

Paris - April 1st, 2022

Annual results 2021: Nearly two thirds of assumed social debt amortised at December 31, 2021

The Board of Directors of CADES met on March 31, 2022 under the chairmanship of Mr. Jean-Louis Rey to approve the financial statements for 2021. These statements are subject to approval by the supervising Ministers.

Prior to this meeting, the Audit Committee met on March 25, 2021, under the chairmanship of Yves Laqueille, Vice-Chairman of the CNAM Board of Directors and Board member of CADES, to review the 2021 annual financial statements presented by the Accounting Officer.

Jean-Louis Rey, CADES' chairman of the Board, said at this occasion: *"After a year 2020 marked by a double crisis: health, linked to the covid-19 epidemic, and then economic, with the very strong recession that resulted, 2021 was the year of economic recovery with revenue nearly back to pre-crisis levels."*

Highlights of 2021 results

<i>As at 31 December, in € billion</i>	2021	2020
Net revenue	19.0	17.6
Expenses	1.2	1.5
Net result	17.8	16.1

Net interest of 1.2 billion euros was paid to investors.

The resulting 17.8 billion euros was used to reduce debt in line with the mission entrusted to CADES by the French Parliament.

This result is slightly higher than the corrected 2021 amortisation target of 17.4 billion euros which had been voted by French Parliament under the 2022 Social Security Financing Act (SSFA).

In 2021, CADES completed a mid- and long-term program of 39.4 billion euros, thus becoming once again a leading debt issuer in Europe. This programme is part of the assumption by CADES of €136 billion of social debt, which was voted by the French Parliament in July 2020, and which included an initial transfer of €20 billion in the second half of 2020.

In accordance with the law No. 2020-992 of 7 August 2020 on the social debt and autonomy, and following the decree published on January 19, 2021¹, CADES paid, as at December 31, 2021, €40 billion, as part of the debt assumption operations scheduled before the end of 2021, including €33.7 billion to ACOSS², €5 billion for the assumption of the debt of health establishments in the public hospital service and €1.3 billion to CNRACL³.

¹ <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043015195>

² Agence centrale des organismes de sécurité sociale

³ Caisse nationale de retraites des agents des collectivités locales

At the end of 2021, CADES has amortised and refinanced €205 billion out of the €320.5 billion of social debt assumed since its inception (including the €40 billion taken over in 2021).

The auditor present at the meeting confirmed that there were no major anomalies. He did, however, express a qualification that does not fall within the scope of CADES' operations, as the Court of Accounts has not yet given its opinion on the 2021 accounts of ACOSS' collection activities, and in particular on the removal of the uncertainties or disagreements that existed with respect to the 2020 accounts following the specific context of the health crisis.

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 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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