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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

Taking investor relations to the next level

In 2014, investor relations remained a key priority for AFT. With demand for French Treasury securities robust and steady, AFT held meetings with French and foreign investors throughout the year to sustain and bolster long-term relations.

AFT met with 224 investors last year in France and abroad, double the count reached in 2011. The Agency took part in numerous seminars and panel discussions, meeting up with investors of every variety, including chief investment officers, portfolio managers and economists.

These meetings enable the Agency to outline the Government's debt issuance strategy and the technical qualities of French debt. In addition, they provide investors with information that will help them gain a clearer grasp of the economic situation in both France and Europe, the economic and fiscal policies adopted and the structural reforms underway. They also provide a forum for investors to outline their view of France and its debt market, supplying decision-makers with invaluable feedback. The efforts made by AFT underpin investors' positive perception of France.

The investor base is diverse both in terms of category and geographic area. French investors held 36.3% of Government debt at the end of September 2014, while non-residents owned 63.7%. This ratio has been relatively stable since 2008. Investors include central banks, sovereign wealth funds, asset managers, banks, insurance groups and pension funds. These diverse profiles offer security which is crucial in keeping the French Government's borrowing costs to a minimum, regardless of market conditions. Overall, the highly favourable borrowing terms enjoyed by the French Government throughout 2014, with a weighted average yield for medium- and long-term debt issues reaching a record low of 1.31%, reflect the confidence shown by investors in French creditworthiness and in the technical qualities of France's sovereign debt.

31 countries visited in 2014

Algeria, Austria, Brazil, Bulgaria, Chile, China, Croatia, Denmark, Germany, Hong Kong, Hungary, Indonesia, Italy, Japan, Lebanon, Malaysia, the Netherlands, Norway, Peru, Saudi Arabia, Serbia, Singapore, South Korea, Sweden, Switzerland, Taiwan, Thailand, United Arab Emirates, United Kingdom, United States of America, and Vietnam.



Following a keenly-awaited monetary policy meeting held on 22 January, the European Central Bank (ECB) unveiled major quantitative easing measures.

Starting in March 2015, the ECB will purchase €60 billion-worth of assets per month until September 2016, equivalent to a total injection of some €1.1 trillion. The asset purchase programme will comprise:

- Bonds issued by euro area central governments and agencies, the programme's main target (likely to account for over 80% of the total). Most of these bonds will be purchased by national central banks and kept on their balance sheets.
- Bonds issued by European institutions including the ESM, the EFSF and the EIB, accounting for 12% of total asset purchases. They will be acquired by national central banks but subject to a risk sharing regime.
- Asset-backed securities and covered bonds; the amounts will depend on how these markets develop size-wise but should be close to the amounts purchased since the existing programmes were launched, i.e. relatively low as a percentage of total amounts purchased (the ECB has bought €33 billion in covered bonds since November and €2 billion in asset-backed securities since December).

Securities will be purchased under the programme on the basis of the ECB's capital key. Eligible securities are all euro-denominated and have a remaining maturity of between two and 30 years, including those with negative yields. They must be Investment Grade or have been approved as part of a financial assistance programme. The ECB will purchase no more than one-third of each euro area member's total sovereign debt and no more than 25% of the amount outstanding on each individual security.

Based on this information, approximately 20% of the assets purchased may belong to French institutions, and both nominal and inflation-linked government bonds will be eligible for the programme.

Furthermore, the ECB announced that the interest rate for the remaining six targeted longer-term refinancing operations (TLTROs) would be equal to the main refinancing rate (i.e. a reduction of 10 basis points on the initial terms announced). These operations will take place every quarter between March 2015 and June 2016 based on the amount of credit distributed by the banks.

On the back of this announcement, euro area sovereign yields dipped sharply. On 22 January, 10-year yields closed 8, 9, 14 and 13 basis points lower for German, French, Italian and Spanish bonds respectively. On the same day, the euro dropped 2.1% against the dollar to close at \$1.137, its weakest level since 2003.

The measures unveiled will result in an increase in the ECB's balance sheet which, depending on the outcome of the forthcoming longer-term refinancing operations, is expected to return to or possibly exceed its 2012 level. This massive injection of liquidity should help to raise the medium-term inflation expectations of economic agents while improving the flow of credit within the euro area. As reiterated by Mario Draghi, these measures are designed to restore growth. They will be even more effective if the euro area members press ahead with structural reforms aimed at boosting the medium-term growth potential of their economies.

France has been doing just that over the last few years. First, it introduced the Competitiveness and Employment Tax Credit (CICE) followed by the Responsibility and Solidarity Pact, and the Growth and Economic Activity Bill is currently before Parliament. These structural reforms combined with the ECB's accommodative monetary policy and the recent changes to oil prices and the euro exchange rate provide a favourable environment for an improvement in economic growth levels over the next few quarters.

- [ECB Press release announcing the programme.](#)
- [ECB FAQ on the asset purchase programme.](#)

**General
debt-related data**

Indicative auction schedule

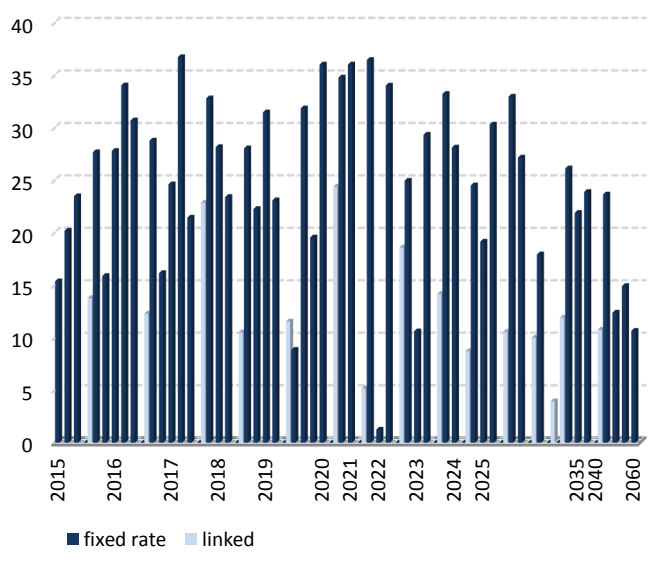
		Short-term					Medium-term	Long-term	Index-linked
February 2015	auction date	2	9	16	23	//	19	5	19
	settlement date	4	11	18	25	//	23	9	23
March 2015	auction date	2	9	16	23	30	19	5	19
	settlement date	4	11	18	25	01(April)	23	9	23

■ anticipated or delayed auctions (bank holidays, etc.)

Source: Agence France Trésor

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

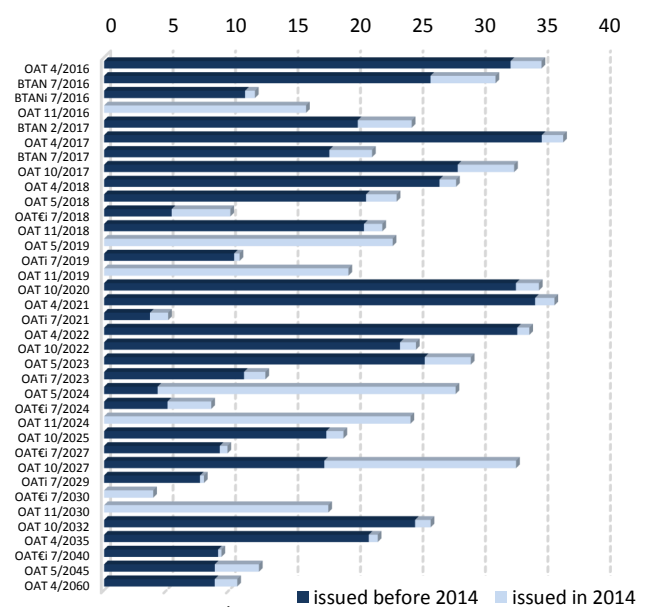
Nominal value of each line, in € billion



Source: Agence France Trésor

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

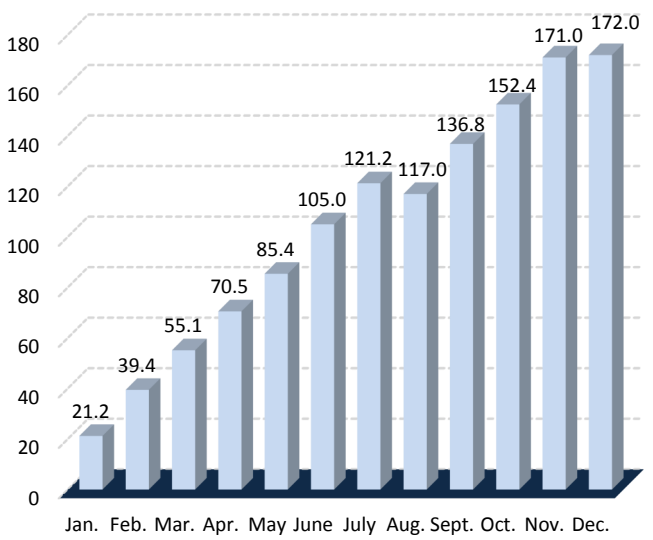
In € billion



Source: Agence France Trésor

Issuance net of buybacks at 31 December, 2014

In € billion



Source: Agence France Trésor

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

In € billion

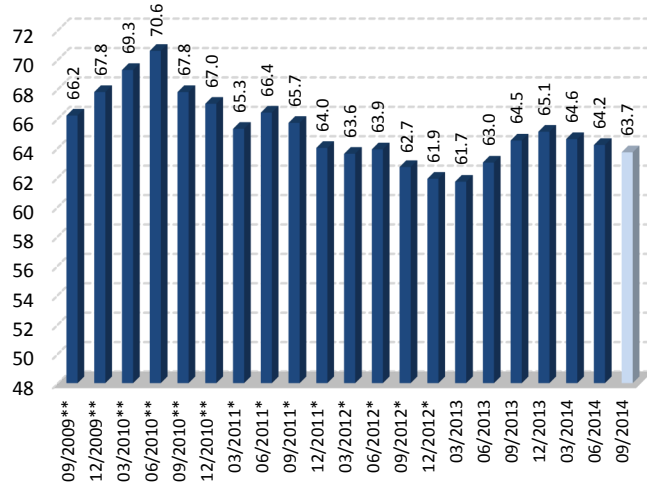
Month	Coupon	Redemption
Jan-15	0.4	15.4
Feb-15	1.1	
Mar-15		
Apr-15	16.0	20.2
May-15	2.4	
Jun-15		
Jul-15	4.5	37.4
Aug-15		
Sep-15		
Oct-15	15.1	27.7
Nov-15	1.2	15.9
Dec-15		

Source: Agence France Trésor

General
debt-related data

Non-resident holders of negotiable government debt in third quarter of 2014

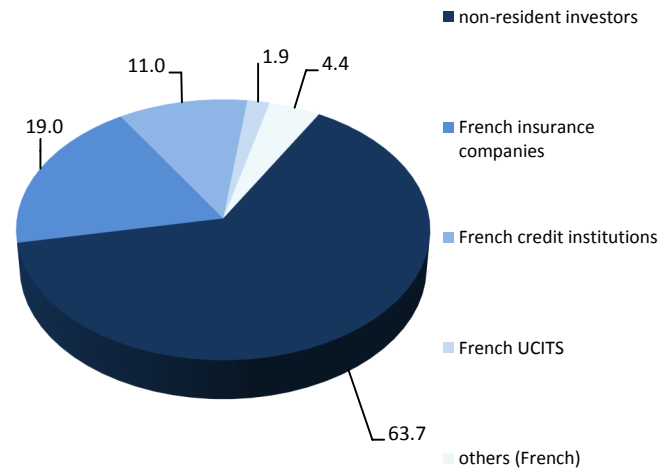
As a % of negotiable debt outstanding expressed in market value



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

Negotiable government debt by group of holders in third quarter of 2014

Structure in % expressed in market value



Source: Banque de France

Negotiable government debt at 31 December, 2014

In euros

Total medium- and long-term debt	1,352,277,119,425
Total stripping activity	62,297,844,100
Average maturity	7 years and 314 days
Total short-term debt	175,285,000,000
Average maturity	117 days
TOTAL OUTSTANDING	1,527,562,119,425
Average maturity	6 years and 363 days

Source: Agence France Trésor

Negotiable government debt and interest rate swaps at 31 December, 2014

In € billion

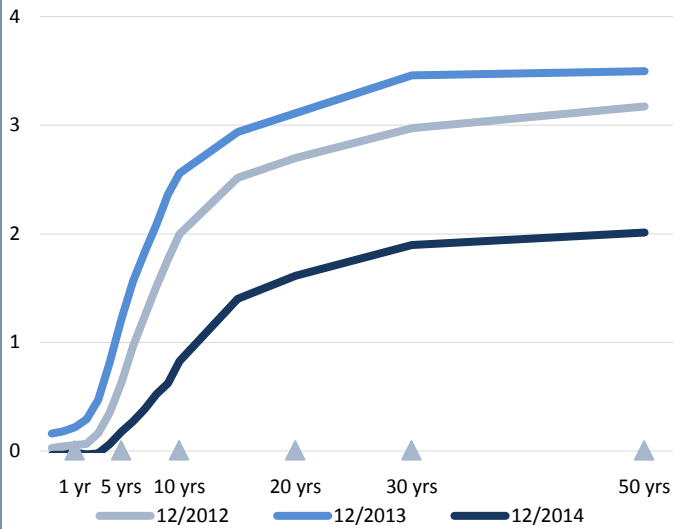
	End 2011	End 2012	End 2013	End November 2014	End December 2014
Negotiable government debt outstanding	1,313	1,386	1,457	1,537	1,528
of which index-linked securities	166	173	174	190	189
Medium- and long-term	1,135	1,220	1,283	1,351	1,352
short-term	178	167	174	186	175
Swaps outstanding	13	10	7	5	7
Average maturity of the negotiable debt					
before swaps	7 years 57 days	7 years 37 days	7 years 5 days	7 ans 1 day	6 years 363 days
after swaps	7 years 52 days	7 years 34 days	7 years 2 days	7 ans 0 day	6 years 362 days

Source: Agence France Trésor

Secondary market

Yield curve for French government securities

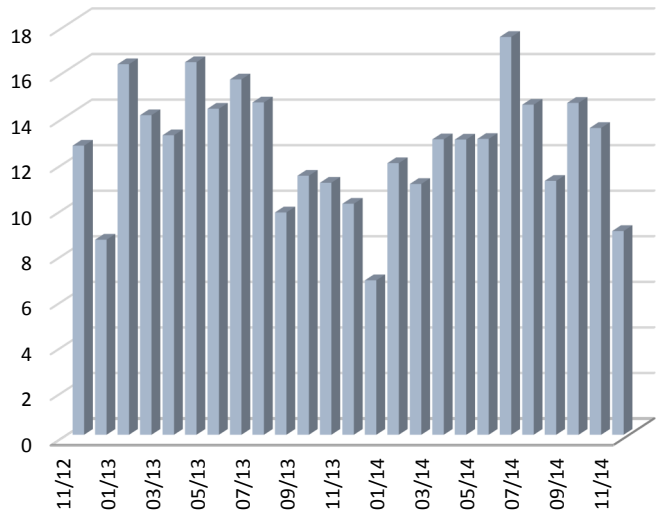
End-of-month value, %



Source: Bloomberg

Average daily volume of medium- and long-term transactions

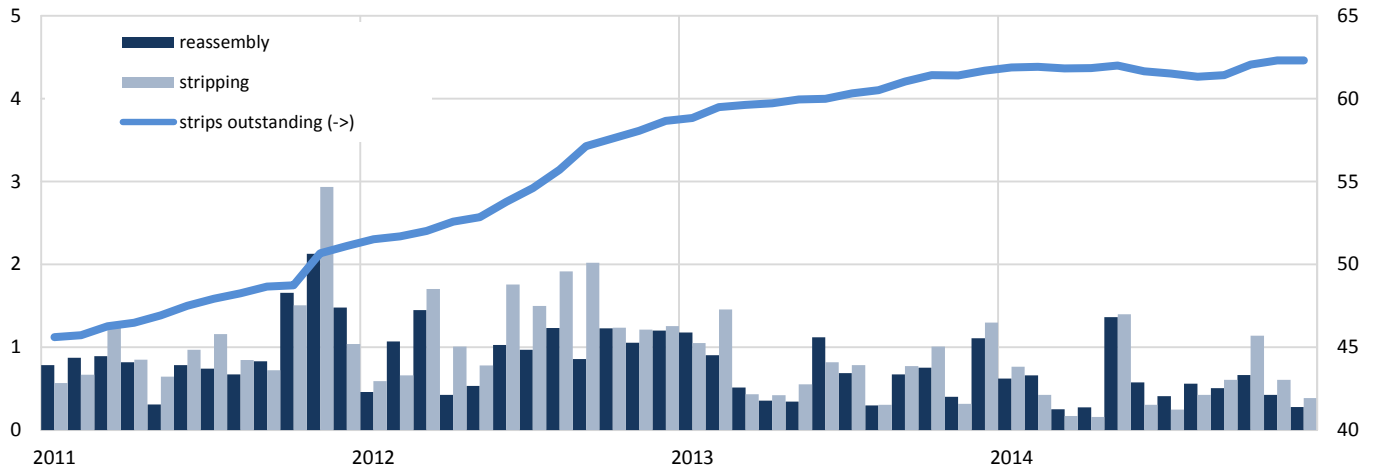
In € billion



Source: reporting by primary dealers in government securities

Total stripping and reassembly

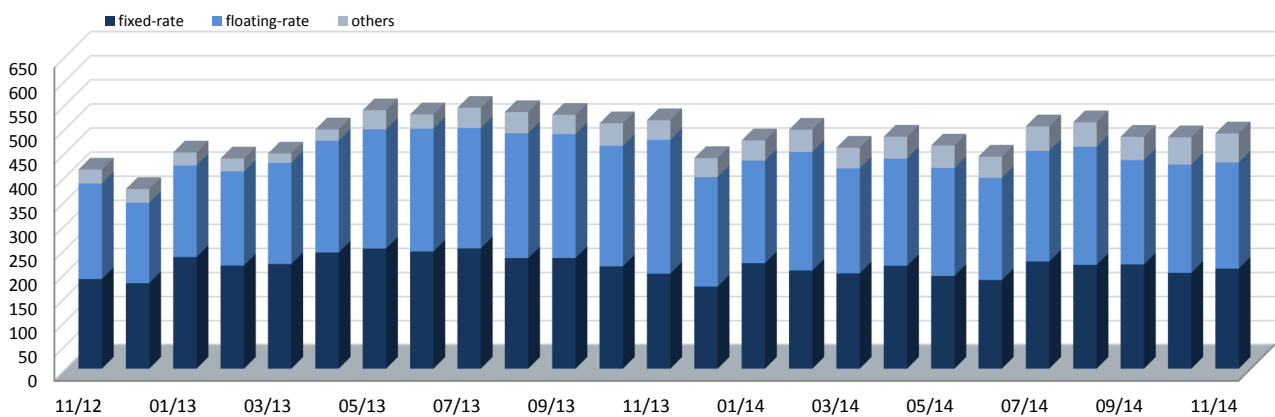
In € billion



Source: Euroclear

Primary dealers, repo outstanding at end of month

In € billion



Source: reporting by primary dealers in government securities

**Negotiable
government debt**

Short-term debt at 31 December, 2014

	Maturity	Outstanding (€)
BTF	8 January 2015	8,857,000,000
BTF	14 January 2015	8,609,000,000
BTF	22 January 2015	8,372,000,000
BTF	28 January 2015	7,888,000,000
BTF	5 February 2015	8,176,000,000
BTF	11 February 2015	8,490,000,000
BTF	18 February 2015	7,244,000,000
BTF	25 February 2015	8,381,000,000
BTF	5 March 2015	7,872,000,000
BTF	11 March 2015	7,948,000,000
BTF	18 March 2015	7,437,000,000
BTF	2 April 2015	8,105,000,000
BTF	15 April 2015	6,966,000,000
BTF	30 April 2015	8,483,000,000
BTF	13 May 2015	6,571,000,000
BTF	28 May 2015	7,413,000,000
BTF	25 June 2015	7,579,000,000
BTF	23 July 2015	7,254,000,000
BTF	20 August 2015	8,310,000,000
BTF	16 September 2015	7,218,000,000
BTF	14 October 2015	6,592,000,000
BTF	11 November 2015	6,573,000,000
BTF	9 December 2015	4,947,000,000

Medium- and long-term debt (maturing 2015–2018) at 31 December, 2014

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
Maturity 2015		116,401,760,373			
FR0117836652	BTAN 2.5% 15 January 2015	15,375,000,000			–
FR0010163543	OAT 3.5% 25 April 2015	20,192,313,893			0
FR0118462128	BTAN 2% 12 July 2015	23,486,000,000			–
FR0010135525	OAT€i 1.6% 25 July 2015	13,777,446,480 (1)	1.19679	11,512,000,000	0
FR0010216481	OAT 3% 25 October 2015	27,681,000,000			0
FR0011452721	OAT 0.25% 25 November 2015	15,890,000,000			0
Maturity 2016		149,805,210,000			
FR0119105809	BTAN 2.25% 25 February 2016	27,801,000,000			–
FR0010288357	OAT 3.25% 25 April 2016	34,045,000,000			0
FR0119580050	BTAN 2.5% 25 July 2016	30,712,000,000			–
FR0119105791	BTANi 0.45% 25 July 2016	12,297,210,000 (1)	1.04925	11,720,000,000	–
FR0000187361	OAT 5% 25 October 2016	28,789,000,000			264,017,000
FR0011857218	OAT 0.25% 25 November 2016	16,161,000,000			0
Maturity 2017		138,485,655,050			
FR0120473253	BTAN 1.75% 25 February 2017	24,620,000,000			–
FR0010415331	OAT 3.75% 25 April 2017	36,737,000,000			0
FR0120746609	BTAN 1% 25 July 2017	21,443,000,000			–
FR0010235176	OATi 1% 25 July 2017	22,872,655,050 (1)	1.13259	20,195,000,000	0
FR0010517417	OAT 4.25% 25 October 2017	32,813,000,000			0
Maturity 2018		112,410,111,670			
FR0010604983	OAT 4% 25 April 2018	28,170,000,000			0
FR0011394345	OAT 1% 25 May 2018	23,412,000,000			0
FR0011237643	OAT€i 0.25% 25 July 2018	10,516,111,670 (1)	1.04089	10,103,000,000	0
FR0010670737	OAT 4.25% 25 October 2018	28,047,000,000			0
FR0011523257	OAT 1% 25 November 2018	22,265,000,000			0

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

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

ISIN Code	Bond	Outstanding (€)	Ind. Coeff.	Face value	Stripped (€)
Maturity 2019		126,412,227,718			
FR0000189151	OAT 4.25% 25 April 2019	31,478,000,000			0
FR0011708080	OAT 1% 25 May 2019	23,095,000,000			0
FR0010850032	OATi 1.3% 25 July 2019	11,554,879,850 (1)	1.06585	10,841,000,000	0
FR0000570921	OAT 8.5% 25 October 2019	8,844,392,893			6,010,885,100
FR0010776161	OAT 3.75% 25 October 2019	31,858,000,000			0
FR0011993179	OAT 0.5% 25 November 2019	19,552,000,000			0
FR0000570954	OAT cap. 9.82% 31 December 2019	29,954,975 (2)		6,692,154	–
Maturity 2020		95,229,066,750			
FR0010854182	OAT 3.5% 25 April 2020	36,032,000,000			0
FR0010050559	OAT€i 2.25% 25 July 2020	24,396,066,750 (1)	1.22133	19,975,000,000	0
FR0010949651	OAT 2.5% 25 October 2020	34,801,000,000			0
Maturity 2021		77,686,165,600			
FR0010192997	OAT 3.75% 25 April 2021	36,041,000,000			0
FR0011347046	OATi 0.1% 25 July 2021	5,172,165,600 (1)	1.00940	5,124,000,000	0
FR0011059088	OAT 3.25% 25 October 2021	36,473,000,000			0
Maturity 2022		78,825,151,970			
FR0000571044	OAT 8.25% 25 April 2022	1,243,939,990			549,668,400
FR0011196856	OAT 3% 25 April 2022	34,030,000,000			0
FR0010899765	OAT€i 1.1% 25 July 2022	18,594,211,980 (1)	1.08573	17,126,000,000	0
FR0011337880	OAT 2.25% 25 October 2022	24,957,000,000			0
Maturity 2023		87,353,663,583			
FR0000571085	OAT 8.5% 25 April 2023	10,606,195,903			6,041,600,200
FR0011486067	OAT 1.75% 25 May 2023	29,346,000,000			0
FR0010585901	OATi 2.1% 25 July 2023	14,172,467,680 (1)	1.09796	12,908,000,000	0
FR0010466938	OAT 4.25% 25 October 2023	33,229,000,000			571,722,000
Maturity 2024		61,367,545,500			
FR0011619436	OAT 2.25% 25 May 2024	28,128,000,000			0
FR0011427848	OAT€i 0.25% 25 July 2024	8,718,545,500 (1)	1.01674	8,575,000,000	0
FR0011962398	OAT 1.75% 25 November 2024	24,521,000,000			25,000,000
Maturity 2025		19,156,928,118			
FR0000571150	OAT 6% 25 October 2025	19,156,928,118			3,126,464,400
Maturity 2026		30,306,000,000			
FR0010916924	OAT 3.5% 25 April 2026	30,306,000,000			85,957,000
Maturity 2027		43,534,616,350			
FR0011008705	OAT€i 1.85% 25 July 2027	10,563,616,350 (1)	1.06995	9,873,000,000	0
FR0011317783	OAT 2.75% 25 October 2027	32,971,000,000			0
Maturity 2028		21,322,893			
FR0000571226	OAT zéro coupon 28 March 2028	21,322,893 (3)		46,232,603	–
Maturity 2029		37,174,738,940			
FR0000571218	OAT 5.5% 25 April 2029	27,169,880,458			3,747,009,100
FR0000186413	OATi 3.4% 25 July 2029	10,004,858,482 (1)	1.25168	7,993,144,000	0
Maturity 2030 et plus		178,106,954,910			
FR0011883966	OAT 2.5% 25 May 2030	17,941,000,000			0
FR0011982776	OAT€i 0.7% 25 July 2030	3,943,419,430 (1)	1.00367	3,929,000,000	0
FR0000188799	OAT€i 3.15% 25 July 2032	11,911,789,960 (1)	1.23746	9,626,000,000	0
FR0000187635	OAT 5.75% 25 October 2032	26,135,322,600			11,483,583,400
FR0010070060	OAT 4.75% 25 April 2035	21,897,000,000			5,354,578,000
FR0010371401	OAT 4% 25 October 2038	23,889,000,000			4,801,011,400
FR0010447367	OAT€i 1.8% 25 July 2040	10,762,422,920 (1)	1.14628	9,389,000,000	0
FR0010773192	OAT 4.5% 25 April 2041	23,650,000,000			7,376,111,000
FR0011461037	OAT 3.25% 25 May 2045	12,394,000,000			698,000,000
FR0010171975	OAT 4% 25 April 2055	14,926,000,000			7,486,184,000
FR0010870956	OAT 4% 25 April 2060	10,657,000,000			4,676,053,100

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

(2) Including coupons capitalised at 31 Dec. 2013; not open to subscription

(3) Revised on 28 March 2013; not open to subscription

Most recent economic indicators

Industrial output, year-on-year	-1.2%	Nov. 2014
Household consumption*, year-on-year	0.2%	Dec. 2014
Unemployment rate (ILO)	10.4%	Dec. 2014
Consumer prices, year-on-year		
all items	0.1%	Dec. 2014
all items excluding tobacco	0.0%	Dec. 2014
Trade balance, fob-fob, sa (€bn)	-€3.2 bn	Nov. 2014
" "	-€4.3 bn	Oct. 2014
Current account balance, sa (€bn)	€0.2 bn	Nov. 2014
" "	-€0.4 bn	Oct. 2014
10-year constant maturity rate (TEC10)	0.86%	31 Dec. 2014
3-month interest rate (Euribor)	0.078%	31 Dec. 2014
EUR / USD	1.2141	31 Dec. 2014
EUR / JPY	145.23	31 Dec. 2014

* manufactured products

Sources: Insee, Minefi, Banque de France

Monthly government budget position

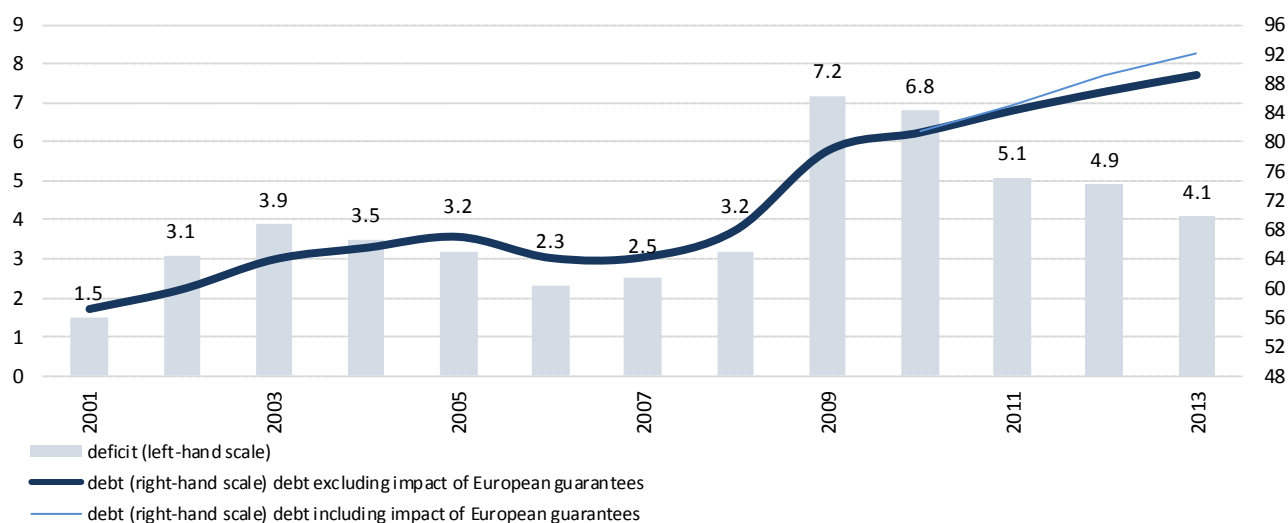
In € billion

	end of November level				
	2012	2013	2012	2013	2014
General budget balance	-88.16	-75.43	-96.87	-85.05	-87.06
revenue	286.01	301.24	250.78	265.25	256.30
expenditure	374.17	376.67	347.65	350.29	343.36
Balance of special Treasury accounts	1.01	0.56	-6.50	-1.93	-3.78
General budget outturn	-87.15	-74.87	-103.37	-86.98	-90.84

Source: Minefi

Public finances: deficit and debt

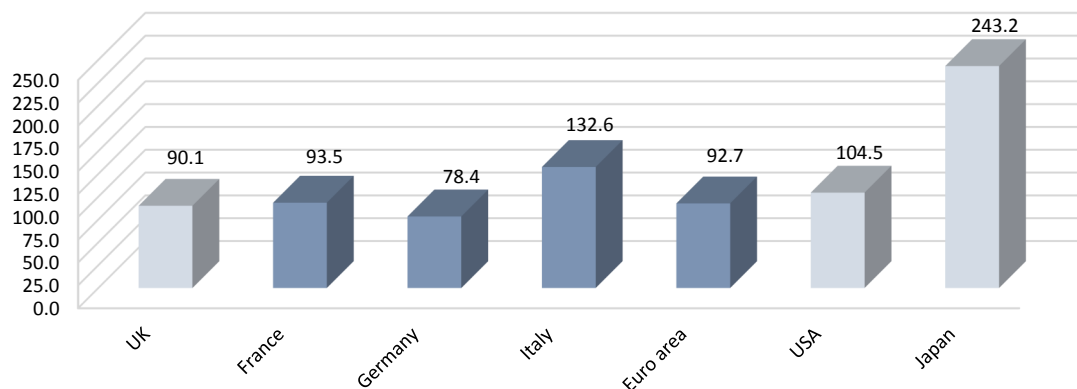
As % of GDP



Source: Insee

General government debt in 2013

As % of GDP



Sources: Eurostat (04/2014), FMI (04/2014)

French economic indicators: timetable

February 2015		March 2015	
 6	Industrial Investments: January survey	 6	Foreign trade in January
 7	Foreign trade in December	 10	Industrial output in January
 10	Industrial output in December	 11	Balance of payments in January
 12	Balance of payments in December	 11	Payroll employment: final results Q4-2014
 14	Payroll employment: provisional results Q4-2014	 12	Consumer prices: index for February
 14	National quarterly accounts: first results Q4-2014	 17	Inflation (HICP): February index
 20	Consumer prices: index for January	 25	Industrial trends: monthly survey for March
 24	Inflation (HICP): January index	 25	Job seekers in February
 25	Industrial trends: February survey	 26	Debt of the general gvt according to Maastricht definition - Q4 2014
 25	New building starts in January	 26	Quarterly national accounts: final results Q4-2014
 26	Job seekers in January	 27	Household confidence survey: March survey
 27	Household confidence survey: February survey	 27	New building starts in February
 28	Household consumption of manufactured goods in January	 31	Household consumption of manufactured goods in February
 28	Industrial producer prices: January index	 31	Industrial producer prices: February index

Sources: Insee, Eurostat