



CAISSE FRANÇAISE DE FINANCEMENT LOCAL
Euro 75,000,000,000 Euro Medium Term Note Programme
for the issue of *Obligations Foncières*
Due from one month from the date of original issue

Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Caisse Française de Financement Local (the “**Issuer**” or “**Caffil**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations foncières* (the “**Obligations Foncières**”) benefiting from the statutory *privilège* created by Article L.513-11 of the French *Code monétaire et financier*, as more fully described herein. The aggregate nominal amount of *Obligations Foncières* (issued under the Programme) outstanding will not at any time exceed Euro 75,000,000,000 (or the equivalent in other currencies).

This Base Prospectus supersedes and replaces the Base Prospectus dated 8 June 2018 as supplemented and shall be in force for a period of one (1) year as of the date of its approval by the *Autorité des marchés financiers* (the “**AMF**”).

Application has been made for approval of this Base Prospectus to the AMF in France in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended or superseded (the “**Prospectus Directive**”).

Application has been made to Euronext Paris for *Obligations Foncières* issued under the Programme during a period of twelve (12) months from the date of this Base Prospectus to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended (a “**Regulated Market**”). Application may also be made to the competent authority of any other Member State of the European Economic Area (the “**EEA**”) for *Obligations Foncières* issued under the Programme to be admitted to trading on any other Regulated Market in such Member State.

However, *Obligations Foncières* which are not admitted to trading on a Regulated Market, or which are not offered to the public, in a Member State of the EEA may also be issued under the Programme and may also be listed on an unregulated market or may not be listed at all. The relevant final terms (the “**Final Terms**”) (forms of which are contained herein) in respect of the issue of any *Obligations Foncières* will specify whether or not such *Obligations Foncières* will be admitted to trading and/or offered to the public and, if so, the relevant Regulated Market in the EEA and/or the Member State(s) in the EEA where the *Obligations Foncières* will be offered to the public and will be published, if relevant and if required by any applicable regulation, on the website of the Regulated Market where the admission to trading is sought.

Obligations Foncières may be issued either in dematerialised form (“**Dematerialised Obligations Foncières**”) or in materialised form (“**Materialised Obligations Foncières**”) as more fully described herein.

Dematerialised *Obligations Foncières* will at all times be in book entry form in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised *Obligations Foncières*.

It is expected that the *Obligations Foncières* issued under the Programme will be rated AA+ by Standard & Poor’s Ratings Services (“**S&P**”) and/or Aaa by Moody’s Investors Services, Inc. (“**Moody’s**”) and/or AAA by DBRS. “**DBRS**” means any entity that is part of DBRS and any successor to the relevant rating activity. The rating (if any) will be specified in the relevant Final Terms. The credit ratings included or referred to in this Base Prospectus or in any Final Terms have been issued by S&P, Moody’s and/or DBRS, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the “**CRA Regulation**”), and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) as of the date of this Base Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The final terms of the *Obligations Foncières* will be determined at the time of the offering of each Tranche based on then prevailing market conditions and will be set out in the relevant Final Terms.

Since 1 January 2013, Caisse Française de Financement Local benefits for all its *obligations foncières* from the Covered Bond Label granted by the Covered Bond Label Foundation.

Arranger
Deutsche Bank

Dealers

Barclays
Commerzbank
Deutsche Bank
HSBC
Landesbank Baden-Württemberg
NATIXIS
Nomura
UBS Investment Bank

BNP PARIBAS
Crédit Agricole CIB
Goldman Sachs International
J.P. Morgan
Morgan Stanley
NatWest Markets
Société Générale Corporate & Investment Banking
UniCredit Bank

The date of this Base Prospectus is 7 June 2019.

This Base Prospectus (together with any supplements to this Base Prospectus published from time to time (each a “Supplement” and together the “Supplements”)) should be read and construed in conjunction with any documents incorporated by reference (see “Documents Incorporated by Reference” below), each of which shall be incorporated herein by reference in, and form part of this Base Prospectus in relation to any Series (as defined herein) of *Obligations Foncières* and comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive in respect of, and for the purpose of giving information with regard to the Issuer and the *Obligations Foncières* which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the *Obligations Foncières* and may only be used for the purposes for which it has been published.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the *Obligations Foncières* and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “Summary of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the *Obligations Foncières* in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of *Obligations Foncières* and on distribution of this Base Prospectus, see “Subscription and Sale”.

IMPORTANT - EEA RETAIL INVESTORS – If the Final Terms in respect of any *Obligations Foncières* include a legend entitled “Prohibition of Sales to EEA Retail Investors”, the *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the “Insurance Distribution Directive” or “IDD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II Product Governance / target market – The Final Terms in respect of any *Obligations Foncières* may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 and which channels for distribution of the *Obligations Foncières* are appropriate. Any person subsequently selling or recommending the *Obligations Foncières* (a “distributor” as defined in MiFID II) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID II Product Governance Rules”), any Dealer subscribing for any *Obligations Foncières* is a manufacturer as defined in MiFID II in respect of such *Obligations Foncières*, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates

will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under MiFID II Product Governance Rules.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers or the Arranger to subscribe for, or purchase, any *Obligations Foncières*.

The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements nor any other information incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements or any other information incorporated by reference should purchase the *Obligations Foncières*. Each potential purchaser of *Obligations Foncières* should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of *Obligations Foncières* should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the *Obligations Foncières* of any information coming to the attention of any of the Dealers or the Arranger.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the currency of the participating Member States of the European Union which was introduced on 1 January 1999, references to “£”, “GBP”, “pounds sterling” and “Sterling” are to the lawful currency of the United Kingdom, references to “\$”, “USD” and “US Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan, references to “CHF” and “Swiss francs” are to the lawful currency of the Helvetic Confederation and references to “CAD” and “Canadian Dollars” are to the lawful currency of Canada.

The Materialised *Obligations Foncières* are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.

TABLE OF CONTENTS

SUMMARY OF THE PROGRAMME	5
RÉSUMÉ EN FRANÇAIS DU PROGRAMME (FRENCH SUMMARY OF THE PROGRAMME)	31
RISK FACTORS.....	58
RISK FACTORS RELATING TO THE <i>OBLIGATIONS FONCIÈRES</i> ISSUED UNDER THE PROGRAMME.....	69
DOCUMENTS INCORPORATED BY REFERENCE	85
CONDITIONS ATTACHED TO THE CONSENT OF THE ISSUER TO USE THE PROSPECTUS	89
SUPPLEMENT TO THE BASE PROSPECTUS.....	91
TERMS AND CONDITIONS OF THE <i>OBLIGATIONS FONCIÈRES</i>	92
TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF BEARER MATERIALISED <i>OBLIGATIONS FONCIÈRES</i>	130
USE OF PROCEEDS.....	132
DESCRIPTION OF CAISSE FRANÇAISE DE FINANCEMENT LOCAL	133
THE LEGAL REGIME APPLICABLE TO CAFFIL.....	135
BUSINESS OVERVIEW	139
ORGANISATIONAL STRUCTURE	145
TREND INFORMATION	149
ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	150
STATUTORY AUDITORS.....	152
SPECIFIC CONTROLLER.....	153
MAJOR SHAREHOLDERS	154
SELECTED FINANCIAL INFORMATION.....	155
MATERIAL CONTRACTS.....	159
RECENT DEVELOPMENTS	162
TAXATION	163
SUBSCRIPTION AND SALE.....	166
FORM OF FINAL TERMS 1	171
FORM OF FINAL TERMS 2	190
GENERAL INFORMATION.....	211
PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS.....	214

SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as “Elements” the communication of which is required by Annex XXII of the Regulation (EC) No 809/2004 of 29 April 2004, as amended. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and for Caisse Française de Financement Local (the “**Issuer**”). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as “Not Applicable”.

This summary is provided for purposes of the issue by the Issuer of the *Obligations Foncières* of a denomination of less than EUR100,000 which are offered to the public or admitted to trading on a Regulated Market of the European Economic Area (the “**EEA**”). The issue specific summary relating to this type of *Obligations Foncières* will be annexed to the relevant Final Terms and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the items "issue specific summary".

Section A - Introduction and warnings		
A.1	General disclaimer regarding the summary	<p>This summary must be read as an introduction to the Base Prospectus. Any decision to invest in the <i>Obligations Foncières</i> should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference and any supplement from time to time. Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State of the EEA where the claim is brought, be required, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the <i>Obligations Foncières</i>.</p>
A.2	Information regarding consent by the Issuer to the use of the Prospectus	<p>In the context of any offer of <i>Obligations Foncières</i> in France and in the Grand Duchy of Luxembourg (the “Public Offer Jurisdictions”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended or superseded (a “Public Offer”), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the “Prospectus”) in connection with a Public Offer of any <i>Obligations Foncières</i> during the offer period specified in the relevant Final Terms (the “Offer Period”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:</p> <ol style="list-style-type: none"> (1) any financial intermediary duly authorised designated in such Final Terms; or (2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “Rules”), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the <i>Obligations Foncières</i> by any person and disclosure to any potential investor; (b) complies with the restrictions set out under “<i>Subscription and Sale</i>” in this Base Prospectus which would apply as if it were a Dealer; (c) complies with the target market assessment conducted by the manufacturer and distribution channels identified under the “MiFID II Product Governance” legend set out in the relevant Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid

		<p>by that financial intermediary in relation to the offer or sale of the <i>Obligations Foncières</i> is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the <i>Obligations Foncières</i> under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and “know your client” rules applying to the Issuer and/or the relevant Dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms;</p> <p>(each an “Authorised Offeror”).</p> <p>The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an “Investor”) in such Public Offer Jurisdiction(s) to whom an offer of any <i>Obligations Foncières</i> is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.</p> <p>The consent referred to above relates to Offer Periods (if any) ending no later than the date falling twelve (12) months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p>The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.</p> <p><i>Issue specific Summary:</i></p> <p>[In the context of the offer of the <i>Obligations Foncières</i> in [France/Grand Duchy of Luxembourg] (“Public Offer Jurisdiction[s]”) which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended or superseded (the “Public Offer”), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any <i>Obligations Foncières</i> during the period from [●] until [●] (the “Offer Period”) and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the “Authorised Offeror[s]”). [The Authorised Offeror[s] must satisfy the following conditions: [●].]</p>
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		<p>The Issuer accepts responsibility, in [France/Grand Duchy of Luxembourg], for the content of the Prospectus in relation to any person (an “Investor”) in [France/Grand Duchy of Luxembourg] to whom an offer of any <i>Obligations Foncières</i> is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.</p> <p>The consent referred to above relates to Offer Periods (if any) ending no later than the date falling twelve (12) months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p>[An Investor intending to acquire or acquiring any <i>Obligations Foncières</i> from an Authorised Offeror will do so, and offers and sales of the <i>Obligations Foncières</i> to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the “Terms and Conditions of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the <i>Obligations Foncières</i> and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information./</p> <p>[Not Applicable]</p>
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Section B – Issuer		
B.1	The legal and commercial name of the Issuer	Caisse Française de Financement Local (“Caffil”) Until 31 January 2013, the Issuer’s name was Dexia Municipal Agency.
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	The Issuer is a <i>société anonyme à directoire et conseil de surveillance</i> incorporated under French law as a <i>société de crédit foncier</i> . It is registered as a company with the <i>Registre du Commerce et des Sociétés</i> (Trade and Companies Register) of Nanterre under reference number 421 318 064.
B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	<p>Caisse Française de Financement Local is 100% held by SFIL.</p> <p>In the context of its first public policy mission to refinance loans to the French local public sector, Caisse Française de Financement Local grants or purchases assets to French local authorities and public health institutions, originated by La Banque Postale. This partnership has established itself as one of the leading players in the French public sector loan market.</p> <p>A second public policy mission was entrusted in 2015 to SFIL and Caisse Française</p>

		<p>de Financement Local: the refinancing of export loans. The aim of this public set up is to improve available export credit loans in terms of volumes, maturities and cost.</p> <p>The economic, regulatory and financial environment in which CAFFIL carries out these activities has, by definition repercussions for its business, results and outlook.</p> <ul style="list-style-type: none"> - French local government financial situation could be affected by macro-economic conditions and any reform on their resources and/or reorganization : - Refinancing of large export loans business is also exposed to the overall environment impacting the French economy and its key industries <p>Caisse Française de Financement Local as issuer of obligations foncières operates within the covered bond market. This market segment has shown dynamic activity over the past years and benefits from a favorable regulatory environment for covered bonds.</p> <p>The European Commission proposal dated 12 March 2018 for a directive on covered bonds lays down the conditions that these bonds have to respect in order to be recognized under the European law. It also strengthens investor protection by imposing specific supervisory duties. The proposal for a directive is complemented by a proposal for a regulation amending Regulation (EU) no. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms. A political agreement has been reached on 26 February 2019 during the trilogue negotiations, followed by votes of approval by the Council (COREPER) and the European Parliament (ECON) on 20 March 2019 and 1 April 2019 respectively. The final version of this new directive and regulation should be officially approved by the European Parliament and the Council in the coming months.</p>
<p>B.5</p>	<p>A description of the Issuer's Group and the Issuer's position within the Group</p>	<p>Caisse Française de Financement Local is a wholly owned subsidiary of SFIL. The Issuer was sold to SFIL by Dexia Credit Local as of 31 January 2013.</p> <p>SFIL is a credit institution approved by the French Resolution and Prudential Control Authority (<i>Autorité de Contrôle Prudentiel et de Résolution</i>). Its shareholders are the French State (75%), Caisse des Dépôts et Consignations (“CDC”) (20%) and La Banque Postale (5%).</p> <p>On 15 November 2018, as part of the project to create a major public finance hub centered around CDC and La Poste, the French State and CDC announced that they had entered into discussions with a view to entrusting the control of SFIL, Caisse Française de Financement Local's parent company, to CDC. SFIL's shareholder base will remain – as today – fully public. Its shareholders will ensure that SFIL's financial solidity is preserved and its economic base protected, and will continue to provide it with the necessary support, in accordance with the applicable regulations. This change in shareholding structure is expected to take place at the same time as the changes to that of La Poste and CNP Assurances.</p> <p>Caisse Française de Financement Local's business consists in refinancing loans to the public sector in the framework of two missions entrusted by the French State, via the issuance of covered bonds. SFIL's role is to provide support for the activities of Caisse Française de Financement Local as a servicer, as defined by the regulations that apply to <i>sociétés de crédit foncier</i>, in particular within the meaning of Article L.513-15 of the French <i>Code monétaire et financier</i>.</p>

SFIL and Caisse Française de Financement Local are part of the organization of the public sector structure created in 2013 and dedicated to the financing of local governments and public healthcare institutions in France. This structure, which the French State has described as a “public bank for local authorities”, is based on a three-pronged organization:

- commercial activities developed by La Banque Postale,
- refinancing activities conducted by Caisse Française de Financement Local, including large export credit,
- operational functions in support of the above performed under the responsibility of SFIL.



Since 2015, Caisse Française de Financement Local may grant loans to SFIL in order to refinance the export credit purchased from commercial banks active in this market. The system will function as follow:

- SFIL will contribute to the financial proposal made by one or more banks in the banking syndicate granting the buyer credit covered by the export credit insurance guaranteed by the State. Then, these banks will sell all or part of the loans (and the attached rights) to SFIL and will keep at least the share of the export credit not covered by the insurance (usually 5%).
- Caisse Française de Financement Local will grant a loan to SFIL to enable it to refinance the acquired export credit. This refinancing loan will benefit from a 100% guarantee by the French State, referred to as an “enhanced guarantee”. Loans granted by Caisse Française de Financement Local to SFIL to refinance the purchased export credits will thus constitute exposures that are totally guaranteed by the French State and eligible for the cover pool of a *société de crédit foncier*. These loans will also comply with the European CRR regulation (article 129, which specifies the assets authorized for inclusion in a cover pool to ensure that the covered bonds will benefit from the best prudential treatment).



B.9	Profit forecast or estimate	Not Applicable. The Issuer has not published profit forecast or estimate.																														
B.10	Qualifications in the auditors' report	<p>Statutory auditors' reports on the audited annual accounts established under IFRS as adopted by the European Union and on the audited annual accounts established under French GAAP for the period ended 31 December 2017 do not contain any qualification.</p> <p>Statutory auditors' reports on the audited annual accounts established under IFRS as adopted by the European Union and on the audited annual accounts established under French GAAP for the period ended 31 December 2018 contain observations, without qualifying their opinions.</p>																														
B.12	Selected historical key financial information	<p>The tables below set out summary information extracted from the Issuer's audited statement of financial position established under IFRS as adopted by the European Union as at 31 December 2017 and 31 December 2018:</p> <table border="1"> <thead> <tr> <th>EUR millions</th> <th>31/12/2017¹</th> <th>31/12/2018²</th> </tr> </thead> <tbody> <tr> <td>Core shareholders' equity <i>(excluding net result through equity)</i></td> <td>1,480</td> <td>1,459</td> </tr> <tr> <td>Financial debt</td> <td>58,406</td> <td>59,897</td> </tr> <tr> <td>- privileged debt</td> <td>53,585</td> <td>54,956</td> </tr> <tr> <td>- non privileged debt</td> <td>4,821</td> <td>4,941</td> </tr> <tr> <td>Balance sheet total</td> <td>68,777</td> <td>69,056</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>EUR millions</th> <th>Fiscal Year 2017¹</th> <th>Fiscal Year 2018²</th> </tr> </thead> <tbody> <tr> <td>Net banking income</td> <td>156</td> <td>171</td> </tr> <tr> <td>Operating income</td> <td>73</td> <td>66</td> </tr> <tr> <td>Net income</td> <td>41</td> <td>62</td> </tr> </tbody> </table> <p>As of 31 December 2018, the outstanding amount of privileged debt in swapped value increased by EUR 1.1 billion (+2.2% compared to 31 December 2017). The outstanding amount of non-privileged debt amounted at EUR 4.9 billion, increasing by 2.5% compared to 31 December 2017. Those amounts are extracted from the Issuer's management report and audited annual accounts as of 31 December 2018, established under IFRS as adopted by the European Union.</p> <p>The first-time application of IFRS 9 had a limited impact on Caisse Française de Financement Local's equity. Accordingly, as of 1st January, income of EUR 77 million before corporate income tax (EUR 50 million after tax) was recognized in equity, which led, all other things being equal and after prudential adjustments, to an 126-basis point increase in the fully loaded CET1 ratio. Most of this impact relates to the classification and measurement component, which represented income before corporate income tax of EUR 86 million, while the provisioning component represented a charge before corporate income tax of EUR 9 million. In addition, Caisse Française de Financement Local decided not to use the option of spreading over time the impact on prudential capital associated with the standard's first-time application and relating to the provisioning component.</p>	EUR millions	31/12/2017¹	31/12/2018²	Core shareholders' equity <i>(excluding net result through equity)</i>	1,480	1,459	Financial debt	58,406	59,897	- privileged debt	53,585	54,956	- non privileged debt	4,821	4,941	Balance sheet total	68,777	69,056	EUR millions	Fiscal Year 2017¹	Fiscal Year 2018²	Net banking income	156	171	Operating income	73	66	Net income	41	62
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¹ IAS 39 applicable.

² IFRS 9 applicable. IFRS 9 came into force on 1st January 2018. It includes three main components: the classification and measurement of financial instruments, the provisioning of loans, securities and financing commitments, and hedge accounting, for which Caisse Française de Financement Local has chosen to continue to apply IAS 39 pending the entry into force of the future macro-hedging standard.

		<p>There has been no significant change in the financial or trading position of the Issuer since 31 December 2018 nor any material adverse change in the prospects of the Issuer since 31 December 2018.</p> <p>The number of clients who sued Dexia Crédit Local and/or SFIL and/or Caisse Française de Financement Local for structured loans on the balance sheet of Caisse Française de Financement Local stood at 18 on 31 December 2018.</p>
B.13	Recent material events relevant to the evaluation of the Issuer’s solvency	Not Applicable. There are no events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.
B.14	Extent to which the Issuer is dependent upon other entities within the Group	<p>Caisse Française de Financement Local is 100% held by SFIL. Caisse Française de Financement Local depends on SFIL primarily for the following:</p> <ul style="list-style-type: none"> • the complete operational management of the company (day-to-day management as well as the operational management of the reduction in the sensitivity of the structured loans on the balance sheet of Caisse Française de Financement Local), as defined by the regulations applicable to sociétés de crédit foncier, in particular article L.513-15 of the French <i>Code monétaire et financier</i>. SFIL is also the agent of the “enhanced guarantee” within the framework of the export credit refinancing activity; • to provide Caisse Française de Financement Local with the derivatives and non-privileged funding it needs to carry out its activities. • In addition to commitments of the French State as the reference shareholder, on 31 January 2013, SFIL signed a declaration of support of Caisse Française de Financement Local, which is reproduced in its annual financial report.
B.15	Principal activities of the Issuer	<p>The Caisse Française de Financement Local’s exclusive purpose is (as per Article 2 of the by-laws):</p> <ul style="list-style-type: none"> • to grant or acquire exposures to public sector entities as defined in Article L.513-4 of the French <i>Code monétaire et financier</i> as well as assets considered as exposures as defined in Article L.513-5 of the same Code; • to hold assets defined by decree as replacement assets (<i>valeurs de remplacement</i>); • in order to finance the above-mentioned loans, to issue <i>obligations foncières</i>, benefiting from the <i>privilège</i> defined in Article L.513-11 of the French <i>Code monétaire et financier</i> and to raise other funds, under issue or subscription contract referring to the <i>privilège</i>. <p>The Caisse Française de Financement Local may also fund the above-mentioned activities by issuing bonds or other sources or financing that do not benefit from the <i>privilège</i> defined in Article L.513-11 of the French <i>Code monétaire et financier</i>.</p> <p>Pursuant to Articles L.313-23 to L.313-35 of the French <i>Code monétaire et financier</i> (previously French law n° 81-1 of 2 January 1981 facilitating corporate borrowing), the Caisse Française de Financement Local may assign all the assets it owns, whatever the nature (whether professional or not).</p>
B.16	Extent to which the Issuer is directly or indirectly	<p>Caisse Française de Financement Local is a wholly owned subsidiary of SFIL. SFIL shareholders are the French State (75%), CDC (20%) and La Banque Postale (5%). The French State assumes the role of reference shareholder in dealings with regulatory authorities, thereby underlining its commitment with regard to oversight</p>

	owned or controlled	<p>and the taking of strategic decisions, as well as its determination to ensure the continuity of SFIL’s financial transactions, whenever required.</p> <p>On 15 November 2018, as part of the project to create a major public finance hub centered around CDC and La Poste, the French State and CDC announced that they had entered into discussions with a view to entrusting the control of SFIL, Caisse Française de Financement Local’s parent company, to CDC. SFIL’s shareholder base will remain – as today – fully public. Its shareholders will ensure that SFIL’s financial solidity is preserved and its economic base protected, and will continue to provide it with the necessary support, in accordance with the applicable regulations. This change in shareholding structure is expected to take place at the same time as the changes to that of La Poste and CNP Assurances.</p>
B.17	Credit ratings assigned to the Issuer or its debt securities	<p><i>Obligations Foncières</i> to be issued under the Programme are expected to be rated AA+ by Standard & Poor’s Ratings Services (“S&P”) and/or Aaa by Moody’s Investors Services, Inc. (“Moody’s”) and/or AAA by DBRS, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the “CRA Regulation”), and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority’s website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) as of the date of the Base Prospectus.</p> <p>“DBRS” means any entity that is part of DBRS and any successor to the relevant rating activity.</p> <p>The rating will be specified in the Final Terms.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>Issue specific summary:</p> <p>Credit ratings: [Not Applicable/The <i>Obligations Foncières</i> to be issued are expected to be rated:</p> <p>[S&P: [●]]</p> <p>[Moody's: [●]]</p> <p>[DBRS: [●]]</p> <p>[Other: [●]]</p>

Section C – Securities		
C.1	Type, class and identification number of the Obligations Foncières	<p>Up to Euro 75,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of <i>Obligations Foncières</i> outstanding at any one time pursuant to the Euro Medium Term Note Programme arranged by Deutsche Bank AG, Paris Branch (the “Programme”).</p> <p>The <i>Obligations Foncières</i> will be issued on a syndicated or non-syndicated basis. The <i>Obligations Foncières</i> will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical, the <i>Obligations Foncières</i> of each Series being intended to be interchangeable or identical (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other <i>Obligations Foncières</i> of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price,</p>

		<p>first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Final Terms to the Base Prospectus (the “Final Terms”).</p> <p><i>Obligations Foncières</i> may be issued in either dematerialised form (“Dematerialised Obligations Foncières”) or materialised form (“Materialised Obligations Foncières”).</p> <p>Dematerialised <i>Obligations Foncières</i> may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised <i>Obligations Foncières</i>. Materialised <i>Obligations Foncières</i> may be in bearer materialised form (“Bearer Materialised Obligations Foncières”) only if they are issued outside France. A Temporary Global Certificate will be issued initially in respect of each Tranche of Bearer Materialised <i>Obligations Foncières</i>.</p> <p>The <i>Obligations Foncières</i> have been accepted for clearance through Euroclear France as central depository in relation to Dematerialised <i>Obligations Foncières</i> and Clearstream Banking, S.A. (“Clearstream”), Euroclear Bank SA/NV (“Euroclear”) or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the “Fiscal Agent”) and the relevant Dealer in relation to Materialised <i>Obligations Foncières</i>.</p> <p>An identification number of the <i>Obligations Foncières</i> (ISIN) and a common code will be specified in the relevant Final Terms.</p> <p>Issue specific summary:</p> <p>Series Number: [●]</p> <p>Tranche Number: [●]</p> <p>Aggregate Nominal Amount: [●]</p> <p>Series: [●]</p> <p>Tranche: [●]</p> <p>Form of <i>Obligations Foncières</i>: [Dematerialised <i>Obligations Foncières</i> / Materialised <i>Obligations Foncières</i>].</p>
		<p>[If the <i>Obligations Foncières</i> are Dematerialised <i>Obligations Foncières</i>: Dematerialised <i>Obligations Foncières</i> are [in bearer dematerialised form (<i>au porteur</i>) / in registered dematerialised form (<i>au nominatif</i>)].</p> <p>[If the <i>Obligations Foncières</i> are Materialised <i>Obligations Foncières</i>: Materialised <i>Obligations Foncières</i> will be in bearer form only]</p> <p>ISIN: [●]</p> <p>Common Code: [●]</p> <p>Central Depository: [●]</p> <p>Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): [Not Applicable]/[give name(s) and number(s) [and address(es)]]</p>

C.2	Currencies	<p><i>Obligations Foncières</i> may be issued in Euro, U.S. Dollar, Japanese yen, Swiss franc, Sterling, Canadian Dollars and in any other currency agreed between the Issuer and the relevant Dealers.</p> <p>Issue specific summary:</p> <p>The currency of the <i>Obligations Foncières</i> is: [●]</p>
C.5	Description of any restrictions on the free transferability of the <i>Obligations Foncières</i>	<p>Save certain restrictions regarding the purchase, offer, sale and delivery of the <i>Obligations Foncières</i>, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms, there is no restriction on the free transferability of the <i>Obligations Foncières</i>.</p>
C.8	Description of rights attached to the <i>Obligations Foncières</i>	<ul style="list-style-type: none"> • <u>Arranger</u> The arranger in respect of the Programme (the “Arranger”) is: Deutsche Bank AG, Paris Branch • <u>Dealers under the Programme</u> The dealers in respect of the Programme (the “Dealers”) are: Barclays Bank Ireland PLC Barclays Bank PLC BNP PARIBAS Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Deutsche Bank Aktiengesellschaft Goldman Sachs International HSBC France J.P. Morgan Securities plc Landesbank Baden-Württemberg Morgan Stanley & Co. International plc NATIXIS NatWest Markets N.V. NatWest Markets Plc Nomura International plc Société Générale UBS Europe SE UniCredit Bank AG <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in the Base Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> <ul style="list-style-type: none"> • <u>Issue price</u> <i>Obligations Foncières</i> may be issued at their nominal amount or at a discount or premium to their nominal amount. • <u>Specified denomination</u> The <i>Obligations Foncières</i> will be in such denominations as may be specified in the relevant Final Terms.

		<p>The <i>Obligations Foncières</i> will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer.</p> <p><i>Obligations Foncières</i> having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, (the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.</p> <p>Dematerialised <i>Obligations Foncières</i> shall be issued in one denomination only.</p> <ul style="list-style-type: none"> • <u>Status of the Obligations Foncières</u> <p>The <i>Obligations Foncières</i> will constitute direct and unconditional obligations of the Issuer, and, as provided below, benefit from the <i>privilège</i> defined by Article L.513-11 of the French <i>Code monétaire et financier</i>.</p> <ul style="list-style-type: none"> • <u>Privilège</u> <p>Holders of <i>Obligations Foncières</i> benefit from the <i>privilège</i> (priority right of payment) pursuant to Article L.513-11 of the French <i>Code monétaire et financier</i> over all the assets and rights of the Issuer.</p> <ul style="list-style-type: none"> • <u>Negative pledge</u> <p>None.</p> <ul style="list-style-type: none"> • <u>Event of default, including cross default</u> <p>None.</p> <ul style="list-style-type: none"> • <u>Withholding taxes</u> <p>All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the <i>Obligations Foncières</i> or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</p> <p>If any law should require that payments of principal, interest or other revenues in respect of any <i>Obligation Foncière</i> or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will not be required to pay any additional amounts in respect of any such withholding or deduction.</p> <ul style="list-style-type: none"> • <u>Governing law</u> <p>French law.</p>
		<p><i>Issue specific summary:</i></p> <p>Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]</p> <p>Specified Denomination[s]: [●]</p>
C.9	<p>Interest, maturity and redemption provisions, yield and representation of the holders of <i>Obligations Foncières</i></p>	<p>Please also refer to the information provided in item C.8 above.</p> <ul style="list-style-type: none"> • <u>Interest rates and interest periods</u> <p>The length of the interest periods for the <i>Obligations Foncières</i> and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. <i>Obligations Foncières</i> may have a maximum interest rate, a minimum interest rate, or both, provided that in no event, will the relevant interest amount be less than zero. The use of interest accrual periods permits the <i>Obligations Foncières</i> to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</p> <ul style="list-style-type: none"> • <u>Fixed Rate Obligations Foncières</u>

		<p>Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.</p> <ul style="list-style-type: none"> • <u>Floating Rate Obligations Foncières</u> <p>Floating Rate <i>Obligations Foncières</i> will bear interest determined separately for each Series as follows:</p> <ol style="list-style-type: none"> (i) on the same basis as the floating rate under an interest rate swap transaction in the relevant Specified Currency governed by the June 2013 FBF Master Agreement as published by the <i>Fédération Bancaire Française</i>, or (ii) on the same basis as the floating rate under an interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., or (iii) by reference to LIBOR, EURIBOR, EONIA, CMS Rate or TEC 10 or, if "Benchmark Replacement" is specified as applicable in the relevant Final Terms, any successor rate or any alternative rate, <p>in each case as adjusted for any applicable margin.</p> <p>Floating rate <i>Obligations Foncières</i> may also have a maximum rate of interest, a minimum rate of interest or both, provided that in no event, will the relevant interest amount be less than zero.</p> <ul style="list-style-type: none"> • <u>Fixed/Floating Rate Obligations Foncières</u> <p>Fixed/Floating Rate <i>Obligations Foncières</i> for which a change of interest basis is specified to be applicable may be issued by the Issuer, such change of interest being either at the option of the Issuer or automatic.</p> <ul style="list-style-type: none"> • <u>Zero Coupon Obligations Foncières</u> <p>Zero Coupon <i>Obligations Foncières</i> may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <ul style="list-style-type: none"> • <u>Inflation Linked Obligations Foncières</u> <p>Inflation Linked <i>Obligations Foncières</i> may be issued by the Issuer where the interest and/or principal in respect of such <i>Obligations Foncières</i> will be calculated by reference to an inflation index ratio (in each case, the "Inflation Index Ratio") derived from:</p> <ul style="list-style-type: none"> - the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the <i>Institut National de la Statistique et des Etudes Economiques</i> ("INSEE") (the "CPI") (the "CPI Linked <i>Obligations Foncières</i>"); or - the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the "HICP") (the "HICP Linked <i>Obligations Foncières</i>").
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- **Maturities**

Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue.

- **Redemption**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable in accordance with the Terms and Conditions of the *Obligations Foncières*. Unless previously redeemed, purchased and cancelled, each *Obligation Foncière* shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which is not less than its nominal amount).

Unless permitted by then current laws and regulations, *Obligations Foncières* (including *Obligations Foncières* denominated in Sterling) having a maturity of less than one (1) year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

- **Optional redemption**

The Final Terms issued in respect of each issue of *Obligations Foncières* will state whether such *Obligations Foncières* may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and if so the terms applicable to such redemption.

- **No Redemption for Taxation Reasons**

If French law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, such *Obligation Foncière* will not, unless otherwise specified in the relevant Final Terms, be redeemed early.

- **Yield**

The Final Terms issued in respect of each issue of Fixed Rate *Obligations Foncières* will set out an indication of the yield of the *Obligations Foncières*.

- **Representation of the holders of Obligations Foncières**

The holders of *Obligations Foncières* will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a masse (the “*Masse*”), which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce*, with the exception of Articles L.228-71 (only with respect to Notes issued outside France) and R.228-69 of the French *Code de commerce* and as supplemented by the Terms and Conditions of the *Obligations Foncières*.

The *Masse* will act in part through a representative (the “**Representative**”) and in part through collective decisions of the holders of *Obligations Foncières*. The names and addresses of the initial Representative and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the representative of the single *Masse* of all Tranches in such Series.

Collective decisions are adopted either in a general meeting or by consent following a written consultation.

		<p>If and for so long as the <i>Obligations Foncières</i> of a given Series are held by a single holder of <i>Obligations Foncières</i> and unless a Representative has been appointed in respect of such Series, the relevant holder of <i>Obligations Foncières</i> shall exercise all the powers, rights and obligations entrusted to the <i>Masse</i> by the Terms and Conditions of the <i>Obligations Foncières</i>. Such single holder of <i>Obligations Foncières</i> shall hold a register of the decisions it will have taken in its capacity and shall make it available, upon request, to any subsequent holder of all or part of the <i>Obligations Foncières</i> of such Series.</p> <p>Issue specific summary:</p> <p>Rate[s] of Interest: [[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Fixed/Floating Rate] [Zero Coupon] [CPI Linked Interest] [HICP Linked Interest]</p> <p>Interest Commencement Date: [Specify/Issue Date/Not Applicable]</p> <p>Maturity Date: [Specify date or (for Floating Rate Obligations Foncières) Interest Payment Date falling in or nearest to the relevant month and year]</p> <p>Final Redemption Amount of each <i>Obligation Foncière</i>: [[●] per <i>Obligation Foncière</i> of [●] Specified Denomination]/[give details in relation to Inflation Linked Obligations Foncières]</p> <p>Call Option: [Applicable]/[Not Applicable]</p> <p>Early Redemption Amount: [Applicable: [●] per <i>Obligations Foncières</i> of [●] Specified Denomination/ [give details in relation to Inflation Linked Obligations Foncières] / Not Applicable]</p> <p>Yield (in respect of Fixed Rate <i>Obligations Foncières</i>): [[●] per cent. per annum/ Not Applicable]</p> <p>Representation of the holders of <i>Obligations Foncières</i>: Issue outside France: [Applicable/Not Applicable] Name and address of the Representative: [●] [Name and address of the alternate Representative: [●]]</p> <p>[If the <i>Obligations Foncières</i> are held by a single holder of <i>Obligations Foncières</i>, insert the wording below:</p>
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		<p>As long as the <i>Obligations Foncières</i> are held by a single holder of <i>Obligations Foncières</i>, and unless a Representative has been appointed in relation to such Series, such holder of <i>Obligations Foncières</i> shall exercise all the powers, rights and obligations entrusted to the <i>Masse</i> by the provisions of the Terms and Conditions of the <i>Obligations Foncières</i>. A Representative will be appointed as soon as the <i>Obligations Foncières</i> are held by several holders of <i>Obligations Foncières</i>.]</p>
C.10	Derivative component in interest payments	<p>Other than Inflation Linked <i>Obligations Foncières</i>, <i>Obligations Foncières</i> issued under the Programme do not contain any derivative components. Inflation Linked <i>Obligations Foncières</i> are <i>Obligations Foncières</i> in respect of which the principal and/or the interest amount is linked to:</p> <ul style="list-style-type: none"> - the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE (CPI); or - the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (HICP). <p>The value of the investment in the Inflation Linked <i>Obligations Foncières</i> may be affected by the value of the CPI or HICP, as the case may be, as described in item C.15 below.</p>
C.11	Admission to trading	<p><i>Obligations Foncières</i> of any particular Series may be admitted to trading on the regulated market of Euronext Paris and/or the Luxembourg Stock Exchange and/or on such other stock exchanges (whether a regulated market or not) as may be specified in the relevant Final Terms, or unlisted. The relevant Final Terms will state whether or not the relevant <i>Obligations Foncières</i> are to be listed and, if so, on which stock exchange(s).</p> <p>Issue specific summary:</p> <p>[[Application has been made/ Application is expected to be made] by the Issuer (or on its behalf) for the <i>Obligations Foncières</i> to be admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange] / [●] with effect from [●]/[Not Applicable]</p>
C.15	Description of how the value of investment is affected by the value of the underlying instrument	<p>Inflation Linked <i>Obligations Foncières</i> are debt securities which do not provide for predetermined interest payments and/or redemption amount. Interest amounts and/or principal is linked to:</p> <ul style="list-style-type: none"> (i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE; (ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat. <p>If, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the <i>Obligations Foncières</i> will be redeemed at par.</p>

		<p>Issue specific summary:</p> <p>The value of the investment in the Inflation Linked <i>Obligations Foncières</i> may be affected by the level of the [CPI/HICP]. Indeed, this inflation index affects the redemption amount and interest amount calculated as specified in item C.9 above.</p>
C.16	Inflation Linked Obligations Foncières - Maturity	<p>Subject to compliance with all relevant laws, regulations and directives, any maturity set out in the Final Terms.</p> <p>Issue specific summary:</p> <p>The maturity date of Inflation Linked <i>Obligations Foncières</i> is [●].</p>
C.17	Inflation Linked Obligations Foncières – Settlement procedure	<p>The Inflation Linked <i>Obligations Foncières</i> will be cash settled.</p>
C.18	Return on Inflation Linked Obligations Foncières	<p>Payments of interest in respect of any Inflation Linked <i>Obligations Foncières</i> shall be determined by multiplying the outstanding nominal amount of such <i>Obligations Foncières</i> by the product of the rate <i>per annum</i> specified in the Final Terms and the relevant Inflation Index Ratio.</p> <p>Payment of principal in respect of Inflation Linked <i>Obligations Foncières</i> where the principal amount is indexed shall be determined by multiplying the outstanding nominal amount of such <i>Obligations Foncières</i> by the relevant Inflation Index Ratio. However, if, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the <i>Obligations Foncières</i> will be redeemed at par.</p>
C.19	Inflation Linked Obligations Foncières – Exercise price/ Final reference price	<p>The final redemption amount in respect of Inflation Linked <i>Obligations Foncières</i> will be calculated on the basis of the ratio between the index on the Maturity Date and the Base Reference specified in the relevant Final Terms.</p> <p>Please also refer to item C.9 above.</p>
C.20	Inflation Linked Obligations Foncières – Description of Underlying	<p>Inflation Linked <i>Obligations Foncières</i> are <i>Obligations Foncières</i> where the coupons and/or the principal are indexed. In the case of Inflation Linked <i>Obligations Foncières</i> in respect of which interest is indexed, the coupon pays the annual change in inflation, applied in percentage to the issue’s nominal amount. In the case of Inflation Linked <i>Obligations Foncières</i> where the principal is indexed, the principal is indexed to the variation of inflation between the value of the relevant index (i.e. the CPI or the HICP) on the issue date and on the redemption date.</p> <p>Issue Specific Summary</p> <p>[Insert for CPI Linked Obligations Foncières]</p> <p>CPI Linked Obligations Foncières</p> <p>CPI Linked <i>Obligations Foncières</i> are linked to the consumer price index (excluding tobacco) for all households in France, as calculated and published monthly by the INSEE: the CPI. The CPI is the official instrument for measuring inflation. It allows an estimation between two given periods of the average change in prices of goods and services consumed by households on French territory. It is a summary gauge of movements in prices of products on a constant-quality basis. Information regarding the CPI can be found at <i>Agence France Trésor</i> Reuters page OATINFLATION01 or on Bloomberg FRCPXTOB Index <GO> pages and on the website www.aft.gouv.fr.</p>

		<p>[Insert for HICP Linked Obligations Foncières]</p> <p>HICP Linked Obligations Foncières</p> <p>HICP Linked <i>Obligations Foncières</i> are linked to the Eurozone harmonised index of consumer prices (excluding tobacco), as calculated and published monthly by Eurostat and the national statistical institutes in accordance with harmonised statistical methods: the HICP. The HICP is an economic indicator constructed to measure the changes over time in the prices of consumer goods and services acquired by households in Europe. Information regarding HICP can be found at <i>Agence France Trésor</i> Reuters page OATEI01, on the website www.aft.gouv.fr and on Bloomberg page CPTFEMU Index.</p>
C.21	Negotiation Market(s)	<p><i>Obligations Foncières</i> may (or not) be admitted to trading on the regulated market of Euronext Paris and/or the Luxembourg Stock Exchange and/or any other regulated market, as may be specified in the relevant Final Terms. The Base Prospectus will be published for the purposes of this or these regulated market(s).</p> <p>Issue Specific Summary</p> <p>[The <i>Obligations Foncières</i> will be admitted to trading on the regulated market of [Euronext Paris/ the Luxembourg Stock Exchange / [●]].]/[Not Applicable.]</p>

Section D – Risk Factors		
D.2	Key information on the key risks that are specific to the Issuer or its industry	<p>Factors that may have an impact on the Issuer are as follows:</p> <p>1. Credit risk</p> <p>Credit risk represents the potential loss that Caffil may incur as the result of the decline in a counterparty’s solvency.</p> <p>1.1. Risk of default in its Cover Pool</p> <p>Caffil is exposed to the risk of default on the pool of public sector assets included in its portfolio used as cover for the issuance of <i>Obligations Foncières</i> under the Programme (the “Cover Pool”). This could result in insufficient funds being available to meet its financial obligations under the <i>Obligations Foncières</i>.</p> <p>1.2. Risk of geographic concentration in its Cover Pool</p> <p>The vast majority of the Cover Pool (with more than 85%, excluding replacement assets and cash) is concentrated in France. Furthermore, Caffil holds a significant amount of public assets in other countries and particular in Italy. Adverse changes in the financial, economic and fiscal conditions within France may have significant consequences for the French and Italian public sector borrowers whose obligations are included in the Cover Pool, and consequently, on the credit quality of such obligations.</p> <p>1.3. Risk of default of its bank counterparties</p> <p>Caffil is exposed to bank counterparties risk of default for transactions it enters into as part of its currency and interest rate hedging operations, of its liquidity management and excess liquidity investment.</p> <p>2. ALM risk</p> <p>2.1. Liquidity Risk</p> <p>Liquidity risk is defined as the risk that the institution may not be able to find the</p>

necessary liquidity, on a timely basis and at a reasonable cost, to cover the financing needs related to its activity, including the redemption of its *Obligations Foncières*.

2.1.1. Risk of a liquidity shortfall that may affect its ability to settle its debt commitments in a timely fashion

If Caffil's ability to access funds from its parent company, SFIL, is diminished, and if it no longer maintains sufficient assets eligible for refinancing with the *Banque de France* or with a bank through a repo transaction, a liquidity shortfall may occur. That may result in Caffil having insufficient funds to meet its obligations with respect to the *Obligations Foncières*.

2.1.2. Dependence on SFIL for the unsecured funding of its over-collateral

There can be no assurance that SFIL will continue to extend unsecured funding to Caffil, thus reducing available over-collateral. This could affect the capacity of Caffil to redeem *Obligations Foncières* falling due or the rating of all outstanding *Obligations Foncières*.

2.2. Interest rate risk

Interest rate structural risk is defined as the risk of loss incurred in the event of a change in interest rates. Such a change could lead to a loss in value of balance sheet and off-balance sheet transactions.

2.2.1. Caffil may be exposed to residual risks linked to its hedging operations

SFIL, on behalf of Caisse Française de Financement Local, implements asset-liability management policies designed to limit exposure to interest rate risk. Nevertheless, Caffil is exposed to a residual interest rate risk as a result of unanticipated changes in the Cover Pool or in interest rate curve that may adversely affect Caffil's business, financial condition, cash flows and results of operations.

2.2.2. Risks linked to financial conditions in export credit refinancing loans

The particular features of refinancing loans of export contracts lead Caffil to give a commitment on financial conditions several months before the signing of the loan contract. The financial conditions at the time of the offer may no longer be in line with Caffil's funding and hedging conditions at the time and after the signing date of this contract. Furthermore, Caffil may enter into hedging operations or may prefinance the future drawdown of the credit as soon as a binding offer has been delivered. If the contract has not been signed, Caffil would have to unwind these operations. These situations may adversely affect Caffil's results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

2.3. Foreign exchange risk

Caisse Française de Financement Local 's foreign exchange risk management policy is to incur no foreign exchange risk. Nonetheless, certain loans to refinance large credit exports denominated in USD may cause a limited risk of foreign exchange during their drawing phase.

3. Operational risk

Operational risk represents the risk of loss resulting (i) from the lack of adaptation

or failure on the part of internal processes, staff, systems or (ii) external events.

3.1. Risk of failure or malfunction of the operational risk management systems put in place by SFIL

Such systems may notably be subject to risk of failure or, malfunction, which may negatively affect Caffil's financial performance.

3.2. Dependence on SFIL, its parent company, for its operations

French regulation requires that Caffil relies on a third party servicer to operate the company, including key operations. This role is performed by SFIL, Caffil's parent company, through a management agreement. This implies that adequate staff and information systems be made available by SFIL, the performance of which may adversely impact Caffil. In case the management agreement is terminated, a new servicer would need to be appointed which may negatively impact Caffil's financial performances.

4. Legal and tax risks

4.1. Caffil's operations are subject to risks arising from changes in law and regulations

Any changes to the current legislation or regulation applying to such legislation, including in particular the recent European framework for harmonising the existing rules on Covered Bond, to be approved by the European Parliament and the Council in the coming months, could adversely affect Caffil's business, financial conditions, cash flows and results from operations.

4.2. Risks relating to litigation with a counterparty/borrower or tax authority

Adverse court decision may have a negative impact on the reputation or the financial condition of Caffil. In the worst case, such litigation may lead to certain assets in the Cover Pool being declared void or voidable in whole or in part, reducing the amount of collateral. It could also lead to a decrease of the contractual interest rate with a retroactive effect and thus affect the hedging derivatives and the hedge relationship. In such cases, it may affect substantially cash flows, results of operations and financial condition of Caisse Française de Financement Local.

5. Caffil is exposed to the risk of non-compliance

Caffil monitors and controls the risk of non-compliance by mapping risks and developing a control plan. However, there is no assurance that these procedures are fully efficient. It could lead to a non-compliant situation that may have a negative impact on the reputation of Caffil or require the payment of a fine, and adversely affect its business, financial condition, cash flows and results of operations.

6. Accounting Risk

6.1. Caisse Française de Financement Local's operations are subject to risks arising from changes in accounting standards

Caffil's business operations are governed by IFRS and French Gaap standards. Any changes to the current accounting standards could adversely affect Caffil's business, financial condition, cash flows and results of operations.

6.2. Caffil applies certain critical accounting policies in preparing its financial statements in accordance with IFRS and French accounting standards

If the assumptions and estimates under which Caffil has used to prepare its historical financial statements turn out to be incorrect and must be changed in a material way, such new assumptions could have an adverse effect on Caffil's financial statements.

7. *Société de crédit foncier* specific risk

7.1. Risks linked to compliance with the Coverage Ratio required of it under French law

The coverage ratio is driven by the availability of assets and their value. The French law sets a minimum 105% coverage ratio. Rating agencies may set higher coverage ratio targets in order to attribute to Caffil's privileged debt the highest possible ratings. Such coverage ratios may not be reached in case of material defaults or if assets are used for other purposes such as obtaining liquidity from the central bank and consequently Caffil may not be able to raise new privileged debt or Caffil may lose its status of *société de crédit foncier*.

7.2. Credit rating of Caffil's *obligations foncières* will be affected by the credit rating of SFIL and the French State

A downgrade of SFIL or a downgrade of the French State may lead to a downgrade of Caffil's privileged liabilities, including outstanding *obligations foncières*, due to its shareholding structure. This shareholding structure might change, as it has been announced, but SFIL's shareholder base will remain – as today – fully public.

7.3. There can be no assurance that the assets in the Cover Pool at any given time comply with the applicable eligibility criteria

Starting in 2013, Caffil purchases loans originated by La Banque Postale. The verification of eligibility is performed both by La Banque Poste and by SFIL, on behalf of Caffil, respectively before and at the time of an acquisition of assets. Nevertheless, there can be no assurance that assets in the Cover Pool at the time of transfer or at any given time comply with the applicable eligibility criteria. Were there to be material non-compliance as to a large enough portion of Caffil's Cover Pool assets, Caffil would be required to sell back its non-compliant assets, leading in certain circumstances to a reduction in the Coverage Ratio.

In its business of refinancing of large credit export credit, loans granted to its parent company SFIL benefit from a 100% guarantee from the French State which entitles these assets to be eligible to the Cover Pool. Should a refinancing loan lose the benefit of the guarantee, it would be repaid by SFIL or reclassified as a replacement asset within the regulatory limit. In certain circumstances, SFIL may not be able to redeem the loan or the reclassification may not be possible; in such cases, Caffil would not be compliant with regulation and this could deteriorate its reputation or lead to an interdiction of issuing new *obligations foncières*.

7.4. The *Obligations Foncières* are obligations of Caffil only

Caffil is solely responsible for its obligations to creditors and cannot rely on any other entity to this end.

7.5. Holders have access to a limited description of the Cover Pool

Holders of *Obligations Foncières* will not receive more detailed statistics in relation to the loans or other assets contained or to be contained in Caffil's Cover Pool than what is published in Caffil's annual and semi-annual reports, in Caffil's quarterly activity reports, in Caffil's quarterly reports on asset quality or in Caffil's quarterly Harmonised Transparency Template of the Covered Bond Label.

		<p>8. Business activity risk</p> <p>8.1. Caffil may face a decrease in its activity and its margins in the local authority and municipal lending market or in the refinancing of export credit</p> <p>Existing or increased competition in the local government lending market or in the refinancing of export credit could lead to a reduction of margins for new commitments and ultimately to a strong reduction of new assets lending for Caffil or otherwise adversely affect Caffil’s business, financial conditions, cash flows and results from operations.</p> <p>8.2. Risk relating to the public policy missions with which Caisse Française de Financement Local has been entrusted by the French State and the authorization to operate or the agreements with the assets providers may not be extended</p> <p>SFIL and Caffil have been entrusted by the French State, with the two following public policy missions (i) to fund the needs of the French local public sector and public hospitals; and (ii) to refinance large French export contracts. If one of these two public policy missions of Caffil would be modified by the French State, it could potentially adversely affect Caffil’s business, financial condition, cash flows and results of operations.</p> <p>9. The United Kingdom leaving the European Union could adversely affect CAFFIL</p> <p>On 23 June 2016 the United Kingdom (“UK”) held a referendum to decide on its membership within the European Union. The UK vote was to leave the European Union and the UK Government invoked its right to withdraw from the European Union under Article 50 of the Treaty on the European Union on 29 March 2017. Under such Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply in the UK from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the European Union. The negotiation of the UK’s exit terms is likely to take a number of years. Until the terms and timing of the United Kingdom’s exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK’s departure from the European Union and/or any related matters may have on the Issuer’s financial condition. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the <i>Obligations Foncières</i> and/or the market value and/or the liquidity of the <i>Obligations Foncières</i> in the secondary market.</p>
D.3	<p>Key information on the key risks that are specific to the <i>Obligations Foncières</i></p>	<p>There are certain factors that may affect the Issuer’s ability to fulfill its obligations under <i>Obligations Foncières</i> issued under the Programme, including:</p> <ul style="list-style-type: none"> - General risks relating to the <i>Obligations Foncières</i> such as: <ul style="list-style-type: none"> - Investors must independently review and obtain professional advice with respect to the <i>Obligations Foncières</i> issued under the Programme; - Actual yield on <i>Obligations Foncières</i> issued under the Programme may be reduced from the stated yield as a result of transaction cost. Indeed, when the <i>Obligations Foncières</i> issued under the Programme are purchased or sold, costs may significantly reduce or cancel out the potential profit of <i>Obligations Foncières</i> (such as, but not limited to,

		<p>transaction fees, commissions, brokerage fees, custody fees);</p> <ul style="list-style-type: none"> - Potential conflicts of interest may arise between the holders and various parties operating under the Programme such as, but not limited to, discretionary determination and judgments made by an agent appointed for an issue of <i>Obligations Foncières</i> under the Programme; - Holders of <i>Obligations Foncières</i> issued under the Programme may not declare the <i>Obligations Foncières</i> immediately due and payable under any circumstances, including a default in the payment by Caffil of any interest or principal due in respect of the <i>Obligations Foncières</i>. Pursuant to the terms of the French <i>Code monétaire et financier</i>, all cash flows generated by Caffil's assets and by derivatives transactions together with deposits made by Caffil with other credit institutions, that in each case are eligible assets within the meaning of Articles L.513-3 to L.513-10 of the French <i>Code monétaire et financier</i>, are allocated as a matter of absolute priority to servicing <i>obligations foncières</i> or other privileged liabilities of Caffil as they fall due; - The credit rating of the <i>Obligations Foncières</i> may not reflect all risks; - An active trading market for <i>Obligations Foncières</i> issued under the Programme may never develop; - The trading market for <i>Obligations Foncières</i> issued under the Programme may be volatile and may be adversely affected by various events; - Neither Caffil nor the Dealer(s) assumes responsibility for the legality of any purchase under the Programme; - Modification, waivers and substitution of conditions affecting the <i>Obligations Foncières</i> that are not desired by all holders can be effected by a majority; - Purchases of the <i>Obligations Foncières</i> may be subject to certain taxes or other costs; - Change of law - No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of the Base Prospectus; - The proposed financial transaction tax: the draft directive on the proposed common financial transaction tax has a very broad scope and could, if introduced, apply to certain dealings in the <i>Obligations Foncières</i> (including secondary market transactions) in certain circumstances; - Caffil will not be required to pay any additional amounts if any law should require that any payments in respect of any <i>Obligation Foncière</i> or Coupon be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges of whatever nature. Therefore, the corresponding risk shall be borne by the holders of <i>Obligations Foncières</i> or, if applicable, the Couponholders; - No redemption for taxation reasons – if French law should require that payments of principal, interest or other revenues in respect of any <i>Obligation Foncière</i> or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, such <i>Obligation Foncière</i> will not, unless otherwise specified
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in the relevant Final Terms, be redeemed early. If such early redemption is provided in the relevant Final Terms, the Issuer may redeem such *Obligation Foncière*;

- EU Bank Recovery and Resolution Directive – On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms entered into force. This Directive is designed to enable a range of actions to be taken by relevant regulatory authorities in relation to credit institutions and investment firms which are considered to be at risk of failing. The exercise of any power under this Directive or any suggestion of such exercise could adversely affect the rights of holders of *Obligations Foncières* and/or the price or value of their investment in any *Obligations Foncières* and/or the ability of Caffil to satisfy its obligations under any *Obligations Foncières*.
- Basel III was implemented under EU legislation through the “CRD IV package” which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013, the Capital Requirements Regulation n° 575/2013 dated 26 June 2013 and the relevant subsequent Delegated Regulations. The implementation of Basel III and the CRD IV package, through the European directives and regulations, has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III and the CRD IV package will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the CRD IV. In addition, the implementation of Basel III and the CRD IV package could affect the risk weighting of the covered bonds in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of CRD IV package. Accordingly, recipients of the Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the CRD IV package could have on them.
- Risks related to a particular issue of *Obligations Foncières* under the Programme:
 - *Obligations Foncières* issued under the Programme may not be a suitable investment for all investors;
 - *Obligations Foncières* may be subject to optional redemption by Caffil;
 - [(Insert for Fixed Rate Obligations Foncières) Fixed Rate *Obligations Foncières* may not always maintain the same market value;]
 - [(Insert for Floating Rate Obligations Foncières) Floating Rate *Obligations Foncières* may be volatile;]
 - [(Insert for Floating Rate Obligations Foncières) Holders will not be able to calculate their rate of return on Floating Rate *Obligations Foncières* in advance;]
 - [(Insert for Fixed to Floating Rate Obligations Foncières or Floating to Fixed Rate Obligations Foncières or Fixed Rate to Formula Obligations Foncières or Formula to Fixed Rate Obligations Foncières, as the case may be) [[Fixed to Floating Rate/ Fixed Rate to Formula] *Obligations Foncières* may have a less favourable spread than the prevailing spreads

on comparable floating rate securities tied to the same reference rate;] /
[[Floating/Formula] to Fixed Rate *Obligations Foncières* may have a
lower new fixed rate;]]

- [(Insert for Zero Coupon *Obligations Foncières*) Zero Coupon *Obligations Foncières* issued under the Programme are subject to higher price fluctuations than non-discounted debt securities;]
- [(Insert for Inflation Based *Obligations Foncières*) Holders may be exposed to risk on Inflation Based *Obligations Foncières* which are dependent upon the performance of an index;]
- Inflation Based *Obligations Foncières* with a multiplier or other leverage factor can be particularly volatile investments;
- Structured *Obligations Foncières* may entail significant risks not associated with similar investments in a conventional debt security;
- Exchange rate risks and exchange controls may adversely affect the return on the *Obligations Foncières* issued under the Programme;
- [(Insert for *Obligations Foncières linked to a benchmark index*) The regulations and reform of "benchmarks" may adversely affect the value of *Obligations Foncières* linked to or referencing such "benchmarks";]
- [(Insert for *Obligations Foncières linked to LIBOR*) Future discontinuance of LIBOR and other benchmarks may adversely affect the value of Floating Rate *Obligations Foncières*;]
- [(Insert for *Obligations Foncières linked to a benchmark*) The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any *Obligations Foncières* linked to or referencing such "benchmarks".]

An investment in the *Obligations Foncières* involves certain risks which are material for the purpose of assessing the market risks associated with *Obligations Foncières* issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the *Obligations Foncières* may lead to volatility and/or a decrease in the market value of the relevant Tranche of *Obligations Foncières* whereby the market value falls short of the expectations (financial or otherwise) of an investor who has made an investment in such *Obligations Foncières*.

However, each prospective investor in *Obligations Foncières* must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the *Obligations Foncières* is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the *Obligations Foncières*.

D.6	Key information on factors which are material for the purpose of assessing the risks associated with Inflation Linked Obligations Foncières	Potential investors in Inflation Linked <i>Obligations Foncières</i> should be aware that such <i>Obligations Foncières</i> are debt securities where interest amounts and/or principal will be dependent upon the performance of (i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE; or (ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat. If, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the <i>Obligations Foncières</i> will be redeemed at par.
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Section E – Offer		
E.2b	Reasons for the offer and use of proceeds	<p>The net proceeds of the issue of each Tranche of <i>Obligations Foncières</i> will (as specified in the applicable Final Terms) be used by the Issuer: (i) for its general corporate purposes, (ii) in the case of Social <i>Obligations Foncières</i>, to finance and/or refinance, in whole or in part, assets or projects as defined in the Social Note Framework or (iii) as stated in the relevant Final Terms in respect of any particular issue of <i>Obligations Foncières</i> for which there is a particular identified use of proceeds.</p> <p>Issue Specific Summary</p> <p>[The net proceeds of the issue of the <i>Obligations Foncières</i> will be used by the Issuer for its general corporate purposes.]</p> <p>[The net proceeds will be used to finance and/or refinance in whole or in part [specify eligible assets/projects] as defined in the Social Note Framework.]</p> <p>[specify other]</p>

E.3	Terms and conditions of the offer	<p><i>Obligations foncières</i> may be offered to the public in France and in the Grand Duchy of Luxembourg in which the Base Prospectus has been passported and which shall be specified in the relevant Final Terms.</p> <p>There are certain restrictions regarding the purchase, offer, sale and delivery of the <i>Obligations Foncières</i>, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms.</p> <p>Other than as set out in section A.2 above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any <i>Obligations Foncières</i>. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p> <p>Issue Specific Summary</p> <p>[[Not Applicable. The <i>Obligations Foncières</i> are not offered to the public.]/</p> <p>[The <i>Obligations Foncières</i> are offered to the public in: [France]/[in the Grand Duchy of Luxembourg]]</p> <p>Offer Price: [Issue Price/specify]</p> <p>Conditions to which the offer is subject: [Not Applicable/give details]</p> <p>Offer Period (including any possible amendments): [specify]</p> <p>Description of the application process: [Not Applicable/give details]</p> <p>Details of the minimum and/or maximum amount of the application: [Not Applicable/give details]</p> <p>Manner in and date on which results of the offer are made public: [Not Applicable/give details]]</p>
E.4	Interests of natural and legal persons involved in the issue of the <i>Obligations Foncières</i>	<p>The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the <i>Obligations Foncières</i>.</p> <p>Issue Specific Summary</p> <p>[So far as the Issuer is aware, no person involved in the offer of the <i>Obligations Foncières</i> has an interest material to the offer.] / [The Managers will be paid an aggregate commission equal to [●] per cent. of the nominal amount of the <i>Obligations Foncières</i>. So far as the Issuer is aware, no other person involved in the issue of the <i>Obligations Foncières</i> has an interest material to the offer].</p>
E.7	Estimated expenses charged to investor by the Issuer or the offeror	<p>The relevant Final Terms will specify as the case may be the estimated expenses applicable to any Tranche of <i>Obligations Foncières</i>.</p> <p>Issue Specific Summary</p> <p>[Not Applicable / The estimated expenses charged to the investor(s) amount to [●].]</p>

RÉSUMÉ EN FRANÇAIS DU PROGRAMME (FRENCH SUMMARY OF THE PROGRAMME)

Les résumés contiennent des exigences de publicité appelées « Éléments » dont la communication est requise par l'Annexe XXII du Règlement (CE) n°809/2004 du 29 avril 2004 telle que modifiée. Ces éléments sont numérotés dans les sections A à E (A.1 - E.7). Ce résumé contient tous les Éléments devant être inclus dans un résumé pour ce type de valeurs mobilières et pour la Caisse Française de Financement Local (l'« **Émetteur** »). La numérotation des Éléments peut ne pas se suivre en raison du fait que certains Éléments n'ont pas à être inclus. Bien qu'un Éléments doive être inclus dans le résumé du fait du type de valeur mobilière et d'Émetteur concerné, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Éléments. Dans ce cas, une brève description de l'Éléments est incluse dans le résumé suivie de la mention « Sans objet ».

Ce résumé est fourni dans le cadre de l'émission par l'Émetteur d'Obligations Foncières ayant une valeur nominale unitaire inférieure à 100 000 euros qui sont offertes au public ou admises à la négociation sur un marché réglementé de l'Espace Economique Européen (l'« **EEE** »). Le résumé spécifique à ce type d'émission d'Obligations Foncières figurera en annexe des Conditions Définitives applicables et comprendra (i) les informations relatives au résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques "résumé spécifique à l'émission" figurant ci-dessous.

Section A - Introduction et avertissements		
A.1	Avertissement Général concernant le résumé	<p>Ce résumé doit être lu comme une introduction au Prospectus de Base. Toute décision d'investir dans les Obligations Foncières doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence et tout supplément qui pourrait être publié à l'avenir. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'État Membre de l'EEE, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire. Seule peut être engagée la responsabilité civile des personnes qui ont présenté le résumé ou la traduction de ce dernier, mais seulement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Obligations Foncières.</p>
A.2	Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus	<p>Dans le cadre de toute offre d'Obligations Foncières en France et au Grand-Duché de Luxembourg (les « Pays de l'Offre au Public ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée ou remplacée, (une « Offre au Public »), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives applicables (ensemble, le « Prospectus ») dans le cadre d'une Offre au Public de toute Obligation Foncière durant la période d'offre indiquée dans les Conditions Définitives concernées (la « Période d'Offre ») et dans le(s) Pays de l'Offre au Public indiqué(s) dans les Conditions Définitives concernées par :</p> <ol style="list-style-type: none"> (1) tout intermédiaire financier désigné dans ces Conditions Définitives, ou (2) si cela est indiqué dans les Conditions Définitives concernées, par tout intermédiaire financier qui remplit les conditions suivantes : (a) qui agit conformément à toutes les lois, règles, réglementations et recommandations applicables de toute autorité (les « Règles »), y compris, notamment et dans chacun des cas, les Règles relatives à la fois à l'opportunité ou à l'utilité de tout investissement dans les Obligations Foncières par toute personne et à la divulgation à tout investisseur potentiel ; (b) qui respecte les restrictions énoncées dans la partie intitulée "<i>Subscription and Sale</i>" du présent Prospectus de Base qui s'appliquent comme s'il s'agissait d'un Agent Placeur ; (c) qui respecte l'évaluation du marché cible réalisée par le producteur ainsi que les canaux de distribution identifiés dans le paragraphe « MiFID II Product

		<p>Governance » des Conditions Définitives concernées ; (d) qui s'assure que tous les frais (et toutes les commissions ou avantages de toute nature) reçus ou payés par cet intermédiaire financier en raison de l'offre ou de la cession des Obligations Foncières sont entièrement et clairement communiqués aux investisseurs ou aux investisseurs potentiels ; (e) qui détient tous les permis, autorisations, approbations et accords nécessaires à la sollicitation, ou à l'offre ou la cession des Obligations Foncières, en application des Règles ; (f) qui conserve les dossiers d'identification des investisseurs au moins pendant la période minimum requise par les Règles applicables et doit, sur demande, mettre ces registres à la disposition des Agent(s) Placeur(s) concerné(s) et de l'Émetteur ou les mettre directement à la disposition des autorités compétentes dont l'Émetteur et/ou les Agent(s) Placeur(s) concerné(s) dépendent afin de permettre à l'Émetteur et/ou aux Agent(s) Placeur(s) concerné(s) de respecter les Règles relatives à la lutte contre le blanchiment d'argent, à la lutte contre la corruption et les règles de connaissance du client applicables à l'Émetteur et /ou aux Agent(s) Placeur(s) concerné(s) ; (g) qui n'entraîne pas, directement ou indirectement, la violation d'une Règle par l'Émetteur ou les Agent(s) Placeur(s) concerné(s) ou qui ne soumet pas l'Émetteur ou les Agent(s) Placeur(s) concerné(s) à l'obligation d'effectuer un dépôt, d'obtenir une autorisation ou un accord dans tout pays ; et (h) qui satisfait à tout autre condition spécifiée dans les Conditions Définitives concernées,</p> <p>(chacun un « Établissement Autorisé »).</p> <p>L'Émetteur accepte la responsabilité, dans le[s] Pays de l'Offre au Public désigné[s] dans les Conditions Définitives, du contenu du Prospectus vis-à-vis de toute personne (un « Investisseur ») se trouvant dans le Pays de l'Offre au Public concerné à qui une offre de toute Obligation Foncière est faite par tout Établissement Autorisé et lorsque l'offre est faite pendant la période pour laquelle le consentement est donné. Toutefois, ni l'Émetteur ni aucun Agent Placeur n'est responsable des actes commis par tout Établissement Autorisé, y compris concernant le respect des règles de conduite des affaires applicables à l'Établissement Autorisé ou à d'autres obligations réglementaires locales ou à d'autres obligations légales relatives aux valeurs mobilières en lien avec une telle offre applicables à l'Établissement Autorisé.</p> <p>Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de douze (12) mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p> <p>Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.</p>
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	<p>Résumé spécifique à l'émission :</p> <p>[Dans le cadre de toute offre d'Obligations Foncières [en France / au Grand Duché du Luxembourg] (le[s] « Pays de l'Offre au Public ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée ou remplacée, (une « Offre au Public »), l'Émetteur consent à l'utilisation du Prospectus dans le cadre d'une Offre au Public de toute Obligation Foncière de [●] à [●] (la « Période d'Offre ») et dans le[s] Pays de l'Offre au Public par [●] / [tout intermédiaire financier] (l'[/les] « Établissement[s] Autorisé[s] »). [L'[/Les] Établissement[s] autorisé[s] doit[/doivent] remplir les conditions suivantes : [●].]</p> <p>L'Émetteur accepte la responsabilité, [en France/ au Grand Duché du Luxembourg], du contenu du Prospectus vis-à-vis de toute personne (un « Investisseur ») se trouvant [en France/ au Grand Duché du Luxembourg] à qui une offre de toutes Obligations Foncières est faite par tout Établissement Autorisé et lorsque l'offre est faite pendant la période pour laquelle le consentement est donné. Toutefois, ni l'Émetteur ni aucun Agent Placeur n'est responsable des actes commis par tout Établissement Autorisé, y compris concernant le respect des règles de conduite des affaires applicables à l'Établissement Autorisé ou à d'autres obligations réglementaires locales ou à d'autres obligations légales relatives aux valeurs mobilières en lien avec une telle offre applicable à l'Établissement Autorisé.</p> <p>Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de douze (12) mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p> <p>[Un Investisseur qui a l'intention d'acquérir ou qui acquiert des Obligations Foncières auprès d'un Établissement Autorisé le fera, et les offres et cessions des Obligations Foncières par un Établissement Autorisé à un Investisseur se feront, dans le respect de toutes conditions et autres accords mis en place entre l'Établissement Autorisé et l'Investisseur concernés y compris en ce qui concerne l'allocation du prix et les accords de règlement-livraison (les « Modalités de l'Offre au Public »). L'Émetteur ne sera pas partie à de tels accords avec des Investisseurs (autres que les Agents Placeurs) dans le contexte de l'offre ou la cession des Obligations Foncières et, en conséquence, le Prospectus de Base et les Conditions Définitives ne comprendront pas ces informations. Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.]</p> <p>[Sans objet]</p>
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Section B – Émetteur		
B.1	La raison sociale et le nom commercial de l'Émetteur	Caisse Française de Financement Local (« Caffil ») Jusqu'au 31 janvier 2013, la dénomination de l'Émetteur était Dexia Municipal Agency.
B.2	Le siège social et la forme juridique de l'Émetteur, la législation qui régit l'activité et le pays d'origine de l'Émetteur	L'Émetteur est une société anonyme à directoire et conseil de surveillance régie par le droit français en tant que société de crédit foncier. Elle est immatriculée au Registre du Commerce et des Sociétés de Nanterre sous le numéro 421 318 064.

<p>B.4b</p>	<p>Description de toutes les tendances connues touchant l'Émetteur ainsi que des industries de son secteur</p>	<p>Caisse Française de Financement Local est détenue à 100% par SFIL.</p> <p>Dans le contexte de sa première mission de politique publique de refinancer les prêts au secteur public local français, Caisse Française de Financement Local accorde ou acquiert des actifs aux collectivités locales françaises et aux établissements publics de santé. Ils sont commercialisés par La Banque Postale. Ce partenariat s'est imposé comme l'un des acteurs majeurs sur le marché du prêt au secteur public français.</p> <p>Une seconde mission de politique publique a été confiée à SFIL et Caisse Française de Financement Local en 2015 : le refinancement des crédits export. L'objectif de ce nouveau dispositif public est d'améliorer l'offre de prêts au crédit export en termes de volume, durée et coût.</p> <p>L'environnement économique, réglementaire et financier dans lequel CAFFIL exerce ces activités a, par définition, des répercussions sur son activité, ses résultats et ses perspectives.</p> <ul style="list-style-type: none"> - La situation financière des collectivités locales françaises pourrait être affectée par des conditions macro-économiques ainsi que par toute réforme touchant à leurs ressources et/ou réorganisation - Le refinancement de grands crédits à l'exportation est également exposé à l'environnement global ayant un impact sur l'économie française et ses industries clés. <p>Caisse Française de Financement Local en tant qu'émetteur d'obligations foncières intervient sur le marché des obligations foncières. Ce segment de marché a fait preuve de dynamisme durant les années passées et bénéficie d'un environnement réglementaire favorable pour les covered bonds. La proposition de la Commission Européenne du 12 mars 2018 relative à une directive sur les obligations sécurisées fixe les conditions que ces obligations doivent respecter pour être reconnues en vertu du droit européen. Elle renforce également la protection des investisseurs en imposant des devoirs de surveillance spécifiques. La proposition de directive est complétée par une proposition de règlement modifiant le règlement (UE) n° 575/2013 du 26 juin 2013 concernant les exigences prudentielles applicables aux établissements de crédit et aux entreprises d'investissement. Un accord politique a été trouvé le 26 février 2019 lors des négociations du trilogue, suivies par les votes d'approbation du Conseil (COREPER) et du Parlement Européen (ECON) des 20 mars 2019 et 1er avril 2019. La version définitive de cette nouvelle directive et de ce nouveau règlement devrait être officiellement approuvée par le Parlement européen et le Conseil dans les mois à venir.</p>
<p>B.5</p>	<p>Description du Groupe de l'Émetteur et de la position de l'Émetteur au sein du Groupe</p>	<p>Caisse Française de Financement Local est une filiale détenue à 100% par SFIL. L'Émetteur a été cédé à SFIL par Dexia Credit Local le 31 janvier 2013.</p> <p>SFIL est un établissement de crédit agréé par l'Autorité de Contrôle Prudentiel et de Résolution. SFIL est détenu à hauteur de 75% par l'Etat français, de 20% par la Caisse des Dépôts et Consignations (la "CDC") et de 5% par la Banque Postale.</p> <p>Le 15 novembre 2018, en cohérence avec le projet de création d'un grand pôle financier public autour de la CDC et La Poste, l'État et la CDC ont annoncé avoir engagé des discussions en vue de confier à la CDC le contrôle de SFIL, maison mère de la Caisse Française de Financement Local. Comme aujourd'hui, l'actionnariat de SFIL restera entièrement public : ses actionnaires veilleront à ce que sa solidité financière soit préservée, sa base économique soit protégée et continueront à fournir à celle-ci le soutien qui lui est nécessaire, conformément à la réglementation applicable. Cette évolution actionnariale interviendrait selon le même calendrier que les modifications concernant l'actionnariat de La Poste et de CNP Assurances.</p>

L'activité de la Caisse Française de Financement Local consiste à refinancer des prêts au secteur public dans le cadre de deux missions confiées par l'Etat français, via l'émission d'obligations foncières. Le rôle de SFIL consiste à assister la Caisse Française de Financement Local en qualité d'établissement support, tel que défini par la réglementation applicable aux sociétés de crédit foncier, notamment au sens de l'Article L.513-15 du Code monétaire et financier.


SFIL et la Caisse Française de Financement Local font partie de la structure publique dédiée au financement des collectivités territoriales et des établissements publics de santé en France, mise en place en 2013. Cette structure, que l'Etat français a décrit comme une « banque publique des collectivités territoriales », est basée sur une organisation tripartite :

- activités commerciales développées par La Banque Postale,
- activités de refinancement conduites par la Caisse Française de Financement Local, comprenant les crédits export importants,
- fonctions opérationnelles en support des activités sus-mentionnées sous la responsabilité de SFIL.



Depuis 2015, la Caisse Française de Financement Local peut accorder des prêts à SFIL pour le refinancement de ses crédits export achetés aux banques commerciales actives sur ce marché. Le fonctionnement du dispositif sera le suivant:

- SFIL contribuera à la proposition financière élaborée par une ou plusieurs banques du syndicat bancaire accordant le crédit-acheteur couvert par une assurance-crédit à l'exportation bénéficiant de la garantie de l'État ; ces banques lui céderont ensuite tout ou partie du crédit (et les droits attachés) et conserveront *a minima* la part du crédit export qui ne bénéficie pas de l'assurance (généralement 5 %) ;
- la Caisse Française de Financement Local accordera un prêt à SFIL permettant à cette dernière de refinancer le crédit export acquis; ce prêt de refinancement bénéficiera d'une garantie à 100 % de l'État français, dite « garantie rehaussée ». Les crédits de refinancement export accordés par la Caisse Française de Financement Local constitueront donc des expositions totalement garanties par l'État, éligibles au pool de couverture d'une société de crédit foncier. Ces prêts seront aussi conformes à la réglementation européenne CRR (article 129 décrivant les actifs autorisés dans un pool de couverture pour que les obligations foncières bénéficient d'un traitement prudentiel favorable).

		 <p>The diagram illustrates the structure of an export credit guarantee. At the top center is the French Republic logo with the motto 'Liberté • Égalité • Fraternité' and 'RÉPUBLIQUE FRANÇAISE'. Below it, two guarantee types are shown: 'Garantie d'agence publique française de crédit à l'exportation couvrant 95% de l'emprunt' on the left and 'Garantie irrévocable et inconditionnelle de l'Etat français (garantie rehaussée instituée par la loi n° 2012-1510)' on the right. The 'Garantie irrévocable...' is associated with the 'Caisse Française de Financement Local' logo. In the center, 'SFIL prend 95% du prêt export (part entièrement garantie)'. Below this, 'La banque exportatrice garde une exposition de 5% du prêt (part non garantie)'. On the left, a box labeled 'Client export' has an arrow pointing to a box labeled 'Banque exportatrice'. An arrow also points from the 'Banque exportatrice' box to the 'SFIL' box.</p>
B.9	Prévision ou estimation du bénéfice	Sans objet. L'Emetteur n'a pas publié de prévision ou estimation du bénéfice.
B.10	Réserves contenues dans le rapport des Commissaires aux comptes	<p>Les rapports des commissaires aux comptes, sur les états financiers annuels audités établis selon le référentiel IFRS tel qu'adopté dans l'Union européenne et sur les états financiers annuels audités selon le référentiel français pour la période s'achevant le 31 décembre 2017 ne contiennent pas de réserve.</p> <p>Les rapports des commissaires aux comptes, sur les états financiers annuels audités établis selon le référentiel IFRS tel qu'adopté dans l'Union européenne et sur les états financiers annuels audités selon le référentiel français pour la période s'achevant le 31 décembre 2018 contiennent des observations qui ne remettent pas en cause la certification des comptes.</p>

B.12	Informations financières sélectionnées	Les tableaux ci-dessous présentent un résumé des informations extraites des états financiers audités de l'Émetteur établi selon le référentiel IFRS tel qu'adopté dans l'Union européenne au 31 décembre 2017 et au 31 décembre 2018 :																												
		<table border="1"> <thead> <tr> <th>(Millions d'euros)</th> <th>31/12/2017³</th> <th>31/12/2018⁴</th> </tr> </thead> <tbody> <tr> <td>Fonds propres de base (à l'exclusion des gains ou pertes comptabilisés directement en capitaux propres)</td> <td>1 480</td> <td>1 459</td> </tr> <tr> <td>Dettes financières</td> <td>58 406</td> <td>59 897</td> </tr> <tr> <td>- Dette privilégiée</td> <td>53 585</td> <td>54 956</td> </tr> <tr> <td>- Dette non privilégiée</td> <td>4 821</td> <td>4 941</td> </tr> <tr> <td>Total du bilan</td> <td>68 777</td> <td>69 056</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>(Millions d'euros)</th> <th>Exercice 2017³</th> <th>Exercice 2018⁴</th> </tr> </thead> <tbody> <tr> <td>Produit net bancaire</td> <td>156</td> <td>171</td> </tr> <tr> <td>Résultat d'exploitation</td> <td>73</td> <td>66</td> </tr> <tr> <td>Résultat net</td> <td>41</td> <td>62</td> </tr> </tbody> </table>	(Millions d'euros)	31/12/2017 ³	31/12/2018 ⁴	Fonds propres de base (à l'exclusion des gains ou pertes comptabilisés directement en capitaux propres)	1 480	1 459	Dettes financières	58 406	59 897	- Dette privilégiée	53 585	54 956	- Dette non privilégiée	4 821	4 941	Total du bilan	68 777	69 056	(Millions d'euros)	Exercice 2017 ³	Exercice 2018 ⁴	Produit net bancaire	156	171	Résultat d'exploitation	73	66	Résultat net
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Résultat d'exploitation	73	66																												
Résultat net	41	62																												
		<p>Au 31 décembre 2018, l'encours des dettes privilégiées en valeur swappée a augmenté de EUR 1,1 milliard (+2,2 % par rapport à décembre 2017). L'encours des dettes non privilégiées s'élève à EUR 4,9 milliards, en hausse de 2,5 % par rapport à décembre 2017. Ces informations proviennent du rapport de gestion et des comptes annuels audités de l'Émetteur au 31 décembre 2018, établis selon le référentiel IFRS tel qu'adopté par l'Union Européenne.</p> <p>La première application de la norme IFRS 9 a eu un impact limité sur les fonds propres de la Caisse Française de Financement Local. Ainsi au 1^{er} janvier, un produit de EUR 77 millions avant application de l'Impôt sur les sociétés (soit un produit de EUR 50 millions après application de cet impôt) a été enregistré au sein des fonds propres comptables ce qui a conduit, toutes choses égales par ailleurs et après retraitements prudentiels, à une augmentation du ratio CET1 (<i>fully loaded</i>) de 126 points de base. L'essentiel de cet effet est lié au volet classement et évaluation qui représente un produit avant application de l'Impôt sur les sociétés de EUR 86 millions, tandis que le volet provisionnement représente une charge avant application de l'Impôts sur les sociétés de EUR 9 millions. De plus, la Caisse Française de Financement Local a décidé de ne pas opter pour la possibilité d'étaler dans le temps l'impact sur les fonds propres prudentiels associé à la première application de la norme et relatif au volet provisionnement.</p> <p>Il ne s'est produit aucun changement significatif dans la situation financière ou commerciale de l'Émetteur depuis le 31 décembre 2018 ni aucun changement défavorable significatif dans les perspectives de l'Émetteur depuis le 31 décembre 2018.</p> <p>Le nombre de clients qui ont poursuivi Dexia Crédit Local et/ou Société de Financement Local et/ou Caisse Française de Financement Local en raison des prêts structurés figurant au bilan de la Caisse Française de Financement Local s'élevait à 18 au 31 décembre 2018.</p>																												

³ Norme IAS 39 applicable.

⁴ Norme IFRS 9 applicable. La norme comptable IFRS9 est entrée en application le 1^{er} janvier 2018. Elle comporte trois volets principaux : la classification et l'évaluation des instruments financiers, le provisionnement des prêts, titres et engagement de financement et la comptabilité de couverture pour laquelle la Caisse Française de Financement Local a choisi de continuer à appliquer la norme IAS 39 dans l'attente de l'entrée en vigueur de la future norme relative à la macro-couverture.

B.13	Événement récent présentant un intérêt significatif pour l'évaluation de la solvabilité de l'Émetteur	Sans objet. Aucun événement propre à l'Émetteur n'est pertinent de manière significative afin d'évaluer sa solvabilité.
B.14	Degré de dépendance de l'Émetteur à l'égard d'autres entités du Groupe	<p>La Caisse Française de Financement Local est une filiale détenue à 100% par SFIL. La Caisse Française de Financement Local est dépendante de SFIL essentiellement pour :</p> <ul style="list-style-type: none"> • la gestion opérationnelle complète de la société (gestion courante, mais aussi gestion opérationnelle de la désensibilisation des crédits structurés sensibles inscrits au bilan de la Caisse Française de Financement Local) telle que définie par la réglementation applicable aux sociétés de crédit foncier, notamment au sens de l'article L.513-15 du Code monétaire et financier. SFIL assure également le rôle d'agent de la garantie réhaussée dans le cadre de l'activité crédit export. • l'apport des financements non privilégiés et des dérivés requis par l'activité de la Caisse Française de Financement Local. • En complément des engagements pris par l'État en tant qu'actionnaire de référence, une déclaration de soutien à la Caisse Française de Financement Local a été signée par SFIL le 31 janvier 2013 ; son texte est reproduit dans son rapport financier annuel.
B.15	Principales activités de l'Émetteur	<p>La Caisse Française de Financement Local a pour objet exclusif (en vertu de l'Article 2 de ses statuts) :</p> <ul style="list-style-type: none"> • de consentir ou d'acquérir des prêts aux personnes publiques tels que définis à l'Article L.513-4 du Code monétaire et financier français, ainsi que les créances assimilées aux prêts, telles que définies à l'Article L.513-5 dudit Code ; • de détenir des titres et valeurs dans les conditions fixées par décret pour être considérées comme des valeurs de remplacement ; • pour le financement des prêts susmentionnés, d'émettre des obligations appelées obligations foncières bénéficiant du privilège défini à l'Article L.513-11 du Code monétaire et financier et de recueillir d'autres ressources dont le contrat d'émission ou de souscription mentionne ce privilège. <p>La Caisse Française de Financement Local peut également assurer le financement des activités mentionnées ci-dessus par l'émission d'emprunts ou de ressources ne bénéficiant pas du privilège de l'Article L.513-11 du Code monétaire et financier.</p> <p>Conformément aux Articles L.313-23 à L.313-35 du Code monétaire et financier (anciennement loi n°81-1 du 2 janvier 1981 facilitant le crédit aux entreprises), la Caisse Française de Financement Local peut également mobiliser l'ensemble des créances qu'elle détient, quelle que soit la nature, professionnelle ou non, de ces créances.</p>
B.16	Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur	<p>Caisse Française de Financement Local est une filiale détenue à 100% par SFIL.</p> <p>Les actionnaires de SFIL sont l'Etat français (75%), la CDC (20%) et La Banque Postale (5%). L'Etat français remplit le rôle d'actionnaire de référence dans les échanges avec les autorités de régulation, ce qui souligne son engagement en matière de supervision et de prises de décisions stratégiques, ainsi que sa volonté d'assurer la continuité des opérations financières de SFIL en cas de besoin.</p> <p>Le 15 novembre 2018, en cohérence avec le projet de création d'un grand pôle financier public autour de la CDC et La Poste, l'État et la CDC ont annoncé avoir engagé des discussions en vue de confier à la CDC le contrôle de SFIL, maison mère de la Caisse</p>

		<p>Française de Financement Local. Comme aujourd'hui, l'actionnariat de SFIL restera entièrement public : ses actionnaires veilleront à ce que sa solidité financière soit préservée, sa base économique soit protégée et continueront à fournir à celle-ci le soutien qui lui est nécessaire, conformément à la réglementation applicable. Cette évolution actionnariale interviendrait selon le même calendrier que les modifications concernant l'actionnariat de La Poste et de CNP Assurances.</p>
B.17	Notation assignée à l'Émetteur ou à ses titres d'emprunt	<p>Les Obligations Foncières émises en vertu du Programme devraient être notées AA+ par Standard & Poor's Ratings Services (« S&P ») et/ou Aaa par Moody's Investors Services et/ou AAA par DBRS, qui sont des agences de notation établies dans l'Union Européenne et enregistrées conformément au Règlement (CE) No. 1060/2009 relatif aux agences de notation, tel que modifié (le « Règlement CRA »), et qui apparaissent dans la liste des agences de notation enregistrées publiée par l'Autorité Européenne des Marchés Financiers (<i>European Securities and Market Authority</i>) sur son site Internet (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) à la date du Prospectus de Base.</p> <p>«DBRS» désigne toute entité qui est membre de DBRS et tout successeur dans l'activité de notation applicable.</p> <p>Les notations seront spécifiées dans les Conditions Définitives correspondantes.</p> <p>Une notation ne constitue pas une recommandation d'achat, de vente ou de détention d'Obligations Foncières et peut à tout moment être suspendue, abaissée ou faire l'objet d'un retrait par l'agence de notation concernée.</p>
		<p>Résumé spécifique à l'émission :</p> <p>Notation de crédit : [Sans objet/Les Obligations Foncières qui seront émises [devraient être notées :</p> <p>[S&P : [●]]</p> <p>[Moody's : [●]]</p> <p>[DBRS : [●]]</p> <p>[Autre : [●]]]</p>

Section C – Valeurs mobilières		
C.1	Nature, catégorie et numéro d'identification des Obligations Foncières	<p>Jusqu'à 75 000 000 000 d'euros (ou la contre-valeur de ce montant dans d'autres devises à la date de l'émission) représentant le montant nominal total des Obligations Foncières en circulation à tout moment dans le cadre du Programme d'Euro Medium Term Notes arrangé par Deutsche Bank AG, Paris Branch (le « Programme »).</p> <p>Les Obligations Foncières seront émises sur une base syndiquée ou non-syndiquée. Les Obligations Foncières seront émises par souches (dénommées chacune « Souche ») à une même date ou à des dates d'émissions différentes et seront à tous autres égards identiques, les Obligations Foncières d'une même Souche étant supposées être fongibles entre elles (ou à tous égards à l'exception du premier paiement d'intérêts, de la date d'émission, du prix d'émission et du montant nominal). Chaque Souche pourra être émise par tranches (dénommées chacune « Tranche ») aux mêmes dates d'émission ou à des dates d'émission différentes. Les conditions particulières de chaque Tranche (qui seront complétées, si nécessaire, par des conditions complémentaires et qui, sauf en ce qui concerne la date d'émission, le prix d'émission, le premier paiement d'intérêts et le montant nominal de la Tranche, seront identiques aux conditions des autres Tranches de la même Souche) seront indiquées dans les Conditions Définitives jointes au Prospectus de Base (les « Conditions Définitives »).</p>

		<p>Les Obligations Foncières pourront être émises sous forme de titres dématérialisés (« Obligations Foncières Dématérialisées ») ou matérialisés (« Obligations Foncières Matérialisées »).</p> <p>Les Obligations Foncières Dématérialisées peuvent, au choix de l'Émetteur, soit être émises au porteur, soit être nominatives et, dans ce dernier cas, au choix du porteur concerné, être au nominatif pur ou au nominatif enregistré. Aucun titre papier ne sera émis pour les Obligations Foncières Dématérialisées. Les Obligations Foncières Matérialisées peuvent être émises au porteur (« Obligations Foncières Matérialisées au Porteur ») uniquement si elles sont émises hors de France. Un certificat global temporaire émis au porteur (un « Certificat Global Temporaire ») relatif à chaque Tranche de Obligations Foncières Matérialisées au Porteur sera initialement émis.</p> <p>Les Obligations Foncières seront déposées auprès d'Euroclear France en qualité de dépositaire central pour les Obligations Foncières Dématérialisées et Clearstream Banking, S.A. (« Clearstream »), Euroclear Bank SA/NV (« Euroclear ») ou tout autre système de compensation convenu par l'Émetteur, l'agent financier dans le cadre du Programme (l'« Agent Financier ») et l'Agent Placeur concerné pour les Obligations Foncières Matérialisées.</p> <p>Un numéro d'identification des Obligations Foncières (ISIN) et un code commun seront indiqués dans les Conditions Définitives applicables.</p>
		<p>Résumé spécifique à l'émission :</p> <p>Souche N° : [●]</p> <p>Tranche N° : [●]</p> <p>Montant Nominal Total : [●]</p> <p>Souche : [●]</p> <p>Tranche : [●]</p> <p>Forme des Obligations Foncières : [Obligations Foncières Matérialisées/Obligations Foncières Dématérialisées]</p> <p>[Si les Obligations Foncières sont des Obligations Foncières Dématérialisées : Les Obligations Foncières Dématérialisées sont des Obligations Foncières au porteur / au nominatif.]</p> <p>[Si les Obligations Foncières sont des Obligations Foncières Matérialisées : Les Obligations Foncières Matérialisées sont des Obligations Foncières au porteur uniquement]</p> <p>ISIN : [●]</p> <p>Code commun : [●]</p> <p>Dépositaire Central : [●]</p> <p>Tout système de compensation autre qu'Euroclear et Clearstream et les numéros d'identification applicables : [Sans objet]/[donner le(s) nom(s) et le(s) numéro(s) [et le(s) adresse(s)]]</p>
C.2	Devises	<p>Les Obligations Foncières peuvent être émises en euro, dollar américain, yen japonais, franc suisse, livre sterling, dollar canadien et en toute autre devise qui pourrait être convenue entre l'Émetteur et les Agents Placeurs concernés.</p>

		<p>Résumé spécifique à l'émission :</p> <p>La devise des Obligations Foncières est : [●]</p>
C.5	Description de toute restriction imposée à la libre négociabilité des Obligations Foncières	<p>Sous réserve de certaines restrictions relatives à l'achat, l'offre, la vente et la livraison des Obligations Foncières ou à la possession ou à la distribution du Prospectus de Base, de tout autre document d'offre ou de toutes Conditions Définitives, il n'existe pas de restriction imposée à la libre négociabilité des Obligations Foncières.</p>
C.8	Description des droits attachés aux Obligations Foncières	<ul style="list-style-type: none"> • <u>Arrangeur dans le cadre du Programme</u> L'Arrangeur dans le cadre du Programme (l'« Arrangeur») est : Deutsche Bank AG, Paris Branch
		<ul style="list-style-type: none"> • <u>Agents Placeurs dans le cadre du Programme</u> Les agents placeurs dans le cadre du Programme (les « Agents Placeurs ») sont : Barclays Bank Ireland PLC Barclays Bank PLC BNP PARIBAS Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Deutsche Bank Aktiengesellschaft Goldman Sachs International HSBC France J.P. Morgan Securities plc Landesbank Baden-Württemberg Morgan Stanley & Co. International plc NATIXIS NatWest Markets N.V. NatWest Markets Plc Nomura International plc Société Générale UBS Europe SE UniCredit Bank AG <p>L'Émetteur peut, à tout moment, terminer le mandat d'un des Agents Placeurs ou nommer des agents placeurs additionnels, soit pour les besoins d'une ou plusieurs Tranches, soit pour les besoins du Programme en sa totalité. Les références dans ce Prospectus de Base aux « Agents Placeurs Permanents » sont aux personnes nommées ci-dessus en qualité d'Agents Placeurs, ainsi qu'aux personnes additionnelles qui seraient nommées comme agents placeurs pour les besoins du Programme en sa totalité (et il n'a pas été mis fin à une telle nomination) et les références aux « Agents Placeurs » couvrent tous les Agents Placeurs Permanents et toutes les personnes nommées en qualité d'agents placeurs pour les besoins d'une ou plusieurs Tranches.</p> <ul style="list-style-type: none"> • <u>Prix d'émission</u> Les Obligations Foncières peuvent être émises au pair ou avec une décote ou une prime par rapport à leur valeur nominale. • <u>Valeur(s) nominale(s) unitaire(s)</u> Les Obligations Foncières auront la ou les valeur(s) nominale(s) indiquées dans les Conditions Définitives correspondantes. Les Obligations Foncières auront la ou les valeur(s) nominale(s) convenue(s) entre l'Émetteur et l'Agent Placeur concerné.

		<p>Les Obligations Foncières qui ont une échéance inférieure à un an seront considérés comme des dépôts au regard de l'interdiction d'accepter des dépôts prévue par la section 19 du <i>Financial Services and Markets Act 2000</i>, tel que modifié, (la « FSMA ») sauf si celles-ci sont émises auprès d'un groupe limité d'investisseurs professionnels et ont une dénomination minimale de 100.000 livres sterling ou sa contre-valeur.</p> <p>Les Obligations Foncières dématérialisées seront émises avec une seule valeur nominale.</p> <ul style="list-style-type: none"> • <u>Rang de créance des Obligations Foncières</u> <p>Les Obligations Foncières constitueront des engagements directs et inconditionnels de l'Émetteur et, tel qu'indiqué ci-après, bénéficieront du privilège défini à l'Article L.513-11 du Code monétaire et financier français.</p> <ul style="list-style-type: none"> • <u>Privilège</u> <p>Les porteurs d'Obligations Foncières bénéficient d'un privilège (droit de paiement prioritaire) conformément à l'Article L.513-11 du Code monétaire et financier sur tous les actifs et droits de l'Émetteur.</p>
		<ul style="list-style-type: none"> • <u>Maintien de l'emprunt à son rang</u> <p>Aucun.</p> <ul style="list-style-type: none"> • <u>Cas de défaut, y compris le défaut croisé</u> <p>Aucun.</p> <ul style="list-style-type: none"> • <u>Fiscalité</u> <p>Tous les paiements de principal, d'intérêts et d'autres revenus par ou pour le compte de l'Émetteur au titre des Obligations Foncières ou Coupons seront effectués sans retenue à la source ou prélèvement au titre de tout impôt, droit, contribution ou charge gouvernementale de toute nature, imposé, levé, collecté ou retenu à la source par ou pour le compte de toute juridiction ou de toute autorité de cette juridiction ayant le pouvoir de lever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi.</p> <p>Si une telle retenue à la source ou déduction devait, en vertu de la législation applicable, être effectuée sur un paiement de principal, d'intérêts et d'autres revenus au titre des Obligations Foncières ou Coupons, l'Émetteur ne sera pas tenu de majorer ses paiements en vue de compenser cette retenue à la source ou déduction.</p> <p>En conséquence, il n'y aura pas d'option de remboursement pour raisons fiscales à l'initiative de l'Émetteur.</p> <ul style="list-style-type: none"> • <u>Droit applicable</u> <p>Droit français.</p> <p>Résumé spécifique à l'émission:</p> <p>Prix d'Emission : [●] % du Montant Nominal Total [majoré des intérêts courus à compter de [insérer la date] (si applicable)].</p> <p>Valeur Nominale Unitaire : [●]</p>
C.9	<p>Intérêts, échéance et modalités de remboursement, rendement et représentation des Porteurs des Obligations Foncières</p>	<p>Merci de vous reporter également à la section C.8 ci-dessus.</p> <ul style="list-style-type: none"> • <u>Périodes d'intérêt et taux d'intérêts</u> <p>La durée des périodes d'intérêts et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Souche. Les Obligations Foncières pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux, étant précisé qu'en aucun cas, le montant d'intérêts concerné ne sera inférieur à zéro. L'utilisation des périodes d'intérêts courus permet de prévoir des taux d'intérêts différents des Obligations Foncières pour la même période d'intérêts. Ces informations seront prévues dans les Conditions Définitives concernées.</p> <ul style="list-style-type: none"> • <u>Obligations Foncières à Taux Fixe</u>

Les coupons fixes seront payables à terme échu à la date ou aux dates de chaque année prévues par les Conditions Définitives.

- **Obligations Foncières à Taux Variable**

Les Obligations Foncières à Taux Variable porteront intérêt déterminé de façon différente pour chaque Souche, comme suit :

- (i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt dans la Devise Prévues concernée, conformément à la Convention-Cadre FBF de juin 2013, telle que publiée par la Fédération Bancaire Française ; ou
- (ii) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt dans la devise prévue concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par la *International Swaps and Derivatives Association, Inc.* ; ou
- (iii) par référence au LIBOR, EURIBOR, EONIA, CMS Rate ou TEC 10 ou, si « Remplacement de l'Indice de Référence » est indiqué comme applicable dans les Conditions Définitives concernées, tout taux successeur ou taux de remplacement,

tels qu'ajustés, dans chaque cas, des marges applicables.

Les Obligations Foncières à Taux Variable peuvent également avoir un taux d'intérêt maximum, un taux d'intérêt minimum ou les deux, étant précisé qu'en aucun cas, le montant d'intérêts concerné ne sera inférieur à zéro.

- **Obligations Foncières à Taux Fixe/Variable**

Les Obligations Foncières à Taux Fixe/Variable pour lesquels un changement de base d'intérêt est spécifié comme étant applicable peuvent être émis par l'Émetteur, le changement de base d'intérêt pouvant être prévu au gré de l'Émetteur ou automatiquement.

- **Obligations Foncières à Coupon Zéro**

Les Obligations Foncières à Coupon Zéro seront émises à leur valeur nominale ou à un prix différent du pair et ne porteront pas intérêt.

- **Obligations Foncières Indexées sur l'Inflation**

L'Émetteur pourra émettre des Obligations Foncières Indexées sur l'Inflation dont l'intérêt et/ou le principal sera calculé à partir d'un ratio de l'indice d'inflation (à chaque fois, le « **Ratio de l'Indice d'Inflation** »), ce ratio étant lui-même déterminé grâce à :

- (i) l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'Institut National de la Statistique et des Études Économiques (« **INSEE** ») (le « **CPI** ») (les « **Obligations Foncières Indexées sur le CPI** ») ; ou
- (ii) l'indice des prix à la consommation harmonisé (hors tabac) ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat (le « **HICP** ») (les « **Obligations Foncières Indexées sur le HICP** »).

- **Echéances**

Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance d'un mois minimum à compter de la date d'émission initiale.

- **Remboursement**

Les Conditions Définitives concernées définiront les montants de remboursement dûs conformément aux Modalités des Obligations Foncières. A moins qu'elle n'ait été préalablement remboursée ou rachetée et annulée par l'Émetteur, chaque Obligation Foncière sera remboursée à la Date d'Échéance tel que spécifiée dans les Conditions Définitives concernées à son Montant de Remboursement Final (qui est au minimum son

montant nominal).

Sauf si les lois et réglementations en vigueur le permettent, les Obligations Foncières (y compris les Obligations Foncières libellés en Livres Sterling) ayant une échéance inférieure à un (1) an à compter de la date d'émission et à l'égard desquelles les produits de l'émission seront acceptés par l'Émetteur au Royaume-Uni ou à l'égard desquelles l'émission constituerait une contravention à l'article 19 de la FSMA doivent avoir un montant minimum de remboursement de 100.000 Livres Sterling (ou une somme équivalente dans une autre devise).

- **Option de remboursement**

Les Conditions Définitives préparées à l'occasion de chaque émission d'Obligations Foncières indiqueront si celles-ci peuvent être remboursées avant la date d'échéance prévue au gré de l'Émetteur (en totalité ou en partie) et, si tel est le cas, les modalités applicables à ce remboursement.

- **Pas de remboursement pour raisons fiscales**

Si le droit français exige que les paiements du principal, des intérêts ou de tout autre revenu assimilable au titre d'une Obligation Foncière ou d'un Coupon fassent l'objet d'une retenue à la source ou d'une déduction au titre d'impôts, droits, cotisations ou charges gouvernementales de toute nature existants ou futurs, cette Obligation Foncière ne fera pas l'objet d'un remboursement anticipé, sauf précision contraire dans les Conditions Définitives correspondantes.

- **Rendement**

Les Conditions Définitives de chaque émission d'Obligations Foncières à Taux Fixe préciseront le rendement des Obligations Foncières.

- **Représentation des Porteurs d'Obligations Foncières**

En ce qui concerne la représentation des Porteurs d'Obligations Foncières, les paragraphes suivants s'appliqueront :

Les Porteurs d'Obligations Foncières seront groupés automatiquement, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une masse (la « **Masse** »), qui sera régie par les dispositions des articles L.228-46 et s. du Code de Commerce à l'exception des articles L.228-71 (uniquement pour les Titres émis hors de France) et R.228-69 du Code de Commerce, telles que complétées par les Modalités des Obligations Foncières.

La Masse agira en partie par l'intermédiaire d'un représentant (le « **Représentant** ») et en partie par l'intermédiaire de décisions collectives des Porteurs d'Obligations Foncières. Les noms et adresses du Représentant initial et de son suppléant seront précisés dans les Conditions Définitives concernées. Le Représentant désigné dans le cadre de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.

Les décisions collectives sont adoptées soit en assemblée générale, soit par consentement obtenu à l'issue d'une consultation écrite.

Aussi longtemps que les Obligations Foncières d'une Souche donnée seront détenues par un seul Porteur, et sauf si un Représentant a été désigné au titre de cette Souche, le Porteur concerné exercera l'ensemble des pouvoirs, droits et obligations dévolus à la Masse par les Modalités des Obligations Foncières. Ce Porteur unique tiendra (ou fera tenir par tout agent habilité) un registre de l'ensemble des décisions prises par ce dernier et le mettra à disposition, sur demande, de tout Porteur ultérieur de tout ou partie de cette Souche d'Obligations Foncières.

Résumé spécifique à l'émission :

Base(s) d'Intérêt :

[Taux Fixe [●] %]

		<p>[Taux Variable [●] +/- [●] %] [Taux Fixe/Variable] [Coupon Zéro] [Intérêt Indexé sur le CPI] [Intérêt Indexé sur le HICP]</p> <p>Date de Commencement des Intérêts : [Préciser/Date d'Emission/Sans objet]</p> <p>Date d'Échéance : [Préciser (pour les Obligations Foncières à Taux Variable) la Date de Paiement des Intérêts tombant le ou le plus près du mois et de l'année concernés]</p> <p>Montant de Remboursement Final de chaque Obligation Foncière : [●] par Obligation Foncière d'une Valeur Nominale Unitaire de [●] / [détailler s'il s'agit d'Obligations Foncières Indexées sur l'Inflation]</p> <p>Option de Remboursement : [Applicable] / [Sans objet]</p>
		<p>Montant de Remboursement Anticipé : [Applicable : [●] par Obligation Foncière d'une Valeur Nominale Unitaire de [●] / [Sans objet]]</p> <p>Rendement (des Obligations Foncières à Taux Fixe) : [[●] % l'an / Sans objet]</p> <p>Représentation des Porteurs d'Obligations Foncières : Emission hors de France : [Applicable/Non Applicable] Nom et adresse du Représentant : [●]</p> <p>Nom et adresse du Représentant suppléant : [●]</p> <p>[Si les Obligations Foncières ne sont détenues que par un Porteur, insérer le paragraphe suivant :</p> <p>Aussi longtemps que les Obligations Foncières d'une Souche donnée seront détenues par un seul Titulaire, et sauf si un Représentant a été désigné au titre de cette Souche, le Titulaire concerné exercera l'ensemble des pouvoirs dévolus à la Masse par les Modalités des Obligations Foncières. Un représentant de la Masse sera désigné dès que les Obligations Foncières seront détenues par plus d'un Titulaire.</p>
C.10	Paiement des intérêts liés à un (des) instrument(s) dérivé(s)	<p>A l'exception des Obligations Foncières Indexées sur l'Inflation, les Obligations Foncières émises dans le cadre du Programme ne sont liées à aucun instrument dérivé. Les Obligations Foncières Indexées sur l'Inflation sont des Obligations Foncières dont le montant des intérêts et/ou le principal sont liés à la variation (i) de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE, (CPI) ou (ii) de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié</p>

		<p>mensuellement par Eurostat (HICP).</p> <p>La valeur de l'investissement dans les Obligations Foncières Indexées sur l'Inflation peut être affectée par la valeur du CPI ou le l'HICP, selon le cas, tel que décrit à la rubrique C.15 ci-dessous.</p>
C.11	Admission à la négociation	<p>Une Souche d'Obligations Foncières peut être admise aux négociations sur le marché réglementé d'Euronext Paris et/ou de la Bourse de Luxembourg et/ou sur un autre marché (réglementé ou non) mentionné dans les Conditions Définitives ou peut ne pas être cotée.</p> <p>Les Conditions Définitives concernées indiqueront si les Obligations Foncières seront cotées ou non et mentionneront le cas échéant sur quel(s) marché(s).</p> <p>Résumé spécifique à l'émission :</p> <p>[[Une demande a été faite/ Une demande doit être faite] par l'Émetteur (ou au nom et pour le compte de l'Émetteur) en vue de la cotation et de l'admission des Obligations Foncières aux négociations sur le marché réglementé d'[Euronext Paris / de la Bourse de Luxembourg / [●]] à compter de [●] / [Sans objet]</p>
C.15	Description de l'impact de la valeur sous-jacent sur la valeur de l'investissement	<p>Les Obligations Foncières Indexées sur l'Inflation sont des titres de créance dont le montant d'intérêt n'est pas prédéterminé et/ou dont le montant de remboursement n'est pas prédéterminé. Les montants dûs au titre de l'intérêt et/ou du principal seront dépendants de la variation :</p> <ul style="list-style-type: none"> (i) de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE, ou (ii) de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat. <p>Si à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1, les Obligations Foncières seront remboursées au pair.</p> <p>Résumé spécifique à l'émission :</p> <p>La valeur de l'investissement dans les Obligations Foncières Indexées sur l'Inflation peut être affectée par le niveau du [CPI/HICP]. En effet, cet indice d'inflation affecte le montant de remboursement et le montant d'intérêt calculés comme indiqué à la section C.9 ci-dessus.</p>
C.16	Obligations Foncières Indexées sur l'Inflation - Échéance	<p>Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance indiquée dans les Conditions Définitives.</p> <p>Résumé spécifique à l'émission :</p> <p>La date d'échéance des Obligations Indexées sur l'Inflation est [●].</p>
C.17	Obligations Foncières Indexées sur l'Inflation – Règlement-livraison	<p>Les Obligations Foncières Indexées sur l'Inflation feront l'objet d'un règlement en espèces.</p>
C.18	Produit des Obligations Foncières Indexées sur l'Inflation	<p>Les paiements d'intérêts se rapportant aux Obligations Foncières Indexées sur l'Inflation dont l'intérêt est indexé sur l'inflation seront déterminés en multipliant le montant nominal en circulation de ces Obligations Foncières par le produit du taux annuel indiqué dans les Conditions Définitives et du Ratio de l'Indice d'Inflation applicable.</p> <p>Le paiement du montant en principal dû au titre des Obligations Foncières Indexées sur l'Inflation, si ce montant est indexé sur l'inflation, sera déterminé en multipliant le</p>

		montant nominal de ces Obligations Foncières en circulation par le Ratio de l'Indice d'Inflation applicable. Toutefois, si à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1, les Obligations Foncières seront remboursées au pair.
C.19	Obligations Foncières Indexées sur l'Inflation – Prix d'exercice / Prix de référence final	Le montant de remboursement final pour les Obligations Foncières Indexées sur l'Inflation sera calculé sur la base du ratio entre l'indice à la date d'échéance et la Référence de Base spécifiée dans les Conditions Définitives applicables. Merci de vous reporter également à la section C.9 ci-dessus.
C.20	Obligations Foncières Indexées sur l'Inflation – Description du sous-jacent	<p>Les Obligations Foncières Indexées sur l'Inflation sont des Obligations Foncières dont le montant d'intérêts et/ou le principal sont indexés. Dans le cas de Obligations Foncières Indexées sur l'Inflation dont l'intérêt est indexé, l'intérêt est déterminé en appliquant la variation annuelle de l'inflation, exprimée en pourcentage, au montant nominal des Obligations Foncières Indexées sur l'Inflation. Dans le cas d'Obligations Foncières Indexées sur l'Inflation dont le principal est indexé, le principal est indexé sur la variation de l'inflation entre la valeur de l'indice applicable (c'est-à-dire soit le CPI soit le HICP) à la date d'émission et à la date de remboursement.</p> <p>Résumé spécifique à l'émission : [(Insérer pour les Obligations Foncières indexées sur CPI)]</p> <p>Les Obligations Foncières Indexées sur le CPI</p> <p>Les Obligations Foncières Indexées sur le CPI sont liées à l'indice des prix à la consommation (hors tabac) des ménages en France calculé et publié mensuellement par l'INSEE : le CPI. Le CPI est l'instrument officiel pour mesurer l'inflation. Il permet de disposer d'une estimation entre deux périodes déterminées des moyennes de fluctuations des prix des biens et des services consommés par les ménages sur le territoire français. C'est un indicateur de mouvements des prix des produits sur une base de qualité constante. Des informations relatives aux CPI peuvent être trouvées à la page Reuters Agence France trésor OATINFLATION01 ou sur Bloomberg FRCPXTOB Index <GO> et sur le site internet www.aft.gouv.fr.</p> <p>Les Obligations Foncières Indexées sur le HICP [(Insérer pour les Obligations Foncières indexées sur HICP)]</p> <p>Les Obligations Foncières Indexées sur le HICP sont liées à l'indice des prix à la consommation harmonisé, hors tabac, de la zone euro calculé et publié mensuellement par Eurostat et les instituts nationaux de la statistique conformément aux méthodes statistiques harmonisées : le HICP. Le HICP est un indicateur économique destiné à mesurer les changements dans le temps des prix des biens à la consommation et des services acquis par les ménages dans la zone euro. Des informations relatives au HICP peuvent être trouvées à la page Reuters Agence France Trésor OATEI01, sur le site internet www.aft.gouv.fr et sur la page Bloomberg CPTFEMU Index.</p>
C.21	Marchés de Négociation	<p>Les Obligations Foncières pourront (ou non) être cotées et admises aux négociations sur le marché réglementé d'Euronext Paris et/ou de la Bourse de Luxembourg et/ou tout autre marché réglementé, tel que stipulé dans les Conditions Définitives applicables. Le Prospectus de Base sera donc publié à l'intention du ou des marchés réglementés ainsi désigné(s).</p> <p>Résumé spécifique à l'émission : [Les Obligations Foncières seront cotées et admises à la négociation sur le marché réglementé [d'Euronext Paris / de la Bourse de Luxembourg / [●]].] / [Sans objet.]</p>

Section D –Facteurs de Risque

D.2	Informations clés sur les principaux risques propres à l'Émetteur ou à son exploitation et son activité	<p>Les facteurs susceptibles d'avoir des répercussions sur l'Émetteur sont les suivants :</p> <p>1. Risque de Crédit</p> <p>Le risque de crédit représente la perte potentielle que Caffil peut subir du fait de la détérioration de la solvabilité d'une contrepartie.</p> <p>1.1. Risque de défaut sur son Pool de Couverture</p> <p>Caffil est exposée au risque de défaut des actifs de son portefeuille d'actifs du secteur public utilisé comme couverture pour l'émission d'Obligations Foncières sous le Programme (le « Pool de Couverture »). Cela peut conduire à une insuffisance de fonds disponibles nécessaires à l'exécution de ses obligations financières au titre des Obligations Foncières.</p> <p>1.2. -Risque de concentration géographique sur son Pool de Couverture</p> <p>La plus grande majorité du Pool de Couverture (avec plus de 85%, à l'exception des valeurs de remplacement et de la trésorerie) est situé en France. Par ailleurs, Caffil détient un montant significatif d'actifs publics dans d'autres pays et en particulier en Italie. Toutes modifications substantielles des conditions financières, économiques et fiscales en France ou en Italie pourrait avoir un impact significatif défavorable sur les obligations des emprunteurs du secteur public français ou italiens qui sont incluses dans le Pool de Couverture, et, en conséquence, sur la qualité de crédit des ces obligations.</p> <p>1.3. -Risque de défaut sur ses contreparties bancaires</p> <p>Caffil est exposée au risque de défaut de ses contreparties bancaires au titre des transactions qu'elle conclut dans le cadre de ses opérations de couverture de taux ou de devises, de sa gestion de sa liquidité et de l'investissement de ses excédents de liquidité.</p> <p>2. Risque lié à l'ALM</p> <p>2.1. Risque de Liquidité</p> <p>Le risque de liquidité est défini comme le risque lié à la capacité de l'établissement à trouver la liquidité nécessaire à bonne date et à un coût raisonnable pour satisfaire les besoins de financement liés à son activité, y compris le remboursement des Obligations Foncières.</p> <p>2.1.1. Risque d'insuffisance de liquidité qui pourrait affecter sa capacité à régler ses engagements de dette dans un délai convenable</p> <p>Si la capacité de Caffil d'accéder à des financements fournis par sa société mère, SFIL, est diminuée, et qu'elle ne dispose plus suffisamment d'actifs éligibles pour un refinancement Banque de France ou avec une banque à travers une opération <i>repo</i>, une réduction de la liquidité pourrait survenir. Cela pourrait conduire à la situation où Caffil n'aurait pas suffisamment d'actifs pour garantir l'exécution de ses obligations au titre des Obligations Foncières.</p> <p>2.1.2. Dépendance vis-à-vis de SFIL pour le financement de son sur-collatéral par des financements non privilégiés</p> <p>Il n'y a aucune assurance que SFIL continue de fournir à Caffil un financement non sécurisé. Ceci réduirait le sur-collatéral disponible et aurait pour effet d'affecter la capacité de Caffil à rembourser les Obligations Foncières arrivant à échéance ou la notation des Obligations Foncières en circulation.</p>
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2.2. Risque de taux d'intérêt

Le risque structurel de taux se définit comme le risque de perte encourue en cas de variation des taux d'intérêt qui entraînerait une perte de valeur des opérations de bilan et de hors bilan.

2.2.1. Caffil peut être exposée à des risques résiduels liées à ses opérations de couverture

SFIL, au nom de Caffil, met en place des politiques de gestion du risque actif-passif dans le but de limiter l'exposition au risque de taux. Néanmoins, Caffil reste exposée à un risque de taux résiduel résultant de changements non anticipés au sein du Pool de Couverture ou de changements au sein de la courbe des taux d'intérêts qui pourraient affecter défavorablement l'activité, la situation financière, les flux de trésorerie et les résultats des opérations de Caffil.

2.2.2. Risques liés aux conditions financières des contrats de prêts de refinancement du crédit export

Les caractéristiques particulières des prêts de refinancement des contrats exports conduisent Caffil à proposer des conditions financières plusieurs mois avant la signature du contrat de prêt. Les conditions financières au moment de l'émission d'une offre pourraient ne plus être en ligne avec les conditions de financement et de couverture futures de Caffil, au moment et après la date de signature du contrat. Par ailleurs, Caffil peut couvrir par anticipation des opérations de refinancement de crédit export ou préfinancer des tirages futurs dès l'émission d'une offre ferme. Si le contrat n'était pas signé, Caffil devrait dénouer ces opérations. Ces situations pourraient affecter défavorablement les résultats des opérations, la situation financière, les perspectives d'affaires ainsi que la capacité de Caffil à remplir ses obligations aux termes des Obligations Foncières.

2.3. Risque de taux de change

La politique de gestion du risque de change de la Caisse Française de Financement Local est de n'encourir aucun risque de change. Néanmoins, certains prêts destinés au refinancement d'importantes exportations de crédit libellées en USD peuvent entraîner un risque limité de change pendant la phase de tirage.

3. Risque opérationnel

Le risque opérationnel est le risque de perte découlant (i) d'une inadéquation ou d'une défaillance des processus, du personnel ou des systèmes internes ou (ii) d'événements extérieurs.

3.1. Risque de défaut ou de mauvais fonctionnement des systèmes de gestion du risque opérationnel mis en place par SFIL

De tels systèmes peuvent notamment être soumis à des risques de dysfonctionnement ou de défaillance, ce qui pourrait affecter négativement les résultats financiers de Caffil.

3.2. Dépendance à SFIL, sa société mère, pour ses opérations

La réglementation française requiert que Caffil recourt à un prestataire de service pour la gestion de la société, y compris pour ses opérations clés. Ce rôle est rempli par SFIL, la société mère de Caffil, à travers un contrat de gestion. Cela implique que le personnel et les systèmes d'informations adéquats soient mis à disposition par SFIL, dont la performance peut avoir un impact négatif sur Caffil. Si le contrat de gestion est résilié, un nouveau prestataire de service devrait être nommé par Caffil ce qui pourrait avoir un impact négatif sur les résultats financiers de Caffil.

4. Risques juridiques et fiscaux

4.1. Les opérations de Caffil sont sujettes aux risques liés à des changements de loi et de réglementations

Tous changements dans la législation ou dans la réglementation actuelle applicables, incluant en particulier le projet européen visant à harmoniser les règles existantes relatives aux obligations sécurisées, qui doit être approuvé par le Parlement européen et le Conseil dans les mois à venir, pourrait affecter l'activité, la situation financière, les flux de trésorerie et les résultats des opérations de Caffil.

4.2. Risque de litige avec une contrepartie ou un emprunteur ou par l'administration fiscale

L'adoption de décisions de justice défavorables à Caffil pourrait avoir un impact réputationnel ou financier défavorable. Dans le pire des cas, certains actifs constituant le Pool de Couverture pourraient être déclarés nuls ou être annulés, en totalité ou en partie et réduire le niveau du collatéral. Ces décisions pourraient également entraîner une baisse des taux d'intérêt avec effet rétroactif et en conséquence affecter le dérivé de couverture concerné. Dans de tels cas, les flux de trésorerie, les résultats d'exploitation et la situation financière de Caffil pourraient être significativement affectés.

5. Caffil est exposée au risque de non-conformité

Caffil surveille et contrôle le risque de non-conformité à travers une cartographie des risques et un plan de contrôle. Cependant, il n'y a aucune assurance que ces systèmes sont complètement efficaces. Cela pourrait conduire à une situation de non-conformité qui pourrait avoir un impact réputationnel et/ou nécessiter le paiement d'une amende, et affecter défavorablement l'activité, la situation financière, les flux de trésorerie et les résultats des opérations de Caffil.

6. Risques comptables

6.1. Les opérations Caffil sont sujettes aux risques résultant des changements des normes comptables

Les activités de Caffil sont soumises aux normes comptables IFRS et françaises. Tout changement de ces normes comptables pourrait affecter défavorablement l'activité, la situation financière, les flux de trésorerie et les résultats liés aux opérations de Caffil.

6.2. Caffil a retenu et applique certaines règles comptables dans la préparation de ses états financiers selon les normes IFRS et les normes comptables françaises

Si les hypothèses et les estimations utilisées par Caffil pour préparer ses états financiers historiques s'avéraient être incorrectes et devaient être substantiellement modifiées, de telles nouvelles hypothèses pourraient avoir un impact négatif sur les résultats financiers de Caffil.

7. Risques spécifiques aux sociétés de crédit foncier

7.1. Risques liés au respect du Ratio de Couverture qui lui est applicable en droit français

Le Ratio de Couverture est fonction de la disponibilité des actifs et de leur valeur. La loi française prévoit un ratio de couverture minimum de 105%. Les agences de notation peuvent prévoir, afin d'attribuer à la dette privilégiée de Caffil la note maximale, prévoir des objectifs en matière de ratio de couverture plus élevés. De tels ratios de couverture peuvent ne pas être atteints en cas de défaut importants ou bien si les actifs sont utilisés à d'autres fins comme l'obtention de liquidités auprès de la banque centrale et, dès lors

Caffil pourrait ne pas pouvoir contracter de nouvelle dette privilégiée ou pourrait perdre son statut de société de crédit foncier.

7.2. La notation de crédit des obligations foncières de Caffil sera affectée par la notation de crédit de SFIL ou celle de l'Etat français

Une dégradation de la notation de crédit de SFIL ou de l'Etat français peut conduire à une dégradation du passif privilégié de Caffil, y compris les obligations foncières en circulation, en raison de sa structure actionnariale. Cette structure actionnariale pourrait changer, comme cela a été annoncé, mais l'actionnariat de SFIL restera, comme c'est le cas aujourd'hui, entièrement public.

7.3. Il ne peut y avoir aucune assurance que les actifs inclus dans le Pool de Couverture à tout moment soient conformes aux critères d'éligibilité applicables

Depuis 2013, Caffil achète des prêts provenant de la Banque Postale. La vérification de l'éligibilité est accomplie à la fois par La Banque Postale et par SFIL pour Caffil respectivement avant et au moment de la réalisation du transfert. Néanmoins, il ne peut y avoir aucune assurance que les actifs inclus dans le Pool de Couverture, au jour du transfert ou à tout moment, soient conformes aux critères d'éligibilité applicables. En cas de non-conformité significatif touchant une part suffisamment importante des actifs du Pool de Couverture de Caffil, Caffil pourrait devoir revendre ses actifs non conformes, ce qui pourrait aboutir à une réduction du Ratio de Couverture.

Caffil peut accorder à SFIL des prêts de refinancement de ses crédits export. Ils bénéficient d'une garantie à 100% de l'Etat français, les rendant éligibles au Pool de Couverture. Si un prêt perdait le bénéfice de la garantie, Caffil notifierait à SFIL un remboursement anticipé obligatoire ou le reclassifierait en valeur de remplacement dans les limites réglementaires. Dans certaines circonstances, SFIL pourrait ne pas être en capacité de rembourser le prêt ou bien le reclassement en valeur de remplacement pourrait ne pas être possible ; dans ces cas, Caffil ne serait plus en conformité avec la réglementation ce qui pourrait détériorer sa réputation ou conduire à une interdiction d'émettre de nouvelles Obligations Foncières.

7.4. Les Obligations Foncières sont seulement des obligations de Caffil

Caffil est seule responsable de ses obligations à l'égard de ses créanciers et ne peut compter sur aucune autre entité à cet effet.

7.5. Les porteurs ont accès à une description limitée du Pool de Couverture

Les porteurs des Obligations Foncières ne recevront pas plus de statistiques détaillées relatives aux prêts ou à d'autres actifs d'ores et déjà contenus ou qui seront contenus dans le Pool de Couverture de Caffil que celles publiées dans ses rapports annuels ou semi-annuels, dans ses rapports d'activité trimestriels, dans ses rapports trimestriels sur la qualité des actifs ou ses rapports trimestriels *Harmonised Transparency Template* du *Covered Bond Label*.

8. Risques liés à l'activité commerciale

8.1. Caffil peut être confronté à une réduction de son activité et de ses marges dans le marché du financement du secteur public local ou du refinancement du crédit export

La concurrence existante ou croissante sur le marché du financement du secteur public local ou du refinancement du crédit export pourrait conduire à une réduction des marges sur les nouveaux engagements et, ainsi, à une forte réduction de la production de

		<p>nouveaux actifs pour Caffil ou d'une quelconque façon affecter de manière négative l'activité, la situation financière, les flux de trésorerie et des résultats des opérations de Caffil.</p> <p>8.2. Risque lié aux missions de politique publique confiées par l'Etat français à Caffil et les autorisations d'exercer ainsi que les contrats avec les fournisseurs d'actifs pourraient ne pas être reconduits</p> <p>L'Etat français a confié les 2 missions de politique publique suivantes à SFIL et à Caffil (i) refinancer les prêts aux collectivités locales et aux hôpitaux publics français et (ii) refinancer les grands crédits à l'exportation. Si l'une de ces missions de politique publique venait à être modifiée par l'Etat français, cela pourrait affecter défavorablement l'activité, la situation financière, les flux de trésorerie et les résultats liés aux opérations de Caffil.</p> <p>9. La sortie du Royaume-Uni de l'Union européenne pourrait affecter négativement Caffil</p> <p>Le 23 juin 2016, le Royaume-Uni a organisé un référendum sur le maintien de son adhésion au sein de l'Union Européenne. La sortie de l'Union Européenne a été votée à la majorité et le gouvernement du Royaume-Uni a exercé son droit de retrait de l'Union Européenne conformément à l'article 50 du Traité sur l'Union Européenne le 29 mars 2017. Conformément à cet article 50, le Traité sur l'Union Européenne et le Traité sur le fonctionnement de l'Union Européenne cesseront d'être applicables au Royaume-Uni à partir de la date d'entrée en vigueur de l'accord de retrait, ou, à défaut, deux ans après la notification de son intention de se retirer, bien que cette période puisse être étendue dans certaines circonstances. Il existe un certain nombre d'incertitudes quant à l'avenir du Royaume-Uni et de ses relations futures avec l'Union européenne. Les négociations relatives aux modalités de départ du Royaume-Uni sont susceptibles de durer un certain nombre d'années. Jusqu'à ce que les termes et l'échéance de la sortie du Royaume-Uni de l'Union européenne soient plus clairs, il n'est pas possible de déterminer l'impact qu'aura le référendum, le départ du Royaume-Uni de l'Union européenne et/ou toutes autres questions connexes, sur la situation financière de l'Emetteur. Par conséquent, aucune assurance ne peut être donnée que ces événements n'affectent pas la capacité de l'Emetteur d'honorer ses obligations en vertu des Obligations Foncières ainsi que la valeur et/ou la liquidité des Obligations Foncières sur le marché secondaire.</p>
<p>D.3</p>	<p>Informations clés sur les principaux risques propres aux Obligations Foncières</p>	<p>Il existe certains facteurs susceptibles d'affecter la capacité de l'Émetteur à remplir ses obligations relatives aux Obligations Foncières devant être émises en vertu du Programme :</p> <ul style="list-style-type: none"> - Risques généraux relatifs aux Obligations Foncières tels que : <ul style="list-style-type: none"> - les investisseurs doivent procéder à une revue indépendante et obtenir un conseil professionnel concernant les Obligations Foncières émises sous Programme ; - le rendement des Obligations Foncières émises sous Programme peut être réduit par rapport au taux présenté du fait des frais liés à la transaction. En effet, lorsque les Obligations Foncières émises sous Programme sont achetées ou vendues, certains coûts peuvent réduire de façon significative ou annuler le profit potentiel lié à ces Obligations Foncières (notamment les frais liés à la transaction, les commissions, les frais de courtage ou de garde) ; - des conflits d'intérêt potentiels peuvent naître entre les porteurs et les différentes parties impliquées dans le Programme, tels que, les choix et

		<p>décisions discrétionnaires d'un agent désigné pour une émission d'Obligations Foncières dans le cadre du Programme ;</p> <ul style="list-style-type: none"> - les porteurs d'Obligations Foncières émises sous Programme peuvent ne pas déclarer les Obligations Foncières immédiatement exigibles en toutes circonstances, y compris le défaut de paiement par Caffil de tout intérêt ou principal dû au titre des Obligations Foncières. Conformément aux dispositions du Code monétaire et financier, toutes les créances générées par les actifs de Caffil et par les opérations sur instruments dérivés ainsi que les créances résultant des dépôts effectués par Caffil auprès d'autres établissements de crédit, qui dans chacun des cas sont des actifs éligibles au sens des Articles L.513-3 à L.513-10 dudit Code, sont affectés par priorité au service du paiement des obligations foncières ou des autres ressources privilégiées de Caffil lorsque celles-ci arrivent à échéance ; - la notation de crédit des Obligations Foncières peut ne pas refléter l'ensemble des risques ; - un marché secondaire liquide pour les Obligations Foncières émises sous Programme peut ne pas se développer ; - le marché secondaire pour les Obligations Foncières émises sous Programme peut être volatile et peut être affecté de manière négative par de nombreux événements ; - ni Caffil, ni aucun des Agent(s) Placeur(s) n'assume la responsabilité de la légalité de la souscription sous Programme ; - modification, renonciations et substitution des conditions des Obligations Foncières, qui ne sont pas souhaitées par la totalité des porteurs, peuvent être effectuées par la majorité des porteurs ; - la souscription des Obligations Foncières peut être soumise à certaines taxes ou autres coûts ; - changement de loi - aucune assurance ne peut être donnée quant à l'impact d'une décision de justice ou d'une modification de la législation française ou d'un changement dans l'application ou l'interprétation de la législation française postérieur à la date du Prospectus de Base ; - proposition de directive sur la taxe commune sur les transactions financières : la proposition de directive relative à la taxe sur les transactions financières a un champ d'application large et pourrait, si elle était adoptée, s'appliquer à certaines opérations portant sur les Obligations Foncières (notamment les transactions du marché secondaire) dans certaines circonstances ; - Caffil ne sera pas tenu de verser des montants additionnels si une loi exige qu'un paiement au titre des Obligations Foncières ou Coupons soit soumis à une retenue à la source ou à un prélèvement au titre de tout impôt, droit, contribution ou charge gouvernementale de toute nature. Par conséquent, ce risque sera supporté par les porteurs d'Obligations Foncières ou les porteurs de Coupons, le cas échéant ; - pas de remboursement pour raisons fiscales – si le droit français exige que les paiements de principal, d'intérêts ou d'autres revenus au titre de toute Obligation Foncière ou tout Coupon soient soumis à une retenue à la source ou à un prélèvement au titre de tout impôt, droit, contribution ou charge gouvernementale de toute nature, présent ou futur, cette Obligation
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Foncière ne fera pas l'objet d'un remboursement anticipé, sauf précision contraire dans les Conditions Définitives correspondantes. Si un tel remboursement anticipé est prévu dans les Conditions Définitives correspondantes, Caffil pourra rembourser cette Obligation Foncière ;

- La Directive sur le Redressement et la Résolution bancaire dans l'UE – Le 2 juillet 2014, la Directive 2014/59/UE établissant un cadre pour le redressement et la résolution des défaillances d'établissements de crédit et d'entreprises d'investissement est entrée en vigueur. Cette Directive vise à mettre en place une série de mesures pouvant être prises par les autorités de contrôle compétentes pour les établissements de crédit et les entreprises d'investissement considérés comme étant en risque de défaillance. L'exercice de tout pouvoir au titre de cette Directive ou toute suggestion d'un tel exercice pourrait affecter de façon négative les droits des porteurs d'Obligations Foncières et/ou le prix ou la valeur de leur investissement dans les Obligations Foncières et/ou la capacité de Caffil à remplir ses obligations relatives aux Obligations Foncières.
- Bâle III a été mis en œuvre dans le cadre de la législation de l'Union Européenne à travers le "paquet CRD IV" qui se compose de la Directive relative aux exigences de fonds propres n° 2013/36/UE du 26 juin 2013, du règlement relatif aux exigences de fonds propres n°575/2013 du 26 juin 2013 et de leurs règlements délégués et d'exécution. La mise en œuvre de Bâle III et du paquet CRD IV a apporté et continuera d'apporter un certain nombre de modifications substantielles aux exigences actuelles en matière de fonds propres, aux systèmes de contrôle prudentiel et aux systèmes de gestion des risques, y compris ceux de l'Émetteur. L'orientation et l'ampleur de l'impact de Bâle III et du paquet CRD IV dépendent de la structure de l'actif spécifique à chaque banque et son impact précis sur l'Émetteur ne peut pas être quantifié avec certitude à la date d'aujourd'hui. L'Émetteur pourrait exploiter son activité de manière moins rentable qu'il ne l'exploite actuellement en se conformant aux nouvelles règles applicables suite à la transposition de CRD IV. De plus, la mise en œuvre de Bâle III et du paquet CRD IV pourrait affecter la pondération du risque des obligations garanties (covered bonds) à l'égard de certains investisseurs dans la mesure où ces investisseurs sont soumis aux nouvelles règles de transposition du paquet CRD IV. Par conséquent, les destinataires du Prospectus de Base doivent faire appel aux conseils de spécialistes pour connaître les conséquences et les effets que la mise en œuvre du paquet CRD IV peut avoir sur lui.
- Risques relatifs à la structure d'une émission d'Obligations Foncières sous Programme tels que :
 - les Obligations Foncières émises sous Programme peuvent ne pas convenir à tous les investisseurs ;
 - les Obligations Foncières peuvent être assorties d'une option de remboursement anticipé par Caffil ;
 - [(Insérer pour les Obligations Foncières à Taux Fixe) la valeur des Obligations Foncières à Taux Fixe peut varier ;]
 - [(Insérer pour les Obligations Foncières à Taux Variable) les Obligations Foncières à Taux Variable peuvent être volatiles ;]
 - [(Insérer pour les Obligations Foncières à Taux Variable) les investisseurs

peuvent ne pas être en mesure de calculer par avance le taux de rendement des Obligations Foncières à Taux Variable ;]

- [(Insérer pour les Obligations Foncières à Taux Fixe/Variable ou les Obligations Foncières à Taux Variable/Fixe ou Taux Fixe/lié à une formule ou Taux lié à une formule/Fixe, selon le cas) [les Obligations Foncières dont le taux peut être alternativement à [taux fixe et à taux variable/taux lié sur une formule] peuvent avoir un spread moins favorable que les spreads applicables aux titres à taux variable comparables et liés au même taux de référence.] / [Les Obligations Foncières à [Taux Variable/ Taux lié à une formule]/Fixe peuvent avoir un nouveau taux fixe inférieur ;]]
- [(Insérer pour les Obligations Foncières à Coupon Zéro) les Obligations Foncières à Coupon Zéro émises sous Programme sont sujettes à des fluctuations plus importantes des prix que les titres de créance sans décote ;]
- [(Insérer pour les Obligations Foncières Basées sur l'Inflation) les porteurs peuvent être exposés au risque sur les Obligations Foncières Basées sur l'Inflation, dépendant de la performance de l'indice ;]
- les Obligations Foncières Basées sur l'Inflation avec un multiplicateur ou autre facteur de levier peuvent constituer des investissements particulièrement volatiles ;
- les Obligations Foncières structurées peuvent comporter des risques importants non associés aux investissements similaires dans des titres de créance simples ;
- les risques de taux de change et les contrôles de change peuvent affecter de manière négative le rendement des Obligations Foncières émises sous Programme ;
- [[(Insérer pour les Obligations Foncières indexés sur un « indice de référence ») Les réglementations et la réforme des « indices de référence » peuvent affecter défavorablement la valeur des Obligations Foncières indexées ou faisant référence à ces « indices de référence » ;]
- [(Insérer pour les Obligations Foncières indexés sur le LIBOR) La cessation future du LIBOR et des autres indices de référence peut affecter défavorablement la valeur des Obligations Foncières à Taux Variable ;]
- [(Insérer pour les Obligations Foncières indexés sur un indice de référence) La survenance d'un Evénement sur Indice de Référence peut affecter défavorablement la valeur et le rendement des Obligations Foncières indexées ou faisant référence à ces "indices de référence".]

Un investissement dans des Obligations Financières comporte certains risques qui sont importants dans l'évaluation des risques de marché associés aux Obligations Foncières émises dans le cadre du Programme. Si tous ces risques constituent des éventualités susceptibles ou non de se produire, les investisseurs potentiels doivent savoir que les risques encourus en matière d'investissement dans des Obligations Foncières peuvent aboutir à une volatilité et/ou une diminution de la valeur de marché de la Tranche d'Obligations Foncières concernée qui ne correspond plus aux attentes (financières ou autres) d'un investisseur qui a souscrit ces Obligations Foncières.

Toutefois, chaque investisseur potentiel d'Obligations Foncières doit déterminer en se fondant sur son propre jugement et en faisant appel aux conseils de spécialistes s'il le

		juge nécessaire, si son acquisition d'Obligations Foncières correspond parfaitement à ses besoins financiers, ses objectifs et ses conditions, si cette acquisition est conforme et compatible avec toutes les politiques d'investissement, les directives et restrictions qui lui sont applicables et s'il s'agit d'un investissement qui lui convient, malgré les risques évidents et importants inhérents à l'investissement et à la détention d'Obligations Foncières.
D.6	Informations clés sur les facteurs significatifs permettant de déterminer les risques associés aux Obligations Indexées	Les investisseurs potentiels d'Obligations Foncières Indexées sur l'Inflation doivent savoir que ces Obligations Foncières sont des titres de créance dont le montant d'intérêt et/ou dont le montant du principal dépendent de la performance : (i) de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE, ou (ii) de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat. Si à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1, les Obligations seront remboursées au pair.

Section E - Offre		
E.2b	Raisons de l'offre et utilisation du produit de l'Offre	<p>Le produit net de l'émission de chaque Tranche d'Obligations Foncières sera utilisé (tel que spécifié dans les Conditions Définitives applicables) par l'Émetteur : (i) pour les besoins généraux de l'entreprise, (ii) dans le cas d'Obligations Foncières Sociales, pour financer et/ou refinancer, en tout ou en partie, tout actif ou projet, tel que défini dans la <i>Social Note Framework</i> ou (iii) tel qu'indiqué dans les Conditions Définitives concernées en ce qui concerne toute émission particulière d'Obligations Foncières pour lesquelles il existe une utilisation spécifique identifiée du produit de l'offre.</p> <p>Résumé spécifique à l'émission :</p> <p>[Le produit net de l'émission des Obligations Foncières sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise.] /</p> <p>[Le produit net de l'émission sera utilisé pour financer et/ou refinancer en tout ou en partie des [préciser les actifs/projets éligibles] tels que définis dans le <i>Social Note Framework</i>.] /</p> <p>[préciser autre]</p>
E.3	Modalités de l'offre	<p>Les Obligations Foncières pourront être offertes au public en France et au Grand-Duché de Luxembourg, dans lequel le prospectus aura été passeporté et qui aura été spécifié dans les Conditions Définitives applicables.</p> <p>Il existe des restrictions concernant l'achat, l'offre, la vente et la livraison des Obligations Foncières ainsi qu'à la possession ou la distribution du Prospectus de Base ou de tout autre document d'offre ou des Conditions Définitives.</p> <p>A l'exception de la section A.2 ci-dessus, ni l'Émetteur ni aucun des Agents Placeurs n'a autorisé une personne à faire une Offre au Public en aucune circonstance et aucune personne n'est autorisée à utiliser le Prospectus de Base dans le cadre de ses offres d'Obligations Foncières. Ces offres ne sont pas faites au nom de l'Émetteur ni par aucun des Agents Placeurs ou des Etablissements Autorisés et ni l'Émetteur ni aucun des Agents Placeurs ou des Etablissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p> <p>Résumé spécifique à l'émission :</p> <p>[[Sans objet, les Obligations Foncières ne font pas l'objet d'une offre au public.]/</p> <p>[Les Obligations Foncières sont offertes au public [en France]/ [au Grand-Duché de Luxembourg]</p>

		Prix d'Offre : [Prix d'Émission/ <i>préciser</i>] Conditions auxquelles l'Offre est soumise : [Sans objet/ <i>détailler</i>] Période d'Offre (y compris les modifications possibles) : [<i>détailler</i>] Description de la procédure de demande de souscription : [Sans objet/ <i>détailler</i>] Informations sur le montant minimum et/ou maximum de souscription : [Sans objet/ <i>détailler</i>] Modalités et date de publication des résultats de l'Offre : [Sans objet/ <i>détailler</i>]
E.4	Intérêts des personnes morales ou physiques impliquées dans l'émission	Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Obligations Foncières. <i>Résumé spécifique à l'émission :</i> [A la connaissance de l'Émetteur, aucune personne participant à l'émission d'Obligations Foncières n'y a d'intérêt significatif.] / [Les Agents Placeurs percevront une commission d'un montant de [●] % du montant en principal des Obligations Foncières. A la connaissance de l'Émetteur, aucune autre personne participant à l'émission d'Obligations Foncières n'y a d'intérêt significatif.]
E.7	Estimation des Dépenses mises à la charge de l'investisseur par l'Émetteur ou l'offreur	Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour chaque Tranche d'Obligations Foncières. <i>Résumé spécifique à l'émission :</i> [Sans objet / Les dépenses mises à la charge de l'investisseur sont estimées à [●].]

RISK FACTORS

Prospective purchasers of the Obligations Foncières offered hereby should consider carefully, in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below in making an investment decision.

RISK FACTORS RELATING TO THE ISSUER

Caisse Française de Financement Local believes that the following factors may affect its ability to fulfill its obligations under Obligations Foncières issued under the Programme. All of these factors are contingencies which may or may not occur and Caisse Française de Financement Local is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Obligations Foncières issued under the Programme are also described below.

Caisse Française de Financement Local believes that the factors described below represent the principal risks inherent in investing in Obligations Foncières issued under the Programme, but the inability of Caisse Française de Financement Local to pay interest, principal or other amounts on or in connection with any Obligations Foncières may occur for other reasons and Caisse Française de Financement Local does not represent that the statements below regarding the risks of holding any Obligations Foncières are exhaustive. The risks described below are not the only risks Caisse Française de Financement Local faces. Additional risks and uncertainties not currently known to Caisse Française de Financement Local or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any document deemed to be incorporated by reference herein) and the relevant Final Terms and reach their own views in light of their financial circumstances and investment objectives prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Obligations Foncières prior to investing in Obligations Foncières issued under the Programme.

These Risk Factors may be completed in the Final Terms of the relevant Obligations Foncières for a particular issue of Obligations Foncières.

1 Credit risk

Credit risk represents the potential loss that Caisse Française de Financement Local may incur as the result of the decline in a counterparty's solvency.

1.1. Risk of default in its Cover Pool

Caisse Française de Financement Local is exposed to the risk of default on the pool of public sector assets included in its portfolio used as cover for the issuance of *Obligations Foncières* under the Programme (the “**Cover Pool**”). The classes of assets that Caisse Française de Financement Local may own within its Cover Pool are restricted to specific categories narrowly defined by French law, and for Caisse Française de Financement Local these categories are further limited to transactions with public sector entities or entities guaranteed by public sector entities under the license granted by the CECEI (*Comité des établissements de crédit et des entreprises d'investissement*) (an institution now merged into the French Resolution and Prudential Control Authority (ACPR – *Autorité de contrôle prudentiel et de résolution*)). See “Description of Caisse Française de Financement Local”. Consequently, almost all of the Cover Pool comprises loans to, or bonds purchased from, local governments, municipalities and sovereigns. The ability of public sector borrowers, including local governments, municipalities and sovereigns, to meet their payment obligations may be affected by their levels of indebtedness, social spending obligations, interest rates, tax revenue collections and transfers of subsidies from the central governments, each of which could be adversely affected by a deterioration of general economic conditions. Deteriorating economic conditions could therefore have a material adverse effect on the probability of default of these assets in the Cover Pool.

In its business of refinancing large export credits, Caisse Française de Financement Local grants loans to its parent company SFIL, to refinance its export credits. These refinancing loans benefit from an unconditional and irrevocable 100% guarantee provided by the French State. BPI Assurance Export manages and delivers this guarantee under the

State's control, on its behalf and in its name. These refinancing loans are thus considered as exposures to the French State. The French State's ability to meet its payment obligations may be affected by its levels of indebtedness, social spending obligations, interest rates and tax revenue collections, each of which could be adversely affected by a deterioration in general economic conditions. Deteriorating economic conditions could therefore have a material adverse effect on the probability of default of these assets in the Cover Pool.

In addition, certain geographic regions of Europe to which Caisse Française de Financement Local has credit exposure through its lending to local authorities and municipalities may, from time to time, experience weaker regional economic conditions. Assets originated in such areas may experience higher rates of loss and the ability of borrowers to make payments may also be affected by factors such as adverse economic conditions in particular geographic areas or industries, or perceptions in financial markets as to the creditworthiness of certain borrowers. Such occurrences may accordingly have an adverse impact on the credit quality of certain assets included in the Cover Pool.

While the eligibility and suitability of assets is vetted by SFIL's risk management and permanent control departments, on behalf of Caisse Française de Financement Local, certain default scenarios such as losses on assets representing a significant portion of the Cover Pool may exist, which would ultimately affect the ability of Caisse Française de Financement Local to comply with the terms of the *Obligations Foncières* issued under the Programme. Adverse changes affecting the local economies of countries from which Caisse Française de Financement Local sources its assets, could result in, among other things, higher rates of credit defaults on loans and bonds. The materialization of any of the foregoing factors or a divergence in the appreciation of these risks by the banking supervisory authorities or financial markets could lead to significant losses or provisions and could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations, and may result in Caisse Française de Financement Local having insufficient funds to meet its obligations under the *Obligations Foncières*.

1.2. Risk of geographic concentration in its Cover Pool

The vast majority of the Cover Pool (with more than 85%, excluding replacement assets and cash), measured by principal amount of the assets, is concentrated in France. The ability of French State and local authorities and municipal borrowers and guarantors, like other public sector borrowers, to meet their obligations will be affected by the economic factors noted above. Adverse changes in the financial, economic and fiscal conditions within France may have significant consequences for the French public sector borrowers whose obligations are included in the Cover Pool, and consequently, on the credit quality of such obligations. In addition, since 2013 all of Caisse Française de Financement Local's new assets relate to French Borrowers.

Furthermore, Caisse Française de Financement Local holds a significant amount of assets representing lending to borrowers in other countries than in France and in particular in Italy. These assets are now managed in a run-off mode. Adverse financial, economic and fiscal conditions in these economies and perceived weaknesses of a country's financial situation may also have an adverse impact on the credit quality of the assets in the Cover Pool.

1.3. Risk of default of its bank counterparties

Caisse Française de Financement Local is exposed to bank counterparties risk of default for transactions it enters into as part of its currency and interest rate hedging operations, of its liquidity management and excess liquidity investment.

For hedging transactions, Caisse Française de Financement Local enters into master agreements with a large number of bank counterparties and these agreements provide for asymmetrical collateralization arrangements (with the counterparties unilaterally posting collateral to Caisse Française de Financement Local). While having hedging relationships with a large number of counterparties is designed to mitigate risk, Caisse Française de Financement Local is nonetheless exposed to the risk of default of its bank counterparties. Some of these counterparties are not required to post collateral to Caisse Française de Financement Local as long as they benefit from the highest credit rating. If certain of these hedge counterparties, that don't have to post collateral, would default as to payment, Caisse Française de Financement Local may be likely to experience losses and reduced liquidity.

In order to maintain its liquidity position, Caisse Française de Financement Local is also allowed to hold exposures to certain bank counterparties as issuers of its Replacement Assets, defined as certain high quality assets eligible for inclusion in its Cover Pool (up to 15% of the nominal amount of all of *obligations foncières* and registered covered bonds allowed by applicable legislation). See “Description of Caisse Française de Financement Local – Legislation Relating to *Sociétés de Crédit Foncier*”.

Replacement Assets issued by banks expose Caisse Française de Financement Local to credit and liquidity risk from such banks (including its parent company SFIL) should their financial condition deteriorate.

Thus, Caisse Française de Financement Local may experience losses in the form of reduced value of assets, due to a decrease in a bank counterparty's or issuers of replacement assets' financial position. Any such losses could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations, and may result in Caisse Française de Financement Local having insufficient funds to meet its obligations with respect to the *Obligations Foncières*.

2 ALM risk

2.1. Liquidity Risk

Liquidity risk is defined as the risk that the institution may not be able to find the necessary liquidity, on a timely basis and at a reasonable cost, to cover the financing needs related to its activity, including the redemption of its *obligations foncières*.

2.1.1. Risk of a liquidity shortfall that may affect its ability to settle its debt commitments in a timely fashion

Caisse Française de Financement Local is exposed to liquidity risk arising from the gap between the date it is reimbursed, in connection with various assets it holds, and the date it is required to pay out loans or to settle its liabilities. The maturity and amortization profile of the Cover Pool does not perfectly match the repayment profile and the maturity schedule of the privileged debt. The duration gap between the Cover Pool and the privileged liabilities is currently low, but may widen in the future. As a matter of management policy, Caisse Française de Financement Local has limited the maximum duration gap between the assets and the resources benefiting from the *privilège* to three (3) years. Moreover, the regulation of covered bonds in France imposes a great congruence between asset/liability maturities with an annual cover plan and with the limitation to 18 months of the gap between the weighted average life of eligible assets, considered up to their minimum amount required to satisfy a 105% overcollateralization ratio, and the weighted average life of the privileged liabilities. This requires Caisse Française de Financement Local to have appropriate liquidity positions to cover its liability commitments as they become due to avoid any shortfall in liquidity. To maintain its liquidity in case of market disruptions that prevent Caisse Française de Financement Local from issuing new *obligations foncières*, Caisse Française de Financement Local relies on non-privileged debt provided by its parent, SFIL, and, if needed, on secured financings it can borrow from the *Banque de France* or from a bank counterparty (through a repo transactions), by using some assets from the Cover Pool (including those considered as replacement assets), a significant part of which is eligible as collateral for such liquidity operations. However, any gap between receipt of funds and funding of its commitments may lead to Caisse Française de Financement Local not settling its debt commitments on time. If Caisse Française de Financement Local's ability to access funds from its parent, SFIL, is diminished, and if it no longer maintains sufficient assets eligible for refinancing with the *Banque de France*, a liquidity shortfall may occur that will adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations and may result in Caisse Française de Financement Local having insufficient funds to meet its obligations with respect to the *Obligations Foncières*.

2.1.2. Dependence on SFIL for the unsecured funding of its over-collateral

SFIL is the main provider of unsecured funding to Caisse Française de Financement Local, which finances the over-collateral, i.e. assets of Caisse Française de Financement Local that are not financed by the issuance of *Obligations Foncières*.

Caisse Française de Financement Local's overcollateralization is financed by equity contributions, by a current account agreement granted to it by SFIL and mainly through a long-term revolving credit facility extended to it by

SFIL that put in place the support received from SFIL and its reference shareholder. There can be no assurance that the long-term credit facility agreement or the current account agreement from SFIL will continue to be in force for the term of the *Obligations Foncières*. To the extent that this facility is discontinued, the amount of over-collateralization of the Cover Pool could be reduced, which could adversely affect the ability of Caisse Française de Financement Local to make payments on the *Obligations Foncières* as they become due, the rating assigned to the *Obligations Foncières*, and consequently the market value of Caisse Française de Financement Local's existing *obligations foncières*, including the *Obligations Foncières*.

2.2. Interest rate risk

Interest rate structural risk is defined as the risk of loss incurred in the event of a change in interest rates. Such a change could lead to a loss in value of balance sheet and off-balance sheet transactions, excluding any trading portfolio transactions. Since Caisse Française de Financement Local does not have a trading portfolio, it is not concerned by this exception.

2.2.1. Caisse Française de Financement Local may be exposed to residual risks linked to its hedging operations

SFIL, on behalf of Caisse Française de Financement Local, implements asset-liability management policies designed to limit exposure to interest rate risk. Assets and liabilities benefiting from the privilege which do not naturally have a floating rate are hedged until maturity as soon as they are recorded on the balance sheet. SFIL, on behalf of Caisse Française de Financement Local, enters into micro hedge derivatives (primarily interest rate swaps) or into macro hedges or unwinds swaps with an adequate profile, to hedge a particular portfolio of assets or/and liabilities, and manage overall balance sheet exposure. The sensitivity of residual positions in fixed rates, and variable rates fixed for a determined period of time, is monitored by narrow limits which cap this sensitivity and which are designed to reduce the impact on the value of balance sheet items in the event of a shift in the yield curve or a move in sloping/rotation. Nevertheless, Caisse Française de Financement Local is exposed to a residual interest rate risk as a result of unanticipated changes in the Cover Pool due to, for example, the default, pre-payment or renegotiation of loans. The level of this residual exposure may increase in the future with new commercial loans entering the Cover Pool. These unanticipated changes in the Cover Pool, or in interest rate curve may adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

2.2.2. Risks linked to financial conditions offered for export credit refinancing loans

In its business of refinancing large export credit, Caisse Française de Financement Local grants loans to its parent company SFIL, to refinance its export credits. These refinancing loans benefit from an unconditional and irrevocable 100% guarantee provided by the French State.

The particular features of these loans lead Caisse Française de Financement Local to give a commitment on financial conditions several months before the signing of the loan contract. The financial conditions at the time of the offer might no longer be in line with the refinancing and hedging conditions of Caisse Française de Financement Local at the time and after the signing date of the contract. Changes in market conditions could therefore adversely affect its results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

In order to reduce its currency and spread risks, Caisse Française de Financement Local may enter into hedging operations or may prefinance the future drawdown of the credit as soon as a firm offer for a credit refinancing has been delivered. In some cases, the credit may not be signed or may be delayed and related hedging operations may be cancelled, and prefunding may be allocated to other assets with a potentially lower margin, which could adversely affect Caisse Française de Financement Local's results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

2.3. Foreign exchange risk

The foreign exchange risk is defined as the risk of a loss, linked to a change in the exchange rate of currencies vis-à-vis a reference currency. The reference currency of Caisse Française de Financement Local is the euro. The foreign exchange risk reflects a change in the value of assets and liabilities denominated in a currency other than the euro by reason of fluctuations of this same currency vis-à-vis the euro.

Caisse Française de Financement Local's foreign exchange risk management policy is to incur no foreign exchange risk: it enters into cross-currency swaps against the euro for its issues and assets denominated in foreign currency, on initial recognition at the latest and until their final maturity, thereby ensuring that these balance sheet items' principal and interest rates are fully hedged. Nonetheless, certain loans to refinance large credit exports denominated in USD may cause a limited risk of foreign exchange during their drawing phase.

3 Operational risk

Operational risk represents the risk of loss resulting (i) from the lack of adaptation or failure on the part of internal processes, staff, systems or (ii) external events.

3.1. Risk of failure or malfunction of the operational risk management systems put in place by SFIL

SFIL has put in place risk control procedures intended to identify and map operational risks at the level of Caisse Française de Financement Local. This control system may be subject to risk of failure or malfunction. Among the possible consequences such risks could facilitate malfeasance by employees, agents or other third parties. These different risks may adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

3.2. Dependence on SFIL, its parent company, for its operations

As a result of its status as a *société de crédit foncier*, Caisse Française de Financement Local is not permitted to have its own employees and is therefore dependent on the resources dedicated to it by its parent company, SFIL, for the day-to-day operation of its business and, in particular, the servicing of its asset portfolio. SFIL, in accordance with the terms of the management agreement entered into with Caisse Française de Financement Local (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and current account services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity, and settlement at the level of Caisse Française de Financement Local. Accordingly, Caisse Française de Financement Local is subject to the risk of non-performance or poor performance by SFIL under this management agreement. Any such non-performance or poor performance could have an adverse impact on Caisse Française de Financement Local's ability to operate and administer its Cover Pool, which could in turn have a material adverse impact on Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

If Caisse Française de Financement Local were to terminate the management agreement or otherwise if SFIL fails to provide such services, a new servicer would have to be appointed. The transfer of the servicing function to a new servicer may result in delays, increased costs and/or losses in collections under the assets in the Cover Pool, could create operational and administrative difficulties for Caisse Française de Financement Local and could adversely affect its results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

4 Legal and tax risks

4.1. Caisse Française de Financement Local's operations are subject to risks arising from changes in law or regulations

Caisse Française de Financement Local's business operations are governed by European and French laws and regulations and are subject to supervision by the European Central Bank and by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR). Any changes to the current legislation (in particular, legislation relating to the issuance of *obligations foncières* and the *privilege* attached to such *obligations foncières*) or regulations including solvency (including in particular IRBA models and Basel III amendments), leverage ratio and Net Stable Funding Ratio could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

No assurance can be given as to the impact of any measure that could impact the legal and regulatory framework applicable to the *Obligations Foncières* in force at the date of this Base Prospectus. In particular regarding the covered

bond framework, designed to harmonize the existing rules on covered bonds throughout the European Union (a directive and a Regulation) a political agreement has been reached on 26 February 2019 during the trilogue negotiations. This agreement has been followed by votes of approval by the Council (COREPER) and European Parliament (ECON) on 20 March 2019 and 1 April 2019 respectively. The final version of this new directive and regulation should be officially approved by the European Parliament and the Council in the coming months. At this stage, no significant impact is identified in this new European framework for Caisse Française de Financement Local. However, the final impact of the new legal and regulatory framework applicable to the covered bonds (including the Obligations Foncières) is not fully known and assessed and could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations. In addition, Member States will transpose the directive into their national law in the coming months. The final outcome is not yet known and, depending on the transposition, could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

4.2. Risks relating to any litigation with a counterparty/borrower or tax authority

Caisse Française de Financement Local is exposed to legal and tax risk which can be defined as the risk of any litigation with a counterparty/borrower or tax authority resulting from any misunderstanding, lack or insufficiency that may be attributed to the Company in the exercise of its activities. Certain legal and legislative trends in the EU local government and municipal lending market may expose Caisse Française de Financement Local to financial and reputational risk.

Even if the number of lawsuits with borrowers is very limited at the date of this Base Prospectus (less than 30 for around 15,000 borrowers), there is a risk that one of linked court decision may be unfavorable to Caisse Française de Financement Local. Such adverse court decision may have a negative impact on the reputation of Caisse Française de Financement Local. In the worst case, such litigation may lead to certain loans in the Cover Pool being declared void or voidable in whole or in part, reducing the amount of collateral. It could also lead to a decrease of the contractual interest rate with retroactive effect and thus affect the hedging derivatives and the hedge relationship. In such cases, it may affect substantially cash flows, results of operations and financial condition of Caisse Française de Financement Local.

5 Non-Compliance risk

The risk of non-compliance is the risk of a legal, administrative or disciplinary sanction, of a significant financial loss or of a denigration of reputation caused by the non-respect of procedures specific to banking and financial activities, whether they are of legislative or regulatory nature. For both its activities (refinancing of loans to the French public sector and refinancing of large export credits), Caisse Française de Financement Local monitors and controls the risk of non-compliance by mapping risks and developing a control plan. These documents are updated at least once a year. This mapping reviews the legislative, regulatory and professional provisions and those which refer exclusively to the Issuer and are applicable to each line of business or function, and the procedures and controls implemented to ensure compliance with these provisions. It provides a visual indication of the Issuer's exposure to non-compliance risks and outlines the bank's non-compliance risk profile. Once the non-compliance risk of the bank is assessed through the mapping, the execution of the control plan permits to limit the risk of non-conformity. However, there is no assurance that these procedures are fully efficient. It could lead to a non-compliant situation that may have a negative impact on the reputation of Caisse Française de Financement Local or require the payment of a fine, and adversely affect its business, financial condition, cash flows and results of operations.

6 Accounting risk

6.1. Caisse Française de Financement Local's operations are subject to risks arising from changes in accounting standards

Caisse Française de Financement Local's business operations are governed by IFRS and French Gaap standards. Any changes to the current accounting standards could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

6.2. Caisse Française de Financement Local applies certain critical accounting policies in preparing its financial statements in accordance with IFRS and French accounting standards

Caisse Française de Financement Local prepares financial statements in accordance with IFRS as adopted and endorsed by the European Commission and under French accounting standards.

In preparing these financial statements, management must use certain estimates and assumptions, including in relation to classification, recognition and valuation of assets and liabilities. In this respect, there are certain accounting policies that can be considered as critical, because they involve a higher degree of judgment and the assumptions and estimates used may be more significant to the financial statements. In order to make assumptions and estimates, management uses all information available at the date of preparation of the financial statements and exercises its judgment. While management believes it has considered all available information when making these assumptions, actual results may differ from such estimates and the differences may have a material impact on financial statements.

The areas where judgments and estimates are principally made in the preparation of these financial statements are in the following areas:

- Classification of financial instruments and hedge accounting: management determines the appropriate classification of its investments at the time of the purchase. It depends on the intent and the ability to hold the assets. However, under certain conditions, a financial asset may be reclassified at a later date. Hedge accounting may be used for derivatives designated in a hedging relationship, provided certain criteria are met. If the hedge no longer meets the criteria for hedge accounting, then the hedging relationship is discontinued. Any hedging ineffectiveness, whether for fair value hedges or cash flow hedges, is recognized in profit and loss.
- Fair value of financial instruments: judgment is used to determine whether there is an active market for each instrument; market prices can be used in case of an active market, otherwise valuation techniques are used. In addition pursuant to IFRS 13, Caisse Française de Financement Local accounts for credit valuation adjustment, debit valuation adjustment and funding valuation adjustment. Moreover according to IFRS 9, non Solely Principal and Interests (SPPI) assets, which represent a small part of non-derivative financial instruments held in the balance sheet, shall be accounted for and measured at fair value through profit and loss. Fair value of these instruments according to IFRS 9 and IFRS 13 could lead to income volatility in a way unrelated to Caisse Française de Financement Local's activity, as its business model involves holding all instruments until maturity. This volatility could adversely affect Caisse Française de Financement Local's result of operations. Moreover, Caisse Française de Financement Local holds a bond portfolio classified as "Placement portfolio" under French accounting standards. According to these standards, the fair value of these assets is recognized through profit and loss. Valuation techniques and judgment are used to determine this fair value. Fair value of these instruments could lead to income volatility in a way unrelated to Caisse Française de Financement Local's activity, as its business model involves holding all instruments until maturity. This volatility could adversely affect Caisse Française de Financement Local's result of operations.
- Impairment of assets: Caisse Française de Financement Local records allowances for impairment losses when there is objective evidence that a financial asset or group of financial assets is impaired. An interest-bearing financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The identification of impairment triggers is based on procedures, but also on management's judgement. The amount of impairment represents management's best estimate of recoverable amounts and losses at each balance-sheet date.
- Contingency provisions: a contingency provision is recognized if a present obligation, arising from past events, that will result in probable outflow of resources and a reliable estimate of the amount of the obligation can be determined.
- Deferred tax: for the recognition and measurement of deferred tax assets, an estimate of future taxable profit is necessary; these estimates are prepared by management.

For a full discussion of Caisse Française de Financement Local's IFRS accounting policies, see Note 1 of Caisse Française de Financement Local's audited financial statements prepared in accordance with IFRS incorporated by reference herein.

7 Société de crédit foncier specific risk

7.1 Risks linked to compliance with the Coverage Ratio required of it under French law

The Coverage Ratio of Caisse Française de Financement Local, or the ratio between the Cover Pool assets and the debt benefiting from the *privilège* issued by Caisse Française de Financement Local, may be subject to fluctuation in the future. Fluctuation may be driven by factors such as the purchase or origination of assets at a different pace than issuances of *obligations foncières*, the use of certain assets as collateral for liquidity operations with the Banque de France and to obtain financing from credit institution in the form of repurchase agreement, or the changes in the requirements of the rating agencies. French law requires that the total amount of assets of *sociétés de crédit foncier* must be at least equal to 105% of the amount of liabilities benefiting from the *privilège*. Credit rating agencies may request higher Coverage Ratios in order to maintain the current ratings assigned to Caisse Française de Financement Local's *obligations foncières*.

As the Cover Pool is limited to credits to or guaranteed by public sector entities, including various local governments and municipalities, the Coverage Ratio may decline in the event of a decrease in the value of those interests, such as in the case of significant defaults in payment. The Coverage Ratio is monitored by the Specific Controller (the “*Contrôleur Spécifique*”) to confirm compliance with French law upon each issuance of *obligations foncières*. If a material amount of assets in the Cover Pool were to default, there is no assurance that the required level of assets within the Cover Pool could be maintained or that Caisse Française de Financement Local would be able to purchase new assets as a substitute for the defaulting assets. Non-compliance with the required Coverage Ratio would lead the French Resolution and Prudential Control Authority to ask the management of Caisse Française de Financement Local to remedy the situation, and ultimately could lead to the institution of substitute management by the French Resolution and Prudential Control Authority, or a loss of Caisse Française de Financement Local's status as a *société de crédit foncier*. Failure to maintain the required Coverage Ratio could also result in Caisse Française de Financement Local being unable to issue further *Obligations Foncières* or refinance existing *Obligations Foncières*, adversely affecting its business, financial condition, cash flows and results of operations.

7.2 Credit rating of Caisse Française de Financement Local's *obligations foncières* will be affected by the credit rating of SFIL and the French state

In the rating agencies' methodologies, the credit rating of a covered bond programme is linked to the credit rating attributed to the Issuer's parent. The rating criteria for Caisse Française de Financement Local include both the financial health of its parent, SFIL, as well as the strength of parental support. The credit rating of SFIL is closely linked to the credit rating of the French state due to its shareholding structure. SFIL is currently owned by the French State (75%), Caisse des Dépôts et Consignations (“*CDC*”) (20%) and La Banque Postale (5%). On 15 November 2018, as part of the project to create a major public finance hub centered around CDC and La Poste, the French State and CDC announced that they had entered into discussions with a view to entrusting the control of SFIL to CDC. SFIL's shareholder base will remain – as today – fully public. Its shareholders will ensure that SFIL's financial solidity is preserved and its economic base protected, and will continue to provide it with the necessary support, in accordance with the applicable regulations. This change in shareholding structure is expected to take place at the same time as the changes to that of La Poste and CNP Assurances.

Decreases in the credit rating of SFIL may cause a decrease in the credit rating of Caisse Française de Financement Local's *obligations foncières*, or a requirement that Caisse Française de Financement Local obtain funding in order to achieve a higher level of overcollateralization. A variety of factors may make obtaining such higher level of overcollateralization impossible for Caisse Française de Financement Local in the event of a downgrade of SFIL. If the credit rating of Caisse Française de Financement Local's *obligations foncières* were reduced due to these factors, such downgrade may adversely affect the value of Caisse Française de Financement Local's outstanding *obligations foncières*, including the *Obligations Foncières*, increase Caisse Française de Financement Local's cost of borrowing and adversely affect Caisse Française de Financement Local's ability to issue new *obligations foncières*.

7.3. There can be no assurance the assets in the Cover Pool at any given time comply with the eligibility criteria

When it was part of the Dexia Group and named Dexia Municipal Agency, Caisse Française de Financement Local had not undertaken any investigations, searches or other actions in respect of the loans and other assets originated by other members of the Dexia Group contained in Caisse Française de Financement Local's Cover Pool. It fully relied on the credit committees and procedures performed by all the Dexia Group affiliates for credit analysis. The verification of eligibility was performed by the transferring entity, and then by the risk department of Dexia Credit Local for Caisse Française de Financement Local before the transfer was realized.

Starting in 2013, Caisse Française de Financement Local purchases loans originated by La Banque Postale – See Material contracts. The verification of eligibility is performed by SFIL for Caisse Française de Financement Local before the transfer is realized.

For all French loans contained in Caisse Française de Financement Local's cover pool, the eligibility is verified through a daily control carried out by SFIL. Nevertheless, there can be no assurance that assets in the Cover Pool at the time of transfer or at any given time comply with the applicable eligibility criteria. Were there to be material non-compliance as to a large enough portion of Caisse Française de Financement Local's Cover Pool assets, Caisse Française de Financement Local would be required to sell its non-compliant assets, leading in certain circumstances to a reduction in the Coverage Ratio, and it may be unable to issue further *Obligations Foncières* or meet payment obligations on existing *Obligations Foncières*, adversely affecting Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

In its business of refinancing large export credit, Caisse Française de Financement Local grants loans to its parent company SFIL, to refinance its export credit. These refinancing loans benefit from a 100% guarantee of the French State which entitles such loans to be eligible to the Cover Pool. Should a refinancing loan lose the benefit of the guarantee, it could become not eligible to the cover pool, and Caisse Française de Financement Local would either notify SFIL a mandatory redemption of the loan or reclassify the asset as a replacement asset within the regulatory limit and subject to a sufficient rating of SFIL. In certain circumstances, SFIL may not be able to redeem the loan or the reclassification may not be possible; in such cases, Caisse Française de Financement Local would not be compliant with regulation and this could deteriorate its reputation or lead to an interdiction of issuing new *obligations foncières*.

7.4. The *Obligations Foncières* are obligations of Caisse Française de Financement Local only

Caisse Française de Financement Local has traditionally benefitted from the financial support of its parent company, including arrangements designed to ensure its continued liquidity and viability, including large amounts of equity, long-term loan financing and further liquidity through a current account agreement. None of the various arrangements, including the “declaration of support” from SFIL, constitutes a guarantee of Caisse Française de Financement Local's obligations to its creditors. Caisse Française de Financement Local is solely responsible for its obligations to its creditors and cannot legally rely on any other entity to this end. The *Obligations Foncières* are not guaranteed by SFIL or any other person. In making an investment decision, investors must rely upon their own examination of Caisse Française de Financement Local, the Cover Pool, the terms of the *Obligations Foncières* issued under the Programme and the financial information incorporated in this Base Prospectus. There can be no assurance that the Cover Pool will be sufficient to pay in full the amounts payable under the *Obligations Foncières*.

7.5. Holders have access to a limited description of the Cover Pool

Save as provided in Caisse Française de Financement Local's annual or semi-annual reports, quarterly activity reports, quarterly reports on assets quality or quarterly Harmonised Transparency Template of the Covered Bond Label, holders will not receive more detailed statistics or information in relation to the loans or other assets contained or to be contained in Caisse Française de Financement Local's Cover Pool. Although the *Contrôleur Spécifique* will monitor Caisse Française de Financement Local's compliance with asset portfolio requirements and the Coverage Ratio under French law, the report of the *Contrôleur Spécifique* is not publicly available. Furthermore, the composition of the Cover Pool is dynamic, and is expected to change during the term of any *obligations foncières*, details of which may not be available to holders of the *Obligations Foncières*.

8 Business activity risk

8.1. Caisse Française de Financement Local may face a decrease in its activity and its margins in the local authority and municipal lending market or in the refinancing of export credit

Caisse Française de Financement Local may face increasing competition in the local government lending market or in the refinancing of export credit from which Caisse Française de Financement Local sources its Cover Pool. In France, where it will source its new assets, competition may increase from French universal banks.

Certain of Caisse Française de Financement Local's, SFIL's and La Banque Postale's competitors may be larger and better capitalized than Caisse Française de Financement Local. Consequently, Caisse Française de Financement Local may face pricing pressure in certain areas of its operations in the future as competitors seek to increase market share by reducing prices, or offering new services at low prices. The municipal market competition could intensify, which may result in narrower lending spreads. This could make it more difficult for Caisse Française de Financement Local to purchase or originate new eligible loans and credit exposures with a sufficient margin to be refinanced by *obligations foncières*. There can be no assurance that existing or increased competition in the French municipal banking sector or in the refinancing of export credit will not lead to a reduction of margins for new commitments and ultimately to a strong reduction of new assets lending for Caisse Française de Financement Local, or otherwise adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

There can also be no assurance that amounts of loans to the local authorities and municipalities bought from La Banque Postale or that the export credit market guaranteed by the French State will remain at their current level.

8.2. Risk relating to the public policy missions with which Caisse Française de Financement Local has been entrusted by the French State and the authorization to operate or the agreements with the assets providers may not be extended

SFIL and Caisse Française de Financement Local have been entrusted by the French State, with the two following public policy missions:

- in 2013, to fund the needs of the French local public sector and public hospitals;
- in 2015, to refinance large French export contracts, with the objective to support French exports in terms of financial competitiveness. In this context, Loans granted by Caisse Française de Financement Local to SFIL benefit from an irrevocable and unconditional 100% guarantee by the French State. In addition to this, on 9 March 2018, the French government announced its plan to create a new guarantee analogous to export credit insurance, which will cover the financing of large projects deemed strategic for France's economy. The financing of these projects will benefit from a French State guarantee with no precondition of underlying exports. After obtaining the necessary authorizations, SFIL will be able to participate in the scheme and be refinanced by Caisse Française de Financement Local using the enhanced guarantee mechanism (irrevocable and unconditional 100% guarantee by the French State). The operational implementation of this activity extension is expected to come on stream in 2019.

If one of these two public policy missions of Caisse Française de Financement Local were to be modified by the French State, it could lead to a strong reduction of new assets and of the Cover Pool's over-collateralization. And more generally it could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

Moreover, changes in regulation could lower advantage for collateral providers of using Caisse Française de Financement Local as a refinancing tool. More generally, the authorization to operate or the agreements with the assets providers may not be renewed. In such a case, this could make it more difficult for Caisse Française de Financement Local to purchase or originate new eligible loans and credit exposures and lead to a strong reduction of new assets, or otherwise adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

9 The United Kingdom leaving the European Union could adversely affect CAFFIL

On 23 June 2016 the United Kingdom held a referendum to decide on its membership within the European Union. The UK vote was to leave the European Union and the UK Government invoked its right to withdraw from the European Union pursuant to Article 50 of the Treaty on the European Union on 29 March 2017. Under such Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply in the UK from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the United Kingdom's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the Issuer's financial condition. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the *Obligations Foncières* and/or the market value and/or the liquidity of the *Obligations Foncières* in the secondary market.

RISK FACTORS RELATING TO THE *OBLIGATIONS FONCIÈRES* ISSUED UNDER THE PROGRAMME

The following paragraphs describe some risk factors that are material to the Obligations Foncières to be offered and/or admitted to trading in order to assess the market risk associated with these Obligations Foncières. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Obligations Foncières and the suitability of investing in the Obligations Foncières in light of their particular circumstances.

1 General Risks Relating to the *Obligations Foncières*

1.1. Investors must independently review and obtain professional advice with respect to the *Obligations Foncières* issued under the Programme

Each prospective investor of *Obligations Foncières* must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the *Obligations Foncières* is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the *Obligations Foncières*.

A prospective investor may not rely on Caffil or the Dealer(s) or any of their affiliates in connection with its determination as to the legality of its acquisition of the *Obligations Foncières* or as to the other matters referred to above.

1.2. Actual yield on *Obligations Foncières* issued under the Programme may be reduced from the stated yield as a result of transaction costs

When securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the securities. These incidental costs may significantly reduce or even cancel out the profit potential of *Obligations Foncières* issued under the Programme. For instance, credit institutions often charge their clients fixed minimum commissions or pro-rata commissions (linked to the value of the order) in relation to transactions relating to securities. To the extent that additional (domestic or foreign) parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, holders of *Obligations Foncières* must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of any such third-parties.

In addition to such costs directly related to the purchase of securities (direct costs), holders of *Obligations Foncières* must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the *Obligations Foncières* before investing in *Obligations Foncières* issued under the Programme.

1.3. Potential conflicts of interest may arise between the holders and various parties operating under the Programme (including the Issuer, the Dealers and their respective affiliates)

Potential conflicts of interest may arise between the various parties (including the Issuer, the Dealers and their respective affiliates) operating under the Programme and the investor.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the *Obligations Foncières*, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and

actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may enter into hedging strategies on behalf of the Issuer or investor clients, or as principal, in order to manage their exposure, their general risk or other trading activities. Such activity may affect future trading prices. Such investments and securities activities may involve securities and/or instruments of the Issuer. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the *Obligations Foncières*. Any such short positions could adversely affect future trading prices of *Obligations Foncières*. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In addition, potential conflicts may arise between the holders of *Obligations Foncières* and the calculation agent (including where a Dealer acts as a calculation agent) or any agent appointed for a Tranche of *Obligations Foncières*, including with respect to certain discretionary determinations and judgments that such agent may make pursuant to the Terms and Conditions of the *Obligations Foncières* that may influence the amount receivable upon redemption of the *Obligations Foncières*. In particular, whilst a calculation agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by holders of *Obligations Foncières* during the term and on the maturity of the *Obligations Foncières* or the market price, liquidity or value of the *Obligations Foncières* and which could be deemed to be adverse to the interests of the holders of *Obligations Foncières*.

1.4. Holders of *Obligations Foncières* issued under the Programme may not declare the *Obligations Foncières* immediately due and payable under any circumstances, including a default in the payment by Caffil of any interest or principal due in respect of the *Obligations Foncières*

Obligations Foncières issued under the Programme may not be declared immediately due and payable under any circumstances, including a default in the payment by Caffil of any principal or interest due in respect of the *Obligations Foncières*. Certain events that are customarily considered events of default under debt instruments giving rise to a right on the part of the registered holder to declare such debt instrument immediately due and payable, such as Caffil filing for bankruptcy, cross-defaults or insolvency proceedings, will not give rise to the right on the part of the holders of *Obligations Foncières* issued under the Programme to declare the *Obligations Foncières* immediately due and payable. Pursuant to the terms of the French *Code monétaire et financier*, all cash flows generated by Caffil's assets and by derivatives transactions together with deposits made by Caffil with other credit institutions, that in each case are eligible assets within the meaning of Articles L.513-3 to L.513-10 of the French *Code monétaire et financier*, are allocated as a matter of absolute priority to servicing *obligations foncières* or other privileged liabilities of Caffil as they fall due. See "Description of Caisse Française de Financement Local – The Legal Regime Applicable to Caffil".

1.5. The credit rating of the *Obligations Foncières* may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the *Obligations Foncières*. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the *Obligations Foncières*. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. The rating reflects the possibility of default of Caffil of the *Obligations Foncières* as judged by the credit rating agencies. In addition, an investment in the *Obligations Foncières* involves the risk that subsequent changes in the actual or perceived creditworthiness of Caffil may adversely affect the market value of the relevant *Obligations Foncières*.

1.6. An active trading market for *Obligations Foncières* issued under the Programme may never develop

There can be no assurance that an active trading market for the *Obligations Foncières* issued under the Programme will develop (even where the *Obligations Foncières* are listed), or, if one does develop, that it will be maintained. If an active trading market for the *Obligations Foncières* does not develop, or is not maintained, the market or trading price and liquidity of the *Obligations Foncières* may be adversely affected. The Dealers are not obligated, however, to make a market in the *Obligations Foncières* and, were they to do so, may continue or discontinue any market making at any time at their sole discretion. In addition, Caffil is entitled to buy the *Obligations Foncières* and it may issue further *Obligations Foncières*. Such transactions by Caffil may adversely affect the price development of *Obligations Foncières* issued under the Programme. If additional and competing products are introduced in the markets, this may adversely affect the value of the *Obligations Foncières* issued under the Programme.

1.7. The trading market for *Obligations Foncières* issued under the Programme may be volatile and may be adversely affected by various events

The market for debt securities is influenced by economic and market conditions and, to varying degrees, currency exchange rates and inflation rates in other European and other industrialized countries. In addition, the market value of the *Obligations Foncières* will be affected by the creditworthiness of Caffil and a number of additional factors, which may include the value of any index, market interest, currency exchange rates, and yield rates and the time remaining to the maturity date. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of *Obligations Foncières* issued under the Programme or that economic and market conditions will not have any other adverse effect.

1.8. Neither Caffil nor the Dealer(s) assumes responsibility for the legality of any purchase under the Programme

Neither Caffil, the Dealer(s) nor any of their affiliates has or assumes responsibility for the lawfulness of the acquisition of the *Obligations Foncières* by a prospective investor of the *Obligations Foncières*, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.9. Modification and waivers

The holders of *Obligations Foncières* will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse*, as defined in Condition 10, and a General Meeting can be held or Written Decisions can be taken. The Terms and Conditions of the *Obligations Foncières* permit in certain cases defined majorities to bind all holders of *Obligations Foncières* including holders of *Obligations Foncières* who did not attend and vote at the relevant General Meeting or did not consent to the Written Decision or holders of *Obligations Foncières* who voted in a manner contrary to the majority. Holders of *Obligations Foncières* may through Collective Decisions deliberate on any proposal relating to the modification of the Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 10 (Representation of holder of *Obligations Foncières*).

1.10. Purchasers of the *Obligations Foncières* may be subject to certain taxes or other costs

Potential purchasers and sellers of the *Obligations Foncières* should be aware that payments of interest on the *Obligations Foncières*, or profits realized by a holder of *Obligations Foncières* upon the disposal or repayment thereof, may be subject to taxation or documentary charges or duties in its home jurisdiction or in other jurisdictions in which it is required to pay taxes or where the *Obligations Foncières* are transferred. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial obligations such as the *Obligations Foncières*. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and any supplement thereto that may be published from time to time, but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition,

ownership, disposal and redemption of the *Obligations Foncières*. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

1.11. Change of Law or regulation

The Terms and Conditions of the *Obligations Foncières* are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus.

Any *Obligations Foncières* issued or to be issued may be affected by any new regulation produced by any European or French supervisory. No assurance can be given as to the impact of any possible decision or change in European or French Regulation or interpretation of such regulations.

1.12. The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”). However, Estonia withdrew from the enhanced cooperation in March 2016.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the *Obligations Foncières* (including secondary market transactions) in certain circumstances. The issuance and subscription of *Obligations Foncières* should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the *Obligations Foncières* where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States (excluding Estonia) and its scope is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or Participating Member States may decide to withdraw.

Prospective holders of the *Obligations Foncières* are advised to seek their own professional advice in relation to the FTT.

1.13. Cffil will not be required to pay any additional amounts

If any law should require that any payments in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges of whatever nature, Cffil will not pay any additional amounts in respect of any such withholding or deduction. Therefore, the corresponding risk shall be borne by the holders of *Obligations Foncières* or, if applicable, the Couponholders.

1.14. No redemption for taxation reasons

If French law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, such *Obligation Foncière* will not, unless otherwise specified in the relevant Final Terms, be redeemed early. If such early redemption is provided in the relevant Final Terms, the Issuer may redeem such *Obligation Foncière*.

1.15. EU Bank Resolution and Recovery Directive

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the “**Bank Recovery and Resolution Directive**” or “**BRRD**”) entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The impact of the BRRD and its implementing provisions on credit institutions, including the Issuer, could materially affect the activity and financial condition of the Issuer and the value of any *Obligations Foncières*.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers provided to authorities in the BRRD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a firm's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) where a firm's insolvency might raise a concern as to the general public interest, a clear plan to reorganise or wind down the firm in an orderly fashion while preserving its critical functions and as far as possible limiting taxpayers' exposure to losses (which should be used as a last resort).

Under the BRRD, the resolution authority may commence resolution proceedings and exercise resolution tools and powers in respect of an institution when:

- the institution is failing or likely to fail (see above);
- there are no reasonable prospects that a private action would prevent the failure; and
- a resolution action is necessary and in the public interest.

The BRRD contains four resolution tools and powers:

(i) sale of business: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;

(ii) bridge institution: enables resolution authorities to transfer all or part of the business of the firm to a “bridge bank” (a publicly controlled entity holding such business or part of a business with a view to reselling it);

(iii) asset separation: enables resolution authorities to transfer impaired or problem assets to asset management vehicles to allow them to be managed and worked out over time; and

(iv) bail-in: gives resolution authorities the power to write down (including to zero) certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including *Obligations Foncières* to equity (the “**general bail-in tool**”), which equity could also be subject to any future application of the general bail-in tool. Relevant claims for the purposes of the bail-in tool would include the claims of the holders in respect of any *Obligations Foncières* issued under the Programme, only if and to the extent that the bond liability exceeded the value of the cover pool collateral against which it is secured. Regarding *Obligations Foncières*, the BRRD provides that the relevant resolution authority shall not exercise the write down or conversion powers in relation to secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds, whether they are governed by the law of a Member State or of a third country.

The BRRD also provides that in exceptional circumstances, where the bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the

exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines in a manner that maintains the ability of the institution under resolution to continue key operations, services and transactions; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, in particular as regards eligible deposits held by natural persons and micro, small and medium sized enterprises, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State or of the Union; or (d) the application of the bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in.

Consequently, where a resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities:

(i) the level of write down or conversion applied to other eligible liabilities - as the holders of the *Obligations Foncières* - when not excluded, may be increased to take account of such exclusions; and

(ii) if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the resolution financing arrangement may make a contribution to the institution under resolution to (a) cover any losses which have not been absorbed by eligible liabilities and restore the net asset value of the institution under resolution to zero and/or (b) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The last step - if there are losses left - would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

The BRRD applies since 1 January 2015, except for the general bail-in tool which applies since 1 January 2016.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) and to the national resolution authorities. For Member States participating in the Banking Union (which includes France), the Single Resolution Mechanism (the “**SRM**”) fully harmonises the range of available tools, but Member States are authorised to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

As from November 2014, the European Central Bank (“**ECB**”) has taken over the prudential supervision under the Single Supervision Mechanism (“**SSM**”) of significant credit institutions in Eurozone member states. In addition, an SRM has been set up to ensure that the resolution of banks across the Eurozone is harmonised. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

SFIL, being the parent company of the Issuer, has been designated as a significant supervised entity for the purposes of Article 49(1) of the Regulation (EU) no. 468/2014 (the “**SSM Regulation**”) and consequently the Issuer is subject to the direct supervision of the ECB. This means that the Issuer is also subject to the SRM, which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large extent, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The implementation of the BRRD in France was made by several legislative texts. The banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (the “**Banking Law**”) had anticipated the implementation of the BRRD and had introduced in the French *Code monétaire et financier* Article L.613-31-16 which allows the ACPR to exercise resolution powers when an institution is subject to a procedure relating to its recovery or resolution.

Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the

“**Ordinance**”) published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning implementing Section A of the Annex of the BRRD, (ii) resolution planning implementing Section B of the Annex of the BRRD, and (iii) criteria to assess the resolvability of an institution or group implementing Section C of the Annex of the BRRD, were published on 20 September 2015, mostly to define implementing rules of the BRRD.

The Ordinance has been ratified by law no. 2016-1691 dated 9 December 2016 (*Loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporates provisions which clarify the implementation of the BRRD.

French credit institutions (as the Issuer) must now comply at all times with minimum requirements for own funds and eligible liabilities (the “**MREL**”) under Article L.613-44 of the French *Code monétaire et financier*. The MREL is expressed as a percentage of total liabilities and equity of the institution and aims to prevent institutions to structure their commitments in a manner which could limit or prevent the effectiveness of the bail-in tools.

It should be noted that on 16 April 2019, the European Parliament has adopted the European Commission’s proposals for a European Directive amending the BRRD and a European Regulation amending the Single Resolution Mechanism Regulation (Regulation 806/2014). Substantially agreed texts remain subject from now to formal approval of the Council of the European Union, and are currently expected to be published in the Official Journal in June 2019. The provisions of the texts shall apply within 18 months from the date of their entry into force i.e. the twentieth day following that of their publication in the Official Journal of the European Union.

The powers set out in the BRRD as implemented in France will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, holders of *Obligations Foncières* may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool (subject, in the case of covered bonds such as the *Obligations Foncières*, to the limitations set out above), which may result in such holders losing some or all of their investment. The BRRD also provides that the relevant resolution authority can modify the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments).

It is not yet possible to assess the full impact of the BRRD as implemented in France on the Issuer and there can be no assurance that it will not adversely affect the rights of holders of *Obligations Foncières*, the price or value of their investment in the *Obligations Foncières* and/or the ability of the Issuer to satisfy its obligations under the *Obligations Foncières*.

The holders of *Obligations Foncières* have very limited rights to contest and/or ask for the suspension of the exercise of the relevant competent authorities’ resolution powers.

1.16. Implementation of Basel III Risk-Weighted Asset Framework

On 16 December 2010 and 13 January 2011, the Basel Committee on Banking Supervision (the “**Basel Committee**”) published a revised framework (“**Basel III**”), including new capital and liquidity standards for credit institutions. Those measures were scheduled to be implemented by relevant authorities starting from 1 January 2013 with full implementation on 1 January 2019.

In particular, the changes introduced by Basel III refer to, amongst other things:

- a complete review of the capital standards;
- the introduction of a leverage ratio; and

- the introduction of short-term and longer-term standards for funding liquidity (referred to as the “*Liquidity Coverage Ratio*” and the “*Net Stable Funding Ratio*”).

In January 2016 the initial phase of Basel III reforms focused on strengthening the following components of the regulatory framework:

- improving the quality of bank regulatory capital by placing a greater focus on going-concern loss-absorbing capital in the form of Common Equity Tier 1 (CET1) capital;
- increasing the level of capital requirements to ensure that banks are sufficiently resilient to withstand losses in times of stress;
- enhancing risk capture by revising areas of the risk-weighted capital framework that proved to be acutely miscalibrated, including the global standards for market risk, counterparty credit risk and securitisation;
- adding macroprudential elements to the regulatory framework, by: (i) introducing capital buffers that are built up in good times and can be drawn down in times of stress to limit procyclicality; (ii) establishing a large exposures regime that mitigates systemic risks arising from interlinkages across financial institutions and concentrated exposures; and (iii) putting in place a capital buffer to address the externalities created by systemically important banks;
- specifying a minimum leverage ratio requirement to constrain excess leverage in the banking system and complement the risk-weighted capital requirements; and
- introducing an international framework for mitigating excessive liquidity risk and maturity transformation, through the Liquidity Coverage Ratio and Net Stable Funding Ratio

In December 2017, the Basel Committee’s finalised Basel III reforms have complemented these improvements to the global regulatory framework. The revisions seek to restore credibility in the calculation of risk-weighted assets (RWAs) and improve the comparability of banks’ capital ratios by:

- enhancing the robustness and risk sensitivity of the standardised approaches for credit risk, credit valuation adjustment (CVA) risk and operational risk;
- constraining the use of the internal model approaches, by placing limits on certain inputs used to calculate capital requirements under the internal ratings-based (IRB) approach for credit risk and by removing the use of the internal model approaches for CVA risk and for operational risk;
- introducing a leverage ratio buffer to further limit the leverage of global systemically important banks (G-SIBs); and
- replacing the existing Basel II output floor with a more robust risk-sensitive floor based on the Committee’s revised Basel III standardised approaches.

Implementation dates and transitional arrangements related to the standards described above have been included with a main trigger in January 2022.

The European authorities have indicated that they support the work of the Basel Committee on the approved changes made in 2011 in general. Basel III was implemented under EU legislation through the “**CRD IV package**” which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013, the Capital Requirements Regulation n°575/2013 dated 26 June 2013 and the relevant subsequent Delegated Regulations. A number of new requirements arising from the CRD IV package was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of the CRD IV package at the legislative level was finalized under French law by Ordinance n°2014-158 dated 20 February 2014 and subsequent implementing decrees and “*arrêtés*”.

It should be noted that on 16 April 2019, the European Parliament has adopted the European Commission’s proposal for a European Directive amending the CRD IV Directive and a European Regulation amending the Capital Requirements Regulation. Substantially agreed texts remain subject from now to formal approval of the Council of the European Union, and are currently expected to be published in the Official Journal in June 2019. The provisions of the texts shall apply between the date of entry into force in summer 2019 as it will be

the case for the new requirements for own funds and eligible liabilities and two years after date of entry into force of the text at the latest, depending of the relevant applicable provisions. The new provisions will implement the Basel Committee's finalised Basel III reforms dated December 2017.

The implementation of Basel III and the CRD IV package, and any of their expected amendments, have and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the CRD IV package. In addition, the implementation of Basel III, the CRD IV package, and any of their expected amendments could affect the risk weighting of the covered bonds in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the CRD IV package. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of CRD IV package and any of its expected amendments could have on them.

2 Risks related to a particular issue of *Obligations Foncières* under the Programme

2.1. *Obligations Foncières* issued under the Programme may not be a suitable investment for all investors

Each potential investor in the *Obligations Foncières* must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant *Obligations Foncières*, the merits and risks of investing in the relevant *Obligations Foncières* and the information contained (or incorporated by reference) in this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant *Obligations Foncières* and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the *Obligations Foncières*, such as instances where *Obligations Foncières* have principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant *Obligations Foncières* issued under the Programme and be familiar with the behavior of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Obligations Foncières are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, and appropriate addition of risk to their overall portfolios. A potential investor should not invest in *Obligations Foncières* which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial advisor) to evaluate how the *Obligations Foncières* will perform under changing conditions, the resulting effects on the value of such *Obligations Foncières*, and the impact this investment will have on the overall investment portfolio of the potential investor.

2.2. *Obligations Foncières* may be subject to optional redemption by Caffil

If in the case of any particular Series of *Obligations Foncières* the Final Terms specifies that the *Obligations Foncières* are redeemable at Caffil's option, in certain circumstances, Caffil may choose to redeem the *Obligations Foncières* at times when prevailing interest rates may be relatively low. During a period when

Caffil may elect, or has elected, to redeem *Obligations Foncières*, such *Obligations Foncières* may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the *Obligations Foncières* and may only be able to do so at a lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

2.3. Fixed Rate *Obligations Foncières* may not always maintain the same market value

Investment in *Obligations Foncières* which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of *Obligations Foncières*.

2.4. Floating Rate *Obligations Foncières* may be volatile

Investment in *Obligations Foncières* which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the *Obligations Foncières* but there will be a periodic adjustment (as specified in the Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate *Obligations Foncières* may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these *Obligations Foncières* upon the next periodic adjustment of the relevant reference rate.

2.5. Holders will not be able to calculate their rate of return on Floating Rate *Obligations Foncières* in advance

A key difference between Floating Rate *Obligations Foncières* and Fixed Rate *Obligations Foncières* is that interest income on Floating Rate *Obligations Foncières* cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate *Obligations Foncières* at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the *Obligations Foncières* provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to also issue Fixed Rate *Obligations Foncières* may affect the market value and the secondary market (if any) of the Floating Rate *Obligations Foncières* (and vice versa).

2.6. If the *Obligations Foncières* include a feature to convert the interest basis, this may affect the secondary market and the market value of the *Obligations Foncières* concerned

Fixed/Floating Rate *Obligations Foncières* and, in respect of *Obligations Foncières* having a denomination of at least EUR100,000, Fixed Rate/Formula *Obligations Foncières* are *Obligations Foncières* which bear interest at a rate that converts either automatically or at the option of the Issuer from (i) a fixed rate to a floating rate, or from a floating rate to a fixed rate or (ii) a fixed rate to a rate of interest linked to a formula, or from a rate of interest linked to a formula to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market, and the market value of, such *Obligations Foncières* as the change of interest basis may result in a lower interest return for holders of *Obligations Foncières*. Where the *Obligations Foncières* convert from a fixed rate to a floating rate or a rate of interest linked to a formula, the spread on the Fixed/Floating Rate *Obligations Foncières* may be less favourable than then prevailing spreads on comparable Floating Rate *Obligations Foncières* tied to the same reference rate or a rate of interest linked to a formula. In addition, the new floating rate at any time may be lower than the rates on other *Obligations Foncières*. Where the *Obligations Foncières* convert from a floating rate or a rate of interest linked to a formula to a fixed rate, the fixed rate may be lower than then prevailing rates on those *Obligations Foncières* and could affect the market value of an investment in the relevant *Obligations Foncières*. Where conversion is at the option of the Issuer there is no guarantee that the Issuer will exercise such option.

2.7. Zero Coupon *Obligations Foncières* issued under the Programme are subject to higher price fluctuations than non-discounted debt securities

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon *Obligations Foncières* than on the prices of ordinary *Obligations Foncières* because the discounted issue prices of Zero Coupon *Obligations Foncières* are generally substantially below their par value. If market interest rates increase, holders of Zero Coupon *Obligations Foncières* are exposed to greater price declines than holders of other securities with comparable maturity and credit rating. Investors should be aware that Zero Coupon *Obligations Foncières* are a type of investment associated with a particularly high risk of price fluctuation.

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

2.8. Holders may be exposed to risk on *Obligations Foncières* which are dependent upon the performance of an index

Caffil may issue *Obligations Foncières* with principal or interest determined by reference to the rate of inflation in a country or in the European Monetary Union such as Inflation Linked *Obligations Foncières*, Index Formula *Obligations Foncières*, CPI Formula *Obligations Foncières* or HICP Formula *Obligations Foncières* (together, the “**Inflation Based *Obligations Foncières***”), where interest amounts and/or principal are dependent upon the performance of an inflation index, which will be one of (i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index (the “**CPI**”), as calculated and published monthly by the *Institut National de la Statistique et des Etudes Economiques* (“**INSEE**”), or (ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the “**HICP**”). If, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the *Obligation Foncières* will be redeemed at par.

Neither the current nor the historical levels of any of the Inflation Indices should be taken as an indication of future performance of such index during the term of any Inflation Based *Obligations Foncières*.

Inflation Based *Obligations Foncières* are not in any way sponsored, endorsed, sold or promoted by the INSEE or Eurostat, as the case may be, and the INSEE or Eurostat makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of any of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE or Eurostat, as the case may be, without regard to the Issuer or the *Obligations Foncières*. The INSEE or Eurostat, as the case may be, is not responsible for or has not participated in the determination of the timing of, prices of, or quantities of the Inflation Based *Obligations Foncières* to be issued or in the determination or calculation of the interest payable under such *Obligations Foncières*.

None of the Issuer, the Dealer(s) or any of their respective affiliates makes any representation as to the Inflation Indices (as defined herein). Any of such persons may have acquired, or during the term of the *Obligations Foncières* may acquire, non-public information with respect to any of the Inflation Indices that is or may be material in the context of Inflation Based *Obligations Foncières*. The issue of Inflation Based *Obligations Foncières* will not create any obligation on the part of any such persons to disclose to the holders of *Obligations Foncières* or any other party such information (whether or not confidential).

2.9. Inflation Based *Obligations Foncières* and Formulas with a multiplier or other leverage factor can be particularly volatile investments

Inflation Based *Obligations Foncières* and Formulas can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features.

2.10. The regulation and reform of “benchmarks” may adversely affect the value of *Obligations Foncières* linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks” (including LIBOR, EURIBOR, EONIA and CMS Rate) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, to be subject to revised calculation methods, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any *Obligations Foncières* linked to or referencing such a “benchmark”.

Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) was published in the Official Journal of the EU on 29 June 2016 and most of the provisions of the Benchmarks Regulation apply since 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any *Obligations Foncières* linked to or referencing a “benchmark”, in particular in any of the following circumstances:

- an index which is a “benchmark” could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or registration or, if based in a non-EU jurisdiction, the administrator is not recognised as equivalent or recognised or endorsed and the transitional provisions do not apply; and
- the methodology or other terms of the “benchmark” could be changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the following effects on certain “benchmarks” (including EURIBOR and LIBOR): (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any *Obligations Foncières* linked to or referencing a “benchmark”.

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on *Obligations Foncières* which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such *Obligations Foncières* (it being specified that if “Benchmark Replacement” applies, a specific fall-back shall apply - please refer to the risk factor entitled “*The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such Obligations Foncières linked to or referencing such “benchmarks”*” below). Depending on the manner in which a benchmark rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies, be reliant upon the provision by reference banks of offered quotations for the benchmark rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any *Obligations Foncières* linked to or referencing a “benchmark”.

It should be noted that on 24 May 2018, the European Commission published a proposal for a European Regulation amending Regulation (EU) 2016/1011 on low carbon benchmarks and positive carbon impact benchmarks. Moreover the text reviews existing provisions of the Benchmarks Regulation by providing an extension of the transition regime for critical and third-country benchmarks until the end of 2021. Substantially agreed provisions were published in February 2019, subject only to legal and linguistic review and are currently expected to be concluded in the first half of 2019.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any *Obligations Foncières* linked to or referencing a “benchmark”.

2.11. Future discontinuance of LIBOR and other benchmarks may adversely affect the value of Floating Rate *Obligations Foncières*

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the "**FCA Announcement**"). Therefore, the continuation of LIBOR in its current form (or at all) after 2021 cannot be guaranteed. In a further speech on 12 July 2018, Andrew Bailey, Chief Executive Officer of the FCA, emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, may require an adjustment to the terms and conditions, or result in other consequences, in respect of any *Obligations Foncières* linked to such benchmark (including but not limited to Floating Rate *Obligations Foncières* whose interest rates are linked to LIBOR) depending on the specific provisions of the relevant terms and conditions applicable to the *Obligations Foncières*. Any such consequences could have a material adverse effect on the liquidity and value of and return on any such *Obligations Foncières*.

Other interbank offered rates such as EURIBOR (the European Interbank Offered Rate) (together with LIBOR, the "**IBORs**") suffer from similar weaknesses to LIBOR and as a result may be discontinued or be subject to changes in their administration.

Changes to the administration of an IBOR or the emergence of alternatives to an IBOR, may cause such IBOR to perform differently than in the past, or there could be other consequences which cannot be predicted. The discontinuation of an IBOR or changes to its administration could require changes to the way in which the Rate of Interest is calculated in respect of any *Obligations Foncières* referencing or linked to such IBOR. The development of alternatives to an IBOR may result in *Obligations Foncières* linked to or referencing such IBOR performing differently than would otherwise have been the case if the alternatives to such IBOR had not developed. Any such consequence could have a material adverse effect on the value of, and return on, any *Obligations Foncières* linked to or referencing such IBOR.

Whilst alternatives to certain IBORs for use in the bond market (including SONIA (for Sterling LIBOR) and rates that may be derived from SONIA) are being developed, in the absence of any legislative measures, outstanding *obligations foncières* linked to or referencing an IBOR will only transition away from such IBOR in accordance with their particular terms and conditions.

2.12. The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such *Obligations Foncières* linked to or referencing such “benchmarks”

If “Benchmark Replacement” is specified to be “Applicable” in the applicable Final Terms, the Terms and Conditions of the *Obligations Foncières* provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any *Obligations Foncières* by reference to such benchmark under the Benchmarks Regulation or otherwise. Such fallback arrangements include the

possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions of the *Obligations Foncières*), with or without the application of an adjustment spread (which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), and may include amendments to the Terms and Conditions of the *Obligations Foncières* to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser and without the consent of the holders of *Obligations Foncières*.

Where no Successor Rate or Alternative Rate (as applicable) is determined, the relevant fallback provisions may not operate as intended at the relevant time, in all these circumstances other fallback rules might apply if the benchmark is discontinued or otherwise unavailable, which consist in the rate of interest for the last preceding Interest Period(s) to be used for the following Interest Period, as set out in the risk factor above entitled “*The regulation and reform of "benchmarks" may adversely affect the value of Obligations Foncières linked to or referencing such "benchmarks"*”. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Generally speaking, the occurrence of any of the events described above could have a material adverse effect on the value of and return on any *Obligations Foncières*.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate *Obligations Foncières* or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate *Obligations Foncières*. Investors should note that, the Independent Adviser will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each holder of *Obligations Foncières*, any such adjustment will be favourable to each holder of *Obligations Foncières*.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate *Obligations Foncières*.

2.13. Structured *Obligations Foncières* may entail significant risks not associated with similar investments in a conventional debt security

An investment in structured *Obligations Foncières* (such as Formulas), the premium and/or the interest on or principal of which is determined by reference to one or more values, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any *Obligation Foncières*.

2.14. Exchange rate risks and exchange controls may adversely affect the return on the *Obligations Foncières* issued under the Programme

Caffil will pay principal and interest on the *Obligations Foncières* issued under the Programme in the specified currency (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency equivalent yield on the *Obligations Foncières*, (ii) the Investor’s Currency-equivalent value of the principal payable on the *Obligations Foncières*, and (iii) the Investor’s

Currency-equivalent market value of the *Obligations Foncières*. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect applicable exchange rates. As a result, investors may receive an amount of interest or principal that is less than expected.

2.15. Risks relating to Social *Obligations Foncières*

The Final Terms relating to any specific Tranche of *Obligations Foncières* may provide that it will be the Issuer's intention to apply an amount equal to the net proceeds of the issue of those *Obligations Foncières* into assets as defined in the social note framework (the "**Social Note Framework**") (such *Obligations Foncières* being "**Social Obligations Foncières**"), such Social Note Framework being published on the website of the Issuer (<https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/>) for an issue of Social *Obligations Foncières*, as specified in the relevant Final Terms.

Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Social *Obligations Foncières* together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for any asset will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by the Issuer's own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect social impact of any projects or uses related to any asset. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "social" or an equivalently-labelled asset. In addition the requirements of any such label may evolve from time to time, accordingly, no assurance is or can be given to investors that any asset or use(s) the subject of, or related to, any asset will meet any or all investor expectations regarding such "social" or other equivalently-labelled performance objectives.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Social *Obligations Foncières* and in particular with any asset, to fulfill any social and/or other criteria. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Social *Obligations Foncières*.

While it is the intention of the Issuer to apply the proceeds of any Social *Obligations Foncières* so specified for the relevant asset, in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant asset or use(s) the subject of, or related to, any asset, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such asset. Nor can there be any assurance that such asset will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer.

Any such event or failure to apply the proceeds of any issue of Social *Obligations Foncières* for any asset as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value and marketability of such Social *Obligations Foncières* and also potentially the value of any other Social *Obligations Foncières* and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Social *Obligations Foncières* shall not depend on the performance of the relevant asset.

No Dealer makes any representation as to the suitability of the Social *Obligations Foncières* to fulfil social criteria required by prospective investors. The Dealers have not undertaken, nor are responsible for, any

assessment of the eligibility criteria, any verification of whether the Social *Obligations Foncières* meet the eligibility criteria, or the monitoring of the use of proceeds. Investors should refer to the Issuer's website or any third-party opinion.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the sections set out in the cross-reference tables below from the following documents:

- (a) the Annual Report in French language relating to Caisse Française de Financement Local, incorporating its audited annual accounts for the period ended 31 December 2017 and the related audit report (the “**2017 Annual Report**”)⁵;
- (b) the Annual Report in French language relating to Caisse Française de Financement Local, incorporating its audited annual accounts for the period ended 31 December 2018 and the related audit report (the “**2018 Annual Report**”)⁶; and
- (c) the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 21 July 2006 approved by the *Commission de surveillance du secteur financier* in Luxembourg (the “**CSSF**”) (the “**2006 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 23 July 2007 approved by the **CSSF** (the “**2007 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 24 July 2008 approved by the **CSSF** (the “**2008 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 10 July 2009 approved by the **CSSF** (the “**2009 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 2 July 2010 approved by the **CSSF** (the “**2010 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 8 April 2011 approved by the **CSSF** (the “**2011 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Caisse Française de Financement Local dated 26 June 2013 which received visa n° 13-306 from the *Autorité des marchés financiers* (the “**AMF**”) (the “**2013 EMTN Conditions**”) as modified by the supplement dated 24 July 2013 to the base prospectus dated 26 June 2013 (the “**Additional 2013 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Caisse Française de Financement Local dated 23 June 2014 which received visa n° 14-317 from the **AMF** (the “**2014 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Caisse Française de Financement Local dated 11 June 2015 which received visa n° 15-269 from the **AMF** (the “**2015 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Caisse Française de Financement Local dated 10 June 2016 which received visa n° 16-240 from the **AMF** (the “**2016 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Caisse Française de Financement Local dated 9 June 2017 which received visa n° 17-267 from the **AMF** (the “**2017 EMTN Conditions**”) and the terms and conditions of the *obligations foncières* contained in the base prospectus of Caisse Française de Financement Local dated 8 June 2018 which received visa n° 18-234 from the **AMF** (the “**2018 EMTN Conditions**” and together with, the 2006 EMTN Conditions, the 2007 EMTN Conditions, the 2008 EMTN Conditions, the 2009 EMTN Conditions, the 2010 EMTN Conditions, the 2011 EMTN Conditions, the 2013 EMTN Conditions, the Additional 2013 EMTN Conditions, the 2014 EMTN Conditions, the 2015 EMTN Conditions, the 2016 EMTN Conditions and the 2017 EMTN Conditions, the “**EMTN Previous Conditions**”).

Such documents are incorporated in, and form part of this Base Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

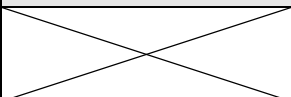
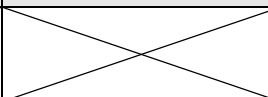
Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge from (i) the registered office of the Issuer, (ii) the website of the Issuer (www.caffil.fr) and/or (iii) the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

⁵ For information purposes only, the English translation of the 2017 Annual Report is published on, and may be obtained without charge from (i) the registered office of the Issuer and (ii) the website of the Issuer (www.caffil.fr).

⁶ For information purposes only, the English translation of the 2018 Annual Report is published on, and may be obtained without charge from (i) the registered office of the Issuer and (ii) the website of the Issuer (www.caffil.fr).

The documents incorporated by reference have been filed with the *Autorité des marchés financiers*.

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference list below. Any information not listed in the cross-reference list but included in the documents incorporated by reference shall not form part of this Base Prospectus and are not relevant for investors.

Annex 11.11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	Annual Report 2018	Annual Report 2017
A11.11.1 <u>Historical Financial Information</u>		
<ul style="list-style-type: none"> – the IFRS balance sheet; – the French GAAP balance sheet; 	<p style="text-align: center;">Page 65</p> <p style="text-align: center;">Page 111</p>	<p style="text-align: center;">Page 63</p> <p style="text-align: center;">Page 99</p>
<ul style="list-style-type: none"> – the IFRS income statement; – the French GAAP income statement; 	<p style="text-align: center;">Page 66</p> <p style="text-align: center;">Page 112</p>	<p style="text-align: center;">Page 64</p> <p style="text-align: center;">Page 100</p>
<ul style="list-style-type: none"> – in the case of an admission of securities to trading on a regulated market only, a IFRS cash flow statement; – in the case of an admission of securities to trading on a regulated market only, a French GAAP cash flow statement; 	<p style="text-align: center;">Page 68</p>	<p style="text-align: center;">Page 66</p>
	<p style="text-align: center;">Page 114</p>	<p style="text-align: center;">Page 102</p>
<ul style="list-style-type: none"> – the accounting policies and IFRS explanatory notes; – the accounting policies and French GAAP explanatory notes; 	<p style="text-align: center;">Pages 69 to 109</p>	<p style="text-align: center;">Pages 67 to 97</p>
	<p style="text-align: center;">Pages 115 to 129</p>	<p style="text-align: center;">Pages 103 to 116</p>
<ul style="list-style-type: none"> – the prudential ratios; 	<p style="text-align: center;">Page 33</p>	<p style="text-align: center;">Page 31</p>
<ul style="list-style-type: none"> – coverage ratio; 	<p style="text-align: center;">Page 134</p>	<p style="text-align: center;">Page 121</p>

Annex 11.11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	Annual Report 2018	Annual Report 2017
A11.11.2 <u>Financial statements</u>	X	X
<u>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</u>	Pages 65 to 110 Pages 111 to 133	Pages 63 to 98 Pages 99 to 120
A11.11.3 <u>Auditing of historical annual financial information</u>	X	X
A11.11.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	IFRS Auditors' reports Page 110 French GAAP Auditors' reports Pages 130 to 133	IFRS Auditors' reports Page 98 French GAAP Auditors' reports Pages 117-120
A11.11.3.2. An indication of other information in the registration document which has been audited by the auditors.	Page 135	Pages 53, 122

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of *Obligations Foncières* to be assimilated (*assimilées*) and form a single series with *Obligations Foncières* already issued with the relevant EMTN Previous Conditions.

EMTN Previous Conditions	
2006 EMTN Conditions	Pages 28 to 50
2007 EMTN Conditions	Pages 31 to 54
2008 EMTN Conditions	Pages 31 to 54
2009 EMTN Conditions	Pages 29 to 50

EMTN Previous Conditions	
2010 EMTN Conditions	Pages 33 to 54
2011 EMTN Conditions	Pages 35 to 56
2013 EMTN Conditions	Pages 69 to 103
Additional 2013 EMTN Conditions	Page 8
2014 EMTN Conditions	Pages 70 to 105
2015 EMTN Conditions	Pages 71 to 107
2016 EMTN Conditions	Pages 77 to 113
2017 EMTN Conditions	Pages 77 to 112
2018 EMTN Conditions	Pages 86 to 120

Non-incorporated parts of the base prospectuses of the Issuer dated 21 July 2006, 23 July 2007, 24 July 2008, 10 July 2009, 2 July 2010, 8 April 2011, 26 June 2013, 23 June 2014, 11 June 2015, 10 June 2016, 9 June 2017, 8 June 2018 and of the supplement dated 24 July 2013 are not relevant for the investors.

CONDITIONS ATTACHED TO THE CONSENT OF THE ISSUER TO USE THE PROSPECTUS

In the context of any offer of *Obligations Foncières* in France and in the Grand Duchy of Luxembourg (the “**Public Offer Jurisdictions**”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a “**Public Offer**”), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the “**Prospectus**”) in connection with a Public Offer of any *Obligations Foncières* during the offer period specified in the relevant Final Terms (the “**Offer Period**”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

- (1) any financial intermediary designated in such Final Terms; or
- (2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the *Obligations Foncières* by any person and disclosure to any potential investor; (b) complies with the restrictions set out under “*Subscription and Sale*” in this Base Prospectus which would apply as if it were a Dealer; (c) complies with the target market assessment conducted by the manufacturer and distribution channels identified under the “MiFID II Product Governance” legend set out in the relevant Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the *Obligations Foncières* is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the *Obligations Foncières* under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and “know your client” rules applying to the Issuer and/or the relevant Dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms (in each case an “**Authorised Offeror**”). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an “**Investor**”) in such Public Offer Jurisdiction(s) to whom an offer of any *Obligations Foncières* is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling twelve (12) months from the date of the approval of the Base Prospectus by the AMF.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at <http://www.caffil.fr>.

If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website that it is using the Prospectus for the relevant Public Offer with the consent of the Issuer and in accordance with the conditions attached thereto.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any *Obligations Foncières*. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any *Obligations Foncières* from an Authorised Offeror will do so, and offers and sales of the *Obligations Foncières* to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the “Terms and Conditions of the Public Offer”). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the *Obligations Foncières* and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a Supplement pursuant to the provisions of Article 16 of the Prospectus Directive and any legislation in any Member State of the European Economic Area that implement the Prospectus Directive and subordinate legislation thereto, the Issuer will prepare and make available an appropriate Supplement to this Base Prospectus or a restated Base Prospectus, which shall constitute a Supplement for the purpose of the relevant provisions of the Prospectus Directive.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, where the *Obligations Foncières* are offered to the public, investors who have already agreed to purchase or subscribe for *Obligations Foncières* before any supplement is published have the right, exercisable within two working days after the publication of this supplement, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the *Obligations Foncières*. That period may be extended by the Issuer or, if any, the relevant Authorised Offeror(s). The final date of the right of withdrawal shall be stated in the supplement.

TERMS AND CONDITIONS OF THE *OBLIGATIONS FONCIÈRES*

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Part A of the Final Terms, shall be applicable to the *Obligations Foncières*. In the case of Dematerialised *Obligations Foncières* the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Part A of the Final Terms. In the case of Materialised *Obligations Foncières*, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on definitive Bearer Materialised *Obligations Foncières*. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to “**Obligations Foncières**” are to the *Obligations Foncières* of one Series only, not to all *Obligations Foncières* that may be issued under the Programme.

An amended and restated agency agreement dated 7 June 2019 has been agreed between Caisse Française de Financement Local (the “**Issuer**”) and Banque Internationale à Luxembourg, société anonyme as fiscal agent (the “**Amended and Restated Agency Agreement**”). The fiscal agent, the paying agent, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the EEA as defined in the Markets in Financial Instruments Directive 2014/65/EU, as amended. References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

1 Form, Denomination, Title and Redenomination

- (a) **Form:** *Obligations Foncières* may be issued either in dematerialised form (“**Dematerialised Obligations Foncières**”) or in materialised form (“**Materialised Obligations Foncières**”).
- (i) Title to Dematerialised *Obligations Foncières* will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised *Obligations Foncières*.

Dematerialised *Obligations Foncières* are issued, at the option of the Issuer and as specified in the final terms (the “**Final Terms**”), in either bearer dematerialised form (*au porteur*), in which case they are inscribed in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

The Issuer may require the identification of the holders of the *Obligations Foncières* in accordance with Article L.228-2 of the French *Code de commerce*, unless such right is expressly excluded in the relevant Final Terms.

For the purpose of these Conditions, “**Account Holder**” means any intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (“**Euroclear**”) and the depository bank for Clearstream Banking, S.A. (“**Clearstream**”).

- (ii) Materialised *Obligations Foncières* are issued in bearer form (“**Bearer Materialised Obligations Foncières**”). Definitive Bearer Materialised *Obligations Foncières* are serially numbered and are issued with coupons (the “**Coupons**”) (and, where appropriate, a talon (the “**Talon**”)) attached, save in the case of Zero Coupon *Obligations Foncières* in which case

references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 and R.211-1 of the French Code monétaire et financier, securities (such as Obligations Foncières) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination:** *Obligations Foncières* shall be issued in the Specified Denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination**”). Dematerialised *Obligations Foncières* shall be issued in one Specified Denomination only.

Obligations Foncières having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

- (c) **Title:**

- (i) Title to Dematerialised *Obligations Foncières* in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised *Obligations Foncières* in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to definitive Bearer Materialised *Obligations Foncières* and the Coupons and Talons shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any *Obligation Foncière*, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Obligations Foncières**”, means (i) in the case of Dematerialised *Obligations Foncières*, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such *Obligations Foncières* and (ii) in the case of Materialised *Obligations Foncières*, the bearer of any definitive Bearer Materialised *Obligation Foncière* and the Coupons or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the *Obligations Foncières*.

- (d) **Redenomination:**

- (i) The Issuer may (if so specified in the Final Terms), on any Interest Payment Date, without the consent of the holder of any *Obligation Foncière*, Coupon or Talon, by giving at least thirty (30) days’ notice in accordance with Condition 13 and on or after the date on which the European Member State in whose national currency the *Obligations Foncières* are denominated has become a participating Member State in the third stage (or any further stage) of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the “**EC**”), as amended from time to time (the “**Treaty**”)) or events have occurred which have substantially the same effects (in either case, “**EMU**”), redenominate all, but not some only, of the *Obligations Foncières* of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the “**Redenomination Date**”.
- (ii) The redenomination of the *Obligations Foncières* pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each *Obligation Foncière* from the relevant national

currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each *Obligation Foncière* using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the *Obligations Foncières* so determined shall be notified to holders of *Obligations Foncières* in accordance with Condition 13. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to holders of *Obligations Foncières* by the Issuer.

- (iii) Upon redenomination of the *Obligations Foncières*, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
 - (iv) The Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 12, without the consent of the holder of any *Obligation Foncière*, Coupon or Talon, make any changes or additions to these Conditions or Condition 12 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of *Obligations Foncières*, Coupons and Talons and shall be notified to holders of *Obligations Foncières* in accordance with Condition 13 as soon as practicable thereafter.
 - (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any *Obligation Foncière*, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euros or any currency conversion or rounding effected in connection therewith.
- (e) **Method of Issue:** The *Obligations Foncières* will be issued on a syndicated or non-syndicated basis. The *Obligations Foncières* will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical, the *Obligations Foncières* of each Series being intended to be fungible (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other *Obligations Foncières* of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (except the issue date, issue price, first payment of interest and nominal amount of the Tranche, which will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

2 Conversion and Exchanges of *Obligations Foncières*

- (a) Dematerialised *Obligations Foncières*
 - (i) Dematerialised *Obligations Foncières* issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised *Obligations Foncières* in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
 - (ii) Dematerialised *Obligations Foncières* issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised *Obligations Foncières* in bearer dematerialised form (*au porteur*).
 - (iii) Dematerialised *Obligations Foncières* issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such *Obligations Foncières*, be converted into *Obligations Foncières* in administered registered form (*au nominatif administré*), and vice versa. The exercise of any

such option by such holder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such holder.

(b) *Materialised Obligations Foncières*

Bearer *Materialised Obligations Foncières* of one Specified Denomination may not be exchanged for Bearer *Materialised Obligations Foncières* of another Specified Denomination.

3 Status

The *Obligations Foncières* and, where applicable, any Coupons relating to them constitute direct, unconditional and, pursuant to the provisions of Condition 4, privileged obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future *obligations foncières* of the Issuer (including the *Obligations Foncières* of all other Series) and other resources raised by the Issuer benefiting from the *privilège* (the “*Privilège*”) referred to in Article L.513-11 of the French *Code monétaire et financier* as described in Condition 4.

4 *Privilège*

(a) The *Obligations Foncières* benefit from the *Privilège* (priority right of payment) pursuant to Article L.513-11 of the French *Code monétaire et financier*.

(b) In accordance with Article L.513-11, all sums payable to the Issuer in respect of loans, assimilated receivables, exposures or securities referred to in Articles L.513-3 to L.513-7 of the French *Code monétaire et financier* and the forward financial instruments referred to in Article L.513-10 (in each case after any applicable netting), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of *obligations foncières* (including the *Obligations Foncières*) issued by the Issuer and other resources raised by the Issuer pursuant to issue or subscription contracts referring to the *Privilège*.

It should be noted that, in addition to *Obligations Foncières* and other resources raised by the Issuer pursuant to any agreement, document purporting to inform the public within the meaning of Article L.412-1 of the French *Code monétaire et financier* or any other equivalent document required in connection with the admission to trading on a Regulated Market located outside France referring to the *Privilège*, derivative transactions used for hedging are also benefiting from the *Privilège* under the conditions of Article L.513-10 of the French *Code monétaire et financier*.

(c) Article L.513-11 of the French *Code monétaire et financier* provides that, notwithstanding any legislative provisions to the contrary and in particular those contained in the French *Code de commerce* (relating to conciliation (*conciliation*), preservation (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*)), the amounts due regularly under *obligations foncières* (including the *Obligations Foncières*) and other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer.

5 Interest and other Calculations

(a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto (the “**TARGET System**”) is operating (a “**TARGET Business Day**”); and/or

- (ii) in the case of a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (iii) in the case of a Specified Currency and/or one or more Business Centre(s) specified in the relevant Final Terms (the “**Business Centre(s)**”), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centre(s) so specified.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any *Obligation Foncière* for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (iv) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” or “**Actual/365 – FBF**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (v) if “**Actual/Actual - ICMA**” is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date

- (vi) if **Actual/Actual-FBF** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one year, the basis shall be calculated as follows:
 - the number of complete years shall be counted back from the last day of the Calculation Period;
 - this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.

- (vii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- (viii) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360
- (ix) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

- (x) if **30/360-FBF** or **Actual 30A/360 (American Bond Basis)** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first day is neither the 30th nor the 31st, the last month of the Calculation Period shall be deemed to be a month of thirty one (31) days.

The fraction is:

If dd2 = 31 and dd1 ≠ (30,31)

then:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

or

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

Where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period;

D2 (dd2, mm2, yy2) is the date of the end of the period.

- (xi) if “**30E/360**” or “Eurobond Basis” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D₂** will be 30.

- (xii) if “**30E/360 (ISDA)**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30.

- (xiii) if **30E/360-FBF** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days

Using the same abbreviations as for 30/360-FBF, the fraction is:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

“**Euro-zone**” means the region comprised of member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty

“**FBF Definitions**” means the definitions set out in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together the “**FBF Master Agreement**”) as may be supplemented or amended as at the Issue Date

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate *Obligations Foncières*, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in Paris for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro

“**Interest Payment Date**” means the date(s) specified as Specified Interest Payment Date or Interest Payment Date in the relevant Final Terms

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, or the relevant payment date if the *Obligations Foncières* become payable on a date other than an Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., as may be supplemented or amended as at the Issue Date

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the *Obligations Foncières* and that is specified in the relevant Final Terms

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, or, if otherwise, the principal offices of five major banks in the Relevant Inter-Bank Market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms

“**Relevant Date**” means, in respect of any *Obligation Foncière* or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised *Obligations Foncières* if earlier) the date seven (7) days after that on which notice is duly given to the holders of such Materialised *Obligations Foncières* that, upon further presentation of the Materialised *Obligation Foncière* or Coupon being made in accordance with the

Conditions, such payment will be made, provided that payment is in fact made upon such presentation

“**Relevant Inter-Bank Market**” means such inter-bank market as may be specified in the relevant Final Terms

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms

“**Relevant Screen Page Time**” means such Relevant Screen Page time as may be specified in the relevant Final Terms

“**Reference Rate**” means the rate specified as such in the relevant Final Terms which shall be either LIBOR, EURIBOR, EONIA, CMS Rate or TEC10 (or any successor or replacement rate).

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the *Obligations Foncières* are denominated

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto

- (b) **Interest on Fixed Rate *Obligations Foncières*:** Each Fixed Rate *Obligation Foncière* bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate *Obligations Foncières*, Inflation Linked *Obligations Foncières* and Formula:**

- (i) Interest Payment Dates: Each Floating Rate *Obligation Foncière*, Inflation Linked *Obligation Foncière* and Formula bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(c). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate *Obligations Foncières*: The Rate of Interest in respect of Floating Rate *Obligations Foncières* for each Interest Accrual Period shall be determined according to the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate *Obligations Foncières*

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**FBF Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- a) the Floating Rate is as specified in the relevant Final Terms; and
- b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**” (*Taux Variable*), “**Floating Rate Determination Date**” (*Date de Détermination du Taux Variable*) and “**Transaction**” (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that “Euribor” means the rate calculated for deposits in Euro which appears on Reuters Page EURIBOR01, as more fully described in the relevant Final Terms.

(B) ISDA Determination for Floating Rate *Obligations Foncières*

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms;
- (b) the Designated Maturity is a period specified in the relevant Final Terms; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), “**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(C) Screen Rate Determination for Floating Rate *Obligations Foncières*

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of Floating Rate *Obligations Foncières* is specified as being EURIBOR or LIBOR, the Rate of Interest for each Interest Accrual Period will, subject as provided below or (if applicable) to Condition 5(c)(iii)(D) (Benchmark Discontinuation) below, be either:

- (i) the offered quotation; or

- (ii) the arithmetic mean of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR), on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five (5) or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.
- (b) if the Relevant Screen Page is not available or if sub-paragraph (C)(a)(i) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (C)(a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, (i) if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks, (ii) if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent;
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market, or, if the Reference Rate is EURIBOR, the Euro zone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date

(though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period);

- (d) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being EONIA, the Rate of Interest for each Interest Accrual Period will, subject as provided below or (if applicable) to Condition 5(c)(iii)(D) (Benchmark Discontinuation) below, be the rate of return of a daily compound interest investment (with the arithmetic mean of the daily rates of the day-to-day Euro-zone interbank euro money market as reference rate for the calculation of interest) plus or minus (as indicated in the relevant Final Terms) the Margin (if any) and will be calculated by the Calculation Agent on the Interest Determination Date as follows, and the resulting will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{EONIA_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, is the number of TARGET Business Days in the relevant Interest Accrual Period;

“**EONIA_i**”, for any day “**i**” in the relevant Interest Accrual Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page or such other page or service as may replace such page for the purposes of displaying Euro overnight index average rate of leading reference banks for deposits in Euro (the “**EONIA Page**”) in respect of that day provided that, if, for any reason, by 11.00 a.m. (Brussels time) on any such day “**i**”, no rate is published on the EONIA Page, the Calculation Agent will request any four major banks selected by it (but which shall not include the Calculation Agent) in the Euro-zone inter-bank market to provide it with their respective quotations of the rates offered by such banks at approximately 11.00 a.m. (Brussels time) on such day “**i**” to prime banks in the Euro-zone inter-bank market for Euro overnight index average rate for deposits in Euro in an amount that is, in the reasonable opinion of the Calculation Agent, representative for a single transaction in the relevant market at the relevant time. The applicable reference rate for such day “**i**” shall be the arithmetic mean (rounded if necessary, to the nearest hundredth of a percentage point, with 0.005 being rounded upwards) of at least two of the rates so quoted, it being provided that if less than two rates are provided to the Calculation Agent, the applicable reference rate shall be determined by the Calculation Agent after consultation of an independent expert;

“**n_i**” is the number of calendar days in the relevant Interest Accrual Period on which the rate is EONIA_i; and

“**d**” is the number of calendar days in the relevant Interest Accrual Period.

- (e) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period plus or minus (as indicated in the relevant Final Terms) the Margin (if any) will, subject as provided below or (if applicable) to Condition 5(c)(iii)(D) (Benchmark Discontinuation) below, be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

If the Relevant Screen Page is not available at the Specified Time on the relevant Interest Determination Date: (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the relevant Interest Determination Date; (ii) if at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with the then prevailing standard market practice.

For the purposes of this sub-paragraph (e):

“**CMS Rate**” shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the relevant Interest Determination Date in question, all as determined by the Calculation Agent.

“**CMS Reference Banks**” means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

“**Reference Currency**” means the currency specified as such in the relevant Final Terms.

“**Reference Financial Centre**” means, with respect to a Reference Currency, the financial centre specified as such in the relevant Final Terms.

“**Designated Maturity**”, “**Margin**”, “**Specified Time**” and “**Relevant Screen Page**” shall have the meaning given to those terms in the relevant Final Terms.

“**Relevant Swap Rate**” means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the

Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the *Obligations Foncières* (the “**ISDA Definitions**”)) with a designated maturity determined by the Calculation Agent by reference to the then prevailing standard market practice or the ISDA Definitions;

- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency of if the relevant Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the relevant Final Terms.

“**Representative Amount**” means an amount that is representative for a single transaction in the relevant market at the relevant time, as determined by the Calculation Agent.

- (f) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being TEC10, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent by reference to the following formula: $TEC10 + \text{Margin}$.

“**TEC10**” means the offered quotation (expressed as a percentage rate per annum) for the EUR-TEC10-CNO⁷, calculated by the *Comité de Normalisation Obligatoire* (“**CNO**”), which appears on the Relevant Screen Page, being the caption “TEC10” on the Reuters Screen BDFCNOTEC Page or any successor page, as at 10.00 a.m. Paris time on the Interest Determination Date in question.

⁷ All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

If, on any Interest Determination Date, TEC10 does not appear on Reuters Screen BDFCNOTEC Page or any successor page, (i) it shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference OAT (*Obligation Assimilable du Trésor*) which would have been used by the *Comité de Normalisation Obligataire* for the calculation of the relevant rate, quoted in each case by five *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. Paris time on the Interest Determination Date in question; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) TEC10 will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest of such quotations. The above-mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Comité de Normalisation Obligataire* for the determination of the relevant rate.

For information purposes only, the EUR-TEC10-CNO, established in April 1996, is the percentage yield (rounded to the nearest second decimal point, 0.005 per cent. being rounded upwards) of a notional 10 year French Treasury Bond (Obligation Assimilable du Trésor, "OAT") corresponding to the linear interpolation between the yield to maturity of the two actual OATs (the "Reference OATs") whose periods to maturity are closest in duration to the notional 10 year OAT, one Reference OAT's duration being of less than 10 years and the other Reference OAT's duration being greater than 10 years.

(D) Benchmark discontinuation

This Condition 5(c)(iii)(D) applies only if "Benchmark Replacement" is specified to be "Applicable" in the applicable Final Terms. For the avoidance of doubt, if "Benchmark Replacement" is specified to be "Not Applicable" in the applicable Final Terms, if a Benchmark Event occurs, then the other fallbacks specified in Condition 5(c)(iii)(C) shall apply in accordance with their terms.

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any *Obligations Foncières* provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and shall prevail over other fallbacks specified in Condition 5(c)(iii)(C).

(a) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(c)(iii)(D)(b)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(c)(iii)(D)(c)) and any Benchmark Amendments (in accordance with Condition 5(c)(iii)(D)(d)).

An Independent Adviser appointed pursuant to this Condition 5(c)(iii)(D) shall act in good faith and in a commercially reasonable manner as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the holders of *Obligations Foncières* for any determination made by it pursuant to this Condition 5(c)(iii)(D).

(b) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith and in a commercially reasonable manner that:

- (1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(d)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the *Obligations Foncières* (subject to the further operation of this Condition 5(c)(iii)(D)); or
- (2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(d)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the *Obligations Foncières* (subject to the further operation of this Condition 5(c)(iii)(D)).

(c) Adjustment Spread

If the Independent Adviser, determines in good faith and in a commercially reasonable manner (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(c)(iii)(D) and the Independent Adviser determines in good faith and in a commercially reasonable manner (i) that amendments to the Terms and Conditions of the *Obligations Foncières* (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(c)(iii)(D)(e), without any requirement for the consent or approval of holders of *Obligations Foncières*, vary the Terms and Conditions of the *Obligations Foncières* to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(c)(iii)(D), the Issuer shall comply with the rules of any stock exchange on which the *Obligations Foncières* are for the time being listed or admitted to trading.

(e) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 13, the holders of *Obligations Foncières*, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c)(iii)(D). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the fallback provisions relating to the Original Reference Rate specified in Condition 5(c)(iii)(C) will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5(c)(iii)(D), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5(c)(iii)(D) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the other fallbacks specified in Condition 5(c)(iii)(C), will continue to apply in accordance with their terms.

(g) Definitions

In this Condition 5(c)(iii)(D):

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to holders of *Obligations Foncières* as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (2) in the case of an Alternative Rate (or in the case of a Successor Rate where (1) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (3) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate;

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5(c)(iii)(D) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the *Obligations Foncières*;

"Benchmark Event" means, with respect to an Original Reference Rate:

- (1) the Original Reference Rate ceasing to exist or be published;

- (2) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (2)(i);
- (3) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
- (4) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (4)(i);
- (5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;
- (6) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Agent, the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any holder of *Obligations Foncières* using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (Regulation (EU) 2016/1011), if applicable); or
- (7) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation (Regulation (EU) 2016/1011) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted;

"Independent Adviser" means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 5(c)(iii)(D)(a);

"Original Reference Rate" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the *Obligations Foncières*;

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

"Successor Rate" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and if, following a Benchmark Event, two or more successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser, shall determine which of those successor or replacement rates is most appropriate, having regard to, inter alia, the particular features of the relevant *Obligations Foncières* and the nature of the Issuer.

(iv) Rate of Interest for Inflation Linked *Obligations Foncières*:

(A) Consumer Price Index (CPI)

Where the consumer price index (excluding tobacco) for all households in France, as calculated and published by the *Institut National de la Statistique et des Etudes Economiques* (the "INSEE") ("CPI") is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)(A) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(A) shall apply.

The Rate of Interest in respect of Inflation Linked *Obligations Foncières* indexed to the CPI (the "**CPI Linked Interest**") applicable from time to time for each Interest Accrual Period (as specified in the relevant Final Terms) will be equal to the fixed rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined below).

The CPI Linked Interest will be determined by the Calculation Agent on the following basis:

- (a) On the fifth Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)(A), the "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the CPI Daily Inflation Reference Index (as defined below) applicable on any Interest Payment Date, as the case may be and (ii) the base reference defined as the CPI Daily Inflation Reference Index (as defined below) applicable on the date specified in the relevant Final Terms (the "**Base Reference**"). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to six significant figures (with halves being rounded up).

"**CPI Daily Inflation Reference Index**" means (i) in relation to the first day of any given calendar month, the CPI Monthly Reference Index of the third month preceding such month, and (ii) in relation to a day D (other than the first day) in any given calendar month ("M"), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third calendar month preceding such month ("M - 3") and the second calendar month preceding such month ("M - 2") calculated in accordance with the following formula:

CPI Daily Inflation Reference Index=

$$\text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{\text{ND}_M} \times (\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3})$$

With:

"**ND_M**:" number of days in the relevant month M and, in the case of payment of principal or interest, shall be equal to 31;

“**D**”: actual day of payment in the relevant month M and, in the case of payment of principal or interest, shall be equal to 25;

“**CPI Monthly Reference Index** $M-2$ ”: the level of the CPI Monthly Reference Index published in relation to month M - 2;

“**CPI Monthly Reference Index** $M-3$ ”: the level of the CPI Monthly Reference Index published in relation to month M - 3.

Notwithstanding Condition 5(g)(iii), the CPI Daily Inflation Reference Index will be rounded if necessary to six significant figures (with halves being rounded up).

For information purposes, such CPI Daily Inflation Reference Index appears on the Agence France Trésor Reuters page OATINFLATION01 or on Bloomberg FRCPXTOB Index <GO> pages and on the website www.aft.gouv.fr. In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted by reference to the procedures selected by the French Treasury (Trésor) for its obligations assimilables du Trésor indexées sur l'inflation.

“**CPI Monthly Reference Index**” means the definitive consumer price index excluding tobacco for all households in France, as calculated and published monthly by the INSEE as such index may be adjusted or replaced from time to time as provided herein.

- (b) The calculation method described below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire* – www.cnofrance.org) in its December 2010 Paper entitled “*Inflation Indexed Obligations Foncières*” (*Obligations et autres instruments de taux d'intérêt en euro, Normes et usages des marchés de capitaux – Chapitre II: Les obligations indexées sur l'inflation*). In the case of any conflict between the calculation method provided below and the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*), the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*) shall prevail.
- (c)
- (1) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the “**Substitute CPI Monthly Reference Index**”) shall be determined by the Calculation Agent in accordance with the following provisions:
- (x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading “*indice de substitution*”. Once the definitive CPI Monthly Reference Index is released, it shall automatically apply from the day following its release to all calculations taking place from this date.

- (y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index_M =

$$\text{CPI Monthly Reference Index}_{M-1} \times \frac{\text{CPI Monthly Reference Index}_{M-1}^{\frac{1}{12}}}{\text{CPI Monthly Reference Index}_{M-13}}$$

- (2) In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the CPI Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{CPI Monthly Reference Index}_{\text{on the new basis}}^{\text{pertaining to December calculated}}}{\text{CPI Monthly Reference Index}_{\text{on the previous basis}}^{\text{pertaining to December calculated}}}$$

Such that:

$$\text{CPI Monthly Reference Index}_{\text{Date D New Basis}} = \text{CPI Monthly Reference Index}_{\text{Date D Previous Basis}} \times \text{Key}$$

(B) Harmonised Index of Consumer Prices (HICP)

Where the harmonised index of consumer prices (excluding tobacco) measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the “**HICP**”) is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)(B) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(B) shall apply.

The Rate of Interest in respect of Inflation Linked *Obligations Foncières* indexed to the HICP (the “**HICP Linked Interest**”) applicable from time to time for each Interest Accrual Period (as specified in the relevant Final Terms) will be equal to the fixed rate per annum multiplied by the Inflation Index Ratio (as defined below).

The HICP Linked Interest will be determined by the Calculation Agent on the following basis:

- (a) On the fifth Business Day before each Interest Payment Date (an “**Interest Determination Date**”) the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)(B), the “**Inflation Index Ratio**” or “**IIR**” is the ratio between (i) the HICP Daily Inflation Reference Index (as defined below) applicable on any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the HICP Daily Inflation Reference Index (as defined below) applicable on the date specified in the relevant Final Terms (the “**Base Reference**”). Notwithstanding Condition 5(g)(iii), the

IIR will be rounded if necessary to six significant figures (with halves being rounded up).

“**HICP Daily Inflation Reference Index**” means (i) in relation to the first day of any given calendar month, the HICP Monthly Reference Index of the third calendar month preceding such month, and (ii) in relation to a day D (other than the first day) in any given month (“M”), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third calendar month preceding such month (“M – 3”) and the second calendar month preceding such month (“M – 2”) calculated in accordance with the following formula:

HICP Daily Inflation Reference Index =

$$\text{HICP Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{HICP Monthly Reference Index}_{M-2} - \text{HICP Monthly Reference Index}_{M-3})$$

With:

“**ND_M**” number of days in the relevant month M and, in the case of payment of principal or interest, shall be equal to 31;

“**D**”: actual day of payment in the relevant month M and, in the case of payment of principal or interest, shall be equal to 25;

“**HICP Monthly Reference Index_{M-2}**”: the level of the HICP Monthly Reference Index published in relation to month M - 2;

“**HICP Monthly Reference Index_{M-3}**”: the level of the HICP Monthly Reference Index published in relation to month M - 3.

Notwithstanding Condition 5(g)(iii), the HICP Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

For information purposes, such HICP Daily Inflation Reference Index appears on the Agence France Trésor Reuters Page OATEI01, on the website www.aft.gouv.fr and on Bloomberg page CPTFEMU Index <GO>.

“**HICP Monthly Reference Index**” means to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein. The first publication or announcement of a level of such index for a given month shall be final and conclusive and later revisions to the level for such month will not be used in any calculations.

(b)

(1) If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index (the “**Substitute HICP Monthly Reference Index**”) shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the

Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it shall automatically apply from the day following its release to all calculations taking place from this date.

- (y) If no provisional HICP Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute HICP Monthly Reference Index_M =

$$\text{HICP Monthly Reference Index}_{M-1} \times \frac{\text{HICP Monthly Reference Index}_{M-1}}{\text{HICP Monthly Reference Index}_{M-13}}^{\frac{1}{12}}$$

- (2) In the event Eurostat decides to proceed with one or more base changes for the purpose of calculating the HICP Monthly Reference Index, the two HICP Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December HICP Monthly Reference Index of the last year of joint publications, which corresponds to the HICP Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{HICP Monthly Reference Index}^{\text{pertaining to December calculated on the new basis}}}{\text{HICP Monthly Reference Index}^{\text{pertaining to December calculated on the previous basis}}}$$

Such that:

$$\text{HICP Monthly Reference Index}^{\text{Date D New Basis}} = \text{HICP Monthly Reference Index}^{\text{Date D Previous Basis}} \times \text{Key}$$

- (v) Formulas relating to *Obligations Foncières*

(Formulas relating to Obligations Foncières are only applicable for Obligations Foncières having a denomination of at least EUR100,000)

- (A) Index Formula: When the Index Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \text{Participation} \times (\text{Leverage1} \times \text{Index1} - \text{Leverage2} \times \text{Index2}) + \text{Spread}$$

Where:

“**Designated Maturity**” means a period specified in the relevant Final Terms;

“**Index1**” means the Index Reference Rate or the CPI Reference Rate or the HICP Reference Rate or 0 (zero) as specified in the relevant Final Terms;

“**Index2**” means the Index Reference Rate or the CPI Reference Rate or the HICP Reference Rate or 0 (zero) as specified in the relevant Final Terms.

“**Participation**” means the coefficient specified in the relevant Final Terms;

“**Index Reference Rate**” means the rate designated as such in the Final Terms with the Designated Maturity specified in the relevant Final Terms determined in accordance with the Screen Rate Determination or the ISDA Determination (as specified in the relevant Final Terms);

“**Leverage1**” means, with respect to an Interest Accrual Period, the percentage or number specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1).

“**Leverage2**” means, with respect to an Interest Accrual Period, the percentage or number specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one (1).

“**Spread**” means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

“**CPI Reference Rate**” for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\frac{\text{CPI Monthly Reference Index}_M}{\text{CPI Monthly Reference Index}_{M'}} - 1$$

Where:

“**CPI Monthly Reference Index_M**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M;

“**CPI Monthly Reference Index_{M'}**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M’;

“**M**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

“**M'**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the CPI Monthly Reference Index_M or the CPI Monthly Reference Index_{M'} is or are not published in a timely manner, Condition 5(c)(iv)(A)(c) shall apply.

“**HICP Reference Rate**” for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\frac{\text{HICP Monthly Reference Index}_M}{\text{HICP Monthly Reference Index}_{M'}} - 1$$

Where:

“**HICP Monthly Reference Index_M**”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M;

“**HICP Monthly Reference Index_{M'}**”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M’;

“**M**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

“**M'**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the HICP Monthly Reference Index_M or the HICP Monthly Reference Index_M is or are not published in a timely manner, Condition 5(c)(iv)(B)(c) shall apply.

- (B) Underlying Formula: When the Underlying Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = \text{Participation} \times (1 + \text{Underlying} + \text{Spread})^k - 1$$

Where:

“**CMS Rate**” shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time.

“**Designated Maturity**” means the maturity specified as such in the relevant Final Terms.

“**Participation**” means the coefficient specified in the relevant Final Terms.

“**Reference Currency**” means the currency specified as such in the relevant Final Terms.

“**Relevant Screen Page**” means the screen page specified as such in the relevant Final Terms or any successor page.

“**Specified Time**” means the time specified as such in the relevant Final Terms.

“**Spread**” means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

“**TEC**” means the offered quotation (expressed as a percentage rate per annum) with a maturity of the Designated Maturity, calculated by the *Comité de Normalisation Obligataire* (“**CNO**”), which appears on the Relevant Screen Page, being Reuters Screen BDFCNOTEC Page or any successor page, as at the Specified Time on the Interest Determination Date.

“**Underlying**” means either TEC⁸ or CMS Rate, as specified in the relevant Final Terms, with the applicable Designated Maturity, Relevant Screen Page and Specified Time on the Interest Determination Date as determined by the Calculation Agent.

“**k**” means the coefficient specified in the relevant Final Terms.

If, on the relevant Interest Determination Date, CMS Rate does not appear on the relevant Screen Page at the relevant time, the adjustment provisions with respect to the Relevant Screen Page for CMS Rate set out in Condition 5(c)(iii)(C)(e) shall apply.

If, on the relevant Interest Determination Date, TEC does not appear on the Relevant Screen Page at the Specified Time, (i) TEC shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference OAT (*Obligation Assimilable du Trésor*) which would have been used by the *Comité de Normalisation Obligataire* for the calculation of TEC, quoted in each case by five *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. Paris time on the Interest Determination Date in question; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) TEC will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest of such quotations. The

⁸ All potential users of the TEC must first enter into a trademark licence agreement available from the CNO.

above-mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Comité de Normalisation Obligataire* for the determination of the relevant rate.

- (C) When the CPI Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\text{Rate of Interest} = \frac{\text{CPI Monthly Reference Index}_{\text{M}}}{\text{CPI Monthly Reference Index}_{\text{M}'}} - 1 + \text{Spread}$$

Where:

“**CPI Monthly Reference Index_M**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M;

“**CPI Monthly Reference Index_{M'}**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M’;

“**M**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

“**M'**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

“**Spread**” means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

If the CPI Monthly Reference Index_M or the CPI Monthly Reference Index_{M'} is or are not published in a timely manner, Condition 5(c)(iv)(A)(c) shall apply.

- (D) When the HICP Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\text{Rate of Interest} = \frac{\text{CPI Monthly Reference Index}_{\text{M}}}{\text{CPI Monthly Reference Index}_{\text{M}'}} - 1 + \text{Spread}$$

Where:

“**HICP Monthly Reference Index_M**”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M;

“**HICP Monthly Reference Index_{M'}**”: the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M’;

“**M**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

“**M'**” is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

“**Spread**” means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

If the HICP Monthly Reference Index_M or the HICP Monthly Reference Index_M is or are not published in a timely manner, Condition 5(c)(iv)(B)(c) shall apply.

- (d) **Fixed/Floating Rate Obligations Foncières:** Fixed/Floating Rate *Obligations Foncières* may bear interest at a rate (i) that the Issuer may elect, upon giving not less than 15 Business Days’ prior notice in accordance with Condition 13, to convert on the date set out in the Final Terms (the “**Optional Change of Interest Date**”) from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the “**Automatic Change of Interest Date**”).
- (e) **Fixed Rate/Formula Obligations Foncières:** Solely for *Obligations Foncières* having a denomination of at least EUR100,000, Fixed Rate/Formula *Obligations Foncières* may bear interest at a rate (i) that the Issuer may elect, upon giving not less than 15 Business Days’ prior notice in accordance with Condition 13, to convert on the Optional Change of Interest Date set out in the Final Terms from a Fixed Rate to a Formula, or from a Formula to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Formula or from a Formula to a Fixed Rate on the Automatic Change of Interest Date set out in the Final Terms.
- (f) **Zero Coupon Obligations Foncières:** Where an *Obligation Foncière* the interest basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date pursuant to an Issuer’s option or, if so specified in the relevant Final Terms, pursuant to Condition 6(d)(i) or otherwise and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such *Obligation Foncière*. As from the Maturity Date, the Rate of Interest for any overdue principal of such an *Obligation Foncière* shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(d)(i)).
- (g) **Accrual of Interest:** Interest shall cease to accrue on each *Obligation Foncière* on the due date for redemption unless (i) in the case of Dematerialised *Obligations Foncières*, on such due date or (ii) in the case of Materialised *Obligations Foncières*, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (h) **Margin, Maximum/Minimum Rates of Interest and Rounding:**
- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be, provided that in no event, will the relevant Interest Amount be less than zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (i) **Calculations:** The amount of interest payable in respect of any *Obligation Foncière* for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such *Obligation Foncière* by the Day Count Fraction, unless an Interest Amount (or a formula for its

calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such *Obligation Foncière* for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

- (j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the *Obligations Foncières* for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agent, the holders of *Obligations Foncières*, any other Calculation Agent appointed in respect of the *Obligations Foncières* that is to make a further calculation upon receipt of such information and, if the *Obligations Foncières* are listed on a Regulated Market or stock exchange, and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (k) **Calculation Agent:** The Issuer shall procure that there shall at all times one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any *Obligation Foncière* is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the *Obligations Foncières*, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

For the purpose of these Conditions, “**outstanding**” means, in relation to the *Obligations Foncières* of any Series, all the *Obligations Foncières* issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such *Obligations Foncières* to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised *Obligations Foncières* in bearer dematerialised form and in administered registered form, to the relevant Account Holder on behalf of the holder of *Obligations Foncières*, (ii) in the case of Dematerialised *Obligations Foncières* in fully registered form, to the account of the holder of *Obligations Foncières* and (iii) in the case of Materialised *Obligations Foncières*, to the Fiscal Agent and remain available for payment against presentation and surrender of Bearer Materialised *Obligations Foncières* and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and that are held or have been cancelled as provided in these Conditions, (e) in the case of Materialised *Obligations Foncières* (i) those

mutilated or defaced Bearer Materialised *Obligations Foncières* that have been surrendered in exchange for replacement Bearer Materialised *Obligations Foncières*, (ii) (for the purpose only of determining how many such Bearer Materialised *Obligations Foncières* are outstanding and without prejudice to their status for any other purpose) those Bearer Materialised *Obligations Foncières* alleged to have been lost, stolen or destroyed and in respect of which replacement Bearer Materialised *Obligations Foncières* have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more definitive Bearer Materialised *Obligations Foncières*, pursuant to its provisions.

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each *Obligation Foncière* shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount which is (i) its nominal amount (except in the case of Zero Coupon *Obligations Foncières*) or (ii) an amount determined in accordance with Condition 6(c) if specified as applicable in the relevant Final Terms.
- (b) **Redemption at the Option of the Issuer, and Partial Redemption:** If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 5 nor more than 30 days' irrevocable notice in accordance with Condition 13 to the holders of *Obligations Foncières* (or such other notice period if specified in the relevant Final Terms), redeem all or, if so provided, some, of the *Obligations Foncières* on any Optional Redemption Date.

Any such redemption of *Obligations Foncières* shall be at their Optional Redemption Amount being (except with respect to Zero Coupon *Obligations Foncières*) the nominal amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to *Obligations Foncières* of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All *Obligations Foncières* in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

Materialised *Obligations Foncières* may be redeemed in all or in part. In the case of a partial redemption the notice to holders of Materialised *Obligations Foncières* shall also contain the numbers of the definitive Bearer Materialised *Obligations Foncières* to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market or stock exchange requirements.

In the case of a partial redemption of Dematerialised *Obligations Foncières*, the redemption may be effected by reducing the nominal amount of all such Dematerialised *Obligations Foncières* in a Series in proportion to the aggregate nominal amount redeemed.

- (c) **Redemption of Inflation Linked *Obligations Foncières*:** If Condition 6(c) is specified as applicable in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked *Obligations Foncières* will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x nominal amount of the *Obligations Foncières*

If the Final Redemption Amount calculated as set out above is below par, the *Obligations Foncières* will be redeemed at par.

For the purpose of this Condition 6(c) only, "IIR" means the ratio determined on the fifth Business Day before the Maturity Date between (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(A)) on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(B)) on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms.

(d) **Early Redemption:**

(i) *Zero Coupon Obligations Foncières:*

- (A) The Optional Redemption Amount or the Early Redemption Amount, as the case may be, payable in respect of any *Zero Coupon Obligation Foncière*, the Optional Redemption Amount or the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such *Obligation Foncière* pursuant to Condition 6(b) and 6(e) if so specified in the relevant Final Terms shall be calculated as provided below.
- (B) Subject to the provisions of sub-paragraph (C) below, the Optional Redemption Amount or the Early Redemption Amount of any such *Obligation Foncière* shall be the scheduled Final Redemption Amount of such *Obligation Foncière* on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Optional Redemption Amount or an Early Redemption Amount equal to the issue price of the *Obligations Foncières* if they were discounted back to their issue price on the Issue Date (the “**Amortisation Yield**”)) compounded annually.
- (C) If the Optional Redemption Amount or the Early Redemption Amount payable in respect of any such *Obligation Foncière* upon its redemption pursuant to Condition 6(b) and 6(e) is not paid when due, the Optional Redemption Amount or the Early Redemption Amount due and payable in respect of such *Obligation Foncière* shall be as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Optional Redemption Amount or the Early Redemption Amount becomes due and payable was the Relevant Date. The calculation of the Optional Redemption Amount or the Early Redemption Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such *Obligation Foncière* on the Maturity Date together with any interest that may accrue in accordance with Condition 5(f).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

(ii) *Inflation Linked Obligations Foncières:*

- (A) If the relevant Final Terms provides that Condition 6(d)(ii) shall apply in respect of Inflation Linked *Obligations Foncières*, the Early Redemption Amount of such *Obligations Foncières* in respect of such *Obligations Foncières*, as the case may be, will be determined by the Calculation Agent on the following basis:

“**Early Redemption Amount**” = IIR x nominal amount of the *Obligations Foncières*

For the purpose of this Condition only, “**IIR**” means the ratio determined on the fifth Business Day before the date set for redemption between (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(A)) on the date set for redemption and the Base Reference specified in the relevant Final Terms or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(B)) on the date set for redemption and the Base Reference specified in the relevant Final Terms.

If the Early Redemption Amount calculated as set out above is below par, the *Obligations Foncières* will be redeemed at par.

- (B) If the Inflation Linked *Obligations Foncières* (whether or not Condition 6(d)(ii) applies) fall to be redeemed for whatever reason before the Maturity Date, the Issuer will pay the Early Redemption Amount together with interest accrued to the date set for redemption. Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including

the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the date set for redemption of such *Obligations Foncières* at a rate per annum on the basis of the provisions of Condition 5(c)(iv) above except that, for such purposes the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Early Redemption Date.

- (iii) Other *Obligations Foncières*: The Early Redemption Amount payable in respect of any *Obligation Foncière* (other than *Obligations Foncières* described in (i) and (ii) above), upon redemption of such *Obligations Foncières* pursuant to Condition 6(e), if so provided in the relevant Final Terms), shall be the nominal amount of such *Obligation Foncière*.
- (e) **No Redemption for Taxation Reasons:** If French law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, such *Obligation Foncière* will not, unless otherwise specified in the relevant Final Terms, be redeemed early. If such early redemption is provided in the relevant Final Terms, the Issuer may redeem such *Obligation Foncière* at their Early Redemption Amount together with interest accrued to the date fixed for redemption and notice of such early redemption shall be given in accordance with Condition 13.
- (f) **Purchases:** The Issuer shall have the right at all times to purchase *Obligations Foncières* (provided that, in the case of Materialised *Obligations Foncières*, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. All *Obligations Foncières* so purchased by the Issuer may either (i) be held and resold in accordance with applicable laws and regulations or (ii) be cancelled in accordance with Condition 6(g) below.
- (g) **Cancellation:** All *Obligations Foncières* purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised *Obligations Foncières*, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Bearer Materialised *Obligations Foncières*, by surrendering Temporary Global Certificate or the definitive Bearer Materialised *Obligations Foncières* in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all *Obligations Foncières* redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised *Obligations Foncières*, all rights relating to payment of interest and other amounts relating to such Dematerialised *Obligations Foncières* and, in the case of Materialised *Obligations Foncières*, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any *Obligations Foncières* so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such *Obligations Foncières* shall be discharged.
- (h) **Subscription and use as collateral:** Notwithstanding this Condition 6, the Issuer may, pursuant to Article L.513-26 of the French *Code monétaire et financier*, subscribe its own *Obligations Foncières* for the sole purpose of pledging them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, in instances where the Issuer is unable to meet its cash-flow needs with other means available to it.

7 Payments and Talons

- (a) **Dematerialised *Obligations Foncières*:** Payments of principal and interest in respect of Dematerialised *Obligations Foncières* shall (in the case of Dematerialised *Obligations Foncières* in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of *Obligations Foncières* and, (in the case of Dematerialised *Obligations Foncières* in fully registered form), to an account denominated in the relevant currency with a Bank designated by the holders of *Obligations*

Foncières. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

- (b) **Bearer Materialised *Obligations Foncières*:** Payments of principal and interest in respect of Bearer Materialised *Obligations Foncières* shall, subject as mentioned below, be made against presentation and surrender of the relevant Bearer Materialised *Obligations Foncières* (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(v)) or Coupons (in the case of interest, save as specified in Condition 7(e)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Materialised *Obligations Foncières* are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed a Paying Agent with specified offices outside the United States with the reasonable expectation that such Paying Agent would be able to make payment of the amounts on the *Obligations Foncières* in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Fiscal Laws:** Payments will be subject in all cases, to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8, in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the holders of *Obligations Foncières* or Coupons in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agent, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of *Obligations Foncières* of the Issuer. The Fiscal Agent, the Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any holder of *Obligation Foncière* or Coupon. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agent, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent having specified offices in at least two major European cities provided that (A) so long as the *Obligations Foncières* are admitted to trading on the the regulated market of the Luxembourg Stock Exchange and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent in Luxembourg, and (B) so long as the *Obligations Foncières* are admitted to trading on Euronext Paris and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent in France (v) a Registration Agent and (vi) such other agents as may be required by any other Regulated Market or stock exchange on which the *Obligations Foncières* may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Materialised *Obligations Foncières* denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the *Obligations Foncières* of any Series pursuant to Condition 1(d) with a view to consolidating such *Obligations Foncières* with one or more other Series of *Obligations Foncières*, in accordance with Condition 12, the Issuer shall ensure that the same entity shall be appointed as both

Redenomination Agent and Consolidation Agent in respect of both such *Obligations Foncières* and such other Series of *Obligations Foncières* to be so consolidated with such *Obligations Foncières*.

Notice of any such change or any change of any specified office shall promptly be given to the holders of *Obligations Foncières* in accordance with Condition 13.

(f) **Unmatured Coupons and unexchanged Talons:**

- (i) Upon the due date for redemption of those *Obligations Foncières*, Bearer Materialised *Obligations Foncières* which comprise Fixed Rate *Obligations Foncières* (other than Inflation Linked *Obligations Foncières*) should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of ten (10) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
 - (ii) Upon the due date for redemption of any Bearer Materialised *Obligation Foncière* comprising a Floating Rate *Obligation Foncière* or Inflation Linked *Obligation Foncière*, unexpired Coupons relating to such *Obligation Foncière* (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Bearer Materialised *Obligation Foncière*, any unexpired Talon relating to such *Obligation Foncière* (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Where any Bearer Materialised *Obligation Foncière* that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those *Obligations Foncières* is presented for redemption without all unexpired Coupons, and where any Bearer *Obligation Foncière* is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (v) If the due date for redemption of any Bearer Materialised *Obligation Foncière* is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant definitive Bearer Materialised *Obligation Foncière* Bearer Materialised. Interest accrued on a Bearer Materialised *Obligation Foncière* that only bears interest after its Maturity Date shall be payable on redemption of such *Obligation Foncière* against presentation of the relevant Bearer Materialised *Obligation Foncière*.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Materialised *Obligation Foncière*, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Business Days for Payment:** Unless otherwise specified in these Conditions, if any date for payment in respect of any *Obligation Foncière* or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (the “**Adjusted Payment Date**”), nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised *Obligations Foncières*, on which Euroclear France is open for business or (ii) in the case of Materialised *Obligations Foncières*, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as “**Financial Center**” in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an

account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day.

- (i) **Bank:** For the purpose of this Condition 7, “**Bank**” means a bank in the principal financial centre of the relevant currency or, in the case of euro, in a city in which banks have access to the TARGET System.

8 Taxation

- (a) **Withholding Taxes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the *Obligations Foncières* or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **No Additional Amounts:** If any law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will not be required to pay any additional amounts in respect of any such withholding or deduction.

9 Prescription

Claims against the Issuer for payment in respect of the *Obligations Foncières* and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Representation of holders of *Obligations Foncières*

The holders of *Obligations Foncières* will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a masse (the “*Masse*”) which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* with the exception of Articles L.228-71 (except with respect to *Obligations Foncières* issued in France with a denomination of less than €100,000 (or its equivalent in any other currency)) and R.228-69 of the French *Code de commerce* and as supplemented by this Condition 10:

- (i) **Legal Personality**

The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through collective decisions of the holders of *Obligations Foncières* (the “**Collective Decisions**”).

The *Masse* alone, to the exclusion of all individual holders of *Obligations Foncières*, shall exercise the common rights, actions and benefits which may accrue with respect to the *Obligations Foncières*.

- (ii) **Representative**

The names and addresses of the Representative and its alternate (if any), will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the Representative of the single *Masse* of all subsequent Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternate, if any. Another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the registered office of the Issuer.

(iii) **Powers of the Representative**

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the holders of *Obligations Foncières*, with the capacity to delegate its powers.

All legal proceedings against the holders of *Obligations Foncières* or initiated by them, must be brought by or against the Representative; except that, should judicial reorganisation or liquidation (*redressement ou liquidation judiciaire*) proceedings be commenced against the Issuer the Specific Controller shall file the proof of debt of all the creditors of the Issuer benefiting from the *Privilège* (including the holders of *Obligations Foncières*).

(iv) **Collective Decisions**

Collective Decisions are adopted either in a general meeting (the “**General Meeting**”) or by consent following a written consultation (the “**Written Decision**”).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each holder of an *Obligation Foncière* to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such holder of an *Obligation Foncière* as of 00:00 (Paris time) on the second business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 10(viii).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the *Obligations Foncières* of such Series.

(A) **General Meetings**

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more holders of *Obligations Foncières*, holding together at least one-thirtieth of the principal amount of *Obligations Foncières* outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two months after such demand, the holders of *Obligations Foncières* may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the holders of *Obligations Foncières* present or represented hold at least one-fifth of the principal amount of the *Obligations Foncières* then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third majority of votes held by the holders of *Obligations Foncières* attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 10(viii) not less than fifteen calendar days prior to the date of the General Meeting on first convocation and not less than five calendar days prior to the date of the General Meeting on second convocation.

Each holder of *Obligations Foncières* has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each holder of an *Obligation Foncière* or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant holders of *Obligations Foncières* at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen calendar day period preceding the holding of the General Meeting on first convocation, or during the five calendar day period preceding the holding of the General Meeting on second convocation.

(B) **Written Decisions and Electronic Consent**

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Decision.

Such Written Decision shall be signed by or on behalf of the holders of *Obligations Foncières* holding not less than 90 per cent. in nominal amount of the *Obligations Foncières* outstanding, without having to comply with formalities and time limits referred to in Condition 10(iv)(A). Any Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such holder of *Obligations Foncières*. Pursuant to Article L.228-46-1 of the French *Code de commerce*, approval of a Written Resolution may also be given by way of electronic communication allowing the identification of the holders of *Obligations Foncières* (the “**Electronic Consent**”).

(C) **Exclusion of certain provisions of the French *Code de commerce***

The provisions of Article L.228-65 I. 1° (unless the Issuer is no longer a *société de crédit foncier* as a result of the change), 3° and 4° of the French *Code de commerce* and the related provisions of the French *Code de commerce* shall not apply to the *Obligations Foncières*.

(v) **Expenses**

The Issuer shall pay all expenses relating to the operation of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the *Obligations Foncières*.

(vi) **Single *Masse***

The holders of *Obligations Foncières* of the same Series, and the holders of *Obligations Foncières* of any other Series which have been assimilated with the *Obligations Foncières* of such first mentioned Series in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the Representative of the single *Masse* of all Tranches in such Series.

(vii) **Single holder of *Obligations Foncières***

If and for so long as the *Obligations Foncières* of a given Series are held by a single holder of *Obligations Foncières*, and unless a Representative has been appointed in relation to such Series, such single holder of *Obligations Foncières* shall exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*. Such single holder of *Obligations Foncières* shall hold a register of the decisions it will have taken in this capacity and shall make it available, upon request, to any subsequent holder of all or part of the *Obligations Foncières* of such Series.

(viii) **Notices to holders of *Obligations Foncières***

Any notice to be given to the holders of *Obligations Foncières* in accordance with this Condition 10 shall be given in accordance with Condition 13.

(ix) **Full *Masse***

For *Obligations Foncières* issued with a denomination of less than EUR100,000 (or its equivalent in any other currency), Condition 10 shall apply to the *Obligations Foncières* subject to the following modifications.

(A) Condition 10(iv)(C) shall not apply to the *Obligations Foncières*.

(B) Except if the Final Terms specify "Issue outside France" as applicable, Condition 10(v) shall be deleted and replaced by the provisions of Article L.228-71 of the French *Code de commerce*.

For the avoidance of doubt, in this Condition 10, the term “**outstanding**” shall not include those *Obligations Foncières* subscribed or purchased by the Issuer pursuant to, respectively, Articles L.513-26 of the French *Code monétaire et financier* that are held by it and not cancelled in accordance with applicable laws and regulations as referred to in Condition 6(f).

11 Replacement of definitive *Obligations Foncières*, Coupons and Talons

If, in the case of any Bearer Materialised *Obligations Foncières*, a definitive Bearer Materialised *Obligation Foncière*, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market or stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders of *Obligations Foncières*, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed definitive Bearer Materialised *Obligation Foncière*, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such definitive Bearer Materialised *Obligations Foncières*, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced definitive Bearer Materialised *Obligations Foncières*, Coupons or Talons must be surrendered before replacements will be issued.

12 Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the holders of *Obligations Foncières* or Coupons create and issue further *Obligations Foncières* to be assimilated (*assimilées*) and form a single series with the *Obligations Foncières* provided such further *Obligations Foncières* and the further *Obligations Foncières* carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such further *Obligations Foncières* provide for such assimilation and references in these Conditions to “*Obligations Foncières*” shall be construed accordingly.
- (b) **Consolidation:** The Issuer may, if so specified in the relevant Final Terms, with the prior approval (which shall not be unreasonably withheld) of the Redenomination Agent and the Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the holders of *Obligations Foncières* in accordance with Condition 13, without the consent of the holders of *Obligations Foncières* or Coupons, consolidate the *Obligations Foncières* of one Series with the *Obligations Foncières* of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other *Obligations Foncières* have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the *Obligations Foncières*.

13 Notices

- (a) Notices to the holders of Dematerialised *Obligations Foncières* in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) at the option of the Issuer, they are published (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) or (b) in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such *Obligation Foncière* are admitted to trading, if the rules applicable to such Regulated Market(s) so require or (d) so long as the *Obligations Foncières* are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices may also be published on the website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu).

- (b) Notices to the holders of Bearer Materialised *Obligations Foncières* and Dematerialised *Obligations Foncières* in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (c) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s), on which such *Obligations Foncières* is/are admitted to trading is located, if the rules applicable to such Regulated Market(s) so require or (d) so long as the *Obligations Foncières* are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices may also be published on the website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu).
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Materialised *Obligations Foncières* in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised *Obligations Foncières* (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the *Obligations Foncières* are for the time being cleared in substitution for the mailing and publication as required by Conditions 13 (a), (b) and (c) above; except that notices will be published (i) (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF or (c) so long as such *Obligations Foncières* are admitted to trading on any Regulated Market(s) and the rules applicable to such Regulated Market(s) so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such *Obligations Foncières* is/are admitted to trading are/is situated, or (d) so long as the *Obligations Foncières* are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices may also be published on the website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu).
- (e) Notices relating to Collective Decisions pursuant to Condition 10 and pursuant to Articles R.228-79 and R.236-11 of the French *Code de commerce* shall be (a) given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the *Obligations Foncières* are for the time being cleared and, if such publication is not practicable in respect of Dematerialised *Obligations Foncières* in registered form (*au nominatif*), by mail to the holders of *Obligations Foncières* at their respective addresses, in which case they will be deemed to have been given notice on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing and (b) published on the website of the Issuer (www.caffil.fr). For the avoidance of doubt, Conditions 13(a), (b), (c), (d) shall not apply to such notices.

14 Governing Law and Jurisdiction

- (a) **Governing Law:** The *Obligations Foncières*, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any *Obligations Foncières*, Coupons or Talons may be brought before any competent court within the jurisdiction of the registered office of the Issuer.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF BEARER MATERIALISED *OBLIGATIONS FONCIÈRES*

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Bearer Materialised *Obligations Foncières*. Upon the initial deposit of such Temporary Global Certificate with a common depositary for Euroclear and Clearstream (the “**Common Depositary**”), Euroclear or Clearstream will credit the accounts of each subscriber with a nominal amount of *Obligations Foncières* equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of *Obligations Foncières* the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, a nominal amount of *Obligations Foncières* that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of *Obligations Foncières* will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (or any successor provision in substantially similar form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (the “**C Rules**” or “**TEFRA C**”) or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the definitive Bearer Materialised *Obligations Foncières* and
- (ii) otherwise, in whole but not in part, upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for definitive Bearer Materialised *Obligations Foncières*.

Delivery of definitive Bearer Materialised *Obligations Foncières*

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed definitive Bearer Materialised *Obligations Foncières*. In this Base Prospectus, definitive Bearer Materialised *Obligations Foncières* means, in relation to any Temporary Global Certificate, the definitive Bearer Materialised *Obligations Foncières* for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Bearer Materialised *Obligations Foncières* will be security printed in accordance with any applicable legal and Regulated Market or stock exchange requirements. Forms of such definitive Bearer Materialised *Obligations Foncières* shall be available at the specified offices of any of the Paying Agent(s).

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised *Obligations Foncières* are issued prior to such day pursuant to Condition 12(a), the Exchange Date for shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised *Obligations Foncières*.

Legend concerning United States Persons

In the case of *Obligations Foncières* issued in accordance with United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor provision in substantially similar form that are applicable for purposes of Section 4701 of the Code) (the “**D Rules**” or “**TEFRA D**”), any Bearer Materialised *Obligations Foncières* and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE, AS AMENDED.”

The sections referred to provide that United States Holders, with certain exceptions, will not be entitled to deduct any loss on such *Obligations Foncières* and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such *Obligations Foncières*.

USE OF PROCEEDS

The net proceeds of the issue of the *Obligations Foncières* will be (as specified in the applicable Final Terms) be applied by the Issuer either:

- to be used for the Issuer's general corporate purposes; or
- in the case of Social *Obligations Foncières*, to finance and/or refinance, in whole or in part, assets or projects as defined in the Social Note Framework available on the Issuer's website (<https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/>); or
- as stated in the relevant Final Terms in respect of any particular issue of *Obligations Foncières* for which there is a particular identified use of proceeds (other than as specified above).

In relation to Social *Obligations Foncières*, and in relation to International Capital Markets Association Guidelines/Principles:

- The Social Note Framework is based on the Social Bond Principles (the "**SBP**") published by the International Capital Markets Association;
- The Issuer has appointed a second party opinion (the "**Second Party Opinion**") on the Social Note Framework assessing its alignment with the SBP. This Second Party Opinion document is made available on the Issuer's website (<https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/>);
- An allocation reporting will be made available on the Issuer's website (<https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/>) within one year from the date of the issue of the relevant Social *Obligations Foncières*, and annually thereafter until the net proceeds have been fully allocated.

DESCRIPTION OF CAISSE FRANÇAISE DE FINANCEMENT LOCAL

Legal structure and name of the Issuer

The Issuer was created on 29 December 1998 for a period of 99 years. It was authorized to operate as a *société de crédit foncier* by the *Comité des établissements de crédit et des entreprises d'investissement* (now a part of the French Resolution and Prudential Control Authority (*Autorité de Contrôle Prudentiel et de Résolution*) (“ACPR”)) at its meeting on 23 July 1999. The authorization became definitive on 1 October 1999.

On 31 January 2013, the Issuer was renamed Caisse Française de Financement Local to replace Dexia Municipal Agency, upon the sale of its sole shareholder, Société de Financement Local (renamed SFIL in June 2015), to the French State, Caisse des Dépôts et Consignations (“CDC”) and La Banque Postale.

The Issuer’s registered office is located at 1-3, rue du Passeur de Boulogne in Issy-les-Moulineaux (92130), France - (Telephone: +33 1 71 02 90 90). The Issuer is registered with the *Registre du commerce et des sociétés* of Nanterre under the number 421 318 064.

Caisse Française de Financement Local is a *société anonyme à Directoire et Conseil de Surveillance*, a joint-stock corporation with an Executive Board and a Supervisory Board, governed by the provisions of Articles L.210-1 and following of the *Code de commerce*. Its activity is regulated by Articles L.511-1 and following (credit institutions) and L.513-2 and following (*sociétés de crédit foncier*) of the French *Code monétaire et financier*.

Nature and activity of the Issuer

Caisse Française de Financement Local (also known by its acronym CAFFIL) is a credit institution active in the refinancing of loans to public sector entities through the issue of covered bonds, which are called *obligations foncières*.

It is a specialized credit institution authorized to operate as a *société de crédit foncier*. As a credit institution, the Issuer is subject to all legal and regulatory provisions that apply to credit institutions. It conducts banking transactions in its ordinary course of business. As a *société de crédit foncier*, it engages in transactions that are specialized and have an exclusive purpose, as defined in Articles L.513-2 and following of the French *Code monétaire et financier*.

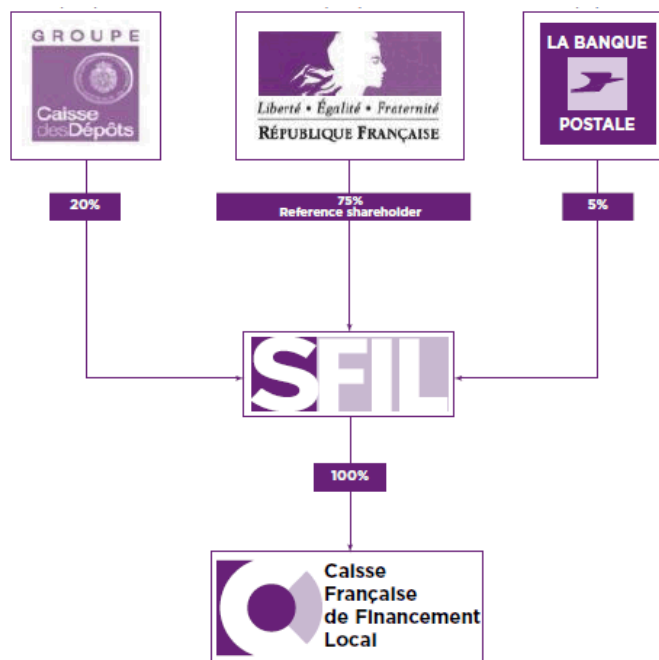
In the case of Caisse Française de Financement Local, this specialization is exclusively limited to transactions with public sector entities or entities they guarantee as specified in its 1 October 1999, authorization by the *Autorité de contrôle prudentiel et de résolution* (ACPR) and its own by-laws.

- The authorization mentions that the Issuer “is approved as a *société de crédit foncier*, the activities of which exclusively concern the granting or acquisition of loans to public sector entities or those they guarantee, as well as the holding of securitization units or shares of similar entities when the assets in these securitizations are for at least 90% composed of assets of the same nature as the above-mentioned loans, in accordance with Article 94-II and III of law 99-532”.
- The purpose of the Issuer (Article 2 of the by-laws) specifies that the exclusive purpose of the Issuer is:
 - to grant or to acquire exposures on public sector entities as defined in Article L.513-4 of the French *Code monétaire et financier* as well as securitization units or shares of similar entities considered as exposures on public sector entities as defined in Article L.513-5 of the French *Code monétaire et financier*;
 - to hold securities and other assets under the conditions set by decree to be considered as replacement assets.

Sociétés de crédit foncier, which were created by the law of June 1999, are now well-known in the world of bond issuers and investors. They issue covered bonds called *obligations foncières* and contract other covered debt negotiable or not in regulated markets. All these instruments are characterized by the legal privilege that primarily affects cash flows from the Issuer’s assets to pay the interest and reimbursement of the *obligations foncières*. *Sociétés de crédit foncier* may also issue or contract non-covered debt. *Obligations foncières* constitute a significant element in the international covered bond market.

Shareholding structure of the Issuer

The capital of Caisse Française de Financement Local is 100% held by SFIL, which also manages the Issuer in accordance with Article L.513-15 of the French *Code monétaire et financier*. SFIL is a credit institution approved by the ACPR. Its shareholders are the French State (75%), CDC (20%) and La Banque Postale (5%). SFIL's shareholders are thus firmly anchored in the public sphere, reflecting the missions the French State assigned it.



On November 15, 2018, as part of the project to create a major public finance hub centered around CDC and La Poste, the French State and CDC announced that they had entered into discussions with a view to entrusting the control of SFIL to CDC. SFIL's shareholder base will remain – as today – fully public. Its shareholders will ensure that SFIL's financial solidity is preserved and its economic base protected, and will continue to provide it with the necessary support, in accordance with the applicable regulations. This change in shareholding structure is expected to take place at the same time as the changes to that of La Poste and CNP Assurances.

The French State is the “reference shareholder” of SFIL and Caisse Française de Financement Local for the ACPR underlining its commitment to ensure oversight and to influence strategic decisions, as well as its determination to ensure Caisse Française de Financement Local's and SFIL's ongoing financial transactions if so required.

Areas of business of SFIL and Caisse de Française de Financement Local

Caisse Française de Financement Local and its parent company SFIL (formerly Société de Financement Local) are key elements in the financing of local governments and public hospitals in France introduced by the French State in 2013. This organization is based on a commercial activity developed by La Banque Postale with refinancing provided by Caisse Française de Financement Local.

In 2015, the French State entrusted SFIL and Caisse Française de Financement Local with the responsibility to refinance large export credits with the guarantee of the State. Public guarantees for foreign trade, which in particular cover export credit insurance operations, are granted by the Minister in charge of the Economy, once approved by the Guarantees and Foreign Trade Credit Commission. They were formerly managed by Coface, but since December 2016, their management is entrusted to BPI Assurance Export that deliver these guarantees, under the State's control, on its behalf and in its name. This public entity also manages and delivers enhanced guarantees under the State's control, on its behalf and on its name.

The objective is to enable large export credits as well as French local governments and public hospitals to benefit from optimal financing conditions through a high rating and irreproachable risk management.

THE LEGAL REGIME APPLICABLE TO CAFFIL

The *Privilège* (Statutory Priority in Right of Payment)

Obligations foncières are specialized covered bond products that can only be issued by credit institutions licensed and regulated in France as *sociétés de crédit foncier*. *Obligations foncières* benefit from the legal *privilège* under French law which provides a priority in right of payment on all assets and cash flow of Caffil to the holders of *obligations foncières* and other privileged debt. Caffil's total assets must always exceed liabilities benefiting from the *privilège* in accordance with Article L.513-12 of the French *Code monétaire et financier*.

The legal *privilège* is governed by Article L.513-11 of the French *Code monétaire et financier* and has the following characteristics:

- the amounts received in respect of the loans, assimilated receivables, exposures, securities and instruments that qualify as Eligible Assets or Replacement Assets and from the financial instruments used for hedging (after any applicable netting), together with the claims in respect of deposits made by the *société de crédit foncier* with credit institutions, are allocated in priority for the payment of any sums due in relation to liabilities benefiting from the *privilège*, including the *obligations foncières*, Caffil's derivative counterparties and payments to SFIL under the loan service agreements between them;
- when a *société de crédit foncier* is subject to bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or to conciliation proceedings with its creditors (*procédure de conciliation*), liabilities benefiting from the *privilège*, as described in the preceding paragraph, are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. No other creditor of a *société de crédit foncier* may exercise any right over the assets and cash flows of such *société de crédit foncier* until all holders of *obligations foncières* and other debts benefiting from the *privilège* have been paid in full;
- the judicial liquidation (*liquidation judiciaire*) of a *société de crédit foncier* will not result in the acceleration of payment of *obligations foncières* or other debts benefiting from the *privilège*; and
- in order to maintain the *privilège* granted to holders of *obligations foncières* and other privileged debts, a *société de crédit foncier* can not have any employees. A *société de crédit foncier* must, therefore, entrust the management of its operations to another credit institution or credit institutions with which it has signed an agreement. Payments arising under the loan service agreements with SFIL benefit from the *privilège* to the same extent as any privileged debt.

Legislation Relating to *Sociétés de Crédit Foncier*

Article L.513-2 of the French *Code monétaire et financier* provides that the sole purpose of a *société de crédit foncier* is:

- to grant or acquire guaranteed loans, exposures to public sector entities and securities and instruments referred to in Articles L.513-3 to L.513-7 of the French *Code monétaire et financier* (see below); and
- in order to finance such categories of loans, exposures, securities and instruments, to issue *obligations foncières* benefiting from the *privilège* or to issue other debt pursuant to an offering contract or any other equivalent document that refers to the *privilège*.

Sociétés de crédit foncier may also fund the activities referred to above through the issue of bonds or other sources of financing which do not benefit from the *privilège*. They may also issue promissory notes (*billets à ordre*).

Sociétés de crédit foncier may carry out temporary transfers of securities; pledge a securities account and pledge or transfer all or part of the receivables held by them in accordance with the applicable provisions of the French *Code monétaire et financier*. The receivables or securities thus transferred or pledged are not included in the Cover Pool (as such term is defined in “Risk Factors – Risk Factors Relating to the Issuer – Risk of default in its Cover Pool”) defined in Article L.513-11 (*assiette du privilège*) and are not taken into account for the calculation of the overcollateralization ratio.

Eligible exposures to public sector entities mentioned in Article L.513-2 of the French *Code monétaire et financier* that may be included in the Cover Pool, are assets such as loans, certain debt securities or off-balance sheet exposures to the entities listed below or fully guaranteed by them.

- Central governments, central banks, public institutions or local authorities located in a Member State of the European Community or within the European Economic Area, in the United States of America, Switzerland, Japan, Canada, Australia or New Zealand (collectively, the “**Eligible States**”);
- Central governments or central banks not located in an Eligible State, but who benefit from the highest level of credit quality⁹ established by a credit rating agency recognized by the French Resolution and Prudential Control Authority;
- The European Community, the International Monetary Fund, the Bank for International Settlements, multilateral development banks (the list of which has been set by decree of the Minister of the Economy), other international organizations and multilateral development banks benefiting from the highest level of credit quality established by a credit rating agency recognized by the French Resolution and Prudential Control Authority;
- Public institutions and local authorities not located in an Eligible State if financial exposure to such persons are subject, for the determination of capital adequacy, to the same requirements as those used for central governments, central banks or credit institutions, or fully guaranteed by such persons, and benefiting from the highest level of credit quality established by a credit rating agency recognized by the French Resolution and Prudential Control Authority; and
- Public institutions and local authorities mentioned in the bullet point above benefiting from the second-highest level of credit quality¹⁰ established by a credit rating agency recognized by the French Resolution and Prudential Control Authority, provided that such exposures are limited to 20% of the total outstanding nominal amount of the *obligations foncières* and other sources of financing benefiting from the *privilège*.

Eligible Assets of the public sector entities described above include, among other things:

- debt securities issued, or fully guaranteed, by one or more of the public sector entities mentioned above;
- monetary claims, including those resulting from a successive performance contract, against the public sector entities referred to above, or fully guaranteed by one or more of such public sector entities;
- debt stemming from leasing contracts or equivalent contracts to which a public sector entity referred to above is party in the capacity of lessee or tenant, or debt stemming from leasing contracts or equivalent contracts fully guaranteed by one or more of those public sector entities. *Sociétés de crédit foncier* that acquire debt resulting from a leasing contract may also acquire all or part of the debt that results from the sale of the leased property.

Eligible Assets also include securities issued by a securitization vehicle (*organisme de titrisation*) and securities issued by similar entities (such as asset-backed securities or mutual funds) registered under the law of a Member State of the European Union or of the European Economic Area, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand provided that at least 90% of the assets held by these securitization vehicles must otherwise be Eligible Assets. These securities must benefit from the highest level of credit quality established by a credit rating agency recognized by the French Resolution and Prudential Control Authority.

In order to hedge its interest and currency risks on loans, exposures, *obligations foncières* and other sources of financing benefiting from the *privilège*, or its global interest rate risk, *sociétés de crédit foncier* may use derivative instruments as defined in Article L.211-1 of the French *Code monétaire et financier*. Any amounts payable pursuant to these financial instruments, after applicable netting, contracted to hedge its Eligible Assets and Replacement Assets, its liability items benefiting from the *privilège* and to manage or hedge the global risk on its assets, its liabilities and its off-balance sheet, benefit from the *privilège*.

⁹ highest level of credit quality (or Step 1): AAA to AA low for DBRS, Aaa to Aa3 for Moody's Investors Services, Inc. or AAA to AA- for Standard and Poor's Ratings Services. “**DBRS**” means any entity that is part of DBRS and any successor to the relevant rating activity.

¹⁰ second-highest level of credit quality (or Step 2): A high to A low for DBRS, A1 to A3 for Moody's Investors Services, Inc. or A+ to A- for Standard and Poor's Ratings Services. “**DBRS**” means any entity that is part of DBRS and any successor to the relevant rating activity.

According to Article L.513-7, *sociétés de crédit foncier* may hold as part of the Cover Pool Replacement Assets, including securities, instruments and deposits which are sufficiently safe and liquid. Article R.513-6 of the French *Code monétaire et financier* defines these Replacement Assets as debts due from credit institutions benefiting from the highest level of credit quality⁶ established by an external rating agency recognized by the Prudential Control Authority. If any debt has a maturity of less than one hundred (100) days, the rating can be the second highest level of credit quality⁷ for purposes of consideration as Replacement Assets. The total amount of the Replacement Assets is limited to 15% of the total outstanding nominal amount of the *obligations foncières* and other sources of financing benefiting from the *privilège*.

A *société de crédit foncier* is not allowed to hold equity securities issued by other companies.

Sociétés de crédit foncier must ensure, at all times, the coverage of their cash requirements over a period covering the next one hundred and eighty (180) days, while taking into account forecast flows of the principal and interest on its assets and the amounts related to derivatives as mentioned in Article L.513-10 of the French *Code monétaire et financier*. Moreover, *sociétés de crédit foncier* must ensure a great congruence between asset/liability maturities with an annual cover plan and with the gap between the weighted average life of eligible assets, considered up to their minimum amount required to satisfy a 105% coverage ratio, and the weighted average life of the privileged liabilities being limited to 18 months. Article L.513-26 of the French *Code monétaire et financier* provides that a *société de crédit foncier* may subscribe to its own *obligations foncières* for the sole purpose of pledging them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, in instances where the *société de crédit foncier* is unable to meet its cash-flow needs by other means available to it. The *obligations foncières* thus subscribed must satisfy the following conditions:

- they may represent a maximum of 10% of the total outstanding debt benefiting from the *privilège* at the acquisition date;
- they are deprived of voting rights in general meetings of bondholders, for so long as they are held by the *société de crédit foncier*;
- they must be posted as collateral to the *Banque de France*; in the absence of this allocation, they must be cancelled within eight (8) days; and
- they cannot be subscribed by third parties.

The *contrôleur spécifique* must certify that the above-mentioned conditions are fulfilled and submit a report on this matter to the French Resolution and Prudential Control Authority.

In addition:

- the provisions on bankruptcy which permit certain transactions entered into in the months preceding the bankruptcy to be declared void, do not apply to *sociétés de crédit foncier*;
- the bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de redressement, de liquidation judiciaires* or *procédure de sauvegarde accélérée*) of a shareholder of a *société de crédit foncier* cannot be extended to the *société de crédit foncier* itself;
- any service/loan service agreement pursuant to which a *société de crédit foncier* has delegated to another credit institution the management or the recovery of loans, exposures, assimilated debts, securities, instruments and bonds or other sources of financing referred to in Article L.513-2 of the French *Code monétaire et financier* may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de redressement, de liquidation judiciaires* or *procédure de sauvegarde accélérée*) affecting that credit institution;
- a *société de crédit foncier* is not legally allowed to have a subsidiary or hold an equity interest in another company; and
- in case of bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de redressement, de liquidation judiciaires* or *procédure de sauvegarde accélérée*) of a *société de crédit foncier*, the *contrôleur spécifique* will be responsible for filing claims on behalf of creditors benefiting from the *privilège*.

Sociétés de crédit foncier are obliged to respect, at any time, a ratio ensuring coverage of privileged resources by assets, including replacement assets, at least equal to 105%. Calculation of this coverage ratio is set out in regulation no. 99-10 of the Committee of banking and financial regulation, as amended from time to time (the *Comité de la réglementation bancaire et financière* or “**CRBF**”).

Sociétés de crédit foncier submit their Coverage Ratio to the French Resolution and Prudential Control Authority on 31 March, 30 June, 30 September and 31 December of each year. Pursuant to Article 13 of the regulation no. 99-10 of the CRBF, *sociétés de crédit foncier* must send to the Prudential Control Authority no later than on June 10 of each year information relating to the quality of their assets. This report is published within forty five (45) days of a general meeting approving the financial statements of the year then ended. In particular, the characteristics, details of the distribution of loans or exposures and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of rates are required to be included as part of the latter report.

BUSINESS OVERVIEW

Caisse Française de Financement Local's exclusive purpose is (as per Article 2 of the by-laws):

- to grant or acquire exposures on public sector entities as defined in Articles L.513-4 of the French *Code monétaire et financier* as well as assets considered as exposures to public sector entities as defined in Article L.513-5 of the same code;
- to hold securities or other assets under the conditions set by decree to be considered as replacement asset (*valeurs de remplacement*);
- in order to finance the above-mentioned loans, to issue *obligations foncières*, benefiting from the *privilège* defined in Article L.513-11 of the French *Code monétaire et financier* and to raise other funds, under issue or subscription contract referring to the *privilège*.

Caisse Française de Financement Local may also fund the above-mentioned activities by issuing bonds or other sources or financing that do not benefit from the *privilège* defined in Article L.513-11 of the French *Code monétaire et financier*.

Pursuant to Articles L.313-23 to L.313-35 of the French *Code monétaire et financier* (previously French law n° 81-1 of 2 January 1981 facilitating corporate borrowing), Caisse Française de Financement Local may assign all the assets it owns, whatever the nature (whether professional or not).

The following paragraph summarises the Caisse Française de Financement Local's main general framework of activities:

General market considerations

French local government debt reached a total amount of EUR 202 billion at the end of 2017. This represents 8.8% of GDP, well below the average of 11.9% for local and regional governments in the European Union (source: Eurostat).

Over recent years, the financial performance of French local authorities has been very solid with a consolidated budget surplus of EUR 837 million for the year 2017 following a consolidated budget surplus of EUR 3 billion for the year 2016 (source: Eurostat).

The markets for credits financing export contracts experienced a good year in 2018 which was characterized by an increase in the volume of new export credit covered by Bpifrance Assurance Export (+10%) at EUR 8.3 billion.

A wide range of industries benefited from export guarantees in 2018 reflecting the sector specialization of the French economy around key industries such as transportation, cruise and defence.

Focusing on SME, the number of contracts have increased of 15% between 2017 and 2018.

Caisse Française de Financement Local as issuer of obligations foncières operates within the covered bond market. This market segment has shown dynamic activity over the past years and benefits from a favorable regulatory environment for covered bonds.

Assets

The assets held by Caisse Française de Financement Local are solely comprised of commitments on public sector entities that are eligible by the terms of Article L.513-4 of the French *Code monétaire et financier*, i.e. States, local governments or groups of such, public sector entities in the European Economic Area, Switzerland, the United States of America, Canada and Japan. These commitments are comprised of loans and bond issues representing a commitment on, or totally guaranteed by, these public bodies.

Other assets, which current legislation calls replacement assets, may be acquired if they correspond to exposures on credit institutions benefiting from at least a Step 1 rating (level triple A or double A) or, when their maturity does not exceed 100 days, from a Step 2 rating (level simple A), their total amount is limited to 15% of the total of outstanding *obligations foncières* and other debt benefiting from the legal *privilège* (registered covered bonds in the case of Caisse Française de Financement Local). This asset category is used for cash investments by the Caisse Française de Financement Local.

Most of the assets on Caisse Française de Financement Local's balance sheet were generated by the Dexia Group's commercial activities. The new assets of Caisse Française de Financement Local primarily involve the following:

- since 2013, the activity of granting loans to French local governments and public hospitals through La Banque Postale, or new loans originated by Caisse Française de Financement Local in order to facilitate the decrease of its outstanding sensitive structured loans;
- since 2016, the activity of granting loans to refinance large export credits guaranteed by the French State.

Liabilities

The contracts of Caisse Française de Financement Local that benefit from the legal *privilège* are the *obligations foncières* and registered covered bonds that it issues, the hedging derivative contracts and the servicing agreement signed with SFIL.

In addition to its equity, Caisse Française de Financement Local uses two categories of debt to finance its assets:

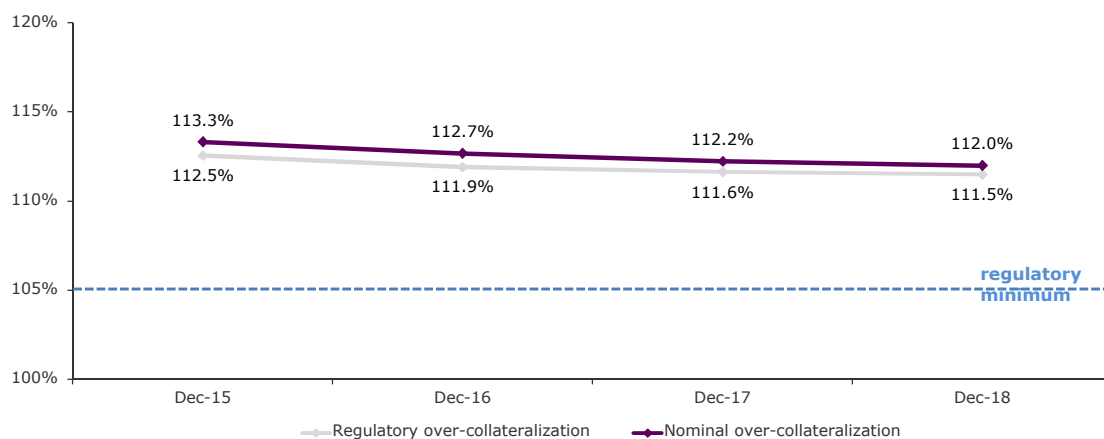
- debt that benefits from the legal *privilège*, defined by law as *obligations foncières* or other resources benefiting from the legal *privilège* by reason of their contract. Caisse Française de Financement Local thus issues registered covered bonds benefiting from the legal *privilège* by reason of their contract in the same way as *obligations foncières*; intended for German institutional investors, these private placements governed by German law also benefit from the French legal *privilège* attached to issues of sociétés de crédit foncier;
- debt that does not benefit from the legal *privilège* includes debt that is not covered by the assets and which, for this reason, is subordinated vis-à-vis debt benefiting from the *privilège*. With equity, it finances over-collateralization. It may be of two types:
 - debt negotiated according to the terms of a financing agreement signed with the parent company;
 - refinancing in its own name from the Banque de France. Caisse Française de Financement Local implemented the organizational and IT procedures required to participate in the refinancing operations of the Banque de France, and tests them regularly. The financing obtained does not benefit from the *privilège* specified by the legislation on sociétés de crédit foncier, but is guaranteed by assets assigned to the central bank. These pledged assets are temporarily excluded from the cover pool and the calculation of the over-collateralization ratio.

In addition, on 31 January 2013, SFIL, the parent company of Caisse Française de Financement Local, signed a declaration of support ensuring that “Société de Financement Local and the French State, its reference shareholder, will ensure that Caisse Française de Financement Local will always be able to pursue its activity in an ongoing manner and to honor its financial commitments in compliance with the obligations imposed by banking regulations in effect”. This declaration of support is reproduced in this Base Prospectus and the annual financial report of Caisse Française de Financement Local.

Over-collateralization ratio

The over-collateralization ratio, which is calculated on the basis of regulatory standards governing *sociétés de crédit foncier*, is the ratio between the assets and the resources benefiting from the legal *privilège*. The legal minimum threshold is set at 105% and corresponds to the minimum level that Caisse Française de Financement Local had committed to maintain since its creation.

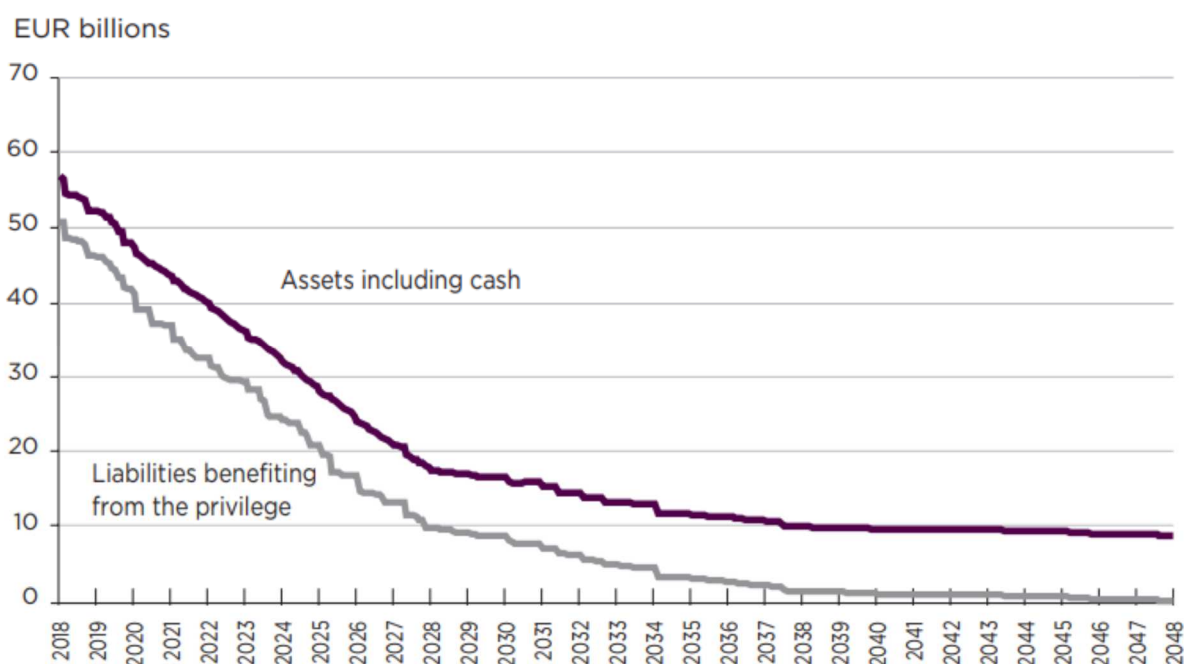
In practice, the over-collateralization ratio is regularly higher than 105%. To maintain an adequate credit rating, a level of over-collateralization of more than 5% may be required. This requirement depends on the method applied by each of the rating agencies and on the new assets and liabilities on Caisse Française de Financement Local's balance sheet, and it may vary over time. Caisse Française de Financement Local takes these particular requirements into account in the management of its activity in order to make sure they are constantly met and strives to maintain its over-collateralization at a relatively stable level, as can be seen in the following graph.



Regulatory over-collateralization may differ from nominal over-collateralization. In fact, it is calculated on the basis of the rules determined by the *Autorité de contrôle prudentiel et de résolution* (ACPR). In particular, these rules require different weighting levels according to the assets. The assets in Caisse Française de Financement Local's cover pool are weighted at 100%. The small difference between the two ratios can be explained by the accrued interest not yet due taken into account in the regulatory over-collateralization ratio

Any assets that Caisse Française de Financement Local may have assigned in guarantee to borrow funds from the Banque de France or any other banking institution would be excluded from the calculation of over-collateralization.

The following graph on over-collateralization presents amortization curves of the assets and the issues benefiting from the legal *privilège* as of 31 December 2018.



Hedging interest rate risk

1. Definition

Interest rate structural risk is defined as the risk of loss incurred in the event of a change in interest rates that would lead to a loss in value of balance sheet and off-balance sheet transactions, excluding any trading portfolio transactions. Since Caisse Française de Financement Local does not have a trading portfolio, it is not concerned by this exception.

There are three different types of interest rate risk:

- the fixed interest rate risk that results from the difference in volume and maturity between fixed rate assets and liabilities, or adjustable rate assets and liabilities for which the interest rate has subsequently been fixed. This risk can result in yield curve parallel shifts, steepening, flattening or rotation;
- the basis risk that results from the gap that may exist in the matching of assets and liabilities indexed on variable rates of different types or index tenors; and
- the fixing risk that results, for each index, from the gap between the adjustment dates applied to all the variable rate balance sheet and off-balance sheet items linked to the same tenor.

These risks are generally hedged using derivatives.

2. Hedging strategy

To limit its impact, interest rate risk is hedged in two stages by Caisse Française de Financement Local:

- In the first stage, all the assets and the liabilities benefiting from the privilege which do not naturally have a floating rate are hedged against Euribor until maturity as soon as they are recorded on the balance sheet. In practice, acquisitions of loan portfolios (in which the unit amount is generally small) are usually macro-hedged. Loans granted individually or bond issues can be micro- or macro-hedged. Hedging of assets and liabilities is more often obtained in using new interest rate swaps, but the same effect can also be obtained whenever possible by the cancelation of swaps of opposite direction.
- In the second stage, Euribor lending and borrowing flows (naturally or after hedges) are swapped against Eonia in order to eliminate the basis risk generated by differences in the tenor (Euribor 1, 3, 6 or 12 months) and the fixing risk due to refixing dates of reference indices that differ for the assets and the liabilities. The residual risk is managed using macro-hedges with a management horizon of one week.

These hedges can be entered into either directly on the market by Caisse Française de Financement Local, or through SFIL, which in turn hedges its resulting position in the market.

Non-privileged debt is not concerned by these hedging operations. In fact, debt contracted by Caisse Française de Financement Local with its shareholder to finance over-collateralization is borrowed either directly with a Eonia index and does not need to be swapped, or with a Euribor index and thus finances assets also indexed on Euribor. Short-term debt owed the Banque de France with a fixed rate (if any) is not hedged, but finances fixed rate assets.

3. Limits on interest rate risk

The sensitivity of residual positions in fixed rates and variable rates fixed for a determined period of time that remain after the two levels of hedging is monitored on a monthly basis. Limits provide a framework for this sensitivity and are designed to reduce the impact on the value of balance sheet items in the event of a shift in the yield curve or a move in sloping/rotation. They are calibrated so as not to lose more than EUR 80 million with a quantile of 99% calculated based on ten years historical data.

The net present value (NPV) sensitivity indicators are calculated for a rate shock of 100 x +1 basis point (bp), aiming to limit losses in value in the event of:

- a parallel yield curve shift (limit of EUR 25 million for a shock of 100 x 1bp) to limit the fixed rate or directional rate risk;
- sloping/rotation of the interest rate curve:
 - net present value sensitivity calculation and limiting by time bucket, using four buckets of distinct risks on the yield curve in order to limit risk between distant points on the curve (limit per bucket of EUR 10 million for a shock of 100 x 1bp);

- net present value sensitivity in terms of absolute value calculation and limiting by time bucket, using four buckets of distinct risks on the yield curve in order to limit risk between near points on the curve, within each bucket (limit per bucket of EUR 20 million for a shock of 100 x 1bp).

Limiting directional risk

The measurement of sensitivity at the end of each quarter is presented below.

Directional risk

Total sensitivity

EUR millions	Limit	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
SENSITIVITY	(25)/25	1.5	(1.5)	1.7	(2.0)	0.9

Measurement of the slope/rotation risk

The quarter-end sensitivity measurements are presented below.

Risk of slope between two distant points on the rate curve

Sum of sensitivities

EUR millions	Limit	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
Short term	(10)/10	0.2	(7.1)	(4.3)	(5.5)	(5.8)
Medium term	(10)/10	(4.6)	(2.1)	(1.0)	(4.9)	0.0
Long term	(10)/10	3.1	5.6	4.6	4.6	2.5
Very long term	(10)/10	2.7	2.0	2.4	3.8	4.3

Risk of slope between two close points on the rate curve

Sum of sensitivities in absolute value

EUR millions	Limit	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018
Short term	20	11.6	11.5	8.8	10.3	9.2
Medium term	20	14.8	4.6	14.4	9.9	10.0
Long term	20	3.6	7.9	8.7	13.0	12.9
Very long term	20	6.9	10.5	10.8	14.1	13.3

Outlook for 2019

In 2019, Caisse Française de Financement Local and its parent company SFIL will aim to maintain their position as the recognized leader for their two activities entrusted by the French State:

- financing loans to French local government entities and public hospitals, within the framework of the system established with La Banque Postale;
- supporting French exporters by refinancing large export credits guaranteed by the State.

The operational implementation of the extension of the large export credit refinancing activity to projects of strategic interest for France is expected to come on stream in 2019. This new type of project will enable the SFIL group to broaden its scope of intervention by financing international projects in which a French company operates not as an exporter but as a supplier, investor, operator, service provider or subcontractor. These projects will benefit from a new guarantee from the French State and may be refinanced by Caisse Française de Financement Local using the enhanced guarantee mechanism.

To cover its financing requirements, in 2019 Caisse Française de Financement Local plans to issue between EUR 4 billion and EUR 6 billion of obligations foncières with a long-dated average maturity, adapted to the profile of the assets financed. It will carry out this program mainly through a number of benchmark issues in euros and private placements adapted to the needs of its broad investor base. Meanwhile, as part of the implementation of the SFIL group's social and environmental policy and in order to diversify its sources of financing, CAFFIL has announced a "social covered bond" public issue project, which was implemented in February 2019. This issue is the first step in the SFIL Group's strategy to use "social" and "green" bond issues.

Meanwhile, from a macroeconomic point of view, as in 2018, the group will closely monitor two important contextual elements in 2019:

- developments in the regulatory environment and, in particular, the project to harmonize the national covered bond framework at European level;
- the degree of market volatility in an environment influenced by the winding down of quantitative easing initiated by the European Central Bank, Brexit-related measures and the geopolitical environment.

Lastly, the assessment of the project transfer to CDC of the control of SFIL, Caisse Française de Financement Local's parent company, announced by the State and CDC on November 15, 2018, will continue in 2019 and is expected to be completed at the same time as the changes to the shareholding structure of La Poste and CNP Assurances.

SFIL's shareholder base will remain - as today - fully public. Its shareholders will ensure that SFIL's financial solidity is preserved and its economic base protected, and will continue to provide it with the necessary support, in accordance with the applicable regulations.

ORGANISATIONAL STRUCTURE

Shareholding structure of the Issuer

Caisse Française de Financement Local and its parent company SFIL (formerly Société de Financement Local) are key elements in the financing of local governments and public hospitals in France. This organization introduced by the French State in 2013, is based on a commercial activity developed by La Banque Postale with refinancing provided by Caisse Française de Financement Local.

Since 2015, the French State entrusted SFIL and Caisse Française de Financement Local with a second mission that is the responsibility to refinance large export credits with the guarantee of the State. The objective is to enable large export credits as well as French local governments and public hospitals to benefit from optimal financing conditions through a high rating and irreproachable risk management.

The capital of Caisse Française de Financement Local is 100% held by SFIL, which also manages the Issuer in accordance with Article L.513-15 of the French *Code monétaire et financier*. SFIL is a credit institution approved by the ACPR. Its shareholders are the French State (75%), Caisse des Dépôts et Consignations (“CDC”) (20%) and La Banque Postale (5%). SFIL’s shareholders are thus firmly anchored in the public sphere, reflecting the missions the French State assigned it.

The French State is the “reference shareholder” of SFIL and Caisse Française de Financement Local for the ACPR underlining its commitment to ensure oversight and to influence strategic decisions, as well as its determination to ensure Caisse Française de Financement Local and SFIL’s ongoing financial transactions if so required.

On 15 November 2018, as part of the project to create a major public finance hub centered around CDC and La Poste, the French State and CDC announced that they had entered into discussions with a view to entrusting the control of SFIL, Caisse Française de Financement Local’s parent company, to CDC. SFIL’s shareholder base will remain – as today – fully public. Its shareholders will ensure that SFIL’s financial solidity is preserved and its economic base protected, and will continue to provide it with the necessary support, in accordance with the applicable regulations. This change in shareholding structure is expected to take place at the same time as the changes to that of La Poste and CNP Assurances.

Servicing and financing provided by SFIL

The role of SFIL primarily involves the following:

- to ensure the complete operational management of the Issuer (day-to-day management as well as the operational management of the reduction in the sensitivity of the structured loans on the balance sheet of Caisse Française de Financement Local), as defined by the regulations applicable to *sociétés de crédit foncier*, in particular Article L.513-15 of the French *Code monétaire et financier*;
- to provide Caisse Française de Financement Local with some of the derivatives and non-privileged funding it needs to carry out its activities.

The funds required to finance the activity of Caisse Française de Financement Local (financing of over-collateralization and intermediated derivatives) are obtained by SFIL:

- either by its shareholders under credit agreements:
 - CDC for all the needs linked to operations booked prior to the date of acquisition (31 January 2013) and to the new export refinancing activity;
 - La Banque Postale (LBP) for all the needs related to loans to French local governments and public hospitals that it originates.

- or on financial markets by issuing short-term debt (certificates of deposit) or long-term debt (bonds), in order to diversify its financing sources. In the French State Agencies segment, SFIL gradually set up its signature by launching a first benchmark issue in the last quarter of 2016, followed by two new benchmark issues, including one in USD, in 2017.

In addition to commitments of the French State as the reference shareholder, on 31 January 2013, SFIL signed a declaration of support of Caisse Française de Financement Local, which is reproduced in the annual financial report – General information.

“Société de Financement Local acquired Caisse Française de Financement Local, previously called Dexia Municipal Agency, a société de crédit foncier, governed by Articles L.515-13 and following of the French Code monétaire et financier.

“Société de Financement Local will hold more than 99% of the capital of Caisse Française de Financement Local on a long-term basis.

“Société de Financement Local and the French State, its reference shareholder, will ensure that Caisse Française de Financement Local always be able to pursue its activity in an ongoing manner and honor its financial commitments, in compliance with the requirements of banking regulations currently in effect.”

Original text in French:

Paris, le 31 Janvier 2013

La Société de Financement Local acquiert la Caisse Française de Financement Local, précédemment dénommée Dexia Municipal Agency, société de crédit foncier, soumise aux dispositions des Articles L.515-13 et suivants du Code monétaire et financier.

La Société de Financement Local détiendra durablement plus de 99% du capital de la Caisse Française de Financement Local.

La Société de Financement Local et l'Etat français, son actionnaire de référence, feront en sorte que la Caisse Française de Financement Local soit, à tout moment, en mesure de poursuivre ses activités en continuité d'exploitation et d'honorer ses engagements financiers, dans le respect des obligations imposées par la réglementation bancaire en vigueur.

*Philippe MILLS
Président Directeur Général
Société de Financement Local*

It should be noted that SFIL also supplies services for the business of lending to French public sector entities engaged by La Banque Postale (LBP) and its joint venture LBP/CDC, La Banque Postale Collectivités Locales. These services concern activities involving commercial support, financial oversight, the supply of data for risk analysis and back office operations.

Partnership between La Banque Postale and Caisse Française de Financement Local

In early 2013, Caisse Française de Financement Local and La Banque Postale signed an exclusive sale agreement to fund the needs of the French local public sector and public hospitals. The arrangement, set up under the aegis of the French State, works as follows: La Banque Postale markets loans to the French local public sector and public hospitals, then sells them to Caisse Française de Financement Local, which refinances them by issuing *obligations foncières* (covered bonds). The loans originated are exclusively in Euro with a vanilla interest rate.

La Banque Postale committed to propose to Caisse Française de Financement Local all the loans that would be eligible for its cover pool.

This partnership enables Caisse Française de Financement Local to maintain its control of the credit risk through a two-stage analysis.

- When the loan is originated, the initial analysis of the counterparty is carried out simultaneously at the two entities. The loans that do not meet the credit and eligibility criteria of Caisse Française de Financement Local cannot be transferred to its balance sheet.

Caisse Française de Financement Local's eligibility criteria are strictly monitored by internal management policies and limit eligible counterparties to French local public sector entities and public hospitals.

- Before loans originated by La Banque Postale are sold to Caisse Française de Financement Local, a new analysis of the assets is conducted, and Caisse Française de Financement Local may refuse a loan prior to the sale if the asset no longer meets the criteria.

As required by law, the sale of loans to Caisse Française de Financement Local is carried out by using a transfer form (*bordereau de cession*) that is specific to *sociétés de crédit foncier*.

Refinancing of export credit

In addition to their mission of refinancing French local governments and public hospitals, SFIL and Caisse Française de Financement Local have been entrusted with a second mission by the French State: to refinance large French export contracts, with the objective to support French exports in terms of financial competitiveness, in accordance with a public refinancing plan comparable to that of other OECD countries. In this context, SFIL signed a protocol agreement governing relations with 20 commercial banks, thereby confirming relations with almost all the banks active in the French export credit market. SFIL may acquire all or a part of the participation of each of these banks in an export credit.

In this context, Caisse Française de Financement Local grants loans to SFIL in order to refinance its export credits. Such loans benefit from an irrevocable and unconditional 100% guarantee by the French State (enhanced guarantee). This business brings Caisse Française de Financement Local closer to the French State, without modifying the risk profile of its cover pool.

These new loans, like the new French public sector loans marketed by La Banque Postale, are added to the portfolio of Caisse Française de Financement Local, which is financed by the issue of *obligations foncières*.

1. Organization

The system functions as follows:

- SFIL contributes to the financial proposal made by one or more banks in the banking syndicate granting the buyer credit covered by the export credit insurance guaranteed by the French State.
- After the export contract finalization, these banks sell a part of the loans (and the attached rights) to SFIL and keep at least the share of the export credit not covered by the insurance (usually 5%).
- Caisse Française de Financement Local grants a loan to SFIL to enable it to refinance the acquired export credit. This refinancing loan benefits from an irrevocable and unconditional 100% guarantee by the French State, referred to as an enhanced guarantee;

Loans granted by Caisse Française de Financement Local to SFIL to refinance the purchased export credits thus constitute exposures that are totally guaranteed by the French State and eligible for the cover pool of a *société de crédit foncier*. These loans also comply with the European CRR regulation (Article 129, which specifies the assets authorized for inclusion in a cover pool to ensure that the covered bonds will benefit from the best prudential treatment).

2. French State export guarantees

Previously granted by Coface, since late 2016, these guarantees have been managed by Bpifrance Assurance Export, in the name of, on behalf of, and under the control of the French State, pursuant to Article L.432.2 of the French *Code des assurances*.

- Guarantee-granting decisions are made by the Minister in charge of the Economy and Finances after instruction by Bpifrance Assurance Export and the opinion of the French Export Credit and Guarantee Commission (*Commission des garanties et du crédit au commerce extérieur*).

- Bpifrance Assurance Export issues insurance policies, as well as enhanced guarantees, in accordance with the decision made. In this context, Bpifrance Assurance Export is also tasked with collecting insurance and guarantee premiums, managing risks, payments, and collections on behalf of the French State.
- The risks related to these guarantees are borne by the French State and all financial flows (premiums, payments, repayments) are recorded in separate accounting entries by Bpifrance Assurance Export. Premiums and collections are received directly on the account of the French State, and payments are made directly from the same account, without passing through the accounts of Bpifrance Assurance Export.

TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Caisse Française de Financement Local is administered by an Executive Board (*Directoire*) consisting of five members, and a Supervisory Board (*Conseil de Surveillance*). As of the date of this Base Prospectus, the Supervisory Board of Caisse Française de Financement Local consisted of seven members, including the Chairman of the Board and the Vice Chairman of the Board. Statutory auditors as well as the *contrôleur spécifique* may also attend board meetings (depending on the nature of the items on the agenda).

Members of the Executive Board and Supervisory Board

As of the date of this Base Prospectus, the Executive Board and Supervisory Board of Caffil were composed as follows:

<u>Representative</u>	<u>Function at the Issuer</u>	<u>Date of Appointment</u>	<u>Term</u>
Gilles Gallerne	Chairman of the Executive Board	31 January 2013	2021
Romain Bailly	CEO, member of the Executive Board	7 December 2016	2021
Patrick Galland	Member of the Executive Board	7 December 2016	2021
Olivier Eudes	Member of the Executive Board	27 May 2015	2021
Emmanuel Moritz	Member of the Executive Board	31 January 2013	2021
Philippe Mills	Chairman of the Supervisory Board	31 January 2013	2021
François Laugier	Vice Chairman of the Supervisory Board	31 January 2013	2021
Nathalie Argoud	Member of the Supervisory Board	30 May 2017	2021
Anne Crépin	Member of the Supervisory Board	30 May 2017	2021
Béatrice Gosserez	Member of the Supervisory Board	12 December 2012	2020
Florent Lecinq	Member of the Supervisory Board	25 February 2013	2021

Members of the Executive Board and their membership in other boards

Gilles GALLERNE
Member of the Executive Committee, SFIL
Member of the Board, Association des Sociétés Financières (ASF)

Romain BAILLY

Patrick GALLAND

Olivier EUDES
Manager, SCI Phoenix

Emmanuel MORITZ

Members of the Supervisory Board and their membership in other boards

Philippe MILLS
Chief Executive Officer and Chairman of the Executive Committee, SFIL

Chairman of the Board of directors of European Association of Public Banks (EAPB)

François LAUGIER
Deputy Chief Executive Officer and Member of the Executive Committee, SFIL

Nathalie ARGOURD

Anne CREPIN

Béatrice GOSSEREZ
Member of the Executive Committee, SFIL

Florent LECINQ
Member of the Executive Committee, SFIL

Set forth above are the names, the titles and significant directorships (if any) of the current members of the Executive Board and Supervisory Board of Caisse Française de Financement Local. Their business addresses are c/o Caisse Française de Financement Local, 1-3, rue du passeur de Boulogne, 92130 Issy-les-Moulineaux France

The individuals listed above have no potential conflicts of interest between their duties to Caisse Française de Financement Local and their private interests and/or other duties.

Meetings of the Executive Board and Supervisory Board

The Executive Board of the Issuer meets at least every month. The members of Executive Board must be natural persons. The Executive Board is vested with all powers necessary for the management of company assets and may, to this effect, carry out all operations and conclude all contracts of any nature and in any form whatsoever. Moreover, the Executive Board is the first guarantor of the proper functioning of Caisse Française de Financement Local's internal control procedures. The Executive Board presents a quarterly report to the Supervisory Board which retraces the principal operations and events concerning management of Caisse Française de Financement Local and indicates major operations or difficulties.

The Supervisory Board exercises permanent control over the Executive Board's management of the Company. The Supervisory Board of Caisse Française de Financement Local meets at least every three months. In advance of the meeting, the Chairman of the Board or the Chairman of the Executive Board sends members of the Board an agenda and a file with reports and documents relating to the subjects to be discussed. The agenda of the meetings cover subjects such as business review of the previous quarter, current trends, issuance conditions, the presentation of financial statements if any, and the development of projects for asset acquisition. The Board closely monitors the performance of Caisse Française de Financement Local's *Obligations Foncières* in the primary and secondary markets, paying particularly close attention to reports submitted by the Executive Board on these subjects.

STATUTORY AUDITORS

The statutory auditors of Caisse Française de Financement Local for the financial years ended 31 December 2017 and 31 December 2018 were:

DELOITTE & ASSOCIES

6, place de la Pyramide – 92908 Paris-La Défense
represented by Sylvie Bourguignon, Partner

Ernst & Young et Autres

Tour First – TSA 14444 – 92037 – Paris-La Défense Cedex
represented by Vincent Roty, Partner

Deloitte & Associés and Ernst & Young et Autres are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*. They belong to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) and his/its alternate specific controller (*contrôleur spécifique suppléant*) of Caisse Française de Financement Local are:

SPECIFIC CONTROLLER

Fidus represented by Mr. Jean-Michel Thierry
26, rue Cambacérés
75008 Paris
France

ALTERNATE SPECIFIC CONTROLLER

Eric Lebègue
26, rue Cambacérés
75008 Paris
France

MAJOR SHAREHOLDERS

Amount of the capital

Share capital currently stands at EUR 1,350,000,000 represented by 13,500,000 nominative shares.

There are no other securities that grant rights to shares in the capital of Caisse Française de Financement Local.

Capital in the last five years

Date of the Shareholders' Meeting	Date of the capital increase	Amount of the capital increase EUR	Cumulated capital EUR
24/05/2013	-	-	1,315,000,000
22/05/2014	-	-	1,315,000,000
26/05/2015	-	-	1,315,000,000
25/05/2016	-	-	1,315,000,000
30/05/2017	08/06/2017	35,000,000	1,350,000,000
28/05/2018	-	-	1,350,000,000
28/05/2019	-	-	1,350,000,000

Breakdown of capital	2013	2014	2015	2016	2017
SFIL	99.99%	99.99%	99.99%	99.99%	99.99%
French and/or Belgian individual and/or corporate investors	0.01%	0.01%	0.01%	0.01%	0.01%

From 31 January 2013 to 18 May 2016, Caisse Française de Financement Local is 99.99%-owned by SFIL (formerly Société de Financement Local), and 0.01% of its capital was in the hands of private investors (individuals, members of the Supervisory Board, to whom SFIL had lent shares).

Since 18 May 2016, only one individual, a member of the Supervisory Board, has kept a share of the Issuer lent by SFIL as a *prêt de consommation d'action*).

SELECTED FINANCIAL INFORMATION

As of 31 December 2018, the Caisse Française de Financement Local had a shareholders' equity (excluding net results through equity) of EUR 1,459 million (compared to EUR 1,480 million as of 31 December 2017).

Its financial debt amounted to EUR 59,897 million (compared to EUR 58,406 million as of 31 December 2017). It was comprised of debt benefiting from the legal *privilège** totalling EUR 54,956 million (compared to EUR 53,585 million as of 31 December 2017) and debt not benefiting from this *privilège*** totalling EUR 4,941 million (compared to EUR 4,821 million as of 31 December 2017).

* *obligations foncières*, registered covered bonds and collateral received in cash

** financing received from its shareholder

EUR millions	31/12/2017 ¹¹	31/12/2018 ¹²
Core shareholders' equity (excluding <i>net result</i> through equity)	1,480	1,459
Financial debt	58,406	59,897
- privileged debt	53,585	54,956
- non privileged debt	4,821	4,941
Balance sheet total	68,777	69,056

Net banking income for the year ended on 31 December 2018 amounted to EUR 171 million (compared to EUR 156 million in 2017). Net income for the year ended on 31 December 2018 amounted to EUR 62 million (compared to EUR +41 million in 2017).

EUR millions	Fiscal Year 2017 ¹¹	Fiscal Year 2018 ¹²
Net banking income	156	171
Operating income	73	66
Net income	41	62

Figures shown in the tables above are extracted from the Caisse Française de Financement Local audited annual financial statements and were established under IFRS, as adopted by the European Union.

Impacts associated with the first-time application of IFRS 9 and expected impacts on future results

The first-time application of IFRS 9 to Caisse Française de Financement Local's transactions as of 1st January 2018 had a limited impact on equity as regards the new provisioning methods, but a more significant impact from the classification and measurement standpoint.

The following table shows the breakdown of financial assets by recognition method.

EUR millions	1/1/2018
Financial assets non SPPI recognized at fair value through net income	6,951
Financial assets SPPI recognized at fair value through equity	200
Financial assets SPPI recognized at amortized cost	52,743
TOTAL	59,894

¹¹ IAS 39 applicable.

¹² IFRS 9 applicable. IFRS 9 came into force on 1st January 2018. It includes three main components: the classification and measurement of financial instruments, the provisioning of loans, securities and financing commitments, and hedge accounting, for which Caisse Française de Financement Local has chosen to continue to apply IAS 39 pending the entry into force of the future macro-hedging standard.

The following table shows the impact on equity and the CET1 ratio, of the first-time application of IFRS 9, all other things being equal.

Impacts linked to the first time application of IFRS 9 on equity	1/1/2018
EUR millions	
Classification and measurement	86
Impairment	(9)
Hedge accounting	-
TOTAL BEFORE TAX	77
TOTAL AFTER TAX	50

Impact linked to the first time application of IFRS 9 on the CET 1 ratio (fully loaded) after prudential restatement	1/1/2018
basis point	
TOTAL	126

Lastly, IFRS 9 has an impact on future results due mainly to changes in the fair value of non-SPPI financial assets, which leads to increased income volatility. This standard therefore increases net banking income volatility in a way unrelated to Caisse Française de Financement Local's activity, as its business model involves holding all loans until maturity. Caisse Française de Financement Local therefore decided to isolate this impact within so-called non-recurring items in order to restate it in the analysis of the Company's performance.

Income was strongly influenced by the following factors that should be mentioned in the analysis:

- the change in the fair value of financial assets classified as non-SPPI under IFRS 9. This impact is recognized in the income statement under Net result on financial assets at fair value through net income and is restated under Non-recurring items. This impact amounted to EUR -5 million as of 31 December 2018.
- adjustments in fair value concerning hedges. The application of certain accounting standards or methods is a source of volatility in Net banking income. The impact of these adjustments amounted to -37 million as of 31 December 2017 and 0 million as of 31 December 2018.
- the effect of changes in the income tax rate. It is reminded to the reader that Caisse Française de Financement Local has taken note of the reduction in corporate income tax to 25% as of 2022. To this end in 2017, it reduced its deferred tax assets and recorded a non-recurring expense of EUR -2 million in its accounts.
- the tax adjustment's positive impact. As of 31 December 2018, Caisse Française de Financement Local had settled the amounts owed relating to the adjustment, reversed the provisions in question and recalculated the associated deferred taxes, while keeping in its accounts the amount of the provision set aside in respect of sums not yet paid. These factors had a positive impact of EUR 14 million in 2018.

Restated for the non-recurring items mentioned above, Net banking income for the year fell from EUR 193 million in 2017 to EUR 176 million in 2018, a decrease of EUR 17 million. Net income for the year fell by EUR 15 million, from EUR 67 million in 2017 to EUR 52 million in 2018.

The EUR 17 million decrease in Net banking income was due to an unusual event in 2017: a reversal of EUR 31 million of specific provisions following the refinement of the method for estimating recoverable flows from non-performing loans had been recognized during the 2017 fiscal year; adjusted for this provision reversal, net banking income increased by EUR +14 million, mainly due to the improvement in Caisse Française de Financement Local's over-collateralization financing conditions.

As of 31 December 2018, the outstanding amount of privileged debt in swapped value increased by EUR 1.1 billion (+2.2%) compared to 31 December 2017. The outstanding amount of non-privileged debt amounted at EUR 4.9 billion, increasing by 2.5% compared to 31 December 2017. Those amounts are extracted from the Issuer's management report as of 31 December 2018.

Auditing of historical annual financial information

The statutory auditors of Caisse Française de Financement Local have prepared reports on the financial statements established under IFRS as adopted in the European Union for the periods ended 31 December 2017 and 31 December

2018. The last one dated 29 March 2019 can be found on page 110 of the Issuer's Annual Financial Report 2018 (French version).

Legal and arbitration proceedings

Sensitivity reduction and decrease in litigation related to structured loans

Caisse Française de Financement Local has, in its portfolio, some structured loans considered as sensitive which had been granted to French clients by Dexia Crédit Local before the acquisition of Caisse Française de Financement Local by SFIL. Certain of these customers initiated legal proceedings against Dexia Crédit Local, Caisse Française de Financement Local and/or SFIL.

Sensitive loans and reduction in loan sensitivity

The most structured loans according to the Gissler classification (categories 3E, 4E and 5E as well as “not in the charter” loans) may be classified as “sensitive”. As of 31 December 2018, they now represent only EUR 1.0 billion (1.8% of the cover pool) compared with EUR 8.5 billion on SFIL's inception at the end of 2012, i.e. a fall of more than 83%. The number of customers holding sensitive loans fell over the same period from 879 to 196. Of these loans, those considered to be the most sensitive (“not in the charter”) represented only EUR 0.4 billion, or 0.7% of the cover pool and 51 customers as of 31 December 2018. Those 51 customers are mostly municipalities with more than 10,000 residents, groups of municipalities and, to a lesser extent, public hospitals.

Given the transactions of reduction in loan sensitivity already signed as of end-2019, sensitive loans with a rate exceeding 5% will amount to less than EUR 0.2 billion and concern 29 customers, i.e. 0.4% of the cover pool and 0.2% of French local public sector customers. The scope of sensitive structured loans is therefore extremely limited and the associated risk is no longer material for Caisse Française de Financement Local.

Legal risk

As regards litigation, there were 18 borrowers with disputed structured loans as of 31 December 2018, compared with 25 as of 31 December 2017, 39 as of 31 December 2016 and 131 as of 31 December 2015.

Since SFIL's creation, 205 borrowers have dropped their claims against the Group. A highlight of 2018 was a Court of Cassation ruling on 28 March confirming the validity of the structured loans recorded on Caisse Française de Financement Local's balance sheet. Thus, since the entry into force on 30 July 2014 of the law on securing of structured loan contracts concluded by public sector entities, 39 court decisions have confirmed the validity of such contracts (27 Court of First Instance, 10 Appeal Court and 2 Court of Cassation judgments).

However, two court decisions were unsatisfactory for Caisse Française de Financement Local, being noted that these decisions relate to proceedings that are still ongoing.

As of 31 December 2018, to the best of Caisse Française de Financement Local's knowledge, there were no other governmental, legal or arbitration proceedings against it that could have a material impact on its financial position.

Tax risk

For the record, in 2015, French tax authorities undertook a tax audit about the corporate income tax paid for 2012 and 2013. Following the tax assessment, the tax authorities expressed their disagreement with the tax treatment of the following two points: the taxation in Ireland of the income from the Dublin branch of Dexia Municipal Agency, which was closed in 2013, and the deductibility of provisions for non-performing loans. In order to safeguard its rights to the disputed adjustment, in 2017 the tax authority initiated a tax audit relating to the consequences of its previous assessment of taxable income for the 2014 to 2016 fiscal years. The two points of disagreement resulting from the former tax audit (FY 2012 and 2013) still held. Caisse Française de Financement Local had set aside a tax provision to cover the eventuality of an unfavorable outcome. However, since 2016 Caisse Française de Financement Local has contested the tax authority's position on the results of the former branch in Ireland, presenting its case within the legal recourse framework provided for under current laws and regulations.

As of the end of 2018, the tax authority had levied adjustments relating to the 2012 and 2013 tax audit. It nevertheless reduced the amount of the adjustment relating to the add-back of the results of the former branch in Ireland, but maintained the principle of taxation of these results in France. Caisse Française de Financement Local settled this

adjustment and reversed the relevant provisions. It kept in its accounts the amount of the provision set aside in respect of sums not yet paid. The 2018 accounting result consequently shows income corresponding to the provision's adjustment.

Other litigation

The Issuer is not or has not been involved in any other governmental litigation or proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may or have in such period had a significant effect on the financial position or profitability of the Issuer.

MATERIAL CONTRACTS

Management Agreement

In accordance with Article L.513-15 of the French *Code monétaire et financier*, the Issuer is not permitted to have its own employees. It has therefore contractually entrusted its parent company SFIL with its operational management under a management agreement, “*Convention de gestion*”, dated 31 January 2013 between SFIL and Caisse Française de Financement Local as amended and/or replaced from time to time and as further described below. Caisse Française de Financement Local does, however, have its own Executive Board and Supervisory Board. See “Administrative, Management and Supervisory Bodies”.

Specific loan service agreement has also been signed with other entities that transferred assets to Caisse Française de Financement Local and continue to handle the servicing of these assets for their national clients, including in each case the management, negotiation and repayment of the relevant loans. The obligations of Caisse Française de Financement Local under these loan service agreements rank *pari passu* with *obligations foncières* benefiting from the *privilège*.

As of the date of this Base Prospectus, the following loan service agreements were in force:

- A management agreement, “*Convention de gestion*”, dated 31 January 2013 between SFIL and Caisse Française de Financement Local as amended and/or replaced from time to time, pursuant to which SFIL agreed to manage on behalf of Caisse Française de Financement Local loans granted to public sector entities in the European Union or to entities guaranteed by these public sector entities and transferred to Caisse Française de Financement Local and the refinancing of export credits. SFIL, in accordance with the terms of this agreement (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and current account services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity, and settlement at the level of Caisse Française de Financement Local.
- A loan service agreement, “*Contrat de gestion de prêts*”, dated 23 May 2001 between Caisse Française de Financement Local and Kommunalkredit Austria AG, pursuant to which Kommunalkredit Austria AG agreed to manage on behalf of Caisse Française de Financement Local loans granted and guaranteed by the Land Carinthia and transferred to Caisse Française de Financement Local. Kommunalkredit Austria AG agreed to provide Caisse Française de Financement Local with the transfer agreement and any relevant data and information in relation to the loans, and to manage and recover the receivables.
- A loan service agreement, “*Contrat de gestion de prêts et de titres obligataires non cotés*”, dated 27 September 2002 between Dexia Crediop and Caisse Française de Financement Local, pursuant to which Dexia Crediop agreed to manage non-listed Italian bonds and loans granted to Italian public entities or to entities guaranteed by these public entities on behalf of Caisse Française de Financement Local. Dexia Crediop agreed to manage the relationships with the borrowers, to negotiate and manage the legal documentation, to recover the receivables and to negotiate any grace period, waivers or acceleration of the loans.
- A loan service agreement, “*Contrat de gestion de prêts*”, dated 22 September 2003 between Belfius Banque et Assurance (Dexia Banque Belgique) and Caisse Française de Financement Local, pursuant to which Belfius agreed to manage loans granted by Belfius to Belgian public entities or entities guaranteed by these public entities and transferred to Caisse Française de Financement Local. Belfius agreed to manage relationships with the borrowers, to recover the receivables, to negotiate any grace period, waivers or acceleration of the loans and to notify any transfers of the loans to the borrowers.

Registered covered bonds management agreements

- A management agreement for Registered Covered Bonds (RCB) dated 25 September 2006 between Dexia Kommunalbank Deutschland (DKD) and Caisse Française de Financement Local as amended on 25 October 2007, pursuant to which DKD agreed to manage registered covered bonds issued prior to 2015.

- A management agreement for registered covered bonds (RCB) dated 3 February 2015 between Landesbank Baden-Württemberg (LBBW) and Caisse Française de Financement Local, pursuant to which LBBW is entrusted to manage registered covered bonds issued since 2015.

Liquidity and Financing Arrangements

Caisse Française de Financement Local 's obligations under the following contracts, entered into between Caisse Française de Financement Local and SFIL, do not have the benefit of the *privilège*, and are therefore subordinate to liabilities having the benefit of the *privilège*:

- A current account agreement, “*Convention de compte courant*”, dated 31 January 2013 between Caisse Française de Financement Local and SFIL as amended from time to time, which combines multiple current accounts into a single current account and allows Caisse Française de Financement Local and SFIL the ability to share a single current account. Caisse Française de Financement Local is able to use the funds available in the current account to a maximum amount of EUR 50 million, measured at the end of each day.
- An intragroup revolving credit facility, “*Crédit Long Terme*”, dated 31 January 2013 between Caisse Française de Financement Local, as borrower, and SFIL, as lender, pursuant to which SFIL agreed to grant to Caisse Française de Financement Local loans to provide long term financing to cover long term liquidity needs, including the financing of the over-collateral.

Hedging Arrangements

The obligations of Caisse Française de Financement Local under these hedging agreements rank *pari passu* with *obligations foncières* benefiting from the *privilège*.

- An AFB master agreement, the “*Convention-Cadre*”, dated 31 January 2013 between SFIL and Caisse Française de Financement Local as amended from time to time and as supplemented by an AFB collateral annex “*Annexe Remises en garantie*”, dated 31 January 2013, as amended from time to time. The OTC transactions under this master agreement include interest rate swaps and foreign exchange swaps.

Loan Transfer Arrangements

- A loan transfer agreement, “*Convention de cession*”, dated 31 January 2013 between La Banque Postale, as transferor, and Caisse Française de Financement Local, as transferee, as amended from time to time, pursuant to which La Banque Postale agreed to transfer to Caisse Française de Financement Local loans granted to public sector entities in France or to entities guaranteed by these public sector entities.

Agreement between SFIL and Caisse Française de Financement Local providing for the payment by Caisse Française de Financement Local of EUR 10 million per annum for 15 years to a government fund for local governments

- An agreement signed on 14 November 2013, under which Caisse Française de Financement Local, whose balance sheet includes sensitive local government loans, pays €10 million per annum for 15 years to the local government support fund, on behalf of SFIL group.

Agreements between SFIL and Caisse Française de Financement Local providing for the payment by Caisse Française de Financement Local of EUR 18 million and EUR 20 million to a government fund for public hospitals

- An agreement signed on 28 May 2014, under which Caisse Française de Financement Local, whose balance sheet includes sensitive loans to public hospitals, pays €18 million spread over a three years period to the public hospital government support fund, on behalf of SFIL group.
- An agreement signed on 5 November 2015, under which Caisse Française de Financement Local, whose balance sheet includes sensitive loans to public hospitals, pays €20 million spread over a two years period to the public hospital government support fund, on behalf of SFIL group.

Tax consolidation arrangement with SFIL

- An agreement between SFIL and Caisse Française de Financement Local, dated 13 January 2014, which allows SFIL to be solely liable for income tax for SFIL and Caisse Française de Financement Local from fiscal year 2014 and which governs payment of the tax within the tax group and compensation for leaving the tax group linked to the loss of the right to carry deficits.

RECENT DEVELOPMENTS

The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) increased by an amount of EUR 942,152,665.52 between 31 December 2018 and 5 June 2019.

The number of clients who sued Dexia Crédit Local and/or SFIL and/or Caisse Française de Financement Local for structured loans on the balance sheet of Caisse Française de Financement Local stood at 18 on 31 December 2018.

On 28 May 2019, the Issuer's shareholders' meeting has approved the payment of a dividend of EUR 3.00 per share representing a total dividend of EUR 40,500,000. The dividend will be paid on 6 June 2019.

TAXATION

The following is a summary of certain withholding tax considerations relating to the holding of the Obligations Foncières. This summary is based on the laws in force in France, the Grand Duchy of Luxembourg and the United States and their interpretation thereof as of the date of this Base Prospectus and is subject to any changes in law and/or interpretation hereof, possibly with a retroactive effect. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Obligations Foncières. Each prospective holder or beneficial owner of Obligations Foncières should consult its tax advisor as to French, Luxembourg and the United States (as the case may be) tax consequences of any investment in or ownership and disposition of the Obligations Foncières.

France – Taxation

Withholding taxes on payments made outside France

The following is relevant to holders of Obligations Foncières who do not concurrently hold shares of the Issuer.

Payments of interest and other revenues made by the Issuer with respect to *Obligations Foncières* will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in certain non-cooperative States or territories (*Etats ou territoires non coopératifs*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**” or “**Non-Cooperative States**”). If such payments under the *Obligations Foncières* are made outside France in certain Non-Cooperative States, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such *Obligations Foncières* are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the “**Deductibility Exclusion**”). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 12.8% for payments benefiting individuals who are not French tax residents, (ii) 30% (to be aligned with the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75% for payments made outside France in certain Non-Cooperative States (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion (and therefore the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such Deductibility Exclusion) will apply in respect of an issue of *Obligations Foncières* if the Issuer can prove that the main purpose and effect of such issue of *Obligations Foncières* was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211, no. 70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320, no. 10, an issue of *Obligations Foncières* will benefit from the Exception without the Issuer having to provide any proof of the main purpose and effect of such issue of *Obligations Foncières*, if such *Obligations Foncières* are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

- (ii) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider or any other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Withholding taxes on payments made to individuals fiscally domiciled in France

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, subject to certain exceptions, interest and assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and solidarity levy) are also levied by way of withholding at a global rate of 17.2% on such interest and assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France, subject to certain exceptions.

Luxembourg – Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg. The information contained within this section is limited to withholding tax considerations in Luxembourg relating to the Obligations Foncières that may be issued under the Programme. Each prospective holder or beneficial owner of Obligations Foncières should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Obligations Foncières.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding tax

(i) Non-resident holders of *Obligations Foncières*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of *Obligation Foncières*, nor on accrued but unpaid interest in respect of the *Obligations Foncières*, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the *Obligations Foncières* held by non-resident holders of *Obligations Foncières*.

(ii) Resident holders of *Obligations Foncières*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Relibi Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of *Obligations Foncières*, nor on accrued but unpaid interest in respect of *Obligations Foncières*, nor is any Luxembourg withholding tax payable upon redemption or repurchase of *Obligations Foncières* held by Luxembourg resident holders of *Obligations Foncières*.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the *Obligations Foncières* coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20%.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the *Obligations Foncières*, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the *Obligations Foncières*, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the *Obligations Foncières*, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and *Obligations Foncières* characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional *Obligations Foncières* (as described under "Terms and Conditions of the *Obligations Foncières* - Further Issues and Consolidation") that are not distinguishable from previously issued *Obligations Foncières* are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all *Obligations Foncières*, including the *Obligations Foncières* offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the *Obligations Foncières*. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the *Obligations Foncières*, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated distribution agreement dated 7 June 2019 (the “**Amended and Restated Distribution Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the *Obligations Foncières* will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell *Obligations Foncières* directly on its own behalf to Dealers that are not Permanent Dealers. The *Obligations Foncières* may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The *Obligations Foncières* may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Distribution Agreement also provides for *Obligations Foncières* to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of *Obligations Foncières* subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of *Obligations Foncières* on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the *Obligations Foncières*. The Amended and Restated Distribution Agreement entitles the Dealers to terminate any agreement that they make to subscribe *Obligations Foncières* in certain circumstances prior to payment for such *Obligations Foncières* being made to the Issuer.

Selling Restrictions

Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any *Obligations Foncières* with a denomination of less than €100,000 to be admitted to trading on a regulated market or regulated markets and/or offered to the public in the European Economic Area specify the “Prohibition of Sales to EEA Retail Investors” as “Applicable”, and in respect of all *Obligations Foncières* with a denomination of at least €100,000 to be admitted to trading on a regulated market, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any *Obligations Foncières* which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe the *Obligations Foncières*.

If the Final Terms in respect of any *Obligations Foncières* with a denomination of less than €100,000 to be admitted to trading on a regulated market or regulated markets and/or offered to the public in the European Economic Area specify “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “**Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of *Obligations Foncières* which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State of the EEA except that it may make an offer of *Obligations Foncières* to the public in that Member State of the EEA:

- (a) if the Final Terms in relation to the *Obligations Foncières* specify that an offer of those *Obligations Foncières* may be made other than pursuant to Article 3(2) of the Prospectus Directive in a Member State of the EEA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such *Obligations Foncières* which has been approved by the competent authority in that Member State of the EEA or, where appropriate, approved in another Member State of the EEA and notified to the competent authority in that Member State of the EEA, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive in the period beginning and ending on the dates specified in such Prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of *Obligations Foncières* referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of *Obligations Foncières* to the public**” in relation to any *Obligations Foncières* in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe the *Obligations Foncières*, as the same may be varied in that Member State of the EEA by any measure implementing the Prospectus Directive in that Member State of the EEA and the expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended or superseded.

France

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) **Offer to the public in France:**

it has only made and will only make an offer of *Obligations Foncières* to the public in France on or after the date of approval of the Base Prospectus relating to those *Obligations Foncières* by the *Autorité des marchés financiers* (“**AMF**”), all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and, as from 21 July 2019, regulation (UE) 2017/1129 as amended and any applicable French law and regulation, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

- (ii) **Private placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, any *Obligations Foncières* to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the *Obligations Foncières* and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and, as from 21 July 2019, regulation (UE) 2017/1129 as amended and any applicable French law and regulation.

United States

The *Obligations Foncières* have not been and will not be registered under the Securities Act. In addition, bearer Materialised *Obligations Foncières* having a maturity of more than one year are subject to U.S. tax law requirements.

Subject to certain exceptions, *Obligations Foncières* may not be offered or sold within the United States or, in the case of bearer Materialised *Obligations Foncières*, offered, sold or delivered within the United States.

The *Obligations Foncières* are being offered and sold outside the United States in reliance on Regulation S.

Each Dealer has agreed that it will not offer or sell or deliver bearer Materialised *Obligations Foncières* within the United States or to U.S. persons.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of any identifiable Tranche of such *Obligations Foncières* within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the *Obligations Foncières* outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the *Obligations Foncières*, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such person within the United States is prohibited.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (iii) in relation to any *Obligations Foncières* which must be redeemed before the first anniversary of the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any *Obligations Foncières* other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the *Obligations Foncières* would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the “FSMA”) by the Issuer
- (iv) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any *Obligations Foncières* in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and
- (v) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any *Obligations Foncières* in, from or otherwise involving the United Kingdom.

Japan

The *Obligations Foncières* have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any *Obligations Foncières* in Japan or to, or for the benefit of, any resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Italy

The offering of the *Obligations Foncières* has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or distributed, and will not offer, sell or distribute any *Obligations Foncières* or any copy of this Base Prospectus or any other offer document in the Republic of Italy (“**Italy**”) except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Financial Services Act**”) and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the “**CONSOB Regulation**”), all as amended; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the *Obligations Foncières* or distribution of copies of this Base Prospectus or any other document relating to the *Obligations Foncières* in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”), CONSOB Regulation No. 20307 of 15 February 2018, all as amended;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines; and
- (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Any investor purchasing the *Obligations Foncières* in this offering is solely responsible for ensuring that any offer or resale of the *Obligations Foncières* it purchases in this offering occurs in compliance with applicable laws and regulations.

Article 100-bis of the Consolidated Financial Services Act affects the transferability of the Obligations Foncières in Italy to the extent that any placing of the Obligations Foncières is made solely with qualified investors and such Obligations Foncières are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of Obligations Foncières who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Obligations Foncières were purchased, unless an exemption provided for under the Consolidated Financial Services Act applies.

Norway

Norway has implemented the Prospectus Directive pursuant to chapter 7 of the Securities Trading Act of 29. June 2007 no. 75, as amended, and chapter 7 of the Securities Trading Regulations of 29. June 2007 No. 876, as amended. Consequently, the selling restriction set out in the section “Public Offer Selling Restriction under the Prospectus Directive” above applies.

Obligations Foncières denominated in Norwegian Kroner issued by non-Norwegian issuers must be registered in the Norwegian Central Securities Depository (VPS) if the Obligations Foncières are offered for sale in Norway, except in case of reverse solicitation.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a Supplement to the Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the *Obligations Foncières*, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers *Obligations Foncières* or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised *Obligations Foncières* may only be issued outside France.

FORM OF FINAL TERMS 1

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES* WITH A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA

[The Base Prospectus dated 7 June 2019 expires on 6 June 2020. The updated Base Prospectus shall be available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the AMF (www.amf-france.org), on the website of the Issuer (www.caffil.fr) and copies may be obtained from Caisse Française de Financement Local, 1-3, rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France.]¹

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2016/97/EU on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the “**Prospectus Directive**”. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]²

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II]; and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [Consider any negative target market³] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]⁴

OR

[**MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the

¹ To be included in the case of a public offer which offer period expires after the expiry date of this Base Prospectus.

² Delete legend if (a) the offer of the *Obligations Foncières* do not constitute “packaged” products or (b) the *Obligations Foncières* do constitute “packaged” products and a key information document will be prepared, in which case, insert “Not Applicable” in paragraph 11(vi) of Part B below. Include legend if the offer of the *Obligations Foncières* may constitute “packaged” products and the Issuer intends to prohibit the *Obligations Foncières* being offered, sold or otherwise made available to EEA retail investors. In this case insert “Applicable” in paragraph 11(vi) of Part B below.

³ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: “The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].”

⁴ Legend to be included on front of the Final Terms if following the ICMA 1 “all *Obligations Foncières* to all professionals” target market approach.

conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")][MiFID II]; **EITHER**⁵ [and (ii) all channels for distribution of the *Obligations Foncières* are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services]⁶ **OR**⁷ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the *Obligations Foncières* to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]⁸. [Consider any negative target market⁹] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]¹⁰.]¹¹

Final Terms dated [●]



CAISSE FRANÇAISE DE FINANCEMENT LOCAL
(the "Issuer")

Legal entity identifier (LEI): 549300E6W08778I4OW85

Issue of [Aggregate Nominal Amount of Tranche] [Title of *Obligations Foncières*]
under the
Euro 75,000,000,000
Euro Medium Term Note Programme
for the issue of *Obligations Foncières*
Due from one month from the date of the original issue

SERIES NO: [●]

⁵ Include for *Obligations Foncières* that are not ESMA complex.

⁶ The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

⁷ Include for certain ESMA complex *Obligations Foncières* such as debt instruments incorporating a structure that making it difficult to understand as referred to in item 13 of the Guidelines published by ESMA on 4 February 2016, as amended from time to time. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the *Obligations Foncières* constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

⁸ The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

⁹ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

¹⁰ If the *Obligations Foncières* constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II. If there are advised sales, a determination of suitability will be necessary.

¹¹ Legend to be included on front of the Final Terms if following the ICMA 2 approach.

TRANCHE NO: [●]

Issue Price: [●] per cent.

[Name(s) of Manager(s)]

[Any person making or intending to make an offer of the *Obligations Foncières* may only do so [: in those Public Offer Jurisdictions mentioned in paragraph 11(vii) of Part B below, provided such person is [an Authorised Offeror] in that paragraph and that such offer is made during the Offer Period specified for such purpose therein and that any conditions relevant to the use of the Base Prospectus are complied with; or (ii) otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of *Obligations Foncières* in any other circumstances.¹²

The expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended or superseded, and includes any relevant implementing measure in a Member State of the EEA.]

¹² Do not include if the "Prohibition of Sales to EEA Retail Investors" legend is included (because the *Obligations Foncières* potentially constitute "packaged" products and **no** key information document will be prepared) and the related selling restriction is specified to be "Applicable".

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 June 2019 which received visa n°19-252 from the *Autorité des marchés financiers* (the “AMF”) on 7 June 2019 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”)] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. A summary of the issue of the *Obligations Foncières* is annexed to these Final Terms. Full information on the Issuer and the offer of the *Obligations Foncières* is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents [and] on the website of the AMF (www.amf-france.org)[, on the website of the Issuer (www.caffil.fr)] and copies may be obtained from Caisse Française de Financement Local, 1-3, rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus and/or an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”), which are the [●] EMTN Previous Conditions which are incorporated by reference in the Base Prospectus dated 7 June 2019. This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 7 June 2019 which received visa n°19-252 from the *Autorité des marchés financiers* (the “AMF”) on 7 June 2019 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”)], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the [●] EMTN Previous Conditions which are incorporated by reference in the Base Prospectus. A summary of the issue of the *Obligations Foncières* is annexed to these Final Terms. Full information on the Issuer and the offer of the *Obligations Foncières* is only available on the basis of the combination of these Final Terms, the [●] EMTN Previous Conditions and the Base Prospectus dated 7 June 2019 [and the Supplement[s]]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents [and] on the website of the AMF (www.amf-france.org) [, on the website of the Issuer (www.caffil.fr)] and copies may be obtained from Caisse Française de Financement Local, 1-3, rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France.

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1	Issuer:	Caisse Française de Financement Local
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	[(iii) Date on which the <i>Obligations Foncières</i> become fungible:	The <i>Obligations Foncières</i> will be assimilated (<i>assimilées</i>) and form a single series with the existing [<i>insert description of the Series</i>] issued by the Issuer on [<i>insert date</i>] (the “ Existing Obligations Foncières ”) as from the Issue Date of this Tranche.]

3	Specified Currency ¹³ :	[●]
4	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6	Specified Denomination[s]:	[●] (one denomination only for Dematerialised Obligations Foncières) ¹⁴
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify / Issue Date / Not Applicable]
8	Maturity Date:	<i>[specify date or (for Floating Rate Obligations Foncières) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[[●] per cent. Fixed Rate] [[[●] month EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] +/- [●] per cent. Floating Rate] [Fixed/Floating Rate] [Zero Coupon] [Inflation Linked Interest] <i>[(further particulars specified below)]</i>
10	Redemption Basis: *	Subject to any purchase and cancellation or early redemption, the <i>Obligations Foncières</i> will be redeemed on the Maturity Date [at [100] per cent. of their nominal amount / pursuant to Condition 6(c) (for <i>Inflation Linked Obligations Foncières</i> , as the case may be)].
11	Change of Interest Basis:	[Applicable (for <i>Fixed/Floating Rate Obligations Foncières</i>)/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i> [Optional Change of Interest Date / Automatic Change of Interest Date: [●]] <i>[Specify details for convertibility of the Fixed/Floating Rate Obligations Foncières in accordance with the provisions of Conditions 5(d)]</i>
12	Call Options:	[Issuer Call/Not Applicable]

¹³ Please note that with respect to any domestic issue settled from an Issuer account situated in France, payments relating to *Obligations Foncières* shall be made in Euro (according to Article 1343-3 of the French *Code civil*).

¹⁴ *Obligations Foncières* (including *Obligations Foncières* denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

* *Obligations Foncières* (including *Obligations Foncières* denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such *Obligations Foncières* may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

- [(further particulars specified below)]
- 13 (i) Status of the *Obligations Foncières*: [Obligations Foncières]
- (ii) Dates of the corporate authorisations for issuance of *Obligations Foncières* obtained: Decision of the *Directoire* of Caisse Française de Financement Local dated [●]

**PROVISIONS RELATING TO INTEREST (IF ANY)
PAYABLE**

14 Fixed Rate *Obligation Foncière* Provisions

[In respect of Fixed/Floating Rate *Obligations Foncières*: from (and including) [●] to (but excluding) [●]; [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [[●] per Specified Denomination/Not Applicable]
- (iv) Broken Amount(s): [●] payable on the Interest Payment Date falling [in/on] [●] *(Insert particulars of any initial or final Broken Amount(s) of interest which do not correspond with the Fixed Coupon Amount(s))*
- (v) Day Count Fraction (Condition 5(a)): [Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- (vi) Determination Date(s) (Condition 5(a)): [●] in each year *(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (viii) Business Centre(s): [●] / [Not Applicable]

15 Floating Rate *Obligation Foncière* Provisions

[In respect of Fixed/Floating Rate *Obligations Foncières*: from (and including) [●] to (but excluding) [●]; [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph).

- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Specified Interest Payment Date: [●]

- (iv) Interest Period Date: [●] (*Not applicable unless different from Interest Payment Dates*)
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (vi) Business Centre(s) (Condition 5(a)): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ FBF Determination/ ISDA Determination]
- (viii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [[●]/Not Applicable]
- (ix) Screen Rate Determination (Condition 5(c)(iii)(C)):
 -- Reference Rate: [EURIBOR/LIBOR/EONIA/CMS Rate/TEC10]
 -- Relevant Inter-Bank Market: [●]
 -- Relevant Screen Page Time: [●]
 -- Interest Determination Date(s): [[●] / [●] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention /Preceding Business Day Convention].]
 -- Relevant Screen Page: [●]
 -- [Reference Currency: [●]]
 -- [Relevant Financial Centre: [●]]
 -- [Designated Maturity: [●]]
 -- [Specified Time: [●]]
 -- Benchmark Replacement: [Applicable/Not Applicable]
- (x) FBF Determination (Condition 5(c)(iii)(A)):
 -- Floating Rate: [●]
 -- Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]

(N.B. the fall-back provisions applicable to FBF Determination under the Recueil de Taux – Additifs Techniques FBF are reliant upon the provisions by reference banks of offered quotations for LIBOR and/or Euribor which, depending on market circumstances, may not be available at the relevant time)
- (xi) ISDA Determination (Condition 5(c)(iii)(B)):
 -- Floating Rate Option: [●]
 -- Designated Maturity: [●]

	-- Reset Date:	[●]
(xii)	Margin(s):	[[+/-] [●] per cent. per annum] / [Not Applicable]
(xiii)	Minimum Rate of Interest:	[In accordance with the Condition 5(h)] / [●] per cent. per annum ¹⁵
(xiv)	Maximum Rate of Interest:	[Not Applicable] / [●] per cent. per annum
(xv)	Day Count Fraction (Condition 5(a)):	[Actual/365-FBF / 30/360 / Actual/Actual (ICMA / ISDA) / Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
16	Zero Coupon <i>Obligation Foncière</i> Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i)	Amortisation Yield (Condition 6(d)):	[●] per cent. per annum
(ii)	Day Count Fraction (Condition 5(a)):	[Actual/365-FBF / 30/360 / Actual/Actual (ICMA / ISDA) / Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
17	Inflation Linked Interest <i>Obligation Foncière</i> Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i)	Index:	[CPI/HICP]
(ii)	Calculation Agent responsible for calculating the interest due (if not the Calculation Agent):	[[●]/Not Applicable]
(iii)	Interest Period(s):	[●]
(iv)	Interest Payment Dates:	[●]
(v)	Interest Determination Date:	[●]
(vi)	Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on [<i>specify date</i>] (amounting to: [●])
(vii)	Rate of Interest:	[●] per cent. per annum multiplied by the Inflation Index Ratio
(viii)	Day Count Fraction:	[Actual/365-FBF / 30/360 / Actual/Actual (ICMA / ISDA) / Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
(ix)	Business Centre(s) (Condition 5(a)):	[●](<i>Note that this item relates to interest period end dates and not to the date and place of payment, to which item 23 relates</i>)
(x)	Minimum Rate of Interest:	[In accordance with the Condition 5(h)]/[●] per cent. per annum ¹⁶
(xi)	Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum

¹⁵ [In no event shall the amount of interest payable be less than zero.]

¹⁶ [In no event shall the amount of interest payable be less than zero.]

PROVISIONS RELATING TO REDEMPTION

18 Call Option

- [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount of each *Obligation Foncière*: As per the Conditions
- (iii) If redeemable in part: [Applicable/Not Applicable] (*If not applicable, delete this remaining sub-paragraphs of this paragraph*)
- (a) Minimum Redemption Amount to be redeemed: [●]
- (b) Maximum Redemption Amount to be redeemed: [●]
- (iv) Notice period (if other than as set out in the Conditions): [●]/ [As per the Conditions]

19 Final Redemption Amount of each *Obligation Foncière*

- [●] per *Obligation Foncière* [of [●] Specified Denomination]/[As provided below for Inflation Linked *Obligations Foncières*, as the case may be]
- Inflation Linked *Obligations Foncières* – Provisions relating to the Final Redemption Amount: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Index: [CPI/HICP]
- (ii) Final Redemption Amount in respect of Inflation Linked *Obligations Foncières*: [Condition 6(c) applies]
- (iii) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])
- (iv) Inflation Index Ratio: [●]
- (v) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [[●]/Not Applicable]

20 Early Redemption Amount

- Early Redemption for taxation reasons: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Early Redemption Amount(s) of each *Obligation Foncière* payable on redemption for taxation reasons: [●] / [As provided below for Inflation Linked *Obligations Foncières*, as the case may be]
- Inflation Linked *Obligations Foncières* – Provisions relating to the Early Redemption Amount:** [Applicable / Not Applicable] (*If not applicable, delete the remaining sub-*

- paragraphs of this paragraph)*
- (i) Index: [CPI/HICP]
 - (ii) Early Redemption Amount in respect of Inflation Linked *Obligations Foncières*: [Condition 6(d)(ii) applies]
 - (iii) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])
 - (iv) Inflation Index Ratio: [●]
 - (v) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [[●]/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

- 21** Form of *Obligations Foncières*: [Dematerialised *Obligations Foncières*/Materialised *Obligations Foncières*] (*Materialised Obligations Foncières are only in bearer form*)
[Delete as appropriate]
- (i) Form of Dematerialised *Obligations Foncières*: [Not Applicable/if *Applicable specify whether*] [Bearer dematerialised form (*au porteur*)/[Fully/Administered] registered dematerialised form (*au nominatif [pur/administré]*)]
 - (ii) Registration Agent: [Not Applicable/if *Applicable give name and details*] (*note that a Registration Agent must be appointed in relation to Registered Dematerialised Obligations Foncières only; except that the Issuer may be its own Registration Agent*)
 - (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for definitive Bearer Materialised *Obligations Foncières* on [●] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
 - (iv) Applicable TEFRA exemption: [C Rules/D Rules/TEFRA not applicable] (*Only applicable to Materialised Obligations Foncières*)
- 22** [Exclusion of the possibility to request identification of the holders of the *Obligations Foncières* as provided by Condition 1(a): Applicable]
- 23** Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates: [Not Applicable/Give details]. (*Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which items 14(ii), 15(ii) and 17(iv) relate*)
- (i) Adjusted Payment Date (Condition 7(h)): [The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[As per

Condition 7(h)/[Other*]

- 24 Talons for future Coupons to be attached to definitive Materialised *Obligations Foncières* (and dates on which such Talons mature): [Yes/No/Not Applicable. *If yes, give details*] (Only applicable to Materialised *Obligations Foncières*)
- 25 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
- 26 Consolidation provisions: [Not Applicable/The provisions [in Condition 12(b)] apply]
- 27 Representation of holders of *Obligations Foncières - Masse* (Condition 10): Issue outside France: [Applicable/Not Applicable]
- Name and address of the Representative: [●]
[Name and address of the alternate Representative: [●]]
[The Representative will receive no remuneration]/[The Representative will receive a remuneration of [●]].
[If the Obligations Foncières are held by a single holder of Obligations Foncières, insert the wording below:
As long as the *Obligations Foncières* are held by a single holder of *Obligations Foncières*, and unless a Representative has been appointed in relation to such Series, such holder of *Obligations Foncières* shall exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French Code de commerce. A Representative will be appointed as soon as the *Obligations Foncières* are held by several holders of *Obligations Foncières*.]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on the regulated market[s] [of Euronext Paris] [and] [of the Luxembourg Stock Exchange] of the *Obligations Foncières* described herein] pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Caisse Française de Financement Local.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]*

* In the market practice, if any date for payment in respect of Fixed Rate *Obligations Foncières* or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

* To be added only where information provided by third parties is added to the Final Terms.

Signed on behalf of the Issuer:

Duly represented by:

PART B – OTHER INFORMATION

(If any of the following paragraphs is not applicable, delete such paragraph)

1 ADMISSION TO TRADING

(i) Listing: [Euronext Paris / the Luxembourg Stock Exchange / [specify relevant regulated market] / none]

(ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed and admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange / [specify relevant regulated market]] with effect from [●.] / [Application is expected to be made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed and admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange / [specify relevant regulated market]] with effect from [●.]/ [The Existing *Obligations Foncières* are already listed and admitted to trading on the regulated markets of [Euronext Paris] and [the Luxembourg Stock Exchange] / [specify relevant regulated market].] / [Not Applicable.]
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

(iii) Estimate of total expenses related to admission to trading: [●]

(iv) Additional publication of Base Prospectus and Final Terms [●] (See Condition 13 which provides that the Base Prospectus and Final Terms of *Obligations Foncières* admitted to trading on any regulated market of the EEA will be published on the website of the Autorité des marchés financiers. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than the Autorité des marchés financiers)

2 TERMS AND CONDITIONS OF THE OFFER

Offer Price: [Issue Price][specify]
Conditions to which the offer is subject: [Not Applicable/give details]
Offer Period (including any possible amendments): [specify]
Description of the application process: [Not Applicable/give details]
Description of possibility to reduce subscriptions and [Not Applicable/give details]

manner for refunding excess amount paid by applicants:

Details of the minimum and/or maximum amount of application:

[Not Applicable/*give details*]

Details of the method and time limits for paying up and delivering the *Obligations Foncières*:

[Not Applicable/*give details*]

Manner in and date on which results of the offer are to be made public:

[Not Applicable/*give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

[Not Applicable/*give details*]

Whether tranche(s) have been reserved for certain countries:

[Not Applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

[Not Applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[Not Applicable/*give details*]

Consent of the Issuer to use the Prospectus during the Offer Period:

[Not Applicable / Applicable with respect to any Authorised Offeror specified below]

Authorised Offeror(s) in the various countries where the offer takes place:

[Not Applicable / *Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Prospectus"*]

Conditions attached to the consent of the Issuer to use the Prospectus:

[Not Applicable / *Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to or any condition replacing those set out on pages 5 and 6 of the Base Prospectus or indicate "See conditions set out in the Base Prospectus".*]

3 RATINGS AND EURO EQUIVALENT

Ratings:

[Not Applicable. The *Obligations Foncières* are not rated.] /

[Applicable:

Obligations Foncières to be issued under the Programme are expected to be rated [AA+] by S&P and/or [Aaa] by Moody's and/or [AAA] by DBRS],

[S&P: [●]]

[Moody's: [●]]

[DBRS: [●]]

[Other: [●]]

[[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS]

[and] [●] is established in the European Union and is registered under Regulation (EU) N° 1060/2009 (as amended) (the “CRA Regulation”). [[Each of] [S&P] [and/] [Moody’s] [and/] [DBRS] [and] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk).]

(The above disclosure should reflect the rating allocated to Obligations Foncières of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

Euro equivalent:

[Not applicable/Euro [●]] (Only applicable for *Obligations Foncières* not denominated in Euro). The aggregate principal amount of *Obligations Foncières* issued has been converted into Euro at the rate of [●], producing a sum of: [●]

4 SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilege* defined in Article L.513-11 of the French *Code monétaire et financier*, after settlement of this issue and of the issues which have been the subject of previous attestations and that the coverage ratio of the Issuer is compliant with the minimum overcollateral ratio specified in Article R.513-8 of the French *Code monétaire et financier*.

5 [NOTIFICATION]

The *Autorité des marchés financiers* in France [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus [as supplemented] has been drawn up in accordance with the Prospectus Directive.]

6 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

Save as discussed in the section [“Subscription and Sale”] of the Base Prospectus [and save for any fees of [insert relevant fee disclosure] payable to the Managers in connection with the Issue of *Obligations Foncières*,] so far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer.]/ [●]]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

7 REASONS FOR THE OFFER, USE OF PROCEEDS, TOTAL NET PROCEEDS AND ESTIMATED TOTAL EXPENSES

- (i) Reasons for the offer and use of proceeds: [●]*/[The net proceeds will be used for the Issuer’s general corporate purposes]/[The *Obligations Foncières* constitute “*Social Obligations Foncières*” and the net proceeds will be used to finance and/or refinance one or more of the [*eligible assets/projects*] described below:
[Describe specific eligible assets/projects and/or availability of Second Party Opinion and any relevant third party opinions and/or where the information can be obtained, etc...]]
*(See “Use of Proceeds” wording in Base Prospectus – if the reasons for the offer are different from (i) making profit and/or (ii) financing and/or refinancing any new or existing eligible assets/projects, they will need to be included here.)
- (ii) Total net proceeds: [●]
- (iii) Estimated total expenses: [●]

8 [Fixed Rate Obligations Foncières only – YIELD

Indication of yield [of Aggregate Nominal Amount of the Tranche]: [●]

Calculated as [*include details of method of calculation in summary form*] on the Issue Date.

[(Only applicable for offer to the public in France) [yield gap of [●] per cent. in relation to tax free French government bonds (*obligations assimilables au Trésor* (OAT)) of an equivalent duration].

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

9 [Floating Rate Obligations Foncières only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/EONIA/CMS Rate/ TEC10] rates can be obtained from [●].]

[Amounts payable under the *Obligations Foncières* will be calculated by reference to [LIBOR/EURIBOR/EONIA/CMS Rate] which is provided by [European Money Markets Institute (“EMMI”)] [ICE Benchmark Administration Limited (“IBA”)] [●]. [As at [●], [EMMI][IBA][●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the “**Benchmarks Regulation**”).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [EMMI][IBA][●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

10 [Inflation Linked Obligations Foncières only – PERFORMANCE OF INDEX and other information concerning the underlying

- (i) Name of underlying index: [●]

(ii) Information about the index, its volatility and past and future performance can be obtained: [●]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

11 DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names, addresses and underwriting commitments of Managers: [Not Applicable/give names, addresses and underwriting commitments]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)*
- (A) Date of Subscription Agreement: [●]
- (B) Stabilising Manager(s) (if any): [Not Applicable/give name and address]
- (iii) If non-syndicated, name and address of Manager: [Not Applicable/give names and addresses]
- (iv) Indication of the overall amount of the underwriting commission and of the placing commission: [[●] per cent. of the Aggregate Nominal Amount of the Tranche]/[Not Applicable]
- (v) US Selling Restrictions (Categories of potential investors to which the *Obligations Foncières* are offered): Reg. S Compliance Category 1 applies to the *Obligations Foncières*; [TEFRA C/TEFRA D/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail Investors: [Not Applicable/ Applicable]
- (If the Obligations Foncières do not constitute “packaged” products or the Obligations Foncières do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Obligations Foncières may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified and the legend entitled “Prohibition of Sales to EEA Retail Investors” on the cover page of the Final Terms should be included. For the purpose of the above, a “packaged” product shall designate a “packaged retail investment product” which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor)*
- (vii) Public offer: [Not Applicable] [An offer of the *Obligations Foncières* may be made by the [Managers] [and [specify, if applicable]] other than pursuant to Article 3(2) of the

Prospectus Directive in [France/ Grand Duchy of Luxembourg/ *specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] (“**Public Offer Jurisdictions**”) during the period from [*specify date*] until [*specify date*] (“**Offer Period**”). See further Paragraph 2 of Part B above.

12 [*Derivatives only* – OTHER

Date of underwriting agreement: [●]

Name and address of Calculation Agent: [●]

Other markets on which securities of the same class of the *Obligations Foncières* to be admitted to trading are already admitted to trading: [●]

[Information on taxes on the income from the *Obligations Foncières* withheld at source in the country where admission to trading (other than in France) is sought: [●]]

13 OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear Bank SA/NV and Clearstream: [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

The Agents appointed in respect of the *Obligations Foncières* are: [●]

Name and address of the Calculation Agent: [●]

Names and addresses of initial Paying Agent(s): Paying Agent [●]

Names and addresses of additional Paying Agent(s) (if any): [●]

The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [*currency*] per Euro 1.00, producing a sum of: [Not Applicable/Euro [●]] (Only applicable for *Obligations Foncières* not denominated in Euro)

[ANNEX – ISSUE SPECIFIC SUMMARY]

[insert the issue specific summary]

FORM OF FINAL TERMS 2

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES* WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON A E.U. REGULATED MARKET

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2016/97/EU on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [**Consider any negative target market¹**] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]²

¹ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: “The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested].”

² Legend to be included on front of the Final Terms if following the ICMA 1 “all *Obligations Foncières* to all professionals” target market approach.

Final Terms dated [●]



CAISSE FRANÇAISE DE FINANCEMENT LOCAL
(the “Issuer”)

Legal entity identifier (LEI): 549300E6W0877814OW85

**Issue of [Aggregate Nominal Amount of Tranche] [Title of *Obligations Foncières*]
under the**

Euro 75,000,000,000
Euro Medium Term Note Programme
for the issue of *Obligations Foncières*
Due from one month from the date of the original issue

**SERIES NO: [●]
TRANCHE NO: [●]**

Issue Price: [●] per cent.

[Name(s) of Manager(s)]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 June 2019 which received visa n°19-252 from the *Autorité des marchés financiers* (the “**AMF**”) on 7 June 2019 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”)] which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the *Obligations Foncières* is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents [and] on the website of the AMF (www.amf-france.org)[, on the website of the Issuer (www.caffil.fr)] and copies may be obtained from Caisse Française de Financement Local, 1-3, rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus and/or an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”), which are the [●] EMTN Previous Conditions which are incorporated by reference in the Base Prospectus dated 7 June 2019. This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of Directive 2003/71/EC), as amended or superseded (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 7 June 2019 which received visa n°19-252 from the *Autorité des marchés financiers* (the “**AMF**”) on 7 June 2019 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the “**Supplement[s]**”)], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the Conditions which are the [●] EMTN Previous Conditions which are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the *Obligations Foncières* is only available on the basis of the combination of these Final Terms, the [●] EMTN Previous Conditions and the Base Prospectus dated 7 June 2019 [and the Supplement[s]]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing at the office of the Fiscal Agent or each of the Paying Agents [and] on the website of the AMF (www.amf-france.org)[, on the website of the Issuer (www.caffil.fr)] and copies may be obtained from Caisse Française de Financement Local, 1-3, rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France.

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1	Issuer:	Caisse Française de Financement Local
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
	[(iii) Date on which the <i>Obligations Foncières</i> become fungible:	The <i>Obligations Foncières</i> will be assimilated (<i>assimilées</i>) and form a single series with the existing [<i>insert description of the Series</i>] issued by the Issuer on [<i>insert date</i>] (the “ Existing Obligations Foncières ”) as from the Issue Date of this Tranche.]
3	Specified Currency ³ :	[●]

³ Please note that with respect to any domestic issue settled from an Issuer account situated in France, payments relating to *Obligations Foncières* shall be made in Euro (according to Article 1343-3 of the French *Code civil*).

4	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6	Specified Denomination[s]:	[●] (one denomination only for Dematerialised Obligations Foncières) ⁴
	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue Date// Not Applicable]
8	Maturity Date:	[specify date or (for Floating Rate Obligations Foncières) Interest Payment Date falling in or nearest to the relevant month and year]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[[●] month EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] +/- [●] per cent. Floating Rate] [Fixed/Floating Rate] [Fixed Rate/Formula Obligations Foncières] [Zero Coupon] [Inflation Linked Interest] [[Index/ Underlying /CPI/ HICP] Formula Obligations Foncières] [(further particulars specified below)]
10	Redemption Basis:*	Subject to any purchase and cancellation or early redemption, the <i>Obligations Foncières</i> will be redeemed on the Maturity Date [at [100] per cent. of their nominal amount / pursuant to Condition 6(c) (for Inflation Linked Obligations Foncières, as the case may be)].
11	Change of Interest Basis:	[Applicable (for (i) Fixed/Floating Rate Obligations Foncières or (ii) Fixed Rate/Formula Obligations Foncières) / Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph) [Optional Change of Interest Date / Automatic Change of Interest Date: [●]] [Specify details for convertibility of (i) the

⁴ *Obligations Foncières* (including *Obligations Foncières* denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

* *Obligations Foncières* (including *Obligations Foncières* denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such *Obligations Foncières* may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

Fixed/Floating Rate Obligations Foncières in accordance with the provisions of Condition 5(d) or (ii) the Fixed Rate/Formula Obligations Foncières in accordance with the provisions of Conditions 5(e)]

12 Call Options:

[Issuer Call/Not Applicable]

[(further particulars specified below)]

13 (i) Status of the *Obligations Foncières*:

[*Obligations Foncières*]

(ii) Dates of the corporate authorisations for issuance of *Obligations Foncières* obtained:

Decision of the *Directoire* of Caisse Française de Financement Local dated [●]

PROVISIONS RELATING TO INTEREST (IF ANY)

PAYABLE

14 Fixed Rate *Obligation Foncière* Provisions

[In respect of Fixed/Floating Rate *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:]

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate [(s)] of Interest:

[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

(ii) Interest Payment Date(s):

[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]

(iii) Fixed Coupon Amount [(s)]:

[●] per Specified Denomination/Not Applicable]

(iv) Broken Amount(s):

[●] payable on the Interest Payment Date falling [in/on] [●] *(Insert particulars of any initial or final Broken Amount(s) of interest which do not correspond with the Fixed Coupon Amount(s))*

(v) Day Count Fraction (Condition 5(a)):

[Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]

(vi) Determination Date(s) (Condition 5(a)):

[●] in each year *(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*

(vii) Business Day Convention:

[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day

		Convention]
	(viii) Business Centre(s):	[●]/[Not Applicable]
15	Floating Rate <i>Obligation Foncière</i> Provisions	[In respect of Fixed/Floating Rate <i>Obligations Foncières</i> : from (and including) [●] to (but excluding) [●]:]
		[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>).
	(i) Interest Period(s):	[●]
	(ii) Specified Interest Payment Dates:	[●]
	(iii) First Specified Interest Payment Date:	[●]
	(iv) Interest Period Date:	[●] (<i>Not applicable unless different from Interest Payment Dates</i>)
	(v) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(vi) Business Centre(s) (Condition 5(a)):	[●]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/FBF Determination/ISDA Determination]
	(viii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	
		[●]/ Not Applicable]
	(ix) Screen Rate Determination (Condition 5(c)(iii)(C)):	
	-- Reference Rate:	[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10]
	-- Relevant Inter-Bank Market:	[●]
	-- Relevant Screen Page Time:	[●]
	-- Interest Determination Date(s):	[●] / [●] [<i>TARGET</i>] <i>Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention].]</i>
	-- Relevant Screen Page:	[●]
	-- [Reference Currency:	[●]
	-- [Relevant Financial Centre:	[●]
	-- [Designated Maturity:	[●]
	-- [Specified Time:	[●]
	-- Benchmark Replacement:	[Applicable/Not Applicable]
	(x) FBF Determination (Condition 5(c)(iii)(A)):	

- Floating Rate: [●]
- Floating Rate Determination Date (*Date de détermination du Taux Variable*): [●]

(N.B. the fall-back provisions applicable to FBF Determination under the Recueil de Taux – Additifs Techniques FBF are reliant upon the provisions by reference banks of offered quotations for LIBOR and/or Euribor which, depending on market circumstances, may not be available at the relevant time)

- (xi) ISDA Determination (Condition 5(c)(iii)(B)):
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (xii) Margin(s): [[+/-] [●] per cent. per annum]/[Not Applicable]
- (xiii) Minimum Rate of Interest: [In accordance with the Condition 5(h)] / [●] per cent. per annum⁵
- (xiv) Maximum Rate of Interest: [Not Applicable] / [●] per cent. per annum
- (xv) Day Count Fraction (Condition 5(a)): [Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]

16 Zero Coupon *Obligation Foncière* Provisions

[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

- (i) Amortisation Yield (Condition 6(d)): [●] per cent. per annum
- (ii) Day Count Fraction (Condition 5(a)): [Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]

17 Inflation Linked Interest *Obligation Foncière* Provisions

[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

- (i) Index: [CPI/HICP]
- (ii) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): [[●]/ Not Applicable]
- (iii) Interest Period(s): [●]
- (iv) Interest Payment Dates: [●]
- (v) Interest Determination Date: [●]
- (vi) Base Reference: [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])
- (vii) Rate of Interest: [●] per cent. per annum multiplied by the

⁵ [In no event shall the amount of interest payable be less than zero.]

		Inflation Index Ratio
(viii)	Day Count Fraction:	[Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
(ix)	Business Centre(s) (Condition 5(a)):	[●](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 27 relates)
(x)	Minimum Rate of Interest:	[In accordance with the Condition 5(h)]/[●] per cent. per annum ⁶
(xi)	Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
18	Index Formula	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Index1:	[Index Reference Rate / CPI Reference Rate/ HICP Reference Rate / zero]
(ii)	Designated Maturity of Index1:	[●]
(iii)	Index2:	[Index Reference Rate / CPI Reference Rate / HICP Reference Rate / zero]
(iv)	Designated Maturity of Index2:	[●]
(v)	Participation:	[●]
(vi)	Spread:	[●] per cent.
	Leverage1:	[[●] with respect to each Interest Accrual Period] [The Leverage1 set out in the following table:]
		Interest Accrual Leverage1 Period:
		[●] [●]
		(Specify relevant Leverage1 for each Interest Accrual Period)
	Leverage2:	[[●] with respect to each Interest Accrual Period] [The Leverage2 set out in the following table:]
		Interest Accrual Leverage2 Period:
		[●] [●]
		(Specify relevant Leverage2 for each Interest Accrual Period)
(vii)	Interest Period(s):	[●]
(viii)	Specified Interest Payment Dates:	[●]
(ix)	First Specified Interest Payment Date:	[●]

⁶ [In no event shall the amount of interest payable be less than zero.]

- (x) Interest Period Date: [●]
(Not applicable unless different from Interest Payment Date)
- (xi) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other *(give details)*]
- (xii) Business Centre(s) (Condition 5(a)): [●]
- (xiii) Calculation Agent responsible for calculating
the Rate(s) of Interest and Interest Amount(s)
(if not the Calculation Agent):
[[●]/ Not Applicable]
- (xiv) Screen Rate Determination for Index 1
(Condition 5(c)(iii)(C)):
[Applicable/Not Applicable] *(If not applicable,
delete the remaining sub-paragraphs of this
paragraph)*
- Reference Rate: [●]
- Interest Determination Date(s): [[●] / [●] [TARGET] Business Days in [specify
city] for [specify currency] prior to [the first
day in each Interest Accrual Period/each
Interest Payment Date] [, subject to adjustment
in accordance with [Following Business Day
Convention/Modified Following Business Day
Convention /Preceding Business Day
Convention/other *(give details)*].]
- Relevant Screen Page: [●]
- [Reference Currency: [●]]
- [Relevant Financial Centre: [●]]
- [Designated Maturity: [As specified above for Index 1]
- [Specified Time: [●]]
- Minimum Rate of Interest: [Not Applicable]/[●] per cent. per annum
- Maximum Rate of Interest: [Not Applicable]/[●] per cent. per annum
- (xv) Screen Rate Determination for Index 2
(Condition 5(c)(iii)(C)):
[Applicable/Not Applicable] *(If not applicable,
delete the remaining sub-paragraphs of this
paragraph)*
- Reference Rate: [●]
- Interest Determination Date(s): [[●] / [●] [TARGET] Business Days in [specify
city] for [specify currency] prior to [the first
day in each Interest Accrual Period/each
Interest Payment Date] [, subject to adjustment
in accordance with [Following Business Day
Convention/Modified Following Business Day
Convention /Preceding Business Day
Convention/other *(give details)*].]
- Relevant Screen Page: [●]

	-- [Reference Currency:	[●]
	-- [Relevant Financial Centre:	[●]
	-- [Designated Maturity:	[As specified above for Index 2]
	-- [Specified Time:	[●]
	-- Minimum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
	-- Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(xvi)	ISDA Determination for Index 1 (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	-- Floating Rate Option:	[●]
	-- Designated Maturity:	[As specified above for Index 1]
	-- Reset Date:	[●]
	-- Minimum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
	-- Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(xvii)	ISDA Determination for Index 2 (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	-- Floating Rate Option:	[●]
	-- Designated Maturity:	[As specified above for Index 2]
	-- [Relevant Financial Centre:	[●]
	-- Reset Date:	[●]
	-- Minimum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
	-- Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(xviii)	Inflation determination for Index 1:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a)	Index:	[CPI Reference Rate / HICP Reference Rate]
(b)	Interest Determination Date:	[[●] / [●] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]], subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention /Preceding Business Day Convention/other (give details)].]
(c)	M:	[●] month(s)
(d)	M:	[●] month(s)
(e)	Day Count Fraction:	[Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
(f)	Business Centre(s) (Condition 5(a)):	[●](Note that this item relates to interest period

	<i>end dates and not to the date and place of payment, to which item 26 relates)</i>
(g) Minimum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(h) Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(xix) Inflation determination for Index2:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(a) Index:	[CPI Reference Rate / HICP Reference Rate]
(b) Interest Determination Date:	[●]
(c) M:	[●] month(s)
(d) M:	[●] month(s)
(e) Day Count Fraction:	[Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
(f) Business Centre(s) (Condition 5(a)):	[●](<i>Note that this item relates to interest period end dates and not to the date and place of payment, to which item 26 relates</i>)
(g) Minimum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(h) Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(xx) Minimum Rate of Interest:	[In accordance with the Condition 5(h)]/[●] per cent. per annum ⁷
(xxi) Maximum Rate of Interest:	[Not Applicable]/[●] per cent. per annum
(xxii) Margin(s):	[zero]
(xxiii) Day Count Fraction (Condition 5(a)):	[Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
19 Underlying Formula	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i) Designated Maturity:	[●]
(ii) Reference Currency:	[●]
(iii) Relevant Screen Page:	[●]
(iv) Specified Time:	[●][a.m.][p.m.] ([●] time)
(v) Participation:	[●]
(vi) Spread:	[●] per cent. per annum
(vii) Underlying:	[TEC][CMS Rate]
(viii) k:	[●]
(ix) Interest Period(s):	[●]
(x) Specified Interest Payment Dates:	[●]
(xi) First Specified Interest Payment Date:	[●]

⁷ [In no event shall the amount of interest payable be less than zero.]

- (xii) Interest Period Date: [●]
(Not applicable unless different from Interest Payment Date)
- (xiii) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other *(give details)*]
- (xiv) Business Centre(s) (Condition 5(a)): [●]
- (xv) Calculation Agent responsible for calculating
the Rate(s) of Interest and Interest Amount(s)
(if not the Calculation Agent): [[●]/ Not Applicable]
- (xvi) Minimum Rate of Interest: [In accordance with the Condition 5(h)]/[●] per
cent. per annum⁸
- (xvii) Maximum Rate of Interest: [Not Applicable]/[●] per cent. per annum
- (xviii) Day Count Fraction (Condition 5(a)): [Actual/365-FBF /30/360 / Actual/Actual
(ICMA / ISDA) /Actual/Actual-FBF /
Actual/365 (Fixed)/ Actual/360 / 30/360-FBF /
30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- (xix) Interest Determination Date: [●]
- 20 CPI Formula** [Applicable/Not Applicable] *(If not applicable,
delete the remaining sub-paragraphs of this
paragraph)*
- (i) M: [●] month(s)
- (ii) M': [●] month(s)
- (iii) Spread: [●]
- (iv) Calculation Agent responsible for calculating
the interest due (if not the Calculation Agent): [[●]/ Not Applicable]
- (v) Interest Period(s): [●]
- (vi) Specified Interest Payment Date(s): [●]
- (vii) Interest Determination Date: [●]
- (viii) Day Count Fraction: [Actual/365-FBF /30/360 / Actual/Actual
(ICMA / ISDA) /Actual/Actual-FBF /
Actual/365 (Fixed)/ Actual/360 / 30/360-FBF /
30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- (ix) Business Centre(s) (Condition 5(a)): [●]*(Note that this item relates to interest period
end dates and not to the date and place of
payment, to which item 26 relates)*
- (x) Minimum Rate of Interest: [In accordance with the Condition 5(h)]/[●] per
cent. per annum⁹
- (xi) Maximum Rate of Interest: [Not Applicable]/[●] per cent. per annum

⁸ [In no event shall the amount of interest payable be less than zero.]

⁹ [In no event shall the amount of interest payable be less than zero.]

- (xii) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other (*give details*)]

21 HICP Formula

- [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) M: [●] month(s)
- (ii) M': [●] month(s)
- (iii) Spread: [●]
- (iv) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent):
[[●]/ Not Applicable]
- (v) Interest Period(s): [●]
- (vi) Specified Interest Payment Date(s): [●]
- (vii) Interest Determination Date: [●]
- (viii) Day Count Fraction: [Actual/365-FBF /30/360 / Actual/Actual (ICMA / ISDA) /Actual/Actual-FBF / Actual/365 (Fixed)/ Actual/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- (ix) Business Centre(s) (Condition 5(a)): [●](*Note that this item relates to interest period end dates and not to the date and place of payment, to which item 26 relates*)
- (x) Minimum Rate of Interest: [In accordance with the Condition 5(h)]/[●] per cent. per annum¹⁰
- (xi) Maximum Rate of Interest: [Not Applicable]/[●] per cent. per annum
- (xii) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other (*give details*)]

PROVISIONS RELATING TO REDEMPTION

22 Call Option

- [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount of each *Obligation Foncière*: As per the Conditions
- (iii) If redeemable in part: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Minimum Redemption Amount to be redeemed: [●]
- (b) Maximum Redemption Amount to be [●]

¹⁰ [In no event shall the amount of interest payable be less than zero.]

redeemed:

- (iv) Notice period (if other than as set out in the Conditions): [●] / [As per the Conditions]

23 Final Redemption Amount of each *Obligation Foncière*

[●] per *Obligation Foncière* [of [●] Specified Denomination]/ As provided below for Inflation Linked *Obligations Foncières*, as the case may be]

Inflation Linked *Obligations Foncières* – Provisions relating to the Final Redemption Amount:

[Applicable / Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Index:

[CPI/HICP]

(ii) Final Redemption Amount in respect of Inflation Linked *Obligations Foncières*:

[Condition 6(c) applies]

(iii) Base Reference:

[CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])

(iv) Inflation Index Ratio:

[●]

(v) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):

[[●]/ Not Applicable]

24 Early Redemption Amount

Early redemption for taxation reasons:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

Early Redemption Amount(s) of each *Obligation Foncière* payable on redemption for taxation reasons:

[●] / [As provided below for Inflation Linked *Obligations Foncières*, as the case may be]

Inflation Linked *Obligations Foncières* – Provisions relating to the Early Redemption Amount:

[Applicable / Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Index:

[CPI/HICP]

(ii) Early Redemption Amount in respect of Inflation Linked *Obligations Foncières*:

[Condition 6(d)(ii) applies]

(iii) Base Reference:

[CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●])

(iv) Inflation Index Ratio:

[●]

(v) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):

[[●]/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

- 25 Form of *Obligations Foncières*: [Dematerialised *Obligations Foncières*/Materialised *Obligations Foncières*] (*Materialised Obligations Foncières are only in bearer form*)
[Delete as appropriate]
- (i) Form of Dematerialised *Obligations Foncières*: [Not Applicable/if Applicable specify whether] [Bearer dematerialised form (*au porteur*)/[Fully/Administered] registered dematerialised form (*au nominatif [pur/administré]*)]
- (ii) Registration Agent: [Not Applicable/if Applicable give name and details] (*note that a Registration Agent must be appointed in relation to Registered Dematerialised Obligations Foncières only; except that the Issuer may be its own Registration Agent*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for definitive Bearer Materialised *Obligations Foncières* on [●] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules/D Rules/TEFRA not applicable] (*Only applicable to Materialised Obligations Foncières*)
- 26 [Exclusion of the possibility to request identification of the holders of the *Obligations Foncières* as provided by Condition 1(a): Applicable]
- 27 Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates: [Not Applicable/Give details]. (*Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which items 14(ii), 15(ii) and 17(iv) relate*)
- (i) Adjusted Payment Date (Condition 7(h)): [The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[As per Condition 7(h)]/[Other¹¹]
- 28 Talons for future Coupons to be attached to definitive Materialised *Obligations Foncières* (and dates on which such Talons mature): [Yes/No/Not Applicable. *If yes, give details*] (*Only applicable to Materialised Obligations Foncières*)

¹¹ In the market practice, if any date for payment in respect of Fixed Rate *Obligations Foncières* or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

- | | | |
|----|--|--|
| 29 | Redenomination, renominatisation and reconventioning provisions: | [Not Applicable/The provisions [in Condition 1(d)] apply] |
| 30 | Consolidation provisions: | [Not Applicable/The provisions [in Condition 12(b)] apply] |
| 31 | Representation of holders of <i>Obligations Foncières – Masse</i> (Condition 10) | <p>Name and address of the Representative: [●]</p> <p>[Name and address of the alternate Representative: [●]]</p> <p>[The Representative will receive no remuneration]/[The Representative will receive a remuneration of [●]].</p> <p><i>[If the Obligations Foncières are held by a single holder of Obligations Foncières, insert the wording below:</i></p> <p>As long as the <i>Obligations Foncières</i> are held by a single holder of <i>Obligations Foncières</i>, and unless a Representative has been appointed in relation to such Series, such holder of <i>Obligations Foncières</i> shall exercise all the powers, rights and obligations entrusted to the <i>Masse</i> by the the Terms and Conditions of the <i>Obligations Foncières</i>. A Representative will be appointed as soon as the <i>Obligations Foncières</i> are held by several holders of <i>Obligations Foncières</i>.]</p> |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on the regulated market[s] [of Euronext Paris] [and] [of the Luxembourg Stock Exchange] of the *Obligations Foncières* described herein] pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Caisse Française de Financement Local.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]*

Signed on behalf of the Issuer:

Duly represented by:

* To be added only where information provided by third parties is added to the Final Terms.

PART B – OTHER INFORMATION

(If any of the following paragraphs is not applicable, delete such paragraph)

1 ADMISSION TO TRADING

- (i) Listing: [Euronext Paris / the Luxembourg Stock Exchange / *[specify relevant regulated market]* / none]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed and admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange / *[specify relevant regulated market]*] with effect from [●].] / [Application is expected to be made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed and admitted to trading on the regulated markets of [Euronext Paris / the Luxembourg Stock Exchange / *[specify relevant regulated market]*] with effect from [●].] / [The Existing *Obligations Foncières* are already listed and admitted to trading on the regulated markets of [Euronext Paris] and [the Luxembourg Stock Exchange] / *[specify relevant regulated market]*.] / [Not Applicable.]
(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Additional publication of Base Prospectus and Final Terms [●] (See Condition 13 which provides that the Base Prospectus and Final Terms of *Obligations Foncières* admitted to trading on any regulated market of the EEA will be published on the website of the Autorité des marchés financiers. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than the Autorité des marchés financiers)

2 RATINGS AND EURO EQUIVALENT

- Ratings: [Not Applicable. The *Obligations Foncières* are not rated.] /
[Applicable:
Obligations Foncières to be issued under the Programme are expected to be rated [AA+] by S&P and/or [Aaa] by Moody's and/or [AAA] by DBRS,
[S&P: [●]]
[Moody's: [●]]
[DBRS: [●]]
[Other: [●]]
[[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is established in the European Union and is registered under Regulation (EU) N° 1060/2009 (as amended) (the “**CRA Regulation**”). [[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).]
[[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[None of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009.]

(The above disclosure should reflect the rating allocated to Obligations Foncières of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]

Euro equivalent: [Not applicable/Euro [●]] (Only applicable for *Obligations Foncières* not denominated in Euro). The aggregate principal amount of *Obligations Foncières* issued has been converted into Euro at the rate of [●], producing a sum of: [●]

3 SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *privilège* defined in Article L.513-11 of the French *Code monétaire et financier*, after settlement of this issue and of the issues which have been the subject of previous attestations and that the coverage ratio of the Issuer is compliant with the minimum overcollateral ratio specified in Article R.513-8 of the French *Code monétaire et financier*.

4 [NOTIFICATION]

The *Autorité des marchés financiers* in France [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus [as supplemented] has been drawn up in accordance with the Prospectus Directive.]

5 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in the section ["Subscription and Sale"] of the Base Prospectus [and save for the fees of [insert relevant fee disclosure] payable to the Managers in connection with the Issue of *Obligations Foncières*.] so far as the Issuer is aware, no person involved in the offer of *Obligations Foncières* has an interest material to the offer.]/[●]]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

6 ¹²[REASONS FOR THE OFFER, USE OF PROCEEDS[, TOTAL NET PROCEEDS AND ESTIMATED TOTAL EXPENSES]

(i) Reasons for the offer and use of proceeds: [●]*/[The net proceeds will be used for the Issuer's general corporate purposes]/[The *Obligations Foncières* constitute "Social *Obligations Foncières*" and the net proceeds will be used to finance and/or refinance one or more of the [eligible assets/projects] described below:

¹² Items (i), (ii) and (iii) below required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. Otherwise only item (i) is required in connection with issues of *Obligations Foncières* with a denomination of at least €100,000.

[Describe specific eligible assets/projects and/or availability of Second Party Opinion and any relevant third party opinions and/or where the information can be obtained, etc...]

*(See "Use of Proceeds" wording in Base Prospectus – if the reasons for the offer are different from (i) making profit and/or (ii) financing and/or refinancing any new or existing eligible assets/projects, they will need to be included here.)

[(ii) Total net proceeds: [●]]

[(iii) Estimated total expenses: [●]]

7 [Fixed Rate Obligations Foncières only – YIELD

Indication of yield [of Aggregate

Nominal Amount of the Tranche]: [●]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

8 [Floating Rate Obligations Foncières only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/EONIA/CMS Rate/TEC10] rates can be obtained from [●].]

[Amounts payable under the *Obligations Foncières* will be calculated by reference to [LIBOR/EURIBOR/EONIA/CMS Rate] which is provided by [European Money Markets Institute ("EMMI") [ICE Benchmark Administration Limited ("IBA")][●]. [As at [●], [EMMI][IBA][●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [EMMI][IBA][●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

9 [Inflation Linked Obligations Foncières only – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i) Name of underlying index: [●]

(ii) Information about the index, its volatility and past and future performance can be obtained: [●]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

10 DISTRIBUTION

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated:

(A) Names of Managers: [Not Applicable/give names]

(Include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to

place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)

- (B) Stabilising Manager(s) if any: [Not Applicable/give name]
- (iii) If non-syndicated, name of Manager: [Not Applicable/give name]
- (iv) US Selling Restrictions (Categories of potential investors to which the *Obligations Foncières* are offered): Reg. S Compliance Category 1 applies to the *Obligations Foncières*; [TEFRA C/TEFRA D/TEFRA not applicable]

11 [*Derivatives only* – OTHER

Date of underwriting agreement: [●]

Name and address of Calculation Agent: [●]

Other markets on which securities of the same class of the *Obligations Foncières* to be admitted to trading are already admitted to trading: [●]

[Information on taxes on the income from the *Obligations Foncières* withheld at source in the country where admission to trading (other than in France) is sought: [●]]

12 OPERATIONAL INFORMATION

ISIN: [●]

Common Code: [●]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear Bank SA/NV and Clearstream: [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]

Delivery: Delivery [against/free of] payment

Name and address of the Calculation Agent: [●]

Names and addresses of initial Paying Agent(s): Paying Agent [●]

Names and addresses of additional Paying Agent(s) (if any): [●]

The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [currency] per Euro 1.00, producing a [Not Applicable/Euro [●]] (Only applicable for *Obligations Foncières* not denominated in Euro)

sum of:

GENERAL INFORMATION

(1) Admission to trading

This Base Prospectus has received visa n°19-252 from the AMF on 7 June 2019. Application has been made to Euronext Paris for *Obligations Foncières* issued under the Programme to be admitted to trading on Euronext Paris and/or any other regulated market in a Member State of EEA. Application has been made for the delivery by the AMF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the *Commission de Surveillance du Secteur Financier* (the “CSSF”), as competent authority in Luxembourg for the purposes of the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made from time to time at the Issuer's request to any other competent authority of any other Member State of the EEA and to the European Securities and Markets Authority.

(2) Corporate authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the updating of the Programme.

Any drawdown of *Obligations Foncières* under the Programme, to the extent that such *Obligations Foncières* constitute *obligations*, requires the prior authorisation of the Executive Board (*Directoire*) of the Issuer.

For this purpose, on 22 May 2019, the Executive Board (*Directoire*) of the Issuer authorised the issue of *obligations foncières* under or outside the Programme including registered covered bond until 31 December 2019 and up to €5,500,000,000 for the period from 1 January 2019 to 31 December 2019 and delegated the power to realize such issues to Mr. Gilles Gallerne, in his capacity as *Président du Directoire* of the Issuer, to Mr. Romain Bailly, in his capacity as *Directeur Général* of the Issuer and, in the absence or unavailability of any of them, to Mr. Patrick Galland and Mr. Olivier Eudes, each of them acting separately.

Any drawdown of *Obligations Foncières*, to the extent that such *Obligations Foncières* do not constitute *obligations*, fall within the general powers of the Chairman of the Executive Board (*Président du Directoire*) or one of the *directeurs généraux* of the Issuer.

(3) Significant change and material adverse change

There has been no significant change in the financial or trading position of the Issuer since 31 December 2018 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

(4) Litigation

Except as discussed in the section entitled “*Selected Financial Information – Legal and arbitration proceedings – Customer Litigation*” and in the subsection “*2. Litigation and Governmental Measures*” of the section entitled “*Recent Development*” above, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

(5) Clearing

Obligations Foncières have been accepted for clearance through the Euroclear and Clearstream which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of *Obligations Foncières* will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L- 1855 Luxembourg, Grand-Duchy of Luxembourg.

Dematerialised *Obligations Foncières* will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised *Obligations Foncières* which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the Registration Agent.

The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

(6) Documents available

For so long as *Obligations Foncières* may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Fiscal Agent, the Paying Agent and the Arranger or at the registered office of the Issuer:

- (a) the Amended and Restated Agency Agreement;
- (b) the *statuts* of the Issuer;
- (c) the audited annual accounts of the Issuer for the financial years ended 31 December 2017 and 31 December 2018 incorporated by reference or otherwise in this Base Prospectus;
- (d) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Prospectus (in each case published in accordance with the Prospectus Directive);
- (e) the EMTN Previous Conditions;
- (f) each Final Terms for *Obligations Foncières* that are admitted to trading on Euronext Paris or any other regulated market in the EEA and are offered to the public in France and/or in any Member State of the EEA; and
- (g) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus including the certificate of the *Specific Controller* in respect of the quarterly issuance programme of the Issuer or in relation to issues of *Obligations Foncières* that are equal or exceed Euro 500 million or its equivalent in the currency of issue.

(7) Financial information

The non-consolidated accounts of the Issuer are audited and are published on an annual basis. The Issuer also produces unaudited interim financial information.

(8) Auditors

Ernst & Young et Autres (Paris La Défense, 1-2 Place des Saisons, 92400 Courbevoie, France) and Deloitte & Associés (6, place de la Pyramide – 92908 Paris-La Défense) have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018. The French auditors carry out their duties in accordance with the principles of Compagnie Nationale des Commissaires aux Comptes (CNCC).

(9) *Obligations Foncières* issued by Dexia Municipal Agency

In respect of outstanding *Obligations Foncières* issued in the past by Dexia Municipal Agency, separate applications may have been made, for such *Obligations Foncières* to be admitted to trading on the Paris, Frankfurt, Luxembourg, Zurich or Sydney stock exchanges.

(10) Copies of the latest annual report and accounts

Copies of the latest annual report and accounts of the Issuer (including any published interim accounts) (as soon as they are published) may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any of the *Obligations Foncières* is outstanding.

(11) Certification of the Specific Controller

Pursuant to Article R.513-16 IV of the French *Code monétaire et financier*, the Specific Controller certifies that the rule providing that the amount of eligible assets of the Issuer is greater than the amount of liabilities benefiting from the *privilège* is satisfied for the Issuer's quarterly issuance programme or any issue of *Obligations Foncières* in a principal amount equal to or above Euro 500 million or its equivalent in the currency of issue.

(12) Yield

In relation to any Tranche of Fixed *Obligations Foncières*, an indication of the yield in respect of such *Obligations Foncières* will be specified in the relevant Final Terms. The yield is calculated at the Issue Date of the *Obligations Foncières* on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the *Obligations Foncières* and will not be an indication of future yield.

(13) Stabilising Manager

In connection with the issue of any Tranche (as defined in "General Description of the Programme"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or any person acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot *Obligations Foncières* or effect transactions with a view to supporting the market price of the *Obligations Foncières* at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the Issue Date of the relevant Tranche and sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

(14) Benchmarks

Where applicable, the relevant Final Terms shall specify whether the relevant benchmark administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**") and, whether, as far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply in relation to such benchmark administrator.

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

In the name of the Issuer

The Issuer declares, having taken all reasonable care to ensure that such is the case and to the best of its knowledge, that the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Caisse Française de Financement Local

1-3, rue du Passeur de Boulogne
92130 Issy-les-Moulineaux
France

Duly represented by:
Gilles Gallerne *Président du Directoire*
Duly authorised
on 7 June 2019



Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this Base Prospectus the visa No.19-252 on 7 June 2019. This document may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has approved the appropriateness of the transaction or authenticated the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

Registered Office of the Issuer

Caisse Française de Financement Local

1-3, rue du Passeur de Boulogne
92130 Issy-les-Moulineaux
France

Arranger

Deutsche Bank AG, Paris Branch

23-25, avenue Franklin Roosevelt
75008 Paris
France

Dealers

Barclays Bank Ireland PLC

One Molesworth Street
Dublin 2
D02RF29
Ireland

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Commerzbank Aktiengesellschaft

Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank

12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

Deutsche Bank Aktiengesellschaft

Taunusanlage 12
60325 Frankfurt
Germany

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

HSBC France

103, avenue des Champs Elysées
75008 Paris
France

J.P. Morgan Securities plc

25 Bank Street Canary Wharf
London E14 5JP
United Kingdom

Landesbank Baden-Württemberg

Am Hauptbahnhof 2
D-70173 Stuttgart
Germany

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Natixis

30, avenue Pierre Mendès France
75013 Paris
France

NatWest Markets N.V.
Claude Debussylaan 94
1082MD Amsterdam
Netherlands

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

UBS Europe SE
Bockenheimer Landstraße 2-4
60306 Frankfurt am Main
Germany

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

**Fiscal Agent, Paying Agent, Redenomination Agent,
Consolidation Agent and Calculation Agent**

Banque Internationale à Luxembourg, société anonyme
69, route d'Esch
L-1470 Luxembourg
Grand-Duchy of Luxembourg

Luxembourg Listing Agent

Banque Internationale à Luxembourg, société anonyme
69, route d'Esch
L-1470 Luxembourg
Grand-Duchy of Luxembourg

Auditors to the Issuer

Ernest & Young et Autres
Paris La Défense
1-2 Place des Saisons
92400 Courbevoie
France

Deloitte & Associés
6, place de la Pyramide
92908 Paris-La Défense
France

Legal Advisers

To the Issuer

Allen & Overy LLP
52, avenue Hoche
CS 90005
75379 Paris Cedex 08
France

To the Dealers

Linklaters LLP
25, rue de Marignan
75008 Paris
France