

Press release

16 September 2020



## **CADES SUCCESSFULLY ISSUES A US DOLLAR BOND WITHIN ITS NEW SOCIAL ISSUANCE PROGRAM (SOCIAL BONDS)**

US\$4.0 billion - 5-year maturity – 0,375% semi-annual coupon

Yesterday, CADES (Caisse d'Amortissement de la Dette Sociale) closed a new issue within its new social issuance program. The social bond amounted to US\$ 4 billion with a 5-year maturity bond and was issued in accordance with rule 144A/3C7 of the U.S. Securities Act of 1933 of the United States.

This transaction, the second after the issue of a new euro-denominated bond on 9 September, is part of the €20 billion debt assumption operations for ACOSS scheduled before the end of 2020.

### **Key features of the issue**

The price of the 0.375% semi-annual coupon, five-year maturity (23, September 2025) bond was fixed at 99.443%. The transaction closed with a spread of 16 basis points over the USD mid-swap rate (equivalent to 22.1 basis points over the 5-year maturity US Treasury bond).

Joint-lead book runners for the transaction were BNP Paribas, Crédit Agricole CIB, HSBC and JP Morgan.

### **An order book of more than US\$6 billion**

After a first social bond carried out in euros, at the beginning of September, marked by the largest volume of interest ever shown in the execution of a CADES issue since its inception, this new bond once more generated a strong demand from investors including 17% ESG investors. In just a few hours, the order book closed over US\$6 billion among 122 investors.

The bond was placed with international investors based in Asia (34%), EMEA excluding the Eurozone (27%) and 12% in the Eurozone and Americas (27%).

Central banks and official institutions purchased 40% of the issue, followed by banks for 40% also and other institutions (20%).

### **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](http://www.cades.fr).

**CADES**  
**LIGHTEN THE DEBT – BRIGHTEN THE FUTURE**



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