



Caisse d'Amortissement de la Dette Sociale

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Patrice Ract Madoux
Chairman of the Board

As French Social Security celebrates its 70th anniversary, CADES is playing an increasingly important role in the control and the reduction of French social debt through the use of efficient and proven amortization and financing mechanisms.

CADES plans to amortise €13.6 billion of social debt in 2015, which is in accordance with the revised objective set in the Social Security Financing Act for 2016. In total, as at 31 December 2015, CADES will have amortised €110.3 billion of social debt since its creation in 1996. This reduction in French public debt is equivalent to 5 per cent of GDP or more than 6 per cent of GDP including interest saved on the amortised debt.

The confidence of our international investors in the security and liquidity of our bonds is a key factor that has contributed to the ongoing success of our mission. We differentiate ourselves from other issuers by issuing bonds denominated in currencies other than euro, having raised 65% of our 2015 funding programme in US dollars. This capability has generated strong interest among investors looking to diversify their portfolio allocation.

The sustained interest that our issues have received from financial markets throughout the year has enabled us to raise 15 billion euros in mid- and long-term debt under conditions that have been extremely favourable for both CADES and its investors.

Next year, under the Social Security Financing Act for 2016 which was submitted to French Parliament, the plan is to transfer to CADES the total outstanding amount included in article 9 of the Social Security Financing Act for 2011. This will result in €23.6 billion of debt being transferred to CADES in 2016.

In addition, the Social Security Financing Act for 2016 proposes simplifying CADES's sources of funding with the replacement of the 1.3% levy on capital income by an additional 0.12 point of CSG, raising the CSG rate attributed to CADES to 0.6%, without modifying its total income.

At CADES we are ready to accept this new mission which has been entrusted to us by the French Parliament as we continue to contribute to reducing French social debt.

Key figures (estimation)

Debt assumed since inception
€236.9 bn

Income collected since 1996
€157.4 bn
(of which €16.4 bn in 2015)

Interest paid since 1996
€47.2 bn
(of which €2.8 bn in 2015)

Amortized debt as
at 31 December 2015
€110.3 bn
(of which 13.6 bn in 2015)

Debt still to amortize as
at 31 December 2015
€126.6 bn

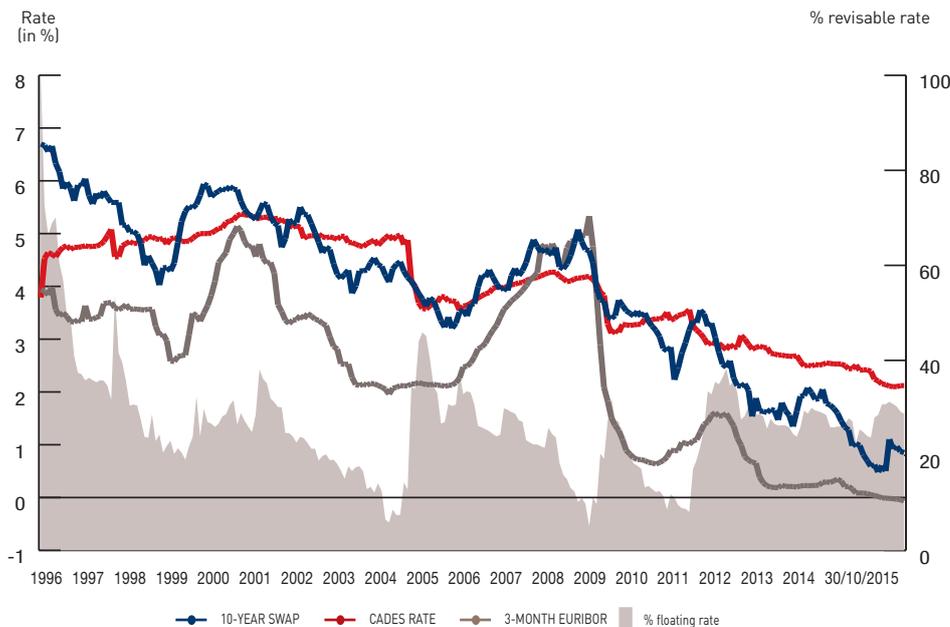
UPDATE:

The Board of Directors, chaired by Mr Patrice Ract Madoux, agreed CADES' budget for 2016 on November 27, 2015.

DETAILS OF FUNDING PROGRAMME CARRIED OUT IN 2015

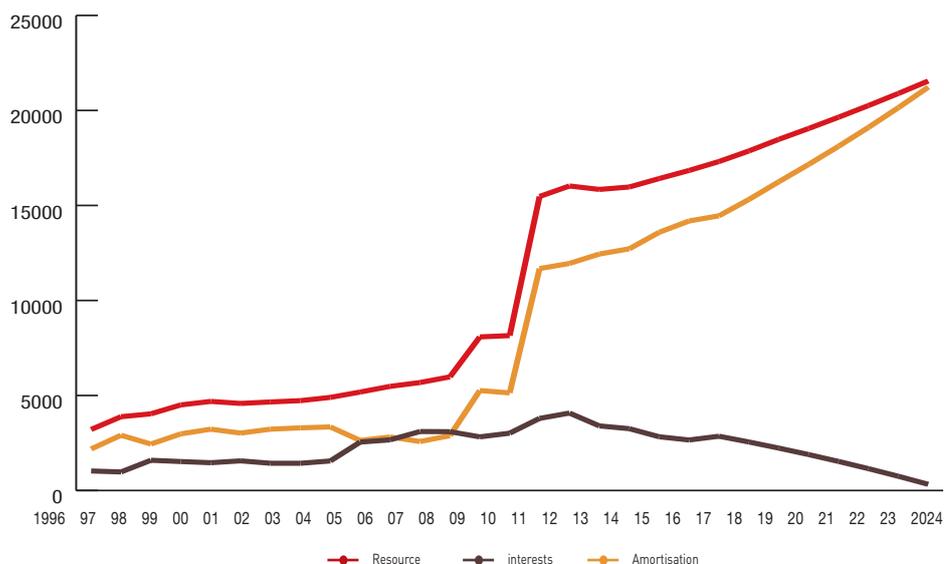
In € billion	2014	2015
Euro-benchmark issue	10.0	3.0
Tap of existing issues	1.5	-
Inflation-linked issues	-	-
USD-benchmark issues	5.8	10.3
Bonds in other currencies and private placements	0.9	1.6
SUB-TOTAL MID- AND LONG-TERM ISSUES	18.2	14,9
Short term funding outstanding as of 31/12	5.6	6.0
TOTAL VOLUMES OF ISSUES	23.8	20.9

EVOLUTION OF REFINANCING RATE



Refinancing rate was 2.08% as at 30 November 2015. This historically low rate was reached due to higher performance showed in all debt compartments: revisable rate (0.07%), indexed rate (2.66%) and fixed rate (3.05%).

BREAKDOWN OF RESOURCES BETWEEN AMORTISATION AND INTEREST



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