

Press conference

December 2021





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Ordinary law

CADES takes over 136 billion euros of social security debt

Organic law

- Postponement from 2024 to 2033 of the end date for the repayment of the social debt
- Extension of resources to finance the transfer of social debt
- Any new transfer must be accompanied by an increase in revenue to contain the amortisation period to 2033



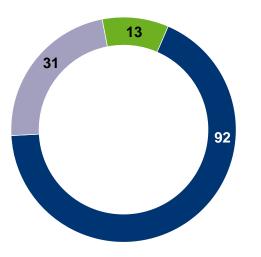


Breakdown of the €136 billion social security debt assumed by CADES (in €bn)

Accumulated deficits at 31/12/2019

- Illness branch of the general scheme: 16.2
- Elderly solidarity fund: 9.9
- Elderly branch of the self-employed agricultural scheme: 3.6
- National pension fund for local and municipalities employees:1.3

Support for a third of hospital debt



Future deficits 2020-2023

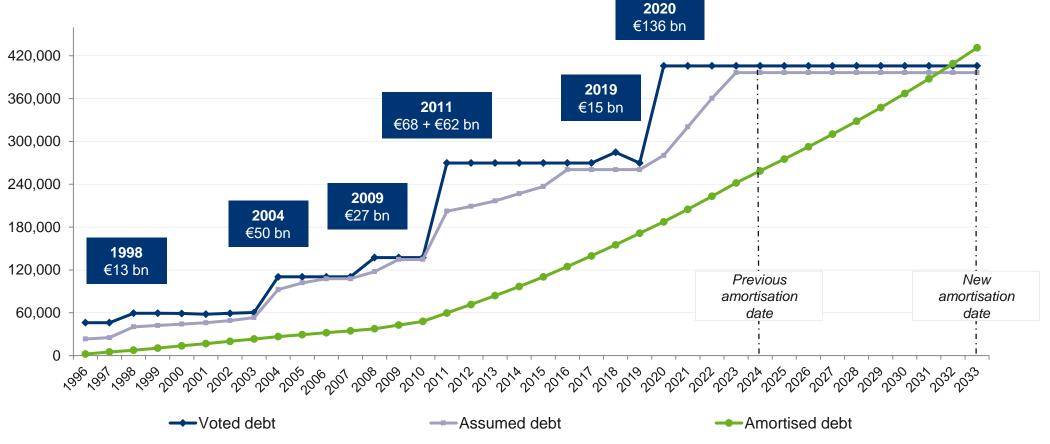
General regime Illness, elderly and family branches, FSV and elderly branch of the self-employed agricultural scheme





Social debt end date repayment is postponed from 2024 to 2033

Evolution of the voted, assumed and amortised debt (in €m)





A change in resources from 2024

Evolution of future resources foreseen by 2020 law

	Today	2024	From 2025
CSG (in bp)	0.6	0.45	0.45
CRDS (in bp)	0.5	0.5	0.5
FRR (in €bn)	2.1	2.1	1.45





- Establishment of a framework aligned with the Social Bond Principles (ICMA 2020)
- Second-Party Opinion delivered by Vigeo Eiris to evaluate transparency, governance and compliance to ICMA
- CADES is committed to following the best market practices and will disclose transparently on:
 - Use of Proceeds (UoP)
 - Selection and evaluation
 - Management of proceeds
 - Reporting



An answer to the high demand from investors to strengthen their social investments

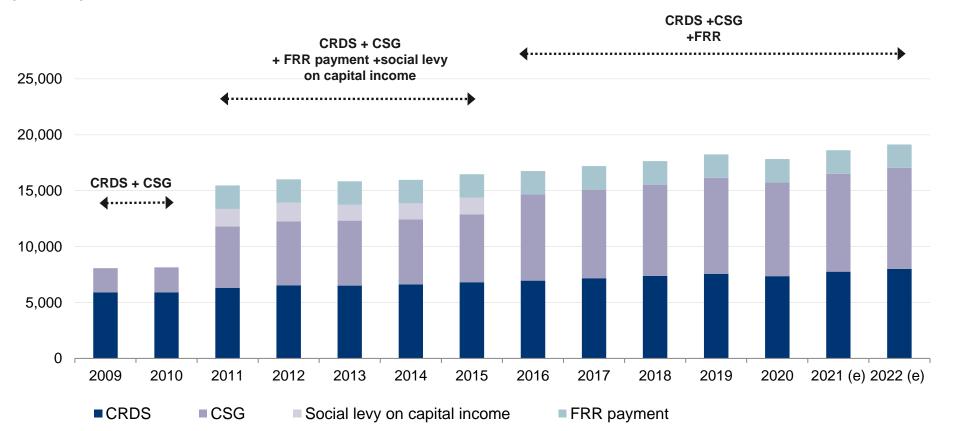








Evolution of resources since 2009 (in €m)



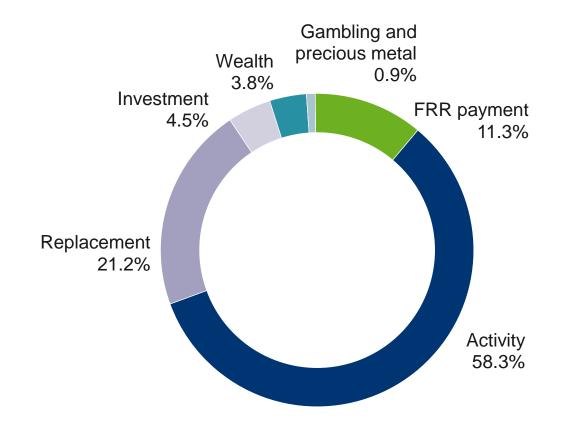
- Solid resources mainly correlated with the evolution of the wage bill
- Revenue mainly based on income from activity that is less cyclical than financial income
- 2021p breakdown of the resource¹:
 - > CRDS (0.5%): €7.8 bn
 - > CSG (0.6%): €8.7 bn
 - > FRR: €2.1 bn

⁽¹⁾ The estimated data for 2021 and 2022 are taken from the Social Security Financing Act for 2022



A broad and sustainable resource base

Breakdown of 2021^e resources by nature



In %	2021 ^e
Revenue from activity	58.3%
Revenue from capital	20.5%
Revenue from remplacement	21.2%



2021 Global Funding Carried Out

€39.4 bn mid- and long-term issues

Benchmark issuances

€36.0 bn

EUR: €18.0 bn (4 issues)

USD: €16.3 bn (5 issues)

GBP: €1.7 bn (1 issue)

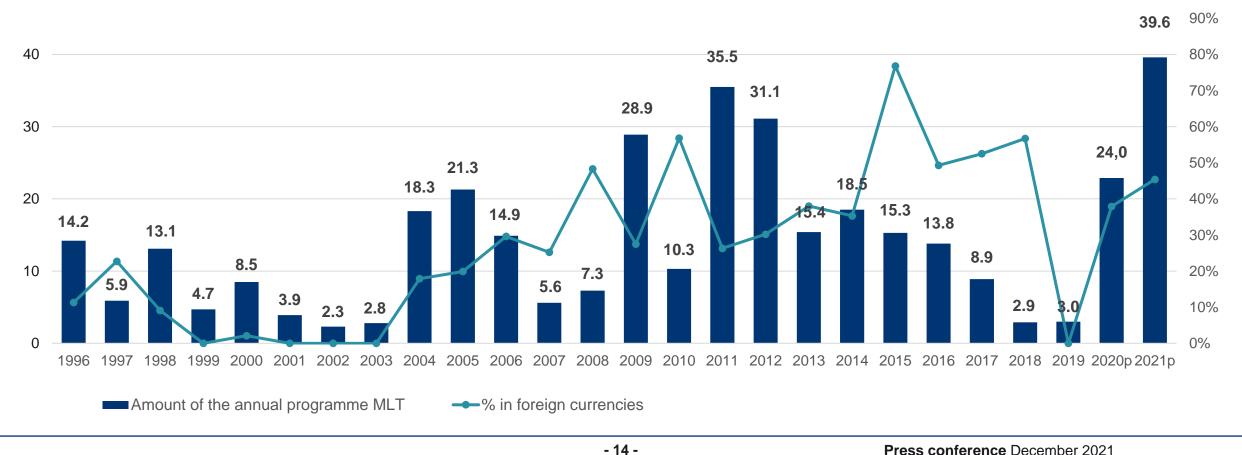


Taps (€3.1 bn)

Private placements (€0.3 bn)

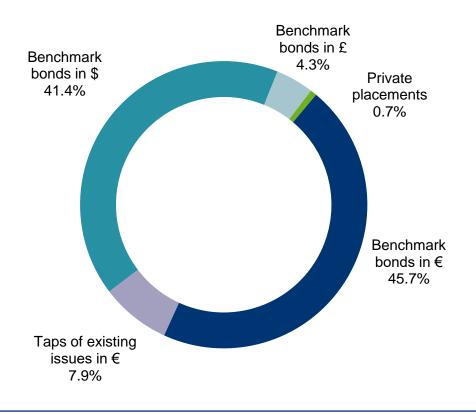


Evolution of mid- and long-term financing programmes since 1996 (in € bn)

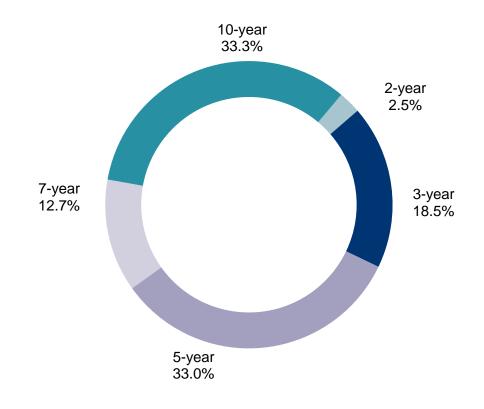




Breakdown of the 2021 programme by currency



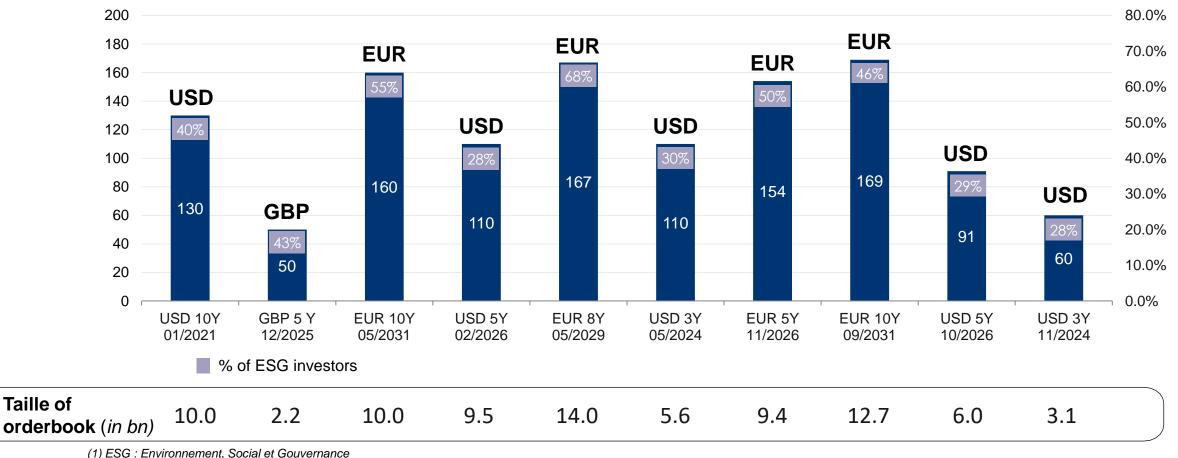
Breakdown of the 2021 programme by maturity





Strong mobilisation of investors, in particular ESG ¹

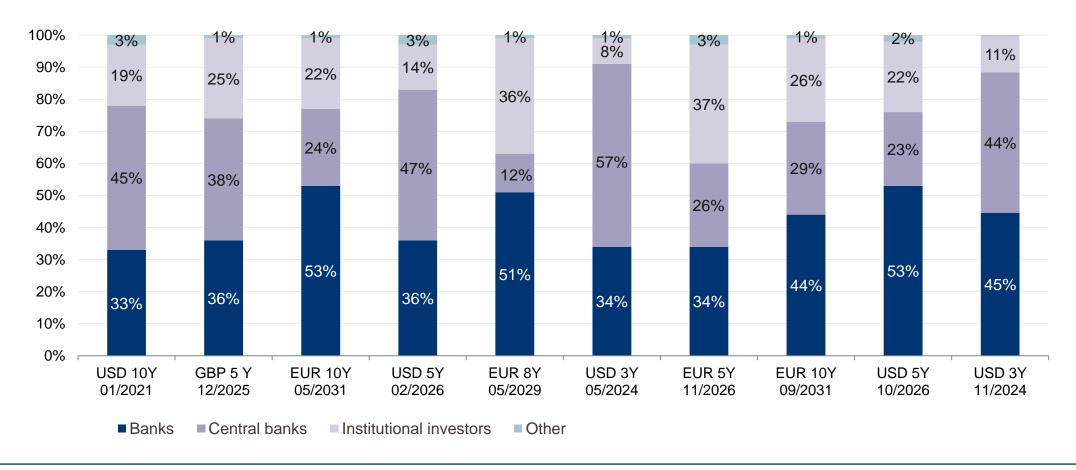
Evolution of orderbook per bond







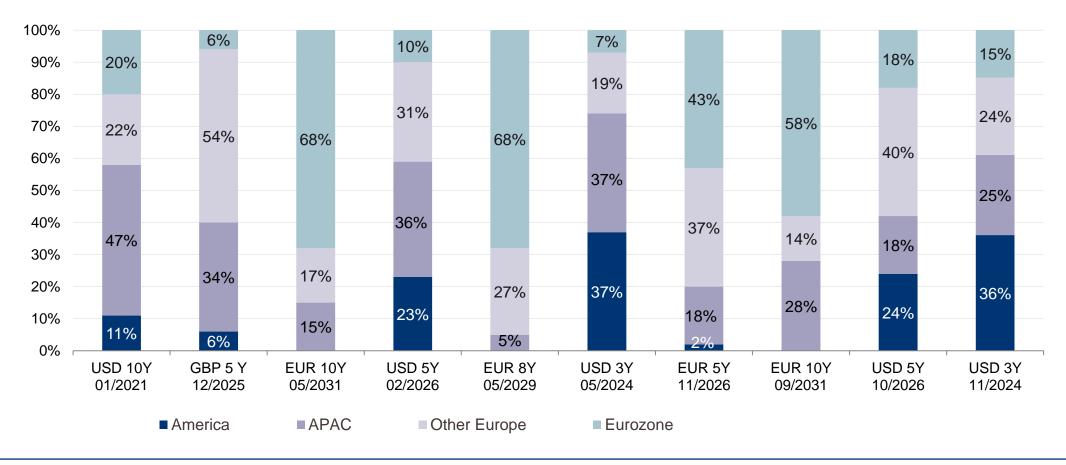
Demand breakdown by type of investor







Demand breakdown by geographical area

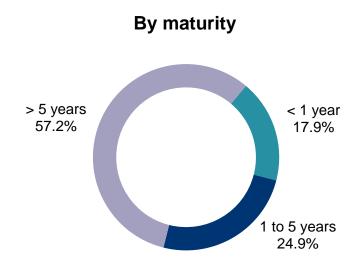


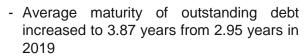




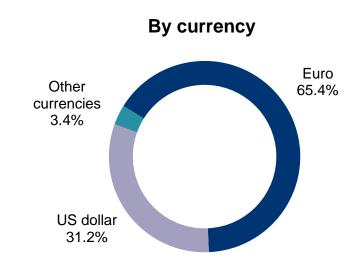
Breakdown of outstanding debt at the end of 2021

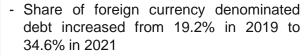
Amount of debt stock at 31/12/2021: €116.5 bn



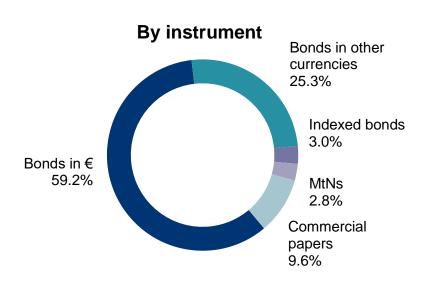


- 57.2% of outstanding debt has a maturity > 5 years, compared with 10.4% in 2019





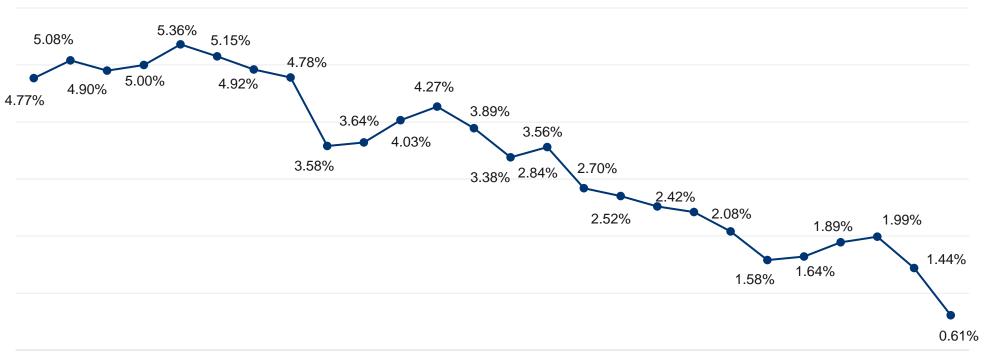
- 40.5% of the debt assumed since 2020 financed in foreign currencies (€24.3bn)



- Share of foreign currency bonds increased from 19.5% in 2019 to 25.3% of outstanding MLT debt in 2021
- Share of inflation-indexed bonds decreases as repayments are made



Evolution of the refinancing rate of the outstanding debt

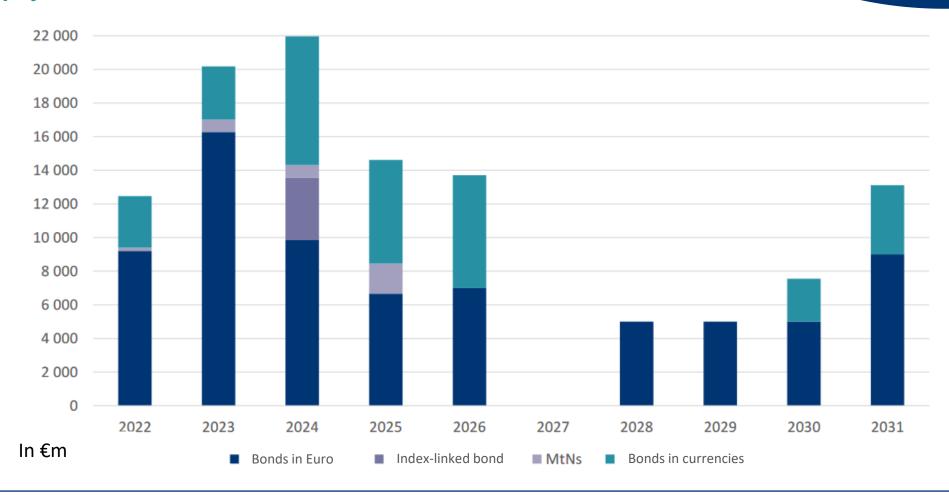


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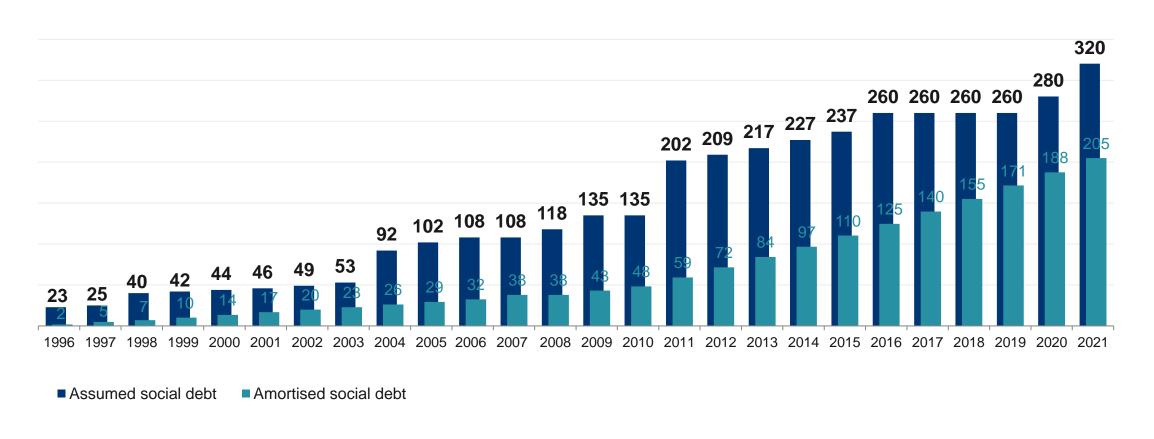
Bond repayment schedule





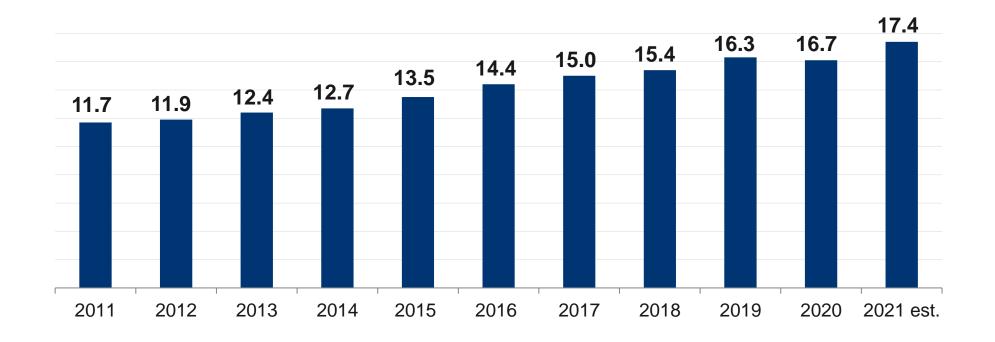


Change in social debt assumed vs. share of social debt assumed amortised (in € bn)





Evolution of annual amortisation amounts carried out by CADES (in € bn)

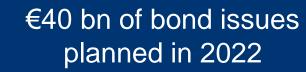




- ▶ €39.4 bn raised in mid- and long-term
- 10 benchmark bonds in \$, € and £ under social bonds format for €36.0 bn with maturities from 3 to 10 years
- 7 diversification bonds (taps of existing issues, private placements) for an amount of €3.4 bn
- A plebiscite from investors for our benchmark bonds (of which about 45% are ESG)
- A total of €205 bn amortised over 25 years, of which €17.4 bn in 2021









2022 Targeted Programme

Maximum mid- and long-term issues €40 bn

Benchmark issuances

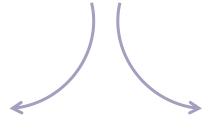
€33 bn - €35 bn *

Potential breakdown*:

EUR: €15-20 billion (4-6 issues)

USD: €15-20 billion (5-6 issues)

GBP: €1-2 billion (1-3 issues)



Diversification issuances

€5 bn - €7 bn *

Taps and inflation-linked:

€ 3-6 bn

Other currencies: €0.5-1.5 bn

Private placements: €0.5-1.5 bn



- CADES is a leading debt issuer in Europe
- A target programme of €40 bn in 2022 after a successful €39.4 bn programme in 2021
- A financing programme carried out mainly under social bond format
- A wide and diversified range of instruments
- Strong mobilisation of international investors, including a significant proportion of ESG investors
- ▶ €18.3 bn amortisation target voted by French Parliament for 2022







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