

**SECOND SUPPLEMENT DATED 27 SEPTEMBER 2019
TO THE BASE PROSPECTUS DATED 7 JUNE 2019**



**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**

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 7 June 2019, as supplemented by the First Supplement to the Base Prospectus dated 17 September 2019, prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Caisse Française de Financement Local (the “**Issuer**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the “**Prospectus Directive**”) and in accordance with Article 46 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa No.19-252 on 7 June 2019 to the Base Prospectus and visa No. 19-444 on 17 September 2019 to the First Supplement.

Application has been made for approval of the Second Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

This Second Supplement constitutes a supplement to the Base Prospectus and has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF for the purpose of providing for the issue of green *Obligations Foncières*. With this respect, the following sections shall be updated and amended:

- (i) the English and French versions of the Summary of the Programme;
- (ii) the section entitled “Risk Factors to the *Obligations Foncières* issued under the Programme”;
- (iii) the section entitled “Use of Proceeds”;
- (iv) the section entitled “Form of Final Terms 1”; and
- (v) the section entitled “Form of Final Terms 2”.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Supplement.

To the extent that there is any inconsistency between (a) any statement in this Second Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

To the extent applicable, and provided that the conditions of Article 212-25 I of the *Règlement Général* of the AMF are fulfilled, investors who have already agreed to purchase or subscribe for *Obligations Foncières* to be issued under the Programme before this Second Supplement is published, have the right, according to Article 212-25 II of the *Règlement Général* of the AMF, to withdraw their acceptances

within a time limit of minimum two working days after publication of this Second Supplement. This right to withdraw shall expire by close of business on 1 October 2019.

Copies of this Second Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1 à 3, rue du Passeur de Boulogne 92130 Issy-les-Moulineaux, France) during normal business hours, (b) will be available on the website of the AMF (www.amf-france.org) and (c) will be available during normal business hours at the specified office of the Fiscal Agent (Banque Internationale à Luxembourg, société anonyme 69, route d'Esch, L-1470 Luxembourg, Grand-Duchy of Luxembourg) so long as any of the *Obligations Foncières* issued under the Programme are outstanding.

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SUMMARY OF THE PROGRAMME

The section entitled “Summary of the Programme” on pages 5 to 30 of the Base Prospectus is amended as follows:

- The item D.3 is deleted and replaced by the following:

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| D.3 | Key information on the key risks that are specific to the <i>Obligations Foncières</i> | <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, transaction fees, commissions, brokerage fees, custody fees); - 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; |
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| | | <ul style="list-style-type: none"> - 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 in the relevant Final Terms, be redeemed early. If such early redemption is provided in the relevant Final Terms, the Issuer may redeem such <i>Obligation Foncière</i>; - 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 |
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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".
- [(Insert for Green Obligations Foncières or Social Obligations Foncières as the case may be) Failure to apply the proceeds of any issue of [Green]/[Social] Obligations Foncières, for any loan and/or withdrawal of any 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

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| | | <p>certifying on may have a material adverse effect on the value and marketability of such [Green]/[Social] <i>Obligations Foncières</i>, and also potentially the value of any other [Green]/[Social] <i>Obligations Foncières</i> and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.]</p> <p>An investment in the <i>Obligations Foncières</i> involves certain risks which are material for the purpose of assessing the market risks associated with <i>Obligations Foncières</i> 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 <i>Obligations Foncières</i> may lead to volatility and/or a decrease in the market value of the relevant Tranche of <i>Obligations Foncières</i> whereby the market value falls short of the expectations (financial or otherwise) of an investor who has made an investment in such <i>Obligations Foncières</i>.</p> <p>However, each prospective investor in <i>Obligations Foncières</i> must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the <i>Obligations Foncières</i> 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 <i>Obligations Foncières</i>.</p> |
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- The item E.2b is deleted and replaced by the following:

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| 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 Green <i>Obligations Foncières</i>, to finance and/or refinance, in whole or in part, loans as defined in the SFIL Group Green Bond Framework (iii) in the case of Social <i>Obligations Foncières</i>, to finance and/or refinance, in whole or in part, loans as defined in the SFIL Group Social Note Framework or (iv) 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 [<i>specify eligible loans</i>] as defined in the [SFIL Group Green</p> |
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| | | Bond Framework / SFIL Group Social Note Framework./ <i>[specify other]</i> |
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**RÉSUMÉ EN FRANÇAIS DU PROGRAMME
(FRENCH SUMMARY OF THE PROGRAMME)**

The section entitled “Résumé en Français du Programme (French Summary of the Programme)” on pages 31 to 57 of the Base Prospectus is amended as follows:

- The item D.3 is deleted and replaced by the following:

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| D.3 | Informations clés sur les principaux risques propres aux Obligations Foncières | <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 décisions discrétionnaires d'un agent désigné pour une émission d'Obligations Foncières dans le cadre du Programme ; - 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 ; |
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| | | <ul style="list-style-type: none"> - 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 évènements ; - 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 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, |
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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" ;]*
- *[[Insérer pour les Obligations Foncières Vertes ou les Obligations Foncières Sociales selon le cas) La non affectation des produits d'une émission d'Obligations Foncières [Vertes/Sociales] à un prêt et/ou le retrait de l'opinion ou du certificat ou toute opinion ou certificat attestant que l'Emetteur ne se conforme pas, en tout ou en partie, avec les sujets pour lesquels cette opinion ou ce certificat a été rendu peut avoir un impact défavorable significatif sur la valeur et la commercialisation de ces Obligations Foncières [Vertes/Sociales], et potentiellement sur la valeur de toute autre Obligation Foncière [Verte/Sociale] et/ou peut entraîner des conséquences défavorables pour certains investisseurs qui ont un mandat de gestion de portefeuille pour investir dans des titres ayant un but particulier.]*

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

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| | 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. |
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- The item E.2b is deleted and replaced by the following:

| | | |
|-------------|--|--|
| 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'Emetteur : (i) pour les besoins généraux de l'entreprise, (ii) dans le cas d'Obligations Foncières Vertes, pour financer et/ou refinancer, en tout ou en partie, tout prêt, tel que défini dans le <i>SFIL Group Green Bond Framework</i> (iii) dans le cas d'Obligations Foncières Sociales, pour financer et/ou refinancer, en tout ou en partie, tout prêt, tel que défini dans le <i>SFIL Group Social Note Framework</i> ou (iv) 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 <i>[préciser les prêts]</i> tels que définis dans le <i>[SFIL Group Green Bond Framework / SFIL Group Social Note Framework.] /</i></p> <p><i>[préciser autre]</i></p> |
|-------------|--|--|

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

The section entitled “Risk Factors to the *Obligations Foncières* issued under the Programme” on pages 69 to 84 of the Base Prospectus is amended as follows:

- The risk factor entitled “2.15 Risks relating to Social *Obligations Foncières*” is deleted and replaced by the following:

“2.15. Risks relating to Green *Obligations Foncières* and 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 (i) the net proceeds of the issue of those *Obligations Foncières* into loans as defined in the green bond framework (the “**SFIL Group Green Bond Framework**”) (such *Obligations Foncières* being “**Green *Obligations Foncières***”) or (ii) an amount equal to the net proceeds of the issue of those *Obligations Foncières* into loans as defined in the social note framework (the “**SFIL Group Social Note Framework**”) (such *Obligations Foncières* being “**Social *Obligations Foncières***”), such SFIL Group Green Bond Framework or SFIL Group Social Note Framework being published on the website of the Issuer (<https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/>) for an issue of Green *Obligations Foncières* or 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 Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, 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 loan 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 environmental or social impact of any loan or uses related to any loan. 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 “green”, 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 loan or use(s) the subject of, or related to, any loan will meet any or all investor expectations regarding such “green”, “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 Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, and in particular with any loan, to fulfil any environmental, 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 Green *Obligations Foncières* or such Social *Obligations Foncières*, as the case may be.

While it is the intention of the Issuer to apply the proceeds of any *Green Obligations Foncières* or *Social Obligations Foncières*, as the case may be, so specified for the relevant loan, in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant loan or use(s) the subject of, or related to, any loan, 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 loan. Nor can there be any assurance that such loan 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 *Green Obligations Foncières* or *Social Obligations Foncières*, as the case may be, for any loan 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 *Green Obligations Foncières* or such *Social Obligations Foncières*, as the case may be, and also potentially the value of any other *Green Obligations Foncières* or *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 *Green Obligations Foncières* or the *Social Obligations Foncières*, as the case may be, shall not depend on the performance of the relevant loan.

No Dealer makes any representation as to the suitability of the *Green Obligations Foncières* or the *Social Obligations Foncières* to fulfil environmental or 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 *Green Obligations Foncières* or the *Social Obligations Foncières*, as the case may be, 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.”

USE OF PROCEEDS

The section entitled “Use of Proceeds” on page 132 of the Base Prospectus is deleted and replaced with the following:

“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 Green *Obligations Foncières*, to finance and/or refinance, in whole or in part, loans as defined in the SFIL Group Green Bond Framework available on the Issuer’s website (<https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/>) ; or
- in the case of Social *Obligations Foncières*, to finance and/or refinance, in whole or in part, loans as defined in the SFIL Group 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 Green *Obligations Foncières* or to Social *Obligations Foncières*, as the case may be, and in relation to International Capital Markets Association Guidelines/Principles, please note that:

- The SFIL Group Green Bond Framework is based on the Green Bond Principles (the "**GBP**") published by the International Capital Markets Association;
- The Issuer has appointed a second party opinion (the "**Second Party Opinion**") on the SFIL Group Green Bond Framework assessing its alignment with the GBP. This Second Party Opinion document is made available on the Issuer’s website (<https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/>); The SFIL Group 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 SFIL Group 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 Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, and annually thereafter until the net proceeds have been fully allocated.”

An independent third party will verify the allocation of the net proceeds of the Green *Obligations Foncières* and of the Social *Obligations Foncières*.

FORM OF FINAL TERMS 1

The section entitled “Form of Final Terms 1” on page 171 to 189 of the Base Prospectus is amended as follows:

- Under “Part B – Other Information”, item 7 entitled “**REASONS FOR THE OFFER, USE OF PROCEEDS, TOTAL NET PROCEEDS AND ESTIMATED TOTAL EXPENSES**” is deleted and replaced by the following:

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 “[Green/Social] *Obligations Foncières*” and the net proceeds will be used to finance and/or refinance one or more of the [*loans*] described below:

[Describe specific loans 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 loans, they will need to be included here.)*

(ii) Total net proceeds:

[●]

(iii) Estimated total expenses:

[●]

FORM OF FINAL TERMS 2

The section entitled “Form of Final Terms 2” on page 190 to 210 of the Base Prospectus is amended as follows:

- Under “Part B – Other Information”, item 6 entitled “[REASONS FOR THE OFFER, USE OF PROCEEDS[, TOTAL NET PROCEEDS AND ESTIMATED TOTAL EXPENSES]” is deleted and replaced by the following:

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 “[Green/Social] *Obligations Foncières*” and the net proceeds will be used to finance and/or refinance one or more of the [*loans*] described below:
- [Describe specific loans 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 loans, they will need to be included here.)*
- (ii) Total net proceeds: [●]
- (iii) Estimated total expenses: [●]

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.

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE
SECOND SUPPLEMENT**

I hereby certify, having taken all reasonable care to ensure that such is the case, that, to the best of my knowledge, the information contained in this Second Supplement is in accordance with the facts and contains no omission likely to affect its import.

Caisse Française de Financement Local
1 à 3, rue du Passeur de Boulogne
92130 Issy-les-Moulineaux
France

Duly represented by:
Romain Bailly,
Directeur Général
Duly authorised
on 27 September 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 Second Supplement the visa no. 19-459 on 27 September 2019. This document and the Base Prospectus 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 information presented herein.

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.