CADES
Lighten the debt, brighten the future

PRESS RELEASE

Paris - February 21, 2023

CADES continues its 2023 funding programme with a benchmark bond in euros

€4 billion – 7-year maturity – 3.125 % 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 €4-billion bond issue with a 7-year maturity, as part of its social bond programme.

This transaction is part of the debt assumption operations which are scheduled to run until the end of 2023. Since the beginning of the year, CADES has until now carried out three social issues under this framework, raising a total amount of €12.7 billion on the financial market, i.e more than the half of the programme announced for 2023.

Key features of the issue

The price of this 3.125 % coupon, 7-year maturity bond (1st March 2030) was set at 99.703%, representing a reoffer yield of 3.173%. This transaction closed with a spread of 31 basis points over the interpolation of OAT 25/11/2029 and OAT 25/11/2030

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

This new issue of a benchmark bond in euros attracted a lot of interest from investors, and 58.4% of the bond was allocated to ESG investors[1]. The order book closed over €25 billion and was composed of over 240 investors.

The bond was placed with international investors based in France (24.4%), in Italy (10.3%), in Germany (8.1%), in the rest of the Eurozone (12.7%), in the UK (26.9%), in the rest of Europe (7.4%), in Asia (8.4%) and in the Americas (1.8%).

Banks participated in 49.3% of the issue, followed by institutional investors (fund managers, insurance companies, pension funds) for 36.3%, central banks and other public institutions for 11.8%, and other investors for 2.6%.

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

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

a Board of Directors and a Supervisory Committee, which includes notably four members of the 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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