

Paris - August 24, 2022

CADES closed a new benchmark bond in euros

€3 billion – 5-year maturity – 1.75% coupon

The Caisse d'Amortissement de la Dette Sociale (CADES), the French state-backed agency in charge of financing and amortising French social debt, today closed a €3 billion benchmark bond with a 5-year maturity, as part of its social bond programme.

This transaction is part of the issuance programme to finance the €40 billion debt assumption operations, which is scheduled to run until the end of 2022.

Since the beginning of the year, CADES has until now successfully carried out six social issues under this framework, raising a total of €23.9 billion on the financial markets.

Key features of the issue

The price of this 1.75% coupon, 5-year maturity bond (25 November 2027) was set at 99.375%, representing a reoffer yield of 1.877%.

This transaction closed with a spread of 37 basis points over the interpolation of OAT 02/2027 and OAT 02/2028.

Joint-lead book runners for the transaction were Crédit Agricole CIB, Citi, HSBC and J.P. Morgan.

The order book closed over €5.5 billion, gathering 108 investors, with 51% of the final amount allocated to ESG investors¹.

The bond was placed in France (12.8%), in Benelux (9.1%), in Germany (7.3%), in the rest of the Eurozone (9.3%), in the UK (26.4%), in the rest of Europe (9.4%), in Asia (24.5%) and in Americas (1.2%).

Institutional investors (fund managers, insurance companies, pension funds) participated in 45.4% of the issue, followed by central banks and other public institutions for 35.0%, banks for 18.0% and other investors for 1.6%.

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 Industrial and Digital Sovereignty and by the Minister of Health and Prevention, 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

¹ According to classification from banks that led the operation

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 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.

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