

**THIRD SUPPLEMENT DATED 2 JANUARY 2023
TO THE BASE PROSPECTUS DATED 10 JUNE 2022**



CAISSE FRANÇAISE DE FINANCEMENT LOCAL
(société de crédit foncier duly licensed as a French specialised credit institution)
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 third supplement (the “**Third Supplement**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 10 June 2022 which was approved by the *Autorité des marchés financiers* (the “**AMF**”) under number No. 22-204 on 10 June 2022, as supplemented by the first supplement dated 27 September 2022 which was approved by the AMF under number No. 22-395 on 27 September 2022 and the second supplement dated 2 November 2022 which was approved by the AMF under number No. 22-430 on 2 November 2022 (the “**Base Prospectus**”), prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Caisse Française de Financement Local (the “**Issuer**” or “**CAFFIL**”). The Base Prospectus as supplemented by this Third Supplement constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the “**Prospectus Regulation**”).

Application has been made for approval of the Third Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation. This Third Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the purpose of updating the Base Prospectus following the modification of (i) the outlook of the French State’s rating, CDC’s rating and SFIL long term senior debt’s rating by S&P Global Ratings Europe Limited and (ii) the rating of SFIL’s long term senior debt by Moody’s France SAS.

With this respect, the following sections shall be updated and amended:

- i. the section entitled “Risk Factors” of the Base Prospectus; and
- ii. the section entitled “Recent Development” of the Base Prospectus.

Save as disclosed in this Third Supplement, no significant new factor, material mistake or material inaccuracy has arisen or has been noted which may affect the assessment of the *Obligations Foncières* since the approval of the Base Prospectus.

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

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

In accordance with Article 23.2 of the Prospectus Regulation and to the extent applicable, investors who have already agreed to purchase or subscribe for *Obligations Foncières* to be issued under the Programme before this Third Supplement is published have the right to withdraw their acceptances within a time limit of minimum two (2) working days after publication of this Third Supplement. This right to withdraw shall expire by close of business on 4 January 2023 provided that the *Obligations Foncières* had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted. Investors may notify the Issuer should they wish to exercise the right of withdrawal.

Copies of this Third Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1-3, rue du Passeur de Boulogne 92130 Issy-les-Moulineaux, France) during normal business hours and (b) will be available on the website of the AMF (www.amf-france.org) and of the Issuer (www.caissefrancaisedefinancementlocal.fr).

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RISK FACTORS

The section entitled “**Risk Factors**” on pages 19 to 49 of the Base Prospectus is amended as follows:

The risk factor entitled “**3.1. Credit rating of Caisse Française de Financement Local's *Obligations Foncières* may be affected by the credit rating of SFIL and the French State**” of the sub-section entitled “**3. Financial Risks**” of the section entitled “**I. RISK FACTORS RELATING TO THE ISSUER**” on pages 26 and 27 of the Base Prospectus is deleted and replaced as follows:

3.1 Credit rating of Caisse Française de Financement Local's *Obligations Foncières* may be affected by the credit rating of SFIL and the French State

Caisse Française de Financement Local is currently wholly-owned by SFIL. 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. In fact, since 30 September 2020, SFIL's sole shareholder is the Caisse des Dépôts et Consignations (“**CDC**”) (holding 99.99% of SFIL's share capital). The French State retained one ordinary share and continues to be present on SFIL's Board of Directors through a non-voting member, given the public interest missions entrusted to SFIL.

The French State has been assigned a rating of Aa2 with a stable outlook by Moody's France SAS (“**Moody's**”), AA with a negative outlook by S&P Global Ratings Europe Limited (“**S&P**”) and AA (high) with a stable outlook by DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity (“**DBRS**”). CDC has been assigned a rating of Aa2 with a stable outlook by Moody's and AA with a negative outlook by S&P. SFIL's long term senior debt has been assigned a rating of Aa2 with a stable outlook by Moody's, AA with a negative outlook by S&P and AA (high) with a stable outlook by DBRS and CAFFIL's *Obligations Foncières* are expected to be rated Aaa by Moody's, AA+ by S&P and AAA by DBRS.

SFIL's shareholding structure is thus still 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. CDC, SFIL's new reference shareholder, confirmed its commitment in a letter of support, completed by a letter of support from the State, in the context of SFIL's continuing status as a State-owned development bank.

This commitment, made with the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*), underlines its involvement 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 and to comply with regulatory requirements, if so required.

Deteriorating economic conditions, such as those that could result from the Covid-19 crisis, can lead to a downgrade of the credit rating of the French State, CDC and SFIL. Decreases in the credit rating of SFIL or the French State 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 overcollateralisation. A variety of factors may make obtaining such higher level of overcollateralisation 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*."

RECENT DEVELOPMENTS

The last paragraph of the section entitled “**Recent Developments**” on page 147 of the Base Prospectus is deleted and replaced as follows:

"The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) increased by an amount of EUR 885 million between 30 June 2022 and 22 December 2022."

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

I declare, to the best of my knowledge, that the information contained in this Third Supplement is in accordance with the facts and that this Third Supplement makes 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:
Gilles Gallerne,
Président du directoire, duly authorised
on 2 January 2023



This Third Supplement to the Base Prospectus has been approved on 2 January 2023 by the *Autorité des marchés financiers* (the "AMF"), in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this document after having verified that the information in the Base Prospectus is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the Issuer and on the quality of the *Obligations Foncières* described in this Third Supplement. Investors should make their own assessment of the opportunity to invest in such *Obligations Foncières*.

This Third Supplement to the Base Prospectus obtained the following approval number: n°23-002.