Caisse d'Amortissement de la Dette Sociale

n°43 The news letter
December 2018

Jean-Louis REY
Chairman of the Board

2018 KEY FIGURES

- > **€ 2.9 billion** long-term debt raised
- > **€ 20.7 billion** short-term debt raised
- > **€ 17.6 billion** of income tax received
- > **€ 2.2 billion** of interest paid to investors
- > **€ 15.4 billion** of social debt amortised
- > Refinancing rate of the remaining debt stock at 30/11/2018: **2.01%**

Dear Madam, dear Sir,

At the end of this year, we will have amortized more than 155 billion euros, representing more than 60% of the French social debt assumed since our creation in 1996. This performance confirms the effectiveness of our financing and amortization mechanisms, which allow us to contribute to the reduction of the French public debt and to work towards the deleveraging of our country.

In order to clear the nation's social security debt, the government decided, in accordance with the Parliament, to transfer between 2020 and 2022 the balance of social debt still held by ACOSS. This will result in 15 billion euros of debt being transferred to CADES over three years, which will be financed without tax increases or going beyond 2024, the current expected date of extinction.

This transfer will be financed by the allocation to CADES of an increased share of CSG, which will be made possible by the return to balance of social security planned by the government in the SSFA for 2019.

In the future, we plan to remain very active in the short, medium and long-term issuance markets as we continue to offer our international investors a wide range of financial instruments, both by maturity and in several currencies.

Based on these decisions, we confirm the objective of our mission, entrusted to us by the Parliament, to repay all of the remaining social debt by 2024.

MEASURES FROM THE SOCIAL SECURITY FINANCING LAW FOR 2019 THAT IMPACT CADES

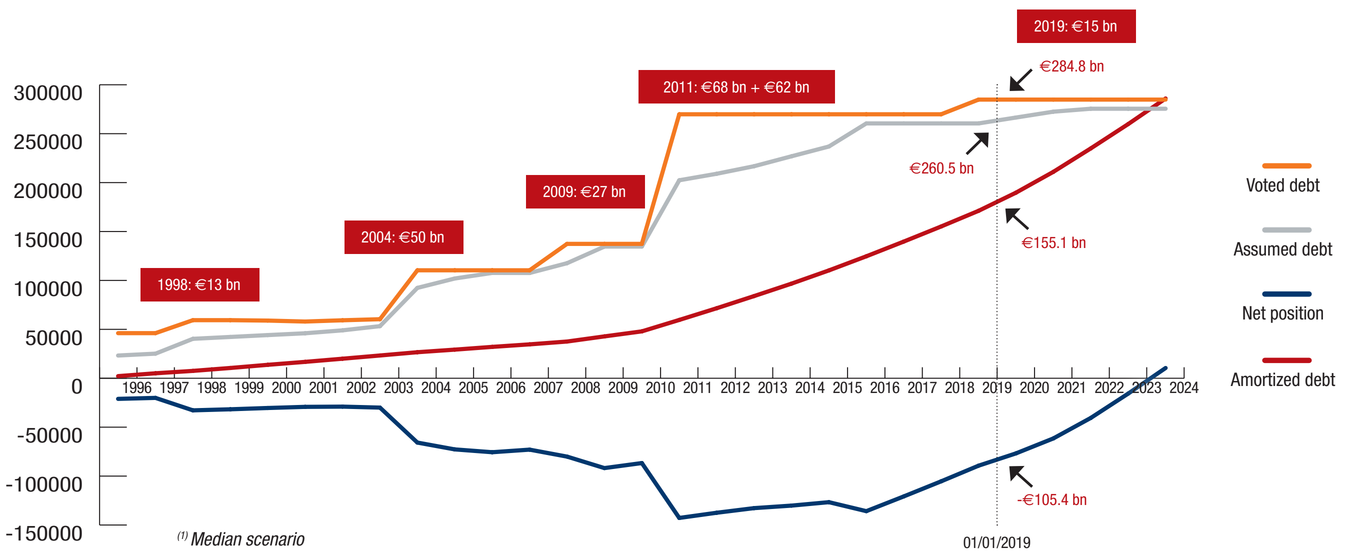
- Debt assumption of €15 billion by CADES between 2020 and 2022
- Allocation to CADES of an increased fraction of CSG made possible thanks to anticipated surpluses released by the various branches of Social Security to face debt assumption
- No increase in levies
- No postponement of the end date

A TRANSFER CARRIED OUT IN THREE YEARS AND FINANCED BY AN INCREASED FRACTION OF CSG

In € billion	2019	2020	2021	2022
Indicative phasing of debt transfer	-	6.0	6.0	3.0
Cumulative debt assumed	260.5	266.5	272.5	275.5
New ***Indicative*** allocation of CSG		1.5	3.5	5.0
in point	-	*0.11*	*0.23*	*0.33*
Total CSG allocated to CADES (in point)	0.60	0.71	0.83	0.93

AN EXTINCTION OF THE SOCIAL DEBT MAINTAINED IN 2024

Evolution of voted, assumed and amortized debt, at January 1, 2019 [1]



(1) *Median scenario*

New address

Since **10 September**, CADES has been based at the Ministry of Economy and Finance in Bercy on the same site as Agence France Trésor.

INFORMATION ABOUT CADES

Geneviève GAUTHEY
Head of Budget and Communication
Tel: +33(0)1 40 04 15 41
genevieve.gauthey@cades.fr

Magali CLAVIER
Assistant to the Chairman and webmaster
Tel: +33(0)1 40 04 15 57

www.cades.fr
Reuters CADES/T/U/V

Ministère de l'Economie et des Finances
139 rue de Bercy, 75012 Paris, France

Website: http://www.cades.fr

Director of Publication
Jean-Louis REY

Text contribution: CADES

Design: Actifin
ISSN 1633-1915

Caisse d'Amortissement de la Dette Sociale