 100.269%
- 25/06 : tap issue on the benchmark bond 0.5% 25/05/2023 (€0.5bn) at reoffer price of 103.791%

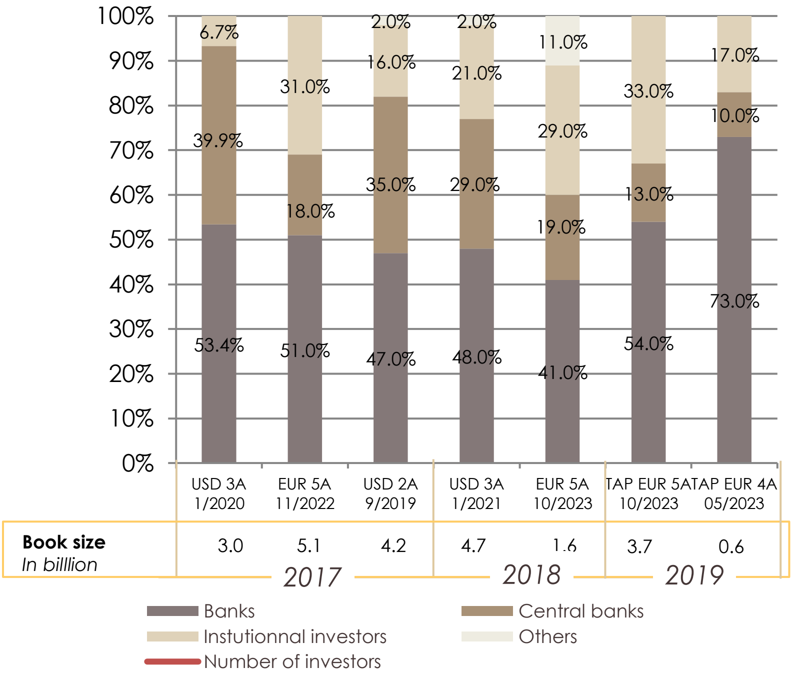
Short-term

- **2019 issuance:** €5.7 bn
- **Outstanding as at 30/11 :** €1.5 bn

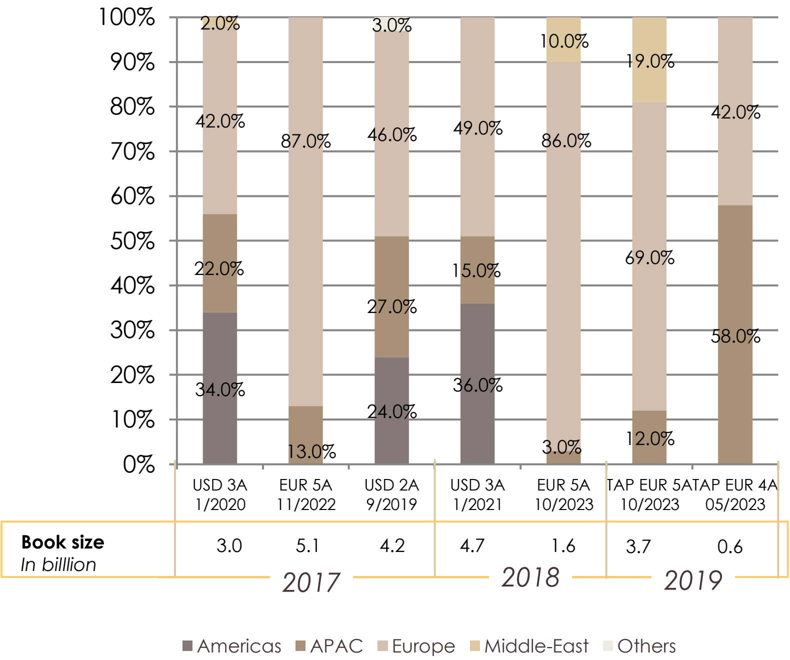
USCP
Euro CP
Neu CP

Strong investor interest

- Demand breakdown by benchmark and by investor type



- Demand breakdown by benchmark and by region

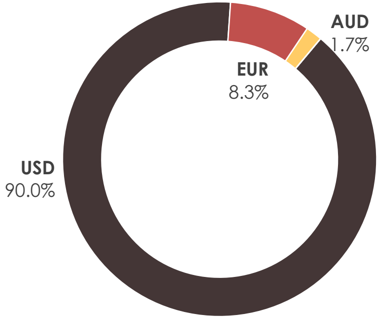


€5,7 billion issued on the international monetary markets

	ECP	USCP	Neu CP
Outstanding as at 26/11/2019	€1.27 bn	$0.25 bn	€0 bn

Issuance

2019

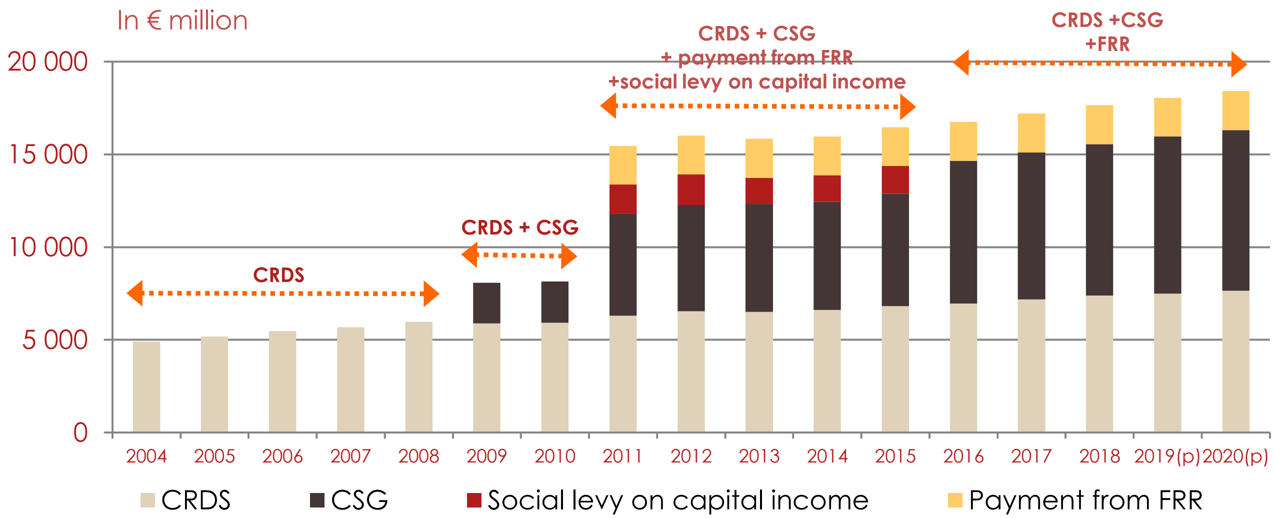


€5.7 bn

- Average rate: -0.527% (BTF+5.7 bps)
- Minimum rate: -0.733%
- Maximum rate: -0.432%
- Average maturity: 57 days

Visibility of resources

- Changes in resources since 2004

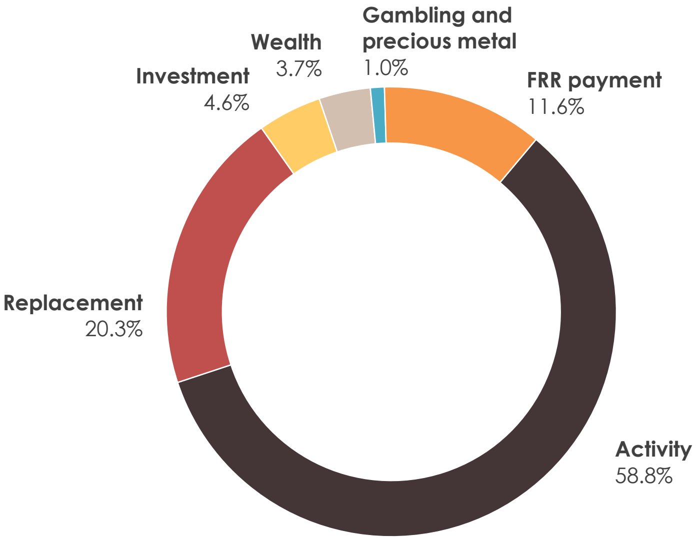


- Strong resources, linked to aggregate payroll evolution
- Income mainly based on payroll, which is less cyclical than financial income
- 2020 breakdown of resources:
  > CRDS (0.5%| €7.7 bn
  > CSG (0.6%) | €8.7 bn
  > FRR | €2.1 bn

Estimated resources for 2020:
€ 18.4 billion

A sustainable resource base

- Breakdown of resource by tax class

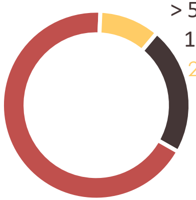


In %	2019
Revenue from activity	58.8%
Revenue from capital	20.9%
Revenue from replacement	20.3%

Diversified sources of funding

- Breakdown of net debt outstanding as at 31.12.2019

By maturity

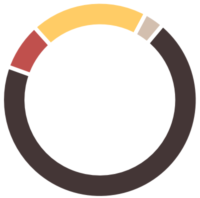


- Shortening the average maturity of outstanding debt to 2.95 years vs. 3.43 years in 2018
- 10.4% of debt outstanding has maturity >5 years vs. 22.8% en 2019

By currency

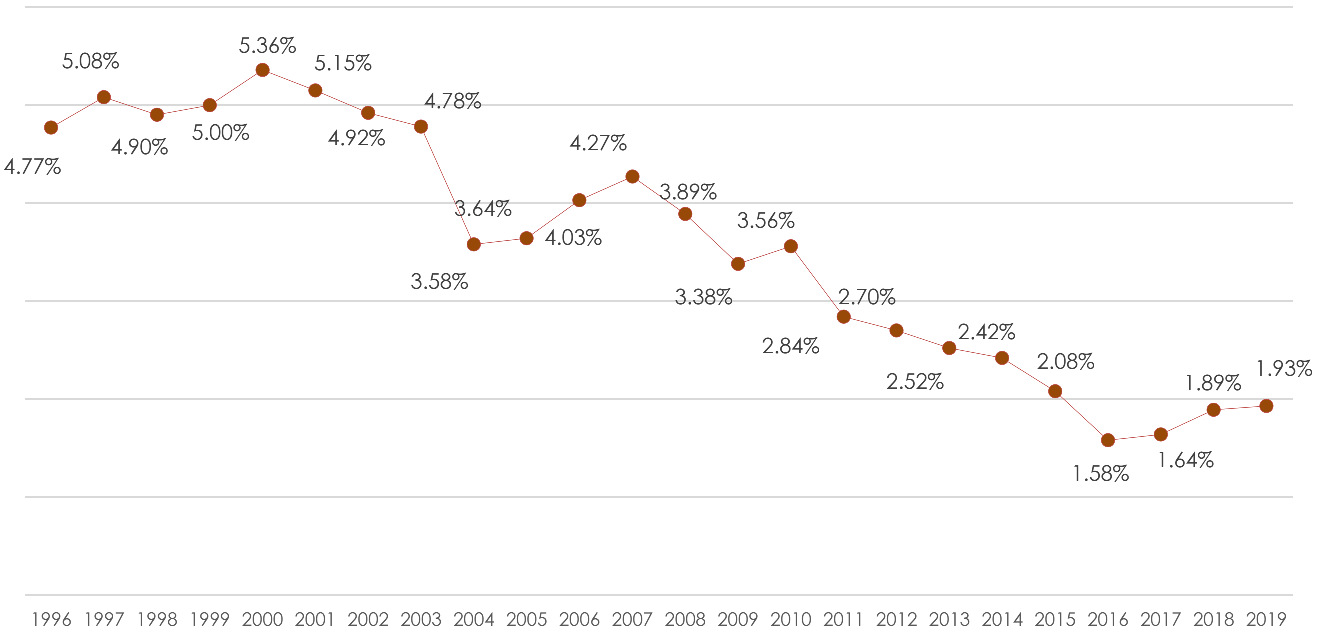
- Share of debt denominated in € increased from 77.2% in 2018 to 80.1% in 2019
- All 2019 issues are in € whereas 1/3 of repayments are in $

By instrument type



Financing is essentially guaranteed by long-term benchmark bonds in $ and in €

A refinancing rate on outstanding debt of 1.93% as at 27.11.2019



Key 2019 figures

- **€3.0** billion long-term debt raised
- **€ 5.7** billion short-term debt raised
- **€ 18.1** billion of income tax received
- **€ 2.1** billion of interest paid to investors
- **€ 16.0** billion of social debt amortised

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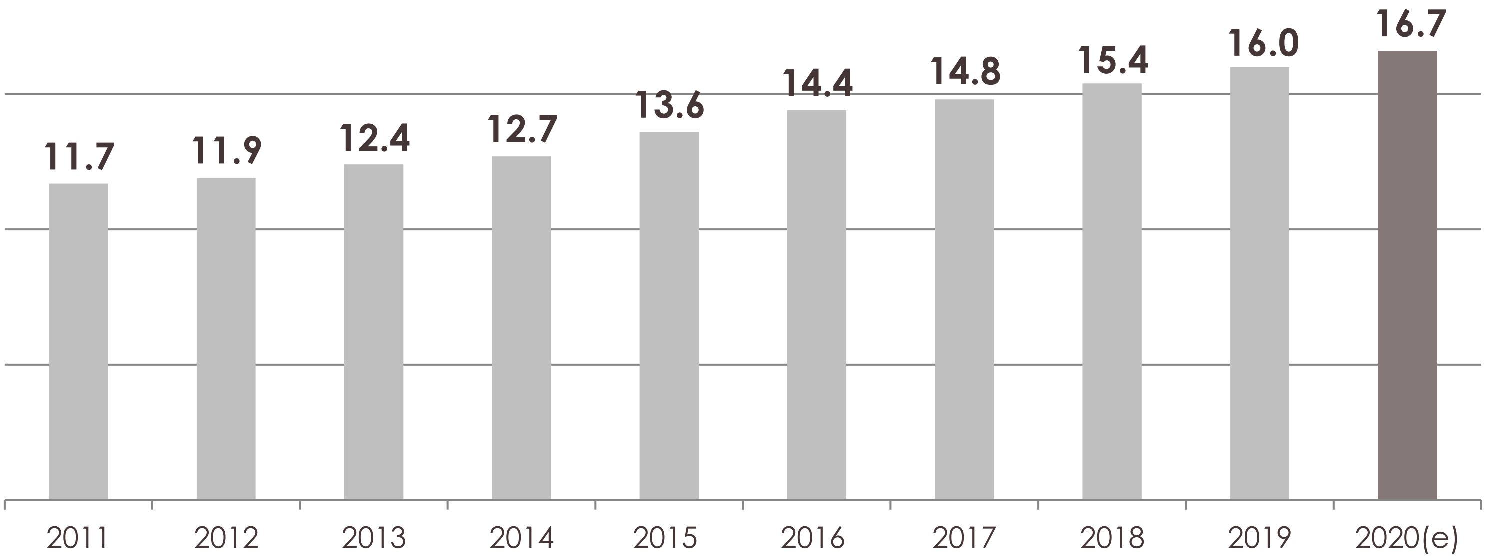
2020 FUNDING PROGRAMME

CONTINUATION OF 2019

An amortisation objective for 2020 of €16.7 billion

- Change in annual social debt amortised since 2011
  in € billion



Estimation of required funding for 2020

In € billion

Needs

ST maturities	0.5
MLT maturities	20.3
Payment of interest	1.6
Cash as at 31.12.2020	3.0

25.4

Ressources

CSG + CRDS	16.3
FRR	2.1
Cash as at 31.12.2019	3.0
Financing needs	4.0

25.4

An indicative funding programme of € 4 billion for 2020

Total funding: € 4 billion

Mid- and long-term

€ 3 bn

EUR
USD
Autres devises

Short-term

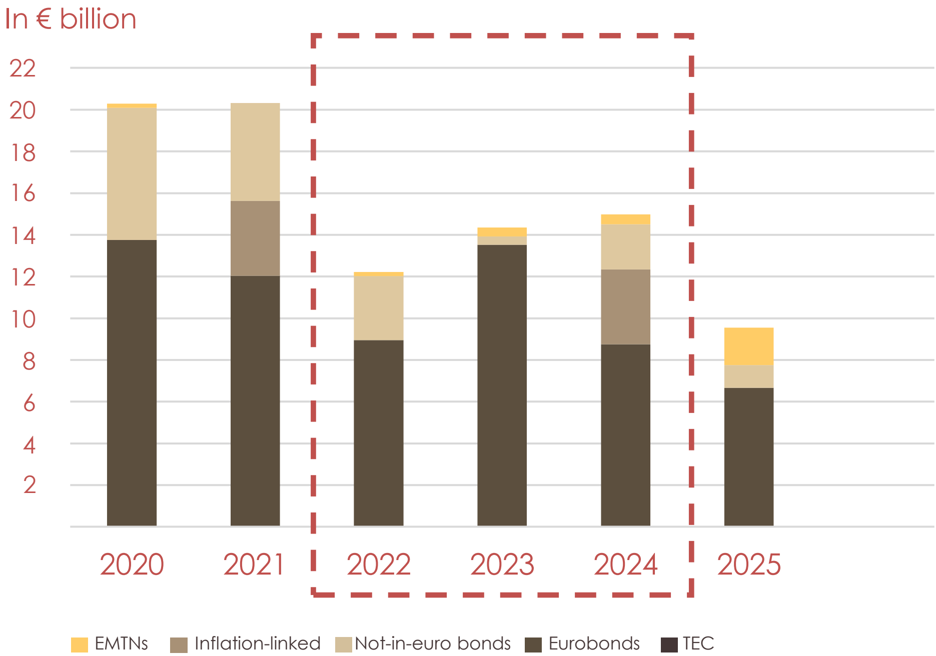
- **2020 issuance :** € 12 bn [(1)]
- **Outstanding as at 31/12/20 :** € 1 bn [(1)]

USCP
Euro CP
Neu CP

(1) Estimation

Opportunities to issue bonds up to 4-year maturity

- Outstanding mid- and long-term debt maturities/ redemption profile



- Concentration of issuances in the 2 to 4 year bracket
- Adjustment of yearly redemption to the amount of tax proceeds received
- Room for issuances of 2-year (2022) and 4-year (2024) maturity

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APPENDICES

Key figures since1996

Year	Transfert of debt	Payment expressed as amount carried forward	CANAM payment	payment under SSFA	Assets FRR	Govt off balance sheet	SS off balance sheet	Govt payment	Voted debt	Assumed debt	Payment of interest/ borrowings	Resources (CRDS+ CSG+real estate)	Resources (CRDS+ CSG+real estate+ assets FRR)	Result	Net situation	Estimate of aggregate amortised debt (8) + (12)	Estimate of annual amortised debt
	(1)		(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)	(12)	(13)	(14)
						24 773											
1996	20 886		457			22 867		1 906	46 116	23 249	1 027	3 211	3 211	-179	-21 065	2 184	**2 184**
1997						20 962		1 906	46 116	25 154	976	3 883	3 883	1 001	-20 063	5 091	**2 907**
1998	13 263					19 056		1 906	59 379	40 323	1 590	4 034	4 034	538	-32 788	7 535	**2 444**
1999						17 150		1 906	59 379	42 228	1 524	4 504	4 504	1 074	-31 713	10 515	**2 980**
2000						14 818		1 906	58 952	44 134	1 462	4 688	4 688	1 138	-30 393	13 741	**3 226**
2001						12 000		1 852	57 986	45 986	1 560	4 581	4 581	1 169	-29 224	16 762	**3 021**
2002						9 000	1 283	3 000	59 269	48 986	1 433	4 660	4 660	227	-28 997	19 989	**3 227**
2003				1 283		6 000	1 097	3 000	60 366	53 269	1 432	4 728	4 728	-987	-29 984	23 285	**3 296**
2004	35 000			1 097		3 000	15 000	3 000	110 366	92 366	1 554	4 899	4 899	-752	-65 736	26 630	**3 345**
2005	6 610						6 700	3 000	110 366	101 976	2 548	5 181	5 181	-367	-72 713	29 263	**2 633**
2006	5 700								110 366	107 676	2 664	5 479	5 479	2 815	-75 598	32 078	**2 815**
2007	-65								110 366	107 611	3 103	5 681	5 681	2 578	-72 955	34 656	**2 578**
2008	10 000								137 366	117 611	3 095	5 980	5 980	2 885	-80 070	37 541	**2 885**
2009	17 000								137 366	134 611	2 822	8 082	8 082	5 260	-91 810	42 801	**5 260**
2010									137 366	134 611	3 016	8 151	8 151	5 135	-86 675	47 936	**5 135**
2011	67 767				2 100				269 833	202 378	3 794	13 372	15 472	11 678	-142 764	59 614	**11 678**
2012	6 648				2 100				269 833	209 026	4 075	13 924	16 024	11 949	-137 463	71 563	**11 949**
2013	7 719				2 100				269 833	216 745	3 399	13 742	15 842	12 443	-132 739	84 006	**12 443**
2014	10 000	142			2 100				269 833	226 887	3 253	13 870	15 970	12 717	-130 164	96 723	**12 717**
2015	10 000	188			2 100				269 833	236 887	2 744	14 345	16 445	13 513	-126 651	110 236	**13 513**
2016	23 609				2 100				269 833	260 496	2 333	14 659	16 759	14 426	-135 834	124 662	**14 426**
2017					2 100				269 833	260 496	2 163	15 107	17 207	15 044	-120 790	139 706	**15 044**
2018					2 100				284 833	260 496	2 210	15 553	17 653	15 443	-105 347	155 149	**15 443**
2019 (est)					2 100				284 833	260 496	2 027	15 960	18 060	16 033	-89 314	171 182	**16 033**
2020 (est)					2 100				284 833	260 496	1 640	16 314	18 414	16 774	-72 540	187 956	**16 774**
Total	**234 137**		**457**	**2 380**	**21 000**	**0**	**0**	**23 380**	**269 833**	**260 496**	**57 444**	**224 588**	**245 588**	**161 557**	**-72 540**	**187 956**	**187 956**