

This is a free translation into English of the statutory auditors' review report on the yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the state-owned company's management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Caisse d'amortissement de la dette sociale (Social Security Debt Amortisation Fund)

Statutory auditor's report on the financial statements

Year ended 31 December 2023

Grant Thornton

SAS d'Expertise Comptable et de
Commissariat aux Comptes au capital
de 2 297 184 € inscrite au tableau de
l'Ordre de la région Paris Ile-de-France
et membre de la compagnie régionale
de Versailles
632 013 843 RCS Nanterre

***Caisse d'amortissement de la dette sociale*(Social Security Debt Amortisation Fund)**

139 rue de Bercy
75012 PARIS 12

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Financial year ended 31 December 2023

Dear Sir, Madam,

QUALIFIED OPINION

In compliance with the engagement entrusted to us by your Board of Directors, we have audited the accompanying financial statements of the *Caisse d'Amortissement de la Dette Sociale* (CADES) for the year ended 31 December 2023.

Subject to the qualification described in the "Basis for qualified opinion" section of our report, in our opinion the financial statements give a true and fair view of the financial position and assets and liabilities of CADES as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR QUALIFIED OPINION

Motivation for the qualification

In our report on the annual financial statements for the year ended 31 December 2022, dated 30 March 2023, we expressed a qualified opinion due to the inability to express an opinion on the amounts recorded in respect of revenue from the contribution to the social security debt repayment contribution (CRDS) and the social security contribution (CSG) relating to receivables, deferred revenues and provisions for risks and revenues reductions.

As mentioned in paragraphs 4.1 to 4.3 of the "Accounting principles and methods" note to the annual financial statements, CRDS and CSG revenues are recorded on the basis of notifications sent to CADES mainly by the *Agence centrale des organismes de sécurité sociale* (ACOSS) in its capacity as collecting agency. In terms of revenues, CADES is responsible for formally verifying the accounting records produced by collection agencies.

In the course of our audit, we identified the following points:

- The Cour des Comptes (The French court of Auditors) was unable to approve the financial statements of the revenue collection activity due to the impact of the misstatements and insufficiencies of evidence described in the "Basis of opinion" section relating to the revenue collection activity. On 16 May 2023, in its audit report of the financial statements of the general social security scheme for the financial year 2022, the French *Cour des Comptes* (the French Court of Auditors) certified the financial statements of the revenue collection activity subject to the impact of 3 material misstatements and 8 insufficiencies of supporting evidence ;
- The impossibility to obtain from the French *Cour des Comptes*, in accordance with articles L.141-10 and R.143-23 of the *Code des juridictions financières* (the French Code of Financial Jurisdictions), and within a timeframe compatible with the issuance of this report, the information necessary to provide reasonable assurance on the items in the accounts relating to revenue from contributions to the repayment of the social security debt (CRDS) and the general social security contribution (CSG) in respect of gross receivables, accrued income and provisions for risks and revenue write-downs in respect of CADES;
- The absence of a report certifying the accounts of the social security system for the 2023 financial year at the date of issue of this report ;
- That through its role as assignee, CADES is unable to exercise compensatory control on the reliability of the flows that are reported to it.

In view of the above, we were unable to obtain reasonable assurance whether the following items in the financial statements are free from material misstatement:

- Balance sheet – Assets:
 - Receivables (€688.32m) and impairment of receivables (-€548.5m),
 - CSG and CRDS accrued income (€1,714m)
- Balance sheet – Liabilities:
 - Provisions for CSG and CRDS risks and charges (€80.20m)
- Income statement – Income

- Other operating income for CSG and CRDS (€19,100.55m)
- Income statement – Expenses
- Other operating expenses for CSG and CRDS (€153.35m)

BASIS FOR QUALIFIED OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for statutory auditors for the period from 1 January 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, in addition to the matter described in the "Basis for qualified opinion" section, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were made in the context of our audit of the financial statements taken as a whole and the formation of our audit opinion expressed above. We do not express an opinion on any individual element of these annual accounts. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

We determined that there were no key audit matters to report.

SPECIFIC VÉRIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

With the exception of the potential effects of the point described in the “Basis for qualified opinion section”, we have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to supervisory authorities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS WITH RESERVATION

Appointment of the Statutory Auditor

We were appointed as statutory auditor of CADES by notification from the President of the Board of Directors dated 28 June 2022, ratified by the Board of Directors on 5 October 2022. As at 31 December 2023, Grant Thornton was in the second year of its total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit, and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the over of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of the accounting estimates; and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, attention must be drawn in the audit report to the information provided in the financial statements concerning this uncertainty or, if such disclosures are not provided or are irrelevant, a qualified opinion or a refusal to certify the financial statements must be issued;

- Evaluates the overall presentation of the financial statements and assesses whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee, setting out in particular, the scope of our audit and the audit program implemented, together with the conclusions of our audit. We also report to the Audit Committee any material weaknesses in internal control that we have identified relating to the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee any risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Grant Thornton SAS

French Member of Grant Thornton International

Signed by:

Azarias SEKKO

and dated 29 mars 2024 at Neuilly-sur-Seine

BALANCE SHEET

At (€ millions)	31 December 2023	31 December 2022	31 December 2021
ASSETS			
Cash in hand, balances with central banks and post office banks (Note 1)	2,450.77	3,971.50	7,038.12
Treasury bills and other bills eligible for refinancing with central banks (Note 1)	-	-	-
Loans and advances to credit institutions (Note 1)			
. Repayable at sight	0.02	0.06	0.09
. Repayable at term	-	-	-
Intangible assets (Note 2)	-	-	-
Tangible assets (Note 2)	-	-	-
Other assets (Note 3)	2,058.72	1,353.06	641.71
Prepayments and accrued income (Note 4)	3,795.32	5,297.99	4,051.94
TOTAL ASSETS	8,304.83	10,622.61	11,731.86
LIABILITIES AND RESERVES			
Amounts owed to credit institutions (Note 5)			
. Payable at sight	-	-	-
. Payable at term	848.23	848.23	1,003.37
Debts evidenced by securities (Note 6)			
. Negotiable debt instruments	8,450.44	1,906.03	9,301.80
. Bonds and similar instruments	142,452.70	141,655.83	114,053.90
. Other debts evidenced by securities	-	-	-
Other liabilities (Note 7)	503.01	1,411.51	1,508.65
Accruals and deferred income (Note 8)	1,126.06	954.43	978.05
Sub-total - Liabilities	153,380.44	146,776.03	126,845.77
Provisions (Note 8a)	80.54	76.49	76.85
Property endowment	181.23	181.22	181.22
Retained earnings	-163,642.66	-155,371.97	-133,185.36
Profit for the period	18,305.28	18,960.84	17,813.38
Sub-total - Reserves	-145,156.15	-136,229.91	-115,190.76
TOTAL LIABILITIES AND RESERVES	8,304.83	10,622.61	11,731.86

PROFIT AND LOSS ACCOUNT

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
Interest receivable and similar income (Note 9)	237.36	787.78	725.82
. From transactions with credit institutions	114.02	87.96	85.79
. From bonds and other fixed income securities	-	-	-
. Other interest receivable and similar income	123.34	699.82	640.03
Interest payable and similar charges (Note 10)	- 2,967.21	- 1,993.67	- 1,848.76
. On transactions with credit institutions	-	45.04	44.14
. On bonds and other fixed income securities	-	1,948.63	1,804.62
. Other interest payable and similar charges	-	-	-
Fees receivable	-	-	-
Fees payable (Note 10)	- 22.13	- 45.90	- 42.50
Gains or losses on trading securities (Note 11)	0.01	0.04	0.01
. Net profit (loss) on foreign exchange transactions	0.01	0.04	0.01
Gains and losses on investment securities (Note 11a)	-	-	-
. Net profit (loss) on investment securities	-	-	-
Exchange rate gains and losses on management operations (Note 11b)	-	-	-
Other operating income - banking	0.02	0.05	-
Other operating charges - banking	- 0.04	- 0.02	- 0.02
NET BANKING INCOME	- 2,751.99	- 1,251.72	- 1,165.45
General operating charges (Note 13)	- 1.99	- 2.39	- 2.30
. Staff costs	-	0.83	0.87
. Other administrative charges	-	1.56	1.43
Depreciation, amortisation and impairment provisions on intangible and tangible assets	-	-	-
Other operating income:	21,221.16	20,363.02	19,139.14
. Income relating to CRDS and CSG (Notes 12a and 12-1a)	19,100.55	18,218.61	16,969.97
. Income relating to social levies on income from property and investments (Note 12-2a)	-	0.11	0.19
. Income from the Retirement Reserve Fund (<i>Fonds de Réserve pour les Retraites</i>) (Note 12-3)	2,100.00	2,100.00	2,100.00
. Income from property (Note 13a)	-	-	-
. Provisions reversed for receivables (Notes 12a and 12-1a)	20.19	44.01	65.96
. Other provisions reversed for risks (Note 14a)	0.50	0.51	3.40
Other operating charges	- 161.90	- 148.07	- 158.01
. Charges relating to CRDS and CSG (Notes 12a and 12-1a)	-	140.70	150.52
. Charges relating to social levies on income from property and investments (Note 12-2a)	-	-	-
. Payments to the State (Note 14)	-	-	-
. Provisions for sundry liabilities (Note 14)	-	-	-
. Provisions for receivables (Notes 12a and 12-1a)	-	7.37	7.49
. Charges related to property (Note 13a)	-	-	-
Changes in estimates and corrections of errors (Note 15a)	-	-	-
GROSS OPERATING PROFIT	18,305.28	18,960.84	17,813.38
Cost of risk	-	-	-
OPERATING PROFIT	18,305.28	18,960.84	17,813.38
Gains or losses on fixed assets	-	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	18,305.28	18,960.84	17,813.38
Exceptional income	-	-	-
NET PROFIT FOR THE PERIOD	18,305.28	18,960.84	17,813.38

OFF-BALANCE SHEET COMMITMENTS

At (€ millions) (Notes 16-18)	12/31/2023	12/31/2022	12/31/2021
COMMITMENTS GIVEN (Note 18)			
Financing commitments			
. Payments to various social security bodies (Article 4.IV Order No. 96-50 of 24 January 1996)	-	-	-
. Assumption of debt provided for by Social Security Funding Law No. 2020-992 of 7 August 2020	8,768.47	36,000.00	76,000.00
. Financing commitments given: acquired under repurchase agreements, currency purchases, treasury bills	-	-	-
COMMITMENTS RECEIVED (Note 18)			
Financing commitments			
. From credit institutions: cash and credit lines	1,200.00	1,000.00	1,200.00
. From credit institutions: credit lines in treasury bills	-	-	-
. Financing commitments received: borrowings	-	-	-
. Financing commitments received: commercial paper and lent under repurchase agreements	-	-	-
. Financing commitments received: payments from the Retirement Reserve Fund (<i>Fonds de Réserve pour les Retraites</i>)	15,150.00	17,250.00	19,350.00

CASH FLOW STATEMENT

(€ millions)	31 December 2023	31 December 2022	31 December 2021
Net banking income	- 2,752.00	- 1,251.72	- 1,165
Inflation premiums	147.61	224.71	140
Amortisation of premiums and balancing payments	- 51.35	- 125.32	- 146
Change in accrued interest	414.63	124.85	207
Net cash from (used in) banking activities (A)	- 2,241.11	- 1,027.48	- 1,377
Net operating income	21,057.28	20,212.59	18,979
(Increase)/decrease in accrued income from CRDS and CSG	- 296.32	319.91	- 64
(Increase)/decrease in accruals on social levies	-	-	-
(Increase)/decrease in deferred expenses	86.40	103.67	- 113
Unearned income	76.65	-	-
Provisions - sundry allocations or reversals	- 27.91	- 35.55	- 62
	-	-	-
Net cash from (used in) operating activities (B)	20,896.10	20,600.61	18,740
Net cash from (used in) banking and operating activities (C=A+B)	18,654.99	19,573.14	17,363
Net cash from (used in) financing activities (D)	7,055.54	17,360.22	19,764
Debt assumed (E)	- 27,231.53	- 40,000.00	- 40,000
Net cash flow for the year (C+D+E)	- 1,520.80	- 3,066.65	- 2,873
Net cash at beginning of period	3,971.57	7,038.21	9,911
Net cash at end of period	2,450.77	3,971.57	7,038
Net cash flow for the year	- 1,520.80	- 3,066.65	- 2,873

The cash flow statement takes into account the following items:

- A – net cash from (used in) banking activities

This is net banking income (debts plus income from derivatives and cash instruments) less income and expenses with no effect on the cash position (provisions, amortisation of issuance and redemption premiums, accrued interest, revaluation of index-linked bonds, etc.).

- B – net cash from (used in) operating activities

This is the operating profit or loss (mainly income from CRDS and CSG, social levies on income from property and investments and from the FRR) less income and expenses with no effect on the cash position (accrued income or accrued expenses).

- C – cash from (used in) banking and operating activities

This consists of net cash from (used in) banking and operating activities (C = A + B).

- D – net cash from (used in) financing activities

These are the cash flows resulting from debt issuance and debt repayment during the period.

- E – social security debt assumed

Social security debt assumed represents the amount recognised under reserves during the period by CADES in respect of debt assumed from social security funding organisations.

The net change in cash and cash equivalents reflects the following cash flows:

- cash from (used in) banking and operating activities (C);
- net cash from (used in) financing activities (D);
- social security debt assumed (E).

NOTES TO THE FINANCIAL STATEMENTS

HIGHLIGHTS OF THE YEAR ENDED 31 DECEMBER 2023

- **Debts assumed from social security funding organisations**

In accordance with Articles 1 and 2 of Decree no. 2023-12 of 11 January 2023, €27.23 billion was paid to the social security funding organisations in respect of 2023. These payments broke down as follows:

- €3 billion in hospital debt;
- €24.23 billion in forecast deficits.

In accordance with the accounting policies and methods set out in point 3, “Debts assumed from social security funding organisations”, these payments made in 2023 of €27.23 billion (€16.23 billion in respect of the first half-year and €11 billion in respect of the second) were recognised in reserves under the “Retained earnings” heading. The assumption of deficits provided for by Law No. 2020-992 of 7 August 2020 on social security debt and not yet paid to the organisations, which came to €8.77 billion at 31 December 2023, was recognised as an off-balance sheet commitment.

- **Financing transactions**

- **Issues (excluding commercial paper)**

CADES borrowed €22.18 billion:

- Three issues made under the French programme in EUR, for an amount of €12 billion.
- Three issues made under the UK programme in USD, for an amount of €10.18 billion.

- **Redemptions (excluding commercial paper)**

CADES reimbursed €20.17 billion at maturity:

- Five issues made under the French programme in EUR, for an amount of €16.37 billion.
- One issue made under the UK programme and one issue made under the French programme in USD, for an amount of €2.86 billion.
- One issue made under the French programme in AUD, for an amount of €0.32 billion.
- One issue made under the French programme in NOK, for an amount of €0.25 billion.
- Two issues made under the French programme in CNY, for an amount of €0.22 billion.
- One issue made under the French programme in CHF, for an amount of €0.15 billion.

- **Credit lines**

Commitments received as at 31 December 2023 comprise:

- Five activation agreements for credit lines enabling CADES to add funds directly to its euro-denominated deposit account held with Banque de France, totalling €1.2 billion and cancellable by the counterparties at 30 to 60 days’ notice, depending on the counterparty.

ACCOUNTING POLICIES AND METHODS

1. Basis of valuation and presentation

The accounting policies adopted by CADES meet two requirements.

Given that the activity of CADES is essentially financial, the financial statements are prepared in accordance with accounting regulations applicable to credit institutions and financial institutions as well as with generally accepted accounting principles in France. In particular, CADES has applied the accrual concept and the prudence concept.

The presentation of the financial statements complies with Regulation No. 2014-07 of 26 November 2014 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables* – ANC) relating to the financial statements of banking sector companies. In its opinion CNC 99-04, the French National Accounting Board decided that CADES could present certain transactions in a manner specific to it. Accordingly, in its profit and loss account, CADES records operating income and expenses, which are mainly composed of the revenue drawn from the CRDS and CSG and from property transactions, and payments to the State and social security funding organisations.

2. Specific characteristics of CADES

CADES has been tasked with paying down the debt transferred to it. The profit for the year therefore measures its capacity to reduce its own debt and corresponds to the resources allocated to CADES less the financial costs relating to its debt with third parties.

The profit and loss account should be interpreted in light of the specific mission entrusted to CADES, the sole purpose of which is to extinguish a debt over its scheduled term.

3. Debts assumed from social security funding organisations

On the effective date of the decree that sets the amounts and dates of payments that CADES must make in respect of debts assumed from social security funding organisations in accordance with the social security deficit funding acts, the amounts payable are recognised under amounts payable to social security funding organisations, with an offsetting entry against the profit and loss account brought forward¹.

When CADES' actual payments to the social security bodies as determined on the basis of the provisional deficits are greater than the deficits subsequently established, an adjustment may be made in CADES' favour. These adjustments are recognised against the profit and loss account brought forward at the time of the payment.

Debts assumed in accordance with legal stipulations but for which the payment dates have not yet been set by decree are recorded as off-balance sheet commitments.

¹ Opinion No. 2010-01 of 9 February 2010

4. CADES' resources

Ordinary Law No. 2020-992 of 7 August 2020 on the social security debt and autonomy, which amends Order No. 96-50, extended CADES' term, initially set to end in 2024, to 31 December 2033 and allocated the following resources to CADES in the future:

- maintenance of 0.5 percentage points of CRDS until it has completed its missions;
- maintenance of 0.6 percentage points of CSG until 2023 and then 0.45 percentage points from 2024 to 2033;
- an annual payment of €2.1 billion from the FRR until 2024 and then of €1.45 billion from 2025 to 2033.

4.1 - Contribution to the repayment of social security debt

▪ Revenue explicitly allocated to CADES

The social security debt repayment contribution (CRDS) defined by Order No. 96-50 of 24 January 1996 was explicitly created to provide resources to CADES. Article 6 of said Order states that “the proceeds of the contributions created in respect of Chapter 2 of said Order on repayment of the social security debt shall be allocated to Caisse d'Amortissement de la Dette Sociale”.

▪ A broad-based tax

The tax is levied on multiple sources of income. One can distinguish:

- On the one hand, employment income and unemployment and similar benefits: salaried income, redundancy payments and retirement indemnities (under certain conditions), retirement and disability pensions, health and maternity benefits, housing benefits, family allowances and child-minding benefits, etc., and
- On the other hand, income from property, from investments, from the sale of precious metals, gems, objets d'art, collectors' items and antiques, and from gaming.

Contributions assessed on the sales of precious metals and gems are collected by the State's financial agencies (DGFIP) before being paid over to CADES.

Contributions assessed on employment income, unemployment and similar benefits as well as income from property, investments and gaming are paid over daily by ACOSS to CADES as and when they are collected by the central agency.

▪ Collection costs borne by CADES

Article 8 of the Order of 24 January 1996 stipulates that CADES shall bear assessment and collection costs. These costs consist of a flat amount defined jointly by the Minister of the Economy and Finance and the Minister of Social Security.

Collection agencies deduct a 0.5% withholding from the contribution paid over to CADES.

CRDS contributions levied on income from property entered in the tax assessment register mainly by the offices of the DGFIP (*Direction Générale des Finances Publiques* or Directorate General of Public Finances) are paid over to CADES on the basis of register entries and not the amounts actually collected. In return, a 4.1% withholding is applied to the sums paid over to CADES to cover assessment and collection costs (0.5%) and the cost of tax reductions and bad debts (3.6%), as provided for by Article 1641 of France's General Tax Code (*Code Général des Impôts*).

Amounts collected by CADES in respect of the CRDS are reported under “Other operating income” in the profit and loss account. Assessment and collection costs are recorded under “Other operating charges”.

- Accrual basis accounting

CADES applies the accruals principle in accordance with accounting standards applicable to credit institutions and Articles L.114-5 and D.114-4-4 of the Social Security Code establishing the principle whereby social security agencies shall maintain accounting records on a receivable-payable basis.

Accordingly, CRDS contributions paid to collecting agencies are included in the accounts for the period regardless of the date on which these amounts were actually collected. So as to be able to recognise this accrued income and deferred income at the balance sheet date, CADES accrues this income on the basis of a notification provided by the collecting agencies indicating amounts assessed for the period not collected at the balance sheet date and CRDS contributions not yet collected by ACOSS. Provisions against outstanding CRDS contributions are notified to CADES by ACOSS. These provisions are calculated on a statistical basis applying an annual rate determined by reference to an ageing analysis of the receivables and, for receivables arising from payment extensions granted as a result of the COVID-19 health crisis, factoring in the likelihood that they will be collected based on current economic circumstances. The provisions are deducted from gross amounts receivable as reported in the balance sheet.

Regarding the collection of the CRDS contributions, note that at no time does CADES act as primary collector; all the resources to which it is entitled are remitted by third parties, first and foremost ACOSS, followed by the offices of the DGFIP.

CADES' responsibility is confined to verifying that the sums transferred agree to the accounting vouchers raised. The primary collecting agencies are responsible for transferring the funds, for verifying the tax base, for adjusting tax bases when applicable and for recovering past dues, in return for which these agencies receive a remuneration equivalent to 0.5% of the sums collected.

Accordingly, CADES' responsibility at revenue level is limited to substantive verifications of the accounting vouchers produced by the collecting agencies.

4.2 - Supplementary social security contribution

The 2009 Social Security Funding Act No. 2008-1330 extended the mission of CADES by entrusting to it an additional €27 billion of debt in respect of the health insurance deficit (€14.1 billion), old age pension deficit (€8.8 billion) and senior citizens' solidarity fund (€4 billion).

Pursuant to the Organic Law of 2 August 2005, the French Parliament voted to increase CADES' resources so as not to extend its life. These new resources correspond to a portion of the supplementary social security contribution (*Contribution Sociale Généralisée* – CSG). Since 2009, this has been paid to CADES at the rate of 0.2%. From 2011 it was increased to 0.48% and then from 1 January 2016 to 0.60% for CSG on all taxable employment income, unemployment and similar benefits, and income from property and investments, while CSG on profits from gaming was increased from 1 January 2016 to 0.30% and from 1 January 2021 to 0.22%.

Ordinary Law No. 2020-992 of 7 August 2020 on the social security debt and autonomy, which amends Order No. 96-50, maintains the payment of 0.6 percentage points of CSG until 2023 and then of 0.45 percentage points from 2024 to 2033.

This is a broad-based tax levied on employment income, unemployment and similar benefits as well as income from property, investments and gaming.

The difference in tax base between the CRDS and CSG mainly concerns revenue from the sale of precious metals and gems, from gaming and from family benefits.

The payment circuits and methods of accounting for the CSG are the same as for the CRDS (see 4.1).

4.3 - Social levies on income from property and investments

Act No. 2010-1594 of 20 December 2010 allocated to CADES, starting in 2011, a 1.3% share of the social levies on the income from property and investments referred to in Articles 245-14 and 245-15 of the Social Security Code. The rate for these levies is set at 5.4% as from 1 January 2012.

With effect from 1 January 2016, the payment of 1.3% of social levies on income from property and investments was replaced by an increase of 0.12% in the portion of the CSG paid to CADES.

4.4 - Resources from the Retirement Reserve Fund

Under the 2011 Social Security Funding Act (*Loi de Financement de la Sécurité Sociale – LFSS*) No. 2010-1594 of 20 December 2010, the Retirement Reserve Fund (*Fonds de Réserve pour les Retraites – FRR*) is required to pay CADES a total of €29.4 billion in instalments of €2.1 billion no later than 31 October each year, with effect from 1 January 2011 until 2024. Law No. 2020-992 of 7 August 2020 on social debt and autonomy provided for an additional annual payment of €1.45 billion from 2025 to 2033. The two institutions concerned have an agreement setting out the timing and terms and conditions governing these payments.

This annual resource paid by the FRR is recognised under income for the period.

FRR's commitment to pay amounts for subsequent years is recognised in off-balance sheet items under "Other commitments received – Retirement Reserve Fund".

5. Private rental property

CADES has sold all the property transferred to it on 1 January 2000 in application of Article 9 of Order No. 96-50 of 24 January 1996 and recorded under "Property endowment" as a component of reserves.

Acting on behalf of CADES, CNAV managed the residual rights and obligations related to this property until the expiration of the agreement between the two parties on 31 December 2006.

Signed in December 1999, this agreement empowered CNAV to do all that was necessary in connection with the administration of the properties.

Since 1 January 2007, CADES manages disputes and claims internally.

CADES' Accounting Officer records expenses and revenue on the basis of the supporting documents submitted by the Authorising Officer.

6. Transactions denominated in foreign currencies

Foreign currency transactions are recorded on a multi-currency basis and are measured in accordance with the following principles:

- Foreign currency transactions involving balance sheet and off-balance sheet items are measured in euro at the rate of exchange ruling on the balance sheet date.
- The rates used at 29 December 2023, which correspond to the reference rates communicated by the European Central Bank, are indicated in the table below:

USD:	1.1050	SEK:	11.0960	GBP:	0.86905
AUD:	1.6263	NOK:	11.2405	MXN:	18.7231
CHF:	0.9260	NZD:	1.7504	HKD:	8.6314
CAD:	1.4642	TRY:	32.6531	JPY:	156.3300
ZAR:	20.3477	SGD:	1.4591	CNY:	7.8509

- Foreign currency income and charges are translated into euro at the exchange rate ruling on the date when they were recognised in the profit and loss account.
- Realised and unrealised foreign exchange gains and losses are recognised in the profit and loss account as operating income from banking transactions or operating charges on banking transactions.

7. Repurchase agreements with securities delivered

Only securities issued or guaranteed by the State may be used as security by CADES in repurchase agreements entered into to invest its cash balances.

Securities received under these agreements are reported under loans and advances to credit institutions.

These operations are managed by Agence France Trésor as part of the management of the institution's euro cash via the Single Treasury Account.

8. Tangible and intangible fixed assets

Fixed assets are accounted for under the historical cost convention. Tangible fixed assets are depreciated, and intangible fixed assets amortised over their estimated useful life.

Tangible fixed assets consist mainly of office equipment and computer hardware.

Intangible fixed assets consist of software.

9. Bonds

Bonds issued by CADES are reported as a liability in the balance sheet at their nominal value (if redeemed at par) plus accrued interest. Foreign currency bonds are translated into euro at the exchange rate prevailing on the balance sheet date.

Bonds indexed to inflation (French consumer price index excluding tobacco for all households in Metropolitan France) are measured by reference to a predefined inflation benchmark on the balance sheet date, resulting in the recognition of a redemption premium that is reported as a liability.

Inflation benchmarks:

CPI at 31 December 2023:	117.53452
Cadesi 2024 index:	1.1733

When bonds are issued at a premium, this premium is accounted for as deferred charges and is therefore reported under prepayments and accrued income in the balance sheet. These charges are recognised to the profit and loss account over the life of the bonds under banking operating charges.

When bonds are issued at a discount, this discount is accounted for as deferred income. This income is recognised to the profit and loss account over the life of the bonds under banking operating income.

All costs relating to bond issues are charged to the profit and loss account on the date of issue and reported under "fees paid".

10. Interest rate and currency swaps

Commitments in respect of transactions involving forward financial instruments, entered into for the purpose of hedging interest rate and currency exposure, are reported as off-balance sheet commitments at the contract's nominal value. Accounting principles applied differ according to the nature of these instruments and management intention at inception.

Transactions consist mainly of interest rate swaps and currency swaps entered into for hedging purposes. Interest rate swaps are entered into in compliance with the risk management policy defined by the Board of Directors. Currency swaps are entered into only for the purpose of hedging CADES' foreign exchange exposures.

Income and charges arising on forward financial instruments entered into for the purpose of hedging or managing the global interest rate exposure are recognised to profit or loss pro rata temporis.

Gains and losses on hedging designed to reduce the risk resulting from a particular asset or liability are taken to profit or loss and included under interest receivable and similar income or interest payable and similar charges to match income or charges recognised in respect of the hedged item.

As regards balancing cash payments arising from swaps entered into to hedge a debt instrument on inception, the portion covering issuance costs in respect of the underlying instrument is taken to profit and loss when the cash payment is recognised. This accounting method fairly reflects the asset value of issues transformed by entering into swaps involving cash payments and results in the amount equivalent to the issuance costs being recognised to profit and loss pro rata temporis.

11. Provisions

No general provisions for liabilities and charges are recognised by CADES. When appropriate, provisions in respect of identified risks are set aside in accordance with applicable accounting principles.

12. Taxation

CADES is not assessed to business taxes (corporation tax, value added tax and local business tax) or to apprenticeship tax. The only tax it pays is the payroll tax.

Note that profits on the sale of property transferred by the social security agencies did not give rise to the payment of corporation tax.

13. Counterparty risk

CADES may be exposed to counterparty risk on only one type of transaction: forward market transactions. In this particular case, CADES has signed with all its counterparties AFB or FBF forward market agreements providing for daily or weekly margin calls depending on the counterparty and the agreement in place.

To manage its interest rate risk and eliminate currency and/or structural risk, CADES enters into transactions in the forward markets involving instruments such as interest rate swaps, currency swaps and asset swaps. CADES uses daily or weekly margin calls to minimise the residual risk on these instruments in the event of counterparty default.

14. Conflict in Ukraine

In the current context concerning the situation in Ukraine and the consequences of the sanctions imposed on Russia, CADES is monitoring the possible impact on its activities and risks.

The central depositories designated under its various programmes are responsible for applying sanctions against Russia.

NOTES

BALANCE SHEET

At 31 December 2023, the balance sheet showed total assets of €8,304.83 million for total debt of €153,380.44 million, resulting in negative reserves of -€145,156.15 million.

ASSETS

Note 1: Treasury and interbank transactions

At (€ millions)	12/31/2023	31 December 2022	31 December 2021
CENTRAL BANKS	2,450.77	3,971.50	7,038.12
Central banks	2,450.77	3,971.50	7,038.12
TREASURY BILLS AND OTHER BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	-	-	-
Government securities with a maturity of less than 3 months	-	-	-
Accrued interest	-	-	-
LOANS AND ADVANCES TO CREDIT INSTITUTIONS	0.02	0.06	0.09
Repayable at sight	0.02	0.06	0.09
Debit balances on ordinary accounts	0.02	0.06	0.09
Securities received under open repurchase agreements	-	-	-
Accrued interest	-	-	-
Repayable at term	-	-	-
Securities received under open repurchase agreements with a maturity of less than 3 months	-	-	-
. of which treasury bills	-	-	-
. of which bonds	-	-	-
. of which own securities	-	-	-
Accrued interest	-	-	-
TOTAL	2,450.79	3,971.56	7,038.21

NB: On 31 December 2023, the balance on CADES' transaction account with Banque de France was transferred to the euro-denominated deposit account to exclude it from the sweeping of the State's dedicated account with the Banque de France. The "central banks" line item shows the cash balance at 31 December 2023.

Note 2: Intangible and tangible fixed assets

(€ millions)	Gross value 1 January 2023	Acquisitions	Disposals	Gross value 31 December 2023	Depreciation, amortisation and impairment	Net book value 31 December 2023	Net book value 31 December 2022	Net book value 31 December 2021
INTANGIBLE ASSETS	0.12	-	-	0.12	0.12	-	-	-
Software	0.12	-	-	0.12	0.12	-	-	-
Other	-	-	-	-	-	-	-	-
TANGIBLE ASSETS	0.02	-	-	0.02	0.02	-	-	-
Sundry equipment	0.02	-	-	0.02	0.02	-	-	-
TOTAL	0.14	-	-	0.14	0.14	-	-	-

Intangible and tangible assets reflect the value of the software and equipment acquired by CADES, net of

related amortisation and depreciation.

Note 3: Other assets

SUNDRY DEBTORS	2,058.72	1,353.06	641.71
Deposits paid by way of initial margins	1,918.90	1,137.19	175.78
Deposits	1,914.09	1,135.97	175.03
Accrued interest	4.81	1.22	0.74
Outstanding CRDS and CSG contributions and social levies to be collected	139.82	215.87	465.93
Gross amounts receivable	688.32	780.61	1,067.49
Provisions	-548.50	-564.74	-601.56
Other debtors in respect of financial transactions	-	-	-
Other debtors in respect of operating charges	-	-	-
Other sundry debtors - CNAV	-	-	-
Gross amounts receivable	-	-	-
Provisions	-	-	-
TOTAL	2,058.72	1,353.06	641.71

Other assets comprise:

- deposits paid by way of initial margins for €1,918.90 million; and
- outstanding CRDS and CSG contributions and social levies to be collected by ACOSS amounting to €139.82 million. Provisions totalling €548.50 million have been deducted from the gross amounts receivable of €688.32 million.

The decrease in gross amounts receivable in 2023 is attributable in part to continued repayment of the deferrals of CSG and CRDS salary contributions granted during the COVID crisis and by a good unsolicited repayment rate.

Movements in provisions against outstanding CRDS and CSG contributions and social levies to be collected and in respect of ongoing disputes are detailed in the table below:

(€ millions)	31 December 2023	31 December 2022	31 December 2021
PROVISIONS BROUGHT FORWARD	564.74	601.56	665.24
Impact of accounting method changes	-	-	-
Provisions set aside - property	-	-	-
Provisions set aside - CRDS and CSG contributions and social levies	3.05	5.59	0.46
Provisions reversed - property	-	-	-
Provisions reversed - CRDS and CSG contributions and social levies	-19.29	-42.41	-64.14
PROVISIONS CARRIED FORWARD	548.50	564.74	601.56

Reflecting the economic conditions of 2023, there was a year-on-year decrease in provisions for CRDS and

CSG receivables not yet collected.

Note 4: Prepayments and accrued income

At (€ millions)	31 December 2023	31 December 2022	31 December 2021
ACCRUED INCOME	2,048.45	1,627.90	1,924.63
On forward interest rate instruments	19.41	13.64	6.63
On forward currency instruments	313.79	195.21	179.02
On CRDS and CSG revenues	1,714.59	1,418.24	1,738.18
On revenue from social levies on income from property and investments	-	-	-
On property sales	-	-	-
Other accrued income	0.66	0.81	0.80
CONTINGENT LOSSES AND LOSSES TO BE SPREAD ON FORWARD FINANCIAL INSTRUMENTS	0.26	0.95	2.84
DEFERRED CHARGES	310.51	328.02	109.03
Issuance premiums on bonds and EMTN	310.51	328.02	109.03
Other deferred charges	-	-	-
PREPAYMENTS	49.14	3.58	3.90
Prepaid administrative expenses	0.02	0.02	0.02
Prepaid interest on negotiable debt instruments	48.76	3.56	3.88
Prepaid interest on bonds	-	-	-
Other prepayments	0.36	-	-
OTHER	1,386.96	3,337.54	2,011.54
Currency adjustment accounts	1,381.10	3,273.17	2,010.86
Property rental adjustment account	-	-	-
Sundry	5.86	64.37	0.68
TOTAL	3,795.32	5,297.99	4,051.94

Prepayments and accrued income consist of transactions affecting the profit and loss account independently of the date on which the corresponding income is paid or collected. They include:

- accrued income relating to CRDS and CSG for €1,714.59 million, interest rate financial instruments for €19.41 million and foreign currency financial instruments for €313.79 million;
- issuance premiums on bonds and EMTN amounting to €310.51 million to be recognised in profit and loss over time;
- prepayments amounting to €49.14 million, which consist mainly of prepaid interest on the issue of negotiable debt instruments;
- foreign currency adjustment accounts amounting to €1,381.10 million, being technical accounts used to recognise to profit and loss adjustments arising on the measurement of off-balance sheet commitments.

LIABILITIES AND RESERVES

In respect of liabilities, a distinction is made between CADES' reserves and its other liabilities.

Reserves, which consist of the profit and loss account brought forward (€-163,642,66 million), the profit or loss for the year (€18,305.28 million) and the property endowment (€181.23 million), came to €-145,156.15 million.

The profit and loss account brought forward broke down as follows:

REFERENCE TEXT	DEBT TRANSFERRED TO CADES (€ millions)
Order No. 96-50 of 24 January 1996	- 20,885.52
Act No. 97-1164 of 19 December 1997	- 13,263.06
Act No. 2004-810 of 13 August 2004	- 47,310.00
Act No. 2008-1330 of 17 December 2008	- 27,000.00
Act No. 2010-1594 of 20 December 2010	- 65,300.00
Act No. 2011-1906 of 21 December 2011	- 2,466.64
Decree No. 2012-329 of 7 March 2012	- 6,648.05
Decree No. 2013-482 of 7 June 2013	- 7,718.57
Decree No. 2014-97 of 3 February 2014	- 10,000.00
Decree No. 2015-170 of 13 February 2015	- 10,000.00
Decree No. 2016-110 of 4 February 2016	- 23,609.05
Decree No. 2020-1074 of 19 August 2020	- 20,000.00
Decree No. 2021-40 of 19 January 2021	- 40,000.00
Decree No. 2022-23 of 11 January 2022	- 40,000.00
Decree No. 2023-12 of 11 January 2023	- 27,231.52
Payment from ACOSS by way of an adjustment of the deficits from 1999 to 2006	64.72
Accumulated profits generated by CADES between 1996 and 2022 and impact of previous accounting method changes	197,725.03
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD	- 163,642.66

Liabilities, which amounted to €153,380.44 million at 31 December 2023, consist mainly of debts to credit institutions amounting to €848.23 million, debts evidenced by securities totalling €150,903.14 million, initial margins received and others totalling €503.01 million and accruals and deferred income totalling €1,126.06 million.

Note 5: Treasury and interbank transactions

At	31 December 2023				31 December 2023	31 December 2022	31 December 2021
(€ millions)	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total	Total	Total
AMOUNTS OWED TO CENTRAL BANKS							
Amounts owed to credit institutions	-	-	848.23	-	848.23	848.23	1,003.37
At sight	-	-	-	-	-	-	-
Credit balances on ordinary accounts	-	-	-	-	-	-	-
At term	-	-	848.23	-	848.23	848.23	1,003.37
Securities given under repurchase agreements	-	-	-	-	-	-	-
Accounts and deposits	-	-	847.00	-	847.00	847.00	998.00
. Euros	-	-	847.00	-	847.00	847.00	998.00
. Other currencies	-	-	-	-	-	-	-
Accrued interest (private placements)	-	-	1.23	-	1.23	1.23	5.37
TOTAL	-	-	848.23	-	848.23	848.23	1,003.37

Note 6: Debts evidenced by securities

At	31 December 2023				31 December 2022	31 December 2021	
(€ millions)	Up to 3 months	Over 3 months	Over 1 year	Over 5 years	Total	Total	
NEGOTIABLE DEBT INSTRUMENTS	7,910.57	275.87	264.00	-	8,450.44	1,906.03	9,301.81
Treasury bills denominated in euros	-	-	-	-	-	-	-
Treasury bills denominated in other currencies	-	-	-	-	-	-	-
BMTN denominated in euros	-	-	264.00	-	264.00	264.00	264.00
Commercial paper denominated in euros	-	-	-	-	-	-	-
Commercial paper denominated in other currencies	7,909.50	275.63	-	-	8,185.13	1,640.73	9,036.73
Other negotiable debt instruments denominated in foreign currencies	-	-	-	-	-	-	-
Accrued interest	1.07	0.24	-	-	1.31	1.30	1.07
BONDS	7,560.99	16,377.46	62,608.89	55,905.36	142,452.70	141,655.83	114,053.89
Bonds and EMTNs denominated in euros	3,753.00	10,402.16	32,256.50	45,500.00	91,911.66	96,138.05	77,663.34
Bonds and EMTNs denominated in other currencies	3,084.31	5,882.35	30,352.39	10,405.36	49,724.41	44,904.67	35,922.46
Accrued interest	723.68	92.95	-	-	816.63	613.11	468.09
TOTAL	15,471.56	16,653.33	62,872.89	55,905.36	150,903.14	143,561.86	123,355.70

A euro issue for €200 million with a €100 million tap maturing on 20 December 2025 is subject to early redemption at the counterparty's option from 2021.

Debts evidenced by securities are analysed below:

Debts evidenced by securities totalled €150,903.14 million and comprise negotiable debt securities totalling €8,450.44 million and bonds and similar instruments totalling €142,452.70 million.

Bonds and similar instruments are issued under a borrowing programme approved by the Minister of the Economy on 15 December 2017, and may be stand-alone or part of the following programmes:

- a French issuance programme for which the maximum amount of outstandings is €130 billion;
- a UK issuance programme for which the maximum amount of outstandings is €65 billion;
- a New York commercial paper issuance programme for which the maximum amount of outstandings is €60 billion;
- a French medium-term note (NEU MTN) issuance programme for which the maximum amount of outstandings is €10 billion;
- a French short-term note (NEU CP) issuance programme for which the maximum amount of outstandings is €20 billion;
- an Australian issuance programme for which the maximum amount of outstandings is AUD 6 billion.

All in all, at 31 December 2023 debts evidenced by securities maturing within one year totalled €32,124.89 million and by those maturing in more than five years €55,905.36 million, compared with €22,427.57 million and €54,262.71 million, respectively, at 31 December 2022. Debt due to mature at between one and five years fell from €66,871.58 million at 31 December 2022 to €62,872.89 million at 31 December 2023.

The table below details borrowings (in millions) by programme:

Programme	Issue date	Maturity Date	Nominal value (issue currency)	Currency	Nominal interest rate	ISIN
Stand-alone	7/29/2011	12/19/2025	615	EUR	3.914%	-
	11/25/2011	12/19/2025	232	EUR	4.50%	-
NEU MTN	5/2/2012	5/2/2025	50	EUR	3.1975%	FR0120634516
	5/10/2012	12/19/2025	214	EUR	Max. (Min [7%; EURCMS10y +0.45%]; 0%)	FR0120634581 (1)
UK	3/20/2014	3/20/2024	3,000	USD	3.375%	US12802DAK28
	5/27/2021	5/27/2024	4,000	USD	0.375%	XS2345996230
	12/1/2021	11/29/2024	2,500	USD	1.125%	XS2416456148
	5/17/2022	5/17/2025	3,500	USD	3.000%	XS2480532915
	9/23/2020	9/23/2025	4,000	USD	0.375%	XS2233264550
	11/2/2022	11/2/2025	4,000	USD	4.625%	XS2551365773
	1/25/2023	1/25/2026	4,000	USD	4.000%	XS2580310246
	2/18/2021	2/18/2026	5,000	USD	1.375%	XS2300334476
	9/19/2023	9/19/2026	4,000	USD	4.875%	XS2689239429
	10/28/2021	10/28/2026	3,000	USD	1.250%	XS2402074277
	5/24/2023	5/24/2028	3,000	USD	3.750%	XS2626268069
	10/21/2020	10/21/2030	3,000	USD	1.000%	XS2247546711
	1/20/2021	1/20/2031	5,000	USD	1.375%	XS2287909159
1/26/2022	1/26/2032	3,000	USD	2.125%	XS2436433333	
French	6/19/2013	1/25/2024	3,600	EUR	2.375%	FR0011521319
	1/28/2021	1/28/2024	2,200	CNY	2.200%	FR0014001PL7
	2/14/2014	2/14/2024	145	AUD	5%	FR0011737709
	2/27/2012	2/27/2024	153	EUR	Max. (Min [7%; EURCMS10y +0.30%]; 0%)	FR0011202514 (1)
	7/2/2012	7/2/2024	60	EUR	Max. (Min [7%; EURCMS10y +0.36%]; 0%)	FR0011277383 (1)
	2/9/2012	7/25/2024	3,250	EUR	CADESI 1.50%	FR0011198787
	9/16/2014	11/25/2024	6,250	EUR	1.375%	FR0012159812
	9/21/2016	12/21/2024	160	EUR	0.12%	FR0013201928
	2/18/2015	2/18/2025	100	EUR	3-month Euribor	FR0012538114
	12/19/2014	6/19/2025	125	AUD	3.750%	FR0012398998
	6/27/2012	6/27/2025	194	EUR	3.202%	FR0011276427
	8/18/2011	8/18/2025	813	EUR	3.625%	FR0011092261
	9/26/2022	9/26/2025	1,000	CNY	2.652%	FR001400CP45
	11/15/2011	11/15/2025	800	NOK	4.700%	FR0011142215
	12/1/2011	12/1/2025	800	NOK	5.120%	FR0011153097
	3/9/2011	12/9/2025	150	CHF	2.500%	CH0124739902
	3/15/2012	12/15/2025	1,000	NOK	4.950%	FR0011213958
	2/1/2012	12/15/2025	5,850	EUR	4.000%	FR0011192392
	2/14/2013	12/15/2025	1,000	NOK	4.250%	FR0011421759
	1/27/2021	12/15/2025	1,500	GBP	0.125%	FR00140010H8
	7/12/2011	12/19/2025	800	NOK	4.800%	FR0011074178
	6/27/2012	12/19/2025	2,000	NOK	4.840%	FR0011276732
	4/1/2011	12/20/2025	300	EUR	3.800%	FR0011027929 (2)
	6/21/2012	12/21/2025	1,000	NOK	4.520%	FR0011271527
	12/2/2020	2/25/2026	3,000	EUR	0.000%	FR0014000UG9
	6/15/2021	11/25/2026	4,000	EUR	0.000%	FR0014004016
	11/16/2022	5/25/2027	5,000	EUR	2.875%	FR001400DZ13
	8/31/2022	11/25/2027	3,000	EUR	1.750%	FR001400CHC6
	10/6/2020	2/25/2028	5,000	EUR	0.000%	FR00140002P5
	1/17/2023	5/25/2028	5,000	EUR	3.000%	FR001400F5U5
	3/17/2021	5/25/2029	5,000	EUR	0.000%	FR0014002GI0
	2/16/2022	11/25/2029	3,500	EUR	0.600%	FR0014008E81
	3/1/2023	3/1/2030	4,000	EUR	3.125%	FR001400G6E6
	9/16/2020	11/25/2030	5,000	EUR	0.000%	FR0013534559
	2/3/2021	5/25/2031	4,000	EUR	0.000%	FR0014001W17
	9/15/2021	9/15/2031	5,000	EUR	0.125%	FR0014005FC8
6/28/2023	11/25/2031	3,000	EUR	3.000%	FR001400IVT8	
1/19/2022	1/19/2032	6,000	EUR	0.450%	FR0014007RB1	
2/2/2022	2/2/2032	5,000	SEK	1.235%	FR00140082X1	
5/3/2022	5/25/2032	5,000	EUR	1.500%	FR001400A3H2	
9/27/2022	11/25/2032	5,000	EUR	2.750%	FR001400CVE3	

- 1) These indexed transactions are hedged by perfect offset swaps and marked to market at variable or fixed rates.
- 2) Investors can redeem this bond from 2021.

Note 6a: Analysis of transactions in euros and foreign currencies before and after hedging

This note analyses the effect of hedging transactions on the initial debt and breaks down interest rates before and after hedging. It provides both accounting and financial information relating to the value and hedging of instruments at maturity.

(€ millions and currency millions)	Initial Debt		Hedging transactions		Final debt	
	Foreign currencies	Euros	Foreign currencies	Euros	Foreign currencies	Euros
EURO-DENOMINATED DEBT		93,023		56,870		149,892
FOREIGN CURRENCY DENOMINATED DEBT		Value in euros at 31 December 2023		Value in euros at 31 December 2023		
CHF	a	150	162	- 150	- 162	-
GBP	b	1,500	1,726	- 1,500	- 1,726	-
JPY	c	-	-	-	-	-
USD	d	60,045	54,339	- 60,045	- 54,339	-
HKD	e	-	-	-	-	-
SEK	f	5,000	451	- 5,000	- 451	-
AUD	g	270	166	- 270	- 166	-
NOK		9,400	658	- 9,400	- 658	-
NZD	i	-	-	-	-	-
CNY	j	3,200	408	- 3,200	- 408	-
CAD	k	-	-	-	-	-
MXN	k'	-	-	-	-	-
Sub-total foreign currencies	l		57,910	-	57,910	-
TOTAL	m		150,932	-	1,040	149,892

The table above provides a breakdown of the initial nominal debt by issuance currency. Since all transactions in foreign currencies have been hedged, the debt of CADES is synthetically entirely in euro. Hedging transactions have enabled CADES to eliminate the impact of exchange rate fluctuations on its debt.

The table below shows the breakdown of CADES' debt by interest rate type. Hedging impacts the initial breakdown, such that in the final analysis, 72.88% of the debt bears fixed rates, 24.50% floating rates and 2.62% rates indexed to inflation.

Breakdown of debt in euros and foreign currencies before and after hedging										
(€ millions)	Initial Debt				Hedging transactions				Final debt	
	Foreign currencies	Euros	Total	%	Foreign currencies	Euros	Foreign currencies	Euros	Total	%
FIXED RATES										
Negotiable debt instruments	-	-	-	-	-	-	-	-	-	-
Bonds, EMTN and BMTN	49,724.42	87,879.50	137,603.92	-	49,724.42	20,514.59	-	108,394.09	108,394.09	-
Private placements	-	847.00	847.00	-	-	-	-	847.00	847.00	-
Macro-hedging swaps	-	-	-	-	-	-	-	-	-	-
Total fixed rates	49,724.42	88,726.50	138,450.92	91.73	- 49,724.42	20,514.59	-	109,241.09	109,241.09	72.88
VARIABLE RATES										
Negotiable debt instruments	8,185.14	-	8,185.14	-	8,185.14	8,445.52	-	8,445.52	8,445.52	-
Bonds, EMTN and BMTN	-	364.00	364.00	-	-	27,909.60	-	28,273.60	28,273.60	-
Private placements	-	-	-	-	-	-	-	-	-	-
Macro-hedging swaps	-	-	-	-	-	-	-	-	-	-
Total variable rates	8,185.14	364.00	8,549.14	5.66	- 8,185.14	36,355.12	-	36,719.12	36,719.12	24.50
INDEXED RATES										
Bonds	-	3,932.16	3,932.16	-	-	-	-	3,932.16	3,932.16	-
Macro-hedging swaps	-	-	-	-	-	-	-	-	-	-
Total indexed rates	-	3,932.16	3,932.16	2.61	-	-	-	3,932.16	3,932.16	2.62
TOTAL	57,909.56	93,022.66	150,932.22	100.00	- 57,909.56	56,869.70	-	149,892.38	149,892.38	100.00

Note 7: Other liabilities

At (€ millions)	31 December 2023	31 December 2022	31 December 2021
DEPOSITS RECEIVED BY WAY OF INITIAL MARGINS	503.01	1,411.51	1,335.02
Deposits	500.30	1,409.40	1,334.93
Accrued interest	2.71	2.11	0.09
OTHER CREDITORS IN RESPECT OF FINANCIAL TRANSACTIONS	-	-	-
OTHER CREDITORS IN RESPECT OF OPERATING CHARGES	-	-	173.63
Payment to the State	-	-	-
Tax	-	-	-
Social security	-	-	-
Trade creditors	-	-	-
Other sundry creditors (ACOSS)	-	-	173.63
TOTAL	503.01	1,411.51	1,508.65

Other liabilities correspond mainly to:

- Deposits received by way of initial margins in respect of contracts on forward markets put in place to hedge counterparty risk, amounting to €503.01 million at 31 December 2023.

Note 8: Accruals and deferred income

At (€ millions)	31 December 2023	31 December 2022	31 December 2021
ACCRUALS	398.75	119.62	43.17
Accruals on forward interest rate instruments	23.93	26.53	31.38
Accruals on forward currency instruments	371.83	91.08	0.20
Fees payable in respect of market transactions	-	-	-
Accruals in respect of operating charges	1.09	1.44	1.37
Accruals in respect of CRDS and CSG collection costs	1.88	0.55	10.20
Accruals in respect of revenue from social levies on income from property and investments	-	-	-
Other accruals	0.02	0.01	0.01
CONTINGENT GAINS AND GAINS TO BE SPREAD ON FORWARD FINANCIAL INSTRUMENTS	46.40	60.14	66.04
UNEARNED INCOME	300.91	347.60	507.11
Issuance premiums on bonds	224.26	347.60	507.11
On government securities	-	-	-
On foreign currency transactions	-	-	-
Other unearned income	76.65	-	-
OTHER	379.98	427.06	361.73
Currency adjustment accounts	379.98	427.06	346.42
Other	-	-	15.32
TOTAL	1,126.04	954.43	978.05

Accruals and deferred income consist of transactions affecting the profit and loss account independently of the date on which the corresponding income is paid or collected.

They include notably:

- Accruals in respect of interest rate swaps for €23.93 million, CRDS and CSG for €1.88 million and forward currency transactions for €371.83 million;
- Balancing cash payments on currency swaps amounting to €46.40 million that are to be spread;
- Unearned income, corresponding to premiums on bond issues amounting to €224.26 million;
- Currency adjustment accounts amounting to €379.98 million, being technical accounts used to recognise to profit and loss adjustments arising on the measurement of off-balance sheet commitments.

Note 8a: Provision accounts

Provisions for liabilities and charges include provisions for:

- redundancy indemnities;
- remuneration of days saved by CADES employees;
- the consequences of the European Court of Justice's Judgment of 26 February 2015 concerning the reimbursement by CADES of CRDS, CSG and social levy overpayments (see Note 14);
- provisions for liabilities and charges in respect of CSG and CRDS.

At (€ millions)	31 December 2022	Set aside	Reversed	Au 31/12/2023
PROVISIONS	76.49	5.54	1.49	80.54
Provisions for redundancy indemnities	0.32	0.01	0.09	0.24
Provisions for time savings accounts	0.06	0.02	-	0.08
Provisions for remuneration	-	0.02	-	0.02
Provisions for liabilities	-	-	-	-
Ruyter judgement	0.50	-	0.50	0.00
CRDS and CSG provisions	75.61	5.49	0.90	80.20
TOTAL	76.49	5.54	1.49	80.54

PROFIT AND LOSS ACCOUNT

In arriving at the profit for the period, net banking income is reported separately from other operating income and charges.

Net banking income	-	2,751.99	(€ millions)
Exceptional income	-		(€ millions)
Other operating income and charges		21,057.27	(€ millions)
Net profit for the year		18,305.28	(€ millions)

A specific mission has been entrusted to CADES, which is to extinguish a debt over its scheduled term. The profit for the year measures its capacity to reduce its own debt.

Net banking income

Net banking income consists of the cost of debt, the income generated from cash positions and the net profit or loss on financial transactions.

Note 9: Banking income

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
INTEREST RECEIVABLE AND SIMILAR INCOME FROM TRANSACTIONS WITH CREDIT INSTITUTIONS	114.02	87.96	85.79
Interest receivable - Demand loans and advances and open repurchase agreements	-	-	-
Interest from ordinary accounts in debit	-	-	-
Interest from loans	-	-	-
Interest from securities delivered under open repurchase agreements	-	-	-
Interest receivable - Term loans, advances and repurchase agreements	-	-	-
Interest from loans denominated in euros	-	-	-
Interest from loans denominated in foreign currencies	-	-	-
Interest from securities delivered under repurchase agreements	-	-	-
Other interest receivable	114.02	87.96	85.79
INTEREST RECEIVABLE AND SIMILAR INCOME FROM BONDS AND OTHER FIXED INCOME SECURITIES	-	-	-
Interest from fixed income securities	-	-	-
Interest from government securities	-	-	-
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	123.34	699.82	640.03
Amortisation of premiums on issue	123.34	159.51	167.94
Net profit on hedging transactions	-	540.31	472.09
Profit on repurchase of own securities	-	-	-
TOTAL	237.36	787.78	725.82

Banking income, which amounted to €237.36 million, consists mainly of:

- Interest receivable and similar income from transactions with credit institutions amounting to €114.02 million; and

- The amortisation of bond premiums on issue amounting to €123.34 million.

Note 10: Cost of debt

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
INTEREST PAYABLE AND SIMILAR CHARGES ON TRANSACTIONS WITH CREDIT INSTITUTIONS	68.34	45.04	44.14
Interest payable - Demand loans and repurchase agreements	-	0.00	0.00
Interest on ordinary accounts in credit	-	0.00	0.00
Interest on overnight loans	-	-	-
Interest on securities delivered under repurchase agreements	-	-	-
Interest payable - Term loans and repurchase agreements	34.51	36.41	40.55
Interest on CDC loan (transfer of debt)	-	-	-
Interest on multi-currency credit	-	-	-
Interest on securities delivered under repurchase agreements	-	-	-
Interest on private placements	34.51	36.41	40.55
Other interest payable and similar charges	33.83	8.63	3.59
INTEREST PAYABLE AND SIMILAR CHARGES ON BONDS AND OTHER FIXED INCOME SECURITIES	2,741.98	1,948.63	1,804.62
Interest on debts evidenced by certificates	2,741.98	1,948.63	1,804.62
Interest on negotiable debt instruments denominated in euros	28.41	3.07	1.95
Interest on negotiable debt instruments denominated in other currencies	194.48	48.78	20.70
Interest on bonds and equivalent securities denominated in euros	1,368.09	1,048.12	1,211.39
Interest on bonds and equivalent securities denominated in other currencies	931.40	572.43	393.25
Other charges on debt evidenced by securities	219.61	276.23	177.32
Other interest payable and similar charges	-	-	-
FEES PAYABLE	22.13	45.90	42.50
Fees on term loans with credit institutions	0.05	0.05	0.04
Fees on negotiable debt instruments issued	-	-	-
Fees on bonds	22.07	45.84	42.44
Other fees on securities transactions	0.01	0.01	0.02
Other fees	-	-	-
OTHER INTEREST PAYABLE AND SIMILAR CHARGES	156.89	-	-
Net loss on hedging transactions	156.89	-	-
TOTAL	2,989.34	2,039.57	1,891.26

Interest payable and similar charges on CADES' debt, which amounted to €2,989.34 million, increased by 46.6% from 31 December 2022 and consists of:

- Charges amounting to €2,741.98 million in respect of debts;
- Interest amounting to €225.23 million on transactions with credit institutions, consisting of interest on private placements, margin calls and other exchange rate instruments;
- Fees amounting to €22.13 million.

The sharp increase in interest payable and similar charges compared with 31 December 2022 was related to rising market rates.

Note 11: Gains and losses on trading securities

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
NET GAIN (LOSS) ON FOREIGN EXCHANGE TRANSACTIONS	0.01	0.04	0.01
Other foreign exchange transactions	0.01	0.04	0.01

Other operating income and charges

Other operating income and charges consist mainly of specific income and charges dealt with by Order No. 96-50 of 24 January 1996 (CRDS contributions, CSG, social levies on income from property and investments, payments from the Retirement Reserve Fund, property asset sales and payments to the State and social security funding organisations), general operating charges and depreciation, amortisation and impairment charges on non-current assets.

Note 12: CRDS revenues²

The table below details revenue allocated to CADES under Article 6 of Order No. 96-50 of 24 January 1996 after deducting assessment and collection costs and losses on outstanding CRDS contributions (write-offs, waivers, cancellations and debt forgiveness):

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
NET CRDS REVENUES (Article 6)	8,848.33	8,456.36	7,865.90
CRDS contributions levied on employment income and unemployment benefits	7,756.44	7,416.30	6,952.49
CRDS contributions levied on property assets	383.31	382.89	328.05
CRDS contributions levied on investment income	510.67	467.91	432.94
CRDS contributions levied on sales of gems and precious metals	6.05	6.45	5.18
CRDS contributions levied on gaming proceeds	191.86	182.81	147.24
CRDS exemption offsets (travel vouchers and voluntary community services)	-	-	-

CRDS revenues, net of collection costs, amounted to €8,848.33 million.

CRDS levied on wages and salaries (which is mainly collected by ACOSS) represents 87.66% of the total. CRDS collected by the offices of the Directorate General of Public Finances and levied mainly on capital (property and investment income) represented 10.1%. CRDS on gaming winnings and the sale of precious metals represented 2.24%.

Note 12a

The table below provides a breakdown of income and charges relating to the CRDS at 31 December 2023.

² In the context of the COVID crisis and the relief schemes, the amounts of contributions for 2022 and 2023 are not comparable with those for 2021.

(€ millions)

CRDS REVENUES	(I)	CRDS COSTS	(II)	Net revenues (I-II)
CRDS on employment income and unemployment benefits	7,807.49	Write-offs, waivers, cancellation and debt forgiveness	17.95	7,756.44
		Assessment and collection costs	33.10	
CRDS levied on property assets	399.57	Assessment and collection costs	16.26	383.31
CRDS levied on investment income	513.24	Assessment and collection costs	2.57	510.67
CRDS levied on sales of gems and precious metals	6.08	Assessment and collection costs	0.03	6.05
CRDS levied on gaming proceeds	192.82	Assessment and collection costs	0.96	191.86
CRDS exemption offsets (travel vouchers and voluntary community services)	-		-	-
Reversal of provisions on outstanding CRDS to be collected	9.11	Provisions on outstanding CRDS to be collected	4.65	4.46
TOTAL	8,928.31	TOTAL	75.52	8,852.79

Note 12.1: CSG revenues³

Supplementary social security contributions (*Contribution Sociale Généralisée* – CSG) are a resource allocated to CADES at the rate of 0.60% since 1 January 2016 for CSG on taxable employment income, unemployment and similar benefits, and income from property and investments, and at 0.22% for CSG on profits from gaming.

The tax base is similar to that of the CRDS, with the exception that no contributions are levied on the sale of gems and precious metals.

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
NET CSG REVENUES (Article 6)	10,098.87	9,621.55	8,953.55
CSG contributions levied on employment income and unemployment benefits	9,013.25	8,587.52	8,028.49
CSG contributions levied on property assets	460.68	460.43	394.53
CSG contributions levied on investment income	612.82	561.50	519.55
CSG contributions levied on gaming proceeds	12.12	12.10	10.98
CSG exemption offsets	-	-	-

CSG revenues, net of collection costs, amounted to €10,098.87 million.

CSG levied on wages and salaries (which is collected mainly by ACOSS) represents 89.25% of the total. The remaining CSG is levied on investment income, profits from gaming and property income (10.75%).

Note 12.1a

The table below provides a breakdown of income and charges relating to the CSG at 31 December 2023.

³ In the context of the COVID crisis and the relief schemes, the amounts of contributions for 2022 and 2023 are not comparable with those for 2021.

(€ millions)

CSG REVENUES	(I)	CSG COSTS	(II)	Net revenues (I-II)
CSG levied on employment income and unemployment benefits	9,073.04	Write-offs, waivers, cancellation and debt forgiveness	20.01	9,013.25
		Assessment and collection costs	39.78	
CSG levied on property assets	480.23	Assessment and collection costs	19.55	460.68
CSG levied on investment income	615.90	Assessment and collection costs	3.08	612.82
CSG levied on gaming proceeds	12.18	Assessment and collection costs	0.06	12.12
CSG exemption offsets	-		-	-
Reversal of provisions on outstanding CSG to be collected	11.07	Provisions on outstanding CSG to be collected	3.90	7.17
TOTAL	10,192.42	TOTAL	86.38	10,106.04

Note 12.2: Social levies on income from property and investments

Social levies on income from property and investments were a source of revenue allocated to CADES from 1 January 2011 under Act No. 2010-1594 of 20 December 2010 (pursuant to Articles 245-14 and 245-15 of the Social Security Code). Since 1 January 2016, CADES no longer receives the 1.3% portion of these levies, but an additional 0.12% of CSG.

The following table essentially shows adjustments in 2023 to payments recognised in 2015.

Period ended (€ millions)	31 December 2023		31 December 2022		31 December 2021	
NET REVENUES FROM SOCIAL LEVIES	-	0.08	-	0.11	-	0.19
On income from property		-		-		-
On income from investments	-	0.08	-	0.11	-	0.19

Note 12.2a

(€ millions)

REVENUE FROM SOCIAL LEVIES	(I)	COSTS RELATING TO SOCIAL LEVIES	(II)	Net revenues (I-II)
On income from property	-	Assessment and collection costs	-	-
		Write-offs, waivers, cancellation and debt forgiveness	-	
On income from investments	- 0.08	Assessment and collection costs	-	- 0.08
Reversal of provisions on outstanding amounts to be collected	-	Provisions on outstanding amounts to be collected	-	-
TOTAL	- 0.08	TOTAL	-	- 0.08

The following table shows the breakdown of revenue and costs associated with social levies on income from property and investments recognised in 2023.

Note 12.3: Payments by the Retirement Reserve Fund (FRR)

The Retirement Reserve Fund paid €2.10 billion on 26 June 2023.

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
REVENUE FROM THE RETIREMENT RESERVE FUND	2,100.00	2,100.00	2,100.00
Revenue for the year	2,100.00	2,100.00	2,100.00

Note 13: General operating charges

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
STAFF COSTS	0.68	0.83	0.87
Wages and salaries	0.54	0.63	0.62
Social security charges	0.12	0.21	0.24
Time savings account	0.02 -	0.01	0.01
Sundry income and charges	-	-	-
OTHER ADMINISTRATIVE EXPENSES	1.31	1.56	1.43
Taxes and duties	0.06	0.08	0.08
External services	1.25	1.48	1.35
TOTAL	1.99	2.39	2.30

General operating charges correspond to expenditure falling within the scope of the administrative budget. They do not include the acquisition and the amortisation and depreciation of fixed assets (see Note 2).

List of staff positions at 31 December 2023

Non-civil servant public sector employees:

- 1 senior front office manager (grade A)
- 1 assistant front office manager (grade A)
- 1 asset and liabilities matching strategist (grade A)
- 1 senior back office manager (grade A)
- 1 assistant back office manager (grade A)
- 1 communication officer (grade A)

Civil servant employees:

- 1 administrative manager (grade A)

CADES has made available non-civil servant public sector employees to AFT since 1 September 2017 and has accordingly paid the corresponding salaries, employer charges and payroll taxes, which have then been reimbursed annually by the Directorate General of the Treasury (DGT). In accordance with the terms of the services framework agreement signed on 1 September 2017 by CADES and the DGT, these salaries are then rebilled to CADES.

CADES's administrative expenses came to €1.31 million for 2023 and comprised mainly operating costs paid directly by the Ministry of the Economy and Finance in respect of activities carried out by AFT on behalf of CADES, in accordance with the financial agreement of 22 November 2018, as well as statutory auditors' fees for the statutory audit of the 2023 financial statements in the amount of €62,701.53 excluding VAT.

Note 14: Other non-banking operating charges

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
Payments to the State	-	-	-
Provisions for sundry liabilities			
Ruyter judgement	-	-	-
Reduction of CRDS and CSG income	-	-	-
TOTAL	-	-	-

In the Judgment of 26 February 2015, the European Court of Justice confirmed the non-taxability of property income received in France by tax non-residents, and granted them entitlement to the full reimbursement of sums unduly deducted since 2012 in respect of CRDS, CSG and social levies.

Note 14a: Other operating income

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
Other reversals of provisions for sundry charges	-	-	-
Other reversals of provisions for sundry liabilities			
Ruyter judgement	0.50	0.51	3.40
TOTAL	0.50	0.51	3.40

Note 15: Exceptional income and charges

Period ended (€ millions)	31 December 2023	31 December 2022	31 December 2021
Statutory limitation of debt - administrative budget	-	-	-
Statutory limitation of debt - financing budget	-	-	-
Other exceptional income (impact of ACOSS changes)	-	-	-
Other exceptional charges (impact of ACOSS changes)	-	-	-
Other exceptional charges	-	-	-
Other exceptional income	-	-	-
TOTAL	-	-	-

OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments distinguish between commitments given and commitments received and are analysed between loan commitments, guarantee obligations and guarantees on securities. Certain commitments are not recorded on the face of the accounts, being commitments in respect of currency transactions and forward financial instruments. Information regarding these commitments is provided in Notes 16 and 17 below.

Note 16: Currency transactions

(€ millions)	At 31 December 2023		At 31 December 2022		At 31 December 2021	
	Currencies to be received	Currencies to be delivered	Currencies to be received	Currencies to be delivered	Currencies to be received	Currencies to be delivered
à masquer	1 arrondi	2 arrondi	1 arrondi	2 arrondi	1 arrondi	2 arrondi
FORWARD TRANSACTIONS: FINANCING IN FOREIGN CURRENCY	57,909.57	-	46,545.42	-	44,959.19	-
Hedging transactions over the counter						
Forward exchange against euros	8,185.15	-	1,640.74	-	9,036.73	-
Up to 1 year	8,185.15	-	1,640.74	-	9,036.73	-
From 1 to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Currency swaps against euros	49,724.42	-	44,904.68	-	35,922.46	-
Up to 1 year	8,966.67	-	3,608.21	-	3,090.23	-
From 1 to 5 years	30,352.39	-	29,829.92	-	25,768.84	-
Over 5 years	10,405.36	-	11,466.55	-	7,063.39	-
FORWARD TRANSACTIONS: FOREIGN CURRENCY FINANCING COMMITMENTS RECEIVED	-	-	-	-	-	-
Hedging transactions over the counter						
Forward exchange against euros	-	-	-	-	-	-
Up to 1 year	-	-	-	-	-	-
From 1 to 5 years	-	-	-	-	-	-
Currency swaps against euros	-	-	-	-	-	-
Up to 1 year	-	-	-	-	-	-
From 1 to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-

Forward exchange contracts against euro correspond to forward purchases entered into for the purpose of hedging commercial paper denominated in foreign currencies. Forward exchange outstandings at 31 December 2023 came to €8,185.15 million.

The increase in outstandings of currency swaps against euro is attributable to the increase in foreign currency issue outstandings.

Note 17: Forward financial instruments

(€ millions)	At 31 December 2023	At 31 December 2022	At 31 December 2021
INTEREST RATE INSTRUMENTS			
Organised markets and equivalents	-	-	-
Firm transactions entered into for hedging purposes	-	-	-
Euro Bobl futures contracts (5 years)	-	-	-
Euro Bund futures contracts (10 years)	-	-	-
Other firm transactions	-	-	-
Options entered into for hedging purposes	-	-	-
Other options	-	-	-
Over the counter	5,090.50	6,014.79	9,178.25
Firm transactions entered into for hedging purposes			
. Interest rate swaps in euros	5,090.50	6,014.79	9,178.25
. Micro hedging	5,090.50	6,014.79	9,178.25
Up to 1 year	2,999.17	824.29	3,163.46
From 1 to 5 years	2,091.33	5,190.50	6,014.79
Over 5 years	-	-	-

At 31 December 2023, interest rate instruments entered into by CADES comprised swaps amounting to €5,090.50 million entered into for micro hedging purposes.

Note 18: Other off-balance sheet commitments

At (€ millions)	31 December 2023	31 December 2022	31 December 2021
FINANCING COMMITMENTS			
Commitments received			
From credit institutions			
. Back-up credit lines	1,200.00	1,000.00	1,200.00
. Multi-currency credit lines	-	-	-
. Credit lines in treasury bills	-	-	-
. Other credit lines	-	-	-
Sundry			
. Retirement Reserve Fund (<i>Fonds de Réserve pour les Retraites – FRR</i>)	15,150.00	17,250.00	19,350.00
. Borrowings	-	-	-
. Commercial paper and securities lent under repurchase agreements	-	-	-
Commitments given			
Payments to the State	-	-	-
Payments to social security agencies	-	-	-
. Assumption of debt provided for by Law No. 2020-992 of 7 August 2020 on the social security debt and autonomy	8,768.47	36,000.00	76,000.00
Financing commitments given under repurchase agreements, currency purchases and treasury bills	-	-	-

Commitments received consist of:

- Five activation agreements for credit lines enabling CADES to add funds directly to its euro-denominated deposit account held with Banque de France, totalling €1.2 billion and cancellable by the counterparties at 30 to 60 days' notice depending on the counterparty; and
- a total of €15.15 billion in payments from the Retirement Reserve Fund, corresponding to the annual payments of €2.10 billion for 2024 (2011 Social Security Funding Law No. 2010-1594 of 20 December 2010) and €1.45 billion for the period from 2025 to 2033 (Law No. 2020-992 of 7 August 2020 on the social security debt and autonomy).

Commitments given correspond to the amount of the “social security debt and autonomy” transfer provided for by Law No. 2020-992 of 7 August 2020 on the social security debt and autonomy, which amends Order No. 96-50 and provides for the transfer of €136 billion of social security debt to CADES between 2020 and 1 January 2024. The remaining commitment at 31 December 2023 corresponds to:

- Forecast social security deficits between 2020 and 2023 in the amount of €8.77 billion, relating to the current crisis and the future investments in public healthcare institutions provided for as a result of the “*Ségur de la santé*” consultation.

The total amount of payments that CADES can make in respect of the assumption of debts is limited to €40 billion per year. The dates and amounts of these payments are set by decree.

Note 19: Abridged statements

BALANCE SHEET AT 31 December 2023		(€ millions)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD AT 31 DECEMBER 2023	-	163,642.66
PROFIT FOR THE YEAR ENDED 31 DECEMBER 2023		18,305.28
PROPERTY ENDOWMENT		181.23
DEBT REMAINING TO BE REPAID AT 31 DECEMBER 2023	-	145,156.15
Represented by:		
. Liabilities towards third parties		
. Borrowings falling due within 1 year		32,124.89
. Borrowings falling due after 1 year		119,626.48
. Other creditors, accruals and unearned income		1,629.07
. Less assets held by CADES		
. Financial investments		2,450.79
. Other debtors, prepayments and accrued income		5,773.50
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PROFIT AND LOSS ACCOUNT Period ended 31 December 2023		(€ millions)
NET REVENUE FROM CRDS, CSG AND SOCIAL LEVIES		18,959.27
ESTIMATION CHANGES AND ERROR ADJUSTMENTS		-
NET REVENUE FROM RETIREMENT RESERVE FUND (FRR)		2,100.00
NET REVENUE FROM PROPERTY		-
Interest payable and similar charges	-	2,810.32
Fees	-	179.06
Interest receivable and similar income		237.39
NET FINANCIAL CHARGES	-	2,752.00
Operating charges	-	1.99
OPERATING PROFIT		18,305.28
Provisions for sundry liabilities		-
Exceptional income (charges)		-
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NET PROFIT FOR THE YEAR ENDED 31 DECEMBER 2023		18,305.28

OTHER INFORMATION

The table below provides information on market value, comparing the debt at repayment value as at 31 December 2023 with the debt at market value.

Debt at repayment value as at closing date comprises the following elements:

- a. The nominal value of fixed rate, variable rate and adjustable rate borrowings in euros.
- b. The nominal value of the fixed rate, variable rate and adjustable rate euro legs of basis swaps representing perfect transformation of foreign currency-denominated borrowings into euro-denominated borrowings.
- c. The accrued nominal value of inflation indexed bonds as at 31 December 2023.
- d. Interest accrued but not yet due is excluded from debt at repayment value.

Debt at repayment value at maturity comprises the following elements:

- a. The nominal value of fixed rate, variable rate and adjustable rate borrowings in euro.
- b. The nominal value of the fixed rate, variable rate and adjustable rate euro legs of basis swaps representing perfect transformation of foreign currency-denominated borrowings into euro-denominated borrowings.
- c. The projected nominal value at maturity of inflation indexed bonds.
- d. The market value of swaps used for macro hedging.

Debt at market value comprises the following elements:

- a. The value of the fixed rate bonds and inflation indexed bonds based on the average market price on 31 December 2023.
- b. The value of unlisted securities issued by CADES obtained using the CADES zero-coupon curve as at 31 December 2023. Options embedded in certain of these securities are valued using an internal model based on standard valuation software developed and marketed by an independent service provider.
- c. The value of derivatives used to transform part of the debt through micro hedging. Options embedded in certain of these instruments are valued using the same internal model.
- d. The value of derivatives used for macro hedging.
- e. The present value at 31 December 2023 of collateral, repurchase agreements and bank balances.

(€ millions)	DEBT AT REPAYMENT VALUE		DEBT AT MARKET VALUE	MARKET VALUE OF HEDGING TRANSACTIONS	
	At maturity	At 31 December 2023	At 31 December 2023	At 31 December 2023	
Up to 1 year	26,801.84	26,765.36	26,752.91	487.08	
From 1 to 5 years	63,975.29	63,975.29	63,730.24	-	1,273.54
Over 5 years	55,287.16	55,287.16	50,572.60	-	547.98
Swaps	-	-	-	-	
TOTAL	146,064.29	146,027.80	141,055.74	-	1,334.44
Variable rate	32,854.55	32,854.55	32,967.49	-	1,507.04
Indexed rate	3,968.65	3,932.16	3,937.75	-	
Fixed rate	109,241.09	109,241.09	104,150.50	172.60	
Swaps	-	-	-	-	
TOTAL	146,064.29	146,027.80	141,055.74	-	1,334.44

Compared with the previous financial year, at 31 December 2023 there had been an increase in the proportion of short-term debt and a decrease in that of medium- and long-term debt, as shown by the table below:

DEBT	31 December 2023	At 31 December 2022	At 31 December 2021
Short term (< 1 year)	18.33%	13.21%	13.19%
Medium term	43.81%	47.97%	60.45%
Long-term (> 5 years)	37.86%	38.83%	26.37%

As regards the breakdown between issues denominated in euro and other currencies, in the year ended 31 December 2023 the proportion of euro-denominated debt decreased slightly from 31 December 2022, as shown by the table below:

DEBT	31 December 2023	31 December 2022	31 December 2021
Foreign currencies	37.94%	31.00%	35.40%
Euros	62.06%	69.00%	64.60%

The post-hedging book-value-debt breakdown below shows a decrease in the proportion of fixed rate and indexed issues and an increase in that of variable rate issues:

DEBT	31 December 2023	31 December 2022	31 December 2021
Variable rate	22.50%	19.17%	20.55%
Indexed rate	2.69%	2.76%	3.06%
Fixed rate	74.81%	78.07%	76.39%

Explanation of variances between market value and repayment value of debt:

The difference between the market value of the debt and its repayment value is explained by the following factors:

- The market value of fixed rate loans decreased because of the increase in interest rates;
- Market value factors in the present value of future coupons whereas repayment value excludes coupons;
and
- Gains and losses on macro-hedging swaps impact market value one way or the other.

The above information covers a significant part of CADES' main activity, which is to repay in the best possible conditions the debt it raises on the financial markets.

POST-BALANCE SHEET EVENTS

Decree No. 2024-176 of 6 March 2024 set the assumption of debts for the 2024 financial year. These amounted to €8.77 billion and break down as follows:

- €8.77 billion for forecast deficits.