

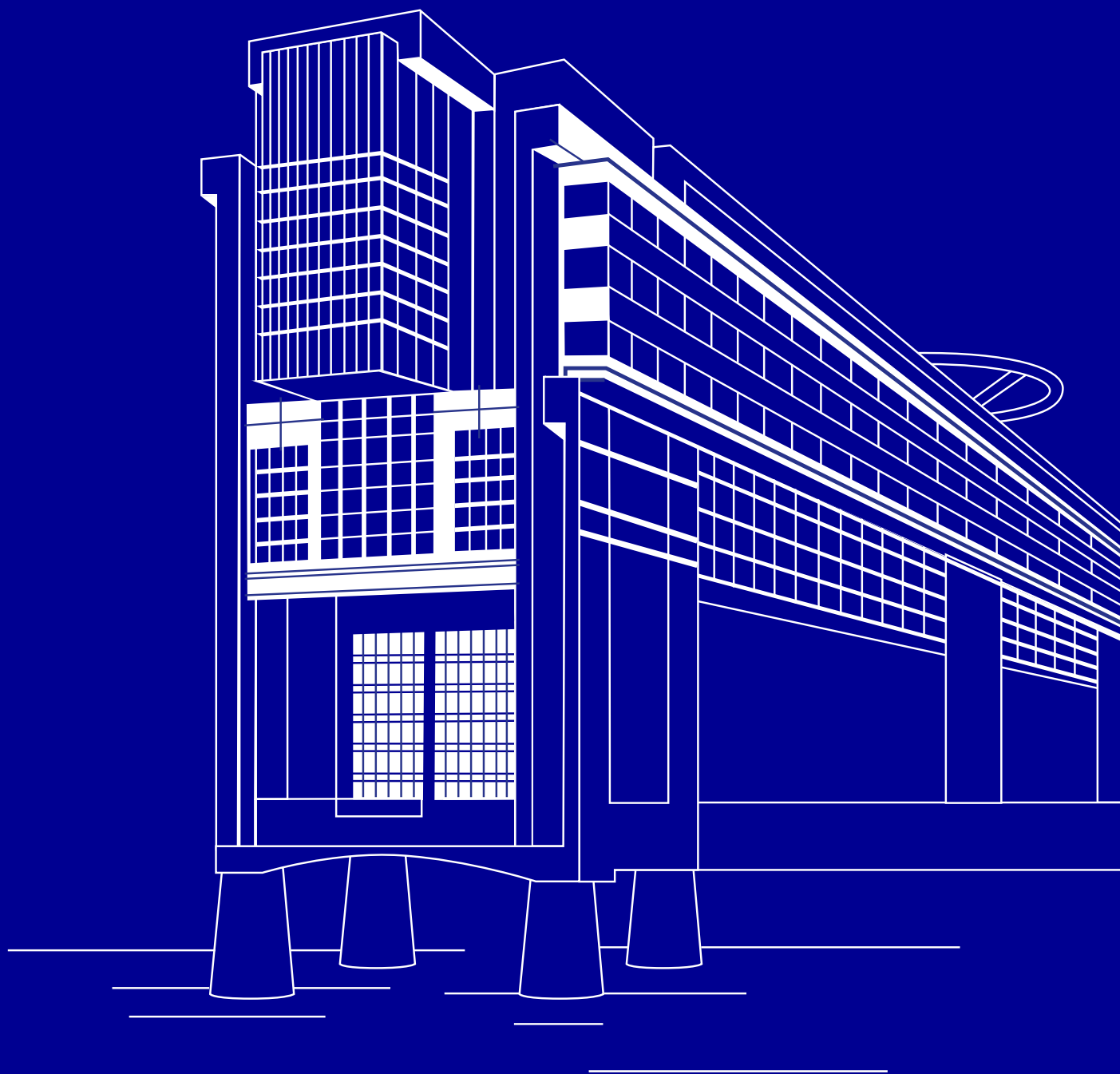


**RÉPUBLIQUE
FRANÇAISE**

*Liberté
Égalité
Fraternité*



**AGENCE
FRANCE TRÉSOR**



2025
ANNUAL REPORT

STATEMENT OF
WORK



4 Word from the Chair Bertrand Dumont Chair of AFT	6 About AFT 10 Partners
5 Editorial Antoine Derveennes Chief Executive of AFT	
Management report	
21	2025 Key figures
22	2025 Highlights
24	Yields
25	Achievements of the year
27	Financing programme implementation
29	The State's debt and management strategy
33	Syndicated issues
37	Green OATs
40	Internal control and risk control
44 Financial Report	
60 Statistical report	80 Fact sheets 88 Glossary



France has demonstrated its ability to stick to its budgetary targets and has pursued the public finance consolidation strategy.

Bertrand Dumont

DIRECTOR GENERAL OF THE TREASURY
CHAIR OF AGENCE FRANCE TRÉSOR

2025 was marked by high levels of international uncertainty, with trade and geopolitical tensions having a major impact on the global economic environment. Against this backdrop, France has demonstrated its ability to stick to its budgetary targets and has pursued the public finance consolidation strategy. The adoption of a special law at the end of 2024, followed by the Budget Act of February, ensured that France could continue to finance the State and pursue the strategy of consolidating public finances: the annual deficit was contained at 5.1% of GDP, a performance above the initially set target of 5.4%.

France's economy showed significant resilience, with a rebound in the 3rd quarter (+0.5% over the quarter, after +0.3%). Annual growth was +0.9% , compared with an initial forecast of +0.7%. The trade deficit in goods improved for the third consecutive year, driven by higher exports in the aviation industry and lower energy prices. Exports were less dynamic at the beginning of the year, notably due to late deliveries in the aviation industry. This effect subsided at the end of the year, when the pace of deliveries returned to normal. The growth in the services surplus was driven by tourism.

Consumer prices slowed again, with an average annual inflation of +0.9% in France, following +2.0% in 2024 and two years marked by high inflation (+4.9% in 2023 and +5.2% in 2022). In addition, the cut in the ECB's official interest rates improved investment conditions for households and businesses.

In the labour market, paid employment has normalised since mid-2023. Labour market participation continued to increase, driven by the labour market reforms implemented in recent years.

In this context, AFT raised funds to finance the State through an annual programme of medium- and long-term securities issuances amounting to €300 billion. The demand, both during syndications and auctions, confirmed investors' confidence in French sovereign debt.

By upholding the fundamental principles of foresight, transparency and consistency, AFT ensured that French debt securities were issued under optimum conditions of security and at the best rate for French taxpayers.

Antoine Deruennes

DIRECTOR GENERAL OF AFT



In 2025, Agence France Trésor continued its strategy based on foresight, transparency and consistency. Despite an uncertain internal environment and volatile markets, AFT, by being attentive to investors' needs, created the best conditions for the financing and security of French debt. As a result, sovereign debt issuances, both through auctions and syndications, met with strong demand across all securities.

As announced in the 2025 Budget Bill, AFT completed the €300 billion financing programme. To this end, AFT issued €347 billion in medium-long term debt and completed €47 billion in buybacks.

The average yield on debt issuance declined slightly, from 3.06% in 2024 to 2.73% in 2025. The yield curve normalised, with short-term rates on a sharp decline (2.12% in 2025 against 3.39% in 2024), and long-term rates increased slightly from 2.91% to 3.14% at the end of 2025.

This year again, AFT has seen strong demand for its syndicated issuances, with the issuance of two new securities: the 15-year OAT 25 May 2042, for a record amount of €10 billion, and the OAT 3.75%, 25 May 2056, the total demand of which exceeded €110 billion, with €8 billion allocated.

In addition, AFT tapped, on a syndicated basis, the indexed OAT on 25 July 2043 for €3 billion and the long maturity green OAT 25 June 2049 for €5 billion, thus confirming investors' sustained interest in these segments.

Lastly, given the high demand for index-linked OATs, AFT issued €23.3 billion, in keeping with prior years.

In total, the six securities announced in the 2025 financing programme have been created. The average maturity of securities on issue remained stable compared to 2024 at 8 years and 184 days.

At the same time, and as set out in the 2025 annual financing programme, Agence France Trésor published an updated version of the Green OATs Framework document on 16 May 2025. This update aligns the Green OATs scheme with new market practices stemming from the EU regulation and the Green Budget methodology, while extending eligibility for funds raised through green debt to nuclear energy expenditure, thereby recognising its role in France's decarbonisation efforts. At 31 December 2025, total outstanding sovereign green bonds stood at €87 billion, making France the largest green sovereign issuer in the world at that date.

On behalf of CADES, €7.5 billion were issued through four issuances, thus maintaining CADES as a leading issuer of social bonds. In 30 years to end-December 2025, Cades has thus redeemed €274.7 billion, representing nearly two-thirds of the social debt assumed since its creation in 1996. All debts assumed before 2020 have now been fully redeemed.

In 2025, AFT continued its State financing mission providing investors with secure and liquid securities. This achievement stems from the renewed collective engagement of all stakeholders: commitment of its staff, close partnership with primary dealers, advice of its strategic committee and the quality of Banque de France's services.

OUR TASKS

At the end of 2025, AFT had
47 employees

18

women

28

men

21

contract staff

25

civil servants

AFT is characterised by the diverse educational backgrounds and career paths of its staff. They share the same values as those of the Directorate General of the Treasury: commitment, loyalty, openness and team spirit. All staff members adhere to strict commitments with regard to professional ethics.



An autonomous, accountable agency with national scope

AFT is an agency with national scope (SCN) that reports to the Ministry for the Economy, Finance and Industrial and Digital Sovereignty and the Directorate General of the Treasury. It has the required visibility and resources to carry out its activities, particularly as regards navigating complex financial markets and maintaining close relations with all financial stakeholders.

The fact that AFT reports to the Directorate General of the Treasury at the Ministry for the Economy, Finance and Industrial and Digital Sovereignty means that it has access to the full range of information it needs to carry out its strictly defined tasks, often liaising closely with other structures at the Ministry, such as the Budget Directorate and the Public Finances Directorate General.

AFT is staffed by civil servants who are fully conversant with the government's financial procedures, and by market professionals under contract with the government. Staff members serve in operational functions (cash management, market transactions, risk management and post-trade procedures, information technology), analytical functions (strategic modelling, macro-economics and legal) and communication functions.

Managing the State's cash requirements

Agence France Trésor (AFT) manages the State's cash requirements such as to ensure it can meet all its financial commitments at all times, whatever the circumstances. It manages the Single Treasury Account, which tracks all financial movements initiated by public accountants, i.e. operations relating to the State's budget, local authorities and public institutions, in particular.

This task covers the year as a whole, as well as day-to-day developments: the forecasts of collections and disbursements of the State and of Treasury correspondents are constantly updated. In parallel, cash flow transactions on the Single Treasury Account are monitored to meet short-term cash requirements.

Managing the State's debt

AFT is also tasked with managing debt in taxpayers' best interest. Its strategy takes a long-term view, while also tracking the market closely. This strategy promotes liquidity across the full range of AFT's debt securities, while maintaining full transparency and a commitment to combining innovation and security.

FINANCING TRANSACTIONS CARRIED OUT ON BEHALF OF CADES

During the year ended, CADES completed a medium- and long-term financing programme to the tune of €76 billion. This financing programme consists of three benchmark loans with maturities ranging from three to five years, including two corporate euro-denominated loans totalling €5 billion and one loan of USD 2.5 billion, as well as a private placement for CNH 1 billion.

274.7

€Bn

CADES has redeemed €274.7 billion of debt out of the €396 billion allocated since its creation in 1996. All debt assumed prior to that of 2020 has been redeemed.

AFT ORGANISATION

To perform its tasks of managing the State's debt and cash, AFT has a directorate general, a secretariat general and the following units:

1. "CASH" unit:

- Cash forecasts;
- Relations with Banque de France as the Treasury's banker;
- Relations with government authorising officers and accountants;
- Cash management transactions: loans and deposits, repo and reverse repo transactions in government securities.

2. "DEBT" unit:

- Auctions, syndicated issuances, buybacks;
- Relations with the primary dealers;
- Proactive debt management transactions;
- Promoting Treasury securities to investors.

3. "POST-TRADE" unit:

- Repayment of debt and all market transactions, including the hedging of financial risks for the State;
- Monitoring and control of market risks;
- Managing margin calls;
- Administrative management of the Public Debt Fund (CDP);
- Overseeing auctions of carbon quotas for France as part of the European Union's greenhouse gas emissions trading system (EU-ETS).

4. "RESEARCH" unit:

- Quantitative contribution to determining and executing the State's financing strategy;
- Monitoring fixed-income markets and relations with primary dealers' strategists;
- Coordinating working groups with international bodies and other public sector issuers (EU, OECD, etc.);

- Secretariat for the AFT Strategic Committee;
- Monitoring the macroeconomic and financial situation, budgetary and monetary policies and discussions on structural policies;
- Talking with French and foreign investors and market stakeholders;
- Relations with rating agencies;
- Coordinating the interministerial process for selecting green expenditures eligible for Green OATs;
- Tracking the allocation of green expenditures and drafting the Allocation and Performance Report;
- Overseeing the work of the Green OATs Evaluation Council;
- Supporting the CADES social bond programme.

5. "INFORMATION TECHNOLOGY" unit:

- Administering and operating the information system to provide the IT tools needed for AFT's tasks;
- Leading projects to implement new software and services;
- Monitoring and applying the information system security policy and maintaining IT resources as part of the business continuity plan.

6. "INTERNAL CONTROL" unit:

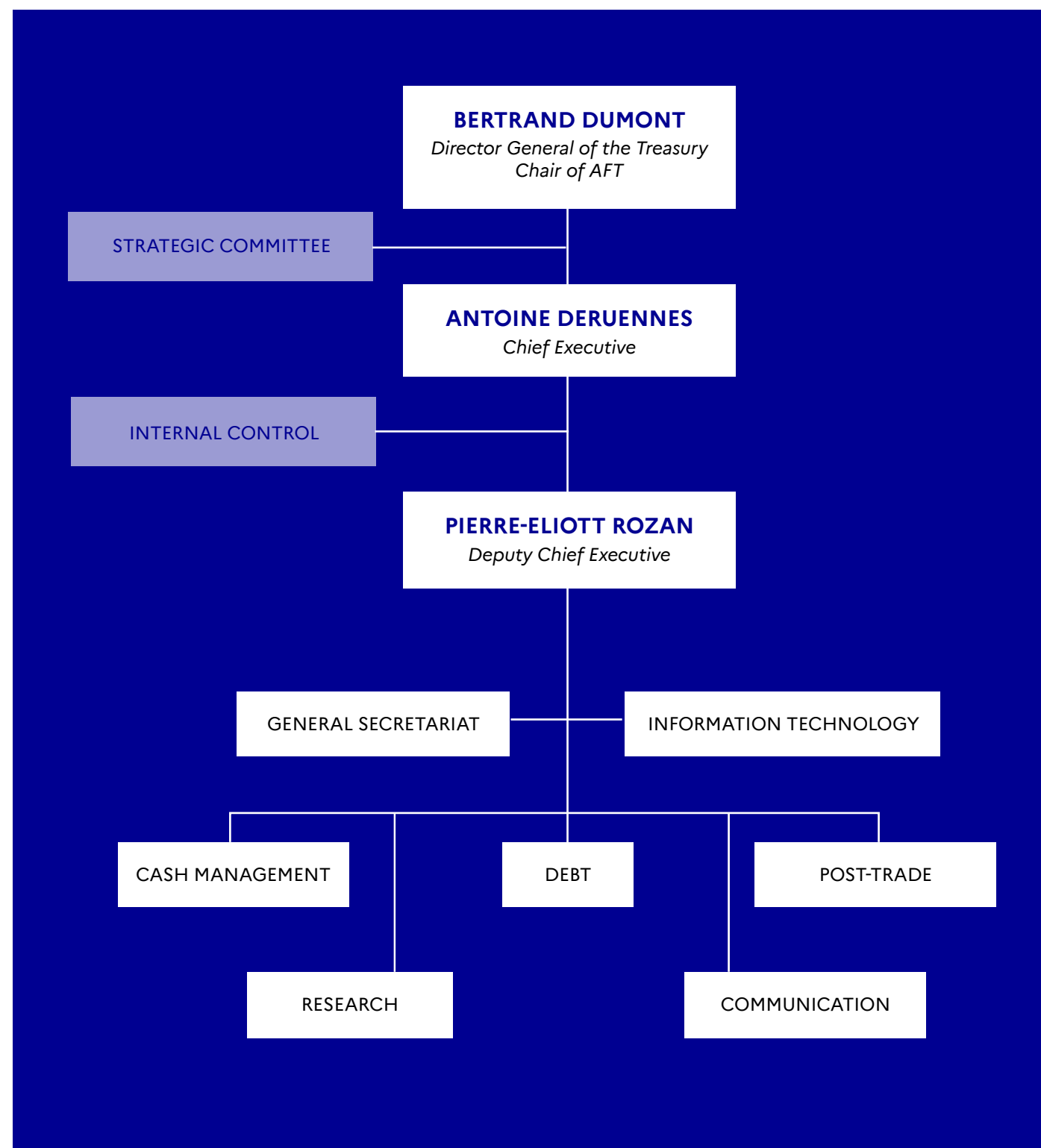
- Internal control of transactions, defining the general business framework and risk mapping for AFT and CADES;
- Implementing ministerial crisis management and business continuity instructions for AFT and CADES activities;

- Coordinating the AFT Risk Committee's audit, coordination and secretariat functions;
- Managing legal and compliance risks for AFT and CADES transactions;
- Managing rules of professional conduct for AFT staff, defining the AFT confidentiality policy and monitoring their implementation.

7. "COMMUNICATION" unit:

- External communications; reporting on AFT's operation and tasks, and promoting events to the financial community and the media;
- Internal communications: monitoring and gathering information, creating communication tools;
- Digital communications: website, social media and deploying AFT's digital presence.

AFT ORGANISATION CHART



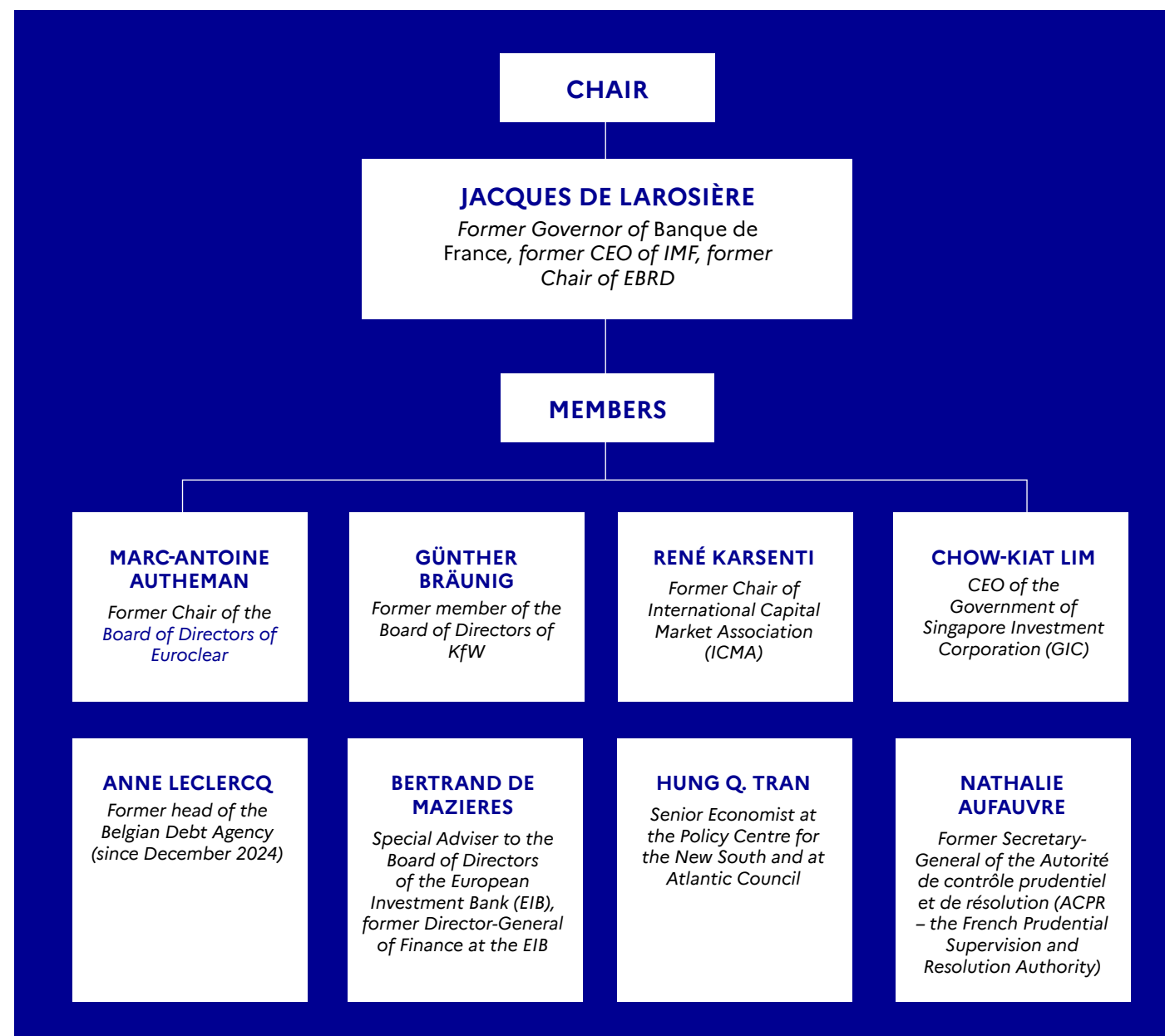
THE STRATEGIC COMMITTEE

The Strategic Committee assists AFT in the performance of its tasks. The committee, along with the primary dealers, advises AFT on the main strands of the State's issuance policy.

The Strategic Committee acts in an advisory capacity, in particular by delivering an opinion on the principles governing the State's issuance policy and its cash management and, more generally, on any question relating

to the life of the agency and on desirable developments. It meets twice a year to review AFT's strategy and discuss future issues.

Its members are leading French and international figures whose careers, experience and in-depth knowledge of how financial markets work provide AFT with a broad range of skills and expertise.



PRIMARY DEALERS

Primary dealers are AFT's close counterparties for all its market activities.

They assist AFT with its debt issuance and management policy, and more generally, with any matter concerning the smooth operation of markets.

Members of the primary dealers' group have changed over time. Their ranks grew from 13 in January 1987 to 22 in the early 2000s, reaching 15 institutions in the period 2022-2024. Today's group of primary dealers represents the diversity of institutions active on the French government debt market: large network banks, specialised institutions, French and foreign institutions.

At 31 December 2025, the group of primary dealers included 15 institutions from various geographical areas, of which four French, one German, three British, five North American and one Japanese. This confirms the key role and appeal of French Treasury securities in the euro debt market.

Primary dealers are responsible for participating in auctions, investing Treasury securities and ensuring secondary market liquidity.

AFT deals with them as necessary for them to perform their duties:

- overseeing the proper functioning of primary issuances;
- ensuring the liquidity of the secondary market in French Treasury securities and maintaining their status as some of the euro area's most liquid securities;
- promoting the market for Treasury securities;
- providing constant and highly pertinent analysis to AFT on issuance policy, debt management, promoting the State's creditworthiness, hedging the State's financial risks and the workings of the fixed income markets.

These duties are described in a charter¹ initially introduced in 2003, which governs the relations between AFT and the primary dealers. The latter are signatories of the charter, which is updated on each new appointment, and pledge to comply with it. They also undertake to act ethically and comply with marketplace best practices when carrying out their transactions.

Primary dealers over the period 2024-2027



1. Available at: <https://www.aft.gouv.fr/en/primary-dealers-presentation>

2025 LEAGUE TABLE OF PRIMARY DEALERS

Overall ranking: the most active primary dealers in 2025

Since 1999, AFT has published an annual ranking of the most active primary dealers. The assessment of primary dealers' activity takes all their tasks into account: bidding at auctions, dealing on the secondary market, and qualitative aspects of their relationship with AFT.

Each of the 15 primary dealers is given a score of up to 100 points; up to 45 points for their involvement in auctions, up to 30 points for their presence on the secondary market and up to 25 points for qualitative aspects.

On that basis, the 2025 ranking of the top ten institutions is as follows:

	1  BNP PARIBAS	
2  SOCIETE GENERALE	3 J.P.Morgan	4  CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
5 Morgan Stanley	6  citi	7  HSBC
8  BARCLAYS	9 BofA SECURITIES 	10  Deutsche Bank

Presence on the primary market, the secondary market, and qualitative assessment

PRIMARY MARKET

For bidding at auctions and buybacks on the primary market, the top ten institutions in the 2025 ranking are as follows:

1  BNP PARIBAS
2  SOCIETE GENERALE
3 J.P.Morgan
4 Morgan Stanley
5  CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
6  HSBC
7  citi
8  BARCLAYS
9 BofA SECURITIES 
10  NatWest Markets

SECONDARY MARKET

For dealing in Treasury securities on the secondary market, the top ten institutions in the 2025 ranking are as follows:

1 J.P.Morgan
2 Morgan Stanley
3  CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
4  SOCIETE GENERALE
5  BNP PARIBAS
6  citi
7  Deutsche Bank
8  BARCLAYS
9 BofA SECURITIES 
10  HSBC

QUALITATIVE RANKING

Lastly, for the quality of services, the top ten institutions in the 2025 ranking are as follows:

1  BNP PARIBAS
2  SOCIETE GENERALE
3  CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
4  NATIXIS BEYOND BANKING
5 J.P.Morgan
6  HSBC
7 Morgan Stanley
8 BofA SECURITIES 
9  citi
10  BARCLAYS

INVESTORS

Investor relations are a priority

Throughout the year, AFT holds regular meetings with investors (investment managers, portfolio managers, economists, etc.) to maintain or develop long-term relationships. In 2025, AFT held meetings in France and abroad with 140 investors.

These meetings are an opportunity for AFT to outline the State's issuance strategy and the technical strengths of its debt management, and to provide information for a better understanding of France's and Europe's economic situations, economic and fiscal policies and the structural reforms under way. Investors can also use these meetings to give their opinion of France and of the debt market, providing valuable feedback to public decision-makers. This regular groundwork helps maintain investors' positive image of France. The State debt investor base is diversified both in terms of geography and categories.

French investors held 45.1% of French State debt on 31 December 2025 and non-resident investors, including a large share from the euro area, held 55.1%. Investors include central banks, sovereign wealth funds, asset managers, commercial banks, insurance companies and pension funds. This diversity is an important factor for the security of French debt that optimises the State's borrowing costs in all market situations.

Visits made in 2025

AFT visited 12 countries in 2025 to promote French Treasury securities and France's credit: Germany, Saudi Arabia, China, Korea, United Arab Emirates, Spain, USA, Italy, Japan, Poland, Portugal, United Kingdom.



SURVEY CONDUCTED BY IEM FINANCE

Agence France Trésor has conducted an investor survey every year since 2002 to assess their opinion of French debt.

IEM Finance conducted this twenty-third online survey of primary dealers' customers from 8 to 26 September 2025. The survey considered the quality of business relations with the primary dealers and the services they render to their customers, along with the customers' assessment of how well the French debt market works. In 2025, 202 investors filled in the questionnaire; these respondents represented most of the major asset managers and insurers, along with many public institutions that trade in French debt.

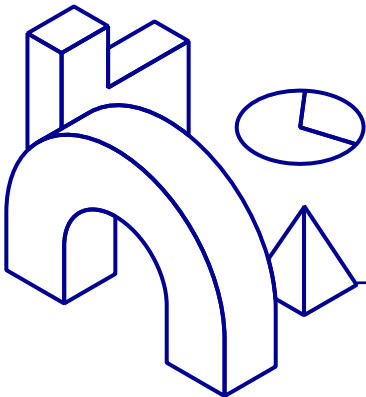
Investors' satisfaction with the functioning of the French debt market remains very high, both in France and abroad. Across all investors, 96.2% of them stated that they were "very satisfied" or "satisfied". The liquidity of par value and index-linked OATs, as well as BTFs, is deemed to be satisfactory ("very satisfactory" or "fairly satisfactory") by the vast majority of investors. Their satisfaction levels were respectively 97.9% and 93.8%.

In addition to the information provided by AFT, the vast majority of investors (88.5%) continue to state that they are "satisfied" with the information they receive from French

public institutions regarding economic policy and public finances.

Investors who state they are "very satisfied" or "fairly satisfied" with the reissuing of former securities remain the vast majority. 94.4% of those who responded state they are satisfied.

Green OATs also continue to satisfy investors. 93.9% of those who responded state they are "satisfied" with the information published on green OATs.



BANQUE DE FRANCE

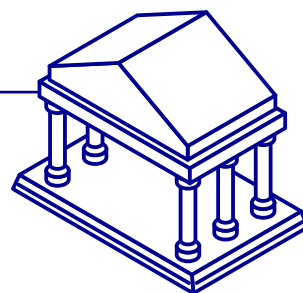


All flows of funds (expenditure and revenue) by the State and Treasury correspondents, are centralised in real time through a single account held with the Banque de France and managed by AFT. The single account records all financial transactions carried out by public accountants involving nearly 2,500 transaction accounts.

Banque de France leverages this structure to provide AFT with a centralised, real-time view of the Single Treasury Account so that AFT can make medium- and long-term forecasts of expenditure and financing in order to optimise the State's cash management.

AFT also relies on Banque de France staff for the practical organisation of Treasury security auctions and oversight of the settlement process for securities sold. Acting as an intermediary between AFT and the primary dealers, Banque de France receives the primary dealers' bids and then compiles an anonymous summary of the orders and presents it to AFT, which uses it to allocate each security.

To carry out this task, Banque de France has been using a dedicated and highly secure system called MAITRE (*Mécanisme d'Adjudications Informatisé du Trésor*) since 2022. This new system is used by the primary dealers to submit their bids and by AFT to allocate Treasury securities. Banque de France provides this service under the terms of separate agreements with AFT and with each primary dealer.



INTERNATIONAL PUBLIC DEBT AND CASH MANAGEMENT WORKING GROUPS

AFT represents France as a member of various public debt and cash management working groups:

Sub-committee on EU sovereign debt markets EUROPEAN UNION

The sub-committee on EU sovereign debt markets (ESDM), is a sub-group of the European Union's Economic and Financial Committee. It is responsible for coordinating issuance policies (timetable and amounts as provided for in the 2012 regulations), preparing common positions for the various Member States on regulatory matters and technical aspects relating to the sovereign debt market. It also ensures that information disseminated about the different Member States' debt issues is harmonised. The group meets at least three times a year in Brussels.

The OECD Working Party on Public Debt Management

OCDE

This group provides sovereign debt managers with a forum to discuss their experience and their issuance policies. It publishes standardised statistics and reports comparing the management approaches adopted in different countries. The group meets twice a year, usually in Paris.

IMF Public Debt Management Forum

IMF

This forum is attended by all public debt managers, as well as representatives of the private sector, international institutions and regulators. The aim of the forum is to discuss current public debt management issues with regard to developments in the economic and regulatory environment. The forum meets every two years, alternating venues between Washington and an IMF member country.

WEBSITE

- Sub-committee's website (in English):
https://economic-financial-policy-committees.europa.eu/economic-and-financial-committee/working-groups/efc-sub-committee-eu-sovereign-debt-markets_en
- Economic and Financial Committee's website:
<https://www.consilium.europa.eu/en/council-eu/search-the-list-of-council-preparatory-bodies/economic-financial-committee/>

WEBSITE

- Sub-committee's website:
<https://www.oecd.org/en/topics/debt-management.html>

WEBSITE

- IMF website (in English):
<https://www.imf.org/en/home>

World Bank's Government Borrowers' Forum

[WORLD BANK](#)

The World Bank's Government Borrowers' Forum is an annual event that brings together senior civil servants from countries issuing securities on international capital markets and the treasurers of supranational organisations to share their debt management experience and discuss their views on issues of common interest regarding financial markets. Some 100 senior debt managers from some 40 countries attend this forum. The World Bank's Treasury department provides the secretariat for the forum, which is hosted by a different country each year.

WEBSITE

- Website: [World Bank](#)

ICMA's Public Sector Issuer Forum

[INTERNATIONAL CAPITAL MARKET ASSOCIATION](#)

AFT also participates in the Public Sector Issuer Forum which is organised by the International Capital Market Association, (ICMA). The purpose of the forum's meetings is to discuss issuers' practices and the issues facing their ecosystem.

WEBSITE

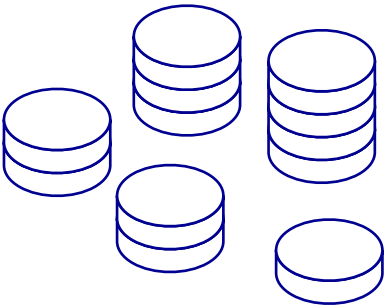
- Website: [Public Sector Issuer Forum - ICMA - International Capital Market Association \(icmagroup.org\)](#)





MANAGEMENT REPORT

2025 Key figures



347.7 €Bn

GROSS ISSUANCE OF
medium- and long-term securities

3.14 %

WEIGHTED AVERAGE RATE
*of medium- and long-term
fixed-rate securities*

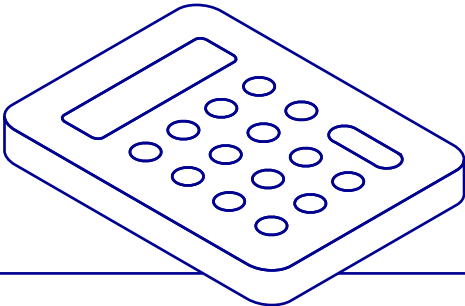
8
years

184
days

AVERAGE RESIDUAL MATURITY
of the debt at 31/12/2025

2,737 €Bn

NEGOTIABLE DEBT
at 31/12/2025



55.1 %

SHARE OF NEGOTIABLE DEBT HELD
by non-residents at 31/12/2025 at market value

2025 Highlights

JANUARY

- 3** Creation of €20 billion of OATs for the securities reserve
- 21** Launch by syndication for an amount of €10 billion with a yield of 3.664% at issuance of a new 15-year OAT: OAT 3.60% 25 May 2042
- 31** Creation of the OAT 3.20% 25 May 2035

MARCH

- 14** Announcement of the final amount of green eligible expenditure for 2025
- 25** Syndicated tap for an amount of €3 billion with a yield of 1.676% of the OAT€i 0.95% 25 July 2043

FEBRUARY

- 12** Launch by syndication for an amount of €8 billion with a yield of 3.819% at issuance of a new 30-year OAT: the OAT 3.75% 25 May 2056
- 14** Creation of the OAT 2.40% 24 September 2028
- 28** Publication of the 2024 League table of the most active primary dealers

APRIL

- 11** Creation of the OAT 2.70% 25 February 2031
- 29** New syndicated tap for an amount of €5 billion with a yield of 3.834% of the Green OAT 3.00% 25 June 2049

MAY

- 16** Presentation of the updated of the Green OATs Framework document

AUGUST

- 29** Creation of the OAT 3.50% 25 November 2035

OCTOBER

- 14** State's financing requirement and sources of funds in 2026 and update on 2025

DECEMBER

- 30** The 2026 indicative State financing programme

JULY

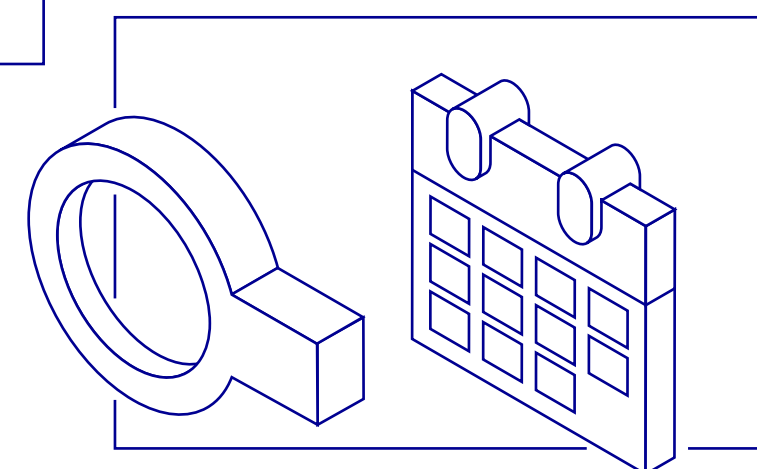
- 22** Publication of the 2024 allocation and performance report for green OATs
- 29** Publication of Agence France Trésor's 2024 annual report

SEPTEMBER

- 5** Renewal of the securities reserve

NOVEMBER

- 17** IEM Finance Survey: Investors' view of primary dealers
- 26** Results of the 23rd survey of French primary dealers' clients, conducted by IEM Finance



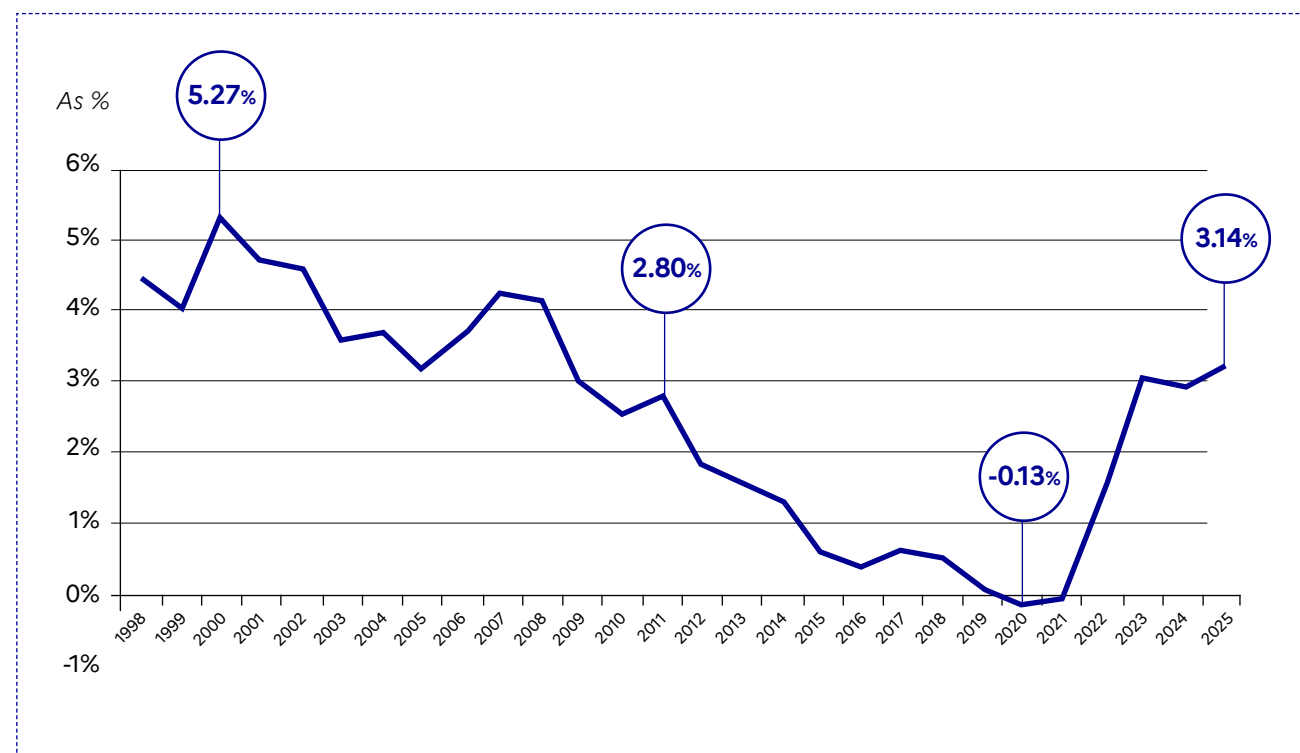
Yields

Weighted average yield on medium- and long-term debt issues

2025 saw the continued tapering of the ECB's monetary easing cycle.

In 2025, the European Central Bank (ECB) continued the monetary easing cycle that began in June 2024 with four further cuts of 25 basis points in the first half of the year (eight in total between mid-2024 and mid-2025). In this context, the interest rate on short-term issuances, mainly linked to the official interest rates, fell to 2.12% on average in 2025, after 3.39% in 2024.

In contrast, medium- and long-term interest rates saw an upward trend, in line with the increase in the term premium due to the ECB's quantitative tightening, the current and anticipated increase in financing requirements in advanced countries – particularly in Germany – and a knock-on effect of US and Japanese rates. Accordingly, for medium and long-term issuances, yields at issuance averaged 3.14% in 2025 compared to 2.91% in 2024. However, this rate is still lower than the average of the 1998-2008 period, before the *subprime crisis*, which was 4.15% for medium- and long-term securities.



Achievements of the year

2025 marked the deepening of proactive¹ cash management practices, which had resumed on 1 May 2023. AFT aims for a Single Treasury Account balance of between €120 and €160 million every evening, as per the performance indicator set out in the budget programme accompanying the Budget Act. The investment of cash surpluses helps manage cash in the taxpayers' best interest.

Managing the State's cash holdings is a core part of AFT's tasks

Agence France Trésor is responsible for managing the State's cash holdings. This consists in ensuring that the State has, at all times and under all circumstances, the necessary means to meet its financial commitments.

The State's cash holdings are centralised in a single account with Banque de France. This single account tracks all financial movements initiated by public accountants involving some 2,500 transaction accounts (State, local authorities, almost all public institutions, international correspondents, AFT transactions, etc.).

The average daily volume of cash flowing in and out of the account exceeded €40 billion in 2025. AFT's management of cash holdings relies on daily forecasts to assess the amounts needed to cover forthcoming transactions. Temporary cash surpluses can thus be invested in interbank market

transactions. These transactions take the form of unsecured deposits (with no guarantee) or repurchase agreements involving government securities (guaranteed loans backed by collateral security). In the financial interest of the State, these investments are made only if they earn more interest than the Treasury's account at Banque de France.

AFT has a reserve of securities that can be used as collateral for accessing cash on the repo market. This responsive and secure facility enjoys a deep market. It supplements the other short-term cash management instruments, which include Treasury bills and cash lines of credit granted by banks.

Results of the management of cash holdings and improvement in practices

The security of transactions, from negotiation to settlement, is a core part of AFT's tasks. The annual performance project dedicated to debt servicing sets cash management targets: it requires AFT to target a daily evening balance on the Single Treasury Account of between €120 and €160 million. In 2025, 94% of accounting days closed with the target being met, i.e. above the 85% target. As regards the interest on investments, the indicator is set against the benchmark rate on the interbank market (€STR): the average interest in 2025 was 9 basis points (0.09%) above the market rate, thus exceeding the target set at the €STR. In 2025, the State earned a total of €1.1 billion in interest on investments, or €126 million compared to the interest offered by the Eurosystem.

AFT also relies on regular comparative work on best practices at European and international (OECD) level to ensure continuous improvement of its processes. An article presenting Agence France Trésor's function as treasurer of the State was published in 2025 in the *Revue Française de Finances Publiques*².

1. Proactive management means investing cash surpluses in the form of unsecured deposits and repurchase agreements.

2. "La Trésorerie de l'État : une gestion active de trésorerie, dans les meilleures conditions de sécurité et dans l'intérêt du contribuable", RFFP 2025/4 No.171, pages 247 to 260

THE SINGLE TREASURY ACCOUNT

France has gradually introduced a pooling arrangement called “centralisation” to optimise public cash management. All entities that deposit their cash with the Treasury are called “Treasury correspondents”.

All of the State’s cash flows (expenditure and revenue), along with those of Treasury correspondents (primarily local and regional authorities and government-funded institutions), are centralised in a single account at Banque de France. AFT is responsible for the day-to-day management of this account.

AFT’s task consists in ensuring that the State has at all times and under all circumstances the necessary means to meet its financial commitments. Article 123 of the Treaty on the Functioning of the European Union (TFEU) prohibits Banque de France, which holds the State’s account, from granting overdrafts to the State. This means that the Single Treasury Account must show a credit balance at the end of every day.

To optimise the cost of cash holdings for taxpayers, AFT ensures that there is an adequate cash balance, by including a safety margin, to meet expected expenditure.

To this end, AFT constantly updates its cash flow forecasts over a rolling period of 12 months. At the end of each day, it also forecasts the cash flows for the next day. Throughout the day, AFT monitors expenditure and revenue in real time.

Centralisation of public-sector cash holdings in France

Centralisation of public cash holdings is a best practice recommended by international institutions, including the World Bank and the IMF. In addition to the State, the vast majority of French public sector entities, including local authorities, local and national government funded institutions, and hospitals are required to deposit their cash holdings with the Treasury. Other entities also deposit some or all of their cash with the Treasury under the terms of agreements, including the European Union, which deposits some of its funds with the French Treasury.

Centralisation prevents situations where some entities have a financing requirement while others have a cash surplus, thereby reducing recourse to market financing by government departments and thus significantly reducing public debt. This has a positive impact on the yields France obtains on the market and reduces the State’s reliance on market financing. It also provides absolute security for Treasury correspondents’ deposits.

Transactions made on Treasury correspondents’ accounts have a direct impact on the Single Treasury Account. AFT oversees the daily reporting of advance notifications of cash transactions from Treasury correspondents, which enables it to determine the settlement dates and amounts of transaction flows posted to the Treasury Account as accurately as possible. More specifically, local authorities and government-funded institutions are required to notify AFT of any financial transaction amounting to more than €1 million in expenditures and €30 million in revenue by 4pm on the previous day. In 2025, the percentage of such transactions notified in advance stood at 99% for local authorities and government-funded institutions. These results are better than the performance target set out in the Budget Act.

Financing programme implementation

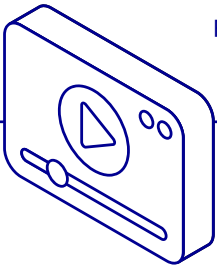
In 2025, AFT managed the State's cash holdings and implemented its financing programme in a context of high interest rates as well as high volatility. It continued to observe the principles of transparency, consistency and flexibility that characterise the State’s issuance strategy.

The medium- and long-term financing programme was well implemented

In the 2025 Initial Budget Act, the financing requirement was established at €303.5 billion. For any given year, this requirement mainly covers the deficit to be financed and the redemption amount for maturing securities. In November 2025, in the end-of-year Budget Act, this requirement was reduced to €298.8 billion, mainly due to the budget deficit being lower than expected (-€131.6 billion in the end-of-year Budget Act compared to -€139.0 billion in the Initial Budget Act). In the end, the 2025 outturn showed a financing requirement of €290.6 billion due to a lower deficit of -€124.7 billion.

This financing requirement was mainly covered by medium- and long-term securities issuances, net of buybacks, for €300 billion, as set out in the 2025 Initial Budget Act. Despite interest rate volatility, the medium- and long-term securities issuance programme was well implemented based on the principles of transparency, consistency and flexibility that characterise the State’s issuance strategy. Cash resources – to the tune of €15.2 billion – complete the financing, while the outstanding fixed-rate discount Treasury bills (BTFs), which were expected to grow by €0.5 billion in the Initial Budget Act, finally decreased by €5.2 billion.

Moreover, certain sources of cash that cannot be managed, mainly comprising issue discounts due to rising rates (in “other cash sources”), and the reduction in correspondents’ deposits, represent fewer financing sources in 2025 (respectively -€14.2 billion and -€8.6 billion).



FOR MORE INFORMATION

Tutorial

How is the French government's cash managed?

The State's cash holdings: proactive cash management, under optimum conditions of security and in the taxpayers’ best interests

<https://bit.ly/2T0NaE8>

The State’s 2025 flow of funds statement

	2025 LFI (Initial Budget Act)	2025 LFG (End- of-year Budget Act)	2025 Outturn
FINANCING REQUIREMENT	303.5	298.8	290.6
Redemption of medium- and long-term government securities (1)	168.2	168.0	168.0
<i>Par value</i>	166.1	166.1	166.1
<i>Index-linked supplements paid (index-linked securities)</i>	2.1	1.9	1.9
Redemption of other debts	0.0	0.0	0.0
SNCF Réseau - Redemptions	1.1	1.1	1.1
Deficit to be financed	139.0	131.6	124.7
Other cash requirements	-4.8	-1.9	-3.2
SOURCE OF FUNDS	303.5	298.8	290.6
Issuance of medium- and long-term government securities, net of buybacks (2)	300.0	300.0	300.0
Funds allocated to the Public Debt Fund (CDP) to reduce debt	0.0	0.0	0.0
Net change in outstanding short-term government securities	0.5	5.8	-5.2
Change in correspondents’ deposits (3)	0.0	0.0	-8.6
Change in cash available in the Treasury account (4)	0.0	3.3	15.2
Other cash sources	3.0	-10.3	-10.8



The State’s debt and management strategy

Principles

AFT is tasked with raising sufficient funds on the markets to finance the State under optimum conditions of security while keeping the debt servicing cost for taxpayers down to a minimum. AFT bases its financing policy on the consistency and transparency of its issuances and announces the issuance schedule on a yearly basis. It regularly taps every segment of France’s debt curve and ensures that the market is as deep and as liquid as possible to keep issuance costs to a minimum.

Net medium- and long-term issuances amounted to €300 billion in 2025

This amount was the result of:

- €347.7 billion in medium- and long-term borrowing, including €23.3 billion in securities indexed on inflation in France (OATi) and in the euro area (OAT€i);
- less €47.7 billion of buybacks all concerning securities set to be redeemed in 2026 and 2027.

In accordance with the auction schedule:

- Long-term OATs, meaning bonds with a residual maturity of more than eight and a half years, were issued on the first Thursday of each month;
- Medium-term OATs, with a residual maturity of between two and eight and a half years, and index-linked bonds were issued on the third Thursday of the month;
- Except in December, when only one auction was held.

The consistency and transparency of auctions remained central to the State's financing strategy in fixed income markets, the rates of which returned to those observed prior to the ECB's quantitative easing policies.

An indicative funding program was published on 19 December 2024 setting out the main guidelines for 2025.

Financing conditions

WEIGHTED AVERAGE YIELDS		average 1998-2008	average 2009-2022	year 2023	year 2024	year 2025	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Short term	All BTFs	3.15%	-0.10%	3.33%	3.39%	2.12%	2.42%	2.02%	1.97%	2.05%
	Of which 3-month BTFs	3.10%	-0.14%	3.24%	3.53%	2.15%	2.50%	2.07%	1.97%	2.03%
Medium- and long- term	Fixed-rate issues with maturities of more than one year (excluding index-linked securities)	4.15%	1.18%	3.03%	2.91%	3.14%	3.24%	3.04%	3.12%	3.18%
	of which 10-year fixed-rate issues (excluding index-linked securities)	4.44%	1.55%	3.02%	2.94%	3.37%	3.38%	3.27%	3.41%	3.46%
Total issues		3.73%	0.59%	3.16%	3.06%	2.73%	2.94%	2.65%	2.65%	2.63%

AFT continued its flexible issuance policy in 2025 to best meet changing market demand

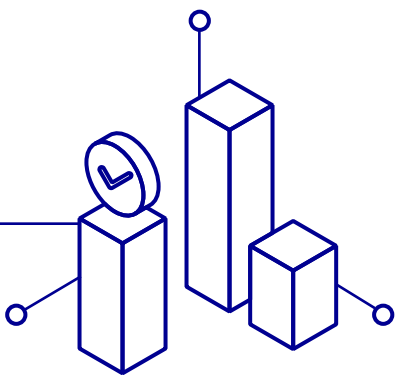
As regards monetary policy, 2025 saw the European Central Bank lower its main official interest rate by 100 basis points, from 3.00% to 2.00%, in line with the gradual normalisation of inflation (close to the annual average target of 2%), with a last cut in June 2025 followed by an extended pause (rate stable at 2.00% since June). The complete end to quantitative easing (QE) continued in 2025: following the discontinuation of reinvestments under the asset purchase programme (APP) in July 2023, the ECB stopped all reinvestments under the Pandemic Emergency Purchase Programme (PEPP) as of 1 January 2025, marking the first time since 2014 that the Eurosystem did not purchase any bonds. In this context, the OAT curve continued to normalise: while the 10-year rate was +0.9% higher than the 2-year rate on 1 January 2025, it was +1.2% higher at the end of December 2025.

With regard to the OATs market more specifically, the announcement of the end of the German “brake on debt” in March and the introduction of tariffs by the United States in April led to an increase in the French 10-year rate, from 3.2% to 3.5%. The rate differential between the 10-year French and German debt narrowed, from 0.80% to 0.65% over the year.

Lastly, AFT continued to support investor demand for longer-dated securities, while at the same time continuing its work to maintain the high liquidity of all of its securities. To this end, many levers were activated.

- As it does every year, AFT systematically heeded primary dealers' recommendations before holding auctions to ensure that the selection of securities to be issued was tailored to meet final investor demand;
- To ensure uniform liquidity in every segment of the yield curve for government bonds, AFT continued to tap “off-the-run” issuances in 2025, in addition to tapping benchmark issuances. The aggregate amount of such issuances was €75.9 billion, or 28% of gross issuances, excluding index-linked bonds.

- The optional December auction was held to enhance the regularity with which Treasury issues are tapped in the course of the year. This meant that AFT held 34 auctions of medium- and long-term fixed-rate bonds and index-linked bonds in 2025;
- AFT can carry out over-the-counter (OTC) buybacks and reverse auctions to pre-finance future issuance programmes, thereby spreading the amounts to be issued over time more evenly. AFT factors in market conditions when doing so: buying back securities on the market depends on their liquidity and price. AFT publishes a monthly report on the amounts of each security bought back during the previous month. Lastly, by buying back €47.7 billion in short-term securities to smooth out the debt redemption curve over several years, AFT was able to offer investors a liquid market for securities maturing in 2026 and 2027.



Six new benchmark OATs were created, two of which by syndication, in accordance with the indicative state financing programme

In the medium-term segment, AFT issued a new 3-year benchmark bond in February, the OAT 2.40% 24 September 2028, and in April a new 5-year benchmark bond, the OAT 2.70% 25 February 2031.

In the long-term segment, AFT created two new 10-year benchmark bonds, the OAT 3.20% 25 May 2035, launched in February, and the OAT 3.50% 25 November 2035, created in September.

Lastly, two securities were created by syndication, namely the new 15-year nominal benchmark security, the OAT 3.60% 25 May 2042 (launched in January) and the new 30-year nominal benchmark security, the OAT 3.75% 25 May 2056 (launched in February).

Medium- and long-term debt issuance

(billion euros, by settlement date)
Source: Agence France Trésor

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2025	Total 2024
2 years	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	0.0
3-4 years	1.8	7.4	4.7	4.5	4.7	4.6	4.0	5.2	5.0	4.7	4.1	0.0	50.7	59.5
5 years	7.7	10.1	4.5	5.7	8.2	9.0	8.0	5.3	4.4	6.8	6.7	0.0	76.5	64.1
6-8 years	0.0	0.0	6.8	8.6	3.3	0.0	0.0	0.0	2.1	0.0	2.9	0.0	23.7	15.5
10 years	8.9	11.8	13.7	8.0	10.0	9.2	10.4	7.0	9.4	7.9	7.2	1.8	105.2	108.0
15-25 years	12.3	0.0	2.5	0.0	7.0	0.0	2.7	2.2	2.6	2.3	3.8	2.4	37.9	30.0
30-50 years	2.7	9.2	0.0	4.4	0.0	2.8	1.9	1.3	2.4	1.4	0.0	0.8	26.9	33.3
i/€i	2.3	2.9	1.8	5.6	2.3	1.9	1.8	1.2	1.3	1.2	1.0	0.0	23.3	29.4
gross issuances	39.3	41.4	34.0	36.8	35.6	27.5	28.8	22.2	27.1	24.2	25.6	5.1	347.7	339.8
Buybacks	0.0	-3.0	-2.5	-3.0	-5.3	-6.4	-5.1	-5.0	-8.5	0.0	-2.1	-6.8	-47.7	-54.8
net issuances	39.3	38.4	31.5	33.8	30.3	21.1	23.8	17.2	18.6	24.2	23.5	-1.7	300.0	285.0
% of the financing programme	13.1%	12.8%	10.5%	11.3%	10.1%	7.0%	7.9%	5.7%	6.2%	8.1%	7.8%	-0.6%	100.0%	100.0%
% in 2024	11.8%	11.9%	11.4%	8.9%	11.2%	8.7%	9.5%	8.4%	7.2%	3.5%	8.1%	-0.6%		

Demand for BTFs remained very strong

Following an increase of outstanding BTFs the previous year, notably to finance the deficit revised upwards during the year, as well as the issue discounts recorded on subscriptions of low-coupon securities after the rise in rates that began in 2022 and the reduction in correspondents’ deposits, it is now on the decline.

At the end of 2025, the outstanding amount of short-term securities (BTFs) stood at €196.0 billion, compared to €201.2 billion at the end of 2024, or 7.2% of total negotiable debt compared to 7.9% the previous year.

As a general rule, three benchmark securities (3-month, 6-month and 1-year maturities) were sold at weekly BTF auctions and met with sustained demand. Use was made of the ability to tap “off-the-run” securities to ensure liquidity for BTFs of all maturities and meet investor demand received via primary dealers.

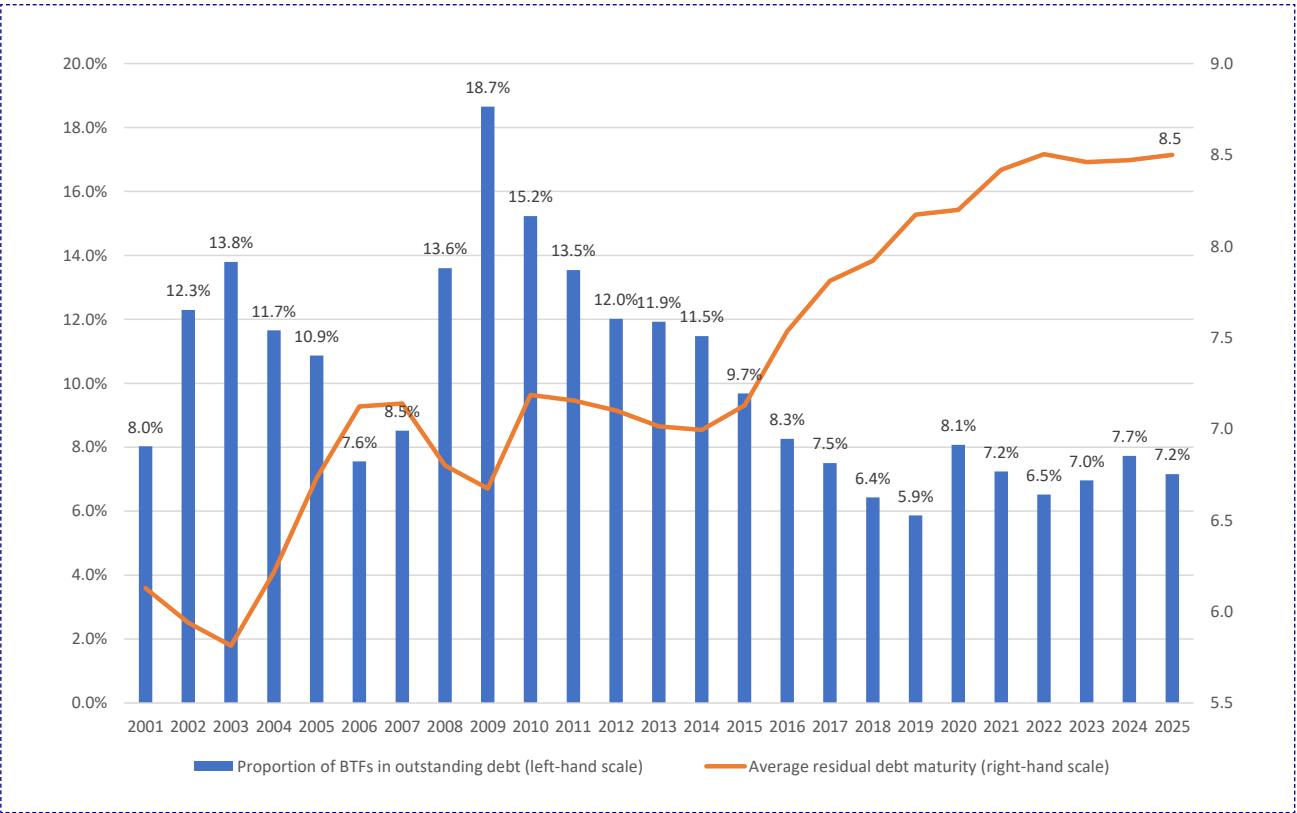
BTF auctions produced an average yield of 2.12% over the year as a whole, a much lower yield than in 2024 (3.39%) due to the cut in the ECB's official interest rates.

The average residual debt maturity remains at its record high reached at the end of 2022

The average residual debt maturity of French sovereign debt stood at 8.5 years at the end of 2025, on a par with the figure recorded at the end of 2024. It remains at the highest level recorded since the creation of AFT. The average residual debt maturity continues to be supported by sustained demand for long-maturity OATs.

Maintaining a long average residual debt maturity for France reduces refinancing risk and spreads the impact of the rise in rates witnessed since 2022 on the debt servicing cost.

Average residual debt maturity



POST-TRADE MANAGEMENT

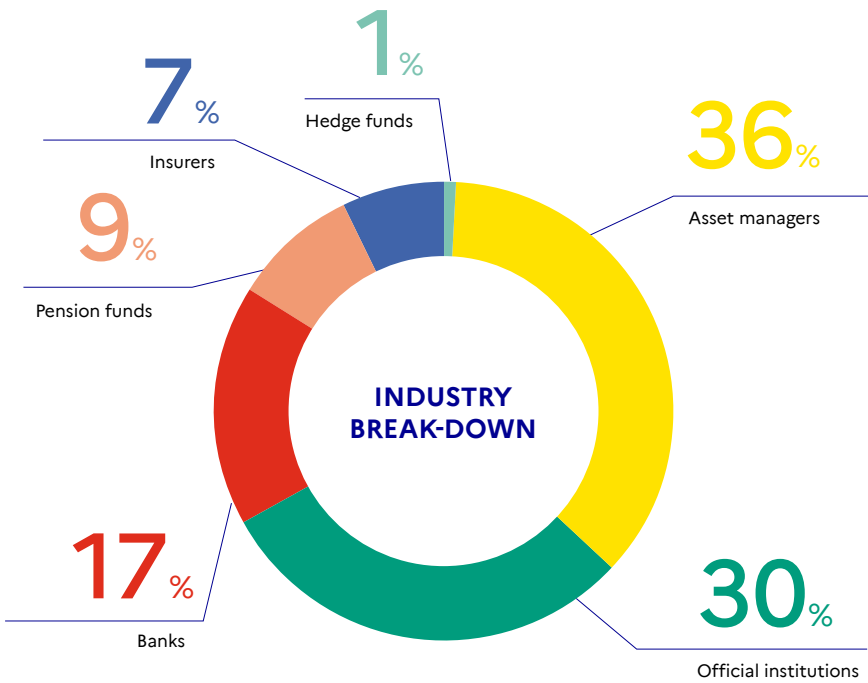
The activity of the Post-Trade Unit focuses on State debt redemption and interest payments, processing AFT's cash and hedging transactions, and risk management and monitoring for all financial market transactions. The unit also manages the Public Debt Fund (CDP) and administers its market transactions. It regularly monitors the settlement rate of transactions in the secondary market of government securities, as a component of debt liquidity.

In 2025, the Post-Trade Unit processed and executed nearly 11,900 market transactions, including over 10,950 cash transactions, 930 short-, medium- and long-term financing transactions, and 20 hedging transactions with forward financial instruments on behalf of other State bodies.

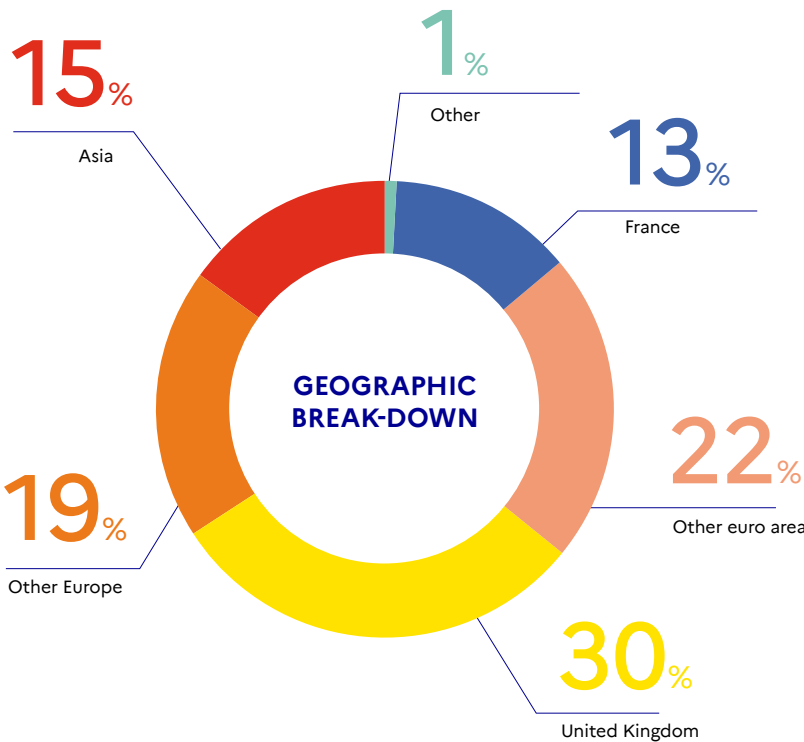
SYNDICATED ISSUES

LAUNCH OF A 15-YEAR OAT

On 21 January 2025, AFT issued a new 15-year benchmark bond, the OAT 3.60% 25 May 2042 launched by syndication. When the book-building process was completed, total demand exceeded €130 billion, with €10 billion allocated. This bond was issued with a real yield of 3.664%.

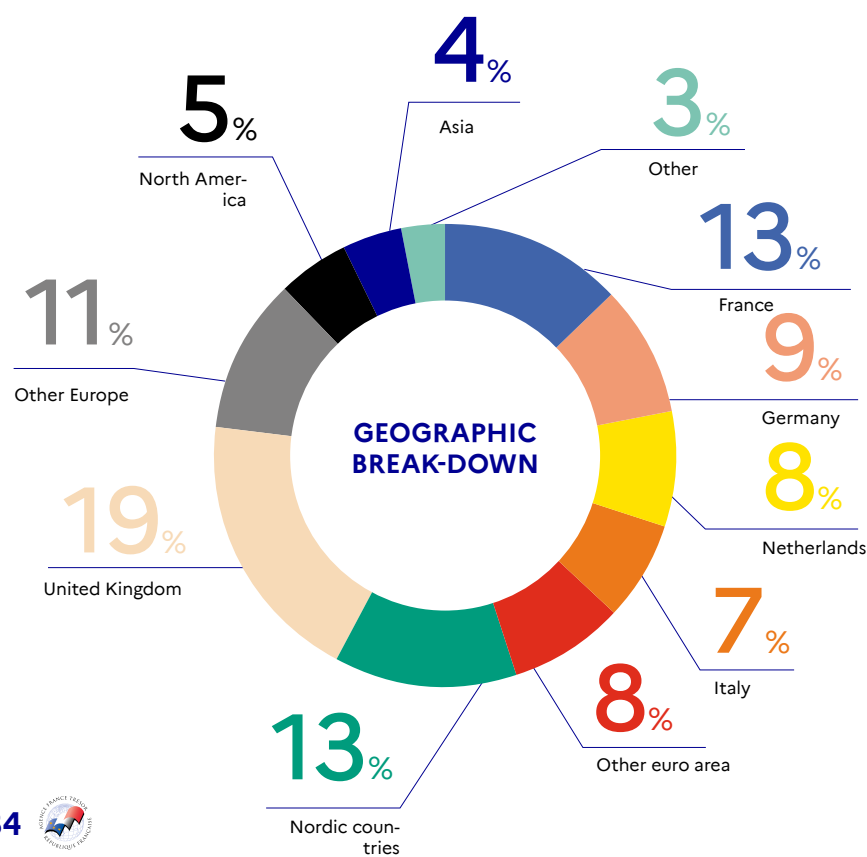
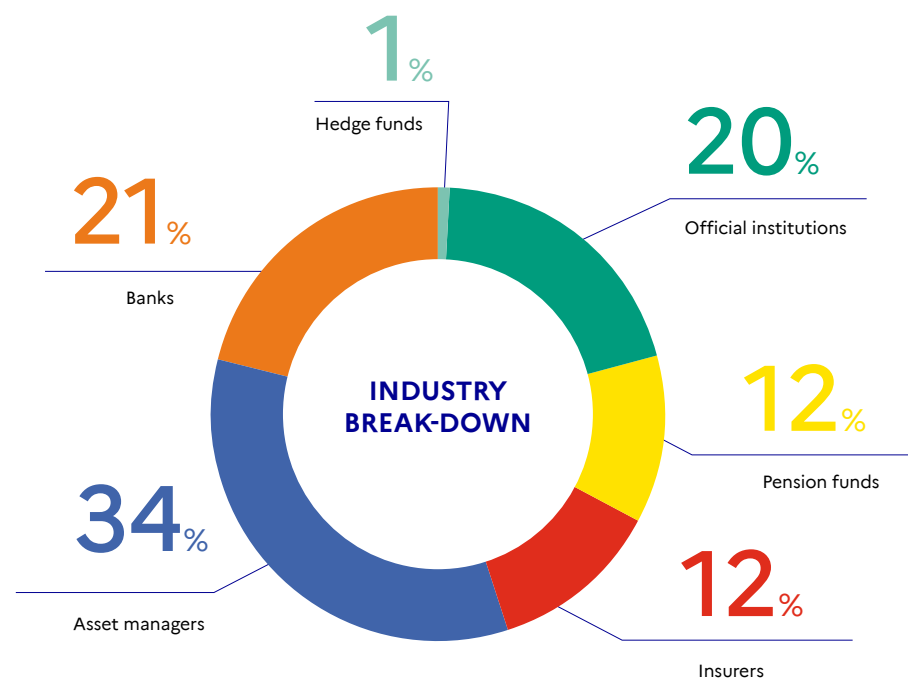


LEAD BOOK RUNNERS



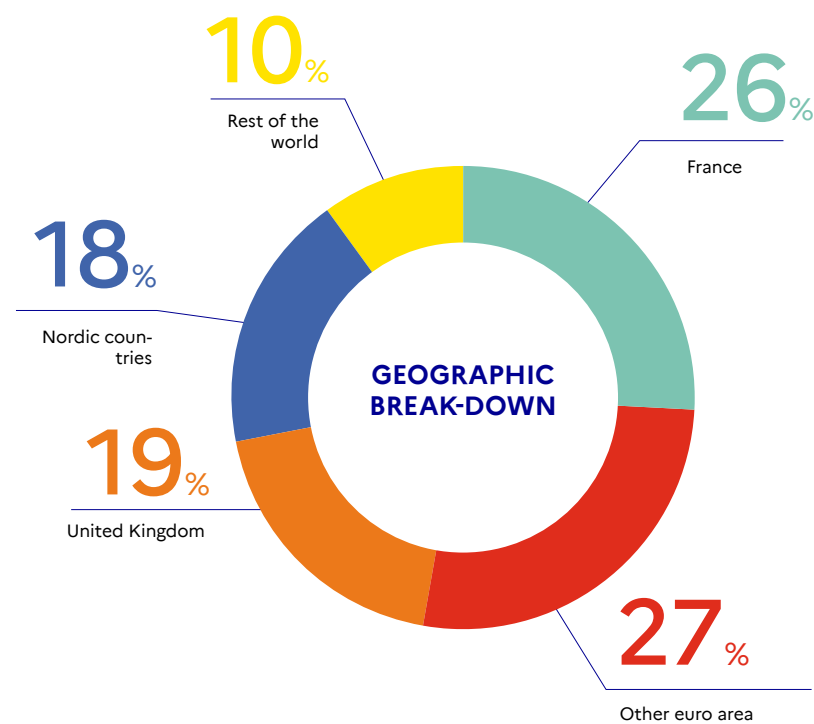
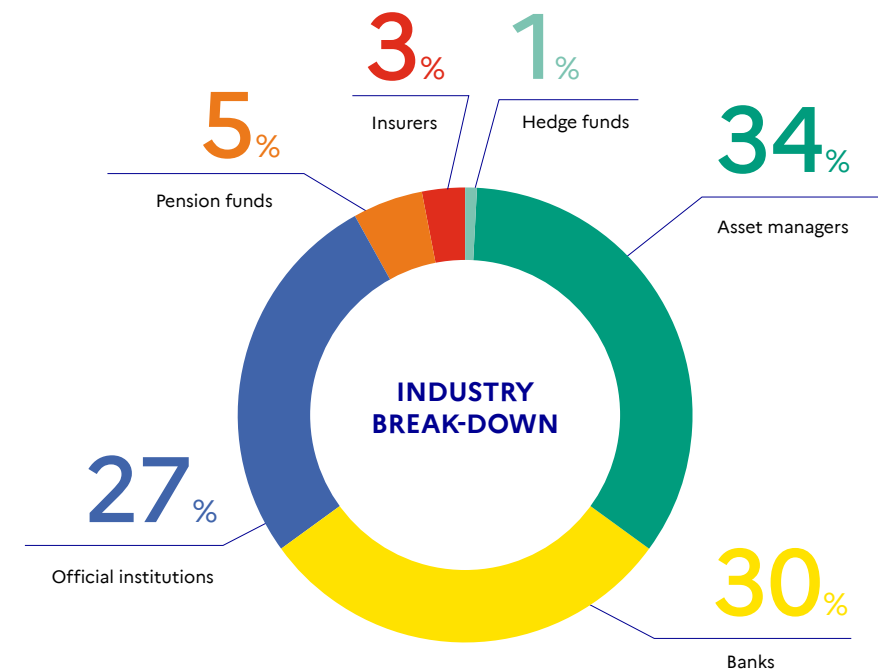
LAUNCH OF A 30-YEAR OAT

On 12 February 2025, AFT issued a new 30-year benchmark bond, the OAT 3.75% 25 May 2056 launched by syndication. When the book-building process was completed, total demand exceeded €110 billion, with €8 billion allocated. This bond was issued with a real yield of 3.819%.



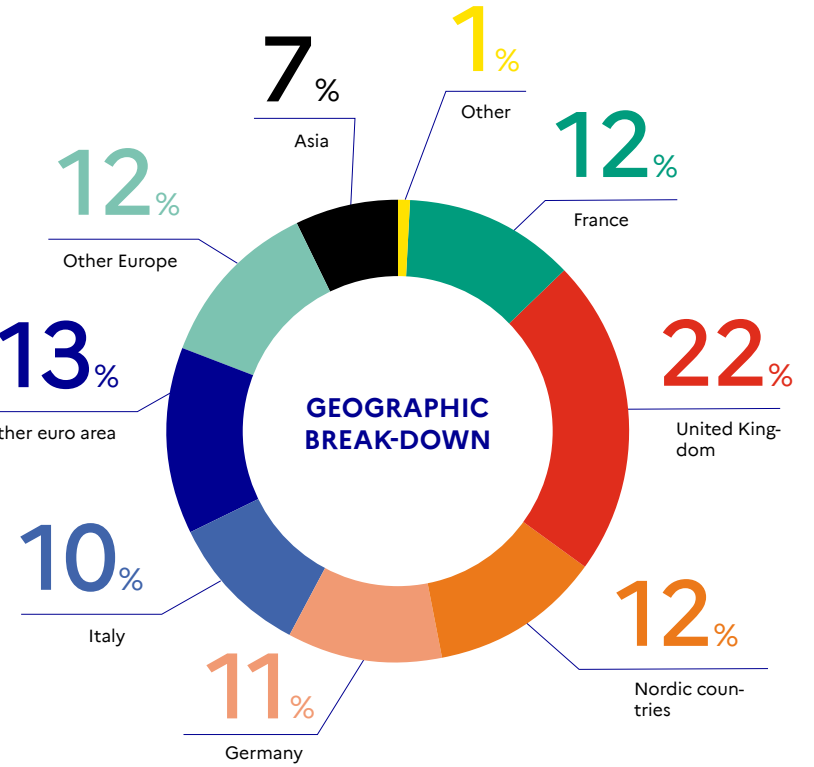
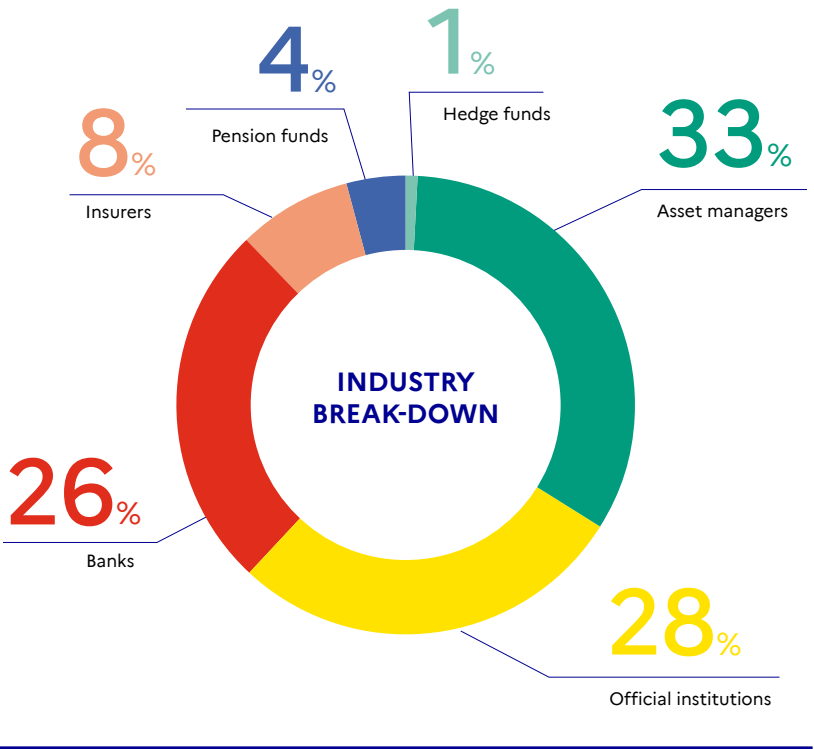
SYNDICATED TAP OF THE OAT€I 0.95% 25 JULY 2043

On 25 March 2025, AFT tapped the OAT€i 0.95% 25 July 2043 by syndication. When the book-building process was completed, total demand exceeded €45 billion, with €3 billion allocated. This bond was issued with a real yield of 1.676%.



SYNDICATED TAP
OF THE GREEN OAT
3.00% 25 JUNE 2049

On 29 April 2025, AFT carried out a tap issue by syndication of the green OAT 3.00% 25 June 2049. When the book-building process was completed, total demand exceeded €74 billion, with €5 billion allocated. This bond was issued with a real yield of 3.834%.



Green OATs

Presentation of and background to Green OATs

Green OATs are sovereign green bonds issued by France to finance expenditure in its budget that meets the criteria set out in the Green OAT Framework document¹. Such expenditure is termed “Green Eligible expenditure”.



As a pioneer in the green sovereign debt market, France has played a structuring role in the emergence and consolidation of this market. As early as 2017, it was the first country to issue a sovereign green bond at a benchmark size, helping to set high market standards in terms of reporting transparency and environmental integrity. France innovated again in 2023 with the issuance of an inflation-indexed green bond in the euro zone, then the only sovereign green bond linked to inflation. In 2025, France updated its green bonds framework document (see next page) to reflect changes in market practices since 2017, confirming its desire to maintain high standards in line with international best practices.

With €87.3 billion outstanding at 31 December 2025, France confirms its position as the world’s leading issuer of green sovereign bonds, a positioning in line with its leading role in implementing the ambitions of the Paris climate agreement of December 2015 and in mobilising government funding for ecological transition.

Green OATs key figures at 31 December 2025

Green bond	OAT 1.75% 25 June 2039	OAT 0.50% 25 June 2044	OAT€i 0.10% 25 July 2038	OAT 3.00% 25 June 2049
First issuance	24 January 2017	16 March 2021	25 May 2022	16 January 2024
Issuances in 2025 (in €m)	1,194.00	2,322.00	1,236.00	6,526.00
Total outstanding (in €m)	36,304.00	26,192.00	8,325.00	16,443.00

1. https://www.aft.gouv.fr/files/medias-aft/3_Dette/3.2_OATMLT/3.2.2_OATVerte/GREEN%20OAT%20FRAMEWORK_2025%20_VF.pdf

The funds raised through green OAT issuances finance government spending that has a positive environmental impact on one of the following six objectives: (1) climate change mitigation; (2) climate change adaptation; (3) sustainable use and protection of aquatic and marine resources; (4) transition to a circular economy; (5) pollution prevention and control; 6) the protection and restoration of biodiversity and ecosystems. This positive impact is determined by the “favourable” classification of expenditure within the meaning of the French green budget, containing the methodology to annually assess the contribution of public expenditure to environmental objectives.

Expenditures are classified each year by the ministries as favourable expenditures of their budget programmes, then reviewed by the Green OATs Evaluation Council and approved by an interdepartmental steering committee under the aegis of the Prime Minister. For accounting purposes, the funds raised are treated in the same way as funds from a conventional OAT and managed in compliance with the general budget rule.

Allocation of the funds raised through Green OATs in 2025

An annual report details the allocation of funds raised through Green OATs and the performance of the funded programmes. The allocation and performance reports, drawn up every year on the basis of the Budget Review Bill, are used to verify the nominal equivalence between the funds raised and the expenses matched to it.

relevance to the objectives set out in the Green OAT framework document, which are in turn aligned with several of the UN’s Sustainable Development Goals. The report also focuses on the degree of alignment of green eligible expenditure with the EU taxonomy for sustainable economic activities.

As part of the ninth Allocation and Performance Report for 2025, expenditures and their green credentials were audited, as is the case every year, by KPMG. The latter examines the allocation of funds and specifically the proper implementation of the Green OATs framework document.

A ninth Allocation and Performance Report will be published in 2026 (available on the AFT website). It will present all expenditure financed by issuances made in 2025 for a total of €11.3 billion.

The presentation of the allocation of funds comes with a performance evaluation of the programmes concerned. It is essentially based on performance indicators taken from budget documents.

Lastly, the annual report also focuses on the various expenditure items funded sector-wise, highlighting their

Publication of a study on the zero-rate eco-loan scheme



In addition to the allocation and performance reports, expenditure financed by Green OATs is assessed for its environmental impact, in accordance with the commitments France made when the first Green OAT was issued. Impact assessments are under the supervision of an independent Evaluation Council that defines their methodological framework and monitors their preparation. These assessments contribute to the effective management of public policy and constitute one of the contributions of green OATs.

The Council’s members are qualified individuals of international standing. The Chair is **Manuel Pulgar-Vidal**, Peru’s former Minister for the Environment, Chair of COP 20 and Director of WWF Climate and Energy.

- Its members include: **Mats Andersson**, Vice Chair of the Global Challenges Foundation and former CEO of AP4, Sweden’s fourth national pension fund,
- **Nathalie Girouard**, Head of the Environmental Performance and Information Division of the Environment Directorate at the OECD,
- **Karin Kemper**, formerly Senior Director for the Environment and Natural Resources Global Practice at the World Bank,

- **Mike Holland**, independent Consultant,
- **Rana Roy**, independent Consultant,
- **Thomas Sterner**, Professor of Environmental Economics at the University of Gothenburg,
- **Eric Usher**, Head of the Secretariat of the United Nations Environment Programme Finance Initiative.

The council also includes two observers: **Sean Kidney**, co-founder and CEO of the Climate Bond Initiative, and **Nicholas Pfaff**, Senior Director, deputy CEO at the International Capital Market Association.

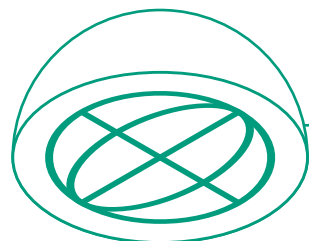
In 2025, the work of the Council led to the publication of a report on the environmental impact of the zero-rate eco-loan. Implemented since 2009, this scheme provides interest-free loans to finance major renovation works, whether it is a comprehensive renovation or a combination of several actions relating to the building envelope and heating systems.

The study highlights as a priority the contribution of the scheme to the reduction of greenhouse gas emissions, as a result of the improved energy efficiency of homes. It also highlights other positive effects, including better adaptation of homes to climate change, reduction in air pollutant emissions and associated costs, and the socio-economic benefits of lower energy bills and reduced energy poverty.

Update of the Green OATs Framework document in 2025

As set out in the 2025 annual financing programme, Agence France Trésor published an updated version of the Green OATs Framework document on 16 May 2025. This update is in keeping with the Green OATs scheme with new market practices stemming from the EU regulation and

the Green Budget methodology, and makes nuclear energy expenditure eligible for funds raised through green debt, thereby recognising its role in France’s decarbonisation efforts.



Internal control

A broad control framework

AFT must meet stringent control criteria. The agency is legally required to answer parliamentary questions, especially concerning the groundwork for budget acts. AFT is also subject to a number of audits, including by the Government Audit Office, based on two audits per year for accounting matters and one for the Budget Outturn Report.

These controls also include action by specialised audit firms to certify the quality and probity of accounting information, to issue opinions on the monitoring of prudential measures or to conduct the annual internal audit.

AFT has also elected to comply with the requirements set out in the Order of 3 November 2014 on the internal control of businesses in the banking sector, inasmuch as they apply to the agency. All these measures mean that AFT has permanent mechanisms for assessing and controlling all the risks generated by its market and cash management transactions.

AFT’s internal control, compliance, risk policy and legal affairs

AFT has an Internal Control, Compliance, Risk Policy and Legal Affairs Unit that is independent of its operating functions. This unit oversees AFT’s internal control system, organises permanent monitoring of its activities and legal commitments, and manages the risks associated with financial transactions and the selection of counterparties. The unit coordinates the various external control and audit tasks in these areas.

The scope of this control and risk monitoring function has widened because of the diversity of AFT’s transactions, the payment circuits used and the growing number of international counterparties.

The unit also drafts recommendations on the risk management policy approved by AFT’s General Management and the Directorate General of the Treasury, along with any other measures that enhance risk monitoring. The unit is also responsible for managing legal and compliance risks, ensuring the validity of AFT’s contracts, monitoring regulatory developments, managing the rules of professional conduct for employees and managing the confidentiality policy.

Together with the line functions, the unit regularly updates AFT’s general activity framework, which sets management, organisation and control standards for managing identified risks. This framework is approved by the Director General of the Treasury. The unit is also responsible for maintaining AFT’s business continuity plan, and for adapting ministerial instructions on crisis management to AFT’s structure.

Lastly, the unit provides coordination and secretariat services for the AFT Risk Committee. The purpose of the committee is to enhance the formalisation of some of the work and decisions regarding risk management and internal control, but it also brings in experts from outside AFT for their views on these matters and priorities for future action. Its members include senior managers from the Treasury, the Ministry’s Budget and Accounting Control Department, and external persons with the requisite expertise. The committee meets once a year.

Indicator on the quality of the control system set up by AFT

In accordance with the legislative framework, AFT submits an annual audit report to Parliament on financial risk management and the prudential procedures implemented for activities concerning management of the State’s negotiable debt and cash holdings.

Recent practice relied on the expertise of the audit firm PriceWaterhouseCoopers (PwC), which is specialised to perform this audit. It assesses the adequacy of AFT’s procedures with regard to its activities and the associated risks by considering five angles with reference to current regulatory provisions applying to financial institutions:

- Internal control organisation;
- Accounting organisation;
- Risk measurement systems and results;
- Risk supervision and management systems;
- Documentation and reporting system and IT risk management.

This assessment is then converted into a rating ranging from 1 to 4:

- **One:** the existing mechanism satisfactorily covers identified risks generated by AFT’s transactions;
- **Two:** the existing mechanism needs to be extended to cover identified risks;
- **Three:** the existing mechanism has substantial shortcomings requiring immediate corrective action to cover the identified risks;
- **Four:** the existing mechanism does not cover the identified risks generated by AFT’s transactions.

This external rating is the main component of the first performance indicator presented to Parliament during the budget preparation process. It considers the quality of the control system put in place by AFT.

It is supplemented by a qualitative and quantitative monitoring of the number of incidents or violations of the general framework for AFT’s activities, by main categories as follows:

- Violation of accreditation and delegation rules;
- Risk exposure limits exceeded;
- Violation of transaction procedures.

It is an internal measurement of the quality of AFT’s organisation and compliance with requirements.

	Unit	2023 Actual	2024 Actual	2025 Target	2025 Actual	Target met	2026 Target
Incidents or violations of the general activity framework	Number	2	0	0	2	target not met	0
External rating of the internal control function: internal control organisation	Rating between 1 and 4	1	1	1	1	target met	1
External rating of the internal control function: accounting organisation	Rating between 1 and 4	1	1	1	1	target met	1
External rating of internal control: risk and result measurement systems	Rating between 1 and 4	1	1	1	1	target met	1
External rating of internal control: risk supervision and management system	Rating between 1 and 4	1	1	1	1	target met	1
External rating of internal control: documentation and reporting system and IT risk management	Rating between 1 and 4	1	1	1	1	target met	1

Indicator on execution incidents occurring in AFT’s debt and cash management transactions

AFT submits a second performance indicator to Parliament that measures the number of execution incidents occurring in AFT’s debt and cash management transactions, to ensure

rapid detection of problems or incidents that could disrupt the proper execution of its transactions.

This indicator is based on the day-to-day record of these transaction execution incidents, divided into three categories, depending on whether or not they impact the Single Treasury Account.

	Unit	2023 Actual	2024 Actual	2025 Target	2025 Actual	Target met	2026 Target
Incidents that decreased the account’s balance at Banque de France	Number	3	7	0	7	lack of improvement	0
Incidents that increased the account’s balance at Banque de France	Number	0	5	0	5	lack of improvement	0
Other incidents with no impact on the account’s balance at Banque de France	Number	244	214	0	128	improvement	0

For 2025 as a whole, the number of incidents recorded, whether or not they decrease the balance of the Single Treasury Account at Banque de France, declined, with 140 incidents compared to 226 in 2024. Two incidents concerning the application of the general activity framework were noted in 2025.

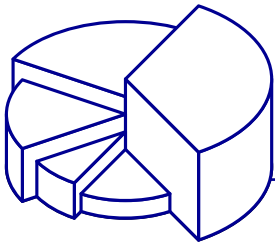
Incidents that decreased the balance of the Treasury account are rare and short-lived. They stood at seven, same as in 2024.

In 2025, the number of securities delivery defaults relating to repurchase agreements and buybacks declined. These defaults, which lead to postponement to the next day of the cash payment to the counterparty who failed to deliver the securities within the agreed deadlines, stood at 71 compared to 168 in 2024. These incidents temporarily increased the State’s cash position during the day but the cash held (until delivery of the default securities) was reinvested before the close of the day.

Incidents that have positively impacted the Treasury account balance at the end of the day are sums credited late to the single account without prior announcement or

application malfunctions delaying the execution of flows leading, for the sake of prudence, to the non-execution of the last investments.

While these operational incidents may have impacted the smooth conduct of operations, none of them created a risk to the State’s financial continuity.



AFT's financial statements

On managing negotiable debt securities and cash, hedging the state's financial risks and managing the debts transferred to the State

POSITION AT 31 DECEMBER 2025

I - Financial statements

Asset base

Assets	Note	Amounts (in €M)		
		31/12/2025	31/12/2024	Change
CURRENT ASSETS (excluding Cash)	1			
Prepaid expenses on financial debts	1.2	68,883.96	58,952.95	9,931.01
Discounts on OATs		68,883.96	58,952.95	9,931.01
Deferred expenses on financial debt		258.17	227.33	30.84
OAT issuance expense		258.17	227.33	30.84
Other claims	1.7	10.52	0.06	10.46
Margin calls provided for repurchase agreements		10.51	-	10.51
Accrued interest		0.01	0.06	-0.05
Margin calls provided for forward financial instruments		-	-	-
Accrued interest		-	-	-
CASH MANAGEMENT	2			
Bank funds		0.73	0.36	0.37
Accrued interest on the State's account at Banque de France		0.73	0.36	0.37
Other cash items	2.2	24,107.96	38,315.45	-14,207.49
Unsecured loans on the interbank market		12,900.00	17,100.00	-4,200.00
Accrued interest		1.52	4.18	-2.66
Repurchase agreements		11,200.00	21,200.00	-10,000.00
Accrued interest		6.44	11.27	-4.83
Investment securities	2.1	-	-	-
Securities purchases		-	-	-
Prepaid interest		-	-	-
ACCRUALS AND DEFERRED EXPENSES	3			
Deferred income – off-balance sheet commitments		-	-	-
Interest on interest rate swaps for macro-hedging	3.2	-	-	-
Interest on interest rate swaps for micro-hedging	3.3	-	-	-
Interest on currency swaps		-	-	-

FINANCIAL REPORT

LIABILITIES	Note	Amounts (in €M)		
		31/12/2025	31/12/2024	Change
FINANCIAL DEBT	1			
Negotiable securities		2,759,784.59	2,619,706.21	140,078.38
Treasury Bonds (OATs)	1.1	2,565,174.44	2,420,357.25	144,817.20
Par values		2,474,356.58	2,340,467.51	133,889.07
Capitalised interest		-	-	-
Index-linking supplements		66,831.26	60,015.41	6,815.85
Accrued coupons at issue		929.07	936.06	-6.99
Accrued interest		23,057.53	18,938.27	4,119.27
Fixed-rate Treasury bills - BTFs	1.3	194,610.15	199,348.97	-4,738.82
Par values		195,944.00	201,163.00	-5,219.00
Prepaid interest		-1,333.85	-1,814.03	480.18
Other loans	1.6	23,300.66	24,416.49	-1,115.83
SNCF loans assumed via the CDP		23,040.87	24,153.84	-1,112.97
Accrued interest		259.79	262.65	-2.86
NON-FINANCIAL DEBT	1			-
Prepaid income on financial debts	1.2	76,911.73	86,033.62	-9,121.89
Issue premiums on OATs		76,911.73	86,033.62	-9,121.89
Other debts	1.7	0.44	125.00	-124.57
Margin calls received on repurchase agreements		-	111.75	-111.75
Accrued interest		0.01	0.10	-0.09
Margin calls received on forward financial instruments		-	12.71	-12.71
Accrued interest		-	0.03	-0.03
Accounts payable		0.43	0.42	0.00
CASH MANAGEMENT	2			
Other cash items	2.2	-	-	-
Unsecured loans		-	-	-
Accrued interest		-	-	-
Repurchase agreements		-	-	-
Accrued interest		-	-	-
ACCRUALS AND DEFERRED EXPENSES	3	-	-	-
Payables – off-balance sheet liabilities				
Interest on interest rate swaps for macro-hedging	3.2	-	-	-
Interest on interest rate swaps for micro-hedging	3.3	-	-	-

Income Statement

TABLE OF NET EXPENSES	Note	Amounts (in €M)		
		31/12/2025	31/12/2024	Change
FINANCIAL DEBT				
Negotiable securities				
Interest	4.1	-50,239.44	-45,321.74	-4,917.69
Interest expense on OATs		-45,403.08	-38,740.17	-6,662.91
Net interest expense on BTFs		-4,836.36	-6,581.57	1,745.21
Amortisation of premiums and discounts	4.1	4,678.27	6,139.04	-1,460.78
Amortisation expense for discounts on securities issued		-6,226.53	-5,319.79	-906.74
Amortisation income from premiums on securities issued		10,904.80	11,458.83	-554.03
Index-linking of OATs	4.1	-5,309.42	-4,740.29	-569.12
Net index-linking expense		-5,309.42	-4,740.29	-569.12
Buybacks or swaps		205.97	708.67	-502.71
Net income		205.97	708.67	-502.71
Commissions and fees related to debt management	4.2	-20.89	-18.75	-2.14
Net expense		-20.89	-18.75	-2.14
Net financial expense on financial debts		-50,685.51	-43,233.07	-7,452.44
OTHER FINANCIAL DEBTS				
Loans and forward financial instruments assumed for third parties				
SNCF loans assumed via the CDP		-684.42	-707.87	23.45
Interest expense on borrowing		-684.48	-707.87	23.39
Interest expense on forward financial instruments		-	-	-
Interest income on borrowing		0.06	-	0.06
Expense related to the revaluation of contracts in foreign currencies		-	-	-
Income related to the revaluation of contracts in foreign currencies		-	-	-
Net financial expense on other financial debts		-684.42	-707.87	23.45
FORWARD FINANCIAL INSTRUMENTS				
Interest expense on forward financial instruments		-	-	-
Other net expense or net income on forward financial instruments		-0.18	-0.33	0.15
Interest income on forward financial instruments		-	-	-
Net interest income on forward financial instruments		-0.18	-0.33	0.15
CASH				
Interest expense		-93.91	-60.75	-33.16
Net interest expense on bank liquidity	4.3	-	-	-
Interest expense on unsecured lending and borrowing on the interbank market		-0.04	-7.72	7.68
Interest expense on unsecured lending and borrowing – other euro area Member States		-0.58	-7.51	6.93
Interest expense on unsecured lending and borrowing – supranational agencies		-92.00	-42.31	-49.70
Interest expense on margin calls for repurchase agreements		-1.10	-3.15	2.06
Net interest expense on repurchase agreements		-0.19	-0.06	-0.13
Interest expense on securities purchases		-	-	-
Interest income		1,097.22	1,643.56	-546.33
Net interest income on bank liquidity	4.3	6.22	14.92	-8.71
Interest income on unsecured lending and borrowing on the interbank market		390.59	634.38	-243.79
Interest income on unsecured lending and borrowing – other euro area Member States		24.31	27.23	-2.92
Interest income on margin calls for repurchase agreements		1.10	1.39	-0.30
Net income expense on repurchase agreements		675.01	965.63	-290.62
Interest income on securities purchases		-	-	-
Net financial expense on cash transactions		1,003.32	1,582.80	-579.49
NET EXPENSE		-50,366.79	-42,358.46	-8,008.33

Financial contracts and commitments

COMMITMENTS UNDER THE TERMS OF CLEARLY SPECIFIED AGREEMENTS	Note	Amounts (in €M)	
		31/12/2025	31/12/2024
FORWARD FINANCIAL INSTRUMENTS	3		
Interest-rate swaps			
Macro-hedging	3.2	-	-
Micro-hedging	3.3	-	-
Forward currency contracts	3.4	465.36	548.10
Currency swaps		-	-
Oil swaps*	3.5	219.54	228.24
Revaluation of foreign currency transactions			
exchange gain on the hedging item			
exchange loss on the hedging item			
FINANCING COMMITMENTS RECEIVED			
Cash lines of credit	2.3	6,000.00	6,000.00
OTHER COMMITMENTS			
Repurchase agreements	2.2	-	7,700.00
Unsecured deposits		-	500.00
Unsecured loans**		1,000.00	-

* The transactions arising from oil swaps are carried out by the Finance Ministry Accounts Department on behalf of the Armed Forces Fuel Department. They are recorded as off-balance sheet transactions (see Note 3.5).

** This off-balance-sheet financial information concerns unsecured loans taken out prior to the reporting date but paid after the reporting date.

II - Notes to the Financial Statements

II.1 - Overview

AFT was created by the Order of 8 February 2001 as a department with national scope reporting to the Directorate General of the Treasury. Its mission is to manage the State's debt and cash holdings under optimum security conditions and at the lowest cost for taxpayers.

Since 2006, AFT has also been responsible for hedging certain financial risks on behalf of other ministries or other departments of the Ministry for the Economy, Finance and Industrial, Energy and Digital Sovereignty. Therefore, in addition to managing the government's debt and cash positions, it also carries out ancillary industrial and commercial transactions.

Budget transactions relating to AFT's management tasks are recorded in two trading accounts:

- Budget transactions arising from management of the State's debt and cash holdings are recorded in Trading Account 903 "State Debt and Cash Management", which

was opened under the terms of Article 22 of Constitutional By-law 2001-692 on Budget Acts of 1 August 2001;

- Budget transactions relating to hedging the State's financial risks, other than those recorded in Trading Account 903, are recorded in Trading Account 910 "Hedging the State's Financial Risks", which was opened under the terms of Article 54 of the 2006 Budget Act 2005-1719 of 30 December 2005.

This means that all transactions made by AFT are recorded in the State's accounts and finalised in the State's general account.

AFT's financial statements are derived directly from the State's general account. They present the balance sheet and income statement items relating to AFT's transactions:

- The balance sheet items from the State's general account for transactions relating to the management of the State's negotiable debt and debt transferred to the State (SNCF and SNCF Réseau) and the State's cash holdings;

- The income statement items that show the impact of AFT's transactions on debt servicing (interest, index-linking supplements, amortisation of premiums and discounts, and costs of loan commissions and issues);
- The balance sheet and income statement items from derivatives management accounts (margin calls);
- As well as a summary of off-balance sheet commitments relating to hedging the State's financial risks.

However, the presented financial statements do not include transactions concerning Treasury correspondents, nor transactions concerning other non-negotiable debts, even though they are budgeted in Trading Account 903.

II.2 - 2025 Highlights

On the bond market, sovereign short-term yields (3-month) continued to decline in the wake of monetary easing, while 10-year rates witnessed an upward trend. This increase is attributable to the increase in the term premium due to quantitative tightening by the European Central Bank (ECB), current and anticipated increases in financing requirements in advanced countries – particularly in Germany – and a knock-on effect of US and Japanese rates. The decline in inflationary pressure led the ECB to continue its cycle of monetary easing with eight rate cuts between June 2024 and June 2025. Since then the ECB has stabilised its main official rate at 2%.

In this context, AFT executed its 2025 financing programme for a total amount of net issuances of medium and long-term securities of €300 billion, in accordance with the Initial Budget Act. In total, AFT issued €347.7 billion of medium- and long-term securities and bought back €47.7 billion of securities, the latter accounting for 13.7% of gross issuances. The weighted average yield of all issuances of more than a year was 3.14% (excluding index-linked securities) and 2.12% for BTF issuances (less than a year). The average residual debt maturity stood at 8.50 years at the end of December, very close to its average at the end of December 2024 (8.47 years).

In accordance with its indicative funding programme announced to the market in December 2024, AFT has auction issued four new fixed-rate benchmark securities, one of 3-year maturity, one of 6-year maturity, and two of 10-year maturity. Two securities were created by syndication, namely the new nominal benchmark securities at 15 years and 30 years, and two securities were tapped by syndication, the Green OAT of 25 June 2049 and the inflation-indexed OAT of 25 July 2043.

II.3 - Accounting principles and policies

1 - Accounting principles

The accounting principles used for these financial statements are outlined below.

The **regularity** principle states that the accounts comply with the rules and procedures in force.

The **probity** principle states that the rules and procedures in force have been applied to present a true and fair view of the situation and the materiality of the recorded events.

The **true and fair view** principle states that the information provided is sufficient in all material aspects and gives the reader satisfactory knowledge. This principle means that supplementary information must be provided in the notes to the financial statements when the application of an accounting rule is not adequate to provide a true and fair view.

The **accrual principle** states that expense and income must be attached to an accounting period and must be reported in that period only.

The **going concern principle** states that the State will continue to conduct its activities for the foreseeable future.

The consistency principle ensures the consistency of accounting information **over successive periods**. This is necessary for comparing periods. Changes to accounting policies and methods should only be made if they help give a truer and fairer presentation of the financial statements. Any change that has a material impact on the results should be explained in the notes to the financial statements (see the provisions of Standard 14 – “Changes in accounting methods, changes in accounting estimates and adjustments”).

The **full disclosure** principle states that the financial statements must be intelligible, material and accurate.

2 - Accounting standards

The accounting standards are set out in the State Accounting Standards Manual (RNCE) that was adopted by the Order of 21 May 2004, and is updated on a regular basis.

Standard 10 – “Cash items” and Standard 11 – “Financial debts

and forward financial instruments” are more particularly relevant to AFT’s transactions.

They were last amended by order of 23 September 2015 published in the Official Journal on 25 September 2015, implementing immediately the related Notices 2015-06 and 2015-07.

These standards apply to balance sheet items and the expense and income arising from these transactions are covered by Standard 2 – “Expense” and Standard 4 – “Operating income, trading income and financial income”.

3 - Recognition and measurement procedures

3.1 - Rules and methods applying to balance sheet items

3.1.1 - Cash management

Assets and liabilities are first recognised at their acquisition cost, excluding ancillary charges. Various ancillary assets and liabilities are attached to each asset and liability item.

Cash position: the cash position refers to all assets that are by nature immediately convertible into cash at their par value. The cash position is recognised in the financial statements for the accounting period in which the corresponding assets are acquired:

- Transfers received and automatic credits and debits are recognised when they are posted to the bank account;
- Transfers sent and in transit are recognised when the transfer order is issued.

The cash position may generate positive and/or negative interest, but accrued interest is recognised for the net amount, which may be negative, and attached to the relevant asset.

The cash position in foreign currencies is converted into euros at the end of the accounting period on the basis of the period's latest spot exchange rate. Currency translation adjustments are recognised in the income statement for the period.

Investment securities are the financial instruments defined in the French Monetary and Financial Code (Articles L.211-1 and L.211-2).

They are recognised in the accounting period during which they were acquired, and ancillary acquisition costs are recognised as an expense.

At the end of the accounting period, the difference between the book value (represented by the market value) and the cost may show unrealised capital gains or losses. Unrealised capital losses are recognised as impairment of assets and they are not offset against unrealised capital gains.

In the case of securities with prepaid interest, the difference between the purchase price and the par value of the securities corresponds to the financial income recognised in the income statement.

Securities may generate positive and/or negative interest, and the net amount of accrued interest, which may be negative or positive, is attached to the relevant asset.

Other cash items are securities that can be realised in the very short term with no risk of a change in value, such as:

- Claims arising from repurchase agreements in State securities or equivalents or from unsecured lending and borrowing;
- Debts arising from reverse repurchase agreements in State securities or equivalents or from unsecured lending and borrowing;
- Debts arising from the use of cash lines of credit.

These claims and debts are recognised when the funds are transferred for the amount disbursed or received.

Claims and debts arising from unsecured borrowing or loans are recognised for the nominal amount deposited.

Liabilities arising from cash lines of credit are recognised for the proportion of the authorised amounts actually drawn. Any drawing on a cash line of credit will have an off-balance sheet impact on the financial commitment received.

3.1.2 - Financial and non-financial debts

3.1.2.1 - Negotiable debt securities

Financial debts are recognised in the accounts if they meet both of the following conditions:

- they constitute a definite debt,
- they can be reliably measured.

Financial debts are recognised in the financial statements of the period in which the securities were issued or the loans were contracted and the corresponding funds were received or taken over on behalf of third parties.

The debts are recognised at their redemption value, which generally corresponds to their par value.

Negotiable government securities include the various instruments listed below.

Capitalisation OATs: the annual financial interest expense is offset as financial debt at the end of the accounting period.

Index-linked securities (OATi and OAT€i, linked to the consumer price index): they are recognised at their redemption value, which corresponds to their index-linked par value at the time of issue, at the end of each accounting period and at maturity.

If the par value of an index-linked security is guaranteed to be the redemption value, the liability recognised cannot be less than 100% of the par value.

The index-linking supplement at the time of issue of index-linked securities is recognised as either a gain corresponding to the portion of the index-linking supplement collected by the State, or as a loss corresponding to the proportion of the index-linking supplement paid by the State. This supplement is recognised in a separate liability account from the par value.

The index-linking supplements calculated over the life of the securities are recognised as financial expenses if the index rises or as financial income if the index falls.

AFT issues medium- and long-term securities only in the form of OATs, OATis and OAT€is.

Fixed-rate discount Treasury bills (BTFs): the difference between the issue price and the par value is recognised as a financial expense in the income statement.

Securities may generate positive or negative interest, and the net amount of accrued interest, which may be negative or positive, is attached to the relevant liability.

Securities with annual coupons (OATs): accrued interest is recognised in the income statement at the end of the accounting period.

3.1.2.2 - Premiums, discounts, related expenses and accrued interest at the time of issue

Premiums and discounts: the premium or discount at issue is the difference, on the day of issue, between the issue price and the par value (possibly indexed) of government securities. The main premiums and discounts primarily stem from the technique of associating new issues with existing ones. When this technique is used, new issues are attached to existing loans, and the price of the new tranches is adjusted to suit market conditions.

Premiums are recognised as prepaid income under non-financial debt on the liability side of the balance sheet, and discounts are recognised as prepaid expenses under current assets on the asset side of the balance sheet.

Premiums and discounts are recognised in the income statement at the end of the accounting period using the actuarial valuation method over the life of the security.

Premiums and discounts that have not been amortised must be recognised in the income statement on the redemption date.

Extraordinary premium and discount payments are recognised for securities buybacks, using the “first-in-first-out” method.

Issuance expense: this expense includes commissions paid to financial intermediaries (syndication commissions on syndicated bonds).

They are initially recognised as prepaid expenses on the asset side of the balance sheet. They are amortised in the income statement using the straight-line method over the life of the relevant issues. Straight-line amortisation is used because it does not produce significantly different values in the income statement from those that would have been obtained using the actuarial valuation method.

Accrued interest at issue: if the issue date of a security is different from the coupon date of the tranche, the subscriber pays the interest accruing between the annual coupon payment date and the date of issue.

The interest accruing between the coupon payment date and the issue date is paid and recognised as an account payable on the liability side of the balance sheet. Accrued interest recognised at issue is reported in the income statement on the coupon payment date.

3.1.2.3 - Securities buybacks

When a security buyback occurs, the difference between its buyback value and its par value, possibly index-linked, is recognised as a financial expense or financial income in the income statement.

For index-linked OATs, the index-linking supplement is also taken into account to determine the gain or loss.

Any accrued interest calculation is based on the par value, plus the index-linking coefficient for index-linked OATs, from the last maturity to the settlement date.

An index-linking readjustment is calculated for the index-linking differential determined from the year before the repurchase to the settlement date. This readjustment leads to the recognition of a financial expense for a positive differential, or a financial income for a negative differential. Buybacks are finally taken into account when premiums and discounts are amortised, after deduction of the par value and net value excluding coupon of the previous year. The actuarial rate calculated on amortised premiums and discounts takes this new base into account.

3.1.2.4 - Debt assumed for third parties

Debts assumed for third parties are recorded on the balance sheet as the counterpart to a financial expense equal to the redemption value of the loan, plus ancillary items where appropriate, such as accrued interest on the date the debt was assumed.

3.1.2.5 - Borrowings in foreign currencies

Borrowing is recognised at the par value on the date the funds are received using the exchange rate of that day. At the end of the accounting period, the par value of the borrowing is recognised using the exchange rate of that day and currency translation adjustments are recognised as an unrealised gain or loss in the income statement.

Accrued interest in foreign currencies is recognised at the current exchange rate and recognised in the income statement at the end of the accounting period.

Accrued interest at maturity is recognised in the income statement at the exchange rate on the payment date.

To date, all negotiable and transferred debts presented in the financial statements for Agence France Trésor transactions are denominated in euros.

3.1.2.6 – Adjustments in 2025

No adjustments were recognised in 2025.

3.1.3 - Forward financial instruments

Forward financial instruments are contracts under which one of the counterparties undertakes vis-à-vis the second to deliver or take delivery of an underlying asset, or to pay or receive a price differential on or before a given expiry date.

The notional amounts of the contracts, regardless of whether or not they are to be paid at maturity, are not recognised in the balance sheet, but the relevant information is reported in a note to the financial statements.

The accounting treatment depends on whether or not the transaction is classified as a hedging contract.

3.1.3.1 - Hedging transactions

A hedging transaction consists in matching an asset or liability and a hedging instrument to mitigate the risk of an adverse impact on the State's future income or financial flows.

Recognition of a forward financial instrument used in a hedging transaction is symmetrical to the hedged asset or liability on the balance sheet and in the income statement.

Realised and unrealised income and expense, along with the cash settlements, are recognised in the income statement symmetrically to the recognition of income and expense on the hedged asset or liability.

Changes in the value of hedging instruments are not recognised in the balance sheet, unless partial or full recognition of the changes ensures symmetrical recognition of the hedged asset or liability.

The different hedging strategies are listed below.

Macro-hedging swaps: the State implements this management strategy over the entire life of financial debt to reduce the average interest expense in the long run, in exchange for an average increase in the short-term variability of this expense. This programme has been suspended since September 2002, in view of market conditions.

Forward currency purchases and oil hedging contracts: AFT hedges foreign currencies and oil on behalf of other departments of the Ministry for the Economy, Finance and Industrial and Digital Sovereignty or other ministries.

These transactions are classified as hedging transactions in the State's general account and the impact of the hedging is recognised symmetrically in the income statement for the hedged asset or liability.

As AFT does not manage the hedged assets and liabilities, the impact of the forward financial instruments is not recorded in its own financial statements. Only contracts with external counterparties and their market value, along with the transactions made during the accounting period and their result, are reported in the notes to the financial statements.

3.1.3.2 - Transactions that cannot be classified as hedging transactions

When a transaction cannot be shown to be a hedging transaction, it is recognised as *an isolated open position*. Changes in the value of the relevant forward financial instrument are recognised in the balance sheet as a counterpart to an item under net financial expense in the income statement.

3.1.3.3 – Margin calls paid and/or received on forward financial instruments

Margin calls are made to secure repurchase agreements and forward financial instrument transactions to hedge against counterparty risk.

A margin call is paid or received, depending on whether the value of the instrument rises or falls.

Margin calls are recognised as claims or debts since the State or the counterparty must repay them. They are recognised for the amount corresponding to the change in the value of the instruments, up to a limit set by contract.

These sums bear interest.

3.2 - Rules and methods applying to income statement items

3.2.1 - Period recognition criteria for financial expenses and income

3.2.1.1 – Expenses

Financial expense arises from financial debt, forward financial instruments and cash.

For financial expenses constituting **interest**: the criterion for matching the expenses to the financial year is the prorated accrual of the interest to the third party.

Losses **recorded** as financial expense are recognised when they are realised, except in the case of losses on forward financial instruments used for hedging, which are recorded when the income on the hedged liability or asset is recognised, starting on the expiry date of the contract.

For discounts recorded as **financial expense**, the portion of the discount for the period is calculated using the actuarial valuation method and recognised.

3.2.1.2 – Income

Financial income is earned on financial debt, forward financial instruments and cash.

It does not include currency translation gains from transactions other than those related to the State's financing and cash management.

The income from such gains is recognised in the period when it accrues to the State, provided that the income for the period or the income from the transaction can be measured accurately.

The criterion for assigning financial income in the form of interest to a particular financial year is the State's prorated accrual of such interest.

Currency **translation gains** arising from financial debts and forward financial instruments denominated in foreign currencies are recognised:

- when gains are recognised, in the case of financial debt, cash and forward *financial instrument transactions that are not classified as hedging transactions*;
- when the expense on the hedged liability or asset is recognised, starting on the expiry date of the contract, in the case of *gains on forward financial instruments used for hedging*.

For **amortisation of premiums**: the portion of the premium calculated using the actuarial valuation method determines the financial year of recognition thereof.

II.4 - Notes

1 - Financial and non-financial debts

1.1 Change in medium- and long-term negotiable financial debt

At 31 December 2025, negotiable financial debt amounted to €2,565.17 billion, compared to €2,420.36 billion in 2024, i.e. an increase of €144.81 billion.

CHANGES IN MEDIUM- AND LONG-TERM NEGOTIABLE DEBT SECURITIES IN 2025 (in €m)	OATs			Total long-term securities
	Fixed-rate OATs	Variable-rate OATs	Total	
Long- and medium-term negotiable debt securities at 31 December 2024	2,130,129.62	290,227.63	2,420,357.25	2,420,357.25
of which par value	2,111,426.36	229,041.14	2,340,467.51	2,340,467.51
of which index-linking supplements, interest, accrued coupons and similar debt	18,703.26	61,186.48	79,889.74	79,889.74
Change in par value (1)	123,122.07	10,767.00	133,889.07	133,889.07
Increases	324,384.00	23,290.00	347,674.00	347,674.00
of which auctions	301,384.00	20,290.00	321,674.00	321,674.00
of which syndicated issues	23,000.00	3,000.00	26,000.00	26,000.00
Decreases	201,261.93	12,523.00	213,784.93	213,784.93
of which redemptions	153,010.93	9,893.00	162,903.93	162,903.93
of which buybacks	48,251.00	2,630.00	50,881.00	50,881.00
Change in accrued interest and similar debt (2)	4,013.20	6,914.92	10,928.12	10,928.12
Increases	22,716.46	10,515.84	33,232.29	33,232.29
of which index-linking supplements	-	9,245.69	9,245.69	9,245.69
of which accrued and capitalised interest	21,798.48	1,259.05	23,057.53	23,057.53
of which accrued coupons	917.98	11.09	929.07	929.07
Decreases	18,703.26	3,600.91	22,304.17	22,304.17
of which index-linking supplements	-	2,429.84	2,429.84	2,429.84
of which accrued interest	17,802.67	1,135.60	18,938.27	18,938.27
of which accrued coupons	900.59	35.48	936.06	936.06
Change in long- and medium-term negotiable debt securities (1) + (2)	127,135.27	17,681.92	144,817.21	144,817.21
Long- and medium-term negotiable debt securities at 31 December 2025	2,257,264.89	307,909.55	2,565,174.44	2,565,174.44
of which par value	2,234,548.44	239,808.14	2,474,356.58	2,474,356.58
of which index-linking supplements, interest, accrued coupons and similar debt	22,716.46	68,101.41	90,817.86	90,817.86

1.2 - Premiums and discounts on OATs

Premiums are recorded as liabilities on the balance sheet and discounts as assets in the form of prepaid income or expenses to be amortised over the life of the security.

AMORTISATION OF ISSUE PREMIUMS AND DISCOUNTS ON OATS (in €m)					
PREMIUMS	Items from "Prepaid income"	Balance at 31/12/2024 (1)	Issue premiums (2)	Amortisation of premiums (3)	Balance at 31/12/2025 (1) + (2) - (3)
	fixed-rate OATs	72,622	1,502	8,797	65,327
	variable-rate OATs	13,412	281	2,108	11,585
	Total premiums	86,033	1,783	10,905	76,912
DISCOUNTS	Items from "Prepaid income"	Balance at 31/12/2024 (1)	Issue discounts (2)	Amortisation of discounts (3)	Balance at 31/12/2025 (1) + (2) - (3)
	fixed-rate OATs	56,300	13,353	5,880	63,773
	variable-rate OATs	2,653	2,804	346	5,111
	Total discounts	58,953	16,158	6,227	68,884

1.3 - Short-term negotiable debt securities

Fixed-rate Treasury bills (BTFs) are the instruments used for short-term borrowing. At 31 December 2025, BTFs stood at €195,944 million, down 2.6% (-€5,219 million) compared to 2024.

CHANGE IN THE PAR VALUE OF SHORT-TERM NEGOTIABLE DEBT SECURITIES IN 2024 (in €m)	
Short-term negotiable debt securities at 31 December 2024	201,163.00
Increases	398,082.00
of which auctions	398,082.00
Decreases	403,301.00
of which buybacks	-
of which redemptions	403,301.00
Change in par value	-5,219.00
Short-term negotiable debt securities at 31 December 2025	195,944.00

1.4 - Maturity structure of negotiable debt securities

PAR VALUE OF NEGOTIABLE DEBT SECURITIES AT 31 DECEMBER 2025 (in €m)		Breakdown by maturity			
		Less than 1 year in €m	1 to 2 years in €m	2 to 5 years in €m	more than 5 years in €m
Long- and medium-term negotiable debt securities	2,474,356.58	167,478.00	217,841.00	690,786.26	1,398,251.32
fixed-rate OATs	2,234,548.44	157,372.00	193,279.00	623,064.11	1,260,833.32
variable-rate OATs	239,808.14	10,106.00	24,562.00	67,722.14	137,418.00
Short-term negotiable debt securities	195,944.00	195,944.00	-	-	-
BTFs	195,944.00	195,944.00	-	-	-
Total negotiable debt securities	2,670,300.58	363,422.00	217,841.00	690,786.26	1,398,251.32

1.5 - Market value of negotiable debt securities

MARKET VALUE OF NEGOTIABLE DEBT SECURITIES AT 31 DECEMBER 2025 (in €m)			
Securities	Value excluding accrued interest	Accrued interest	Total value
OATs	2,305,836	23,987	2,329,823
BTFs	194,615	-	194,615
Total	2,500,451	23,987	2,524,438

1.6 - Debt assumed for third parties

SNCF Réseau

Article 229 of the Budget Act No. 2019-1479 of 28 December 2019 for 2020 stipulates that:

“I. - The CDP shall be authorised to contract any euro-denominated lending or borrowing with SNCF Réseau up to the limit of €25 billion in principal to be reimbursed, including the specified index-linking supplements in the case of borrowing linked to inflation.
II. The State shall be authorised as of 1 January 2020 to assume the rights and obligations relating to the loans contracted with the CDP by SNCF Réseau up to the limit of €25 billion in principal to be reimbursed, including the specified index-linking supplements in the case of borrowing linked to inflation.
III. - The transactions carried out under the provisions of II of this article shall be recorded directly in the SNCF Réseau balance carried forward and shall not give rise to the collection of any taxes or duties of any nature whatsoever.”
The assumption of the debt is to be implemented using

similar technical procedures to the ones used in 2007 for the assumption of the SNCF-SAAD debt. These procedures involve contracting matching loans for €25 billion with identical characteristics between the CDP and SNCF Réseau. The novation of one of the loan contracts, in accordance with the Order of 30 December 2019 enacting the assumption of the SNCF Réseau debt by the State, substitutes the State for SNCF Réseau as the debtor to the CDP. As a result, the State meets the principal and interest payments each year under the terms of the loan contract between itself and the CDP, and the latter does the same with regard to SNCF Réseau.

The second portion of assumption of the debt is provided for in Article 167 of Budget Act 2021-1900 of 30 December 2021 for 2022, which stipulates that:

“I. - The CDP shall be authorised to contract any euro-denominated lending or borrowing with SNCF Réseau up to the limit of €10 billion in principal to be reimbursed,

including the specified index-linking supplements in the case of borrowing linked to inflation.
II. The State shall be authorised as of 1 January 2022 to assume the rights and obligations relating to the loans contracted with the CDP by SNCF Réseau up to the limit of €10 billion in principal to be reimbursed, including the specified index-linking supplements in the case of borrowing linked to inflation.
III. - The transactions carried out under the provisions of II of this article shall be recorded directly in the SNCF Réseau balance carried forward and shall not give rise to the collection of any taxes or duties of any nature whatsoever.”
This second step in debt assumption was implemented according to similar technical procedures as those chosen

for the first portion of assumption of SNCF Réseau’s debt in 2020. These procedures involve contracting matching loans for €10 billion with identical characteristics between the CDP and SNCF Réseau. The novation of one of the loan contracts, in accordance with the Order of 30 December 2021 enacting the assumption of the SNCF Réseau debt by the State, substitutes the State for SNCF Réseau as the debtor to the CDP. As a result, the State meets the principal and interest payments each year under the terms of the loan contract between itself and the CDP, and the latter does the same with regard to SNCF Réseau.

Total debt at 31 December 2025 is presented *below*:

SNCF RÉSEAU BORROWINGS ASSUMED THROUGH THE CDP AT 31 DECEMBER 2025 (in €m)				
Notional amounts	Amounts by maturity			accrued interest
	Less than 1 year	1 to 5 years	More than 5 years	
23,040.87	2,505.64	5,072.44	15,462.78	259.79
Total financial debts				23,300.66

1.7 – Margin calls

The net amount of deposits paid as margin calls on repo transactions delivered amounted to €10.51 million at 31 December 2025.

2 - Cash

2.1 - Investment securities

This item stood at zero on 31 December 2025.
In 2025, the State did not purchase any interest-bearing commercial bills.

2.2 - Other cash items

The bulk of these items comprises short-term investments made to optimise cash management, including very short-term unsecured loans or State security repurchase agreements delivered on the interbank market.
On 31 December 2025, €12.9 billion of unsecured deposits and €11.2 billion of State security repurchase agreements delivered on the interbank market had not yet been returned.
There were no unsecured deposits or repo transactions negotiated and not settled on 31/12/2025, unlike the situation on 31/12/2024.

2.3 - Cash lines of credit

AFT has short-term lines of credit with primary dealers worth a total of €6 billion that it may use for the purpose of securing the balance on the Treasury’s single account at Banque de France. These are annual lines of credit renewable by tacit agreement.

3 - Forward financial instruments

3.1 - Market value of forward financial instruments

MARKET VALUE OF FORWARD FINANCIAL INSTRUMENTS (in €m)		
Forward financial instruments	Par value	Market value
Interest-rate swaps		
Macro-hedging	-	-
Micro-hedging	-	-
Forward currency contracts	465	9.9
Oil swaps	347	28.6

Over 2025 as a whole, the aggregate financial flows of the three oil swaps that expired on 31 December 2025 amounted to €128 million.

3.2 - Proactive debt and cash management (macro-hedging)

Since September 2002, the programme to reduce the average residual debt maturity through interest-rate swaps has been suspended due to market conditions, in particular low long-term interest rates. The last swaps were repaid in 2021. Therefore, this item showed a zero balance on 31 December 2025.

3.3 - Micro-hedging interest rate swaps

These amounts relate to interest-rate swaps for the assumed SNCF or other debt.

There were no new transactions in 2025. Therefore, this item showed a zero balance on 31 December 2025.

3.4 - Foreign exchange hedging

This item relates to forward exchange transactions consisting of purchases or sales of foreign currencies at exchange rates that are fixed from the outset and where the period between the trade date and the settlement date is longer than the usual two days. AFT makes such transactions on behalf of other State departments and they do not have any impact on these financial statements. In 2025, forward purchases of foreign currencies for euros were settled for a total value of €484.53 million, exchanged against a total of CHF 38.48 million and USD 443.23 million.

The table below shows the amounts of foreign exchange transactions outstanding at the end of the accounting period:

Closing dates	Euros payable to primary dealers in exchange for foreign currency receivables (in millions)	US dollars receivable from primary dealers and payable to final beneficiaries (in millions)	CHF receivable from primary dealers and payable to final beneficiaries (in millions)	Exchange value in millions of euros for cash	Unrealised gains or losses in €m
31/12/2024	548.10	561.56	36.60	579.18	31.09
31/12/2025	465.36	492.64	35.45	457.07	-8.29

3.5 - Oil swaps

Oil swap contracts are recognised as off-balance sheet items by the department requesting the hedge and the financial transfers are carried out by the Finance Ministry Accounts Department. Therefore, they have no impact on these financial statements and are reported for information only.

AFT hedges oil supplies for the Military Fuel Unit (SEA) at the Ministry of Defence.

This concerns commodity price swaps. These swap contracts hedge against oil price fluctuations by swapping a price fixed in the contract for a variable price corresponding to the average market price observed over one month.

In 2025, three new swaps totalling €119.2 million were negotiated.

4 - Financial expenses and income

4.1 - Financial expenses on financial debts

Three elements make up the financing cost of the State's negotiable debt securities and the assumption of the SNCF Réseau debt: interest payments, amortisation of issue discounts and premiums, and index-linking supplements.

a) Interest is prepaid at the time of issue for BTFs, or paid on the annual coupon dates for OATs.

Total interest expense on negotiable securities amounted to €50,239.44 million in 2025. It increased by €4,917.7 million compared to the previous financial year. This variation is mainly due to the increase in France's outstanding debt.

b) The issue discount or premium, which is the difference between the issue price and the par value, results from the difference between the coupon yield of the bond and the yield demanded at the time of issue. Amortisation of the premium or discount is recognised in the income statement over the life of the bond. The total financial expense (amortisation and coupon payments) corresponds to the yield demanded at the time of issue (see 3.1.2.2 – Accounting principles and methods).

Amortisation of premiums and discounts resulted in net financial income of €4,678.27 million in 2025. This income was down by €1,460.77 million on 2024 but remained relatively high. This results from the large issue premiums in recent years, which increased the stock of premiums to be amortised.

c) The index-linking income or expense corresponds to the variation in the principal amount to be redeemed, which depends on changes in an index. The two indices used for government bonds are the French consumer price index excluding tobacco and the same index in the euro area. NB: as a result of the index-linking component, the yields at issue of index-linked bonds are lower than those of other bonds. Index-linked yields are “real” yields that do not include the inflation component of nominal interest rates.

Net index-linking expenses amounted to €5,309.42 million in 2025, up €569.13 million due to higher inflation.

4.2 - Commissions and fees related to debt management

This item records syndication commission paid to primary dealers that are members of syndicates. This commission is amortised over the life of syndicated bonds. This item also includes fees charged by Euroclear, which is the depositary for securities issued by the State, and communication expenses directly related to debt management.

4.3 - Interest income and expense on the current account at Banque de France and on investments

The State holds a single account at Banque de France, which breaks down into different transaction accounts. This single account is not presented in the financial statements' assets. Only accrued and recognised interest is included in AFT's assets and income statement. Banque de France pays the State interest on this current account's daily balance.

Since 1 May 2023, pursuant to the directives of the Governing Council of the European Central Bank, the interest rates on deposits made by government departments with national central banks are now set at €STR -20 basis points, starting from the first euro.

The net income relating to interest on the Banque de France account totalled €6.22 million in this financial year, including €0.73 million of accrued interest yet to be received at 31 December 2025.

AFT also invests cash surpluses in the form of unsecured loans and repurchase agreements. Every day, AFT thus targets the minimum balance on the account determined by the performance indicator of budget programme 117, equal to a security deposit (€120 to 160 million). Unsecured loans and repurchase agreements generated net income respectively of €414.90 million and €675.01 million in 2025.

NEGOTIABLE STATE DEBT

Outstanding and residual maturity of negotiable State debt

Amounts at year-end	2004	2005	2006	2007	2008	2009	2010	2011
Outstanding debt (in €m)	832,859	877,350	876,590	920,724	1,016,645	1,147,985	1,228,971	1,312,980
MLT issuances	735,787	782,027	810,343	842,268	878,364	933,865	1,041,833	1,135,184
of which index-linked securities	71,089	90,352	110,485	131,848	152,411	147,831	159,433	165,914
Short-term issuance	97,072	95,323	66,247	78,456	138,281	214,120	187,138	177,796
Outstanding swaps (in €m)	61,225	51,875	44,412	41,562	28,362	20,362	15,562	12,500
Residual maturity (before swaps)	6.22	6.73	7.12	7.14	6.80	6.67	7.19	7.16
Residual maturity (after swaps)	6.09	6.62	7.04	7.08	6.76	6.64	7.16	7.14
Proportion of BTFs in outstanding debt	11.7%	10.9%	7.6%	8.5%	13.6%	18.7%	15.2%	13.5%

Amounts at year-end	2012	2013	2014	2015	2016	2017	2018	2019
Outstanding debt (in €m)	1,386,154	1,457,220	1,527,562	1,576,372	1,620,597	1,686,112	1,756,400	1,822,805
MLT issuances	1,219,554	1,283,377	1,352,277	1,423,699	1,486,672	1,559,639	1,643,500	1,715,872
of which index-linked securities	173,030	173,660	189,258	190,390	199,528	201,742	219,584	226,396
Short-term issuance	166,600	173,843	175,285	152,673	133,925	126,473	112,900	106,933
Outstanding swaps (in €m)	10,450	6,900	5,800	5,800	1,000	1,000	1,000	1000
Residual maturity (before swaps)	7.10	7.01	6.99	7.13	7.53	7.81	7.92	8.17
Residual maturity (after swaps)	7.09	7.01	6.99	7.13	7.53	7.81	7.92	8.17
Proportion of BTFs in outstanding debt	12.0%	11.9%	11.5%	9.7%	8.3%	7.5%	6.4%	5.9%

Amounts at year-end	2020	2021	2022	2023	2024	2025
Outstanding debt (in €m)	2,001,014	2,145,121	2,277,811	2,429,973	2,601,637	2,737,125
MLT issuances	1,839,406	1,989,742	2,129,348	2,260,756	2,400,474	2,541,181
of which index-linked securities	220,054	236,362	262,230	271,362	289,057	306,639
Short-term issuance	161,608	155,379	148,463	169,217	201,163	195,944
Outstanding swaps (in €m)	1,000	0	0	0	0	0
Residual maturity (before swaps)	8.20	8.42	8.50	8.46	8.47	8.50
Residual maturity (after swaps)	8.20	8.42	8.50	8.46	8.47	8.50
Proportion of BTFs in outstanding debt	8.1%	7.2%	6.5%	7.0%	7.7%	7.2%

STATISTICAL REPORT

DEBT SERVICING COST DATA

Negotiable debt outstanding

Par value: **€2,670.3bn** end-2025 (+€128.7bn compared to end-2024)

Par value with index-linking supplement: **€2,737.1bn** end-2025 (+135.5bn compared to end-2024)

- **€2,541.2bn** of medium and long-term securities
- **€195.9bn** of short-term securities

Renewal of medium- and long-term debt

9.1% of the debt at end-2024 renewed in 2025

(€213.8bn of securities redeemed or repurchased out of €2,340.5bn outstanding at end-2024)

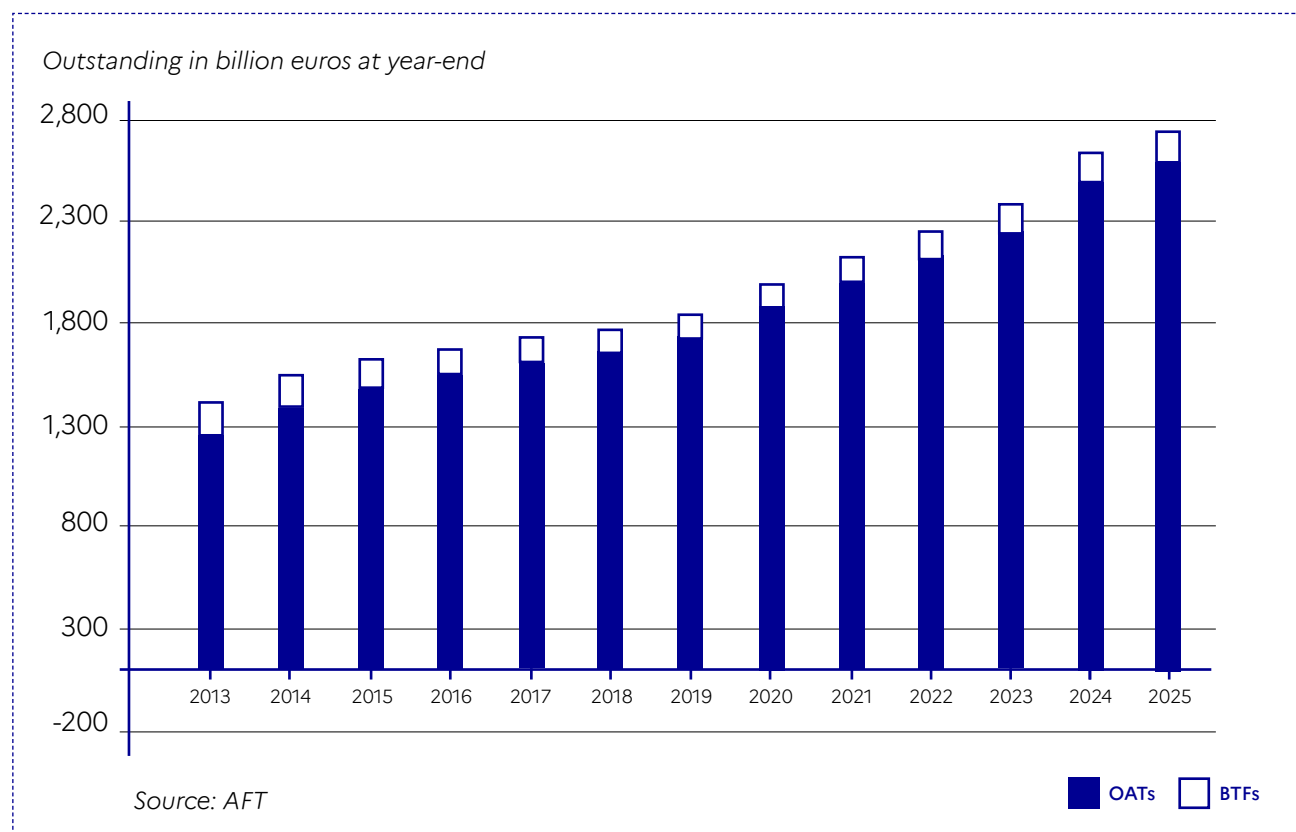
Average residual maturity

8 years and 184 days at end-2025

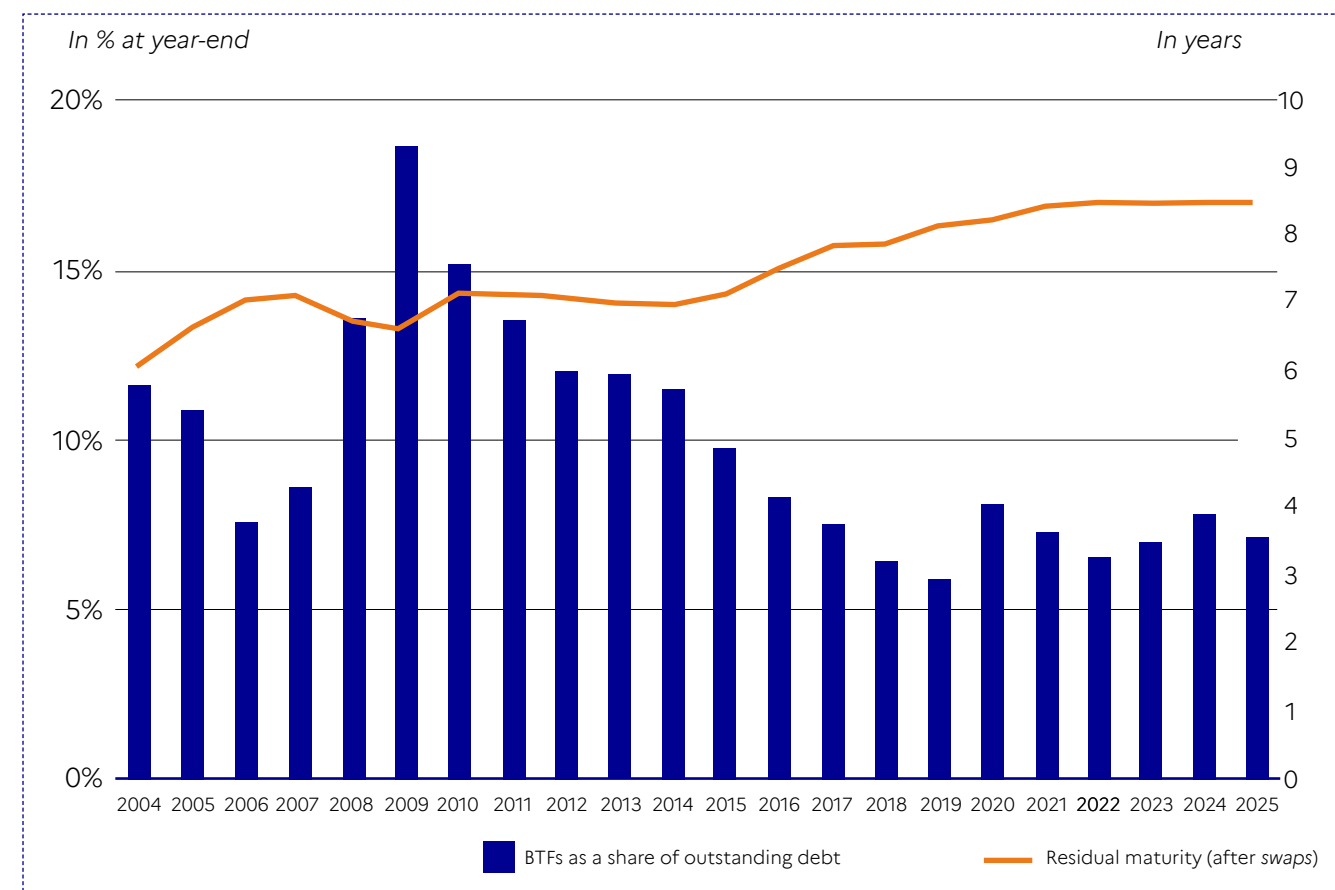
Interest-rate swaps

€0bn outstanding at end-2025

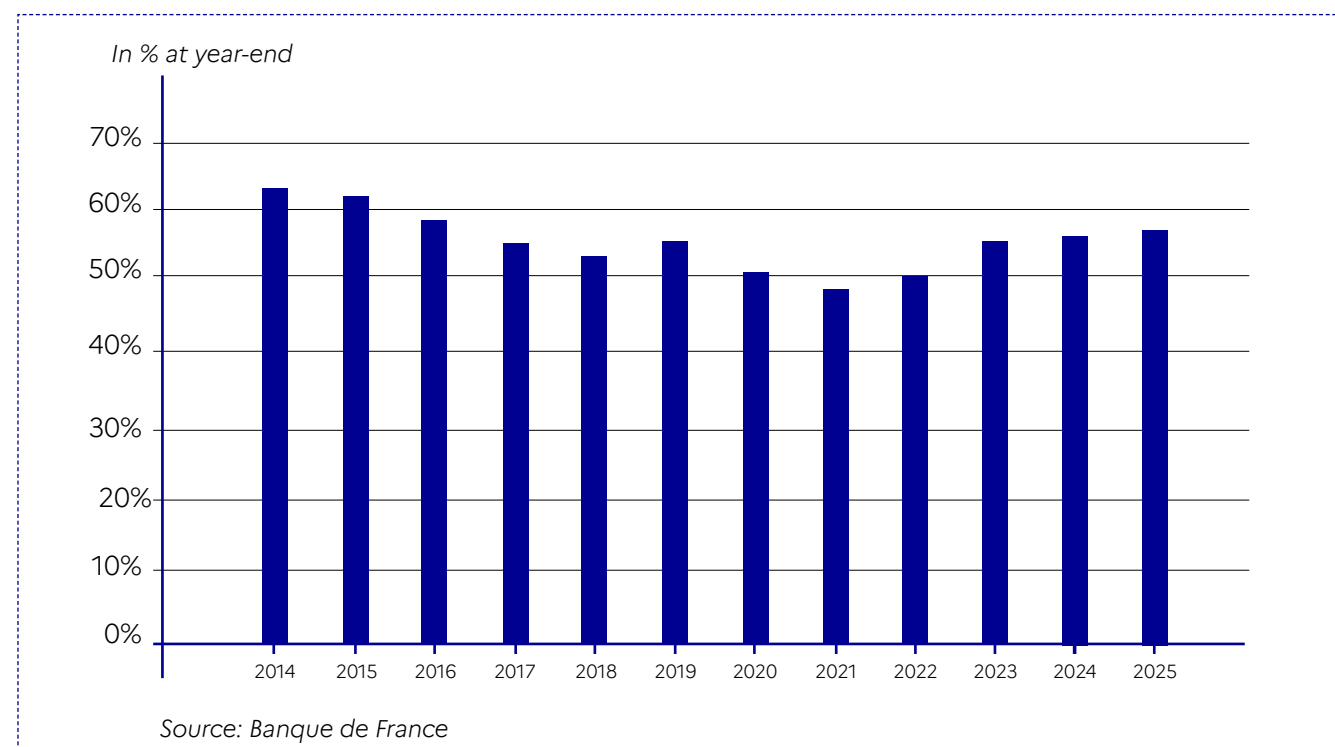
BTFs and OATs outstanding



BTFs as a share of outstanding debt and average residual debt maturity



Share of non-residents in outstanding negotiable State debt



MEDIUM- AND LONG-TERM DEBT

Redemptions in 2025

- Fixed-rate securities: **€156.2bn** in redemptions (par value)
- Index-linked securities: **€9.9bn + €1.9bn** of index-linked supplements

Issuance in 2025

- **34 auctions**
- **4 Syndications** (for the first issuance of the new lines OAT 3.6% 25 May 2042 and OAT 3.75% 25 May 2056 as well as the tapped issuance of OAT€1 0.95% 25 July 2043 and green OAT 3% 25 June 2049)
- Fixed-rate securities: **€324.4bn** (par value)
- Index-linked securities: **€23.3bn** (par value)
- Average bid-to-cover ratio*: **2.97**

*The ratio of bids to amount auctioned before non-competitive tenders
Source: Agence France Trésor

Buybacks in 2025

- **€47.7bn** (par value)

Source: Agence France Trésor

Average yield at issue of fixed rate securities		
	Aggregate	10 year maturities
2025	3.14%	3.37%
2024	2.91%	2.94%
2023	3.03%	3.02%
2022	1.43%	1.50%
2021	-0.05%	0.00%
2020	-0.13%	-0.12%
2019	0.11%	0.23%
2009-2018 average	1.52%	2.01%
1998-2008 average	4.15%	4.44%

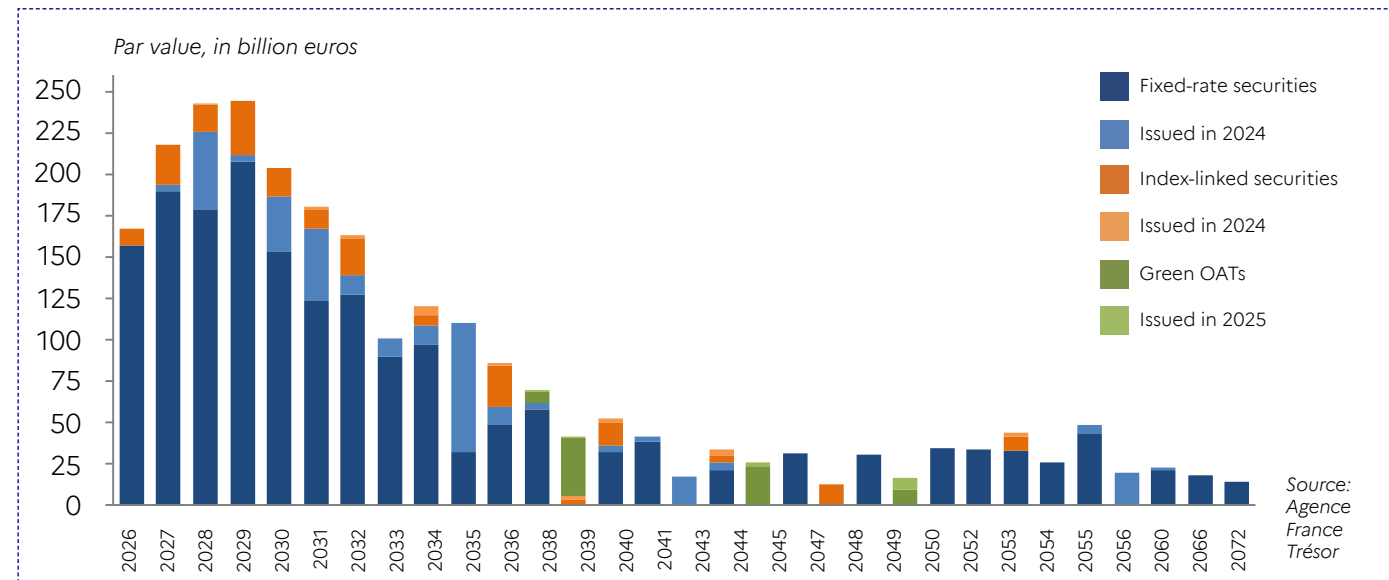
Outstanding amounts and flows of medium- and long-term debt			
	Par value		
	Fixed-rate securities	In-index-linked securities	Total
<i>in €m</i>			
Outstanding at end-2024 (1)	2,111,427	229,041	2,340,468
Issuance	324,384	23,290	347,674
<i>auctions</i>	301,384	20,290	321,674
<i>syndicated issues</i>	23,000	3,000	26,000
Buybacks (2)	45,044	2,630	47,674
<i>over the counter</i>	45,044	2,630	47,674
<i>reverse auctions</i>	0	0	0
Issuance net of buybacks	279,340	20,660	300,000
Redemptions	156,218	9,893	166,111
Net flows	123,122	10,767	133,889
Outstanding at end-2025 (1)	2,234,549	239,808	2,474,357

Source: Agence France Trésor

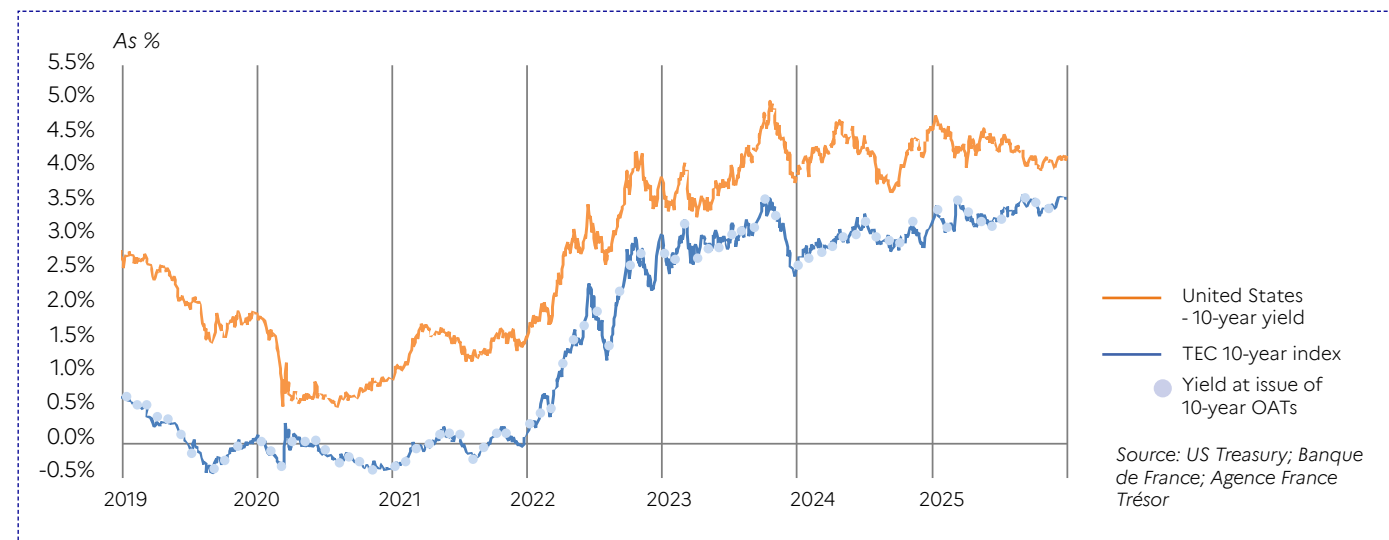
(1) Outstanding amounts in par value issued, not including index-linking supplements, unlike the outstanding amounts shown in other tables

(2) Excluding buybacks of securities maturing during the year, which are recognised as redemptions

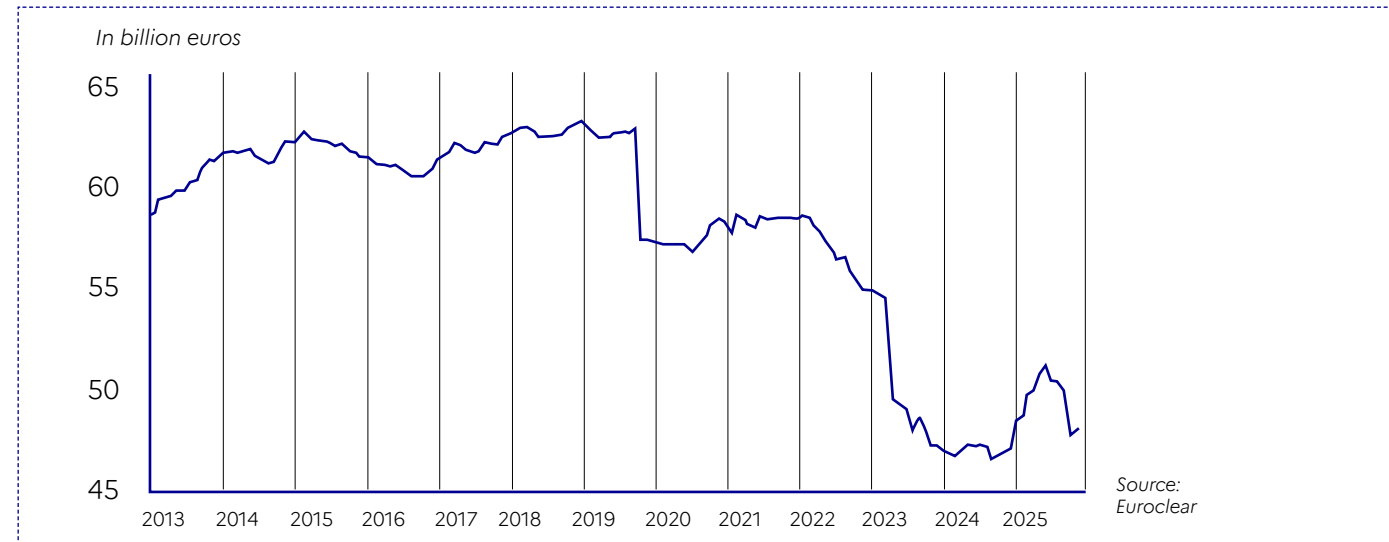
Breakdown of medium- and long-term debt at 31/12/2025



Long-term yields



Strips outstanding



Medium- and long-term securities trading in 2024				
<i>in €m</i>	Outstanding at end-2024	Issuance in 2025	Buybacks in 2025	Outstanding at end-2025
OAT 2/2026	38,918		7,246	31,672
OAT€i 3/2026	12,736		2,630	10,106
OAT 4/2026	40,247		8,461	31,786
OAT 5/2026	42,089		9,162	32,927
OAT 9/2026	37,677		13,397	24,280
OAT 11/2026	39,347		2,639	36,708
OAT 2/2027	45,915		2,285	43,630
OAT 5/2027	45,339		1,500	43,839
OAT 9/2027	40,779	3,522	354	43,947
OATi 3/2028	16,898	714		17,612
OAT 5/2028	65,097	2,105		67,202
OAT 9/2028	–	44,383		44,383
OAT 4/2029	42,719	1,796		44,515
OATi 07/2029	9,781	0		9,781
OAT 11/2029	47,530	2,401		49,931
OAT 2/2030	30,327	26,243		56,570
OAT 5/2030	64,301	6,581		70,882
OAT 2/2031	–	38,875		38,875
OAT 5/2031	65,270	3,015		68,285
OAT€i 7/2031	11,741	1,703		13,444
OAT 11/2031	58,126	1,739		59,865
OATi 3/2032	7,972	1,232		9,204
OAT 5/2032	40,878	6,867		47,745
OAT€i 7/2032	13,490	900		14,390
OAT 11/2032	51,001	5,407		56,408
OAT 5/2033	42,504	3,216		45,720
OAT 11/2033	47,250	8,189		55,439
OAT 5/2034	60,455	4,580		65,035
OAT€i 7/2034	6,234	5,578		11,812
OAT 11/2034	36,692	7,059		43,751
OAT 4/2035	32,020	5,703		37,723
OAT 5/2035	–	50,104		50,104
OAT 11/2035	–	22,072		22,072
OATi 3/2036	11,449	781		12,230
OAT 5/2036	48,752	10,696		59,448
OAT€i 7/2036	13,624	1,111		14,735
OAT 5/2038	29,910	3,802		33,712
OAT€i 7/2038	7,089	1,236		8,325
OATi 3/2039	3,445	2,128		5,573
OAT 6/2039	35,110	1,194		36,304
OAT 5/2040	32,155	3,779		35,934
OAT€i 07/2040	14,529	1,915		16,444
OAT 4/2041	38,446	2,871		41,317
OAT 5/2042	–	17,572		17,572
OAT 5/2043	21,099	4,840		25,939
OAT€i 7/2043	4,000	3,635		7,635
OAT 6/2044	23,870	2,322		26,192
OAT 6/2049	9,917	6,526		16,443
OAT€i 7/2053	8,242	2,357		10,599
OAT 4/2055	22,640	1,348		23,988
OAT 5/2055	20,264	4,741		25,005
OAT 5/2056	–	19,478		19,478
OAT 4/2060	21,485	1,358		22,843
Aggregate		347,674	47,674	
Non-index-linked securities		324,384	45,044	
Index-linked securities		23,290	2,630	

Source: Agence France Trésor

STATE FINANCING

Financing requirement

€290.6bn in 2025, of which

- €168.0bn in redemptions of OATs (including index-linking supplements)
- €124.7bn in deficit financing (excluding future expenses)

Source of funds

€300.0bn from issues of OATs in 2025 (net of buybacks)

€9.4bn from other sources in 2025, including:

- €15.2bn from changes in cash position
- less €5.2bn from changes in outstanding short-term State securities
- less €10.8bn from funding sources (mainly issue discounts)
- less €8.6bn from changes in correspondents’ deposits

Source: Agence France Trésor; DGFIP

The State’s flow of funds statement since 2007

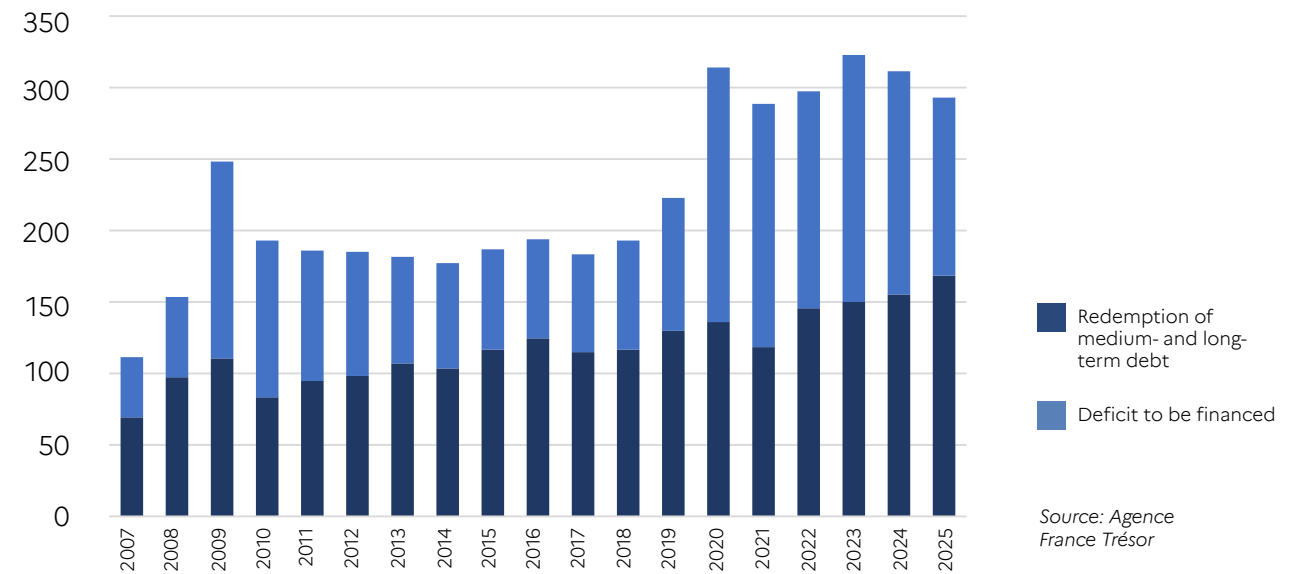
The State’s flow of funds statement						
<i>In €bn</i>	2007	2008	2009	2010	2011	2012
Financing requirement	102.5	160.3	246.6	196.8	185.6	187.0
Redemption of medium- and long-term debt	69.0	97.6	110.1	82.9	94.9	97.9
<i>par value</i>	69.0	97.6	107.7	82.2	93.0	95.3
<i>index-linking supplements paid at maturity</i>			2.5	0.8	1.8	2.7
Redemption of other debts	0.6	103	1.6	4.1	0.6	1.3
SNCF Réseau - Redemptions						
Deficit to be financed	42.1	56.3	138.0	110.1	90.7	87.2
Other cash requirements	-9.3	-3.9	-3.4	-0.4	-0.6	0.6
Source of funds	102.5	160.3	246.6	196.8	185.6	187.0
Medium- and long-term issuance net of buybacks	97.6	128.5	165.0	188.0	184.0	178.0
Funds allocated to the Public Debt Fund (CDP) to reduce debt						
Change in outstanding short-term State securities	12.2	59.8	75.8	-27.0	-9.3	-11.2
Change in correspondents’ deposits	2.6	-1.6	0.8	6.0	13.4	13.4
Change in cash position	-8.1	-25.3	-0.5	22.1	-3.9	-2.0
Other net cash sources	-1.8	-1.2	5.3	7.7	1.5	8.9

The State's flow of funds statement

In €bn	2013	2014	2015	2016	2017	2018
Financing requirement	185.5	179.1	189.1	194.1	183.1	192.0
Redemption of medium- and long-term debt	106.7	103.8	116.4	124.9	115.2	116.6
<i>par value</i>	103.8	103.8	114.1	124.5	112.8	115.9
<i>index-linking supplements paid at maturity</i>	2.8		2.3	0.4	2.4	0.7
Redemption of other debts	6.1	0.2	0.1			0.0
SNCF Réseau - Redemptions						
Deficit to be financed	74.9	73.6	70.5	69.1	67.7	76.1
Other cash requirements	-2.2	1.5	2.0	0.1	0.2	-0.7
Source of funds	185.5	179.1	189.1	194.1	183.1	192.0
Medium- and long-term issuance net of buybacks	168.8	172.0	187.0	187.0	185.0	195.0
Funds allocated to the Public Debt Fund (CDP) to reduce debt		1.5	0.8			0.0
Change in outstanding short-term State securities	7.2	1.4	-22.6	-18.7	-7.5	-13.6
Change in correspondents' deposits	-4.2	-1.3	6.7	1.6	4.7	9.9
Change in cash position	7.9	-1.4	-5.2	4.6	-9.2	-11.1
Other net cash sources	5.7	6.9	22.4	19.7	10.0	11.8

State financing requirement

In billion euros

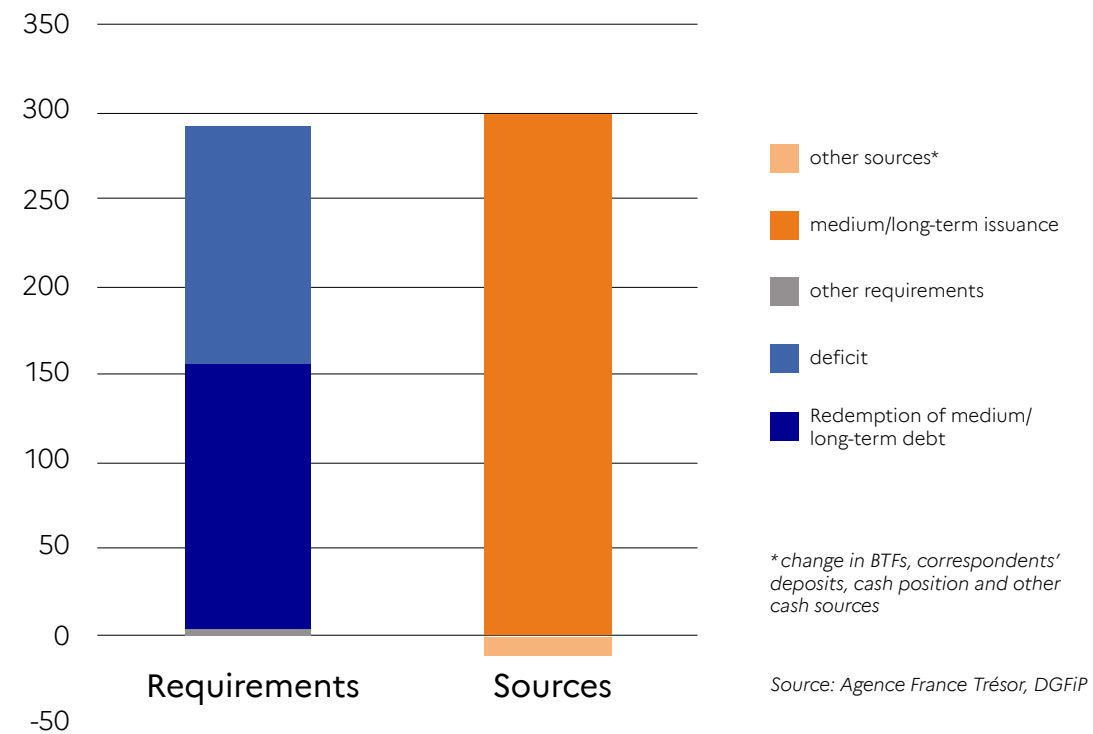


The State's flow of funds statement

In €bn	2019	2020	2021	2022	2023	2024	2025
Financing requirement	220.5	309.5	285.2	280.0	314.6	305.7	290.6
Redemption of medium- and long-term debt	130.2	136.1	118.3	145.7	149.6	155.1	168.0
<i>par value</i>	128.9	130.5	117.5	140.8	144.5	151.1	166.1
<i>index-linking supplements paid at maturity</i>	1.3	5.6	0.8	5.0	5.1	4.0	1.9
Redemption of other debts	0.0	0.5	0.0	0.0	0.9	0.0	0.0
SNCF Réseau - Redemptions		1.7	1.3	3.0	2.1	2.7	1.1
Deficit to be financed	92.7	178.1	170.7	151.4	173.0	155.9	124.7
Other cash requirements	-2.4	-6.9	-5.1	-20.2	-11.0	-8.1	-3.2
Source of funds	220.5	309.5	285.2	280.0	314.6	305.7	290.6
Medium- and long-term issuance net of buybacks	200.0	260.0	260.0	260.0	270.0	285.0	300.0
Funds allocated to the Public Debt Fund (CDP) to reduce debt	0.0	0.0	0.0	1.9	6.6	6.5	0.0
Change in outstanding short-term State securities	-6.0	54.7	-6.2	-6.9	20.8	31.9	-5.2
Change in correspondents' deposits	11.5	27.8	18.7	1.1	-11.5	-5.9	-8.6
Change in cash position	-5.7	-63.4	-4.4	35.2	47.6	-3.4	15.2
Other net cash sources	20.6	30.4	17.2	-11.3	-18.8	-8.4	-10.8

State financing requirement and sources of funds in 2025

In billion euros



DEBT SERVICING

Budgetary accounting

€51.6bn in net cost charged in 2025, including:

- **€50.6bn** for negotiable State debt
- increase of **€1.5bn** compared to 2024

Accrual accounting

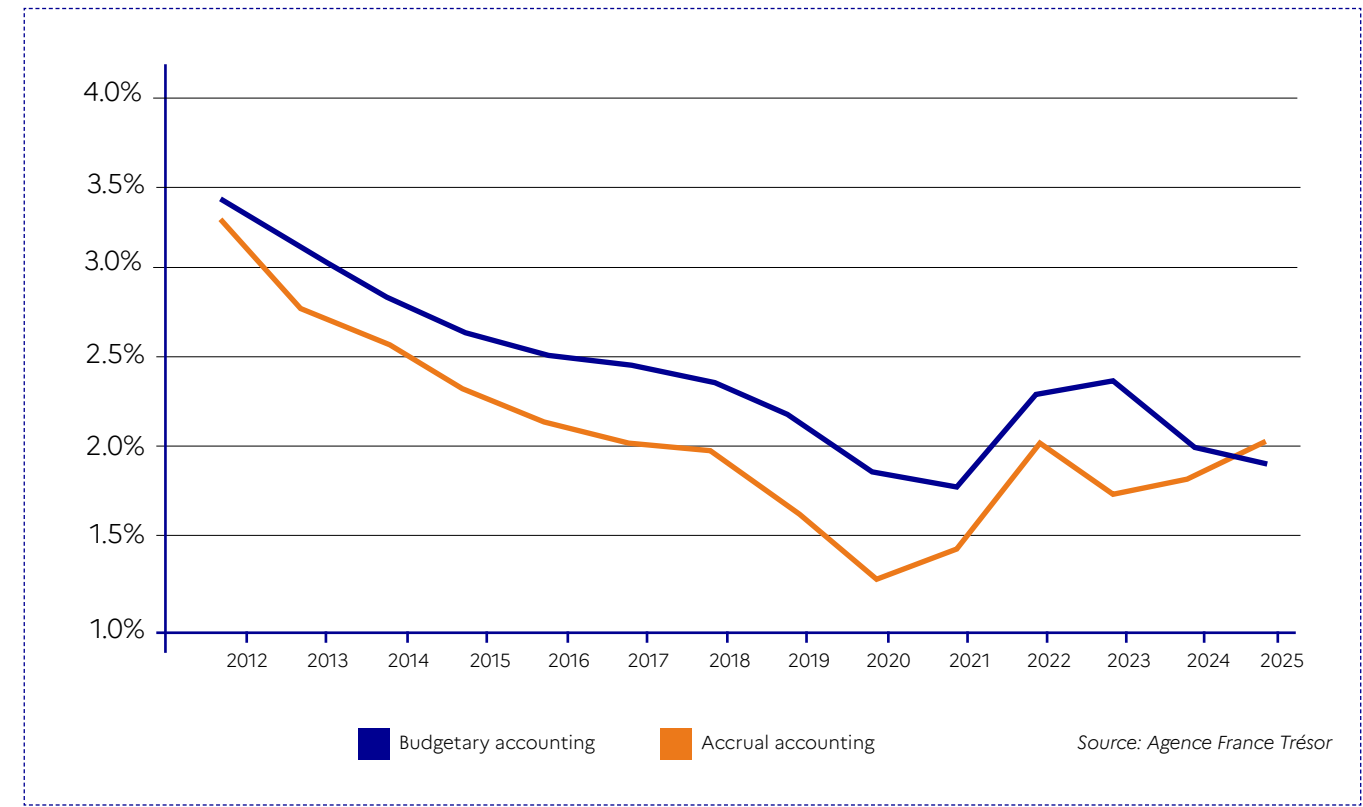
€50.9bn in net cost for negotiable debt, including:

- **€45.4bn** for accrued coupons on OATs
- **€5.3bn** for index-linking expenses
- **-€4.7bn** for issue premiums and discounts
- **€4.8bn** for interest on BTFs

Source: Agence France Trésor

Cost of servicing negotiable debt (OATs and BTFs)

Implied yield (cost for the year as a % of the outstanding debt at the beginning of the year)



Cost of servicing State debt and cash management – budgetary accounting

In €bn	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Negotiable debt – net expense (1)	38,253	38,944	39,184	39,596	43,796	36,895	39,801	45,502	45,182	43,778	42,193
OATs and BTANs – net interest payments	35,068	35,545	34,856	34,435	34,785	35,128	36,505	39,924	41,339	41,849	41,118
interest paid	37,037	37,428	36,706	36,504	36,855	37,923	39,330	42,897	43,958	43,735	43,339
accrued interest received at issue (-)	1,969	1,883	1,849	2,069	2,070	2,795	2,825	2,973	2,620	1,887	2,221
OATs AND BTANs – index-linking expense	1,072	1,352	2,107	1,756	4,615	84	2,267	3,967	3,638	1,772	932
BTFs – interest paid	2,113	2,047	2,220	3,405	4,396	1,682	1,029	1,611	206	158	142
Other expenses (+) net of income (-)	-140	-64	-243	-45	668	731	703	754	1,120	1,107	966
Debt assumed - net expense	2	2	20	16	626	504	412	265	231	180	83
Non-negotiable debt	21	6	5	4	14	2	1	1	1	1	0
Invest for the Future - interest on funds	-	-	-	-	-	-	165	408	645	667	688
Cash management – net expense	-206	-116	-275	-80	14	204	104	66	234	242	181
Expenses	318	398	404	586	751	540	248	365	309	253	205
Income	525	514	679	666	736	336	144	300	75	11	24
Other	43	45	7	16	13	20	20	14	9	17	14
Negotiable debt – net expense (1)	38,113	38,881	38,941	39,550	44,464	37,625	40,503	46,256	46,303	44,886	43,159
Interest-rate swaps - gains	294	479	519	273	156	140	386	322	307	208	134
Income	2,137	2,154	2,091	1,939	1,912	1,210	800	619	488	290	185
Expenses	1,843	1,675	1,572	1,666	1,757	1,070	414	297	181	82	51

Cost of servicing State debt and cash management – budgetary accounting

In €bn	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Negotiable debt – net expense (1)	41,094	40,301	40,541	40,378	38,998	34,230	36,205	49,379	54,304	49,340	50,579
OATs and BTANs – net interest payments	40,897	41,041	39,087	37,753	36,898	34,729	34,217	33,351	32,852	35,938	41,291
interest paid	42,703	42,195	40,291	38,764	37,978	35,666	34,856	34,451	35,825	40,012	46,530
accrued interest received at issue (-)	1,806	1,154	1,205	1,011	1,080	937	639	1,100	2,973	4,074	5,239
OATs AND BTANs – index-linking expense	499	13	2,309	3,348	2,764	458	3,022	15,530	15,802	6,965	4,932
BTFs – interest paid	-301	-753	-855	-723	-664	-957	-1,034	498	5,650	6,437	4,356
Other expenses (+) net of income (-)	1,043	1,146	1,157	1,163	1,257	1,972	2,293	2,158	477	745	1,004
Debt assumed - net expense	81	80	80	79	79	480	770	905	986	817	687
Non-negotiable debt	0	0	0	0	0	0	0	0	0	0	0
Invest for the Future - interest on funds	751	754	750	752	752	754	751	752	752	752	751
Cash management – net expense	204	282	297	316	409	706	729	475	-1,281	-868	-486
Expenses	205	282	297	316	410	706	731	672	541	775	625
Income	1	0	0	0	1	0	2	197	1,822	1,643	1,111
Other	6	30	31	16	17	32	43	26	20	44	52
Negotiable debt – net expense (1)	42,136	41,447	41,697	41,541	40,256	36,202	38,498	51,537	54,780	50,085	51,583
Interest-rate swaps - gains	145	145	25	25	26	0	0	0	0	0	0
Income	155	155	28	29	30						
Expenses	11	10	4	4	4						

Source: Agence France Trésor

Cost of servicing the State’s negotiable debt – accrual basis accounting											
In €bn	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Negotiable debt – net expense (1)	38,447	38,541	37,721	40,244	43,523	37,855	40,762	44,529	43,588	39,207	38,305
OATs and BTANs – interest and similar expenses	35,066	34,874	34,157	34,380	35,252	35,831	37,006	38,507	39,411	37,993	37,450
accrued interest	35,380	35,394	34,369	34,395	34,944	35,736	38,176	40,285	41,690	41,016	40,667
amortisation of issue discounts (+)	1,034	912	1,057	1,182	1,417	1,457	1,234	1,372	1,491	1,400	1,530
amortisation of issue premiums (-)	1,348	1,432	1,269	1,198	1,109	1,362	2,404	3,149	3,771	4,423	4,747
OATs AND BTANs – index-linking expense (2)	1,168	1,695	1,320	2,705	4,094	-338	2,642	4,412	3,618	1,106	648
BTFs - accrued interest	2,213	1,972	2,244	3,159	4,176	2,362	1,114	1,610	559	109	208

Cost of servicing the State’s negotiable debt – accrual basis accounting											
In €bn	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Negotiable debt – net expense (1)	36,126	34,365	33,499	34,062	29,350	23,283	29,143	44,104	38,475	39,874	46,244
OATs and BTANs – interest and similar expenses	36,135	34,038	31,834	30,387	28,206	24,897	22,131	21,517	25,709	32,601	40,725
accrued interest	40,687	40,222	38,612	37,670	36,219	34,654	33,884	33,047	34,290	38,740	45,403
amortisation of issue discounts (+)	1,621	1,474	1,389	1,288	1,274	1,141	962	1,707	3,771	-6,139	-4,678
amortisation of issue premiums (-)	6,173	7,658	8,166	8,571	9,288	10,898	12,715	13,237	12,352	4,743	5,309
OATs AND BTANs – index-linking expense (2)	170	955	2,535	4,441	1,788	-782	8,045	22,997	8,491	6,582	4,836
BTFs - accrued interest	-179	-628	-871	-765	-643	-832	-1,033	-410	4,275	691	683

Source: Agence France Trésor; DGFIP
(1) Excluding fees and commissions; excluding gains/losses on buybacks
(2) The decrease in prices means that a gain was recorded in 2009 (counted negatively as a reduction in expenses).

SHORT-TERM DEBT

BTFs outstanding

- Outstanding at end-2025: **€195.9bn**
- Decrease of **€5.2bn** in 2025

Source: Agence France Trésor

BTF issuances

- **50** auctions in 2025
- **€8.0bn** issued per auction on average
- Average bid-to-cover ratio* in 2025: **3.40**

*The ratio of bids to amount auctioned before non-competitive tenders

European Central Bank refinancing rate

- End 2025: **2.15%**
- End 2024: **3.15%**

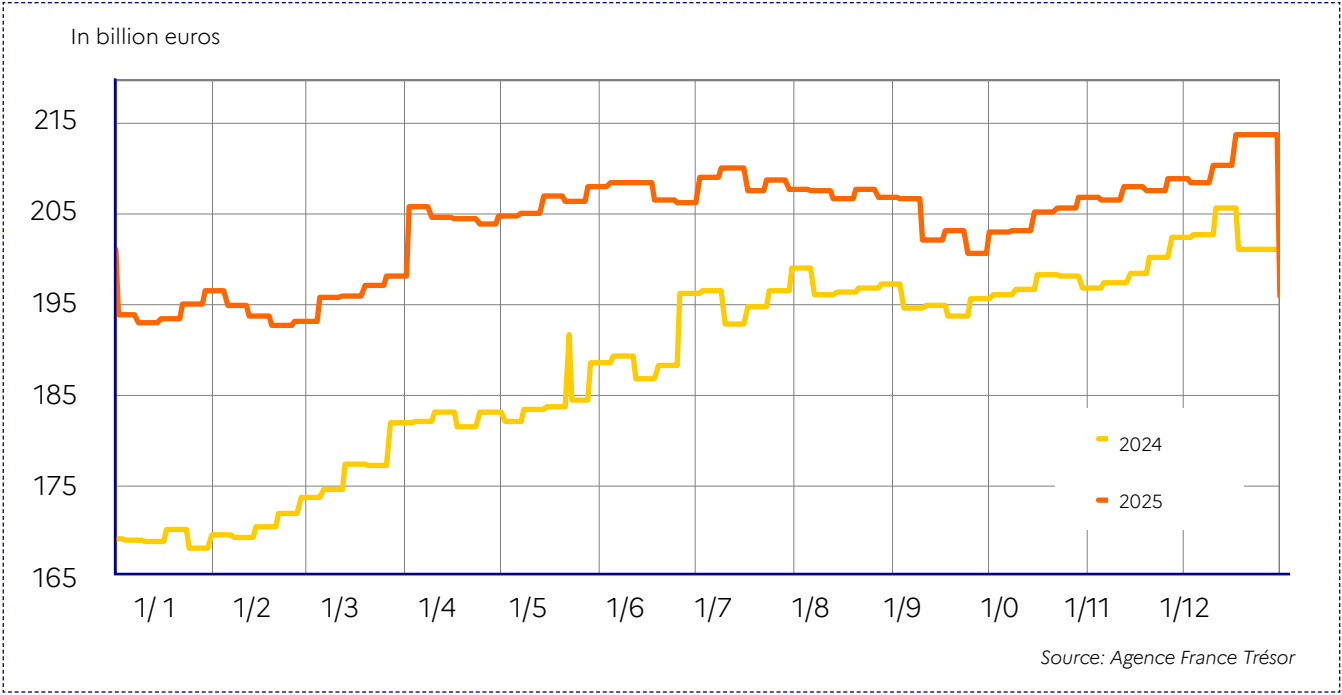
BTFs outstanding and BTF flows	
In €m	
Outstanding at end-2024	201,163
Issuance in 2025	398,082
<2-month BTFs	2,985
3-month BTFs	167,097
4-to-5 month BTFs	7,683
6-month BTFs	111,259
7-to-11 month BTFs	4,783
12-month BTFs	104,275
Redemptions in 2025	403,301
<2-month BTFs	3,928
3-month BTFs	175,349
4-to-5 month BTFs	8,260
6-month BTFs	107,682
7-to-11 month BTFs	5,138
12-month BTFs	102,944
Outstanding at end-2025	195,944

Source: Agence France Trésor

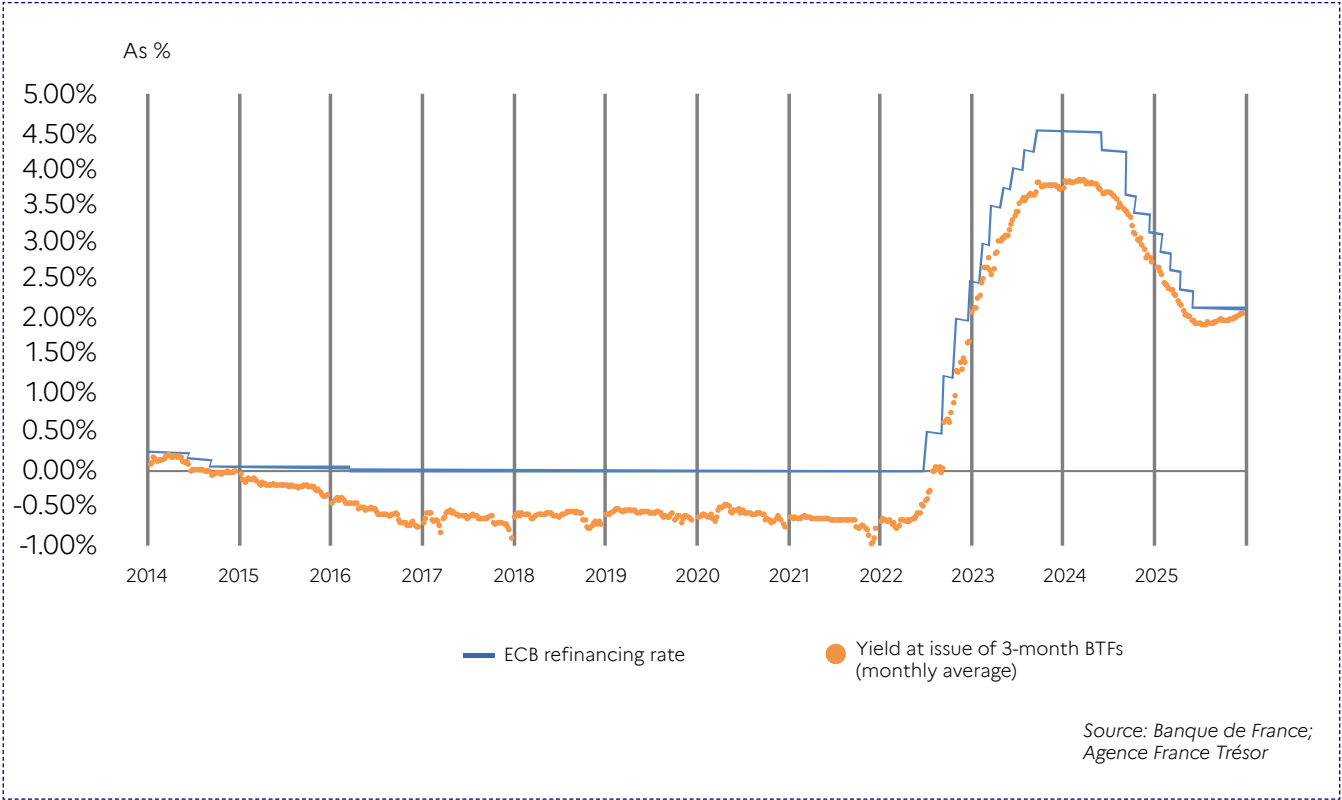
Average yield at issue		
	Aggregate	3-month maturities
2025	2.12%	2.15%
2024	3.39%	3.53%
2023	3.33%	3.24%
2022	0.19%	-0.02%
2021	-0.67%	-0.68%
2020	-0.56%	-0.57%
2019	-0.58%	-0.57%
2010-2018 average	-0.05%	-0.08%
1998-2009 average	2.94%	2.89%

Source: Agence France Trésor

BTFs outstanding



Yields



OVER-THE-COUNTER
BUYBACKS OF OATS

IN €M	
BY MONTH	Amount bought back*
January 2025	0
February 2025	3,000
March 2025	2,500
April 2025	3,010
May 2025	5,340
June 2025	6,388
July 2025	5,050
August 2025	5,025
September 2025	8,500
October 2025	0
November 2025	2,111
December 2025	6,750

*Excluding securities maturing in the year
Source: Agence France Trésor

TOTAL BUYBACKS	47,674
Maturing 2026	43,535
Maturing 2027	4,139
Fixed-rate securities	45,044
Index-linked securities	2,630

BY BOND	Amount bought back*
OAT 0% 25 February 2026	7,246
OAT 3.5% 25 April 2026	8,461
OAT 0.5% 25 May 2026	9,162
OAT 2.5% 24 September 2026	13,397
OAT 0.25% 25 November 2026	2,639
OAT€i 0.1% 01 March 2026	2,630
OAT 0% 25 February 2027	2,285
OAT 1% 25 May 2027	1,500
OAT 2.5% 24 September 2027	354

*Excluding securities maturing in the year
Source: Agence France Trésor

BREAKDOWN OF DEBT

At 31 December 2025

Short-term debt		
ISIN code	Maturity	Outstanding (€)
FR0129132686	BTF 7 January 2026	4,312,000,000
FR0128983980	BTF 14 January 2026	12,911,000,000
FR0129287225	BTF 21 January 2026	6,605,000,000
FR0128838499	BTF 28 January 2026	9,365,000,000
FR0129287233	BTF 4 February 2026	6,629,000,000
FR0129132694	BTF 11 February 2026	8,247,000,000
FR0129287241	BTF 18 February 2026	6,427,000,000
FR0128838507	BTF 25 February 2026	9,644,000,000
FR0129287258	BTF 4 March 2026	6,897,000,000
FR0129132702	BTF 11 March 2026	7,651,000,000
FR0129287266	BTF 18 March 2026	8,012,000,000
FR0128838515	BTF 25 March 2026	8,160,000,000
FR0129132710	BTF 9 April 2026	8,729,000,000
FR0128983998	BTF 22 April 2026	8,722,000,000
FR0129287282	BTF 6 May 2026	5,396,000,000
FR0128984004	BTF 20 May 2026	12,246,000,000
FR0129287290	BTF 3 June 2026	3,861,000,000
FR0128984012	BTF 17 June 2026	11,454,000,000
FR0129287308	BTF 1 July 2026	2,025,000,000
FR0129132728	BTF 15 July 2026	8,088,000,000
FR0129132736	BTF 12 August 2026	8,987,000,000
FR0129132744	BTF 9 September 2026	8,546,000,000
FR0129287316	BTF 7 October 2026	8,454,000,000
FR0129287324	BTF 4 November 2026	8,274,000,000
FR0129287332	BTF 2 December 2026	6,302,000,000
Total BTFs	Outstanding	195,944,000,000
	Residual maturity (days)	124 i.e. 124 days

Medium- and long-term debt (maturing 2026– 2028)							
ISIN code	Title	Outstanding (€)		Index coeff.	Nominal out-standing (€)	Stripped bonds (€)	CAC*
	Maturing 2026	169,778,529,840					
FR0013508470	OAT 0.00% 25 February 2026	31,671,500,000				0	×
FR0013519253	OAT€i 0.10% 01 March 2026	12,406,529,840	(1)	1.22764	10,106,000,000	0	×
FR0010916924	OAT 3.50% 25 April 2026	31,785,500,000				0	
FR0013131877	OAT 0.50% 25 May 2026	32,927,000,000				0	×
FR001400FYQ4	OAT 2.50% 24 September 2026	24,280,000,000				0	×
FR0013200813	OAT 0.25% 25 November 2026	36,708,000,000				0	×
	Maturing 2027	227,101,119,620					
FR0014003513	OAT 0.00% 25 February 2027	43,630,000,000				0	×
FR0013250560	OAT 1.00% 25 May 2027	43,839,000,000				0	×
FR0011008705	OAT€i 1.85% 25 July 2027	33,822,119,620	(1)	1.37701	24,562,000,000	0	
FR001400NBC6	OAT 2.50% 24 September 2027	43,947,000,000				0	×
FR0011317783	OAT 2.75% 25 October 2027	61,863,000,000				75,673,600	
	Maturing 2028	227,035,541,640					
FR001400AIN5	OAT 0.75% 25 February 2028	51,553,000,000				0	×
FR0013238268	OATi 0.10% 1 March 2028	21,106,044,680	(1)	1.19839	17,612,000,000	0	×
FR0000571226	OAT zero Coupon 28 March 2028	39,167,553	(2)		46,232,603	–	
FR0013286192	OAT 0.75% 25 May 2028	67,202,000,000				0	×
FR001400XLW2	OAT 2.40% 24 September 2028	44,383,000,000				0	×
FR0013341682	OAT 0.75% 25 November 2028	62,095,000,000				0	×
2029 and later							
	Maturing 2029	254,795,804,040					
FR001400HI98	OAT 2.75% 25 February 2029	58,225,000,000				0	×
FR0013410552	OAT€i 0.10% 01 March 2029	28,635,198,660	(1)	1.23978	23,097,000,000	0	×
FR0000571218	OAT 5.50% 25 April 2029	44,514,880,458				969,367,100	
FR0013407236	OAT 0.50% 25 May 2029	58,805,000,000				0	×
FR0000186413	OATi 3.40% 25 July 2029	14,684,724,922	(1)	1.50133	9,781,144,000	0	
FR0013451507	OAT 0.00% 25 November 2029	49,931,000,000				0	×
	Maturing 2030	208,567,919,040					
FR001400PM68	OAT 2.75% 25 February 2030	56,570,000,000				0	×
FR0011883966	OAT 2.50% 25 May 2030	70,882,000,000				0	×
FR0011982776	OAT€i 0.70% 25 July 2030	22,258,919,040	(1)	1.29172	17,232,000,000	0	×
FR0013516549	OAT 0.00% 25 November 2030	58,857,000,000				0	×

Medium- and long-term debt (maturing 2029 and later)							
ISIN code	Title	Outstanding (€)		Index coeff.	Nominal out-standing (€)	Stripped bonds (€)	CAC*
	Maturing 2031	183,554,935,760					
FR001400Z2L7	OAT 2.70% 25 February 2031	38,875,000,000				0	×
FR0012993103	OAT 1.50% 25 May 2031	68,285,000,000				0	×
FR0014001N38	OAT€i 0.10% 25 July 2031	16,529,935,760	(1)	1.22954	13,444,000,000	0	×
FR0014002WK3	OAT 0.00% 25 November 2031	59,865,000,000				0	×
FR001400XLW2	OAT 2.40% 24 September 2028	44,383,000,000				0	×
FR0013341682	OAT 0.75% 25 November 2028	62,095,000,000				0	×
	Maturing 2032	172,863,583,780					
FR0014003N51	OATi 0.10% 1 March 2032	10,600,891,080	(1)	1.15177	9,204,000,000	0	×
FR0014007L00	OAT 0.00% 25 May 2032	47,745,000,000				0	×
FR0000188799	OAT€i 3.15% 25 July 2032	22,917,370,100	(1)	1.59259	14,390,000,000	0	
FR0000187635	OAT 5.75% 25 October 2032	35,192,322,600				6,919,217,400	
FR001400BKZ3	OAT 2.00% 25 November 2032	56,408,000,000				0	×
	Maturing 2033	101,159,000,000					
FR001400H7V7	OAT 3.00% 25 May 2033	45,720,000,000				0	×
FR001400L834	OAT 3.50% 25 November 2033	55,439,000,000				0	×
	Maturing 2034	121,982,248,280					
FR0013313582	OAT 1.25% 25 May 2034	65,035,000,000				0	×
FR001400J188	OAT€i 0.60% 25 July 2034	13,196,248,280	(1)	1.11719	11,812,000,000	0	×
FR001400QMF9	OAT 3.00% 25 November 2034	43,751,000,000				0	×
	Maturing 2035	109,899,000,000					
FR0010070060	OAT 4.75% 25 April 2035	37,723,000,000				1,039,687,000	
FR001400X8V5	OAT 3.20% 25 May 2035	50,104,000,000				0	×
FR00140121I5	OAT 3.50% 25 November 2035	22,072,000,000				0	×
	Maturing 2036 and later	745,100,424,020					
FR0013524014	OATi 0.10% 1 March 2036	14,045,665,800	(1)	1.14846	12,230,000,000	0	×
FR0013154044	OAT 1.25% 25 May 2036	59,448,000,000				0	×
FR0013327491	OAT€i 0.10% 25 July 2036	18,668,655,600	(1)	1.26696	14,735,000,000	0	×
FR0014009O62	OAT 1.25% 25 May 2038	33,712,000,000				0	×
FR001400AQH0	OAT€i 0.10% 25 July 2038	10,050,189,750	(1)	1.20723	8,325,000,000	0	×
FR0010371401	OAT 4.00% 25 October 2038	27,913,000,000				3,945,396,400	
FR001400IKW5	OATi 0.55% 1 March 2039	5,890,772,460	(1)	1.05702	5,573,000,000	0	×

FR0013234333	OAT 1.75% 25 June 2039	36,304,000,000				0	×
FR0013515806	OAT 0.50% 25 May 2040	35,934,000,000				0	×
FR0010447367	OAT€i 1.80% 25 July 2040	24,259,011,000	(1)	1.47525	16,444,000,000	0	
FR0010773192	OAT 4.50% 25 April 2041	41,317,000,000				3,622,899,000	
FR001400WYO4	OAT 3.60% 25 May 2042	17,572,000,000				244,425,000	×
FR001400CMX2	OAT 2.50% 25 May 2043	25,939,000,000				0	×
FR001400QCA1	OAT€i 0.95% 25 July 2043	8,023,926,900	(1)	1.05094	7,635,000,000	0	×
FR0014002JM6	OAT 0.50% 25 June 2044	26,192,000,000				0	×
FR0011461037	OAT 3.25% 25 May 2045	31,657,000,000				1,016,160,000	×
FR0013209871	OAT€i 0.10% 25 July 2047	16,747,771,740	(1)	1.28562	13,027,000,000	0	×
FR0013257524	OAT 2.00% 25 May 2048	30,644,000,000				445,338,000	×
FR001400NEF3	OAT 3.00% 25 June 2049	16,443,000,000				19,770,000	×
FR0013404969	OAT 1.50% 25 May 2050	34,348,000,000				0	×
FR0013480613	OAT 0.75% 25 May 2052	33,622,000,000				464,400,000	×
FR0014004J31	OAT 0.75% 25 May 2053	33,416,000,000				24,200,000	×
FR0014008181	OAT€i 0.10% 25 July 2053	12,795,430,770	(1)	1.20723	10,599,000,000	0	×
FR001400FTH3	OAT 3.00% 25 May 2054	25,978,000,000				1,411,671,000	×
FR0010171975	OAT 4.00% 25 April 2055	23,988,000,000				10,868,218,000	
FR001400OHF4	OAT 3.25% 25 May 2055	25,005,000,000				2,871,950,000	×
FR001400XJJ3	OAT 3.75% 25 May 2056	19,478,000,000				3,534,800,000	×
FR0010870956	OAT 4.00% 25 April 2060	22,843,000,000				9,192,452,100	
FR0013154028	OAT 1.75% 25 May 2066	18,394,000,000				1,188,480,000	×
FR0014001NN8	OAT 0.50% 25 May 2072	14,472,000,000				240,000,000	×

Total MLT debt	Outstanding (present value)	2,541,180,776,613	9 years and 48 days
	Outstanding (par value)	2,474,356,579,661	
	Stripped bonds outstanding (par value)	48,094,104,600	
	Strippable bonds outstanding (par value)	2,474,310,347,058	
	Residual maturity (days)	3,333	
Total debt	Outstanding (present value)	2,737,124,776,613	8 years and 184 days
	Outstanding (par value)	2,670,300,579,661	
	Residual maturity (days)	3,104	
Index-linked France	Outstanding (present value)	66,328,098,942	5 years and 288 days
	Outstanding (par value)	54,400,144,000	
	Residual maturity (days)	2,113	
Index-linked euro area	Outstanding (present value)	240,311,307,060	8 years and 324 days
	Outstanding (par value)	185,408,000,000	
	Residual maturity (days)	3,244	

(2) Present value at 28/03/2025; not available for subscription

ISSUANCE TECHNIQUES

The principal method of issuing French government securities since 1985 has been the bid price system (known as the Dutch method in France). Nowadays, issuance through bank syndicates is used only in special circumstances.

Bid price auctions

Participants compete in the auction on an equal footing through a transparent system of open bidding according to a planned issuance programme. The bid price system consists of supplying securities at the bid price or the effective bid rate as opposed to the marginal price or rate. AFT first allocates the bids whose prices are best for the taxpayer, until the final auction sum is reached. Participants pay different prices that precisely match their bid prices.

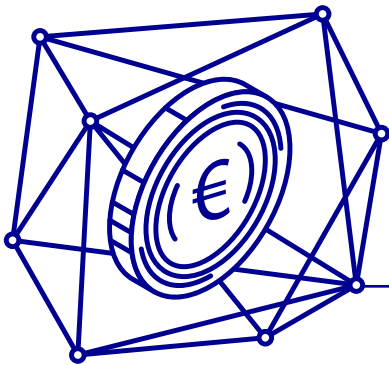
Procedures:

- **Auction announcements:** for BTF auctions, AFT announces one business day prior to the auction the upper and lower limits on the amounts it intends to issue of each security designated in the quarterly calendar for BTF issues. For OAT auctions, AFT announces four days prior to auction the securities concerned and an upper and lower limit.
- **The auction process:** bids from participants (primary dealers) can be sent to the Banque de France up to auction time (10.50am for auctions of medium- and long-term OATs, 11.50am for auctions of securities index-linked to inflation and 2.50pm for auctions of BTFs). The Banque de France delivers the bids to AFT, withholding the names of the bidders. AFT then determines the amount bid. AFT allocates all of the bids over the price limit in OAT auctions or all of the bids under the yield limit in BTF auctions. It may proportionately reduce bids at the price limit or yield limit.
- **Publication of prices:** auction results are immediately announced to the bidders, displayed on the specialised agencies' screens and posted to the AFT website. These disclosures report the quantities requested, the quantities allocated, the marginal price for each security (or marginal rate for BTFs) and the weighted average rate for the various auctioned securities.

Syndicated issues

This is another issuance technique. For a syndication, AFT works with a number of banks who form a syndicate, their role being to guarantee the success and security of the issue. The syndicate liaises between AFT and the investors. Investors can directly subscribe through a book-building process.

This technique is used to issue innovative securities or securities on less deep market segments, particularly on the long end of the yield curve.



FACT SHEETS

BTFS

Fixed-rate discount Treasury bills (BTFS) are similar to short-term Treasury bonds. They have an initial maturity of up to one year

Market overview

The maturity of BTFS is expressed in weeks. The most frequently issued maturities are 13, 26 and 52 weeks. Bills with maturities of 24 to 28 weeks may be issued as half-year bills and bills with maturities of 49 to 52 weeks may be issued as one-year bills.

BTFS have a par value of €1 and are issued every week by auction according to a quarterly schedule that AFT publishes in advance. This schedule specifies the maturities of the bills that will be auctioned during the quarter. Unscheduled issuance of certain BTFS with shorter than standard maturities may take place to meet the State's cash requirements. A quarterly BTFS, a half-year BTFS and a one-year BTFS are normally issued each week.

On 31 December 2025, outstanding BTFS totalled €196 billion.

To ensure the fungibility of new and existing issues, the maturities of new bills are aligned on those of previously issued bills. In 2025, the market featured around 26 different BTFS at any time.

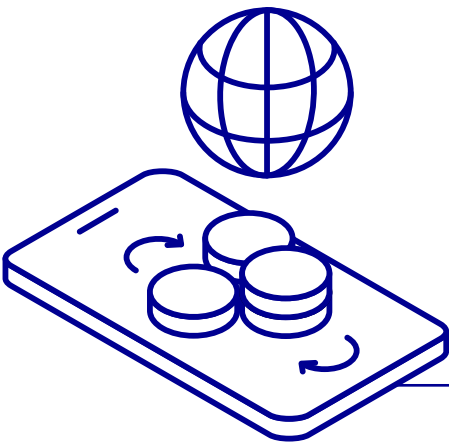
Auctions

Every Friday at 11am, AFT announces the BTFS that will be auctioned the following Monday. The announcement includes the amounts to be auctioned with an upper and lower limit for each auctioned BTFS to ensure that there is sufficient flexibility to meet demand.

Bids of at least €1 million are expressed as a money-market straight-line yield to three decimal places, with ticks of 0.5 basis points, and as the exact number of days out of 360 (ACT/360). BTFS are discounted Treasury bills. The pro-rated discount is applied to the par value of the bill when the bill is issued. Therefore, no coupon payments are made.

Trading

BTFS purchases on the secondary market are governed by the same rules that govern primary market purchases. Trades are based on a money-market straight-line yield to three decimal places, with ticks of 0.5 basis points, and the exact number of days out of 360 (ACT/360). The settlement date for BTFS on the secondary market is T+2 of the trade date.



SYNDICATED BOND ISSUES SINCE 2016

→ 29 April 2025: <i>Syndicated reopening of the green OAT 3.00% 25 June 2049</i>	→ 6 September 2022: <i>Syndicated issue of the OAT 2.50% 25 May 2043</i>	→ 19 February 2019: <i>Syndicated issue of the OAT 1.50% 25 May 2050</i>
→ 25 March 2025: <i>Syndicated reopening of the OAT€i 0.95% 25 July 2043</i>	→ 25 May 2022: <i>Syndicated issue of the green OAT€i 0.10% 25 July 2038</i>	→ 26 June 2018: <i>Syndicated reopening of the OAT 1.75% 25 June 2039 (Green OAT)</i>
→ 12 February 2025: <i>Syndicated issue of the OAT 3.75% 25 May 2056</i>	→ 25 January 2022: <i>Syndicated issue of the OAT€i 0.10% 25 July 2053</i>	→ 28 March 2018: <i>Syndicated issue of the OAT€i 0.10% 25 July 2036</i>
→ 21 January 2025: <i>Syndicated issue of the OAT 3.60% 25 May 2042</i>	→ 6 July 2021: <i>Syndicated issue of the OAT 0.75% 25/05/2053</i>	→ 16 May 2017: <i>Syndicated issue of the OAT 1.75% 25 May 2048</i>
→ 22 May 2024: <i>Syndicated issue of the OAT€i 0.95% 25 July 2043</i>	→ 16 March 2021: <i>Syndicated issue of the green OAT 0.50% 25 June 2044</i>	→ 24 January 2017: <i>Syndicated issue of the OAT 1.75% 25 June 2039 (Green OAT)</i>
→ 27 February 2024: <i>Syndicated issue of the OAT 3.25% 25 May 2055</i>	→ 19 January 2021: <i>Syndicated issue of the OAT 0.50% 25 May 2072</i>	→ 28 September 2016: <i>Syndicated issue of the OAT€i 0.10% 25 July 2047</i>
→ 16 January 2024: <i>Syndicated issue of the green OAT 3.00% 25 June 2049</i>	→ 8 July 2020: <i>Syndicated issue of the OATi 0.10% 1 March 2036</i>	→ 12 April 2016: <i>Syndicated issue of the OAT 1.25% 25 May 2036 and the OAT 1.75% 25 May 2066</i>
→ 7 June 2023: <i>Syndicated issue of the OATi 0.55% 1 March 2039</i>	→ 27 May 2020: <i>Syndicated issue of the OAT 0.50% 25 May 2040</i>	
→ 7 February 2023: <i>Syndicated issue of the OAT 3.00% 25 May 2054</i>	→ 28 January 2020: <i>Syndicated issue of the OAT 0.75% 25 May 2052</i>	

OATS

OATs are fungible medium- and long-term Treasury bonds with maturities of 2 to 50 years.

OATs are the only form of medium-term and long-term State financing. OATs are fungible securities with maturities at issue of 2 to 50 years, usually issued by auction. The fungibility technique consists in associating new with existing issues. This enables the State to issue new bonds at a price in line with the latest market prices but identical in all other respects to the initial issue. As a result, the State avoids issuing too many bonds with different characteristics and ensures the liquidity of those already issued. In January 2017, AFT innovated by launching the first green OAT.

OATs have a par value of €1. The value of the accrued coupon is calculated on the basis of the exact number of days over the exact number of days (ACT/ACT). OAT maturity dates and coupon dates are the 1st, 24th or 25th of the month. OAT trades are settled by national and international central securities depositories.

OAT auctions

On the Friday preceding an auction, AFT announces the bonds to be auctioned on the following Thursday and the upper and lower limits of the total amount to be auctioned. Auctions of long-term OATs (maturities of eight and a half years or more in 2025) are held on the first Thursday of the month at 10.50am, while auctions of medium-term OATs (maturities of two to eight and a half years in 2025) are held on the third Thursday of the month at 10.50am. Bids of at least €1 million are expressed on the basis of price as a percentage of par value net of accrued interest to two decimal places. OAT auctions are settled at T+2, i.e. usually the Monday after the auction.

FOR MORE INFORMATION

Tutorial

How does the State finance itself?

<https://www.youtube.com/watch?v=asGtrlc6MTo>



INDEXED-LINKED OATS

The State issued the first OAT linked to the French consumer price index (OATi) on 15 September 1998. This innovation was followed in October 2001 by the very first issue of an OAT linked to the euro-area consumer price index excluding tobacco (OAT€i), and a third OAT was issued in May 2022, the very first green OAT€i.

Since then, AFT has issued index-linked securities on a regular and transparent basis, thus creating two real yield curves, one linked to French inflation and the other to euro area inflation. Securities account for around 10% of AFT's annual issuance programme.

Since 2004, OATi and OAT€i auctions are held on a regular basis on the same day as auctions for medium-term OATs, but at a separate session held at 11.50am. OATis and OAT€is are designed for all types of investors looking to protect the purchasing power of their investments, improve their asset-liability management or diversify their investment portfolio.

On 31 December 2025, the par value of outstanding OATi issues stood at €54.4 billion and that of OAT€i issues at €185.6 billion.

OATi General characteristics

These bonds have a par value of €1 and the real coupon yield is calculated as a fixed percentage of the index-linked principal at the time of issue and remains fixed to maturity. The coupon is paid annually and calculated as follows: real coupon yield × par value × indexation coefficient. The indexation coefficient is equal to the daily inflation benchmark of the day divided by the base benchmark. The daily benchmark is calculated by linear interpolation between the consumer price index excluding tobacco (CPI) for month M-3 and the CPI for month M-2, and the base benchmark is the daily benchmark used to calculate changes in the price index. The benchmark index used is the consumer price index excluding tobacco for all resident households in France, which is published by INSEE (France's national institute of statistics and economic studies) each month.

AFT calculates the daily inflation benchmarks and indexation coefficients and publishes them on its website.

OAT redemption is based on the following formula: par value × indexation coefficient.

If the daily inflation index at maturity is lower than the base benchmark, redemption at par is guaranteed.

The dated date for an OAT is the starting date for calculating the first coupon for the said OAT, i.e. the coupon date immediately prior to the first date of issue for the OAT in question.

For example, an OAT issued for the first time on 15 April of year Y, with a coupon date of 25 May Y, will have a dated date of 25 May of year Y-1.

OAT€i General characteristics

OAT€is are identical to OATis apart from the benchmark index, which is the Harmonised Index of Consumer Prices (HICP) excluding tobacco for the euro area. This index is published by Eurostat on a monthly basis.

ISSUE PREMIUMS AND DISCOUNTS

Premiums and discounts arise from the so-called “fungibility” technique (OAT = Obligations Assimilables du Trésor, i.e. fungible Treasury bonds): the State reissues debt securities on existing loans whose characteristics do not change, unlike market interest rates that are constantly evolving.

This fungibility technique, adopted by all developed countries, avoids having a large number of loans with different characteristics, providing the liquidity sought by investors allowing them to borrow on the best terms.

Issues of securities give rise to issue premiums or discounts when there is a difference between the coupon yield and the market yield at the time of issue.

Premiums and discounts compensate for the difference between the coupon payments and the market yield at the time of issue over the life of the security.

- If the coupon yield is greater than the market yield at the time of issue, the price subscribers pay at the time of issue is greater than the “par” value they will receive when the security is redeemed. In such cases, a cash inflow called an “issue premium” is recognised.
- Otherwise, an “issue discount” applies and the State receives less than the par value of the security.

Issue premiums and discounts affect both new issues and issues of off-the-run securities.

- Regarding the issue of new securities, the coupon yields of par value securities are rounded to the nearest tenth or twentieth of a percentage point. Generally, this means that the coupon yield is slightly different from the market yield.
- The difference in the case of off-the-run issues stems from the fact that the market yield at the time of issue rarely matches the original coupon yield, which was set when the security was created and applies for its entire life. On the one hand, yields vary, and on the other, the residual maturity of the off-the-run security is shorter than its original maturity.

The downward trend in yields up to 2021 meant that the State recorded more issue premiums than issue discounts for many years. By contrast, since 2022, in a context of rapid

normalisation of monetary policy, average yields on off-the-run securities have more often been higher than lower than their coupon yields, resulting in recognition of more discounts than premiums. All EU countries are facing the same situation.

The debt servicing cost recognised in budgetary accounting reflects only the nominal coupon paid (issue premiums and discounts have no impact). On the other hand, premiums and discounts are recognised in State’s financial accounts and Maastricht accounts. They are amortised over the entire term to maturity of the securities in question. This means that the effective financial expense recognised under both accounting systems corresponds to the market yield at the time of issue, regardless of the amount of the actual coupon payments.

Premiums and discounts at issue are cash receipts or expenses in the State’s flow of funds statement.





GLOSSARY

AUCTION

The “bid price” auctioning system has been the preferred technique for issuing French Treasury securities since 1985. Participants compete in the auction on an equal footing through a transparent system of open bidding according to a planned issuance programme. The “bid price” system consists in supplying securities at the bid price or the effective bid rate, as opposed to the price or rate limit. The other issuance system is syndication.

DEBT AMORTISATION

Payment of amounts due when a security reaches maturity. Synonym: redemption (for the debtor); collection (for the creditor).

FIXED-RATE DISCOUNT TREASURY BILL (BTF)

Fixed-rate discount Treasury bills (BTFs) are similar to short-term Treasury bonds. They have an initial maturity of up to one year. All BTFs taken together represent the government’s short-term debt (webpage: <https://www.aft.gouv.fr/en/btf-characteristics>). For the fungible nature of a bond, see the definition of a “fungible Treasury bond”.

LEAD BOOK RUNNER

This is one of the primary dealers intervening in a syndicated issue. When a syndicated bond is being issued, the banks that prepare the bond, collect orders, allocate the bond based on supply and demand and set the price are known as the “lead book runners”.

COLLECTIVE ACTION CLAUSE (CAC)

With bonds, collective action clauses ensure orderly and predictable debt restructuring with the agreement of a qualified majority of creditors:

- By bondholders voting bond by bond and, when the restructuring methods are the same for a number of bonds, by means of a second vote by the holders of the relevant bonds: this is known as “double-limb” aggregation;
- By a direct vote by holders for all the relevant bonds subject to similar restructuring methods: this is known as “single-limb” aggregation.

OATs created prior to 1 January 2013 do not include CACs, whereas those created after that date include “double-limb” CACs. OATs to be created as from adoption of the Treaty instituting the European Stability Mechanism will include “single limb” CACs.

INTEREST-RATE SWAP

An interest rate swap is based on the comparison of a variable interest rate and a fixed interest rate between counterparties who swap interest-rate margins without exchanging principal over a specified period. They are particularly suited to hedging long-term risk in business. Corporate treasurers like the flexibility of swaps, which enable them to choose the duration, benchmark variable interest rate and the notional value. A swap between a bank and a company can be settled at any time by calculating the present value of the future fixed-rate flows at the market rate and comparing this to the initial notional value. Swaps are also used on a regular basis to hedge the interest rate risk on variable or fixed interest rate assets.

YIELD CURVE

The yield curve illustrates the relationship between yields and their maturities. The curve generally, but not always, rises because of the risk premium (i.e. long-term yields are higher than short-term yields).

COUPON

In the past, a coupon was a piece of paper that would be detached from the security in return for payment of interest accrued or a dividend, or during another transaction (to prove that the bearer had traded in the coupon). Now that securities are paperless, the coupon refers to bond interest or share dividends. Coupon payment: payment of interest or dividend.

STRIPPING

Stripping is a technique that splits a bond into as many securities as there are coupons and redemption payments. The stripped bonds created in this way are sold and listed separately as zero-coupon bonds. There is specific demand for this type of instrument on the French debt market.

DEPOSITORY

A financial institution (bank) where bearers deposit their securities. The depository must know at all times who owns what, the status of securities (unrestricted, loaned, borrowed or pledged), and where the securities are held. Since the move to paperless transactions, security deposits have been digitised; they are secure and backed up on a regular basis.

DEBT

Any sum of money borrowed by an individual or legal entity (debtor) that must be paid back to another individual or legal entity (creditor). Until the debt matures, the debtor will pay the creditor interest (a coupon) at an agreed rate (yield) every year on an agreed date.

YIELD

Percentage used to calculate the bond coupon. It is expressed as a percentage. The yield is established when the bond is issued. It can be fixed or variable. Interest (payment): sum paid annually to a bondholder by the issuer up to maturity.

LEGAL TENDER

A currency is legal tender if it can be used in exchange for goods or services, or to pay taxes and duties in a given geographic area. The euro is legal tender in the 19 euro area countries and in Kosovo and Montenegro.

LIQUIDITY

A financial instrument or market is said to be liquid when buy and sell transactions can be carried out without triggering excessive variations in price compared with the last transaction price.

DELIVERY

For financial transactions or trades, delivery consists in the seller handing over a security to the buyer or subscriber.

PRIMARY MARKET

The primary market is where new securities are issued and subscribed by investors; it is the market for capital increases and bond issues. Compared to the secondary market, which sells “second-hand” financial securities, the primary market sells only “new” ones. It is on this market that debt issuance takes place, either through auctions or by syndication.

SECONDARY MARKET

The secondary market is the market for securities already in circulation (created on the primary market). By ensuring investments remain liquid, the secondary market guarantees the quality of the primary market and the valuation of securities. Primary and secondary markets are therefore highly complementary.

MATURITY

Date of redemption set when a loan agreement is signed. Synonym: redemption date.

PAR VALUE

Face value of a security. All French Treasury securities have a par value of one euro. By extension, “par” bonds have a fixed rate of interest, as opposed to “index-linked” bonds.

RATING

Assessment by agencies specialising in rating the soundness of corporate financial statements and financial instruments issued by economic agents.

Rating agency: a firm specialising in corporate credit ratings, i.e. in awarding scores based on the state of a company’s accounts or the financial instruments issued by an economic agent.

OATI AND OAT€I

Bond indexed to French inflation (excluding tobacco) (OATi: webpage: <https://www.aft.gouv.fr/en/oatis-characteristics>) or European inflation (OAT€i: webpage: <https://www.aft.gouv.fr/en/oateuroi-key-figures>).

GREEN OAT

See the following webpage: <https://www.aft.gouv.fr/en/introduction>.

BOND

A bond is a recognition of debt. The State, some public sector entities and major corporations issue bonds. The borrower promises to make annual interest payments until the bond matures.

FUNGIBLE TREASURY BOND (OAT)

OATs are fungible medium- and long-term Treasury bonds with maturities of 2 to 50 years. The fungibility technique consists in associating new OAT issues with existing ones. This enables the State to issue new bonds at a price in line with the latest market prices but identical in all other respects to the initial issue. As a result, the State avoids issuing too many bonds with different characteristics and ensures the liquidity of those already issued. OATs are the only form of medium-term and long-term State financing. There are more than seventy OATs in circulation, listed by their yield and maturity date (e.g.: “OAT 0.00% 25 May 2032” or “OAT 0.50% 25 May 2072”). Their characteristics and issuance history are set out in the security fact sheets published on AFT’s website (<https://www.aft.gouv.fr/en/encours-detaille-oat>).

CORPORATE ACTIONS

This term covers all actions carried out during a security’s lifetime. For bonds, this mainly concerns coupon payments, i.e. receiving interest on the securities owned. For equities, this concerns paying dividends or stock splits. Both bonds and equities may be exchanged for another type of security.

BREAKEVEN INFLATION RATE

The breakeven inflation rate is the difference between the yield of fixed-rate (non-indexed) bonds and the yield on index-linked bonds. It represents the market participants’ inflation expectations.

Factors other than inflation expectations affect the values of index-linked bonds compared with fixed-rate bonds, such as liquidity or the mismatch between supply and demand of index-linked bonds compared to fixed-rate bonds. Lastly, an inflation risk premium is included in the yield of fixed-rate bonds, unlike index-linked bonds.

PRINCIPAL

Value of a bond less the coupon amounts. For bond debt, the amount paid by the debtor to the creditor when the bond matures.

PRICE

Sum of money equivalent to the market value of a good or service. The price is set by the interplay of supply and demand. Bond prices vary inversely to bond yields.

BUYBACK

AFT can carry out over-the-counter (OTC) buybacks and reverse auctions to pre-finance future issuance programmes, thereby spreading the amounts to be issued over time more evenly.

AFT factors in market conditions when doing so: buying back securities on the market depends on their liquidity and price.

SETTLEMENT

For financial trades and transactions, settlement consists in a buyer or subscriber paying the seller for acquired securities and the seller delivering the said securities.

RISK

Risk is the possibility, which is never zero, of losing all or part of an asset or its equivalent monetary value. Risk is at the very heart of financial activity: evaluating, spreading, assuming, diversifying and hedging risk are all tasks involved in the settlement of financial transactions. The price of a bond indicates the degree of risk incurred by the buyer. Counterparty risk is the risk that the buyer will not pay for what they have purchased, that the seller will not deliver what they have sold, that the borrower will not repay their loan or that the lender will not supply the loan funds they have promised (and for which they have taken guarantees). Also called default risk, issuer risk or risk of non-payment.

SYNDICATE

A group of banks that organises and oversees a large-scale bond issue. It intervenes as part of debt issuance by syndication. It comprises lead book runners.

SYNDICATED ISSUE

Together with auctions, this is the other debt issuance method. A syndicated issue is where the issuer sells some or all of the securities to be placed with the public to a bank or a syndicate of banks. This is the preferred placement method for corporate issuers. This was also true for the State until 1985, but AFT still uses it for certain innovative or long-maturity securities, more particularly if they are green or index-linked to inflation.

TEC

The daily CNO-TEC N index, with a constant maturity of N years (N is between 1 and 30), represents the yield to maturity of a fictitious OAT with a maturity equal to N. The yield to maturity is obtained through straight-line interpolation of the annual yields to maturity of the two OATs with maturities closest to maturity N.

MARKET-MAKER

Market makers are spot market operators who supply a price whenever they are contacted, regardless of market conditions.

SECURITY

A financial instrument held for investment purposes. In France, securities are issued in electronic form nowadays. Securities issued by the State are governed, inter alia, by Articles L.213-21-1 to L.213-31 of the Monetary and Financial Code. For the fungible nature of a bond, see the definition of a “fungible Treasury bond”.

TRADE

A stock market transaction involving the exchange of a certain quantity of a given security at an agreed price between two parties, each represented by a financial intermediary (investment company). Synonyms: transaction, exchange, market.

TREASURY SECURITY

French Treasury securities are issued by the State to finance its debt. There are several types of French Treasury securities: fixed-rate discount Treasury bills (BTFs) issued with a maturity of less than one year and fungible Treasury bonds (OATs) issued with maturities of between 2 and 50 years.

VARIABLE

Said of an interest rate that is not constant for the duration of a contract, but which changes depending on outside factors, such as market rates (Euribor, €STR) or statistical indices.

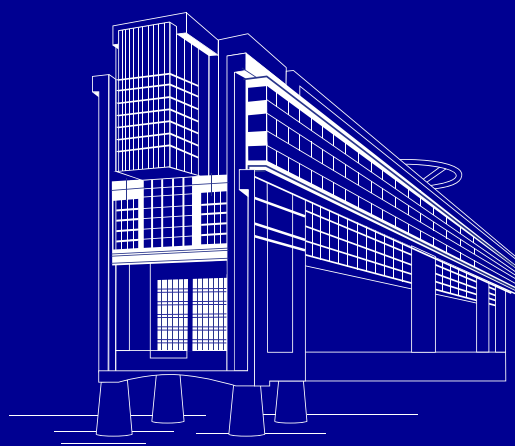
VOLATILITY (BOND PRICES)

Bond price volatility stems mainly from the interest-rate risk that affects fixed-rate bonds. The price of a bond varies inversely to the market interest rate. Sensitivity is even greater when the coupon rate and the market interest rate are low.

List of abbreviations

AFT Agence France Trésor	€STR <i>Euro short-term rate - benchmark interbank interest rate calculated by the European Central Bank</i>	LOLF Organic law on finance acts	SCN Department with national scope
ANSSI National Information System Security Agency of France	FED <i>Federal Reserve of the United States (central bank)</i>	MAITRE Treasury's computerised auction mechanism	SEA Military Fuel Unit
ECB European Central Bank	IMF International Monetary Fund	ESM European Stability Mechanism	SHFDS Senior Defence and Security Official of the Ministries of Finance and Economy
EIB European Investment Bank	GIC <i>Government of Singapore Investment Corporation - Singaporean sovereign wealth fund</i>	NGEU <i>NextGenerationEU - European Commission economic recovery package</i>	SNCF <i>Société nationale des chemins de fer français</i> French national railway company
BTAN Fixed-rate French Treasury bill with interest paid annually	GIE Economic interest grouping	OATs Fungible Treasury bond	SVT Primary dealer
BTF Fixed-rate French Treasury bill	ICMA <i>International Capital Market Association</i>	OCDE Organisation for Economic Co-operation and Development	TEC Constant maturity rate
CAC Collective Action Clause (CAC)	INSEE National Statistics and Economic Research Institute	ONC Non-competitive offers	TELSAT Electronic bidding system for French Treasury auctions
CADES Social Security Debt Repayment Fund	CPI Consumer Price Index	PAP Annual performance project	TFUE Treaty on the Functioning of the European Union
CDP Public Debt Fund	HICP Harmonised Index of Consumer Prices	GDP Gross Domestic Product	WWF <i>World Wildlife Fund</i>
CLS <i>Continuous Linked Settlement</i>	JO Official Journal	SMEs Small and medium-sized enterprises	
DCM Ministerial Accounts Department	KfW (GERMAN) <i>Kreditanstalt für Wiederaufbau</i> - German Development Bank	QE <i>Quantitative Easing</i>	
DGFip Public Finances Directorate General	LFI (Initial Budget Act) Initial Budget Act	RNCE State Accounting Standards Manual	
ESDM <i>Economic and Financial Committee's Sub-Committee on European Union Sovereign Debt Markets</i>	LFR Supplementary Budget Act	SAAD Special debt account	
		SCBCM Ministerial Budget and Accounting Control Department	





www.aft.gouv.fr



REUTERS: <TRESOR>
BLOOMBERG: TREX<GO>

Agence France Trésor
139, rue de Bercy - Télédock 287
75572 Paris Cedex 12
Tel: +33 (0)1 40 04 15 00
Fax: +33 (0)1 40 04 15 93
contact@aft.gouv.fr