



CAISSE D'AMORTISSEMENT DE LA DETTE SOCIALE

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

(Established in Paris, France)

EURO 130,000,000,000

DEBT ISSUANCE PROGRAMME

This second prospectus supplement (the "**Second Supplement**") which has obtained visa n°15-642 on 28 December 2015 from the *Autorité des marchés financiers* (the "**AMF**") is supplemental to and must be read in conjunction with the Base Prospectus dated 8 June 2015 granted visa n°15-259 on 8 June 2015 by the AMF (the "**Base Prospectus**") and the first prospectus supplement (the "**First Supplement**") dated 16 October 2015 granted visa n°15-532 on 16 October 2015 by the AMF, prepared by the *Caisse d'Amortissement de la Dette Sociale* ("**CADES**" or the "**Issuer**") with respect to the Euro 130,000,000,000 Debt Issuance Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

This Second Supplement has been prepared pursuant to Article 16.1 of Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**") and article 212-25 of the AMF's General Regulation.

By virtue of this Second Supplement, CADES is making certain changes indicated herein to the section of the Base Prospectus entitled '*Description of the Issuer*'.

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

Save as disclosed in this Second 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.

To the extent applicable, and provided that the conditions of Article 212-25 I of the AMF's General Regulation are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right, according to Article 212-25 II of the AMF's General Regulation, to withdraw their acceptances by no later than 30 December 2015.

To the extent that there is any inconsistency between (a) any statement in this Second Supplement and (b) any other statement in the Base Prospectus, the statements in this Second Supplement will prevail.

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DESCRIPTION OF ISSUER

The description of CADES is amended as follows:

For the Section "*Description of Issuer - Overview*", the fourth paragraph on page 77 of the Base Prospectus is removed and replaced by the following paragraph:

"CADES' principal sources of revenue are allocated to it by law and paid automatically in part on a daily basis and in part on an annual basis. They are (i) a specifically earmarked social security levy (the *contribution au remboursement de la dette sociale* or "**CRDS**"), and (ii) a portion of another social security tax (the *contribution sociale généralisée* or "**CSG**"), both of which are allocated to CADES on a permanent basis until CADES' purpose has been fulfilled. Pursuant to the 2011 Social Security Financing Act, CADES will receive an additional annual cash transfer of Euro 2.1 billion from the French Pension Fund (*Fonds de Réserve pour les Retraités* or "**FRR**") from 2011 through 2024. In accordance with Article 24 paragraph V of the 2016 Social Security Funding Act N°2015-1702 dated 21 December 2015, the allocation to CADES of an additional tax revenue equal to 1.3 per cent. of the taxes raised by the French capital and investment tax (*prélèvements sociaux sur les revenus du patrimoine et des produits de placement*, the "**Levy Tax**") will be abolished and replaced by an increase in CADES' CSG allocation from 0.48 per cent. to 0.60 per cent. See "Sources of Revenue" below."

For the Section "*Description of Issuer - Historical Evolution of Debt and Resources*", the third paragraph on page 78 of the Base Prospectus is removed and replaced by the following paragraph:

"Pursuant to the 2011 Social Security Financing Act, the French State transferred and will transfer additional debt to CADES in two steps: (i) approximately Euro 68 billion of social security debt, consisting of the deficits relating to 2009, 2010 and the expected amount for 2011, were transferred to CADES during 2011 and (ii) a total of approximately Euro 62 billion in anticipated deficits for the pension system will be transferred to CADES by 2018 in a series of transfers at a rate of approximately Euro 10 billion a year (together, the "**Euro 130 Billion Transfer**"). CADES has also received an extension in its debt repayment deadline from 2021 to 2025. Pursuant to Article 26 of the 2016 Social Security Funding Act N°2015-1702 dated 21 December 2015, CADES will take over €23.6 billion of debt in 2016. The government proposed to allow CADES to finance as from 2016 all the deficits which should be taken in accordance with Article 9 of the Social Security Act for 2011. These increases in debt will be amortised using financing sources allocated to CADES by the 2016 Social Security Financing Act, including: (i) the CRDS at a rate of 0.5 per cent. (which is expected to provide approximately Euro 7 billion per year), (ii) an increase in CADES' CSG allocation from 0.48 per cent. to 0.60 per cent. (which is expected to provide approximately Euro 7.7 billion per year) which is replacing the abolition of the allocation to CADES of the Levy Tax in accordance with Article 24 paragraph V of the 2016 Social Security Funding Act N°2015-1702 dated 21 December 2015 and (iii) an annual cash transfer of Euro 2.1 billion from the FRR from 2011 through 2024."

For the Section "*Description of Issuer - Sources of Revenue*", the paragraph on page 79 of the Base Prospectus is removed and replaced by the following paragraph:

"CADES' principal sources of revenue are two specifically earmarked social security levies collected by the French State: (i) the CRDS which was introduced in 1996 and (ii) the CSG which was introduced in 2009. For the year ended 31 December 2011, CADES received Euro 6.297 billion from the CRDS and Euro 5.499 billion from the CSG. For the year ended 31 December 2010, CADES received Euro 5.917 billion from the CRDS and Euro 2.234 billion from the CSG. In connection with the Euro 130 Billion Transfer, CADES will receive an additional annual cash transfer of Euro 2.1 billion from the FRR from 2011 through 2024 (the "**FRR Payment**") (the first payment was made on 26 April 2011) and a portion of the revenues raised by the Levy Tax (this allocation to CADES will be abolished in 2016 pursuant to Article 24 paragraph V of the 2016 Social Security Funding Act N°2015-1702 dated 21 December 2015 and replaced by an increase in CADES' CSG allocation from 0.48 per cent. to 0.60 per cent.). For the year ended 31 December 2013, CADES received Euro 15.843 billion distributed as follows: CRDS 41.1 per cent., CSG 36.7 per cent., Levy Tax 8.9 per cent. and FRR Payment 13.3 per cent. For the year ended 31 December 2014, CADES received Euro 15.970 billion distributed as follows: CRDS 41.4 per cent., CSG 36.5 per cent., Levy Tax 9.1 per cent. and FRR Payment 13 per cent."

For the Section "*Description of Issuer - CSG*", the first paragraph on page 80 of the Base Prospectus is removed and replaced by the following paragraph:

"The CSG, like the CRDS, is mainly collected through payroll deductions from French taxpayers' earned income, and has experienced historical growth similar to the CRDS. The portion of the CSG allocated to CADES was, through 2010, 0.2 per cent. of the income from which the CSG is deducted. Pursuant to the 2011 Social Security Financing Act, the portion of the CSG allocated to CADES increased 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 increased to 0.28 per cent.). Pursuant to the 2016 Social Security Funding Act N°2015-1702 dated 21 December 2015, CADES' CSG allocation increased to 0.60 per cent replacing the abolition of the allocation to CADES of the Levy Tax."

The following sentence will be inserted below the table in the section "*Description of the Issuer – Social charges on capital and investment (prélèvements sociaux sur les revenus du patrimoine et des produits de placement) (Levy Tax)*" on page 81 of the Base Prospectus.

"In accordance with Article 24 paragraph V of the 2016 Social Security Funding Act N°2015-1702 dated 21 December 2015, the allocation to CADES of the Levy Tax will be abolished and replaced by an increase in CADES' CSG allocation from 0.48 per cent. to 0.60 per cent."

The table entitled "Transfer of the social security debt to CADES since its creation (in Euro billion)" as modified below replaces in its entirety the table of the section "*Description of the Issuer – The Social Security Debt*" at page 82 of the Base Prospectus.

Entity Making Transfer	1996	1998	2003	2004	2005	2006	2007	2008	2009	2011	2012	2013	2014	2015	2016 (expected)	Total By Entity
ACOSS	20.9	13.3		35	8.3	6.0		10	17	67.8	6.7	7.7	10	10	23.6	234.2
					-1.7	-0.3	-0.1									
French Government	23.4															23.4
CANAM	0.5															0.5
FOREC			1.3	1.1												2.4
Total By Year	44.8	13.3	1.3	36.1	6.6	5.7	-0.1	10	17	67.8	6.7	7.7	10	10	23.6	260.5

CANAM: *Caisse Nationale d'Assurance Maladie et Maternité des Travailleurs non salariés des professions non agricoles*
 FOREC: *Fonds de Financement de la réforme des cotisations patronales de Sécurité Sociale*

Source: CADES.

For the Section "*Description of Issuer – Organisational Structure*", the paragraph entitled "*The Board of Directors*" as modified below replaces in its entirety the paragraph on pages 86 to 87 of the Base Prospectus:

"According to the CADES Law, the Board of Directors is composed of fourteen members. The members of CADES' Board of Directors are appointed by decree by the applicable ministries. These directors may also be revoked using the same method. The Chairman is appointed by a decree signed by the President of the Republic of France and the Prime Minister on the joint recommendation of the Minister of the Economy and Finances and the Ministers in charge of Social Security. Mr Patrice Ract Madoux was appointed the Chairman of the Board of Directors by presidential decree on 9 September 1999, and has since then been reappointed. The last presidential decree appointing Mr Patrice Ract Madoux was published on 17 May 2014.

At the date hereof, the members of the Board of Directors, nominated by decrees, are as follows:

Chairman Patrice Ract Madoux

The chairman of the board of directors of the *Agence Centrale des Organismes de Sécurité Sociale*, currently Jean-Eudes Tesson or his deputy, currently Jean-Claude Guéry.

The vice-chairman of the board of directors of the *Agence Centrale des Organismes de Sécurité Sociale*, currently Pierre-Yves Chanu, or his deputy, currently Serge Cigana.

The chairman of the board of the *Caisse Nationale de l'Assurance Maladie des Travailleurs Salariés*, currently

William Gardey, or his deputy, the vice-chairman, currently Yves Laqueille.

The chairman of the board of the *Caisse Nationale d'Assurance Vieillesse des Travailleurs Salariés*, currently Gérard Riviere or his deputy, the vice-chairman, currently Pierre Burban.

The chairman of the board of the *Caisse Nationale des Allocations Familiales*, currently Jean-Louis Deroussen or his deputy, the vice-chairman, currently Jean-Marie Attard.

The chairman of the board of the *Caisse nationale du régime social des indépendants*, currently Gérard Quevillon, or his deputy, currently Louis Grassi.

The chairman of the board of the *Caisse centrale de mutualité sociale agricole*, currently Pascal Cormery or his deputy, the vice-chairman of this board, currently Thierry Manten.

Members of the Board of Directors representing the Minister of the Economy and Finances Emmanuel Bretin, General Director of Treasury, or his deputy Olivier Vazeille, Deputy Director; and

Anthony Requin, General Director of Agence France Trésor, or his deputy Maya Atig, Chef de Bureau.

Members of the Board of Directors representing the Minister in charge of Social Security Thomas Fatome, Social Security Director, or his deputy Jean-François Chadelat, General Inspector of Social Affairs; and

Jonathan Bosredon, Deputy Director of Social Security, or his deputy Amandine Giraud.

Member of the Board of Directors representing the Minister in charge of the budget Olivier Touvenin, or his deputy Jean-Philippe Espic.

Member of the Board of Directors representing the supervisory board of the Fonds de Réserve pour les Retraites Valérie Corman, or her deputy Emilie Martinez.

The Board of Directors oversees CADES' borrowing programme. The Board of Directors has the capacity, pursuant to Article 5-II of the CADES Law, to delegate to the Chairman any power to implement the borrowing programme by deciding any issuance or borrowing."

For the Section "*Description of Issuer – Organisational Structure*", the paragraph entitled "*The Supervisory Committee*" as modified below replaces in its entirety the paragraph on pages 87 to 88 of the Base Prospectus:

"The Supervisory Committee reviews and comments on CADES' annual report and may assist the Board of Directors on any matter at the request of the Board of Directors, according to the CADES Law.

The Supervisory Committee is composed of four members of Parliament, including two deputies and two senators, the chairmen of national social security funds (*Caisses nationales de sécurité sociale*), the general secretary of the social security accounting commission, and representatives of ministries and members of the boards of directors of national entities of the general regime of the French social security system and of the *Caisse nationale d'assurance maladie et maternité des travailleurs non salariés des professions non agricoles*.

At the date hereof, the members of the Supervisory Committee are:

- Bernard Accoyer, Deputy, nominated by the *Président* of the National Assembly (*Assemblée Nationale*);
- Valérie Rabault, Deputy, nominated by the *Président* of the National Assembly (*Assemblée Nationale*);

- Jean-Noël Cardoux, Senator, nominated by the *Président* of the French Senate (*Sénat*);
- Francis Delattre, Senator, nominated by the *Président* of the French Senate (*Sénat*);
- Denis Morin, nominated by the Ministry of the Economy, Industry and Employment;
- Bruno Bezard, nominated by the Ministry of the Economy, Industry and Employment;
- Olivier Touvenin, nominated by the Ministry of the Economy, Industry and Employment;
- Bernard Billon, nominated by the Ministry in charge of Social Security;
- Thomas Fatome, nominated by the Ministry in charge of Social Security;
- Jean Picot, nominated by the Ministry in charge of Social Security;
- Christian Ligeard, nominated by the Ministry in charge of Agriculture;
- Catherine Demier, member of the *Cour des Comptes*;
- Véronique Hespel, member of the *Inspection Générale des Finances*;
- Michel Laroque, general secretary of the commission in charge of social security accounts;
- Christian Charpy, general secretary of the accounting committee for social security;
- William Gardey, chairman of the CNAMTS;
- Gérard Riviere, chairman of the CNAVTS;
- Jean-Louis Deroussen, chairman of the CNAF;
- Jean-Eudes Tesson, chairman of the ACOSS;
- Franck Gambelli, president of the commission in charge of accidents at work and occupational diseases; and
- Gérard Quevillon, president of the specific social regime of independent workers (RSI)."

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 Second Supplement is, to the best of my knowledge, a true representation of the facts and contains no omission likely to affect its interpretation.

Caisse d'Amortissement de la Dette Sociale

President

Patrice RACT MADOUX

In Paris, on 28 December 2015



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 Second Supplement the *visa* n°15-642 on 28 December 2015. 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 Second 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

Président

Patrice RACT MADOUX

A Paris, le 28 décembre 2015



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 Second Supplément au prospectus de base le 28 décembre 2015 sous le numéro 15-642. 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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