



**CAISSE D'AMORTISSEMENT DE LA DETTE SOCIALE**

**Établissement public national administratif (French national public entity)**

*(Established in Paris, France)*

**EURO 75,000,000,000**

**DEBT ISSUANCE PROGRAMME**

This prospectus supplement (the "**Supplement**") which has obtained visa n°10-451 on 28 December 2010 from the *Autorité des marchés financiers* (the "**AMF**") is supplemental to and must be read in conjunction with the Base Prospectus dated 28 May 2010 granted visa n°10-156 on 28 May 2010 by the AMF and a supplemental prospectus dated 7 December 2010 granted visa n°10-430 on 7 December 2010 (together the "**Base Prospectus**") prepared by the *Caisse d'Amortissement de la Dette Sociale* ("**CADES**" or the "**Issuer**") with respect to the Euro 75,000,000,000 Debt Issuance Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been prepared pursuant to Article 16 of Directive 2003/71/EC (the "**Prospectus Directive**") and Article 212-25 of the AMF's General Regulation.

By virtue of this Supplement, CADES provides some amendments to the summary, its French translation, and the description of CADES.

Copies of this Supplement will be available without charge (i) on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and (ii) on the website of the Issuer ([www.cades.fr](http://www.cades.fr)).

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

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## SUMMARY (ENGLISH VERSION)

The summary (English version) on page 6 of the Base Prospectus is amended as follows:

For the Section "The Issuer", the tenth paragraph is removed and replaced by the following paragraph:

- Under the Social Security Organic Act 2005, as amended by the organic law (*loi organique*) n°2010-1380 on social debt management dated 13 November 2010 (the "**2010 Social Debt Management Organic Act**"), which both modify the Ordinance No 96-50 dated 24 January 1996, all subsequent transfers of debt to CADES must be accompanied by a concomitant rise in tax revenue; however, the 2010 Social Debt Management Organic Act and the social security financing act n°2010-1594 dated 20 December 2010 (*Loi de Financement de la Sécurité Sociale* or "**2011 FSS Law**") have authorised transfers of debt to CADES which may extend the period for amortisation of the CADES debt four (4) years in comparison with the scheduled CADES duration.

For the Section " The Issuer ", a new seventeenth paragraph is created as follows:

- Pursuant to the 2011 FSS Law, the French Government will transfer Euro 130 Billion of debt to CADES progressively (i) within a limit of Euro 68 billion, social security debt consisting of the deficits relating to 2009, 2010 and the expected amount for 2011 no later than 31 December 2011 and (ii) within a limit of Euro 62 billion, in a series of transfers of social debt security commencing no later than 30 June 2012 until 2018, within a limit of Euro 10 billion each year. The 2011 FSS Law also provides additional financing sources to CADES in the form of (i) a limitation to the deduction to the assessment base for the calculation of the CRDS and the CSG, (ii) an increased CSG allocation, (iii) an annual transfer from the FRR (*Fonds de Réserve pour les Retraites*) and (iv) an allocation of part of the social charges on capital and investment (*prélèvements sociaux sur les revenus du patrimoine et des produits de placement*) (see section "Description of CADES" below).

## TRADUCTION EN FRANÇAIS DU RESUME

La traduction en français du résumé en page 13 du Prospectus de Base est modifiée de la façon suivante :

S'agissant de la section "L'Emetteur", le dixième paragraphe est supprimé et remplacé par le paragraphe suivant :

- Au titre de la loi organique sur la sécurité sociale 2005, telle que modifiée par la loi organique n°2010-1380 du 13 novembre 2010 relative à la gestion de la dette sociale (la "**Loi Organique 2010 Relative à la Gestion de la Dette Sociale**"), lesquelles modifient l'ordonnance n°96-50 en date du 24 janvier 1996, tout transfert de dette à la CADES doit s'accompagner d'une augmentation concomitante des recettes fiscales ; cependant, la Loi Organique 2010 Relative à la Gestion de la Dette Sociale et la loi de financement de la sécurité sociale n°2010-1594 en date du 20 décembre 2010 (la "**LFSS 2011**") ont autorisé les transferts de dette à CADES conduisant à un accroissement de la durée d'amortissement de la dette de CADES dans la limite de quatre (4) années par rapport à la durée de vie initialement prévue de la CADES.

S'agissant de la section "L'Emetteur", un nouveau dix-septième paragraphe est créé tel que suit :

- Au titre de la LFSS 2011, le gouvernement français transférera Euro 130 milliards de dette à la CADES progressivement (i) dans la limite de 68 milliards d'euros, la dette de la sécurité sociale constituée des déficits relatifs à 2009, 2010 et des déficits prévisionnels pour 2011 au plus tard le 31 décembre 2011 et (ii) dans la limite de 62 milliards d'euros, en une série de transferts de dette de la sécurité sociale commençant au plus tard le 30 juin 2012 jusqu'en 2018, dans la limite de 10 milliards d'euros par an. La LFSS 2011 prévoit également l'attribution de sources de financement à la CADES sous la forme d'(i) un plafonnement de l'abattement sur l'assiette de la CRDS et de la CSG, (ii) une augmentation de l'allocation de CSG, (iii) un transfert annuel du Fonds de Réserve pour les Retraites et (iv) l'allocation d'une partie des prélèvements sociaux sur les revenus du patrimoine et des produits de placement (voir la rubrique "Description of CADES" ci-dessous).

## DESCRIPTION OF CADES

The description of CADES on page 51 of the Base Prospectus is amended as follows:

The present Supplement replaces the content of the supplemental prospectus dated 7 December 2010 granted visa n°10-430 on 7 December 2010 with respect to the changes made to the description of CADES.

For the Section "Purpose and Authority", the tenth paragraph is removed and replaced by the following paragraph:

- Under the Social Security Organic Act 2005, as amended by the organic law (*loi organique*) n°2010-1380 on social debt management dated 13 November 2010 (the "**2010 Social Debt Management Organic Act**"), which both modify the Ordinance No 96-50 dated 24 January 1996, all subsequent transfers of debt to CADES must be accompanied by a concomitant rise in tax revenue; however, the 2010 Social Debt Management Organic Act and the social security financing act n°2010-1594 dated 20 December 2010 (*Loi de Financement de la Sécurité Sociale* or "**2011 FSS Law**") have authorised transfers of debt to CADES which may extend the period for amortisation of the CADES debt four (4) years in comparison with the scheduled CADES duration.

For the Section "Purpose and Authority", a new sixteenth paragraph is created as follows:

- Pursuant to the 2011 FSS Law, the French Government will transfer Euro 130 Billion of debt to CADES progressively (i) within a limit of Euro 68 billion, social security debt consisting of the deficits relating to 2009, 2010 and the expected amount for 2011 no later than 31 December 2011 and (ii) within a limit of Euro 62 billion, in a series of transfers of social debt security commencing no later than 30 June 2012 until 2018, within a limit of Euro 10 billion each year. The 2011 FSS Law also provides additional financing sources to CADES in the form of (i) a limitation to the deduction to the assessment base for the calculation of the CRDS and the CSG, (ii) an increased CSG allocation, (iii) an annual transfer from the FRR (*Fonds de Réserve pour les Retraites*) and (iv) an allocation of part of the social charges on capital and investment (*prélèvements sociaux sur les revenus du patrimoine et des produits de placement*) (see "Source of funds" below).

For the Section, "Structure and Organization" a new penultimate paragraph is created as follows:

According to the ordinance No. 96-50 dated 24 January 1996 as amended by the Social Security Act 2005 and the 2010 Social Debt Management Act aforementioned, and as from the date of publication of and subject to the 2011 FSS Law, the number of members of the Board of Directors will be increased by eight members and will compose a total of fourteen members including:

- the chairman and the vice-chairman of the board of directors of the ACOSS or their respective deputy nominated by this board;
- each of the chairmen of the boards of the CNAMTS<sup>1</sup>, CNAVTS<sup>2</sup>, and of the CNAF<sup>3</sup> or the vice-chairmen nominated by these boards as the case may be;
- the chairman of the board of the *Caisse nationale du régime social des indépendants* or its deputy nominated amongst the vice-chairmen of this board;
- the chairman of the board of the *Caisse centrale de la mutualité sociale agricole* or the first vice-chairman of this board, designated as such;
- two representatives chosen by the French ministry in charge of the Economy and Finances or their respective deputies, nominated by order (*arrêté*) signed by this ministry;
- two representatives chosen by the French ministry in charge of the social security or their respective deputies, nominated by order (*arrêté*) signed by this ministry;
- a representative of the ministry in charge of the budget or his deputy, both nominated by order of this ministry;

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<sup>1</sup> *Caisse Nationale de l'Assurance Maladie des Travailleurs Salariés.*

<sup>2</sup> *Caisse Nationale de l'Assurance Vieillesse des Travailleurs Salariés.*

<sup>3</sup> *Caisse Nationale des Allocations Familiales.*

- a representative of the supervisory board of the *Fonds de Réserve pour les Retraites* or his deputy, designated by the president of this supervisory board amongst the representatives of the *assurés sociaux* or independent workers and employers.

For the Section "Source of funds", the existing first and second paragraphs are deleted and replaced by the following three paragraphs:

- The principal source of CADES's revenues is the income from a broad-based tax assessed on all categories of income, entitled the social debt reimbursement contribution (*contribution au remboursement de la dette sociale* or "**CRDS**"). The CRDS, which shall remain in place until any social debt has been paid off, is currently assessed at the rate of 0.5% per annum. The assessment base of the CRDS consists, in principle, of 97% earned income.

Pursuant to the organic law No. 2005-881 of 2 August 2005 on social security, in addition to the CRDS it already receives, CADES gets additional resources of 0.2% of CSG (*contribution sociale généralisée*) beginning in 2009. In accordance with the 2011 FSS Law, the portion of the CSG allocated to CADES will increase from 0.2 per cent. to 0.48 per cent. of the income from which the CSG is deducted (except for CSG assessed on gambling activities, for which the percentage allocated to CADES increases to 0.28 per cent.), effective as of 2011. As the CRDS, CSG is mainly taken on earned income and has an historical growth similar to CRDS.

The 2011 FSS Law has capped the earned income of individuals serving as assessment base for the application of the 3% deduction used for the calculation of the CRDS and of the CSG to four times the annual social security threshold amount (*plafond annuel de la sécurité sociale*). This cap will be in 2011 equal to Euro 141,408 by reference to the annual social security threshold amount specified in the order (*arrêté*) of the *Ministre du budget, des comptes publics, de la fonction publique et de la réforme de l'Etat* dated 26 November 2010.

For the Section "Source of funds", a new penultimate paragraph is created as follows:

- *FRR (Fonds de Réserve pour les Retraites)*

Pursuant to the 2011 FSS Law, CADES will receive an additional annual cash transfer of Euro 2,1 billion from the French Pension Fund (*Fonds de Réserve pour les Retraites* or "**FRR**") from 2011 through 2024. This transfer has been authorized by the 2010 Social Debt Management Organic Act and further specified by the 2011 Social Security Financing Act. As a consequence, the new Article L.135-6 of the French *Code de la sécurité sociale*, as modified by Article 9 of the 2011 FSS Law, now provides that from 2011 to 2024, the FRR shall transfer to CADES Euro 2.1 billion each year. In total, CADES should receive Euro 29.4 billion from the FRR.

Social charges on capital and investment (*prélèvements sociaux sur les revenus du patrimoine et des produits de placement*)

The 2011 FSS Law, provides that the CADES will benefit from the part of the social charges on capital and investment (*prélèvements sociaux sur les revenus du patrimoine et des produits de placement*) (the "**Social Charges**"). According to the new Article L.245-16 of the French *Code de la sécurité sociale*, as modified by Article 9 of the 2011 FSS Law, 1.3% of the Social Charges will be attributed to CADES.

## **RESPONSIBILITY FOR PROSPECTUS SUPPLEMENT**

### **Individual assuming responsibility for the Prospectus Supplement**

#### **In the name of the Issuer**

I declare, having taken all reasonable measures for this purpose, that the information contained in this Prospectus Supplement is true to my knowledge and there has been no omission of material facts.

#### **Caisse d'Amortissement de la Dette Sociale**

Patrice RACT MADOUX  
*Président*

On 28 December 2010

#### ***Autorité des marchés financiers***

In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Supplement the *visa* n°10-451 on 28 December 2010. This document was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French *Code monétaire et financier*, the *visa* was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply any approval of the opportunity of the operation or authentication of the accounting and financial data set out in it. In accordance with article 212-32 of the AMF's General Regulations, any issue or admission of the securities under the terms of this prospectus will lead to a publication of the final terms.

## **RESPONSABILITÉ DU SUPPLÉMENT AU PROSPECTUS**

### **Personne qui assume la responsabilité du présent Supplément au Prospectus**

#### **Au nom de l'émetteur**

J'atteste, après avoir pris toutes mesures raisonnables à cet effet, que les informations contenues dans le présent Supplément au Prospectus, sont, à ma connaissance, conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

#### **Caisse d'Amortissement de la Dette Sociale**

Patrice RACT MADOUX  
*Président*

Le 28 décembre 2010

#### ***Autorité des marchés financiers***

En application des articles L.412-1 et L.621-8 du Code monétaire et financier et de son règlement général, notamment des articles 212-31 à 212-33, l'Autorité des marchés financiers a visé le présent supplément au prospectus de base le 28 décembre 2010 sous le numéro 10-451. Ce document a été établi par l'émetteur et engage la responsabilité de ses signataires. Le visa, conformément aux dispositions de l'article L.621-8-1-I du code monétaire et financier, a été attribué après que l'AMF a vérifié "*si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes*". Il n'implique ni approbation de l'opportunité de l'opération, ni authentification des éléments comptables et financiers présentés. Conformément à l'article 212-32 du règlement général de l'AMF, toute émission ou admission de titres réalisée sur la base de ce prospectus donnera lieu à la publication de conditions définitives.



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