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Auditor's report

GENERAL INFORMATION

1. MISSION STATEMENT

Ordinance No. 96-50 dated 24 January 1996¹ established the Social Security Debt Repayment Fund (*Caisse d'Amortissement de la Dette Sociale - CADES*) on 1 January 1996. CADES is an administrative public agency (*Etablissement Public à Caractère Administratif - EPA*) supervised by the French Minister of the Economy and Finance and the Minister in charge of Social Security.

CADES' mission is to:

- Amortize the social security debt transferred to it, i.e. the cumulative deficits of the Central Agency of Social Security Bodies (*Agence Centrale des Organismes de Sécurité Sociale - ACOSS*); and
- Make payments to various social security funds and organizations.

CADES' mandate has been extended beyond 31 January 2014 as decided initially to until such date as the social security debt transferred to it has been fully extinguished.

In the furtherance of its mission, CADES receives the proceeds of a special tax known as the social security debt repayment contribution (*Contribution pour le Remboursement de la Dette Sociale - CRDS*), introduced in Chapter 2 of the aforementioned Ordinance. It also received the proceeds from the sale of property assets owned and leased by the national agencies falling under the basic social security scheme and ACOSS.

From 2009, CADES has access to a new resource corresponding to 0.2 point of the supplementary social security contribution (*Contribution Sociale Généralisée - CSG*).

CADES is authorized to borrow funds, in particular via public offerings and the issuance of negotiable debt securities.

Moreover, CADES benefits from repayments of receivables from foreign social security agencies to the national health insurance fund for salaried workers (*Caisse Nationale d'Assurance Maladie des Travailleurs Saliés - CNAMTS*).

Lastly, in accordance with Law No. 2004-810 of 13 August 2004, any future surpluses generated by the health insurance branch of the French social security system will be allocated to CADES. The Social Security Finance Act will define the terms under which this transfer will take place.

2. ORGANIZATION OF THE AGENCY

CADES is overseen by a Board of Directors and a Supervisory Board. It is governed by the provisions of Decree No. 53-1227 dated 10 December 1953 (and amendments thereto), relating to the accounting policies applicable to French administrative public agencies, and of Decree No. 62-1587 dated 29 December 1962 (and amendments thereto), defining general public-sector accounting rules, subject to the legal provisions and regulations specific to CADES (aforementioned Ordinance of 24 January 1996, and Decree No. 96-353 dated 24 April 1996).

Pursuant to the provisions of the aforementioned Decrees, financial and accounting transactions fall under the responsibility of Mr. Patrice Ract Madoux, the Authorizing Officer of CADES and Chairman of the Board of Directors, and Mr. Frank Mordacq, its Chief Accounting Officer and Head of CBCM Finances.

- CADES' annual budget is drawn up by 30 November of the previous year by the Board of Directors and approved by the ministers who supervise the agency.
- Financing is limited to appropriated funds, excluding expenses related to the repayment of loans, financial management costs, and assessment and collection charges.
- The Board of Directors reviews and signs off the accounts drawn up by the Accounting Officer. The financial

¹ As modified by Social Security Finance Law No. 97-1164 of 19 December 1997, the 2001, 2002, and 2006 Finance Laws, the 2003, 2004, 2006 and 2008 Social Security Finance Laws, Law No. 2004-810 of 13 August 2004 relating to health insurance, Organic Law No. 2005-881 of 2 August 2005, Law No. 2008-1249 of 1 December 2008 and Ordinance No. 2009-80 of 22 January 2009.

statements are then forwarded to the General Director of the Public Finances Directorate (*Direction Générale des Finances Publiques - DGFIP*) prior to submission to the Government Audit Office (*Cour des Comptes*).

- CADES' Board of Directors examines and approves the accounts. In parallel, the Board ensures that CADES maintains a healthy underlying financial basis over its scheduled lifetime by updating CRDS and CSG revenue forecasts on the basis of changes in the amortization schedule of the debt carried on the balance sheet as a liability and debt servicing charges.

Accounting procedures and principles are subject to a contractual, independent audit. In addition, CADES is subject to:

- Financial audits conducted by the government, in accordance with the Order of 19 May 2009; and
- Audits carried out by the Government Audit Office.

Accounting transactions are recorded by CADES in an information system managed using software that is shared by the Authorizing Officer and the Accounting Officer. The system is networked and features a single database. Authorizations for displaying and processing data have been clearly defined so as to enable the Accounting Officer and the Authorizing Officer to exercise their respective powers.

3. GENERAL PROVISIONS FOR RECORDING ACCOUNTING AND FINANCIAL TRANSACTIONS

Accounting framework

Article 7 of Decree No. 96-353 of 24 April 1996, relating to CADES, calls for the adoption of a special chart of accounts drawn up in accordance with the standard chart of accounts for administrative public agencies (Instruction M 9-1 from the General Directorate of Public Finances).

This chart of accounts being modelled on the general chart of accounts, it was found to be poorly suited to CADES' activity. Consequently, the Board of Directors decided on 10 October 1996 to adopt the chart of accounts used by credit institutions.

Consequently, both the transactions and the annual financial statements submitted by the Accounting Officer are presented in accordance with standards specific to credit institutions. In addition, separate financial statements are drawn up in accordance with the regulatory standard set out in Instruction M 9-1, for submission to audit organizations.

This specific accounting framework was recommended by an independent consulting firm and approved by the Authorizing Officer, the Accounting Officer, the General Directorate of Public Accounting and the French Accounting Standards Board (*Conseil National de la Comptabilité - CNC*) (Opinion No. 99-04, plenary session of 18 March 1999).

Transactions executed by the Accounting Officer

Transactions executed by CADES' Accounting Officer differ from those traditionally executed by Accounting Officers at other administrative public agencies.

Due to CADES' status as a market participant, specific structures have been set up in conformity with the agency's mission. For example, financing transactions are distinguished from administrative transactions.

1. Financing transactions

The administrative workflow of financing transactions reflects the existence of Front Office, Middle Office and Back Office services.

The Front Office is responsible for transactions in the financial, interest rate and currency markets, in accordance with defined limits and procedures. These routine transactions relate to financing, investment and the management of interest rate and foreign exchange exposures.

A sequentially numbered ticket is issued for each transaction, describing its main features, and validated by the

Front Office. The Back Office then verifies and validates the ticket before forwarding it to the Accounting Officer.

The Middle Office gathers information on cash positions, draws up forecasts, provides repayment schedules, and performs a first-level plausibility check of Front Office transactions.

The Back Office records and validates the transactions processed by the Front Office after verifying that formal presentation and threshold requirements are met. The Back Office monitors risk, produces reports and liaises with the Accounting Departments.

The Accounting Officer then records transaction tickets as income or expenses.

2. Administrative transactions

Performance of the administrative section of the budget is done in compliance with the provisions of the Decree of 29 December 1962, which sets forth general public-sector accounting policies. Administrative expenses are evidenced by payment orders and income by receipt orders, accompanied by the appropriate supporting vouchers and documents.

After due completion of the control procedures described in Articles 12 and 13 of the aforementioned Decree, items of expenditure and income are recognized in the accounts and the amounts are paid or collected.

3. Cash movements

CADES has opened a euro-denominated deposit account in the books of CBCM Finances that is listed in the register of government accounts.

In the books of CADES, entries to the debit of this account record expenses falling within the administrative budget. Only the Accounting Officer may authorize these payments. Entries to the credit of this account record CRDS revenue paid over by the Public Treasury network. This takes the form of daily transfers from General Treasury offices.

Since 1 September 2005, CADES has had its own account with the Banque de France that is distinct from the dedicated Treasury account. Movements to this account comprise all euro-denominated financial transactions completed by CADES and all CRDS revenue paid over by ACOSS. Once again, only the Accounting Officer may authorize expenditures.

The balance on the deposit account is transferred to CADES' own account whenever it reaches a pre-defined threshold.

In addition, CADES has opened accounts with foreign financial institutions in New York, London and Frankfurt. These are intended to be zero-balance accounts. They record all transactions related to CADES issues in currencies other than the euro and their transformation into euro-denominated structures on the international markets.

Due to management constraints attributable primarily to the time lag between the European, Asian, American and Australian markets, CADES has been dispensed from applying the provision of the Decree of 29 December 1962, which states that only public accounting officers may authorize transactions affecting the financial accounts. Accordingly, the Back Office carries out transactions on CADES' foreign currency accounts.

FINANCIAL HIGHLIGHTS

NET DEBT AT REPAYMENT VALUE (in millions of euros) (*)

At 31 December 2009	91,660
At 31 December 2008	79,861
At 31 December 2007	72,658

(in millions of euros) (*)	31 December 2009	31 December 2008	31 December 2007
Net profit	5,260	2,885	2,578
Primarily reflecting the following items:			
CRDS and CSG net revenue	8,082	5,980	5,681
Payments to the French State	-	-	-
Payments to social security agencies	-	-	-
Interest expenses	(2,822)	(3,095)	(3,101)

(*) ² Throughout this document, the letter m is used to denote million and bn to denote billion

² ndt. abbreviations not used in document

BALANCE SHEET

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
ASSETS			
Cash in hand, balances with central banks and post office banks (Note 1)	983.44	2,718.64	10.85
Treasury bills and other bills eligible for refinancing with central banks (Note 1)	2,284.57	678.69	1,370.17
Loans and advances to credit institutions (Note 1)			
- Repayable on demand	0.37	1.31	0.28
- Repayable at maturity	1,686.34	1,000.51	333.46
Intangible assets (Note 2)	-	-	-
Tangible assets (Note 2)	0.21	0.23	0.02
Property assets (Note 13.1)	-	-	-
Other assets (Note 3)	260.42	357.38	654.44
Prepayments and accrued income (Note 4)	1,751.19	1,489.99	1,340.34
Total assets	6,966.54	6,246.75	3,709.56
LIABILITIES			
Amounts owed to credit institutions (Note 5)			
- Payable on demand	-	-	-
- Payable at maturity	151.11	1,610.55	2,111.68
Debts evidenced by certificates (Note 6)			
- Negotiable debt instruments	10,587.56	14,936.49	3,480.48
- Bonds and similar instruments	86,366.93	67,739.18	68,611.11
- Other debts evidenced by certificates	-	-	-
Other liabilities (Note 7)	222.10	133.54	19.69
Accruals and deferred income (Note 8)	1,449.30	1,891.80	2,441.94
Sub-total - Debts	98,777.00	86,311.56	76,664.90
Provisions (Note 8.1)	0.16	5.83	0.11
Property endowment	181.22	181.22	181.22
Profit and loss account brought forward	(97,251.86)	(83,136.67)	(75,714.63)
Profit for the period	5,260.02	2,884.81	2,557.96
Sub-total - Reserves	(91,810.62)	(80,070.64)	(72,955.45)
Total liabilities	6,966.54	6,246.75	3,709.56

PROFIT AND LOSS ACCOUNT

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
<i>Interest receivable and similar income (Note 9)</i>	279.63	320.66	238.96
- From transactions with credit institutions	44.70	284.51	135.38
- From bonds and other fixed income securities	1.97	3.05	21.16
- Other interest receivable and similar income	232.96	33.10	82.42
<i>Interest payable and similar charges (Note 10)</i>	(3,050.50)	(3,403.95)	(3,332.92)
- On transactions with credit institutions	(46.15)	(189.80)	(116.63)
- On bonds and other fixed income securities	(3,004.35)	(3,214.15)	(3,216.29)
<i>Fees payable (Note 10)</i>	(48.41)	(9.33)	(7.51)
<i>Gains and losses on trading securities (Note 11)</i>	(0.30)	(0.37)	0.02
- Net profit (loss) on foreign exchange transactions	(0.30)	(0.37)	0.02
<i>Gains and losses on investment securities (Note 11.1)</i>	-	-	-
- Net profit (loss) on investment securities	-	-	-
<i>Other operating income - banking</i>	-	-	-
<i>Other operating charges - banking</i>	(0.02)	(0.01)	(0.01)
NET BANKING INCOME	(2,819.60)	(3,093.00)	(3,101.45)
<i>General operating charges (Note 13)</i>	(2.63)	(2.40)	(2.06)
- Staff costs	(0.85)	(0.78)	(0.74)
- Other administrative expenses	(1.78)	(1.63)	(1.32)
<i>Depreciation and provisions - intangible and tangible assets</i>	(0.04)	(0.03)	(0.02)
<i>Other operating income</i>	8,253.66	6,059.86	5,814.76
- Income related to CRDS and CSG (Notes 12 and 12.1)	8,253.66	6,059.67	5,814.76
- Income from property (Note 13.1)	-	0.19	-
<i>Other operating charges</i>	(171.37)	(79.62)	(133.27)
- Charges related to CRDS and CSG (Notes 12 and 12.1)	(80.78)	(76.26)	(69.09)
- Payments to the State (Note 14)	-	-	-
- Payments to social security agencies (Note 14)	-	-	-
- Provision for doubtful debts relating to CRDS and CSG (Notes 12 and 12.1)	(90.58)	(3.46)	(64.17)
- Charges related to property (Note 13.1)	(0.01)	0.10	(0.01)
GROSS OPERATING PROFIT	5,260.02	2,884.81	2,577.96
OPERATING PROFIT	5,260.02	2,884.81	2,577.96
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5,260.02	2,884.81	2,577.96
- Exceptional income (Note 15)	-	-	-
NET PROFIT FOR THE PERIOD	5,260.02	2,884.81	2,577.96

OFF BALANCE SHEET COMMITMENTS

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
COMMITMENTS RECEIVED			
Loan commitments by other credit institutions			
- Backup credit lines	700.00	700.00	550.00
- Multi-currency credit lines	-	-	5,000.00
- Other credit lines	-	2,500.00	2,000.00
COMMITMENTS GIVEN			
- Payment to the State	-	-	-
- Payment to social security funding organizations	-	17,000.00	-

NOTES TO THE FINANCIAL STATEMENTS

HIGHLIGHTS OF THE YEAR

◆ €27 billion of debt taken on

The last three transfers under the 2009 Social Security Funding Act (*Loi de Financement de la Sécurité Sociale - LFSS*) have been completed, in the amounts of €10 billion on 6 February 2009, €6.9 billion on 6 March 2009 and €100 million on 4 August 2009.

◆ New resource corresponding to 0.2 point of supplementary social security contribution

In accordance with the Organic Law of 2 August 2005, the French Parliament voted an increase in resources so as not to extend the life of CADES. This new resource corresponds to 0.2 point of the supplementary social security contribution (*Contribution Sociale Généralisée - CSG*).

◆ Financing transactions

Issues

Six new benchmark bond issues were arranged in January, February, April, July and December 2009, which enabled CADES to borrow €8.36 billion.

Eleven bond issues were tapped for €8.50 billion in total, including one bond indexed to inflation (CADESi) for €0.9 billion.

Seventeen issues of Euro Medium Term Notes (EMTN) in EUR, JPY, USD, HKD, GBP and AUD enabled CADES to borrow €8.08 billion after transformation.

Lastly, two bond issues in AUD and USD were tapped for €0.83 billion.

Redemptions

In 2009, CADES completed the early redemption of fifteen EMTN and a further sixteen reached maturity, for a total of €4.41 billion.

Three private placements matured in January 2009 for a total of €1.38 billion, followed in July by a bond issue, for €3 billion.

Inflation macro hedging

At 31 December 2009, swaps entered into for macro hedging purposes totalled €1,364 million, nine swapshaving matured during the year.

Cancellable swaps

In 2007 and 2008, CADES entered into swaps under which it receives 3-month Euribor less a haircut and pays a fixed rate. These swaps may be rescinded by the counterparties six months after inception and then every three months.

These cancellable swaps, which qualify as micro hedges, are used to transform CADES's variable rate structured transactions into fixed rate transactions for at least six months. Each swap is therefore systematically backed to a swap already held in portfolio by CADES. If the swaps are cancelled, CADES reverts to its initial refinancing level.

These swaps were authorized by the Board of Directors on 28 November 2007. They are designated as micro hedges (Category b of Regulations No. 90-15 and 88-02) pursuant to French banking regulations (*Règlementation Bancaire*).

At 31 December 2009, these swaps amounted to €10,212 million.

Pre-hedging swaps

Six pre-hedging swaps maturing 25 October 2019, with a total nominal value of €1,250 million and designated as isolated open positions in accordance with the regulations issued by the French Banking and Financial Regulatory Committee (*Comité de la Règlementation Bancaire et Financière - CRBF*) (category a of Regulation 90-15) were rescinded on 5 June 2009 following the issue of €3 billion of 4.25% bonds maturing 25 April 2020.

Commitments in respect of these transactions, which had been reported as off balance sheet items, were derecognised. The provision for liabilities and charges recognised in respect of unrealised losses was reversed in full. Balances on termination of these swaps were dealt with in profit and loss.

Contracts entered into with Lehman Brothers

CADES entered into currency swaps with Lehman Brothers International (Europe) offering perfect hedging of its currency-denominated loans. Following the investment bank's collapse on 14 September 2008, CADES terminated all derivative financial instruments with this counterparty pursuant to the master agreement governing these transactions. It has since entered into new agreements with other bank counterparties. The characteristics of these agreements are identical to those that were terminated, as a result of which the currency and interest rate exposures continue to be hedged totally efficiently. These transactions did not have a material impact on the accounts of CADES.

PricewaterhouseCoopers, who are acting as administrators for Lehman Brothers, accepted the valuations produced by CADES in a letter dated 4 August 2009, finally bringing this matter to a close.

◆ Credit lines

Commitments received in 2009 comprise:

- Four backup credit lines totalling €700 million that are cancellable by the counterparty at 30 days' notice; and
- A credit facility amounting to €10 billion arranged on 2 February 2009, which expired on 31 December 2009 and was not renewed for 2010.

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 interim financial statements complies with Regulation 91-01 of 16 January 1991 issued by the French Banking and Financial Regulatory Committee (*Comité de la Réglementation Bancaire et Financière - CRBF*) relating to the preparation and publication of the annual individual accounts of credit institutions, as modified by Regulation 2000-03 of 4 July 2000 issued by the French Accounting Standards Committee (*Comité de la Réglementation Comptable - CRC*), itself modified by Regulations 2005-04 of 3 November 2005 and 2007-05 of 14 December 2007. With respect to the last regulation, the French National Accounting Board (*Conseil National de la Comptabilité - CNC*) decided that CADES could continue to use the adaptations set forth in Opinion 99-04 relating to the presentation of those transactions specific to CADES. 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 from property transactions, and payments to the State and social security funding organizations.

These accounts are then aggregated to comply with the chart of accounts applicable to administrative public undertakings in accordance with the requirements of Instruction M9-1, before being submitted to the Government Audit Office.

2. Specific characteristics of CADES

CADES has been tasked with paying down the debt transferred to it. The profit or loss therefore measures its capacity to reduce its own debt.

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. Changes in accounting policies and methods compared with previous years

No changes were made to accounting principles and methods in 2009.

4. Contribution to the repayment of the social security debt

▪ Revenue explicitly allocated to CADES

The social security debt repayment contribution (CRDS) defined by Ordinance No. 96-50 of 24 January 1996 was explicitly created to provide resources to CADES. Article 6 of said Ordinance states that “the proceeds of the contributions created in respect of Chapter 2 of said Ordinance 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 employment income replacements: salaried income, redundancy payments and retirement indemnities (under certain conditions), retirement and disability pensions, sickness and maternity benefits, housing benefits, family allowances, and child-keeping benefits, etc., and
- On the other hand, revenue from property, from investments, from the sale of precious metals and jewellery, and from gaming.

Contributions assessed on employment income and employment income replacements are paid over daily by

ACOSS to CADES as and when they are collected by the central agency.

Contributions assessed on other revenues are centralized by the State's financial agencies (tax collection offices, treasuries and customs and excise agencies) before being paid over to CADES.

- Collection costs borne by CADES

Article 8 of the Ordinance 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 in charge of Social Security.

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

CRDS contributions levied on revenue from property entered in the tax assessment register by the Treasury offices 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 L114-5 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 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. They are deducted from gross amounts receivable as reported in the balance sheet.

Regarding the collection of the CRDS contributions, it will be recalled that at no time does CADES act as primary collector; the resources to which it is entitled are remitted by third parties, first and foremost ACOSS, followed by the French Treasury.

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

4.1 Supplementary social security contribution

Law No. 2008-1330 on the funding of the social security system for 2009 extended the mission of CADES by entrusting to it a further €27 billion of debt in respect of the health insurance deficit (€14.1 billion), old age pension deficit (€8.8 billion) and old age solidarity fund (€4 billion).

In accordance with the Organic Law of 2 August 2005, the French Parliament voted an increase in resources so as not to extend the life of CADES. This new resource corresponds to 0.2 point of the supplementary social security contribution (*Contribution Sociale Généralisée - CSG*).

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

The difference in tax base between the CRDS and GSG is that in the latter case it does not include revenue from the sale of precious metals and jewellery.

The payment circuits and methods of accounting for the CSG are the same as for the CRDS.

5. Private rental property

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

Acting on behalf of CADES, CNAVTS 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 CNAVTS to do all that was necessary in connection with the administration of the properties.

Since 1 January 2007, disputes and claims have been managed internally by CADES, to which end it has entered into an agreement with the lawyer responsible for handling these cases.

CADES' Accounting Officer records expenses and revenue on the basis of the supporting documents submitted by the Authorizing 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 31 December 2009, which correspond to the reference rates communicated by the European Central Bank, are indicated in the table below:

USD:	1.4406	JPY:	133.16
GBP:	0.8881	HKD:	11.1709
CHF:	1.4836	NZD:	1.9803
AUD:	1.6008	TRY:	2.1547
ZAR:	10.6660	CAD:	1.5128
MXN:	18.9223	SEK:	10.2520

- Foreign currency income and charges are converted into euros at the exchange rate ruling on the date when they were recognized in the profit and loss account.
- Realized and unrealized foreign exchange gains and losses are recognized in the profit and loss account as operating income from banking transactions or operating charges on banking transactions.

7. Repurchase agreements with securities delivered

Top-grade securities are acquired by CADES under repurchase agreements for the purpose of investing available cash balances.

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

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 amortized over their estimated useful life.

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

Intangible fixed assets include 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 converted into euros at the rate of exchange 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:

Consumer price index on 31 December 2009:	118.22645
Cadesi 2011 index:	1.12326
Cadesi 2013 index:	1.18021
Cadesi 2017 index:	1.04250
Cadesi 2019 index:	1.08157

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 recognized 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 recognized 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 payable.

10. Interest rate and currency swaps

Transactions involving forward financial instruments, entered into for the purpose of hedging interest rate and currency exposure, are recognized in accordance with the regulations issued by the French Banking and Financial Regulatory Committee. Commitments in respect of these transactions 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 recognized 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 recognized 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 recognized. 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 recognized to profit

and loss pro rata temporis.

11. Interest rate futures

Firm macro hedging transactions on organized markets (German Bund and Bobl) are recognized in accordance with the regulations issued by the French Banking and Financial Regulatory Committee. Sales of financial futures (Euro Bund and Euro Bobl futures) are recognized as off balance sheet items for their nominal value.

Margin calls are recognized directly to profit or loss. Initial margins are accounted for as deposits paid and reported as assets in the balance sheet. Finally, brokerage fees - which represent trading fees on the sale or purchase of Bunds or Bobls - are recognized directly to profit or loss.

12. Provisions

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

13. 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.

14. Counterparty risk

CADES' exposure to counterparty risk is limited to two types of transactions: investment transactions and off balance sheet transactions.

For both types of transactions, CADES has signed market agreements modelled on the master agreement drawn up by the French Banking Association (*Fédération Bancaire Française - FBF*) providing for daily margin calls (for investment transactions) and weekly margin calls (for off balance sheet transactions).

1. Investment transactions

CADES invests cash balances mainly in securities delivered under repurchase agreements but may also buy government securities outright. In exchange for the loan extended to a counterparty, CADES receives full ownership of a government security (OAT, BTAN, BTF) or government-guaranteed security over the term of the repurchase agreement. All repurchase agreements are negotiated with French Treasury bond dealers (*Spécialiste en Valeurs du Trésor - SVT*) or with counterparties with an at least double-A rating.

Margins calls are carried out daily by CADES to provide additional protection against significant fluctuations in market prices for the securities received as collateral.

2. Off balance sheet transactions

To manage its interest rate risk and eliminate the currency risk, CADES enters into transactions in the derivatives markets involving instruments such as interest rate swaps, currency swaps and asset swaps. By using triggers set by reference to each counterparty's rating and by carrying out weekly margin calls, CADES significantly reduces the residual risk of default for these instruments.

15. Transactions involving investment securities

The portfolio of investment securities is valued in accordance with Regulation 90-01 (as amended) issued by the French Banking and Financial Regulatory Committee. This portfolio, which consists of fixed income government securities, is reported under treasury bills and other bills eligible for refinancing with central banks in the balance sheet.

Securities are reported at their cost of acquisition in the balance sheet. Interest income is reported under interest receivable and similar income from bonds and other fixed income securities.

Unrealized losses give rise to a provision for impairment determined by reference to the most recent quoted price. These provisions are determined individually.

Provisions for impairment set aside and reversed and gains and losses on the sale of investment securities are reported under gains and losses on investment securities in the profit and loss account.

NOTES

BALANCE SHEET

At 31 December 2009, the balance sheet showed total assets of €6.97 billion for a total debt of €98.78 billion resulting in negative reserves of €91.81 billion.

ASSETS

Note 1: Treasury and interbank transactions

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
CENTRAL BANKS AND POST OFFICE BANKS	983.44	2,718.64	10.85
Central banks	983.44	2,718.64	10.85
TREASURY BILLS AND OTHER BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	2,284.57	678.69	1,370.18
Government securities with a maturity of less than 3 months	2,284.10	677.84	1,366.35
Accrued interest	0.47	0.85	3.83
LOANS AND ADVANCES TO CREDIT INSTITUTIONS	1,686.71	1,001.82	333.74
Repayable on demand	0.37	1.31	0.28
Debit balances on ordinary accounts	0.37	1.31	0.28
Securities received under open repurchase agreements	-	-	-
Accrued interest	-	-	-
Repayable at maturity	1,686.34	1,000.51	333.46
Securities received under term repurchase agreements with a maturity of less than 3 months	1,686.16	1,000.00	333.28
Of which: Treasury bills	442.67	-	-
Bonds	1,163.74	1,000.00	333.28
Own securities	79.75	-	-
Accrued interest	0.18	0.51	0.18
Total	4,954.72	4,399.15	1,714.77

Balances with central banks correspond to the euro-denominated account opened by CADES at Banque de France.

Note 2: Intangible and tangible fixed assets

At (in millions of euros)	Gross value at 1 January 2009	Increase	Decrease	Gross value at 31 December 2009	Amortization and depreciation	31 December 2009 Net book value	31 December 2008 Net book value	31 December 2007 Net book value
Intangible assets	0.22	-	-	0.22	(0.22)	-	-	-
<i>Software</i>	0.22	-	-	0.22	(0.22)	-	-	-
Tangible assets	0.67	0.02	-	0.69	(0.48)	0.21	0.23	0.02
<i>Sundry equipment</i>	0.67	0.02	-	0.69	(0.48)	0.21	0.23	0.02
Total	0.89	0.02	-	0.91	(0.70)	0.21	0.23	0.02

Intangible and tangible assets reflect the value of the software and equipment acquired by CADES, net of related amortization and depreciation.

Note 3: Other assets

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
SUNDRY DEBTORS	260.42	357.38	654.44
Deposits paid by way of initial margins	213.22	310.46	606.37
- <i>Deposits</i>	212.99	310.38	604.71
- <i>Accrued interest</i>	0.23	0.08	1.66
Outstanding CRDS and CSG contributions to be collected by ACOSS	47.20	46.92	48.07
- <i>Gross amounts receivable</i>	316.52	226.08	224.34
- <i>Provisions</i>	(269.32)	(179.16)	(176.27)
Other debtors in respect of financial transactions	-	-	-
Other debtors in respect of operating charges	-	-	-
Other sundry debtors - CNAV	-	-	-
- <i>Gross amounts receivable</i>	1.61	1.62	2.10
- <i>Provisions</i>	(1.61)	(1.62)	(2.10)
Total	260.42	357.38	654.44

Other assets include:

- Deposits paid by way of initial margins in connection with forward contracts entered into to hedge counterparty risk amounting to €213.22 million.
- Outstanding CRDS and GSG contributions to be collected by ACOSS amounting to €47.20 million. Provisions totalling €269.32 million have been deducted from the gross amounts receivable of €316.52 million.
- A receivable of €1.61 million, consisting of damages amounting to €1.47 million claimed from a buyer who reneged on a commitment to purchase a group of buildings and sundry debtor balances totalling €0.14 million due from tenants and buyers for which legal proceedings are being managed by CNAVTS. These amounts were provisioned in full at 31 December 2009.

Movements in provisions against outstanding CRDS and CSG contributions to be collected by ACOSS and in respect of sundry debtors are detailed in the table below:

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
Provisions brought forward	180.77	178.37	119.20
Provisions set aside - property	-	-	-
Provisions set aside - CRDS and CSG	90.58	3.45	64.20
Provisions reversed - property	-	(0.48)	(0.06)
Provisions reversed - CRDS and CSG	0.42	(0.57)	(4.97)
Provisions carried forward	271.77	180.77	178.37

Note 4: Prepayments and accrued income

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
ACCRUED INCOME	1,384.73	1,189.10	1,116.39
On forward interest rate instruments	221.39	330.78	233.45
On forward currency instruments	305.04	283.78	293.20
On CRDS and CSG revenues	858.30	574.54	589.74
On property sales	-	-	-
Other accrued income	-	-	-
CONTINGENT LOSSES AND LOSSES TO BE SPREAD ON FORWARD FINANCIAL INSTRUMENTS	19.22	0.04	0.73
DEFERRED CHARGES	268.51	189.62	206.09
Issuance premiums on bonds and EMTN	268.51	189.62	206.09
Other deferred charges	-	-	-
PREPAYMENTS	8.16	85.48	11.32
Prepaid administrative expenses	0.05	0.01	0.01
Prepaid interest on negotiable debt instruments	8.11	85.47	11.31
Other prepayments	-	-	-
OTHER	70.57	25.75	5.82
Currency adjustment accounts	70.40	15.03	5.82
Property rental adjustment account	-	-	-
Sundry	0.17	10.72	-
Total	1,751.19	1,489.99	1,340.35

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 contributions for €858.30 million and to financial instruments amounting to €221.39 million for interest rate instruments and to €305.04 million for currency instruments.
- issuance premiums on bonds and EMTN amounting to €268.51 million to be recognised to profit and loss over time.
- prepayments amounting to €8.16 million, which consist mainly of prepaid interest on the issue of negotiable debt instruments.
- currency adjustment accounts amounting to €70.40 million, being technical accounts used to recognise to profit and loss adjustments arising on the measurement of off balance sheet commitments.

LIABILITIES

Liabilities draw a distinction between the reserves and the other liabilities of CADES.

Reserves consist of the profit and loss account brought forward, the profit or loss for the period and the property endowment. At 31 December 2009, CADES had negative reserves of €91,810.62 million. These negative reserves correspond to the debt transferred to CADES amounting to €34,148.5 million, €47,310 million pursuant to the Law of 13 August 2004 and €27,000 million pursuant to the Law of 17 December 2008, less amounts that have been credited to reserves and which are composed of the accumulated profits generated by CADES since 1996 amounting to €16,401.98 million, the property endowment on 1 January 2000 amounting to €181.2 million, and the payment received from ACOSS amounting to €64.7 million by way of an adjustment of the deficits assumed by CADES from 1999 to 2006.

Liabilities, which amounted to €98,777.00 million at 31 December 2009, consist mainly of debts evidenced by certificates totalling €96,954.49 million, accruals and deferred income totalling €1,449.30 million, amounts due to credit institutions totalling €151.11 million, and other liabilities totalling €222.10 million.

Note 5: Treasury and interbank transactions

At			31 December 2009			31 December 2009	31 December 2008	31 December 2007
(in millions of euros)	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	Total
AMOUNTS OWED TO CENTRAL BANKS								
Amounts owed to credit institutions								
Repayable on demand	-	151.11	-	-	151.11	1,610.55	2,111.68	-
Credit balances on ordinary accounts	-	-	-	-	-	-	-	-
Repayable at maturity	-	151.11	-	-	151.11	1,610.55	2,111.68	-
Securities given under repurchase agreements	-	-	-	-	-	-	-	-
Accounts and deposits	-	151.11	-	-	151.11	1,531.50	2,032.43	-
Of which: Euro	-	50.00	-	-	50.00	1,430.49	1,941.78	-
Other currencies	-	101.11	-	-	101.11	101.01	90.65	-
Accrued interest	-	-	-	-	-	79.05	79.25	-
Total	-	151.11	-	-	151.11	1,610.55	2,111.68	-

The €151.11 million owed to credit institutions corresponds to the following private placements:

- CHF 150 million at floating rate indexed to 1-month Libor CHF (-0.31 %) maturing 30 June 2010; and
- €50 million at floating rate indexed to 1-month Euribor (-0.23%) maturing 21 June 2010.

Note 6: Debts evidenced by certificates

At (in millions of euros)	31 December 2009					31 December 2008	31 December 2007
	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
NEGOTIABLE DEBT INSTRUMENTS	8,612.63	1,963.93	11.00	-	10,587.56	14,936.49	3,480.48
Treasury bills denominated in euro	-	100.00	-	-	100.00	603.00	60.00
Treasury bills denominated in other currencies	348.98	-	-	-	348.98	-	-
EMTN denominated in euro	-	-	11.00	-	11.00	11.00	11.00
Commercial paper denominated in euro	736.80	542.50	-	-	1,279.30	7,196.50	185.34
Commercial paper denominated in other currencies	7,526.85	1,321.43	-	-	8,848.28	7,125.99	3,224.14
Other negotiable debt instruments denominated in foreign currencies	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
BONDS	1,742.68	6,064.90	39,502.38	39,056.97	86,366.93	67,739.18	68,611.11
Bonds denominated in euro	-	4,228.68	23,022.96	36,280.77	63,532.41	49,981.96	51,462.11
Bonds denominated in other currencies	-	-	134.81	235.91	370.72	-	695.44
EMTN denominated in euro	-	-	202.00	1,030.00	1,232.00	2,667.00	2,788.16
EMTN denominated in other currencies	716.68	1,606.55	16,142.61	1,510.29	19,976.13	14,052.89	12,615.62
Accrued interest	1,026.00	229.67	-	-	1,255.67	1,037.33	1,049.78
Total	10,355.31	8,028.83	39,513.38	39,056.97	96,954.49	82,675.67	72,091.59

Debts evidenced by certificates are analysed below:

They comprise

- Negotiable debt instruments totalling €10,585.26 million; and
- Bonds and similar instruments totalling €86,369.23million.

1. Bonds

Short term (up to 1 year)

- 3.125% bonds maturing July 2010 (ISIN code FR0010173773) amounting to €4,000 million;
- 4.6% bonds maturing July 2010 (ISIN code FR0000209611) amounting to €228.68 million.

Medium term (over 1 year and up to 5 years)

- Bonds indexed to French inflation excluding tobacco maturing July 2011 (ISIN code FR0000489734) amounting to €2,864.31 million taking into account tap issues and a €314.31 million redemption premium (measured by reference to the most recent inflation index published at 31 December 2009);
- 2.625% bonds maturing April 2012 (ISIN code FR0010718338) amounting to €3,500 million;
- 1.5% bonds maturing July 2012 (ISIN code CH0012600398) amounting to CHF200 million (€134.81 million at 31 December 2009);
- Euro-fungible 5.25% bonds maturing October 2012 (ISIN code FR0000571366) amounting to €3,000 million;
- 3.25% bonds maturing April 2013 (ISIN code FR0010249763) amounting to €3,000 million; and
- Bonds indexed to French inflation excluding tobacco maturing July 2013 (ISIN code FR0000492308) amounting to €3,658.65 million taking into account tap issues and a €558.65 million redemption premium (measured by reference to the most recent inflation index published at 31 December 2009);
- 4.5% bonds maturing September 2013 (ISIN code FR0010660100) amounting to €3,000 million; and
- 4% bonds maturing October 2014 (ISIN code FR0010120410) amounting to €4,000 million.

Long term (over 5 years)

- 2.625 % bonds maturing January 2015 (ISIN code FR0010831669) amounting to €3,000 million;
- 2.125% bonds maturing February 2015 (ISIN code CH0012601446) amounting to CHF150 million (€101.11 million at 31 December 2009);
- 3.625 % bonds maturing April 2015 (ISIN code FR0010163329) amounting to €3,000 million;
- 3.625 % bonds maturing April 2016 (ISIN code FR0010301747) amounting to €4,500 million;
- 4.125% bonds maturing April 2017 (ISIN code FR0010456434) amounting to €3,600 million;
- Bonds indexed to French inflation excluding tobacco maturing July 2017 (ISIN code FR0010359679) amounting to €2,085 million taking into account tap issues and an €85 million redemption premium (measured by reference to the most recent inflation index published at 31 December 2009);
- Bonds indexed to French inflation excluding tobacco maturing July 2019 (ISIN code FR0010137554) amounting to €2,595.77 million taking into account tap issues and a €195.77 million redemption premium (measured by reference to the most recent inflation index published at 31 December 2009);
- 4% bonds maturing October 2019 (ISIN code FR0010143743) amounting to €5,000 million;
- 4.25% bonds maturing April 2020 (ISIN code FR0010767566) amounting to €4,250 million;
- 3.750% bonds maturing October 2020 (ISIN code FR0010198036) amounting to €4,000 million;
- 3% bonds maturing April 2021 (ISIN code ISIN CH0100525382) amounting to CHF200 million (€134.81 million at 31 December 2009); and
- 4.375% bonds maturing October 2021 (ISIN code FR0010347989) amounting to €4,250 million taking into account tap issues.

2. Bond equivalents

Bond equivalents are Euro Medium Term Notes (EMTN) issued as part of a programme arranged in 1998 with a pool of banks, for which the ceiling was raised in 2008 from €10 billion to €25 billion. At 31 December 2009 there were 57 outstanding EMTN in euro and in other currencies (GBP, USD, JPY, AUD, CAD, HKD and MXN) totalling €21,208.14 million.

All in all, debts evidenced by certificates maturing within 1 year totalled €18,384.14 million at 31 December 2009 (€22,476 million at 31 December 2008), while €39,53.38 million will mature between 1 and 5 years (€30,281 million at 31 December 2008) and €39,056.97 million after 5 years (€29,919 million at 31 December 2008).

Compared with prior years, there was a relative increase in long-term debt at 31 December 2009, as indicated by the table below:

Debt	31 December 2009	31 December 2008	31 December 2007
Short-term (under 1 year)	18.96%	27.2%	16.5%
Medium-term	40.76%	36.6%	31.4%
Long-term (over 5 years)	40.28%	36.2%	52.1%

As regards the breakdown between debts denominated in euro and other currencies, there was a relative increase in foreign currency debt at **31 December 2009** compared with 2008, as indicated by the table below:

Debt	31 December 2009	31 December 2008	31 December 2007
In foreign currencies	30.47%	25.6%	24.4%
In euros	69.53%	74.4%	75.6%

Note 6.1: Analysis of transactions in euro and foreign currencies before and after hedging

This note analyzes 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 related to the value and hedging of instruments at maturity.

(in millions of euros)	Initial debt		Hedging transactions		Final debt	
	Foreign currencies	Euros	Foreign currencies	Euros	Foreign currencies	Euros
Euro-denominated debt		66,204		30,450		96,654
Foreign currency-denominated debt		Value in euro at 31 December 2009		Value in euro at 31 December 2009		
CHF	745	502	(745)	(502)	-	-
GBP	556	626	(556)	(626)	-	-
JPY	75,000	563	(75,000)	(563)	-	-
USD	37,582	26,089	(37,582)	(26,089)	-	-
HKD	3,000	269	(3,000)	(269)	-	-
SEK	-	-	-	-	-	-
AUD	2,083	1,301	(2,083)	(1,301)	-	-
NZD	-	-	-	-	-	-
ZAR	-	-	-	-	-	-
CAD	409	270	(409)	(270)	-	-
MXN	450	24	(450)	(24)	-	-
Sub-total foreign currencies		29,644		(29,644)		-
Total		95,848		806		96,654

The table above provides a breakdown of the initial nominal debt between issues in euros and those in foreign currencies. Since all transactions in foreign currencies have been hedged, the debt of CADES is effectively entirely in euros. Hedging transactions have enabled CADES to eliminate the impact of exchange rate fluctuations on its debt.

The table below shows the breakdown of debt between fixed and floating rate instruments. Hedging impacts the initial breakdown, such that in the final analysis 70% of the debt bears fixed rates, 18% floating rates and 12% rates indexed to inflation.

Breakdown of debt in euro and foreign currencies before and after hedging

(in millions of euros)	Initial debt				Hedging transactions		Final debt			
	Foreign currencies	Euros	Total	%	Foreign currencies	Euros	Foreign currencies	Euros	Total	%
Fixed rates										
Negotiable debt instruments	-	-	-	-	-	-	-	-	-	-
EMTN	17,184	185	17,369		(17,184)	15,442	-	15,627	15,627	(1)
Bonds	371	52,328	52,699		(371)	136	-	52,464	52,464	
Private placements	-	-	-		-	-	-	-	-	
Macro hedging swaps	-	-	-		-	-	-	-	-	
Total fixed rates	17,555	52,513	70,068	73	(17,555)	15,578	-	68,091	68,091	70
Floating rates										
Negotiable debt instruments	9,196	1,390	10,586		(9,196)	9,152	-	10,542	10,542	
EMTN	2,792	1,047	3,839		(2,792)	5,395	-	6,442	6,442	
Bonds	-	-	-		-	229	-	229	229	
Private placements	101	50	151		(101)	96	-	146	146	
Macro hedging swaps	-	-	-		-	-	-	-	-	
Total floating rates	12,089	2,487	14,576	15	(12,089)	14,872	-	17,359	17,359	18
Indexed rates										
Bonds	-	11,204	11,204		-	-	-	11,204	11,204	
Macro hedging swaps	-	-	-		-	-	-	-	-	
Total indexed rates	-	11,204	11,204	12	-	-	-	11,204	11,204	12
Total	29,644	66,204	95,848	100	-	806	-	96,654	96,654	100

(1) Includes €10,212 million that corresponds to the hedging of swaps cancellable at the initiative of the counterparties. If the swap is cancelled by the counterparty, the hedged position reverts to a variable rate. Based on market rates at 31 December 2009, the swap cancellation options held by counterparties were a long way out of the money, making the likelihood of a reversion to a variable rate virtually nil.

Note 7: Other liabilities

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
DEPOSITS RECEIVED BY WAY OF INITIAL MARGINS	173.16	119.23	0.02
- Deposits	173.14	116.66	-
- Accrued interest	0.02	2.57	0.02
OTHER CREDITORS IN RESPECT OF FINANCIAL TRANSACTIONS	1.67	2.27	0.82
OTHER CREDITORS IN RESPECT OF OPERATING CHARGES	47.27	12.04	18.85
Payments to the State	-	-	-
Tax	0.02	0.02	-
Social security	0.07	0.06	-
Trade creditors	0.01	-	-
Sundry creditors - ACOSS	47.17	11.96	18.83
Other sundry creditors	-	-	0.02
Total	222.10	133.54	19.69

Other liabilities correspond to:

- Deposits received by way of initial margins in respect of contracts on forward markets and repurchase agreements put in place to hedge counterparty risk, amounting to €173.14 million at 31 December 2009;
- Accrued interest on margin calls amounting to €0.02million;
- Commission payable on commercial paper amounting to €1.67 million;
- Credit balance with ACOSS amounting to €47.17 millbn, consisting of credit notes received from ACOSS;
- Social security payable amounting to €0.07 million;
- Tax payable amounting to €0.02 million; and
- Amounts owed to suppliers totalling €0.01 million.

Note 8: Accruals, deferred income and provisions

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
ACCRUALS	351.57	441.70	330.04
Accruals on forward interest rate instruments	297.82	320.20	210.16
Accruals on forward currency instruments	46.02	107.94	116.22
Fees payable in respect of market transactions	0.01	-	-
Accruals in respect of operating charges	0.14	0.20	0.22
Accruals in respect of CRDS and CSG collection costs	4.90	3.37	3.22
Other accruals	2.68	9.98	0.22
CONTINGENT GAINS AND GAINS TO BE SPREAD ON FORWARD FINANCIAL INSTRUMENTS	33.25	54.52	49.90
DEFERRED INCOME	190.40	124.62	156.10
Issuance premiums on bonds	189.61	123.01	156.10
Issuance premiums on government securities	0.79	1.61	-
Other deferred income	-	-	-
OTHER	874.08	1,270.96	1,905.90
Currency adjustment accounts	874.04	1,270.93	1,905.90
Sundry	0.04	0.03	-
Total	1,449.30	1,891.80	2,441.94

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:

- Accrued expenses in respect of interest rate swaps amounting to €297.82 million and on the euro leg of currency swaps amounting to €46.02 million, commission payable in respect of commercial paper amounting to €2.82 million and accruals in respect of CRDS and CSG collection costs amounting to €4.90 million.
- Balancing cash payments on currency swaps amounting to €33.25 million that are to be spread.
- Deferred income amounting to €190.40 million, corresponding to premiums on bond issues and on government securities.
- Currency adjustment accounts amounting to €874.08 million, being technical accounts used to recognise to profit and loss adjustments arising on the measurement of off balance sheet commitments.

Provisions for liabilities and charges include a provision for retirement indemnities. The provision in respect of unrealised losses on swaps designated as isolated open positions was reversed after the swaps in question were rescinded.

At (in millions of euros)	31 December 2008	Set aside	Reversed	31 December 2009
Provisions	5.83	0.02	(5.70)	0.16
Provision for retirement indemnities	0.13	0.02	-	0.16
Provision for liabilities	5.70	-	(5.70)	-
Total	5.83	0.02	(5.70)	0.16

PROFIT AND LOSS ACCOUNT

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

(in millions of euros)

Net banking income:	(2,819.60)
Other operating income and charges:	<u>8,079.62</u>
Gross operating profit and net profit for the period:	<u>5,260.02</u>

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 redeem its 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	31 December 2009	31 December 2008	31 December 2007
(in millions of euros)			
INTEREST RECEIVABLE AND SIMILAR INCOME FROM TRANSACTIONS WITH CREDIT INSTITUTIONS	44.70	284.51	135.38
Interest receivable - Demand loans and advances and open repurchase agreements	5.22	28.53	0.49
Interest from ordinary accounts in debit	5.09	28.24	0.15
Interest from loans	-	-	-
Interest from securities delivered under repurchase agreements	0.13	0.29	0.34
Interest receivable - Term loans, advances and repurchase agreements	33.55	225.47	92.20
Interest from loans denominated in euros	-	-	-
Interest from loans denominated in other currencies	-	-	-
Interest from securities delivered under repurchase agreements	33.55	225.47	92.20
Other interest receivable	5.93	30.51	42.69
INTEREST RECEIVABLE AND SIMILAR INCOME FROM BONDS AND OTHER FIXED INCOME SECURITIES	1.97	3.05	21.16
Interest from fixed income securities	-	2.20	21.16
Interest from government securities	1.97	0.85	-
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	232.96	33.10	82.42
Amortization of premiums on issue	39.89	33.10	37.17
Net profit on hedging transactions	193.07	-	45.25
Profit on repurchase of own securities	-	-	-
Total	279.63	320.66	238.96

Banking income, which amounted to €279.63 million, includes:

- Net profit on hedging transactions amounting to €193.07 million;
- Interest receivable and similar income from transactions with credit institutions amounting to €44.70 million, of which €33.55 million from investing surplus cash balances via repurchase agreements with delivery of the securities;
- Interest from fixed income securities amounting to €1.97 million; and
- The amortization of bond premiums on issue amounting to €39.89 million.

Note 10: Cost of debt

Period ended	31 December 2009	31 December 2008	31 December 2007
(in millions of euros)			
INTEREST PAYABLE AND SIMILAR CHARGES ON TRANSACTIONS WITH CREDIT INSTITUTIONS			
	46.15	189.80	116.63
Interest payable - Demand loans and open repurchase agreements	0.05	0.10	0.16
Interest on ordinary accounts in credit	0.03	0.01	0.13
Interest on overnight loans	-	0.03	0.03
Interest on securities delivered under repurchase agreements	0.02	0.06	-
Interest receivable - Term loans and repurchase agreements	1.95	116.90	116.06
Interest on CDC loan (transfer of debt)	-	-	-
Interest on multi-currency credit	-	-	1.45
Interest on securities delivered under repurchase agreements	0.35	2.80	0.51
Interest on private placements	1.60	114.10	114.10
Other interest receivable	44.15	72.80	0.41
INTEREST PAYABLE AND SIMILAR CHARGES ON BONDS AND OTHER FIXED INCOME SECURITIES			
	3,004.35	3,214.15	3,216.29
Interest on debts evidenced by certificates	3,004.35	3,173.58	3,216.28
Interest on negotiable debt instruments denominated in euros	86.65	64.88	8.50
Interest on negotiable debt instruments denominated in other currencies	115.45	127.64	99.95
Interest on bonds and equivalents denominated in euros	2,126.42	2,045.54	2,157.94
Interest on bonds and equivalents denominated in other currencies	648.98	626.73	726.70
Other charges on debt instruments evidenced by certificates	26.85	308.79	223.19
Other interest payable and similar charges	-	40.57	0.01
FEES PAYABLE	48.41	9.33	7.51
Fees on term loans with credit institutions	4.67	0.10	0.14
Fees on negotiable debt instruments issued	6.35	3.32	0.68
Fees on bonds	37.21	5.75	6.60
Other fees on securities transactions	0.18	0.16	0.09
Other fees	-	-	-
Total	3,098.91	3,413.28	3,340.43

Interest payable and similar charges on CADES's debt, which amounted to €3,098.91 million, declined by 9.21% from 31 December 2008 and consists of:

- Charges amounting to €3,004.35 million in respect of debts;
- Interest amounting to €46.15 million on transactions with credit institutions, consisting of interest on private placements, securities delivered under repurchase agreements and margin calls; and
- Fees amounting to €48.41 million.

The increase in fees, other interest payable and similar charges payable from 31 December 2008 was due to bond issues arranged in 2009.

Note 11: Gains and losses on trading securities

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
NET PROFIT ON FOREIGN EXCHANGE TRANSACTIONS	(0.30)	(0.37)	0.02
Other foreign exchange transactions	(0.30)	(0.37)	0.02
Total	(0.30)	(0.37)	0.02

In accordance with the requirements of Regulation 2000-03 on the presentation of financial statements issued by the French Accounting Standards Committee, gains and losses on instruments used to hedge interest rate and currency risks are reported under interest receivable and similar income or interest payable and similar charges (see Note 9). The net profit on foreign exchange transactions comprises solely gains and losses determined on the periodic measurement of foreign currency accounts that have not been hedged.

Note 11.1: Gains and losses on investment securities

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
Gains (losses) on investment securities	-	-	-
Net profit on investment securities	-	-	-

Other operating income and charges

Other operating income and charges consist mainly of specific income and charges dealt with by Ordinance No. 96-50 of 24 January 1996 (CRDS contributions, property asset sales, and payments to the State and social security funding organizations), of general operating charges, and of fixed asset amortization and depreciation charges.

Note 12: CRDS revenues

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

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
NET CRDS REVENUES (Article 6)	5,950.94	5,982.85	5,740.69
CRDS contributions levied on wages and salaries (ACOSS)	5,276.78	5,135.55	5,020.63
CRDS contributions levied on property assets	251.82	363.22	338.59
CRDS contributions levied on investment income	298.12	360.39	256.27
CRDS contributions levied on sale of precious metals and jewellery	2.68	2.74	2.83
CRDS contributions on gaming proceeds	121.47	120.95	122.24
CRDS exemption offsets (travel vouchers and voluntary community services)	0.07	-	0.13

CRDS revenues, net of collection costs, amounted to €5,950.94 million, a decrease of 0.54% from 31 December 2008.

CRDS levied on wages and salaries (which is collected by ACOSS) represents 88.67% of the total. The remaining CRDS proceeds (which are collected by the Treasury offices) are levied mainly on capital (property and investment income) and on gambling.

Income receivable at 31 December 2009 corresponds to CRDS levied on property assets, investment income and gaming proceeds, as notified by the budget department. The amounts relating to jewellery and precious metals correspond to gross CRDS amounts collected in January 2009.

Repayments relating to amounts written off prior to 31 December 1999 (pursuant to EC regulations and bilateral social security agreements) received from foreign countries have been paid over by CNAMTS to CADES since 31 December 1997 to the extent this does not create a new or increase an existing deficit in the books of CNAMTS. Given that CNAMTS has been in deficit from 1998 to 2009, the €216.77 million recovered during this period was not paid over to CADES.

Since Law No. 2004-810 of 13 August 2004 no surplus has been generated by the health insurance branch of the French social security system.

The table below provides a breakdown of income and charges relating to the CRDS.

CRDS REVENUES (in millions of euros)	(a)	CRDS COSTS	(b)	Net revenues (a-b)
CRDS levied on wages and salaries (ACOSS)	5,328.74	Write-offs, waivers, cancellation and forgiveness of debt	25.61	5,276.78
CRDS levied on property assets	262.59	Assessment and collection costs	26.35	251.82
CRDS levied on investment income	299.62	Assessment and collection costs	10.77	298.12
CRDS levied on sale of precious metals and jewellery	2.69	Assessment and collection costs	1.50	2.68
CRDS levied on gaming proceeds	122.08	Assessment and collection costs	0.01	121.47
CRDS exemption offsets (travel vouchers and voluntary community services)	0.07		0.61	0.07
Reversal of provisions on outstanding CRDS	0.42	Provisions on outstanding CRDS	56.52	(56.10)
Total	6,016.21	Total	121.37	5,894.84

Note 12.1: CSG revenues

Supplementary social security contributions (*Contribution Sociale Généralisée - CSG*) are a new resource allocated to CADES starting in 2009. They correspond to 0.2 point of the tax base.

The tax base is the same as for the CRDS, with the exception that no contributions are levied on the sale of precious metals and jewellery.

Period ended (in millions of euros)	31 December 2009	30 June 2008	31 December 2008
NET CSG REVENUES (Article 6)	2,221.52	951.42	-
CSG contributions levied on wages and salaries (ACOSS)	1,987.67	899.71	-
CSG contributions levied on property assets	99.24	0.10	-
CSG contributions levied on investment income	123.74	45.78	-
CSG contributions on gaming proceeds	10.84	5.83	-
CSG exemption offsets	0.03	-	-

CSG revenues, net of collection costs, amounted to €2,221.52 million.

CSG levied on wages and salaries (which is collected by ACOSS) represents 89.47% of the total. The remaining CSG proceeds (which are collected by the Treasury offices) are levied mainly on investment income and income from property assets, these proceeds representing respectively 5.57% and 4.47% of the total.

The table below provides a breakdown of income and charges relating to the CSG.

CSG REVENUES (in millions of euros)	(a)	CSG COSTS	(b)	Net revenues (a-b)
CSG levied on wages and salaries (ACOSS)	1,998.68	Write-offs, waivers, cancellation and forgiveness of debt	1.13	1,987.66
		Assessment and collection costs	9.89	
CSG levied on property assets	103.48	Assessment and collection costs	4.24	99.24
CSG levied on investment income	124.37	Assessment and collection costs	0.62	123.75
CSG levied on gaming proceeds	10.89	Assessment and collection costs	0.05	10.84
CSG exemption offsets	0.03		-	0.03
Reversal of provisions on outstanding CSG	-	Provisions on outstanding CSG	34.06	(34.06)
Total	2,237.45	Total	49.99	2,187.46

Note 13: General operating charges

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
STAFF COSTS	0.85	0.78	0.73
Wages and salaries	0.61	0.56	0.53
Social security charges	0.24	0.22	0.20
OTHER ADMINISTRATIVE EXPENSES	1.78	1.63	1.33
Taxes and duties	0.07	0.07	0.07
External services	1.71	1.56	1.26
Total	2.63	2.41	2.06

General operating charges correspond to expenditure falling within the scope of the administrative budget. They do not include the acquisition and the amortization and depreciation of fixed assets (see Note 2). They increased by 9.13% from 31 December 2008.

List of staff positions at 31 December 2009

Non-civil servant employees:

- 1 senior front office manager (grade A)
- 3 assistant front office managers (grade A)
- 1 senior back office manager (grade A)
- 2 assistant back office managers (grade A)
- 1 bilingual executive secretary (grade C)

Civil servants:

- 1 general office manager (grade A)
- 1 administrative manager (grade B)

Note 13.1: Property assets and property management

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
REVENUES FROM PROPERTY ASSETS	-	0.19	-
Property sales	-	-	-
Rental income	-	0.19	-
Exceptional income	-	-	-
CHARGES ON PROPERTY ASSETS	0.01	(0.10)	0.01
Expenses on property sales	-	-	-
Change in unsold inventory	-	-	-
Staff costs	-	-	-
External services	0.01	0.01	0.04
Taxes	-	-	-
Exceptional charges	-	0.37	0.03
Provisions set aside	-	-	-
Provisions reversed	-	(0.48)	(0.06)

All the properties transferred to CADES on 1 January 2000 were sold over the next three years. Since 2007 CADES has managed the run-off of the last properties and of disputes.

Note 14: Other non-banking operating charges

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
Payments to the State	-	-	-
Payments to social security agencies	-	-	-
Total	-	-	-

Note 15: Exceptional Income

Period ended (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
Statutory limitation of debt - administrative budget	-	-	-
Statutory limitation of debt - financing budget	-	-	-
Other exceptional income	-	-	-
Total	-	-	-

OFF BALANCE SHEET COMMITMENTS

Off balance sheet commitments, as reported, distinguish between commitments given and commitments received and are analyzed 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

At (in millions of euros)	31 December 2009		31 December 2008		31 December 2007	
	Currencies to be received	Currencies to be delivered	Currencies to be received	Currencies to be delivered	Currencies to be received	Currencies to be delivered
FORWARD TRANSACTIONS	29,644.04	-	21,279.89	-	16,687.59	-
Hedging transactions over the counter	-	-	-	-	-	-
Forward exchanges against euros	9,196.08	-	7,125.99	-	3,224.14	-
Up to 1 year	9,196.08	-	7,125.99	-	3,224.14	-
From 1 to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Currency swaps against euros	20,447.96	-	14,153.90	-	13,463.45	-
Up to 1 year	2,424.34	-	2,337.77	-	1,823.63	-
From 1 to 5 years	16,277.42	-	10,414.17	-	8,989.46	-
Over 5 years	1,746.20	-	1,401.96	-	2,650.36	-

Forward exchange contracts against euros correspond to forward purchases entered into for the purpose of hedging commercial paper denominated in foreign currencies, which increased strongly in 2009.

The increase in currency swaps against euros is attributable to the increase in foreign currency EMTN issues.

Note 17: Forward financial instruments

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
INTEREST RATE INSTRUMENTS			
Organized 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	17,910.30	14,014.44	5,096.63
Firm transactions entered into for hedging purposes	-	-	-
Interest rate swaps in euros	17,910.30	14,014.44	5,096.63
Micro hedging	16,546.77	12,107.53	2,939.58
- Up to 1 year	2,500.87	175.00	349.90
- From 1 to 5 years	12,690.36	10,316.99	1,249.68
- Over 5 years	1,355.54	1,615.54	1,340.00
Macro hedging	1,363.53	1,906.91	2,157.05
- Up to 1 year	130.00	500.00	120.00
- From 1 to 5 years	1,233.53	1,406.91	1,165.00
- Over 5 years	-	-	872.05
Isolated positions	-	1,000.00	-
- Up to 1 year	-	-	-
- From 1 to 5 years	-	-	-
- Over 5 years	-	1,000.00	-
Currency swaps	-	-	-
- Up to 1 year	-	-	-
- From 1 to 5 years	-	-	-
- Over 5 years	-	-	-

As regards interest rate swaps entered into by CADES, they include:

- Swaps amounting to €16,546.77 million entered into for micro hedging purposes, including swaps cancellable by counterparties of €10,212 million; and
- Swaps entered into for macro hedging purposes, consisting of inflation swaps amounting to €1,363.53 million.

Note 18: Other off balance sheet commitments

At (in millions of euros)	31 December 2009	31 December 2008	31 December 2007
LOAN COMMITMENTS			
<i>Commitments received from credit institutions</i>			
- Backup credit lines	700.00	700.00	550.00
- Multi-currency credit lines	-	-	5,000.00
- Other credit lines	-	2,500.00	2,000.00
Commitments given			
Payments to the State	-	-	-
Payments to social security agencies	-	17,000.00	-

Commitments received consist of four backup credit lines totalling €700 million that are cancellable by the counterparty at 30 days' notice.

Commitments given have been settled, payments having been made amounting to €10 billion on 6 February 2009, €6.9 billion on 6 March 2009, and, for the balance, €0.1 billion on 4 August 2009. These payments were made following the assumption of €27 billion of debt under the 2009 Social Security Funding Act (*Loi de Financement de la Sécurité Sociale - LFSS*).

Note 19: Abridged statements

BALANCE SHEET

At	31 December
(in millions of euros)	2009
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD AT 1 JANUARY 2009	(97,251.86)
PROFIT FOR THE YEAR ENDED 31 DECEMBER 2009	5,260.02
PROPERTY ENDOWMENT	181.22
DEBT TO BE REPAYED AT 31 DECEMBER 2009	(91,810.62)
Represented by:	
Liabilities towards third parties	
- Borrowings falling due within 1 year	18,535.25
- Borrowings falling due after 1 year	78,570.35
- Other creditors, accruals and deferred income	1,671.40
Less assets held by CADES	
- Financial investments	4,954.72
- Other debtors, prepayments and accrued income	2,011.66

PROFIT AND LOSS ACCOUNT

At	31 December
(in millions of euros)	2009
NET CRDS AND CSG REVENUES	8,082.30
NET REVENUES FROM PROPERTY	-
Interest payable and similar charges	(3,050.50)
Fees	(48.43)
Interest receivable and similar income	279.33
NET FINANCIAL CHARGES	(2,819.60)
Operating charges	(2.68)
OPERATING PROFIT	5,260.02
Payments to the State	-
Exceptional income	-
NET PROFIT FOR THE YEAR ENDED 31 DECEMBER 2009	5,260.02

OTHER INFORMATION

The table below provides information on market value, comparing the debt at repayment value as at 31 December 2009 to the debt at market value.

Debt at repayment value as at 31 December 2009 comprises the following elements:

- (a) The nominal value of fixed rate, variable rate and revisable rate borrowings in euros.
- (b) The nominal value of the fixed rate, variable rate and revisable 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 2009.

Debt at repayment value at maturity comprises the following elements:

- (a) The nominal value of fixed rate, variable rate and revisable rate borrowings in euros.
- (b) The nominal value of the fixed rate, variable rate and revisable rate euro legs of 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 2009.
- (b) The value of unlisted securities issued by CADES obtained using the CADES zero coupon curve as at 31 December 2009. 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 2009 of collateral, repurchase agreements and bank balances.

(in millions of euros)	Debt at repayment value		Debt at market value		Market value of hedging transactions
	At maturity	At 31 December 2009	At 31 December 2009	At 31 December 2009	At 31 December 2009
Up to 1 year	12,488.66	12,488.58	12,638.85		(120.31)
From 1 to 5 years	40,308.83	39,968.48	42,184.26		(203.56)
Over 5 years	40,323.29	39,202.87	40,758.12		(37.80)
Swaps	(26.16)	-	(26.16)		26.16
Total	93,094.62	91,659.93	95,555.07		(335.51)
Variable/revisable rates ³	12,364.91	12,364.83	12,333.79		18.02
Indexed rates	12,664.50	11,203.73	12,100.59		-

³ ndt. « variable » added here

Fixed rates	68,091.37	68,091.37	71,146.85	(379.69)
Swaps	(26.16)	-	(26.16)	26.16
Total	93,094.62	91,659.93	95,555.07	(335.51)

Explanation of variances:

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

- The market value of fixed rate loans increased because of the decline in interest rates;
- Market value factors in the present value of future coupons whereas the repayment value is on a flat basis; and
- Gains and losses on macro hedging and inflation 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.

