

Press release

27 January 2021



CADES SUCCESSFULLY CLOSES ITS THIRD BENCHMARK BOND OF THE YEAR, ITS FIRST 10-YEAR BOND WITH A NEGATIVE YIELD

€4 billion – 10-year maturity – 0 % coupon

CADES (Caisse d'Amortissement de la Dette Sociale) today closed a €4-billion-bond issue with a 10-year maturity as part of its social bond programme.

This new transaction is part of the €40 billion debt assumption operations which are scheduled to run until the end of 2021.

In less than a month, CADES has already successfully carried out three social issues under this framework, and since the start of the year has raised a total of €12.4 billion on the financial markets, i.e. over 30% of the €40 billion funding program planned for 2021.

Key features of the issue

The price of this 0% coupon, 10-year maturity bond (25 May 2031), was set at 101.349%, representing a reoffer yield of -0.13 %. This transaction closed with a spread of 16 basis points over OAT 1,5% 25 May 2031. This was the first issuance of a 10-year CADES bond with a negative yield.

Joint-lead book runners for the transaction were BNP Paribas, CITI, Credit Agricole CIB and Natixis.

This was yet another successful issue of a benchmark bond in euros, attracting a lot of interest from investors. The order book closed at around €10 billion and included more than 160 investors, including 55% ESG investors.

The bond was placed with international investors based in France (23.7%), Benelux (21.1%), Germany (12.4%), in the rest of the Eurozone (10.9%), UK (12.9%), in the rest of Europe (3.7%) and Asia (15.3%).

Banks participated in 53.2 % of the issue, followed by Central banks and other public institutions for 23.8 %, institutional investors (fund managers, insurance companies, pension funds) for 21.7 % and other investors for 1.3 %.

About CADES

In 1996, the French government set up the Caisse d'Amortissement de la Dette Sociale with a mission to amortise French social debt by issuing debt securities on international financial markets in a diverse range of currencies.

To enable CADES to carry out its mission, the French population pays regular taxes which contribute to the payment of interest and amortisation of social debt.

Supervised jointly by the Minister of The Economy, Finance and the Recovery and by the Minister for Solidarity and Health, CADES operates under the control of the French Parliament and the Constitutional Council.

CADES is well integrated into the French social system, having strong joint governance, co-chaired by a Board of Directors and a Supervisory Committee, which includes four members of French Parliament.

Backed by the French Parliament, CADES is one of the most significant institutions involved in the control and reduction of French social debt by using efficient and proven amortization and financing mechanisms.

Since 1 October 2017, teams from CADES and AFT, the French state debt management office, have merged to create a centre of excellence for issuing French public debt. In this regard, CADES has transferred operational responsibility for all of its funding activities to AFT. CADES is maintained as an independent entity guaranteeing the effectiveness of the principle of confinement and amortization of social debt, retaining the prerogatives of its executive chairman, the board of directors and its supervisory committee. AFT operates on behalf of and for CADES, making its staff available when appropriate.

All information regarding CADES and its bond issues is available on www.cades.fr.

CADES
LIGHTEN THE DEBT – BRIGHTEN THE FUTURE



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