

Statutory Auditor's Report on the Half yearly Financial Statements

Caisse d'amortissement de la dette sociale
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Period from 01.01.2025 to 06.30.2025

CADES

Period from 01/01/2025 to 06/30/2025

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the state-owned company's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Dear Sir, Madam,

In compliance with the assignment entrusted to us by the Board of Directors and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

1. the review of the accompanying attached half-yearly financial statements of CADES, for the period from 1st January to 30th June 2025,
2. the verification of the information presented in the management report.

These half-yearly financial statements are the responsibility of the Accounting Officer ("Agent Comptable") and of the Chairman of the Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France, except the following points described in paragraphs 4.1 to 4.3 of the notes of the half-yearly financial statements related to the accounting principles and methods, which specify the methods of the accounting treatment of the social security debt repayment contribution (CRDS) and the social security contribution (CSG).

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. These reviews are substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Paragraphs 4.1 to 4.3 of the notes of the half-yearly the financial statements provide the methods of the accounting treatment of the social security debt repayment contribution (CRDS) and the the social security contribution (CSG).

In our report on the annual financial statements for the year ended 12/31/24 dated April 24, 2025, we qualified opinion except for the amounts recognized relating to replacement revenues, assets, and investments, regarding the CRDS and CSG revenues relating to receivables, deferred revenues and provisions for risks and reduction of others operating incomes.

As mentioned in paragraphs 4.1 to 4.3 of the "Accounting principles and methods" note to the financial statements, CRDS and CSG revenues are recorded on the basis of notifications sent to CADES by ACOSS and the General Directorate of Public Finances (DGFIP) in their capacity as collecting agencies. CADES responsibilities in terms of revenue consist of a formal accounting verification of the documents produced by the collecting agencies.

In accordance with Article L.141-10 of the Financial Courts Code, we requested the Court of Auditors to provide us with the necessary elements for our legal certification engagement, enabling us to review its findings and conclusions that impact the CADES accounts in the context of the checks it conducts on the CRDS and CSG flows centralized and allocated by ACOSS to CADES, and specifically the accounts related to these operations (revenues and receivables from CRDS and CSG, as well as the corresponding receivables and provisions/depreciations). We also obtained the Court's assessment of the design, effectiveness, and efficiency of ACOSS's internal control system related to the collection activity of CSG and CRDS. We reviewed its certification report of the general social security system accounts for the fiscal year 2024, issued on May 15, 2025. The various elements obtained show that the reliability of the internal control system in the process of collecting and redistributing the CSG and the CRDS for replacement revenues, assets, and investments is not sufficient to obtain a reasonable level of assurance regarding the absence of significant misstatement in this context.

In view of the above, we are not in position to express an opinion on the absence of material misstatement of the half-yearly accounts for the following items:

- **Balance sheet - Assets:**

Receivables (€643.38m) and impairment of receivables (- €501.98m),

Deferred revenues (€1,536.14m).

- **Balance sheet - Liabilities:**

Provisions for risk (€69.46m).

- **Income statement – Income:**

Other operating income CSG and CRDS (€8,300.61m).

- **Income statement – Expenses:**

Other operating expenses (€75.61m).

Based on our limited review and subject to this reservation, nothing has come to our attention that causes us to believe that the accompanying half-yearly financial statements are not prepared, in all

material respects, in accordance with the accounting standards of the credit institution that apply to CADES under the terms of CNC notice 99-04.

2. Specific check

We have also verified the information presented in the half-yearly management report on the half-yearly financial statement subject to our limited review.

Except the possible impact of the facts mentioned above, we have no matters to report as to its fair presentation and consistency with the half-yearly financial statement.

Neuilly-sur-seine, September 29th, 2025

The Statutory Auditor
The original versions in French signed by:

Grant Thornton
French Member of Grant Thornton International

Azarias SEKKO
Partner

BALANCE SHEET

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
ASSETS			
Cash in hand, balances with central banks and post office banks (Note 1)	8,874.32	8,344.90	6,092.33
Treasury bills and other bills eligible for refinancing with central banks (Note 1)	-	-	-
Loans and advances to credit institutions (Note 1)			
. Repayable at sight	0.05	0.06	0.06
. Repayable at term	-	-	-
Intangible assets (Note 2)	-	-	-
Tangible assets (Note 2)	-	-	-
Other assets (Note 3)	3,787.68	973.28	477.55
Prepayments and accrued income (Note 4)	2,347.38	4,434.43	6,434.26
TOTAL ASSETS	15,009.43	13,752.67	13,004.20
LIABILITIES AND RESERVES			
Amounts owed to credit institutions (Note 5)			
. Repayable at sight	-	-	-
. Repayable at term	865.34	865.39	848.23
Debts evidenced by securities (Note 6)			
. Negotiable debt instruments	1,909.36	5,900.15	6,739.21
. Bonds and similar instruments	138,594.89	148,999.30	140,456.92
. Other debts evidenced by securities	-	-	-
Other liabilities (Notes 7 and 7a)	0.01	2,286.60	1,607.02
Accruals and deferred income (Note 8)	3,930.12	2,155.17	1,219.36
Sub-total - Liabilities	145,299.72	160,206.61	150,870.74
Provisions (Note 8a)	69.46	80.54	69.45
Property endowment	181.23	181.23	181.23
Retained earnings	- 138,117.21	- 154,105.85	- 154,105.85
Profit for the period	7,576.23	7,390.14	15,988.63
Sub-total - Reserves	- 130,359.75	- 146,534.48	- 137,935.99
TOTAL LIABILITIES AND RESERVES	15,009.43	13,752.67	13,004.20

PROFIT AND LOSS ACCOUNT

(€ millions)	At 30 June 2025		At 30 June 2024		At 31 December 2024
Interest receivable and similar income (Note 9)		150.55		108.15	223.24
. From transactions with credit institutions		44.69		62.03	137.31
. From bonds and other fixed income securities		-		-	-
. Other interest receivable and similar income		105.86		46.12	85.93
Interest payable and similar charges (Note 10)	-	1,516.23	-	1,732.81	- 3,406.05
. On transactions with credit institutions	-	27.28	-	31.49	- 57.39
. On bonds and other fixed income securities	-	1,488.95	-	1,490.37	- 3,222.01
. Other interest payable and similar charges	-	-	-	210.95	- 126.65
Fees receivable		-		-	-
Fees payable (Note 10)	-	6.84	-	13.48	- 15.55
Gains or losses on trading securities (Note 11)	-	0.00	-	0.00	0.00
. Net profit (loss) on foreign exchange transactions	-	0.00	-	0.00	0.00
Gains and losses on investment securities (Note 11a)		-		-	-
. Net profit (loss) on investment securities		-		-	-
Exchange rate gains and losses on management operations (Note 11b)		-		-	-
Other operating income - banking		-		-	-
Other operating charges - banking	-	0.01	-	0.01	- 0.02
NET BANKING INCOME	-	1,372.54	-	1,638.15	- 3,198.38
General operating charges (Note 13)	-	1.25	-	1.14	- 2.30
. Staff costs	-	0.55	-	0.47	- 0.86
. Other administrative charges	-	0.70	-	0.67	- 1.44
Depreciation, amortisation and impairment provisions on intangible and tangible assets		-		-	-
Other operating income:		9,025.63		9,100.55	19,349.11
. Income relating to CRDS and CSG (Notes 12a and 12-1a)		8,300.61		8,050.55	17,190.72
. Income relating to social levies on income from property and investments (Note 12-2a)		0.02		-	- 0.02
. Income from the Retirement Reserve Fund (<i>Fonds de Réserve pour les Retraites</i>) (Note 12-3)		725.00		1,050.00	2,100.00
. Income from property (Note 13a)		-		-	-
. Provisions reversed for receivables (Notes 12a and 12-1a)		-		-	58.41
. Other provisions reversed for risks (Note 14a)		-		-	-
Other operating charges	-	75.61	-	71.12	- 159.80
. Charges relating to CRDS and CSG (Notes 12a and 12-1a)	-	75.61	-	71.12	- 159.04
. Charges relating to social levies on income from property and investments (Note 12-2a)		-		-	-
. Payments to the State (Note 14)		-		-	-
. Provisions for sundry liabilities (Note 14)		-		-	-
. Provisions for receivables (Notes 12a and 12-1a)		-	-	0.01	- 0.76
. Charges related to property (Note 13a)		-		-	-
Changes in estimates and corrections of errors (Note 15a)		-		-	-
GROSS OPERATING PROFIT		7,576.23		7,390.14	15,988.63
Cost of risk		-		-	-
OPERATING PROFIT		7,576.23		7,390.14	15,988.63
Gains or losses on fixed assets		-		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,576.23		7,390.14	15,988.63
Exceptional income		-		-	-
NET PROFIT FOR THE PERIOD		7,576.23		7,390.14	15,988.63

OFF-BALANCE SHEET COMMITMENTS

(€ millions) (Notes 16-18)	30 June 2025	30 June 2024	31 December 2024
COMMITMENTS GIVEN (Note 18)			
Financing commitments			
. Payments to various social security bodies (Article 4.IV Order No. 96-50 of 24 January 1996)	-	-	-
. Assumption of debt provided for by Social Security Funding Law No. 2020-992 of 7 August 2020	-	-	-
. Financing commitments given: acquired under repurchase agreements, currency purchases, treasury bills	-	-	-
COMMITMENTS RECEIVED (Note 18)			
Financing commitments			
. From credit institutions: cash and credit lines	1,300.00	1,200.00	1,300.00
. From credit institutions: credit lines in treasury bills	-	-	-
. Financing commitments received: borrowings	-	-	-
. Financing commitments received: commercial paper and lent under repurchase agreements	-	-	-
. Financing commitments received: payments from the Retirement Reserve Fund (<i>Fonds de Réserve pour les Retraites</i>)	11,600.00	13,050.00	13,050.00

CASH FLOW STATEMENT

(€ millions)		At 30 June 2025		At 30 June 2024		At 31 December 2024
Net banking income	-	1,373	-	1,638	-	3,198
Inflation premiums		-		49		50
Provisions for financial instruments		-		-		-
Amortisation of premiums and balancing payments	-	38	-	27	-	43
Change in accrued interest		26		46		87
Net cash from (used in) banking activities	(A)	- 1,384	-	1,571	-	3,104
Net operating income		8,949		9,032		19,187
(Increase)/decrease in accrued income from CRDS and CSG		82		281		97
(Increase)/decrease in accruals on social levies		-		-		-
(Increase)/decrease in accrued expenses		30		1,649		26
Deferred income + 3889791 Across suspense account		732		1,135		105
Provisions - sundry allocations or reversals		-		0	-	58
Net cash from (used in) operating activities	(B)	9,793		12,098		19,356
Net cash from (used in) banking and operating activities	(C=A+B)	8,408		10,527		16,252
Net cash from (used in) financing activities (D)	-	5,626		4,135	-	3,842
Debt assumed	(E)	-	-	8,768	-	8,768
Net cash flow for the period	(C+D+E)	2,782		5,894		3,642
Net cash at beginning of period		6,092		2,451		2,451
Net cash at end of period		8,874		8,345		6,092
Net cash flow for the period		2,782		5,894		3,642

The cash flow statement takes into account the following items:

- A – net cash from (used in) banking activities

This is net banking income (debts plus income from derivatives and cash instruments) less income and expenses with no effect on the cash position (provisions, amortisation of issuance and redemption premiums, accrued interest, revaluation of index-linked bonds, etc.).

- B – net cash from (used in) operating activities

This is the operating profit or loss (mainly income from CRDS and CSG, social levies on income from property and investments and from the FRR) less income and expenses with no effect on the cash position (accrued income or accrued expenses).

- C – cash from (used in) banking and operating activities

This consists of net cash from (used in) banking and operating activities (C = A + B).

- D – net cash from (used in) financing activities

These are the cash flows resulting from debt issuance and debt repayment during the period.

- E – social security debt assumed

Social security debt assumed represents the amount recognised under reserves during the period by CADES in respect of debt assumed from social security funding organisations.

The net change in cash and cash equivalents reflects the following cash flows:

- cash from (used in) banking and operating activities (C);
- net cash from (used in) financing activities (D);
- social security debt assumed (E).

NOTES TO THE FINANCIAL STATEMENTS

FIRST HALF 2025 HIGHLIGHTS

- **Financing transactions**

- **Issues (excluding commercial paper)**

CADES borrowed €7.56 billion:

- Two issues made under the French programme in EUR, for an amount of €5 billion;
- One issue made under the UK programme in USD, for an amount of €2.44 billion.
- One issue made under the French programme in CNY, for an amount of €122 million.

- **Redemptions (excluding commercial paper)**

CADES reimbursed €3.75 billion at maturity:

- Three issues made under the French programme in EUR, for an amount of €344 million.
- One issue made under the UK programme in USD, for an amount of €3.32 billion.
- One issue made under the French programme in AUD, for an amount of €84 million.

- **Credit lines**

Commitments received as at 30 June 2025 comprise:

- Five activation agreements for credit lines enabling CADES to add funds directly to its euro-denominated deposit account held with Banque de France, totalling €1.3 billion and cancellable by the counterparties at 30 to 60 days' notice, depending on the counterparty.

ACCOUNTING POLICIES AND METHODS

1. Basis of valuation and presentation

The accounting policies adopted by CADES meet two requirements.

Given that the activity of CADES is essentially financial, the financial statements are prepared in accordance with accounting regulations applicable to credit institutions and financial institutions as well as with generally accepted accounting principles in France. In particular, CADES has applied the accrual concept and the prudence concept.

The presentation of the financial statements complies with Regulation No. 2014-07 of 26 November 2014 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables* – ANC) relating to the financial statements of banking sector companies. In its opinion CNC 99-04, the French National Accounting Board decided that CADES could present certain transactions in a manner specific to it. Accordingly, in its profit and loss account, CADES records operating income and expenses, which are mainly composed of the revenue drawn from the CRDS and CSG and from property transactions, and payments to the State and social security funding organisations.

2. Specific characteristics of CADES

CADES has been tasked with paying down the debt transferred to it. The profit for the year therefore measures its capacity to reduce its own debt, and corresponds to the resources allocated to CADES less the financial costs relating to its debt with third parties.

The profit and loss account should be interpreted in light of the specific mission entrusted to CADES, the sole purpose of which is to extinguish a debt over its scheduled term.

3. Debts assumed from social security funding organisations

On the effective date of the Decree that sets the amounts and dates of payments that CADES must make in respect of debts assumed from social security funding organisations in accordance with the social security deficit funding acts, the amounts payable are recognised under amounts payable to social security funding organisations, with an offsetting entry against the profit and loss account brought forward¹.

When CADES' actual payments to the social security bodies as determined on the basis of the provisional deficits are greater than the deficits subsequently established, an adjustment may be made in CADES' favour. These adjustments are recognised against the profit and loss account brought forward at the time of the payment.

Debts assumed in accordance with legal stipulations but for which the amounts and payment dates have not yet been set by decree are recorded as off-balance sheet commitments.

¹ Opinion No. 2010-01 of 9 February 2010

4. CADES' resources

Organic Law No. 2020-991 of 7 August 2020 and Ordinary Law No. 2020-992 of 7 August 2020 on the social security debt and autonomy, which amend Order No. 96-50, extended CADES' term, initially set to end in 2024, to 31 December 2033 and allocated the following resources to CADES in the future:

- maintenance of 0.5 percentage points of CRDS until it has completed its missions;
- maintenance of 0.6 percentage points of CSG until 2023 and then 0.45 percentage points from 2024 to 2033;
- an annual payment of €2.1 billion from the FRR until 2024 and then of €1.45 billion from 2025 to 2033.

4.1 - Contribution to the repayment of social security debt

▪ Revenue explicitly allocated to CADES

The social security debt repayment contribution (CRDS) defined by Order No. 96-50 of 24 January 1996 was explicitly created to provide resources to CADES. Article 6 of said Order states that “the proceeds of the contributions created in respect of Chapter 2 of said Order on repayment of the social security debt shall be allocated to *Caisse d’Amortissement de la Dette Sociale*”.

▪ A broad-based tax

The tax is levied on multiple sources of income. One can distinguish between:

- On the one hand, employment income and unemployment and similar benefits: salaried income, redundancy payments and retirement indemnities (under certain conditions), retirement and disability pensions, health and maternity benefits, housing benefits, family allowances and child-minding benefits, etc., and
- On the other hand, income from property, from investments, from the sale of precious metals, gems, objets d’art, collectors’ items and antiques, and from gaming.

Contributions assessed on the sales of precious metals and gems are collected by the State’s financial agencies (DGFIP) before being paid over to CADES.

Contributions assessed on employment income, unemployment and similar benefits as well as income from property, investments and gaming are paid over daily by ACOSS to CADES as and when they are collected by the central agency.

▪ Collection costs borne by CADES

Article 8 of the Order of 24 January 1996 stipulates that CADES shall bear assessment and collection costs. These costs consist of a flat amount defined jointly by the Minister of the Economy and Finance and the Minister of Social Security.

Collection agencies deduct a 0.5% withholding from the contribution paid over to CADES.

CRDS contributions levied on income from property entered in the tax assessment register mainly by the offices of the DGFIP (*Direction Générale des Finances Publiques* or Directorate General of Public Finances) are paid over to CADES on the basis of register entries and not the amounts actually collected. In return, a 4.1% withholding is applied to the sums paid over to CADES to cover assessment and collection costs (0.5%) and the cost of tax reductions and bad debts (3.6%), as provided for by Article 1641 of France’s General Tax Code (*Code Général des Impôts*).

Amounts collected by CADES in respect of the CRDS are reported under “Other operating income” in the profit and loss account. Assessment and collection costs are recorded under “Other operating charges”.

▪ Accrual basis accounting

CADES applies the accruals principle in accordance with accounting standards applicable to credit institutions and Articles L.114-5 and D.114-4-4 of the Social Security Code establishing the principle whereby social security agencies shall maintain accounting records on a receivable-payable basis.

Accordingly, CRDS contributions paid to collecting agencies are included in the accounts for the period regardless of the date on which these amounts were actually collected. So as to be able to recognise this accrued income and deferred income at the balance sheet date, CADES accrues this income on the basis of a notification provided by the collecting agencies indicating amounts assessed for the period not collected at the balance sheet date and CRDS contributions not yet collected by ACOSS. Provisions against outstanding CRDS contributions are notified to CADES by ACOSS. These provisions are calculated on a statistical basis applying an annual rate determined by reference to an ageing analysis of the receivables and, for receivables arising from payment extensions granted as a result of the COVID-19 health crisis, factoring in the likelihood that they will be collected based on current economic circumstances. These provisions are deducted from gross amounts receivable as reported in the balance sheet.

Regarding the collection of the CRDS contributions, note that at no time does CADES act as primary collector; all the resources to which it is entitled are remitted by third parties, first and foremost ACOSS, followed by the offices of the DGFIP.

CADES' responsibility is confined to verifying that the sums transferred agree to the accounting vouchers raised. The primary collecting agencies are responsible for transferring the funds, for verifying the tax base, for adjusting tax bases when applicable and for recovering past dues, in return for which these agencies receive a remuneration equivalent to 0.5% of the sums collected.

Accordingly, CADES' responsibility at revenue level is limited to substantive verifications of the accounting vouchers produced by the collecting agencies.

4.2 - Supplementary social security contribution

The 2009 Social Security Funding Act No. 2008-1330 extended the mission of CADES by entrusting to it an additional €27 billion of debt in respect of the health insurance deficit (€14.1 billion), old age pension deficit (€8.8 billion) and senior citizens' solidarity fund (€4 billion).

Pursuant to the Organic Law of 2 August 2005, the French Parliament voted to increase CADES' resources so as not to extend its life. These new resources correspond to a portion of the supplementary social security contribution (*Contribution Sociale Généralisée* – CSG). Since 2009, this has been paid to CADES at the rate of 0.2%. From 2011 it was increased to 0.48% and then from 1 January 2016 to 0.60% for CSG on all taxable employment income, unemployment and similar benefits, and income from property and investments, while CSG on profits from gaming was increased from 1 January 2016 to 0.30% and from 1 January 2021 to 0.22%.

Ordinary Law No. 2020-992 of 7 August 2020 on social security debt and autonomy, which amends Order No. 96-50, maintains the payment of 0.6 percentage points of CSG until 2023 and then of 0.45 percentage points from 2024 to 2033.

This is a broad-based tax levied on employment income, unemployment and similar benefits as well as income from property, investments and gaming.

The difference in tax base between the CRDS and CSG mainly concerns revenue from the sale of precious metals and gems, from gaming and from family benefits.

The payment circuits and methods of accounting for the CSG are the same as for the CRDS (see 4.1).

4.3 - Social levies on income from property and investments

Act No. 2010-1594 of 20 December 2010 allocated to CADES, starting in 2011, a 1.3% share of the social levies on the income from property and investments referred to in Articles 245-14 and 245-15 of the Social Security Code. The rate for these levies is set at 5.4% as from 1 January 2012.

With effect from 1 January 2016, the payment of 1.3% of social levies on income from property and investments was replaced by an increase of 0.12% in the portion of the CSG paid to CADES.

4.4 - Resources from the Retirement Reserve Fund

Under the 2011 Social Security Funding Act (*Loi de Financement de la Sécurité Sociale – LFSS*) No. 2010-1594 of 20 December 2010, the Retirement Reserve Fund (*Fonds de Réserve pour les Retraites – FRR*) is required to pay CADES a total of €29.4 billion in instalments of €2.1 billion no later than 31 October each year, with effect from 1 January 2011 until 2024. Law No. 2020-992 of 7 August 2020 on social debt and autonomy provided for an additional annual payment of €1.45 billion from 2025 to 2033. The two institutions concerned have an agreement setting out the timing and terms and conditions governing these payments.

This annual resource paid by the FRR is recognised under income for the period.

FRR's commitment to pay amounts for subsequent years is recognised in off-balance sheet items under "Other commitments received – Retirement Reserve Fund".

5. Private rental property

CADES has sold all the property transferred to it on 1 January 2000 in application of Article 9 of Order No. 96-50 of 24 January 1996 and recorded under "Property endowment" as a component of reserves.

Acting on behalf of CADES, CNAV managed the residual rights and obligations related to this property until the expiration of the agreement between the two parties on 31 December 2006.

Signed in December 1999, this agreement empowered CNAV to do all that was necessary in connection with the administration of the properties.

Since 1 January 2007, CADES has been managing disputes and claims internally. No disputes were in progress at 30 June 2025.

CADES' Accounting Officer records expenses and revenue on the basis of the supporting documents submitted by the Authorising Officer.

6. Transactions denominated in foreign currencies

Foreign currency transactions are recorded on a multi-currency basis and are measured in accordance with the following principles:

- Foreign currency transactions involving balance sheet and off-balance sheet items are measured in euro at the rate of exchange ruling on the balance sheet date.
- The rates used at 30 June 2025, which correspond to the reference rates communicated by the European Central Bank, are indicated in the table below:

USD:	1.1720	SEK:	11.1465	GBP:	0.85550
AUD:	1.7948	NOK:	11.8345	MXN:	22.0899
CHF:	0.9347	NZD:	1.9334	HKD:	9.2001
CAD:	1.6027	TRY:	46.5682	JPY:	169.1700
ZAR:	20.8411	SGD:	1.4941	CNY:	8.3970

- Foreign currency income and charges are translated into euro at the exchange rate ruling on the date when they were recognised in the profit and loss account.
- Realised and unrealised foreign exchange gains and losses are recognised in the profit and loss account as operating income from banking transactions or operating charges on banking transactions.

7. Repurchase agreements with securities delivered

Only securities issued or guaranteed by the State may be used as security by CADES in repurchase agreements entered into to invest its cash balances.

Securities received under these agreements are reported under loans and advances to credit institutions.

These operations are managed by Agence France Trésor as part of the management of the institution's euro cash via the Single Treasury Account.

8. Tangible and intangible fixed assets

Fixed assets are accounted for under the historical cost convention. Tangible fixed assets are depreciated and intangible fixed assets amortised over their estimated useful life.

Tangible fixed assets consist mainly of office equipment and computer hardware.

Intangible fixed assets consist of software.

9. Bonds

Bonds issued by CADES are reported as a liability in the balance sheet at their nominal value (if redeemed at par) plus accrued interest. Foreign currency bonds are translated into euro at the exchange rate prevailing on the balance sheet date.

Bonds indexed to inflation (French consumer price index excluding tobacco for all households in Metropolitan France) are measured by reference to a predefined inflation benchmark on the balance sheet date, resulting in the recognition of a redemption premium that is reported as a liability. There were no outstanding indexed bonds at 30 June 2025 in CADES's financial statements.

When bonds are issued at a premium, this premium is accounted for as deferred charges and is therefore reported under prepayments and accrued income in the balance sheet. These charges are recognised to the profit and loss account over the life of the bonds under banking operating charges.

When bonds are issued at a discount, this discount is accounted for as deferred income. This income is recognised to the profit and loss account over the life of the bonds under banking operating income.

All costs relating to bond issues are charged to the profit and loss account on the date of issue and reported under "fees paid".

10. Interest rate or currency swaps

Commitments in respect of transactions involving forward financial instruments, entered into for the purpose of hedging interest rate and currency exposure, are reported as off-balance sheet commitments at the contract's nominal value. Accounting principles applied differ according to the nature of these instruments and management intention at inception.

Transactions consist mainly of interest rate swaps and currency swaps entered into for hedging purposes. Interest rate swaps are entered into in compliance with the risk management policy defined by the Board of Directors. Currency swaps are entered into only for the purpose of hedging CADES' foreign exchange exposures.

Income and charges arising on forward financial instruments entered into for the purpose of hedging or managing the global interest rate exposure are recognised to profit or loss pro rata temporis.

Gains and losses on hedging designed to reduce the risk resulting from a particular asset or liability are taken to profit or loss and included under interest receivable and similar income or interest payable and similar charges to match income or charges recognised in respect of the hedged item.

As regards balancing cash payments arising from swaps entered into to hedge a debt instrument on inception, the portion covering issuance costs in respect of the underlying instrument is taken to profit and loss when the cash payment is recognised. This accounting method fairly reflects the asset value of issues transformed by entering into swaps involving cash payments and results in the amount equivalent to the issuance costs being recognised to profit and loss pro rata temporis.

11. Provisions

No general provisions for liabilities and charges are recognised by CADES. When appropriate, provisions in respect of identified risks are set aside in accordance with applicable accounting principles.

12. Taxation

CADES is not assessed to business taxes (corporation tax, value added tax and local business tax) or to apprenticeship tax. The only tax it pays is the payroll tax.

Note that profits on the sale of property transferred by the social security agencies did not give rise to the payment of corporation tax.

13. Counterparty risk

CADES may be exposed to counterparty risk on only one type of transaction: forward market transactions. In this particular case, CADES has signed with all its counterparties AFB or FBF forward market agreements providing for daily or weekly margin calls depending on the counterparty and the agreement in place.

To manage its interest rate risk and eliminate currency and/or structural risk, CADES enters into transactions in the forward markets involving instruments such as interest rate swaps, currency swaps and asset swaps. CADES uses daily or weekly margin calls to minimise the residual risk on these instruments in the event of counterparty default.

14. Conflict in Ukraine

In the current context concerning the situation in Ukraine and the consequences of the sanctions imposed on Russia, CADES is monitoring the possible impact on its activities and risks.

The central depositories designated under its various programmes are responsible for applying sanctions against Russia.

NOTES

BALANCE SHEET

At 30 June 2025, the balance sheet showed total assets of €15,009.43 million for total debt of €145,299.72 million, resulting in negative reserves of €130,359.75 million.

ASSETS

Note 1: Treasury and interbank transactions

(€ millions)	30 June 2025	At 30 June 2024	At 31 December 2024
CENTRAL BANKS	8,874.32	8,344.90	6,092.33
Central banks	8,874.32	8,344.90	6,092.33
TREASURY BILLS AND OTHER BILLS ELIGIBLE FOR REFINANCING WITH CENTRAL BANKS	-	-	-
Government securities with a maturity of less than 3 months	-	-	-
Accrued interest	-	-	-
LOANS AND ADVANCES TO CREDIT INSTITUTIONS	0.05	0.06	0.06
Repayable at sight	0.05	0.06	0.06
Debit balances on ordinary accounts	0.05	0.06	0.06
Securities received under open repurchase agreements	-	-	-
Accrued interest	-	-	-
Repayable at term	-	-	-
Securities received under open repurchase agreements with a maturity of less than 3 months	-	-	-
. of which treasury bills	-	-	-
. of which bonds	-	-	-
. of which own securities	-	-	-
Accrued interest	-	-	-
TOTAL	8,874.37	8,344.96	6,092.39

NB: the “Central banks” line item represents cash in euro deposit accounts.

Note 2: Intangible and tangible fixed assets

(€ millions)	Gross value 1 January 2025	Acquisitions	Disposals	Gross value 30 June 2025	Depreciation, amortisation and impairment	Net book value 30 June 2025	Net book value 30 June 2024	Net book value 31 December 2024
INTANGIBLE ASSETS	0.12	-	-	0.12	0.12	-	-	-
Software	0.12	-	-	0.12	0.12	-	-	-
Other	-	-	-	-	-	-	-	-
TANGIBLE ASSETS	0.02	-	-	0.02	0.02	-	-	-
Sundry equipment	0.02	-	-	0.02	0.02	-	-	-
TOTAL	0.14	-	-	0.14	0.14	-	-	-

Intangible and tangible assets reflect the value of the software and equipment acquired by CADES, net of related amortisation and depreciation.

Note 3: Other assets

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
SUNDRY DEBTORS	3,787.68	973.28	477.56
Deposits paid by way of initial margins	3,646.28	878.93	345.43
Deposits paid by way of initial margins	3,641.46	875.75	344.55
Accrued interest	4.82	3.18	0.88
Outstanding CRDS and CSG contributions and social levies to be collected	141.40	94.35	132.13
Gross amounts receivable	643.38	642.86	634.11
Provisions	- 501.98	- 548.51	- 501.98
Other debtors in respect of financial transactions	-	-	-
Other debtors in respect of operating charges	-	-	-
Other sundry debtors - CNAV	-	-	-
Gross amounts receivable	-	-	-
Provisions	-	-	-
TOTAL	3,787.68	973.28	477.56

Other assets comprise:

- deposits paid by way of initial margins for €3,646.28 million; and
- outstanding CRDS and CSG contributions and social levies to be collected by ACOSS amounting to €141.40 million. Provisions totalling €501.98 million have been deducted from the gross amounts receivable of €643.38 million.

Movements in provisions against outstanding CRDS and CSG contributions and social levies to be collected and in respect of ongoing disputes are detailed in the table below:

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
PROVISIONS BROUGHT FORWARD	501.98	548.51	548.50
Impact of accounting method changes	-	-	-
Provisions set aside - property	-	-	-
Provisions set aside - CRDS and CSG contributions and social levies	-	-	-
Provisions reversed - property	-	-	-
Provisions reversed - CRDS and CSG contributions and social levies	-	-	- 46.52
PROVISIONS CARRIED FORWARD	501.98	548.51	501.98

In the absence of any notification from ACOSS as at 30 June 2025, the provisioning rate for CRDS and CSG receivables is the same as at the previous annual closing.

Note 4: Prepayments and accrued income

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
ACCRUED INCOME	1,950.27	1,830.80	2,054.84
On forward interest rate instruments	5.20	10.34	7.48
On forward currency instruments	408.54	386.71	428.60
On CRDS and CSG revenues	1,536.14	1,433.38	1,618.00
On revenue from social levies on income from property and investments	-	-	-
On property sales	-	-	-
Other accrued income	0.39	0.37	0.76
CONTINGENT LOSSES AND LOSSES TO BE SPREAD ON FORWARD FINANCIAL INSTRUMENTS	0.03	0.17	0.10
DEFERRED CHARGES	280.00	316.43	283.36
Issuance premiums on bonds and EMTN	280.00	316.43	283.36
Other deferred charges	-	-	-
PREPAYMENTS	10.70	70.71	45.49
Prepaid administrative expenses	0.01	0.02	0.02
Prepaid interest on negotiable debt instruments	10.69	70.69	45.12
Prepaid interest on bonds	-	-	-
Other prepayments	-	-	0.35
OTHER	106.38	2,216.32	4,050.48
Currency adjustment accounts	106.38	2,216.32	4,050.48
Property rental adjustment account	-	-	-
Other	-	-	-
TOTAL	2,347.38	4,434.42	6,434.26

Prepayments and accrued income consist of transactions affecting the profit and loss account independently of the date on which the corresponding income is paid or collected. They include:

- accrued income relating to CRDS and CSG for €1,536,14 million, interest rate financial instruments for €5.20 million and foreign currency financial instruments for €408.54 million;
- issuance premiums on bonds and EMTN amounting to €280 million to be recognised in profit and loss over time;
- prepayments amounting to €10.70 million, which consist mainly of prepaid interest on the issue of negotiable debt instruments;
- foreign currency adjustment accounts amounting to €106.38 million, being technical accounts used to recognise to profit and loss adjustments arising on the measurement of off-balance sheet commitments.

LIABILITIES AND RESERVES

In respect of liabilities, a distinction is made between CADES' reserves and its other liabilities.

Reserves, which consist of the profit and loss account brought forward (-€138,117,21 million), the profit or loss for the first half of 2025 (€7,576,23 million) and the property endowment (€181.23 million), came to - €130,359.75 million.

The profit and loss account brought forward broke down as follows:

REFERENCE TEXT	DEBT TRANSFERRED TO CADES (€ millions)
Order No. 96-50 of 24 January 1996	- 20,885.52
Act No. 97-1164 of 19 December 1997	- 13,263.06
Act No. 2004-810 of 13 August 2004	- 47,310.00
Act No. 2008-1330 of 17 December 2008	- 27,000.00
Act No. 2010-1594 of 20 December 2010	- 65,300.00
Act No. 2011-1906 of 21 December 2011	- 2,466.64
Decree No. 2012-329 of 7 March 2012	- 6,648.05
Decree No. 2013-482 of 7 June 2013	- 7,718.57
Decree No. 2014-97 of 3 February 2014	- 10,000.00
Decree No. 2015-170 of 13 February 2015	- 10,000.00
Decree No. 2016-110 of 4 February 2016	- 23,609.05
Decree No. 2020-1074 of 19 August 2020	- 20,000.00
Decree No. 2021-40 of 19 January 2021	- 40,000.00
Decree No. 2022-23 of 11 January 2022	- 40,000.00
Decree No. 2023-12 of 11 January 2023	- 27,231.52
Decree No. 2024-176 of 6 March 2024	- 8,768.47
Payment from ACOSS by way of an adjustment of the deficits from 1999 to 2006	64.72
Accumulated profits generated by CADES between 1996 and 2024 and impact of previous accounting method changes	232,018.95
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD	- 138,117.21

Liabilities, which amounted to €145,299.72 million at 30 June 2025, consist mainly of debts to credit institutions amounting to €865.34 million, debts evidenced by securities totalling €140,504.25 million, other liabilities others totalling €0.01 million and accruals and deferred income totalling €3,930.12 million.

Note 5: Treasury and interbank transactions

(€ millions)	At 30 June 2025				At 30 June 2025	At 30 June 2024	At 31 December 2024
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total	Total	Total
CENTRAL BANKS							
Amounts owed to credit institutions	-	865.34	-	-	865.34	865.39	848.23
Repayable at sight	-	-	-	-	-	-	-
Credit balances on ordinary accounts	-	-	-	-	-	-	-
Repayable at term	-	865.34	-	-	865.34	865.39	848.23
Securities given under repurchase agreements	-	-	-	-	-	-	-
Accounts and deposits	-	847.00	-	-	847.00	847.00	847.00
. Euros	-	847.00	-	-	847.00	847.00	847.00
. Other currencies	-	-	-	-	-	-	-
Accrued interest (private placements)	-	18.34	-	-	18.34	18.39	1.23
TOTAL	-	865.34	-	-	865.34	865.39	848.23

Note 6: Debts evidenced by securities

(€ millions)	At 30 June 2025				At 30 June 2024		At 31 December 2024
	Up to 3 months	Over 3 months	Over 1 year	Over 5 years	Total	Total	Total
NEGOTIABLE DEBT SECURITIES							
Treasury bills denominated in euros	-	-	-	-	-	-	-
Treasury bills denominated in other currencies	-	-	-	-	-	-	-
BMTN denominated in euros	-	-	214.00	-	214.00	264.00	264.00
Commercial paper denominated in euros	-	-	-	-	-	-	-
Commercial paper denominated in other currencies	1,691.98	-	-	-	1,691.98	5,632.41	6,473.91
Other negotiable debt instruments denominated in foreign currencies	-	-	-	-	-	-	-
Accrued interest	-	3.38	-	-	3.38	3.74	1.30
BONDS	4,869.31	23,221.06	67,670.28	42,834.24	138,594.89	148,999.30	140,456.92
Bonds and EMTNs denominated in euros	812.50	9,150.00	47,500.00	33,000.00	90,462.50	96,207.35	85,756.50
Bonds and EMTNs denominated in other currencies	3,532.06	13,631.28	20,170.28	9,834.24	47,167.86	51,799.23	53,772.73
Accrued interest	524.75	439.78	-	-	964.53	992.72	927.69
TOTAL	6,561.29	23,224.44	67,884.28	42,834.24	140,504.25	154,899.45	147,196.13

A euro issue for €200 million with a €100 million tap maturing on 20 December 2025 is subject to early redemption at the counterparty's option from 2021.

Debts evidenced by securities are analysed below:

Debts evidenced by securities totalled €140,504.25 million and comprised negotiable debt securities totalling €1,909.36 million and bonds and similar instruments totalling €138,594.89 million.

Bonds and similar instruments are issued under a borrowing programme approved by the Minister of the Economy and Finance on 15 December 2017, and may be stand-alone or part of the following programmes:

- a French issuance programme for which the maximum amount of outstandings is €130 billion;
- a UK issuance programme for which the maximum amount of outstandings is €65 billion;
- a New York commercial paper issuance programme for which the maximum amount of outstandings is €60 billion;
- a French medium-term note (NEU MTN) issuance programme for which the maximum amount of outstandings is €10 billion;
- a French short-term note (NEU CP) issuance programme for which the maximum amount of outstandings is €20 billion;

- an Australian issuance programme for which the maximum amount of outstandings is AUD 6 billion.

All in all, at 30 June 2025 debts evidenced by securities maturing within one year totalled €29,785.73 million and by those maturing in more than five years €42,834.24 million, compared with €28,530.97 million and €48,024.46 million, respectively, at 31 December 2024. Debt due to mature at between one and five years fell from €70,640.70 million at 31 December 2024 to €67,884.28 million at 30 June 2025.

The table below details borrowings (in millions) by programme:

Programme	Issue date	Maturity Date	Nominal value (issue currency)	Currency	Nominal interest rate	ISIN
Stand-alone	29/07/2011	19/12/2025	615	EUR	3.914%	-
	25/11/2011	19/12/2025	232	EUR	4.50%	-
NEU MTN	10/05/2012	19/12/2025	214	EUR	Max. (Min [7%; EURCMS10y +0.45%]; 0%)	FR0120634581 (1)
UK	23/09/2020	23/09/2025	4,000	USD	0.375%	XS2233264550
	02/11/2022	02/11/2025	4,000	USD	4.625%	XS2551365773
	25/01/2023	25/01/2026	4,000	USD	4.000%	XS2580310246
	18/02/2021	18/02/2026	5,000	USD	1.375%	XS2300334476
	19/09/2023	19/09/2026	4,000	USD	4.875%	XS2689239429
	28/10/2021	28/10/2026	3,000	USD	1.250%	XS2402074277
	24/01/2024	24/01/2027	4,000	USD	4.250%	XS2753427421
	12/09/2024	12/09/2027	3,000	USD	3.750%	XS900265559
	24/05/2023	24/05/2028	3,000	USD	3.750%	XS2626268069
	22/05/2024	22/05/2029	4,000	USD	4.500%	XS2823927632
	22/01/2025	22/01/2030	2,500	USD	4.750%	XS2980961374
	21/10/2020	21/10/2030	3,000	USD	1.000%	XS2247546711
	20/01/2021	20/01/2031	5,000	USD	1.375%	XS2287909159
French	26/01/2022	26/01/2032	3,000	USD	2.125%	XS2436433333
	18/08/2011	18/08/2025	813	EUR	3.625%	FR0011092261
	26/09/2022	26/09/2025	1,000	CNY	2.652%	FR001400CP45
	15/11/2011	15/11/2025	800	NOK	4.700%	FR0011142215
	01/12/2011	01/12/2025	800	NOK	5.120%	FR0011153097
	09/03/2011	09/12/2025	150	CHF	2.500%	CH0124739902
	15/03/2012	15/12/2025	1,000	NOK	4.950%	FR0011213958
	01/02/2012	15/12/2025	5,850	EUR	4.000%	FR0011192392
	14/02/2013	15/12/2025	1,000	NOK	4.250%	FR0011421759
	27/01/2021	15/12/2025	1,500	GBP	0.125%	FR00140010H8
	12/07/2011	19/12/2025	800	NOK	4.800%	FR0011074178
	27/06/2012	19/12/2025	2,000	NOK	4.840%	FR0011276732
	01/04/2011	20/12/2025	300	EUR	3.800%	FR0011027929 (2)
	21/06/2012	21/12/2025	1,000	NOK	4.520%	FR0011271527
	02/12/2020	25/02/2026	3,000	EUR	0.000%	FR0014000UG9
	15/06/2021	25/11/2026	4,000	EUR	0.000%	FR0014004016
	16/11/2022	25/05/2027	5,000	EUR	2.875%	FR001400DZ13
	14/02/2024	24/09/2027	4,000	EUR	2.750%	FR001400NWK5
	31/08/2022	25/11/2027	3,000	EUR	1.750%	FR001400CHC6
	06/10/2020	25/02/2028	5,000	EUR	0.000%	FR00140002P5
	17/01/2023	25/05/2028	5,000	EUR	3.000%	FR001400F5U5
	20/05/2025	24/09/2028	2,500	EUR	2.375%	FR001400ZPR8
	16/01/2024	25/02/2029	4,000	EUR	2.750%	FR001400N7G0
	17/03/2021	25/05/2029	5,000	EUR	0.000%	FR0014002GI0
	16/02/2022	25/11/2029	3,500	EUR	0.600%	FR0014008E81
	01/03/2023	01/03/2030	4,000	EUR	3.125%	FR001400G6E6
	05/02/2025	25/05/2030	2,500	EUR	2.875%	FR001400X6D7
	20/06/2025	20/06/2030	1,000	CNY	2.080%	FR0014010J25
	16/09/2020	25/11/2030	5,000	EUR	0.000%	FR0013534559
	03/02/2021	25/05/2031	4,000	EUR	0.000%	FR0014001S17
	15/09/2021	15/09/2031	5,000	EUR	0.125%	FR0014005FC8
	28/06/2023	25/11/2031	3,000	EUR	3.000%	FR001400IVT8
	19/01/2022	19/01/2032	6,000	EUR	0.450%	FR0014007RB1
	02/02/2022	02/02/2032	5,000	SEK	1.235%	FR00140082X1
	03/05/2022	25/05/2032	5,000	EUR	1.500%	FR001400A3H2
	27/09/2022	25/11/2032	5,000	EUR	2.750%	FR001400CVE3

- 1) These indexed transactions are hedged by perfect offset swaps and marked to market at variable or fixed rates.
- 2) Investors can redeem this bond from 2021.

Note 6a: Analysis of transactions in euros and foreign currencies before and after hedging

This note analyses the effect of hedging transactions on the initial debt and breaks down interest rates before and after hedging. It provides both accounting and financial information relating to the value and hedging of instruments at maturity.

In millions of euros and currencies	Initial Debt		Hedging transactions			Final debt	
	Foreign currencies	Euros	Foreign currencies	Euros	Foreign currencies	Euros	
EURO-DENOMINATED DEBT		91,524		51,369		142,892	
FOREIGN CURRENCY DENOMINATED DEBT		Value in euros at 30 June 2025		Value in euros at 30 June 2025			
CHF	150	160	-	150	-	160	-
GBP	1,500	1,753	-	1,500	-	1,753	-
JPY	-	-	-	-	-	-	-
USD	53,483	45,634	-	53,483	-	45,634	-
HKD	-	-	-	-	-	-	-
SEK	5,000	449	-	5,000	-	449	-
AUD	-	-	-	-	-	-	-
NOK	7,400	625	-	7,400	-	625	-
NZD	-	-	-	-	-	-	-
CNY	2,000	238	-	2,000	-	238	-
CAD	-	-	-	-	-	-	-
MXN	-	-	-	-	-	-	-
Sub-total foreign currencies		48,860		-	48,860		-
TOTAL		140,383		2,509		142,892	

The table above provides a breakdown of the initial nominal debt by issuance currency. Since all transactions in foreign currencies have been hedged, the debt of CADES is synthetically entirely in euro. Hedging transactions have enabled CADES to eliminate the impact of exchange rate fluctuations on its debt.

The table below shows the breakdown of CADES' debt by interest rate type. Hedging impacts the initial breakdown, such that in the final analysis, 85.44% of the debt bears fixed rates and 14.56% floating rates. CADES has not had any inflation-indexed debt since the CADESI loan was redeemed in July 2024.

(€ millions)	Initial Debt				Hedging transactions			Final debt			
	Foreign currencies	Euros	Total	%	Foreign currencies	Euros	Foreign currencies	Euros	Total	%	
FIXED RATES											
Negotiable debt instruments	-	-	-	-	-	-	-	-	-	-	-
Bonds, EMTN and BMTN	47,167.86	90,462.50	137,630.36	-	47,167.86	30,773.52	-	121,236.02	121,236.02	-	-
Private placements	-	847.00	847.00	-	-	-	-	847.00	847.00	-	-
Macro-hedging swaps	-	-	-	-	-	-	-	-	-	-	-
Total fixed rates	47,167.86	91,309.50	138,477.36	98.64	-	47,167.86	30,773.52	122,083.02	122,083.02	85.44	
VARIABLE RATES											
Negotiable debt instruments	1,691.98	-	1,691.98	-	1,691.98	1,730.41	-	1,730.41	1,730.41	-	-
Bonds, EMTN and BMTN	-	214.00	214.00	-	-	18,865.04	-	19,079.04	19,079.04	-	-
Private placements	-	-	-	-	-	-	-	-	-	-	-
Macro-hedging swaps	-	-	-	-	-	-	-	-	-	-	-
Total variable rates	1,691.98	214.00	1,905.98	1.36	-	1,691.98	20,595.45	20,809.45	20,809.45	14.56	
INDEXED RATES											
Bonds	-	-	-	-	-	-	-	-	-	-	-
Macro-hedging swaps	-	-	-	-	-	-	-	-	-	-	-
Total indexed rates	-	-	-	-	-	-	-	-	-	-	
TOTAL	48,859.84	91,523.50	140,383.34	100.00	-	48,859.84	51,368.97	-	142,892.47	142,892.47	100.00

Note 7: Other liabilities

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
DEPOSITS RECEIVED BY WAY OF INITIAL MARGINS	-	692.32	1,607.01
Deposits	-	691.18	1,603.15
Accrued interest	-	1.14	3.86
OTHER CREDITORS IN RESPECT OF FINANCIAL TRANSACTIONS	-	-	-
OTHER CREDITORS IN RESPECT OF OPERATING CHARGES	0.01	0.01	0.01
Payment to the State	-	-	-
Tax	0.01	0.01	0.01
Social security	-	-	-
Trade creditors	-	-	-
Other sundry creditors (ACOSS)	-	-	-
TOTAL	0.01	692.33	1,607.02

Note 7a: Debts to social security bodies

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
OTHER CREDITORS IN RESPECT OF DEBT ASSUMED	-	1,594.27	-
Debts to social security bodies (ACOSS assumed debts)	-	1,594.27	-
TOTAL	-	1,594.27	-

The debt assumption provided for by Law No. 2020-992 of 7 August 2020 on social security debt has now been fully completed. CADES therefore no longer had any debt to Social Security bodies at the half-yearly closing.

Note 8: Accruals and deferred income

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
ACCRUALS	399.09	389.67	506.31
Accruals on forward interest rate instruments	12.01	15.33	4.41
On forward currency instruments	380.10	368.20	499.21
Fees payable in respect of market transactions	-	-	-
Accruals in respect of operating charges	0.62	0.63	1.20
Accruals in respect of CRDS and CSG collection costs	6.34	5.51	1.48
Accruals in respect of revenue from social levies on income from property and investments	-	-	-
Other accruals	0.01	0.01	0.01
CONTINGENT GAINS AND GAINS TO BE SPREAD ON FORWARD FINANCIAL INSTRUMENTS	66.42	64.02	56.53
UNEARNED INCOME	839.53	1,313.57	242.90
Issuance premiums on bonds	107.12	178.14	138.34
On government securities	-	-	-
On foreign currency transactions	-	-	-
Other unearned income	732.41	1,135.43	104.56
OTHER UNEARNED INCOME	2,625.08	387.91	413.63
Currency adjustment accounts	2,625.08	387.91	413.63
Other	-	-	-
TOTAL	3,930.12	2,155.17	1,219.37

Accruals and deferred income consist of accounting transactions recognised in the income statement independently of the date on which the corresponding income is paid or collected.

They include notably:

- Accruals in respect of interest rate swaps for €12.01 million, CRDS and CSG for €6.34 million and forward currency transactions for €380.10 million;
- Balancing cash payments on currency swaps amounting to €66.42 million that are to be spread;
- Unearned income, corresponding to premiums on bond issues amounting to €107.12 million;
- Unearned income amounting to €732,41 million including €725 million corresponding to the FRR payment made in the first half of the year totalling €1,450 million;
- foreign currency adjustment accounts amounting to €2,625.08 million, being technical accounts used to recognise to profit and loss adjustments arising on the measurement of off-balance sheet commitments.

Note 8a: Provision accounts

Provisions for liabilities and charges include provisions for:

- redundancy indemnities;
- remuneration of days saved by CADES employees;
- the consequences of the European Court of Justice's Judgment of 26 February 2015 concerning the reimbursement by CADES of CRDS, CSG and social levy overpayments (see Note 14);
- provisions for liabilities and charges in respect of CSG and CRDS.

(€ millions)	At 31 December 2024	Set aside	Reversed	At 30 June 2025
PROVISIONS	69.45	0.01	-	69.46
Provisions for redundancy indemnities	0.26	0.01	-	0.27
Provisions for time savings accounts	0.11	-	-	0.11
Provisions for remuneration	-	-	-	-
Provisions for liabilities	-	-	-	-
Ruyter judgement	-	-	-	-
CRDS and CSG provisions	69.08	-	-	69.08
TOTAL	69.45	0.01	-	69.46

PROFIT AND LOSS ACCOUNT

In arriving at the profit for the period, net banking income is reported separately from other operating income and charges.

Net banking income	- 1,372.54	(€ millions)
Exceptional income	-	(€ millions)
Other operating income and charges	8,948.77	(€ millions)
Net profit for the period	7,576.23	(€ millions)

CADES has been tasked with paying down the debt transferred to it. The profit for the year measures its capacity to reduce its own debt.

Net banking income

Net banking income consists of the cost of debt, the income generated from cash positions and the net profit or loss on financial transactions.

Note 9: Banking income

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
INTEREST RECEIVABLE AND SIMILAR INCOME FROM TRANSACTIONS WITH CREDIT INSTITUTIONS	44.69	62.03	137.31
Interest receivable - Demand loans and advances and open repurchase agreements	-	-	-
Interest from ordinary accounts in debit	-	-	-
Interest from loans	-	-	-
Interest from securities delivered under open repurchase agreements	-	-	-
Interest receivable - Term loans, advances and repurchase agreements	-	-	-
Interest from loans denominated in euros	-	-	-
Interest from loans denominated in foreign currencies	-	-	-
Interest from securities delivered under open repurchase agreements	-	-	-
Other interest receivable	44.69	62.03	137.31
INTEREST RECEIVABLE AND SIMILAR INCOME FROM BONDS AND OTHER FIXED INCOME SECURITIES	-	-	-
Interest from fixed income securities	-	-	-
Interest from government securities	-	-	-
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	105.86	46.12	85.93
Amortisation of premiums on issue	31.22	46.12	85.93
Net profit on hedging transactions	74.64	-	-
Profit on repurchase of own securities	-	-	-
TOTAL	150.55	108.15	223.24

Banking income, which amounted to €150.55 million, consists mainly of:

- Interest receivable and similar income from transactions with credit institutions amounting to €44.69 million; and
- The amortisation of bond premiums on issue amounting to €31.22 million.
- Net profit on hedging transactions amounting to €74.64 million;

Note 10: Cost of debt

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
INTEREST PAYABLE AND SIMILAR CHARGES ON TRANSACTIONS WITH CREDIT INSTITUTIONS	27.28	31.49	57.39
Interest payable - Demand loans and repurchase agreements	0.00	-	0.00
Interest on ordinary accounts in credit	0.00	-	0.00
Interest on overnight loans	-	-	-
Interest on securities delivered under repurchase agreements	-	-	-
Interest payable - Term loans and repurchase agreements	17.11	17.16	34.51
Interest on CDC loan (transfer of debt)	-	-	-
Interest on multi-currency credit	-	-	-
Interest on securities delivered under repurchase agreements	-	-	-
Interest on private placements	17.11	17.16	34.51
Other interest payable and similar charges	10.17	14.33	22.88
INTEREST PAYABLE AND SIMILAR CHARGES ON BONDS AND OTHER FIXED INCOME SECURITIES	1,488.95	1,490.37	3,222.01
Interest on debts evidenced by certificates	1,488.95	1,490.37	3,222.01
Interest on negotiable debt instruments denominated in euros	3.67	4.04	7.93
Interest on negotiable debt instruments denominated in other currencies	73.79	134.06	321.03
Interest on bonds and equivalent securities denominated in euros	695.02	729.72	1,433.84
Interest on bonds and equivalent securities denominated in other currencies	678.32	537.57	1,335.27
Other charges on debt evidenced by securities	38.15	84.99	123.94
Other interest payable and similar charges	-	-	-
FEES PAYABLE	6.84	13.48	15.55
Fees on term loans with credit institutions	0.02	0.02	0.05
Fees on negotiable debt instruments issued	-	-	-
Fees on bonds	6.82	13.46	15.49
Other fees on securities transactions	-	-	0.01
Other fees	-	-	-
OTHER INTEREST PAYABLE AND SIMILAR CHARGES	-	210.95	126.65
Net loss on hedging transactions	-	210.95	126.65
TOTAL	1,523.07	1,746.29	3,421.60

Interest payable and similar charges on CADES' debt, which amounted to €1,523.07 million, decreased by 12,78% from 30 June 2024 and consists of:

- Charges amounting to €1,488.95 million in respect of debts;
- Interest amounting to €27.28 million on transactions with credit institutions, consisting of interest on private placements, margin calls and other exchange rate instruments;
- Fees amounting to €6.84 million.

The decrease in interest payable and similar charges compared with 30 June 2024 was related to interest rate conditions on the markets.

Note 11: Gains and losses on trading securities

(€ millions)		At 30 June 2025	At 30 June 2024	At 31 December 2024
NET GAIN (LOSS) ON FOREIGN EXCHANGE TRANSACTIONS	-	0.00	0.00	0.00
Other foreign exchange transactions	-	0.00	0.00	0.00

Other operating income and charges

Other operating income and charges consist mainly of specific income and charges dealt with by Order No. 96-50 of 24 January 1996 (CRDS contributions, CSG, social levies on income from property and investments, payments from the Retirement Reserve Fund, property asset sales and payments to the State and social security funding organisations), general operating charges and depreciation, amortisation and impairment charges on non-current assets.

Note 12: CRDS revenues

The table below details revenue allocated to CADES under Article 6 of Order No. 96-50 of 24 January 1996 after deducting assessment and collection costs and losses on outstanding CRDS contributions (write-offs, waivers, cancellations and debt forgiveness):

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
NET CRDS REVENUES (Article 6)	4,415.70	4,312.76	9,193.78
CRDS contributions levied on employment income and unemployment benefits	3,995.20	3,892.18	8,031.49
CRDS contributions levied on property assets	107.98	98.79	370.33
CRDS contributions levied on investment income	222.26	231.67	580.09
CRDS contributions levied on sales of gems and precious metals	4.77	3.33	7.49
CRDS contributions levied on gaming proceeds	85.49	86.79	204.38
CRDS exemption offsets (travel vouchers and voluntary community services)	-	-	-

CRDS revenues, net of collection costs, amounted to €4,415.70 million.

CRDS levied on taxable employment income, unemployment and similar benefits (which is mainly collected by ACOSS) represents 90.48% of the total. CRDS collected by the offices of the Directorate General of Public Finances and levied mainly on capital (property and investment income) represented 7.48%. CRDS on gaming winnings and the sale of precious metals represented 2.04% of the total.

Note 12a

The table below provides a breakdown of income and charges relating to the CRDS at 30 June 2025.

(€ millions)				
CRDS REVENUES	(I)	CRDS COSTS	(II)	Net revenues (I-II)
CRDS on employment income and unemployment benefits	4,028.40	Write-offs, waivers, cancellation and debt forgiveness	14.10	3,995.20
		Assessment and collection costs	19.10	
CRDS levied on property assets	112.22	Assessment and collection costs	4.24	107.98
CRDS levied on investment income	223.02	Assessment and collection costs	0.76	222.26
CRDS levied on sales of gems and precious metals	4.79	Assessment and collection costs	0.02	4.77
CRDS levied on gaming proceeds	85.83	Assessment and collection costs	0.34	85.49
CRDS exemption offsets (travel vouchers and voluntary community services)	-		-	-
Reversal of provisions on outstanding CRDS to be collected	-	Provisions on outstanding CRDS to be collected	-	-
TOTAL	4,454.26	TOTAL	38.56	4,415.70

Note 12.1: CSG revenues

Supplementary social security contributions (*Contribution Sociale Généralisée* – CSG) are a resource allocated to CADES at the rate of 0.45% since 1 January 2024 for CSG on taxable employment income, unemployment and similar benefits, and income from property and investments, and at 0.22% for CSG on profits from gaming.

The tax base is similar to that of the CRDS, with the exception that no contributions are levied on the sale of gems and precious metals.

(€ millions)			
	At 30 June 2025	At 30 June 2024	At 31 December 2024
NET CSG REVENUES (Article 6)	3,809.30	3,666.67	7,837.90
CSG contributions levied on employment income and unemployment benefits	3,508.17	3,363.78	6,979.27
CSG contributions levied on property assets	95.66	88.97	323.45
CSG contributions levied on investment income	200.03	208.80	522.46
CSG contributions levied on gaming proceeds	5.44	5.12	12.72
CSG exemption offsets	-	-	-

CSG revenues, net of collection costs, amounted to €3,809.30 million.

CSG levied on taxable employment income, unemployment and similar benefits (which is mainly collected by ACOSS) represents 92.10% of the total. The remaining CSG is levied on investment income, profits from gaming and property income (7.90%).

Note 12.1a

The table below provides a breakdown of income and charges relating to the CSG at 30 June 2025.

(€ millions)				
CSG REVENUES	(I)	CSG COSTS	(II)	Net revenues (I-II)
CSG levied on employment income and unemployment benefits	3,540.69	Write-offs, waivers, cancellation and debt forgiveness	15.41	3,508.16
		Assessment and collection costs	17.12	
CSG levied on property assets	99.48	Assessment and collection costs	3.82	95.66
CSG levied on investment income	200.72	Assessment and collection costs	0.68	200.04
CSG levied on gaming proceeds	5.46	Assessment and collection costs	0.02	5.44
CSG exemption offsets	-			
Reversal of provisions on outstanding CSG to be collected	-	Provisions on outstanding CSG to be collected	-	-
TOTAL	3,846.35	TOTAL	37.05	3,809.30

Note 12.2: Social levies on income from property and investments

Social levies on income from property and investments were a source of revenue allocated to CADES from 1 January 2011 under Act No. 2010-1594 of 20 December 2010 (pursuant to Articles 245-14 and 245-15 of the Social Security Code). Since 1 January 2016, CADES no longer receives the 1.3% portion of these levies, but an additional 0.12% of CSG.

The following table essentially shows adjustments in 2025 to payments recognised in 2015.

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024	
NET REVENUE FROM SOCIAL LEVIES	0.03	-	-	0.02
On income from property	0.03	-		-
On income from investments	-	-	-	0.02

Note 12.2a

The following table shows the breakdown of revenue and costs associated with social levies on income from property and investments recognised in the first half of 2025.

(€ millions)				
REVENUES FROM SOCIAL LEVIES	(I)	COSTS RELATING TO SOCIAL LEVIES	(II)	Net revenues = I - II
		Assessment and collection costs	-	0.02
On income from property	0.02	Write-offs, waivers, cancellation and debt forgiveness	-	-
On income from investments	-	Assessment and collection costs	-	-
Reversal of provisions on outstanding amounts to be collected	-	Provisions on outstanding amounts to be collected	-	-
TOTAL	0.02	TOTAL	-	0.02

Note 12.3: Payments by the Retirement Reserve Fund (FRR)

The Retirement Reserve Fund paid €1.45 billion on 25 June 2025.

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
REVENUE FROM THE RETIREMENT RESERVE FUND	725.00	1,050.00	2,100.00
Revenue for the period	725.00	1,050.00	2,100.00

Note 13: General operating charges

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
STAFF COSTS	0.55	0.47	0.86
Wages and salaries	0.40	0.36	0.60
Social security charges	0.15	0.11	0.23
Time savings account	-	-	0.03
Sundry income and charges	-	-	-
OTHER ADMINISTRATIVE EXPENSES	0.70	0.67	1.44
Taxes and duties	0.04	0.04	0.07
External services	0.66	0.63	1.37
TOTAL	1.25	1.14	2.30

General operating charges correspond to expenditure falling within the scope of the administrative budget. They do not include the acquisition and the amortisation and depreciation of fixed assets (see Note 2).

List of staff positions at 30 June 2025Non-civil servant public sector employees:

- 1 senior front office manager (grade A)
- 1 deputy front office manager (grade A)
- 1 asset and liabilities matching strategist (grade A)
- 1 senior back office manager (grade A)
- 1 deputy back office manager (grade A)
- 1 communication officer (grade A)
- 1 internal control officer (grade A)

Civil servant employees:

- 1 secretary general (grade A) – retired on 29/06
- 1 deputy secretary general (grade A)

CADES has made available non-civil servant public sector employees to AFT since 1 September 2017 and has accordingly paid the corresponding salaries, employer charges and payroll taxes, which have then been reimbursed annually by the Directorate General of the Treasury (DGT). In accordance with the terms of the services framework agreement signed on 1 September 2017 by CADES and the DGT, these salaries are then rebilled to CADES.

CADES' administrative expenses came to €0.70 million for the first half of 2025 and comprised mainly operating costs paid directly by the Ministry of the Economy and Finance in respect of activities carried out by AFT on behalf of CADES, in accordance with the financial agreement of 22 November 2018.

Note 14: Other non-banking operating charges

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
Payments to the State	-	-	-
Provisions for sundry liabilities			
Ruyter judgement	-	-	-
Reduction of CRDS and CSG income	-	-	-
TOTAL	-	-	-

In the Judgment of 26 February 2015, the European Court of Justice confirmed the non-taxability of property income received in France by tax non-residents, and granted them entitlement to the full reimbursement of sums unduly deducted since 2012 in respect of CRDS, CSG and social levies. The resulting provision is now zero.

Note 14a: Other operating income

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
Other reversals of provisions for sundry charges	-	-	-
Other reversals of provisions for sundry liabilities	-	-	-
Ruyter judgement	-	-	-
TOTAL	-	-	-

Note 15: Exceptional income and charges

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
Statutory limitation of debt - administrative budget	-	-	-
Statutory limitation of debt - financing budget	-	-	-
Other exceptional income (impact of ACOSS changes)	-	-	-
Other exceptional charges (impact of ACOSS changes)	-	-	-
Other exceptional charges	-	-	-
Other exceptional income	-	-	-
TOTAL	-	-	-

OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments distinguish between commitments given and commitments received and are analysed between loan commitments, guarantee obligations and guarantees on securities. Certain commitments are not recorded on the face of the accounts, being commitments in respect of currency transactions and forward financial instruments. Information regarding these commitments is provided in Notes 16 and 17 below.

Note 16: Currency transactions

(€ millions)	At 30 June 2025		At 30 June 2024		At 31 December 2024	
	Currencies to be received	Currencies to be delivered	Currencies to be received	Currencies to be delivered	Currencies to be received	Currencies to be delivered
FORWARD TRANSACTIONS: FINANCING IN FOREIGN CURRENCY	48,859.85	-	57,431.65	-	60,246.65	-
Hedging transactions over the counter						
Forward exchange against euros	1,691.99	-	5,632.42	-	6,473.92	-
Up to 1 year	1,691.99	-	5,632.42	-	6,473.92	-
From 1 to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Currency swaps against euros	47,167.86	-	51,799.23	-	53,772.73	-
Up to 1 year	17,163.34	-	5,682.60	-	13,871.57	-
From 1 to 5 years	20,170.28	-	35,400.90	-	28,876.70	-
Over 5 years	9,834.24	-	10,715.73	-	11,024.46	-
FORWARD TRANSACTIONS: FOREIGN CURRENCY FINANCING COMMITMENTS RECEIVED	-	-	-	-	-	-
Hedging transactions over the counter						
Forward exchange against euros	-	-	-	-	-	-
Up to 1 year	-	-	-	-	-	-
From 1 to 5 years	-	-	-	-	-	-
Currency swaps against euros	-	-	-	-	-	-
Up to 1 year	-	-	-	-	-	-
From 1 to 5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-

Forward exchange contracts against euro correspond to forward purchases entered into for the purpose of hedging commercial paper denominated in foreign currencies. Forward exchange outstandings at 30 June 2025 came to €1,691.99 million.

The decrease in outstandings of currency swaps against euro is attributable to the decrease in foreign currency issue outstandings.

Note 17: Forward financial instruments

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
INTEREST RATE INSTRUMENTS			
Organised markets and equivalents	-	-	-
Firm transactions entered into for hedging purposes	-	-	-
Euro Bobl futures contracts (5 years)	-	-	-
Euro Bund futures contracts (10 years)	-	-	-
Other firm transactions	-	-	-
Options entered into for hedging purposes	-	-	-
Other options	-	-	-
Over the counter	1,519.26	2,531.33	2,091.33
Firm transactions entered into for hedging purposes			
. Interest rate swaps in euros	1,519.26	2,531.33	2,091.33
. Micro hedging	1,519.26	2,531.33	2,091.33
Up to 1 year	1,519.26	962.07	2,091.33
From 1 to 5 years	-	1,569.26	-
Over 5 years	-	-	-
. Macro hedging	-	-	-
Up to 1 year	-	-	-
From 1 to 5 years	-	-	-
Over 5 years	-	-	-
. Isolated position	-	-	-
Up to 1 year	-	-	-
From 1 to 5 years	-	-	-
Over 5 years	-	-	-
. Interest rate swaps in foreign currencies	-	-	-
. Micro hedging	-	-	-
Up to 1 year	-	-	-
From 1 to 5 years	-	-	-
Over 5 years	-	-	-

At 30 June 2025, interest rate instruments entered into by CADES comprised swaps amounting to €1,519.26 million entered into for micro hedging purposes.

Note 18: Other off-balance sheet commitments

(€ millions)	At 30 June 2025	At 30 June 2024	At 31 December 2024
FINANCING COMMITMENTS			
Commitments received			
From credit institutions			
. Back-up credit lines	1,300.00	1,200.00	1,300.00
. Multi-currency credit lines	-	-	-
. Credit lines in treasury bills	-	-	-
. Credit lines	-	-	-
Other			
. Retirement Reserve Fund (<i>Fonds de Réserve pour les Retraites</i> – FRR)	11,600.00	13,050.00	13,050.00
. Borrowings	-	-	-
. Commercial paper and securities lent under repurchase agreements	-	-	-
Commitments given			
Payments to the State	-	-	-
Payments to social security agencies	-	-	-
. Assumption of debt provided for by Social Security Funding Law No. 2020-992 of 7 August 2020	-	-	-
Financing commitments given under repurchase agreements, currency purchases and treasury bills	-	-	-

Commitments received consist of:

- Five activation agreements for credit lines enabling CADES to add funds directly to its euro-denominated deposit account held with Banque de France, totalling €1.3 billion and cancellable by the counterparties at 30 to 60 days' notice depending on the counterparty; and
- A total of €11.6 billion in payments from the Retirement Reserve Fund, corresponding to the annual payments of €1.45 billion for the period from 2026 to 2033, pursuant to Act No. 2020-992 of 7 August 2020 on social security debt and autonomy.

Note 19: Abridged statements

SUMMARY BALANCE SHEET AT 30 JUNE 2025 (€ millions)

PROFIT AND LOSS ACCOUNT CARRIED FORWARD AT 30 JUNE 2025	-	138,117.21
PROFIT FOR THE PERIOD ENDED 30 JUNE 2025		7,576.23
PROPERTY ENDOWMENT		181.23
DEBT REMAINING TO BE REPAID AT 30 JUNE 2025	-	130,359.75

Represented by:

. Liabilities towards third parties		
. Borrowings falling due within 1 year		30,651.07
. Borrowings falling due after 1 year		110,718.52
. Other creditors, accruals and unearned income		3,930.13
. Less assets held by CADES		
. Financial investments		8,874.36
. Other debtors, prepayments and accrued income		6,065.60

PROFIT AND LOSS ACCOUNT PERIOD ENDED 30 JUNE 2025 (€ millions)

NET REVENUE FROM CRDS, CSG AND SOCIAL LEVIES		8,225.02
ESTIMATION CHANGES AND ERROR ADJUSTMENTS		
NET REVENUE FROM RETIREMENT RESERVE FUND (FRR)		725.00
NET REVENUE FROM PROPERTY		-
Interest payable and similar charges	-	1,516.23
Fees	-	6.84
Interest receivable and similar income		150.54
NET FINANCIAL CHARGES	-	1,372.54
Operating charges	-	1.25
OPERATING PROFIT		7,576.23
Provisions for sundry liabilities		-
Exceptional income (charges)		-
PROFIT FOR THE PERIOD ENDED 30 JUNE 2025		7,576.23

OTHER INFORMATION

The table below provides information on market value, comparing the debt at repayment value as at 30 June 2025 with the debt at market value.

Debt at repayment value as at the closing date comprises the following elements:

- a. The nominal value of fixed rate, variable rate and adjustable rate borrowings in euros.
- b. The nominal value of the fixed rate, variable rate and adjustable rate euro legs of basis swaps representing perfect transformation of foreign currency-denominated borrowings into euro-denominated borrowings.
- c. The accrued nominal value of inflation indexed bonds as at 30 June 2025.
- d. Interest accrued but not yet due is excluded from debt at repayment value.

Debt at repayment value at maturity comprises the following elements:

- a. The nominal value of fixed rate, variable rate and adjustable rate borrowings in euros.
- b. The nominal value of the fixed rate, variable rate and adjustable rate euro legs of basis swaps representing perfect transformation of foreign currency-denominated borrowings into euro-denominated borrowings.
- c. The projected nominal value at maturity of inflation indexed bonds.
- d. The market value of swaps used for macro hedging.

Debt at market value comprises the following elements:

- a. The value of the fixed rate bonds and inflation indexed bonds based on the average market price on 30 June 2025.
- b. The value of unlisted securities issued by CADES obtained using the CADES zero-coupon curve as at 30 June 2025. Options embedded in certain of these securities are valued using an internal model based on standard valuation software developed and marketed by an independent service provider.
- c. The value of derivatives used to transform part of the debt through micro hedging. Options embedded in certain of these instruments are valued using the same internal model.
- d. The value of derivatives used for macro hedging.
- e. The present value at 30 June 2025 of collateral, repurchase agreements and bank balances.

(€ millions)	DEBT AT REPAYMENT VALUE		DEBT AT MARKET VALUE	MARKET VALUE OF HEDGING TRANSACTIONS
	At maturity	At 30 June 2025	At 30 June 2025	At 30 June 2025
Up to 1 year	18,372.39	18,372.39	18,580.37	887.92
From 1 to 5 years	69,217.10	69,217.10	69,237.33	2,094.33
Over 5 years	42,787.16	42,787.16	39,078.14	700.00
Swaps	-	-	-	-
TOTAL	130,376.65	130,376.65	126,895.84	3,682.25
Variable rate	8,293.63	8,293.63	8,198.08	1,365.61
Indexed rate	-	-	-	-
Fixed rate	122,083.02	122,083.02	118,697.76	2,316.64
Swaps	-	-	-	-
TOTAL	130,376.65	130,376.65	126,895.84	3,682.25

Compared with the previous financial year, at 30 June 2025 there had been a decrease in the proportion of short- and long-term debt and an increase in that of medium-term debt, as shown by the table below:

DEBT	At 30 June 2025	At 30 June 2024	At 31 December 2024
Short term (< 1 year)	14.09%	9.32%	16.84%
Medium term	53.09%	55.84%	49.40%
Long-term (> 5 years)	32.82%	34.84%	33.76%

As regards the breakdown between issues denominated in euro and other currencies, in the half-year ended 30 June 2025 the proportion of debt denominated in euro increased slightly from 31 December 2024, as shown by the table below:

DEBT	At 30 June 2025	At 30 June 2024	At 31 December 2024
In foreign currencies	35.95%	36.35%	39.44%
In euros	64.05%	63.65%	60.56%

The post-hedging book-value-debt breakdown below shows an increase in the proportion of fixed rate debt, while the proportion of variable rate issues decreases and that of indexed issues remains zero:

DEBT	At 30 June 2025	At 30 June 2024	At 31 December 2024
Variable rate	6.36%	15.07%	17.13%
Indexed rate	0.00%	2.76%	0.00%
Fixed rate	93.64%	82.17%	82.87%

Explanation of variances between market value and repayment value of debt:

The difference between the market value of the debt and its repayment value is explained by the following factors:

- The market value of fixed rate loans decreased because of the increase in interest rates;
- Market value factors in the present value of future coupons whereas repayment value excludes coupons; and
- Gains and losses on macro-hedging swaps impact market value one way or the other.

The above information covers a significant part of CADES' main activity, which is to repay in the best possible conditions the debt it raises on the financial markets.

POST-BALANCE SHEET EVENTS

None.