Press release **30 September 2020**

CADES SUCCESSFULLY ISSUES A NEW EUROBOND WITHIN ITS SOCIAL BOND PROGRAMME

- €5.0 billion – 7-year maturity – 0 % coupon
- An order book of nearly €14 billion
- Bringing together more than 200 investors, including 66% of ESG investors [1]

MORE THAN 2/3 OF THE H2 2020 TARGETED PROGRAMME ALREADY COMPLETE

Yesterday, CADES (Caisse d'Amortissement de la Dette Sociale) continued its social bond programme by closing a €5-billion-bond issue with a 7-year maturity.

This transaction is part of the transfer operations for €20 billion of debt to ACOSS, which is scheduled to complete by the end of 2020. **To date, three social bonds have been successfully carried out under this framework, representing a total amount of around €13.5 billion raised on the financial markets, and more than 2/3 of the programme planned by the end year 2020.**

An order book of nearly 14 billion euros bringing together more than 200 investors

This was yet another successful issue of a benchmark bond in euros, attracting a lot of interest from investors in France and internationally. In just a few hours, the order book closed at €13.8 billion and included more than 200 investors, including 66 % ESG investors.

Key features of the issue

The price of this 0% coupon issue, 7-year maturity bond (February 25, 2028), was set at 102.07%, representing a reoffer yield of -0.277%. This transaction closed with a spread of 18 basis points over the interpolated French curve (OAT 1% May 25th 2027 & OAT 0.75% May 25th 2028).

Joint-lead book runners for the transaction were Commerzbank, HSBC, Natixis and Société Générale.

The bond was placed with international investors based in France (29.1%), Germany (16.4%), Benelux (12.6%), other Eurozone (8.7%), the UK (11.6%) and 6.1% in the rest of Europe, Americas (8.9%) and Asia Pacific (6.5%).

Banks purchased more than half of the issue (53.8%), followed by other institutional investors (fund managers, insurance companies, pension funds) for 24.1%, central banks and other public institutions for 18.3% and other investors for 3.8 %.

[1] According to classification from banks that led the operation

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, Finance and the Recovery and by the Minister for Solidarity and Health, 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. CADES is maintained as an independent entity guaranteeing the effectiveness of the principle of confinement and amortization of social debt, retaining the prerogatives of its executive chairman, the board of directors and its supervisory committee. AFT 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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