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Agence France Trésor is tasked with managing the government debt and cash positions under the most secure conditions in the interest of the taxpayer.

News at Agence  
France Trésor

## Creation of an internal control and risk management unit

Since its inception in 2001, Agence France Trésor has adhered to the principle that internal control and risk management should be independent from operational functions. This involved, among other things, establishing the appropriate organisation, outlining and updating internal control policy (including risk limits), and monitoring for compliance with policy. From the outset, AFT has complied with the risk control principles set out in Regulation 97-02 of the French Banking and Financial Regulations Committee (CRBF).

Agence France Trésor is audited by the Inspectorate General of Finance and by the French Government Audit Office (Cour des Comptes), particularly in relation to the certification of the central government's financial statements; it is also subject to twice-yearly accounting audits by an external firm and to an annual review of its prudential controls by an independent firm.

Following the work undertaken in recent years, the French Government Audit Office stated in its 2012 report on the certification of the central government's financial statements that the measures implemented in 2012 by Agence France Trésor and by the Budget and Accounting Audit Department of the Ministry of the Economy and Finance had bolstered the effectiveness and efficiency of the internal control systems concerned.

Agence France Trésor sought to go even further, and, while continuing to have a small staff of 38 people, has decided to formally establish an Internal Control and Risk Management Unit, which was set up in April.

The Unit is responsible for regularly updating procedures, including the manual of procedures that sets out the general framework in which Agence France Trésor operates and describes the principal management rules for financial operations. It also draws up a plan designed to control the risks identified at all times. In addition, it follows up incidents and ensures that corrective action is taken.

To deal with the potential unavailability of the Bercy site where Agence France Trésor is located, the Unit supervises updates of the Agency's continuity plan as well as tests performed on the backup sites and ensures that staff are kept informed of this potential issue and trained to deal with it should it arise.

The new Unit also coordinates the audits carried out at Agence France Trésor.

It organises legal services for AFT in liaison with the DG Trésor teams, and analyses the potential impact on AFT operations of developments in French and EU law.

The new Unit also monitors for compliance with the Ethics Charter at AFT.

# France's public finance adjustment path as updated by the Stability Programme 2014-2017



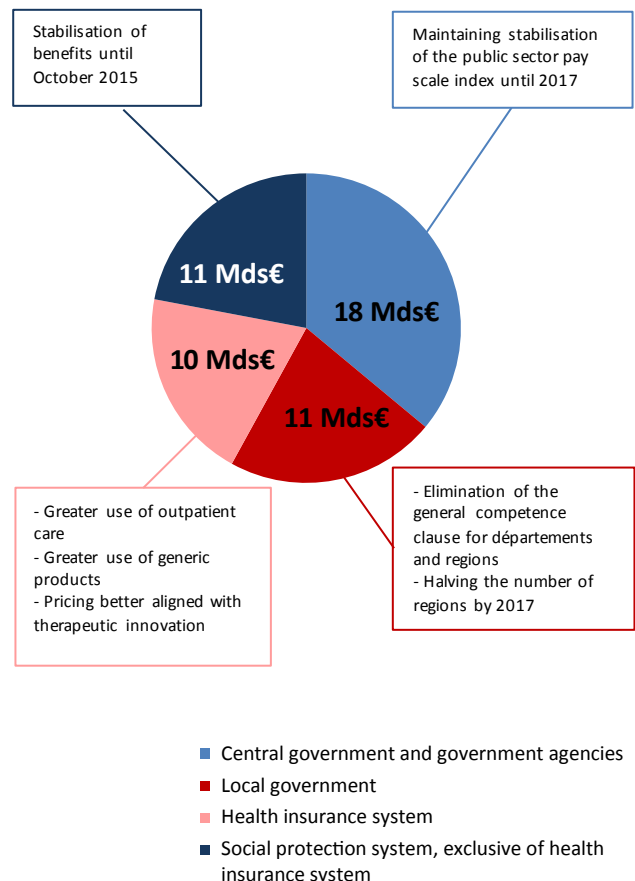
France's Stability Programme 2014-2017 was released on 23 April. It brings up to date the medium-term public finance adjustment path, following the 2013 budget outturn and the new revenue and expenditure measures announced by the President of the Republic and the Prime Minister.

The Stability Programme confirms the French government's commitment to bring the government deficit in nominal terms to 3% of GDP in 2015. The adjustment path is based on a realistic assumption of GDP growth of 1% in 2014 and 1.7% in 2015, in line with the forecasts of the international organisations, and slightly higher than the economists' consensus forecast for 2014. In addition, the target of achieving structural balance (that is, adjusted for cyclical effects on the deficit) in 2017 has been reiterated. This will stabilise the debt-to-GDP ratio at 95.6% in 2015, and then gradually reduce it as of 2016. This path thus demonstrates the sustainability of France's public debt.

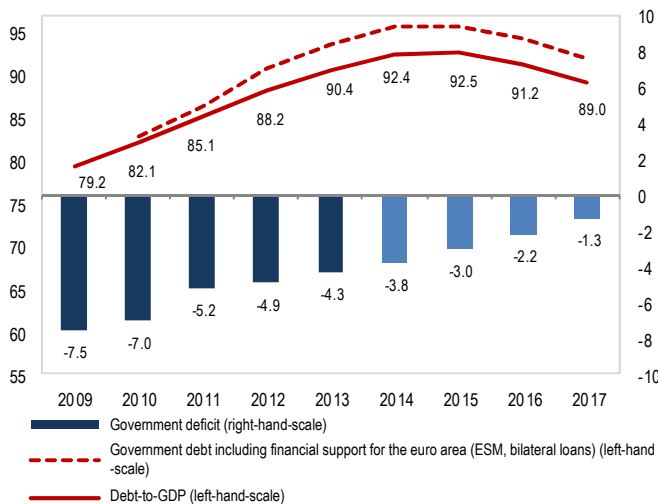
the measures announced for businesses and households will reduce the aggregate tax and social security contribution rate to 45.3% in 2017.

The planned fiscal consolidation now rests entirely on expenditure measures. For the 2012-2017 period, this approach successfully combines fiscal consolidation, support for growth, and support for competitiveness.

## Breakdown of expenditure measures (2015-2017)



## Government deficit and debt ratios (points of GDP)



The Stability Programme also sets out the fiscal consolidation measures announced by the President of the Republic during his press conference on 14 January and by the Prime Minister in his general policy statement on 8 April. The €50 billion in expenditure savings in the 2015-2017 period in addition to the €15 billion in savings already achieved in 2014 will help bring about a reduction in the government expenditure-to-GDP ratio by over 3 points between 2014 and 2017, to 53.5% at the end of the period. Furthermore,

Indicative auction schedule

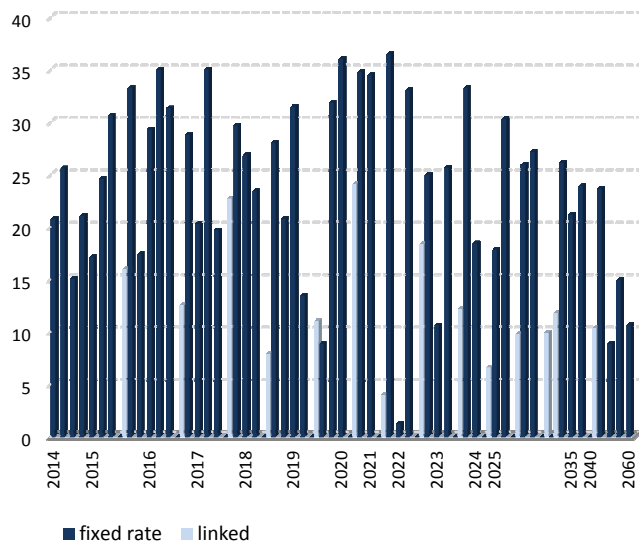
		Short-term					Medium-term	Long-term	Index linked
May 2014	auction date	5	12	19	26		15	30 Apr	15
	settlement date	7	15	22	28		20	6	20
June 2014	auction date	2	10	16	23	30	19	5	19
	settlement date	5	12	19	26	03 Jul	24	10	24

**anticipating or delayed auctions (bank holidays, etc.)**

Source: Agence France Trésor

Medium and long-term negotiable government debt at March 31, 2014

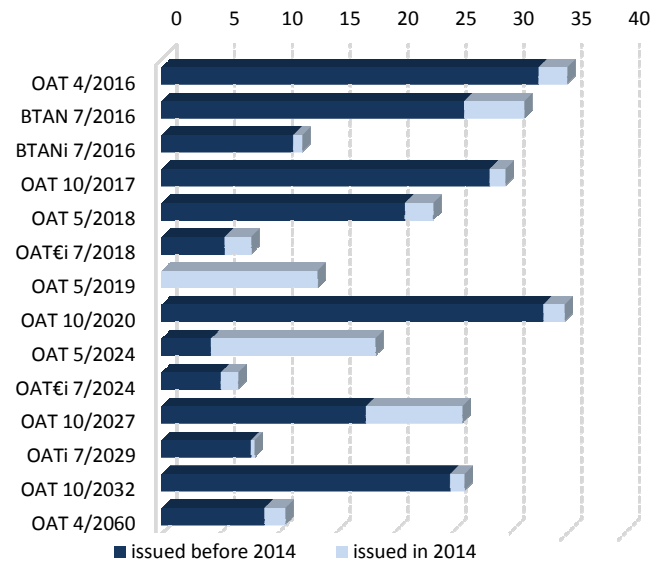
Nominal value of each line, In € billion



Source: Agence France Trésor

Medium and long term: securities issued during the year and total issuance at March 31, 2014

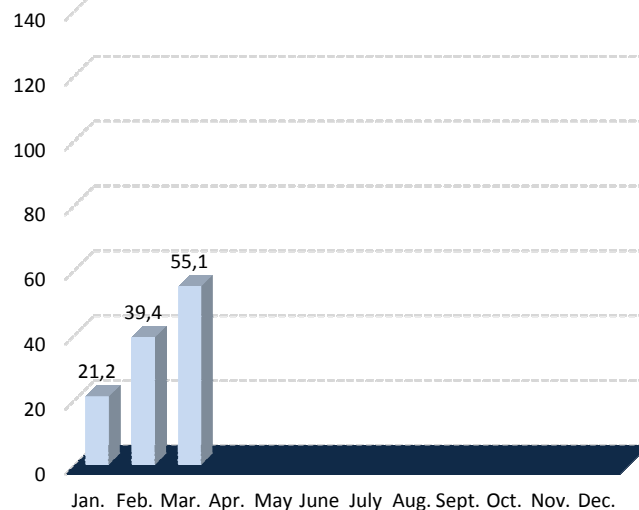
In € billion



Source: Agence France Trésor

Net issuance at March 31, 2014

In € billion



Source: Agence France Trésor

Medium and long term: provisional maturity schedule at March 31, 2014

In € billion

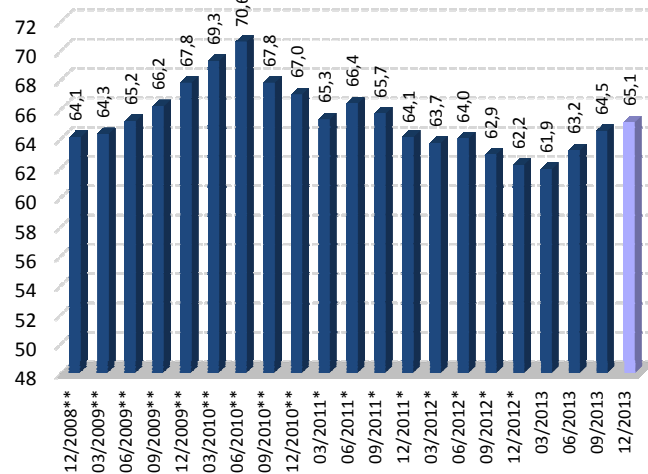
Mois	Intérêts	Amortissements
Apr-14	16.8	20.7
May-14	1.5	0.0
Jun-14	0.0	0.0
Jul-14	5.2	25.6
Aug-14	0.0	0.0
Sep-14	0.1	15.0
Oct-14	15.9	21.1
Nov-14	0.3	0.0
Dec-14	0.0	0.0
Jan-15	0.4	17.1
Feb-15	1.0	0.0
Mar-15	0.0	0.0

Source: Agence France Trésor

**General  
debt-related data**

**Non-resident holders of negotiable government debt in fourth quarter of 2013**

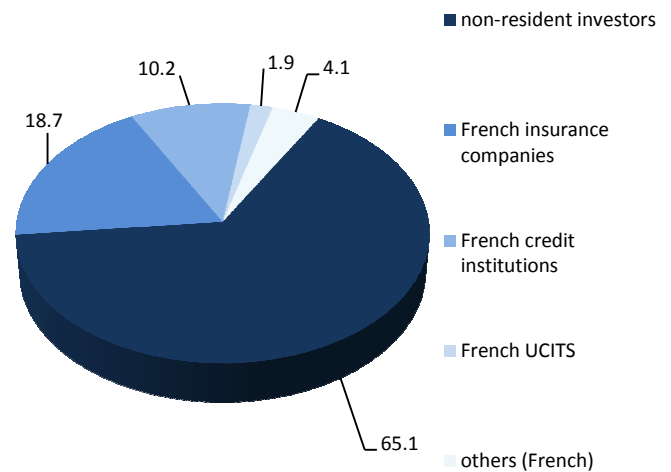
As a % of negotiable debt outstanding expressed in market value



(\* ) figures revised quarterly (\*\* ) figures revised annually  
Source: Banque de France

**Negotiable government debt by group of holders in fourth quarter of 2013**

Structure in % expressed in market value



Source: Banque de France

**Negotiable government debt at March 31, 2014**

In euros

Total medium and long-term debt	1,316,081,475,820
Total stripping activity	61,826,597,5,0
Average maturity	7 years and 320 days
Total short-term debt	186,165,000,000
Average maturity	115 days
<b>TOTAL OUTSTANDING</b>	<b>1,502,246,475,820</b>
<b>Average maturity</b>	<b>6 years and 343 days</b>

Source: Agence France Trésor

**Negotiable government debt and interest rate swaps at March 31, 2014**

In € billion

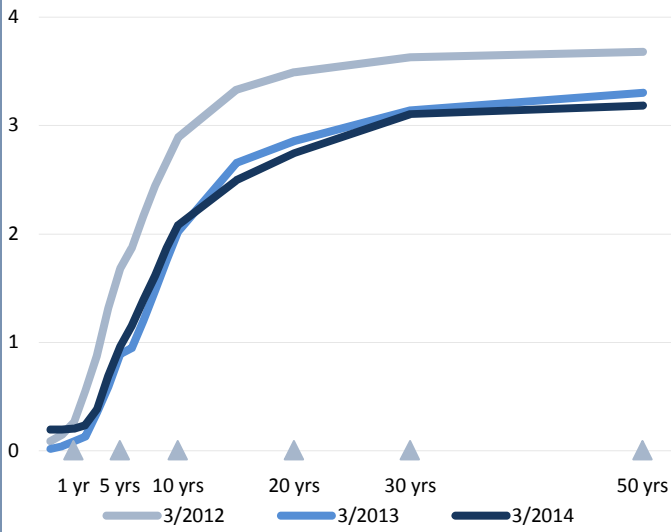
	End 2011	End 2012	End 2013	End Feb. 2014	End Mar. 2014
<b>Negotiable government debt outstanding</b>	<b>1 313</b>	<b>1 386</b>	<b>1 457</b>	<b>1 478</b>	<b>1 502</b>
of which index-linked securities	166	173	174	178	177
Medium and long term	1 135	1 220	1 283	1 302	1 316
short-term	178	167	174	176	186
<b>Swaps outstanding</b>	<b>13</b>	<b>10</b>	<b>7</b>	<b>6</b>	<b>5</b>
<b>Average maturity of the negotiable debt</b>					
before swaps	7 years	7 years	7 years	7 years	6 years
after swaps	57 days	37 days	5 days	13 days	343 days
before swaps	7 years	7 years	7 years	7 years	6 years
after swaps	52 days	34 days	2 days	10 days	341 days

Source: Agence France Trésor

Secondary market

Yield curve for French government securities

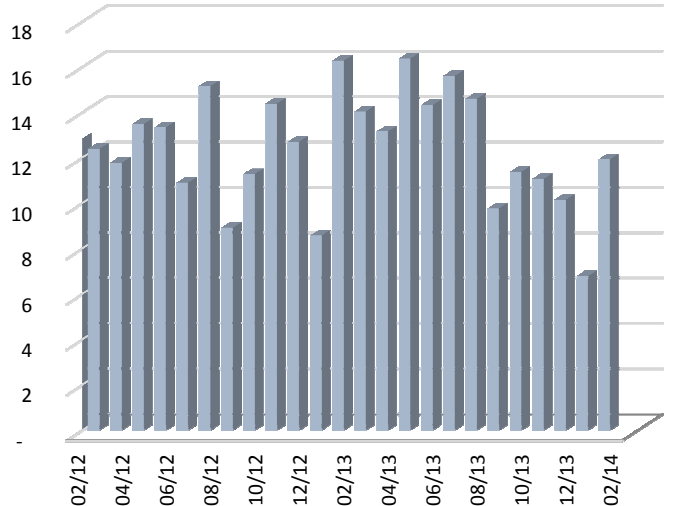
End-of-month value, %



Source: Bloomberg

Average daily volume of medium and long-term transactions

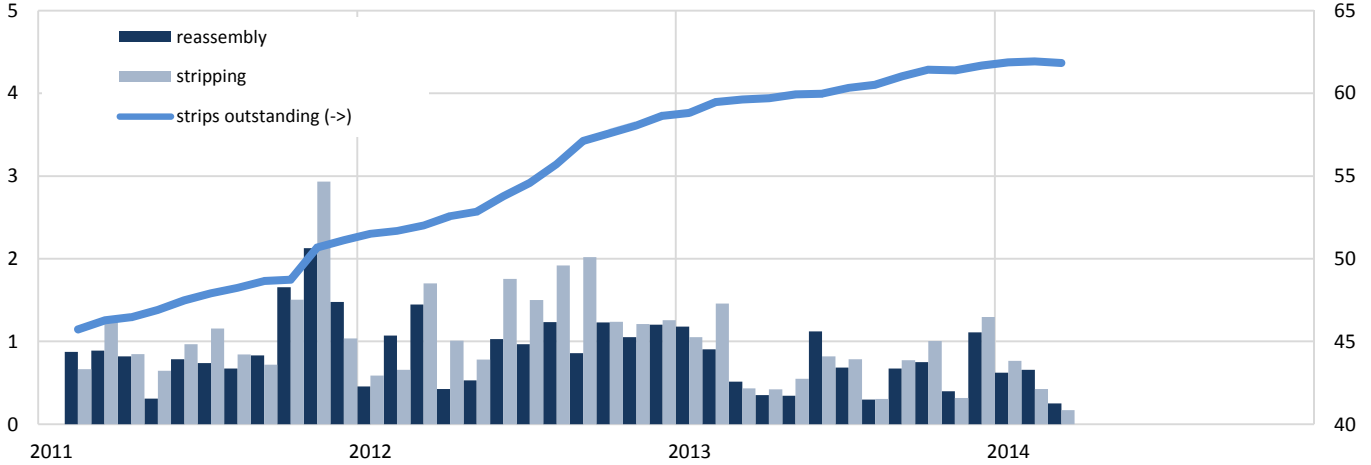
In € billion



Source: disclosures by government securities primary dealers

Total stripping and reassembly

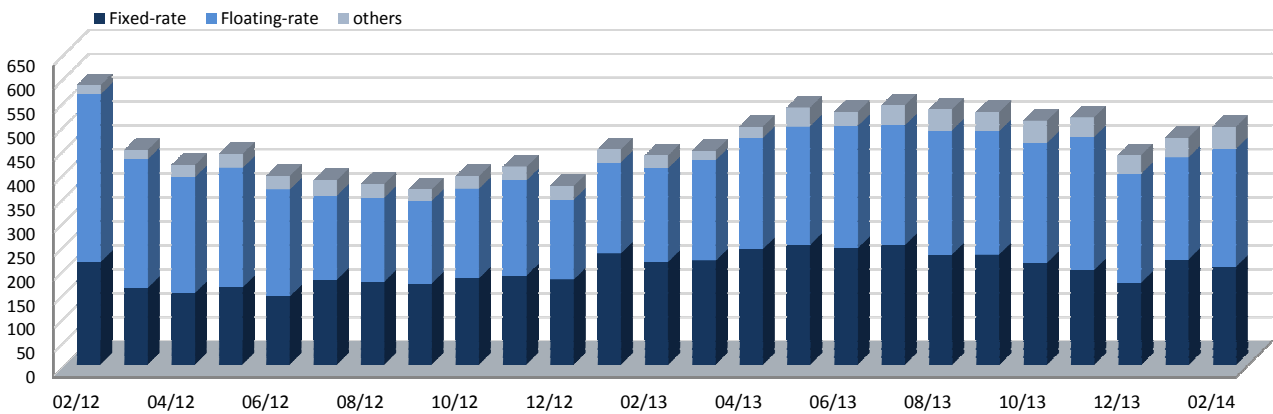
In € billion



Source: Euroclear

Primary dealers, repo outstanding at end of month

In € billion



Source: disclosures by government securities primary dealers

#### Short-term debt at March 31, 2014

	Maturity	Outstanding (€)
BTF	3 April 2014	8,117,000,000
BTF	10 April 2014	8,990,000,000
BTF	17 April 2014	6,493,000,000
BTF	24 April 2014	9,405,000,000
BTF	30 April 2014	7,444,000,000
BTF	7 May 2014	8,141,000,000
BTF	15 May 2014	6,975,000,000
BTF	22 May 2014	9,194,000,000
BTF	28 May 2014	7,105,000,000
BTF	5 June 2014	8,376,000,000
BTF	12 June 2014	6,589,000,000
BTF	19 June 2014	8,167,000,000
BTF	26 June 2014	8,266,000,000
BTF	10 July 2014	8,650,000,000
BTF	24 July 2014	9,478,000,000
BTF	7 August 2014	7,759,000,000
BTF	21 August 2014	5,234,000,000
BTF	4 September 2014	1,980,000,000
BTF	18 September 2014	6,951,000,000
BTF	16 October 2014	8,432,000,000
BTF	13 November 2014	6,367,000,000
BTF	11 December 2014	3,147,000,000
BTF	8 January 2015	8,857,000,000
BTF	5 February 2015	8,176,000,000
BTF	5 March 2015	7,872,000,000

#### Medium and long-term debt (maturing 2014–2018) at March 31, 2014

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
	<b>Maturity 2014</b>	<b>82,433,074,224</b>			
FR0010061242	OAT 4% 25 April 2014	20,749,102,234			0
FR0116843535	BTAN 3% 12 July 2014	25,586,000,000			–
FR0120634490	BTAN 0.75% 25 September 2014	15,044,000,000			–
FR0010112052	OAT 4% 25 October 2014	21,053,971,990			0
	<b>Maturity 2015</b>	<b>138,955,534,353</b>			
FR0117836652	BTAN 2.5% 15 January 2015	17,100,000,000			–
FR0010163543	OAT 3.5% 25 April 2015	24,617,313,893			0
FR0118462128	BTAN 2% 12 July 2015	30,628,000,000			–
FR0010135525	OAT€i 1.6% 25 July 2015	15,969,220,460 (1)	1.18273	13,502,000,000	0
FR0010216481	OAT 3% 25 October 2015	33,236,000,000			0
FR0011452721	OAT 0.25% 25 November 2015	17,405,000,000			0
	<b>Maturity 2016</b>	<b>136,992,629,800</b>			
FR0119105809	BTAN 2.25% 25 February 2016	29,296,000,000			–
FR0010288357	OAT 3.25% 25 April 2016	35,007,000,000			0
FR0119580050	BTAN 2.5% 25 July 2016	31,322,000,000			–
FR0119105791	BTANi 0.45% 25 July 2016	12,578,629,800 (1)	1.04214	12,070,000,000	–
FR0000187361	OAT 5% 25 October 2016	28,789,000,000			303,659,600
	<b>Maturity 2017</b>	<b>127,394,759,400</b>			
FR0120473253	BTAN 1.75% 25 February 2017	20,302,000,000			–
FR0010415331	OAT 3.75% 25 April 2017	35,024,000,000			0
FR0120746609	BTAN 1% 25 July 2017	19,680,000,000			–
FR0010235176	OATi 1% 25 July 2017	22,717,759,400 (1)	1.12492	20,195,000,000	0
FR0010517417	OAT 4.25% 25 October 2017	29,671,000,000			0
	<b>Maturity 2018</b>	<b>107,011,596,020</b>			
FR0010604983	OAT 4% 25 April 2018	26,840,000,000			0
FR0011394345	OAT 1% 25 May 2018	23,412,000,000			0
FR0011237643	OAT€i 0.25% 25 July 2018	7,917,596,020 (1)	1.02866	7,697,000,000	0
FR0010670737	OAT 4.25% 25 October 2018	28,047,000,000			0
FR0011523257	OAT 1% 25 November 2018	20,795,000,000			0

(1) face value x indexation coefficient (face value if coefficient < 1)

Medium and long-term debt (maturing in 2019 and beyond) at March 31, 2014

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
<b>Maturity 2019</b>		<b>96,652,610,422</b>			
FR0000189151	OAT 4.25% 25 April 2019	31,478,000,000			0
FR0011708080	OAT 1% 25 May 2019	13,430,000,000			0
FR0010850032	OATi 1.3% 25 July 2019	11,014,941,100 (1)	1.05862	10,405,000,000	0
FR0000570921	OAT 8.5% 25 October 2019	8,844,392,893			6,193,930,100
FR0010776161	OAT 3.75% 25 October 2019	31,858,000,000			0
FR0000570954	OAT cap. 9.82% 31 December 2019	27,276,429 (2)		6,692,154	-
<b>Maturity 2020</b>		<b>94,942,425,500</b>			
FR0010854182	OAT 3.5% 25 April 2020	36,032,000,000			0
FR0010050559	OAT€i 2.25% 25 July 2020	24,109,425,500 (1)	1.20698	19,975,000,000	0
FR0010949651	OAT 2.5% 25 October 2020	34,801,000,000			0
<b>Maturity 2021</b>		<b>74,964,211,840</b>			
FR0010192997	OAT 3.75% 25 April 2021	34,492,000,000			0
FR0011347046	OATi 0.1% 25 July 2021	3,999,211,840 (1)	1.00256	3,989,000,000	0
FR0011059088	OAT 3.25% 25 October 2021	36,473,000,000			0
<b>Maturity 2022</b>		<b>77,638,624,210</b>			
FR0000571044	OAT 8.25% 25 April 2022	1,243,939,990			709,868,400
FR0011196856	OAT 3% 25 April 2022	33,062,000,000			0
FR0010899765	OAT€i 1.1% 25 July 2022	18,375,684,220 (1)	1.07297	17,126,000,000	0
FR0011337880	OAT 2.25% 25 October 2022	24,957,000,000			0
<b>Maturity 2023</b>		<b>81,707,817,393</b>			
FR0000571085	OAT 8.5% 25 April 2023	10,606,195,903			6,130,625,000
FR0011486067	OAT 1.75% 25 May 2023	25,660,000,000			0
FR0010585901	OATi 2.1% 25 July 2023	12,212,621,490 (1)	1.09051	11,199,000,000	0
FR0010466938	OAT 4.25% 25 October 2023	33,229,000,000			476,722,000
<b>Maturity 2024</b>		<b>25,040,479,880</b>			
FR0011619436	OAT 2.25% 25 May 2024	18,437,000,000			0
FR0011427848	OAT€i 0.25% 25 July 2024	6,603,479,880 (1)	1.00479	6,572,000,000	0
<b>Maturity 2025</b>		<b>17,780,928,118</b>			
FR0000571150	OAT 6% 25 October 2025	17,780,928,118			2,985,226,900
<b>Maturity 2026</b>		<b>30,306,000,000</b>			
FR0010916924	OAT 3.5% 25 April 2026	30,306,000,000			100,900,000
<b>Maturity 2027</b>		<b>35,728,074,090</b>			
FR0011008705	OAT€i 1.85% 25 July 2027	9,788,074,090 (1)	1.05737	9,257,000,000	0
FR0011317783	OAT 2.75% 25 October 2027	25,940,000,000			0
<b>Maturity 2028</b>		<b>21,322,893</b>			
FR0000571226	OAT zéro coupon 28 March 2028	21,322,893 (3)		46,232,603	-
<b>Maturity 2029</b>		<b>37,106,877,147</b>			
FR0000571218	OAT 5.5% 25 April 2029	27,169,880,458			3,876,749,500
FR0000186413	OATi 3.4% 25 July 2029	9,936,996,689 (1)	1.24319	7,993,144,000	0
<b>Maturity 2030 et plus</b>		<b>151,404,510,530</b>			
FR0000188799	OAT€i 3.15% 25 July 2032	11,771,827,920 (1)	1.22292	9,626,000,000	0
FR0000187635	OAT 5.75% 25 October 2032	26,135,322,600			11,673,599,000
FR0010070060	OAT 4.75% 25 April 2035	21,183,000,000			5,336,846,000
FR0010371401	OAT 4% 25 October 2038	23,889,000,000			4,788,950,000
FR0010447367	OAT€i 1.8% 25 July 2040	10,332,360,010 (1)	1.13281	9,121,000,000	0
FR0010773192	OAT 4.5% 25 April 2041	23,650,000,000			7,528,127,000
FR0011461037	OAT 3.25% 25 May 2045	8,860,000,000			0
FR0010171975	OAT 4% 25 April 2055	14,926,000,000			7,343,294,000
FR0010870956	OAT 4% 25 April 2060	10,657,000,000			4,378,100,000

(1) face value x indexation coefficient (face value if coefficient < 1)

(2) Including coupons capitalized at 31/12/2013; not open to subscription

(3) Revised updated on 28/03/2013; not open to subscription

### Most recent economic indicators

Industrial output, year-on-year	-0.1%	02/2014
Household consumption*, year-on-year	1.1%	02/2014
Unemployment rate (ILO)	10.2%	12/2013
Consumer prices, year-on-year		
all items	0.6%	03/2014
all items excluding tobacco	0.5%	03/2014
Trade balance, fob-fob, sa (€bn)	-€3.4 bn	02/2014
" "	-€5.6 bn	01/2014
Current account balance, sa (€bn)	-€1.4 bn	02/2014
" "	-€3.7 bn	01/2014
10-year constant maturity rate (TEC10)	2.02%	31/3/2014
3-month interest rate (Euribor)	0.313%	31/3/2014
EUR / USD	1.3788	31/3/2014
EUR / JPY	142.42	31/3/2014

\* manufactured products  
Source: Insee, Minefi, Banque de France

### Monthly government budget position

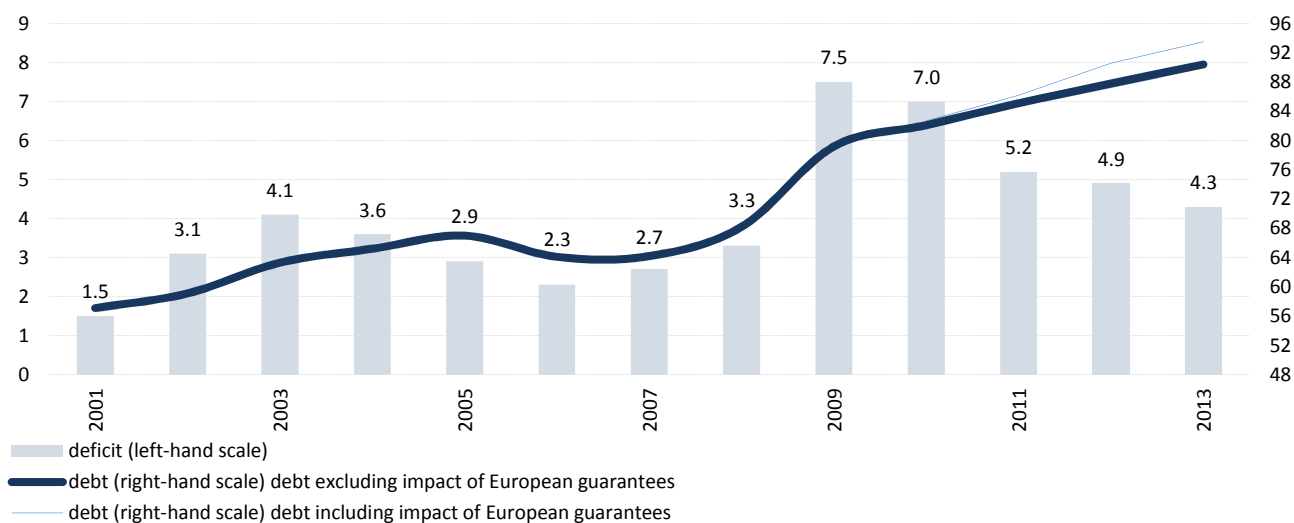
In € billion

	end of February level				
	2012	2013	2012	2013	2014
General budget balance	-88.16	-75.44	-18.26	-20.33	-17.97
revenue	286.01	301.25	45.35	44.08	46.79
expenditure	374.17	376.68	63.61	64.41	64.76
Balance of special Treasury accounts	1.01	0.57	-5.97	-6.79	-7.71
<b>General budget outturn</b>	<b>-87.15</b>	<b>-74.87</b>	<b>-24.23</b>	<b>-27.12</b>	<b>-25.68</b>

Source: Bloomberg

### Public finances: deficit and debt

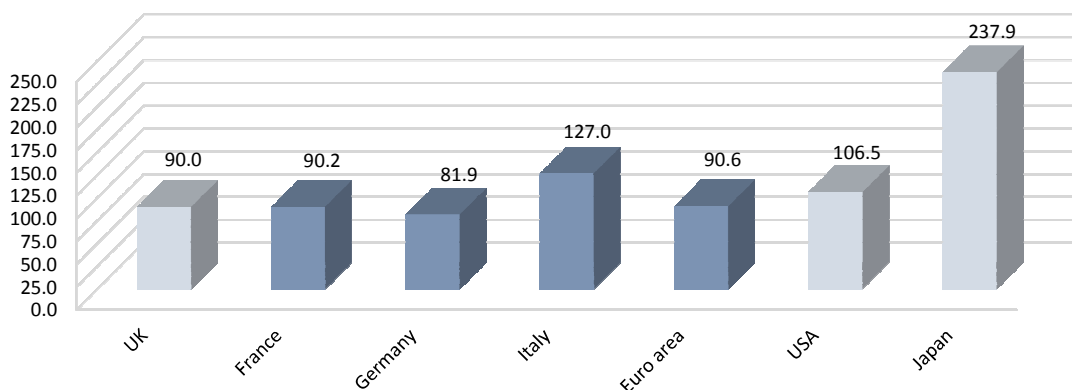
As % of GDP



Source: Insee, 2013-2017 Stability Programme (04/17/2013)

### General government debt in 2012




























As % of GDP



Sources: Eurostat (04/2013), FMI (04/2013), Insee (04/2013)



### French economic indicators timetable

May 2014		June 2014	
 6	Industrial investments: April	 5	Job seekers Q1-2014 (BIT)
 7	Foreign trade in March	 6	Foreign trade in April
 7	Industrial output in March	 10	Industrial output in April
 13	Balance of payments in March	 12	Balance of payments in April
 14	Consumer prices: index for April	 12	Consumer prices: index for May
 15	Quarterly national accounts: first results Q1-2014	 13	Payroll employment: final results Q1-2014
 15	Inflation (HICP): index for April	 16	Inflation (HICP): May index
 16	Payroll employment: provisional results Q1-2014	 24	New building starts in May
 22	Industrial outlook: monthly survey for May	 25	Industrial trends: monthly survey for June
 27	Household confidence survey: Mai survey	 26	Job seekers in May
 27	New building starts in April	 26	Household confidence survey: June survey
 28	Job seekers in April	 27	Quarterly national accounts: final results Q1-2014
		 27	Industrial producer prices: May index
		 27	General government debt Q1-2014
		 27	Household consumption of manufactured goods in May

Sources : Insee, Eurostat