



**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**”). 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).

Application has been made for approval of this Base Prospectus to the *Autorité des marchés financiers* (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 (the “**Prospectus Directive**”). References in this Base Prospectus to the Prospectus Directive shall include the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area (the “**EEA**”).

Application has been made to Euronext Paris for *Obligations Foncières* issued under the Programme during a period of 12 months from the date of this Base Prospectus to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (a “**Regulated Market**”). Application may also be made to the competent authority of any other Member State of the EEA for *Obligations Foncières* issued under the Programme to be listed and 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* (the “**French Monetary and Financial Code**”). No physical documents of title will be issued in respect of the Dematerialised *Obligations Foncières*.

Dematerialised *Obligations Foncières* may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders (as defined in “Terms and Conditions of the *Obligations Foncières* - Form, Denomination, Title and Redenomination”) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered form (*nominatif pur*), in which case they will be inscribed with a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant holders of *Obligations Foncières*.

Materialised *Obligations Foncières* will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised *Obligations Foncières*. Such Temporary Global Certificate will be exchanged for definitive Materialised *Obligations Foncières* in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40<sup>th</sup> day after the issue date of the *Obligations Foncières* (subject to postponement as described in “Temporary Global Certificates issued in respect of Bearer Materialised *Obligations Foncières*”) upon certification as to non-U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in the section “Summary of the Programme - Method of Issue”) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

It is expected that the *Obligations Foncières* issued under the Programme will be rated AAA by Standard & Poor’s Rating Services (“**S&P**”) and/or Fitch Ratings (“**Fitch**”), and/or Aaa by Moody’s Investors Services, Inc. (“**Moody’s**”). 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, Fitch and Moody’s, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended by Regulation (EU) No. 513/2011 (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 ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) 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**

**Credit Suisse**

**Goldman Sachs International**

**NATIXIS**

**Société Générale Corporate & Investment Banking**

**UBS Investment Bank**

**BNP PARIBAS**

**Crédit Agricole CIB**

**Deutsche Bank**

**Morgan Stanley**

**Nomura**

**The Royal Bank of Scotland**

**UniCredit Bank**

The date of this Base Prospectus is 26 June 2013.

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.

The *Obligations Foncières* have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the *Obligations Foncières* may include Materialised *Obligations Foncières* in bearer form that are also subject to U.S. tax law requirements. Subject to certain exceptions, *Obligations Foncières* may not be offered, sold or delivered within the United States.

**THE OBLIGATIONS FONCIERES ARE BEING OFFERED IN RELIANCE ON REGULATION S.**

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.

For a description of certain restrictions on offers and sales of *Obligations Foncières* and on distribution of this Base Prospectus, see “Subscription and Sale”.

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

The Arranger and the Dealers have not separately verified the information contained 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 connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or person(s) acting on behalf of any Stabilising Manager(s)) in the applicable 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, there is no assurance that the Stabilising Manager(s) (or person(s) acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 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 person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.

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.

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## 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 by Commission Delegated Regulation (EU) n°486/2012 of 30 March 2012 and Commission Delegated Regulation (EU) n°862/2016 of 4 June 2012. 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 €100,000 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".

<b>Section A - Introduction and warnings</b>		
<b>A.1</b>	<b>General disclaimer regarding the summary</b>	<p>This summary must be read as an introduction to this 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 this 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 this 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 this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the <i>Obligations Foncières</i>.</p>
<b>A.2</b>	<b>Information regarding consent by the Issuer to the use of the Prospectus</b>	<p>In the context of any offer of <i>Obligations Foncières</i> in France and in the Grand Duchy of Luxembourg (the “<b>Public Offer Jurisdictions</b>”) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a “<b>Public Offer</b>”), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the “<b>Prospectus</b>”) in connection with a Public Offer of any <i>Obligations Foncières</i> during the offer period specified in the relevant Final Terms (the “<b>Offer Period</b>”) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by any financial intermediary duly authorised designated in such Final Terms (each an “<b>Authorised Offeror</b>”). The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p><b>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.</b></p>

		<p><b>Issue specific Summary:</b></p> <p>[In the context of the offer of the <i>Obligations Foncières</i> in [●] (“<b>Public Offer Jurisdiction[s]</b>”) which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the “<b>Public Offer</b>”), 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 “<b>Offer Period</b>”) and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the “<b>Authorised Offeror[s]</b>”). [The Authorised Offeror[s] must satisfy the following conditions: [●]</p> <p><b>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.]</b></p> <p>[Not Applicable]</p>
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<b>Section B – Issuer</b>		
<b>B.1</b>	<b>The legal and commercial name of the Issuer</b>	Caisse Française de Financement Local (“CAFFIL”) Until 31 January 2013, the Issuer’s name was Dexia Municipal Agency. On 31 January 2013, the company was renamed and sold by Dexia Crédit Local to Société de Financement Local (“SFIL”).
<b>B.2</b>	<b>The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation</b>	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>B.4b</b>	<b>Description of any known trends affecting the Issuer and the industries in which it operates</b>	CAFFIL historically refinanced assets originated by Dexia within the European local authorities and public health institutions market. From 2013 and in the context of its new structure shareholding and mission assigned to SFIL, CAFFIL will only originate or purchase new assets within the French local authorities and public health institutions market. This market has undergone important changes over the past years leading to a reduction of long term lending : disappearance of the main historical lender (Dexia Crédit Local) and decreasing activity from the other private sector lenders in the context of new regulatory constraints. The demand for long term loans by French local authorities and public health institutions is expected to stay high given their very close involvement in the French economy and in particular their provision of necessary infrastructure investments. The central government has undertaken to curb public spendings, which will to some extent affect State transfers to French local authorities. However, generally, local authorities are deemed to have sufficient savings capacity to maintain the current level of investments and maintain a high capacity to service their long term loans.

		CAFFIL as issuer of <i>obligations foncières</i> operates within the covered bond market. This market segment has shown strong resilience over the crisis and benefits from a strong support by European regulators. Overall volume raised on covered bond market has declined for 2 years due to banks' deleveraging process and decrease of asset origination across Europe.																																														
<b>B.5</b>	<b>A description of the Issuer's Group and the Issuer's position within the Group</b>	<p>Caisse Française de Financement Local is a wholly owned subsidiary of Société de Financement Local (“<b>SFIL</b>”). 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 Prudential Control Authority (<i>Autorité de Contrôle Prudentiel</i>). Its 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.515-22 of the French <i>Code monétaire et financier</i> (the "<b>French Monetary and Financial Code</b>").</p> <p>SFIL and Caisse Française de Financement Local are part of the organization of the new public sector structure 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:</p> <ul style="list-style-type: none"> <li>• commercial activities developed by La Banque Postale and its joint-venture with Caisse des Dépôts et Consignations named La Banque Postale Collectivités Locales,</li> <li>• refinancing activities conducted by Caisse Française de Financement Local,</li> <li>• operational functions in support of the above performed under the responsibility of SFIL.</li> </ul>																																														
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not Applicable																																														
<b>B.10</b>	<b>Qualifications in the auditors' report</b>	Each of the statutory auditors' reports on the audited consolidated annual accounts and on the audited non-consolidated annual accounts for the periods ended 31 December 2011 and 31 December 2012 contains an observation, without qualifying their opinion.																																														
<b>B.12</b>	<b>Selected historical key financial information</b>	<p>The tables below set out summary information extracted from the Issuer's audited statement of financial position as at 31 December 2011 and 31 December 2012, and from the Issuer's statement of financial position reviewed by the auditors as at 31 March 2013:</p> <table border="1"> <thead> <tr> <th rowspan="2">Millions euros</th> <th colspan="2">As of December 31</th> <th>As of March 31</th> </tr> <tr> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Core shareholders' equity (excluding unrealized gains &amp; losses)</td> <td>1,391</td> <td>1,482</td> <td>1,474</td> </tr> <tr> <td>Financial debt</td> <td>83,251</td> <td>73,797</td> <td>69,750</td> </tr> <tr> <td>- privileged debt</td> <td>71,034</td> <td>66,177</td> <td>62,076</td> </tr> <tr> <td>- non privileged debt</td> <td>12,217</td> <td>7,620</td> <td>7,674</td> </tr> <tr> <td>Balance sheet total</td> <td>100,409</td> <td>92,037</td> <td>85,706</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Millions euros</th> <th colspan="2">Fiscal year</th> <th>1st quarter</th> </tr> <tr> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Net banking income</td> <td>205</td> <td>257</td> <td>179</td> </tr> <tr> <td>Operating income</td> <td>105</td> <td>138</td> <td>-12</td> </tr> <tr> <td>Net income</td> <td>68</td> <td>91</td> <td>-8</td> </tr> </tbody> </table> <p>Except as disclosed below, there has been no material adverse change in the</p>	Millions euros	As of December 31		As of March 31	2011	2012	2013	Core shareholders' equity (excluding unrealized gains & losses)	1,391	1,482	1,474	Financial debt	83,251	73,797	69,750	- privileged debt	71,034	66,177	62,076	- non privileged debt	12,217	7,620	7,674	Balance sheet total	100,409	92,037	85,706	Millions euros	Fiscal year		1st quarter	2011	2012	2013	Net banking income	205	257	179	Operating income	105	138	-12	Net income	68	91	-8
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		<p>prospects of the Issuer since 31 December 2012 and there has been no significant change in the financial or trading position of the Issuer since 31 March 2013.</p> <p>The number of clients who sued Dexia Crédit Local and/or Société de Financement Local and/or Caisse Française de Financement Local for loans on the balance sheet of Caisse Française de Financement Local stood at 174 on 24 June 2013, compared with 69 on 31 March 2013.</p>
<b>B.13</b>	<b>Recent material events relevant to the evaluation of the Issuer's solvency</b>	Not Applicable. There are no events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.
<b>B.14</b>	<b>Extent to which the Issuer is dependent upon other entities within the Group</b>	Please refer to item B5 for the Group and the Issuer's position within the Group.
<b>B.15</b>	<b>Principal activities of the Issuer</b>	<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"> <li>• to grant or acquire loans to public sector entities as defined in Articles L.515-15 of the French Monetary and Financial Code as well as assets considered as loans as defined in Article L.515-16 of the same code;</li> <li>• to hold assets defined by decree as replacement assets (<i>valeurs de remplacement</i>);</li> <li>• in order to finance the above-mentioned loans, to issue <i>obligations foncières</i>, benefiting from the <i>privilège</i> defined in Article L.515-19 of the French Monetary and Financial Code and to raise other funds, under issue or subscription contract referring to the <i>privilège</i>.</li> </ul> <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.515-19 of the French Monetary and Financial Code.</p> <p>Pursuant to Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (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>B.16</b>	<b>Extent to which the Issuer is directly or indirectly owned or controlled</b>	<p>Caisse Française de Financement Local is a wholly owned subsidiary of SFIL. SFIL shareholders are the French State (75%), Caisse des Dépôts et Consignations (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 and the taking of strategic decisions, as well as its determination to ensure the continuity of SFIL's financial transactions, whenever required.</p>



<p><b>B.17</b></p>	<p><b>Credit ratings assigned to the Issuer or its debt securities</b></p>	<p><i>Obligations Foncières</i> to be issued under the Programme are expected to be rated AAA by Standard &amp; Poor’s Rating Services (“<b>S&amp;P</b>”) and/or Fitch Ratings (“<b>Fitch</b>”) and/or Aaa by Moody’s Investors Services, Inc. (“<b>Moody’s</b>”), which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies (the “<b>CRA Regulation</b>”), as amended by Regulation (EU) No. 513/2011, 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 (www.esma.europa.eu/page/List-registered-and-certified-CRAs) as of the date of the Base Prospectus.</p> <p>The rating (if any) 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><b>Issue specific summary:</b></p> <p>Credit ratings: [Not Applicable/The <i>Obligations Foncières</i> to be issued [have been/are expected to be] rated:</p> <p>[S &amp; P: [•]]</p> <p>[Moody's: [•]]</p> <p>[Fitch: [•]]</p>
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<p align="center"><b>Section C - Securities</b></p>		
<p><b>C.1</b></p>	<p><b>Type, class and identification number of the <i>Obligations Foncières</i></b></p>	<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 “<b>Programme</b>”).</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 “<b>Series</b>”) 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 “<b>Tranche</b>”) 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, 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 this Base Prospectus (the “<b>Final Terms</b>”).</p> <p><i>Obligations Foncières</i> may be issued in either dematerialised form (“<b>Dematerialised <i>Obligations Foncières</i></b>”) or materialised form (“<b>Materialised <i>Obligations Foncières</i></b>”).</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 (“<b>Bearer Materialised Obligations Foncières</b>”) 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, société anonyme (“<b>Clearstream, Luxembourg</b>”), Euroclear Bank S.A./N.V. (“<b>Euroclear</b>”) or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the “<b>Fiscal Agent</b>”) and the relevant Dealer in relation to Materialised <i>Obligations Foncières</i>.</p> <p>An identification number of the <i>Obligations Foncières</i> (ISIN Code) and a common code will be specified in the relevant Final Terms.</p> <p><b>Issue specific summary:</b></p> <p>Series Number: [●]  Tranche Number: [●]  Aggregate Nominal Amount: [●]  Series: [●]  Tranche: [●]  Form of <i>Obligations Foncières</i>: [Dematerialised <i>Obligations Foncières</i> / Materialised <i>Obligations Foncières</i>].  [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>)].  [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 Code: [●]  Common Code: [●]  Central Depository: [●]  Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable]/[give name(s) and number(s) [and address(es)]]</p>
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C.2	<b>Currencies</b>	<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><b>Issue specific summary:</b></p> <p>The currency of the <i>Obligations Foncières</i> is: [●]</p>
C.5	<b>Description of any restrictions on the free transferability of the <i>Obligations Foncières</i></b>	<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	<b>Description of rights attached to the <i>Obligations Foncières</i></b>	<ul style="list-style-type: none"> <li>• <b><u>Arranger</u></b></li> </ul> <p>The arranger in respect of the Programme (the "<b>Arranger</b>") is: Deutsche Bank AG, Paris Branch</p> <ul style="list-style-type: none"> <li>• <b><u>Dealers under the Programme</u></b></li> </ul> <p>The dealers in respect of the Programme (the "<b>Dealers</b>") are: Barclays Bank PLC BNP PARIBAS Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank Aktiengesellschaft Goldman Sachs International Morgan Stanley &amp; Co. International plc NATIXIS Nomura International plc Société Générale The Royal Bank of Scotland plc UBS Limited UniCredit Bank AG</p> <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 this Base Prospectus to "<b>Permanent Dealers</b>" 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 "<b>Dealers</b>" 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"> <li>• <b><u>Issue price</u></b></li> </ul> <p><i>Obligations Foncières</i> may be issued at their nominal amount or at a discount or premium to their nominal amount.</p>

		<ul style="list-style-type: none"> <li>• <b><u>Specified denomination</u></b>  The <i>Obligations Foncières</i> will be in such denominations as may be specified in the relevant Final Terms.  The <i>Obligations Foncières</i> will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each <i>Obligation Foncière</i> admitted to trading on a regulated market, or offered to the public, in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the <i>Obligations Foncières</i> are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.  <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 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.  Dematerialised <i>Obligations Foncières</i> shall be issued in one denomination only.</li> <li>• <b><u>Status of the Obligations Foncières</u></b>  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.515-19 of the French Monetary and Financial Code.</li> <li>• <b><u>Privilège</u></b>  Holders of <i>Obligations Foncières</i> benefit from the <i>privilège</i> (priority right of payment) pursuant to Article L. 515-19 of the French Monetary and Financial Code over all the assets and rights of the Issuer.</li> <li>• <b><u>Negative pledge</u></b>  None.</li> <li>• <b><u>Event of default, including cross default</u></b>  None.</li> <li>• <b><u>Withholding tax</u></b>  All payments of principal and interest by or on behalf of the Issuer in respect of the <i>Obligations Foncières</i> 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.  There will be no grossing up provisions and accordingly no Issuer's tax call option.</li> <li>• <b><u>Governing law</u></b>  French law.</li> </ul>
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		<p><b>Issue specific summary:</b></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><b>Interest, maturity and redemption provisions, yield and representation of the holders of Obligations Foncières</b></p>	<p>Please also refer to the information provided in item C.8 above.</p> <ul style="list-style-type: none"> <li>• <b><u>Interest rates and interest periods</u></b> 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. 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.</li> <li>• <b><u>Fixed Rate Obligations Foncières</u></b> Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.</li> <li>• <b><u>Floating Rate Obligations Foncières</u></b> Floating Rate <i>Obligations Foncières</i> will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional 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</li> <li>(ii) by reference to LIBOR, EURIBOR, EONIA, CMS Rate or TEC 10, in both cases as adjusted for any applicable margin.</li> </ul> </li> <li>• <b><u>Zero Coupon Obligations Foncières</u></b> Zero Coupon <i>Obligations Foncières</i> may be issued at their nominal amount or at a discount to it and will not bear interest.</li> <li>• <b><u>Inflation Linked Obligations Foncières</u></b> 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 “<b>Inflation Index Ratio</b>”) derived from: <ul style="list-style-type: none"> <li>- 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> (“<b>INSEE</b>”) (the “<b>CPI</b>”) (the “<b>CPI Linked Obligations Foncières</b>”); or</li> <li>- 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 “<b>HICP</b>”) (the “<b>HICP Linked Obligations Foncières</b>”).</li> </ul> </li> <li>• <b><u>Maturities</u></b> Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue.</li> </ul>



		<p>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></p> <p>Final Redemption Amount of each <i>Obligation Foncière</i>: <i>[[●] per Obligation Foncière of [●] Specified Denomination]/[give details in relation to Inflation Linked Obligations Foncières]</i></p> <p>Call Option: <i>[Applicable]/[Not Applicable]</i></p> <p>Optional Redemption Amount: <i>[Applicable: [●] per Obligations Foncières of [●] specified Denomination / Not Applicable]</i></p> <p>Early Redemption Amount: <i>[Applicable: [●] per Obligations Foncières of [●] specified Denomination/ [give details in relation to Inflation Linked Obligations Foncières] / Not Applicable]</i></p> <p>Yield (in respect of Fixed Rate <i>Obligations Foncières</i>): <i>[Applicable]/[Not Applicable]</i></p> <p>Representation of the holders of <i>Obligations Foncières</i>: <i>[Full Masse/Contractual Masse]</i></p> <p>The <i>Masse</i> will act in part through a representative (the “<b>Representative</b>”) and in part through general meetings of the holders of <i>Obligations Foncières</i>. The name and address of the initial Representative are [●] and of its alternate are [●]. The Representative(s) appointed in respect of the first Tranche of any Series of <i>Obligations Foncières</i> will be the representative of the single <i>Masse</i> of all Tranches in such Series.</p>
C.10	<b>Derivative component in interest payments</b>	<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"> <li>- the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE (<b>CPI</b>); or</li> <li>- 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 (<b>HICP</b>).</li> </ul> <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	<b>Listing and admission to trading</b>	<p><i>Obligations Foncières</i> of any particular Series may be listed and admitted to trading on Euronext Paris, and/or on the Official List of the Luxembourg Stock Exchange and/or on such other stock exchanges (whether a regulated market or not) as may be specified in the applicable Final Terms, or unlisted. The applicable 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><b>Issue specific summary:</b></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 listed and admitted to trading [on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [●]] with effect from [●]/[Not Applicable]</p>
C.15	<b>Description of how the value of investment is affected by the value of the underlying instrument</b>	<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> <p>(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;</p> <p>(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> <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><b>Issue specific summary:</b></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	<b>Inflation Linked <i>Obligations Foncières</i> - Maturity</b>	<p>Subject to compliance with all relevant laws, regulations and directives, any maturity set out in the Final Terms.</p> <p><b>Issue specific summary:</b></p> <p>The maturity date of Inflation Linked <i>Obligations Foncières</i> is [●].</p>
C.17	<b>Inflation Linked <i>Obligations Foncières</i> – Settlement procedure</b>	<p>The Inflation Linked <i>Obligations Foncières</i> will be cash settled.</p>
C.18	<b>Return on Inflation Linked <i>Obligations Foncières</i></b>	<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	<b>Inflation Linked Obligations Foncières – Exercise price/ Final reference price</b>	<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	<b>Inflation Linked Obligations Foncières – Description of Underlying</b>	<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><b>Issue Specific Summary</b></p> <p><i>[Insert for CPI Linked Obligations Foncières]</i></p> <p><b>CPI Linked Obligations Foncières</b></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 TRESOR &lt;GO&gt; pages and on the website <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a>.</p> <p><i>[Insert for HICP Linked Obligations Foncières]</i></p> <p><b>HICP Linked Obligations Foncières</b></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 <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a> and on Bloomberg page TRESOR.</p>
C.21	<b>Negotiation Market(s)</b>	<p><i>Obligations Foncières</i> may (or not) be listed and admitted to trading on Euronext Paris, on the Official List of the Luxembourg Stock Exchange 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><b>Issue Specific Summary</b></p> <p>[The <i>Obligations Foncières</i> will be listed and admitted to trading on [Euronext Paris]/ [the Official List of the Luxembourg Stock Exchange] / [●].]/[Not Applicable.]</p>

## Section D –Risk Factors

<b>D.2</b>	<b>Key information on the key risks that are specific to the Issuer or its industry</b>	<p>Factors that may have an impact on the Issuer are as follows:</p> <ul style="list-style-type: none"> <li>– Risk of default on the pool of assets included in its portfolio used as cover for the issuance of <i>Obligations Foncières</i> under the Programme (the <b>Cover Pool</b>); <ul style="list-style-type: none"> <li>Local economies of countries from which CAFFIL sources its assets may, for various reasons, experience a deterioration of economic conditions which could in turn reduce the quality of the Cover Pool held by CAFFIL. This could result in insufficient funds being available to meet its financial obligations under the <i>Obligations Foncières</i>.</li> </ul> </li> <li>– Geographic concentration risk in its Cover Pool; <ul style="list-style-type: none"> <li>Almost 70% of the Cover Pool is located in France. Such national concentration may increase the probability of default within the cover pool if the country experiences substantial changes in financial, economic or fiscal conditions. In addition CAFFIL has certain large exposure in certain other geographic areas such as Belgium, Switzerland and Italy.</li> </ul> </li> <li>– Risk of default of its bank counterparties; <ul style="list-style-type: none"> <li>Despite its active risk management policy CAFFIL may have substantial exposures to certain financial institutions. Collateral posted by these financial institutions may not be sufficient to cover losses in case one or more counterparty default. Certain counterparties are not required to post collateral due their high credit standing. A sharp and sudden deterioration of their financial situation may give rise to losses or reduced liquidity being available to service CAFFIL’s obligations towards holders of <i>Obligations Foncières</i>.</li> </ul> </li> <li>– Risk of a liquidity shortfall that may affect its ability to settle its debt commitments in a timely fashion; <ul style="list-style-type: none"> <li>Although CAFFIL has access to several sources of non-privileged liability, these may not be available on a timely basis. Also CAFFIL may not hold sufficient assets to ensure the capacity to meet its obligations with respect to the <i>Obligations Foncières</i>.</li> </ul> </li> <li>– Dependence on SFIL, its parent company, for its operations; <ul style="list-style-type: none"> <li>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.</li> </ul> </li> <li>– Risk of failure or malfunction of the operational risk management systems put in place by SFIL; <ul style="list-style-type: none"> <li>Such systems may notably be subject to risk of failure, malfunction and malfeasance by employees, which may negatively affect CAFFIL’s</li> </ul> </li> </ul>
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		<p>financial performance.</p> <ul style="list-style-type: none"> <li data-bbox="561 203 1445 472"> <p>– Risks linked to compliance with the Coverage Ratio required of it under French law;</p> <p>The coverage ratio is driven by the availability of assets and their value. The French law sets a minimum 102% cover ratio and CAFFIL has undertaken to respect a minimum 105%. Rating agencies may set higher coverage ratio targets in order to attribute to CAFFIL's privileged debt the highest possible ratings.</p> <p>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 <i>société de crédit foncier</i>.</p> </li> <li data-bbox="561 667 1445 862"> <p>– Dependence on SFIL for the unsecured funding of its over-collateral;</p> <p>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 <i>Obligations Foncières</i> falling due or the rating of all outstanding <i>Obligations Foncières</i>.</p> </li> <li data-bbox="561 891 1445 1086"> <p>– Risks relating to the EU local government and municipal lending market;</p> <p>Structured loans subscribed by certain local government may be the subject of negative press coverage and litigation, affecting the reputation of CAFFIL and possibly reducing the amount of collateral if certain of these loans are declared void or voidable.</p> </li> <li data-bbox="561 1115 1445 1272"> <p>– Interest rate risk on its portfolio of assets which make up the Cover Pool;</p> <p>Residual interest rate risk not covered by CAFFIL's active hedging policy exists as unanticipated changes in the Cover Pool may adversely affect CAFFIL's financial condition.</p> </li> <li data-bbox="561 1301 1445 1458"> <p>– Credit rating of CAFFIL's obligations foncières will be affected by the credit rating of SFIL;</p> <p>A downgrade of SFIL may lead to a downgrade of CAFFIL's privileged liabilities, including outstanding <i>obligations foncières</i>.</p> </li> <li data-bbox="561 1487 1445 1944"> <p>– CAFFIL undertakes no due diligence as to the assets purchased;</p> <p>Starting in 2013, CAFFIL will purchase loans originated by La Banque Postale. The verification of eligibility is performed by La Banque Postale, and then by SFIL for CAFFIL before the transfer is realized. For all French loans contained in CAFFIL'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 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.</p> </li> <li data-bbox="561 1973 1445 2000"> <p>– The <i>Obligations Foncières</i> are obligations of CAFFIL only;</p> </li> </ul>
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		<p>CAFFIL is solely responsible for its obligations to creditors and cannot rely on any other entity to this end.</p> <ul style="list-style-type: none"> <li>- CAFFIL may face significant competition in the local government and municipal lending market;</li> </ul> <p>Existing or increased competition in the EU municipal banking sector 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> <ul style="list-style-type: none"> <li>- CAFFIL applies certain critical accounting policies in preparing its financial statements in accordance with IFRS;</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>- Holders have access to a limited description of the Cover Pool;</li> </ul> <p>Holders of <i>Obligations Foncières</i> 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 or quarterly reports or in CAFFIL's reports on asset quality.</p> <ul style="list-style-type: none"> <li>- CAFFIL's operations are subject to legal risks arising from changes in law and regulations.</li> </ul> <p>Any changes to the current legislation (in particular, legislation relating to the issuance of <i>obligations foncières</i> and the <i>privilège</i> associated to such <i>obligations foncières</i>) or regulation applying to such legislation could adversely affect CAFFIL's business, financial conditions, cash flows and results from operations.</p>
D.3	<p><b>Key information on the key risks that are specific to the <i>Obligations Foncières</i></b></p>	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under <i>Obligations Foncières</i> issued under the Programme, including:</p> <ul style="list-style-type: none"> <li>- General risks relating to the <i>Obligations Foncières</i> such as: <ul style="list-style-type: none"> <li>- Investors must independently review and obtain professional advice with respect to the <i>Obligations Foncières</i> issued under the Programme;</li> <li>- 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);</li> <li>- 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;</li> <li>- Holders of <i>Obligations Foncières</i> issued under the Programme may not declare the <i>Obligations Foncières</i> immediately due and payable</li> </ul> </li> </ul>

		<p>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 Monetary and Financial Code, 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.515-14 to L.515-18 of the French Monetary and Financial Code, are allocated as a matter of absolute priority to servicing <i>obligations foncières</i> or other privileged liabilities of CAFFIL as they fall due;</p> <ul style="list-style-type: none"> <li>- The credit rating of the <i>Obligations Foncières</i> may not reflect all risks;</li> <li>- An active trading market for <i>Obligations Foncières</i> issued under the Programme may never develop;</li> <li>- The trading market for <i>Obligations Foncières</i> issued under the Programme may be volatile and may be adversely affected by various events;</li> <li>- Neither CAFFIL nor the Dealer(s) assumes responsibility for the legality of any purchase under the Programme;</li> <li>- 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;</li> <li>- Purchases of the <i>Obligations Foncières</i> may be subject to certain taxes or other costs;</li> <li>- 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 this Base Prospectus;</li> <li>- The EU Savings Directive - If a payment were to be made or collected through a Member State which has opted for a withholding tax system required by such Directive (subject to a number of conditions being met) and an amount of, or in respect of, tax were to be withheld from that payment, neither CAFFIL nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any <i>Obligation Foncière</i> as a result of the imposition of such withholding tax. CAFFIL will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive;</li> <li>- CAFFIL will not be required to pay any gross-up amounts if any law should require that any payments in respect of any <i>Obligation Foncière</i> be subject to deduction or withholding in respect of any taxes or duties whatsoever. Therefore, the corresponding risk shall be borne by the holders of <i>Obligations Foncières</i> or if applicable, the Couponholders;</li> <li>- U.S. Foreign Account Tax Compliance Withholding may affect payments on the <i>Obligations Foncières</i> - If an amount in respect of the FATCA withholding tax were to be deducted or withheld from interest,</li> </ul>
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principal or other payments made in respect of the *Obligations Foncières*, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the *Obligations Foncières*, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected;

- EU Crisis Management Directive - The European Commission has published proposals for a crisis management directive which is intended 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 full scope of the directive and its impact on the Issuer are currently unclear but the implementation of the directive or the taking of any action under it could materially affect the value of any *Obligations Foncières*;
- Implementation of Basel II and Basel III Risk-Weighted Asset Framework - The implementation of Basel II and Basel III 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 II and 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 capital requirements directives. In addition, the implementation of Basel II and Basel III 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 capital requirements directives. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the capital requirements directives 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;
  - Fixed Rate *Obligations Foncières* may not always maintain the same market value;
  - Holders will not be able to calculate their rate of return on Floating Rate *Obligations Foncières* in advance;
  - Fixed to Floating Rate *Obligations Foncières* may have a less favourable spread than the prevailing spreads on comparable floating rate securities tied to the same reference rate;
  - Zero Coupon *Obligations Foncières* issued under the Programme are subject to higher price fluctuations than non-discounted debt

		<p>securities;</p> <ul style="list-style-type: none"> <li>- Holders may be exposed to risk on Inflation Linked <i>Obligations Foncières</i> which are dependent upon the performance of an index;</li> <li>- Inflation Linked <i>Obligations Foncières</i> with a multiplier or other leverage factor can be particularly volatile investments;</li> <li>- Structured <i>Obligations Foncières</i> may entail significant risks not associated with similar investments in a conventional debt security;</li> <li>- Exchange rate risks and exchange controls may adversely affect the return on the <i>Obligations Foncières</i> issued under the Programme.</li> </ul> <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>
<b>D.6</b>	<b>Key information on factors which are material for the purpose of assessing the risks associated with Inflation Linked <i>Obligations Foncières</i></b>	<p>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.</p>

<b>Section E - Offer</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	<p>The net proceeds of the issue of each Tranche of <i>Obligations Foncières</i> will be used by the Issuer for its general corporate purposes unless otherwise specified in the relevant Final Terms.</p> <p><i>Issue Specific Summary</i></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./specify other]</p>
<b>E.3</b>	<b>Terms and</b>	<i>Obligations foncières</i> may be offered to the public in France and in the Grand

	<p><b>conditions of the offer</b></p>	<p>Duchy of Luxembourg in which the Base Prospectus has been passported and which shall be specified in the applicable 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><b>Issue Specific Summary</b></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 amendements): [●]</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>
<p><b>E.4</b></p>	<p><b>Interests of natural and legal persons involved in the issue of the <i>Obligations Foncières</i></b></p>	<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><b>Issue Specific Summary</b></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 Dealers 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>
<p><b>E.7</b></p>	<p><b>Estimated expenses charged to investor by the Issuer or the offeror</b></p>	<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><b>Issue Specific Summary</b></p> <p>[Not Applicable / The estimated expenses charged to the investor(s) amount to [●].]</p>



**RESUME 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 européen n°809/2004 du 29 avril 2004 telle que modifiée par le Règlement délégué (UE) n°486/2012 du 30 mars 2012 et le Règlement délégué (UE) n°862/2012 du 4 juin 2012. 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.

<b>Section A - Introduction et avertissements</b>		
<b>A.1</b>	<b>Avertissement Général concernant le résumé</b>	Ce résumé doit être lu comme une introduction au présent 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 présent 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 de ce 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.
<b>A.2</b>	<b>Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus</b>	Dans le cadre de toute offre d'Obligations Foncières en France et au Grand-Duché de Luxembourg (les « <b>Pays de l'Offre Publique</b> ») qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « <b>Offre au Public</b> »), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives applicables (ensemble, le « <b>Prospectus</b> ») dans le cadre d'une Offre au Public de toute Obligation Foncière durant la période d'offre indiquée dans les Conditions Définitives concernées (la « <b>Période d'Offre</b> ») et dans les Pays de l'Offre Publique indiqué(s) dans les Conditions Définitives concernées par tout intermédiaire financier désigné dans ces Conditions Définitives (chacun un « <b>Établissement Autorisé</b> »). 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 12 mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.

	<p><b>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.</b></p> <p><i>Résumé spécifique à l’émission :</i></p> <p>[Dans le cadre de toute offre d’Obligations Foncières en [●] (le[s] « <b>Pays de l’Offre Publique</b> ») qui ne bénéficie pas de l’exemption à l’obligation de publication d’un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une « <b>Offre au Public</b> »), l’Émetteur consent à l’utilisation du Prospectus dans le cadre d’une Offre au Public de toute Obligation Foncière de [●] à [●] (la « <b>Période d’Offre</b> ») et dans le[s] Pays de l’Offre Publique par [●] / [tout intermédiaire financier] (l’/les) « <b>Établissement[s] Autorisé[s]</b> »). [L’/Les] Etablissement[s] autorisé[s] doit[/doivent] remplir les conditions suivantes : [●].]</p> <p><b>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.</b></p> <p>[Sans objet]</p>
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<b>Section B – Émetteur</b>		
<b>B.1</b>	<b>La raison sociale et le nom commercial de l’Émetteur</b>	Caisse Française de Financement Local (« <b>CAFFIL</b> ») Avant le 31 janvier 2013, la dénomination de l’Émetteur était Dexia Municipal Agency. Le 31 janvier 2013, la société a changé de dénomination sociale et a été vendue par Dexia Crédit Local à la Société de Financement Local (« <b>SFIL</b> »).
<b>B.2</b>	<b>Le siège social et la forme juridique de l’Émetteur, la législation qui régit l’activité et le pays d’origine de l’Émetteur</b>	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 Société de Nanterre sous le numéro 421 318 064.
<b>B.4b</b>	<b>Description de toutes les tendances connues touchant l’Émetteur ainsi que des industries de son secteur</b>	Historiquement, CAFFIL refinançait des actifs originés par Dexia sur le marché européen des collectivités locales et des établissements publics de santé. A partir de 2013 et dans le contexte de la nouvelle structure actionnariale et de la mission assignée à la SFIL, CAFFIL n’originera ou n’acquerra que de nouveaux prêts accordés aux collectivités locales et aux établissements publics de santé français. Ce marché a connu d’importants changements au cours des années passées conduisant à une réduction de l’offre de prêt à long terme : disparition du principal prêteur historique (Dexia Crédit Local ) et une activité en décroissance des autres prêteurs au secteur public dans le contexte de nouvelles contraintes réglementaires. La demande de prêts à long terme par les collectivités locales et les établissements publics de santé devrait demeurer importante étant donné leur participation très active à l’économie française et en particulier en terme d’investissements d’infrastructures nécessaires. Le gouvernement a entrepris de réduire les dépenses publiques ce qui, dans une certaine mesure, impactera les transferts financiers de l’Etat vers les collectivités locales françaises. Cependant,

		<p>d'une manière générale, les collectivités locales sont réputées disposer de capacité d'épargne suffisante leur permettant de maintenir le niveau actuel des investissements et une capacité élevée d'honorer leurs prêts à long terme.</p> <p>CAFFIL en tant qu'émetteur d'obligations foncières intervient sur le marché des obligations sécurisées. Ce segment de marché a montré une forte résistance au cours de la crise et bénéficie d'un important soutien des régulateurs européens. Le volume global levé sur le marché des obligations sécurisées a baissé au cours des deux dernières années en raison du processus de réduction du bilan des banques et de la diminution de l'origination d'actifs à travers l'Europe.</p>
<b>B.5</b>	<b>Description du Groupe de l'Émetteur et de la position de l'Émetteur au sein du Groupe</b>	<p>Caisse Française de Financement Local est une filiale détenue à 100% par la Société de Financement Local (« <b>SFIL</b> »). L'Émetteur a été cédé à SFIL par Dexia Credit Local le 31 janvier 2013.</p> <p>La SFIL est un établissement de crédit agréé par l'Autorité de Contrôle Prudentiel. Son rôle 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.515-22 du Code monétaire et financier.</p> <p>La SFIL et la Caisse Française de Financement Local font partie de la nouvelle structure publique dédiée au financement des collectivités territoriales et des établissements publics de santé en France. Cette structure, que l'Etat français a décrit comme une "banque publique des collectivités territoriales", est basée sur une organisation tripartite :</p> <ul style="list-style-type: none"> <li>- activités commerciales développées par La Banque Postale et sa co-entreprise avec la Caisse des Dépôts et Consignations dénommée La Banque Postale Collectivités Locales,</li> <li>- activités de refinancement conduites par la Caisse Française de Financement Local,</li> <li>- fonctions opérationnelles en support des activités sus-mentionnées sous la responsabilité de la SFIL.</li> </ul>
<b>B.9</b>	<b>Prévision ou estimation du bénéfice</b>	Sans objet.
<b>B.10</b>	<b>Réserves contenues dans le rapport des Commissaires aux comptes</b>	Chacun des rapports des commissaires aux comptes sur les états financiers annuels audités consolidés et sur les états financiers annuels audités non consolidés pour les périodes s'achevant le 31 décembre 2011 et le 31 décembre 2012 contient une observation, qui ne remet pas en cause la certification des comptes.

<b>B.12</b>	<b>Informations financières sélectionnées</b>	<p>Les tableaux ci-dessous présentent un résumé des informations extraites du bilan audité de l'Émetteur au 31 décembre 2011 et au 31 décembre 2012, ainsi que du bilan au 31 mars 2013 revu par les auditeurs :</p> <table border="1" data-bbox="550 264 1437 622"> <thead> <tr> <th rowspan="2">Millions d'euros</th> <th colspan="2">Au 31 décembre</th> <th>Au 31 mars</th> </tr> <tr> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Fonds propres de base (à l'exclusion des gains ou pertes latents ou différés))</td> <td>1 391</td> <td>1 482</td> <td>1 474</td> </tr> <tr> <td>Dettes financières</td> <td>83 251</td> <td>73 797</td> <td>69 750</td> </tr> <tr> <td>- Dette privilégiée</td> <td>71 034</td> <td>66 177</td> <td>62 076</td> </tr> <tr> <td>- Dette non privilégiée</td> <td>12 217</td> <td>7 620</td> <td>7 674</td> </tr> <tr> <td>Total du bilan</td> <td>100 409</td> <td>92 037</td> <td>85 706</td> </tr> </tbody> </table> <table border="1" data-bbox="550 488 1437 622"> <thead> <tr> <th rowspan="2">Millions d'euros</th> <th colspan="2">Exercice</th> <th>1er trimestre</th> </tr> <tr> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Produit net bancaire</td> <td>205</td> <td>257</td> <td>179</td> </tr> <tr> <td>Résultat d'exploitation</td> <td>105</td> <td>138</td> <td>-12</td> </tr> <tr> <td>Résultat net</td> <td>68</td> <td>91</td> <td>-8</td> </tr> </tbody> </table> <p>A l'exception de ce qui est spécifié ci-dessous, depuis le 31 décembre 2012, aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Émetteur et aucun changement significatif de la situation financière ou commerciale de l'Émetteur n'est survenu depuis le 31 mars 2013.</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 figurant au bilan de la Caisse Française de Financement Local s'élevait à 174 le 24 juin 2013, comparé à 69 au 31 mars 2013.</p>	Millions d'euros	Au 31 décembre		Au 31 mars	2011	2012	2013	Fonds propres de base (à l'exclusion des gains ou pertes latents ou différés))	1 391	1 482	1 474	Dettes financières	83 251	73 797	69 750	- Dette privilégiée	71 034	66 177	62 076	- Dette non privilégiée	12 217	7 620	7 674	Total du bilan	100 409	92 037	85 706	Millions d'euros	Exercice		1er trimestre	2011	2012	2013	Produit net bancaire	205	257	179	Résultat d'exploitation	105	138	-12	Résultat net	68	91	-8
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<b>B.13</b>	<b>Événement récent présentant un intérêt significatif pour l'évaluation de la solvabilité de l'Émetteur</b>	Sans objet. Aucun événement propre à l'Émetteur n'est pertinent de manière significative afin d'évaluer sa solvabilité.																																														
<b>B.14</b>	<b>Degré de dépendance de l'Émetteur à l'égard d'autres entités du Groupe</b>	Merci de vous reporter à l'élément B5 relatif au Groupe et à la position de l'Émetteur au sein du Groupe.																																														
<b>B.15</b>	<b>Principales activités de l'Émetteur</b>	<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"> <li>- de consentir ou d'acquérir des prêts aux personnes publiques tels que définis à l'article L. 515-15 du Code monétaire et financier français, ainsi que les créances assimilées aux prêts, telles que définies à l'article L. 515-16 dudit Code ;</li> <li>- de détenir des titres et valeurs dans les conditions fixées par décret pour être considérées comme des valeurs de remplacement ;</li> <li>- pour le financement des prêts susmentionnés, d'émettre des obligations appelées obligations foncières bénéficiant du privilège défini à l'article L. 515-19 du Code monétaire et financier et de recueillir d'autres ressources dont le contrat d'émission ou de souscription mentionne ce privilège.</li> </ul>																																														
		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																																														

		<p>bénéficiant pas du privilège de l'article L. 515-19 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>B.16</b>	<b>Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur</b>	<p>Caisse Française de Financement Local est une filiale détenue à 100% par la SFIL.</p> <p>Les actionnaires de la SFIL sont l'Etat français (75%), la Caisse des Dépôts et Consignations (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 la SFIL en cas de besoin.</p>
<b>B.17</b>	<b>Notation assignée à l'Émetteur ou à ses titres d'emprunt</b>	<p>Les Obligations Foncières émises en vertu du Programme devraient être notées AAA par Standard &amp; Poor's Rating Services (« <b>S&amp;P</b> ») et/ou Fitch Ratings (« <b>Fitch</b> ») et/ou Aaa par Moody's Investors Services, Inc. (« <b>Moody's</b> »), 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 (le « <b>Règlement CRA</b> »), tel que modifié par le Règlement (UE) No. 513/2011, 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 <a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a> à la date du Prospectus de Base.</p> <p>Les notations seront spécifiées (le cas échéant) 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><b>Résumé spécifique à l'émission :</b></p> <p>Notation de crédit : [Sans objet/Les Obligations Foncières qui seront émises [ont été/devraient être] notées :</p> <p>[S &amp; P: [•]]</p> <p>[Moody's: [•]]</p> <p>[Fitch: [•]]</p>

<b>Section C – Valeurs mobilières</b>		
<b>C.1</b>	<b>Nature, catégorie et numéro d'identification des Obligations Foncières</b>	<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 « <b>Programme</b> »).</p>

		<p>Les Obligations Foncières seront émises sur une base syndiquée ou non-syndiquée. Les Obligations Foncières seront émises par souches (dénommées chacune "<b>Souche</b>") 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 "<b>Tranche</b>") 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 présent Prospectus de Base (les "<b>Conditions Définitives</b>").</p> <p>Les Obligations Foncières pourront être émises sous forme de titres dématérialisés ("<b>Obligations Foncières Dématérialisées</b>") ou matérialisés ("<b>Obligations Foncières Matérialisées</b>").</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 (« <b>Obligations Foncières Matérialisées au Porteur</b> ») uniquement si elles sont émises hors de France. Un certificat global temporaire émis au porteur (un « <b>Certificat Global Temporaire</b> ») 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, société anonyme (« <b>Clearstream, Luxembourg</b> »), Euroclear Bank S.A./N.V. (« <b>Euroclear</b> ») ou tout autre système de compensation convenu par l'Émetteur, l'agent financier dans le cadre du Programme (l'« <b>Agent Financier</b> ») et l'Agent Placeur concerné pour les Obligations Foncières Matérialisées.</p> <p>Un numéro d'identification des Obligations Foncières (code ISIN) et un code commun seront indiqués dans les Conditions Définitives applicables.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Souche N° : [●]  Tranche N° : [●]  Montant nominal total : [●]  Souche : [●]  Tranche : [●]  Forme des Obligations Foncières : [Obligations Foncières Matérialisées/Obligations Foncières Dématérialisées]  [Si les Obligations Foncières sont des Obligations Foncières Dématérialisées : Les Obligations Foncières Dématérialisées sont des Obligations Foncières au porteur / au nominatif.]</p>
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		<p><i>Si les Obligations Foncières sont des Obligations Foncières Matérialisées : Les Obligations Foncières Matérialisées sont des Obligations Foncières au porteur uniquement]</i></p> <p>Code ISIN : [•]  Code commun : [•]  Dépositaire Central : [•]</p> <p>Tout système de compensation autre qu'Euroclear Bank S.A./N.V. et Clearstream Banking, société anonyme 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	<b>Devises</b>	<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><b>Résumé spécifique à l'émission :</b></p> <p>La devise des Obligations Foncières est : [•]</p>
C.5	<b>Description de toute restriction imposée à la libre négociabilité des Obligations Foncières</b>	<p>Sous réserve de certaines restrictions relatives à l'achat, l'offre, la vente et la livraison des Obligations Foncières et à la possession ou 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	<b>Description des droits attachés aux Obligations Foncières</b>	<ul style="list-style-type: none"> <li>• <b><u>Arrangeur dans le cadre du Programme</u></b>  L'Arrangeur dans le cadre du Programme (1 « Arrangeur») est:  Deutsche Bank AG, Paris Branch</li> <li>• <b><u>Agents Placeurs dans le cadre du Programme</u></b>  Les agents placeurs dans le cadre du Programme (les « Agents Placeurs ») sont :  Barclays Bank PLC  BNP PARIBAS  Commerzbank Aktiengesellschaft  Crédit Agricole Corporate and Investment Bank  Credit Suisse Securities (Europe) Limited  Deutsche Bank Aktiengesellschaft  Goldman Sachs International  Morgan Stanley &amp; Co. International plc  NATIXIS  Nomura International plc  Société Générale  The Royal Bank of Scotland plc  UBS Limited  UniCredit Bank AG</li> </ul>

		<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 résumé aux « <b>Agents Placeurs Permanents</b> » 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 « <b>Agents Placeurs</b> » 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"> <li>• <b><u>Prix d'émission</u></b> Les Obligations Foncières peuvent être émises au pair ou avec une décote ou une prime par rapport à leur valeur nominale.</li> <li>• <b><u>Valeur(s) nominale(s) unitaire(s)</u></b> 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 excepté que la valeur nominale minimale de toute Obligation Foncière admise à la négociation sur un marché réglementé, ou offerte au public dans un Etat membre de l'Espace Economique Européen dans des circonstances exigeant la publication d'un prospectus en vertu de la Directive Prospectus est fixée à 1.000 euros (ou, si les Obligations Foncières sont libellées dans une devise différente, la contre-valeur de ce montant dans toute autre devise, calculée à la date d'émission) ou à tout autre montant plus élevé qui sera autorisé ou requis par la banque centrale concernée (ou une autre autorité équivalente) ou par toute loi ou réglementation applicable à la devise choisie. 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> 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. Les Obligations Foncières dématérialisées seront émises avec une seule valeur nominale.</li> <li>• <b><u>Rang de créance des Obligations Foncières</u></b> 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. 515-19 du Code monétaire et financier français.</li> <li>• <b><u>Privilège</u></b> Les porteurs d'Obligations Foncières bénéficient d'un privilège (droit de paiement prioritaire) conformément à l'article L. 515-19 du Code monétaire et financier sur tous les actifs et droits de l'Émetteur.</li> <li>• <b><u>Maintien de l'emprunt à son rang</u></b> Aucun.</li> <li>• <b><u>Cas de défaut, y compris le défaut croisé</u></b> Aucun.</li> </ul>
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		<ul style="list-style-type: none"> <li>• <b><u>Fiscalité</u></b> Tous les paiements de principal et d'intérêts effectués par ou pour le compte de l'Émetteur au titre des Obligations Foncières devront l'être nets de toute retenue à la source ou prélèvement, de toutes taxes, droits, impôts ou prélèvements de toute nature, imposés, levés, collectés ou retenus à la source par ou pour le compte de tout Etat ou de toute autorité de cet Etat ayant le pouvoir de lever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi. Il n'y aura pas de clause de paiement de montants additionnels "gross -up" (clause de brutage) et, corrélativement, pas d'option de remboursement pour raisons fiscales à l'initiative de l'Émetteur.</li> <li>• <b><u>Droit applicable</u></b> Droit français. <b>Résumé spécifique à l'émission :</b> Prix d'Emission : [●] % du Montant Nominal Total [majoré des intérêts courus à compter de [insérer la date] (si applicable)]. Valeur Nominale Unitaire : [●]</li> </ul>
C.9	Intérêts, échéance et modalités de remboursement, rendement et représentation des Porteurs des Obligations Foncières	<p>Merci de vous reporter également à la section C.8 ci-dessus.</p> <ul style="list-style-type: none"> <li>• <b><u>Périodes d'intérêt et taux d'intérêts</u></b> 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. 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.</li> <li>• <b><u>Obligations Foncières à Taux Fixe</u></b> Les coupons fixes seront payables à terme échu à la date ou aux dates de chaque année prévues par les Conditions Définitives.</li> <li>• <b><u>Obligations Foncières à Taux Variable</u></b> 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 notionnel dans la devise prévue concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par la <i>International Swaps and Derivatives Association, Inc.</i> ; ou (ii) par référence au LIBOR, EURIBOR, EONIA, CMS Rate ou TEC 10, tels qu'ajustés, dans les deux cas, des marges applicables.</li> <li>• <b><u>Obligations Foncières à Coupon Zéro</u></b> Les Obligations Foncières à Coupon Zéro seront émises à leur valeur nominale ou à un prix différent du pair et ne porteront pas intérêt.</li> <li>• <b><u>Obligations Foncières Indexées sur l'Inflation</u></b> 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 « <b>Ratio de l'Indice d'Inflation</b> »), ce ratio étant lui-même déterminé grâce à :</li> </ul>

		<p>(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 Etudes Economiques (« <b>INSEE</b> ») (le « <b>CPI</b> ») (les « <b>Obligations Foncières Indexées sur le CPI</b> ») ; ou</p> <p>(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 « <b>HICP</b> ») (les « <b>Obligations Foncières Indexées sur le HICP</b> »).</p> <ul style="list-style-type: none"> <li>• <b><u>Echéances</u></b>  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.</li> <li>• <b><u>Remboursement</u></b>  Les Conditions Définitives concernées définiront les montants de remboursement dûs conformément aux Modalités des Obligations Foncières.</li> <li>• <b><u>Option de remboursement</u></b>  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.</li> <li>• <b><u>Remboursement anticipé</u></b>  Pour des raisons fiscales, si cela est spécifié dans les Conditions Définitives applicables.</li> <li>• <b><u>Rendement</u></b>  Les Conditions Définitives de chaque émission d'Obligations Foncières à Taux Fixe préciseront le rendement des Obligations Foncières.</li> <li>• <b><u>Représentation des Porteurs d'Obligations Foncières</u></b>  En ce qui concerne la représentation des Porteurs d'Obligations Foncières, les paragraphes suivants s'appliqueront: <ol style="list-style-type: none"> <li>(a) Si les Obligations Foncières sont émises en France, les Conditions Définitives concernées spécifieront que la « Masse Complète » est applicable et 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 et les dispositions du Code de commerce relatives à la Masse s'appliqueront ; et</li> </ol> <p>Si les Obligations Foncières sont émises hors de France pour les besoins de l'article L.288-90 du Code de commerce, les Conditions Définitives concernées spécifieront que la « Masse Contractuelle » est applicable et 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 sera régie par les dispositions du Code de commerce, à l'exception des articles L. 228-47, L. 228-48, L. 228-59, R.228-63, R.228-67 et R.228-69.</p> </li> </ul>
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		<p>Si les Conditions Définitives indiquent que les stipulations des paragraphes (a) ou (b) sont applicables, la Masse agira en partie par l'intermédiaire d'un représentant (le « <b>Représentant</b> ») et en partie par l'intermédiaire d'une assemblée générale 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.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Base(s) d'Intérêt : [Taux Fixe [●] %]  [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 (<i>pour les Obligations Foncières à Taux Variable</i>) 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 [●] / <i>[détailler s'il s'agit d'Obligations Foncières Indexées sur l'Inflation]</i></p> <p>Option de remboursement : [Applicable] / [Sans objet]</p> <p>Montant de Remboursement Optionnel : [Applicable : [●] par Obligation Foncière d'une Valeur Nominale Unitaire de [●] / [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): [Applicable] / [Sans objet]</p> <p>Représentation des Porteurs d'Obligations Foncières : [Masse Complète/Masse Contractuelle]</p> <p>La Masse agira par l'intermédiaire d'un représentant (le « <b>Représentant</b> ») et en partie par l'intermédiaire d'une assemblée générale des Porteurs d'Obligations Foncières. Les nom et adresse du premier Représentant sont [●] et de son remplaçant sont [●]. Le Représentant(s) désigné dans le cadre de la première Tranche de toutes Souches des Obligations Foncières sera le représentant de la Masse unique de toutes les autres Tranches de ces Souches.</p>
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C.10	<b>Paiement des intérêts liés à un (des) instrument(s) dérivé(s)</b>	<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 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	<b>Cotation et admission à la négociation</b>	<p>Une Souche d'Obligations Foncières peut être cotée et admise aux négociations sur Euronext Paris et/ou sur la Liste Officielle 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><b>Résumé spécifique à l'émission :</b></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 [[[Euronext Paris] / [la Liste Officielle de la Bourse de Luxembourg] / [●]]] à compter de [●]] / [Sans objet]</p>
C.15	<b>Description de l'impact de la valeur sous-jacent sur la valeur de l'investissement</b>	<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> <p>(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</p> <p>(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> <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><b>Résumé spécifique à l'émission :</b></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	<b>Obligations Foncières Indexées sur l'Inflation - Echéance</b>	<p>Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance indiquée dans les Conditions Définitives.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>La date d'échéance des Obligations Indexées sur l'Inflation est [●].</p>

C.17	<b>Obligations Foncières Indexées sur l'Inflation – Règlement-livraison</b>	Les Obligations Foncières Indexées sur l'Inflation feront l'objet d'un règlement en espèces.
C.18	<b>Produit des Obligations Foncières Indexées sur l'Inflation</b>	<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 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.</p>
C.19	<b>Obligations Foncières Indexées sur l'Inflation – Prix d'exercice / Prix de référence final</b>	<p>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.</p> <p>Merci de vous reporter également à la section C.9 ci-dessus.</p>
C.20	<b>Obligations Foncières Indexées sur l'Inflation – Description du sous-jacent</b>	<p>Les Obligations Foncières Indexées sur l'Inflation sont des Obligations Foncières dont le montant d'intérêt 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><b>Résumé spécifique à l'émission :</b>  <i>(Insérer pour les Obligations Foncières indexées sur CPI)</i></p> <p><b>Les Obligations Foncières Indexées sur le CPI</b></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 TRESOR&lt;GO&gt; et sur le site internet <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a>.</p>

		<p><b>Les Obligations Foncières Indexées sur le HICP</b>  <i>(Insérer pour les Obligations Foncières indexées sur HICP)</i></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 TRESOR.</p>
<b>C.21</b>	<b>Marchés de Négociation</b>	<p>Les Obligations Foncières pourront (ou non) être cotées et admises aux négociations sur Euronext Paris, la Liste Officielle de la Bourse de Luxembourg et/ou tout autre marché réglementé, tel que stipulé dans les Conditions Définitives applicables. Le présent Prospectus de Base sera donc publié à l'intention du ou des marchés réglementés ainsi désignés.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Les Obligations Foncières seront cotées et admises à la négociation sur [le marché réglementé d'Euronext Paris] / [la Liste Officielle de la Bourse de Luxembourg] / [●].]/[Sans Objet.]</p>

<b>Section D –Facteurs de Risque</b>		
<b>D.2</b>	<b>Informations clés sur les principaux risques propres à l'Émetteur ou à son exploitation et son activité</b>	<p>Les facteurs susceptibles d'avoir des répercussions sur l'Émetteur sont les suivants :</p> <ul style="list-style-type: none"> <li>- Risque de défaut sur son portefeuille d'actifs utilisé comme couverture pour l'émission d'Obligations Foncières sous le Programme (le « <b>Pool de Couverture</b> ») ;</li> </ul> <p>Les économies locales des pays dont sont issus les actifs de CAFFIL peuvent, pour différentes raisons, souffrir d'une détérioration de leur situation économique qui pourrait successivement réduire la qualité du pool de couverture mis en place par CAFFIL. Cela peut conduire à une insuffisance de fonds disponibles nécessaires à l'exécution de ses obligations financières au titre des Obligations Foncières.</p> <ul style="list-style-type: none"> <li>- Risque de concentration géographique sur son Pool de Couverture ;</li> </ul> <p>Près de 70% du Pool de Couverture est situé en France. Une telle concentration nationale pourrait accroître la probabilité de défaut sur le Pool de Couverture si le pays en question connaissait des modifications substantielles des conditions financières, économiques et fiscales. De plus, CAFFIL dispose d'une forte exposition dans d'autres zones géographiques comme la Belgique, la Suisse et l'Italie.</p> <ul style="list-style-type: none"> <li>- Risque de défaut sur ses contreparties bancaires ;</li> </ul> <p>En dépit de sa politique de gestion active du risque, CAFFIL pourrait être fortement exposée envers certains établissements financiers. Les garanties fournies par ces établissements financiers peuvent ne pas être suffisantes pour couvrir les pertes en cas de défaut d'une ou de plusieurs contreparties. Certaines contreparties, en raison de la qualité de leur crédit, n'ont pas l'obligation de fournir du collatéral. Une importante et soudaine détérioration</p>

		<p>de leur situation financière peut engendrer d'importantes pertes et réduire la liquidité nécessaire afin de remplir les obligations de CAFFIL envers les porteurs d'Obligations Foncières.</p> <ul style="list-style-type: none"> <li>- Risque d'insuffisance de liquidité qui pourrait affecter sa capacité à régler ses engagements de dette dans un délai convenable ;</li> </ul> <p>Bien que CAFFIL dispose de plusieurs sources de passif non-privilegié, elles peuvent ne pas être disponibles au moment opportun. De plus, CAFFIL peut ne pas détenir suffisamment d'actifs pour garantir l'exécution de ses obligations au titre des Obligations Foncières.</p> <ul style="list-style-type: none"> <li>- Dépendance de la SFIL, sa société mère, pour ses opérations ;</li> </ul> <p>La réglementation française requière que CAFFIL recoure 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.</p> <ul style="list-style-type: none"> <li>- Risque de défaut ou de mauvais fonctionnement des systèmes de gestion du risque opérationnel mis en place par la SFIL;</li> </ul> <p>De tels systèmes peuvent notamment être soumis à des risques de dysfonctionnement, de défaillance, ou de malveillance par les salariés, ce qui pourrait affecter négativement les résultats financiers de CAFFIL.</p> <ul style="list-style-type: none"> <li>- Risques liés au respect du Ratio de Couverture qui lui est applicable en droit français ;</li> </ul> <p>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 102% et CAFFIL s'est engagé à respecter un minimum de 105%. Les agences de notation peuvent, afin d'attribuer à la dette privilégiée de CAFFIL la note maximale, prévoir des objectifs en matière de ratio de couverture plus élevés.</p> <p>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.</p> <ul style="list-style-type: none"> <li>- Dépendance vis-à-vis de SFIL pour le financement de son sur-collatéral par des financements non privilégiés ;</li> </ul> <p>Il n'y a aucune assurance que SFIL continue de fournir à CAFFIL un financement non sécurisé réduisant le sur-collatéral disponible. Cela 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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		<ul style="list-style-type: none"> <li>- Risques liés au marché des prêts aux collectivités locales de l'UE et aux municipalités ;  Les prêts structurés souscrits par certaines collectivités locales pourraient donner lieu à une mauvaise publicité et à des contentieux, affectant la réputation de CAFFIL et pouvant réduire le montant du collatéral si certains de ces prêts sont déclarés nuls ou annulables.</li> <li>- Risque de taux d'intérêt sur son portefeuille d'actifs qui compose son Pool de Couverture ;  CAFFIL a une politique active de couverture de taux d'intérêt mais il existe un risque résiduel de taux d'intérêt non couvert lié notamment aux éventuels changements non anticipés dans le Pool de Couverture. Ce risque résiduel pourrait avoir un impact négatif sur la situation financière de CAFFIL.</li> <li>- La notation de crédit des obligations foncières de CAFFIL sera affectée par la notation de crédit de la SFIL ;  Une dégradation de SFIL peut conduire à une dégradation du passif privilégié de CAFFIL, y compris les obligations foncières en circulation.</li> <li>- CAFFIL ne conduit aucun audit sur les actifs acquis ;  A partir de 2013, CAFFIL achètera des prêts provenant de la Banque Postale. La vérification de l'éligibilité est accomplie par La Banque Postale, puis par SFIL pour CAFFIL avant la réalisation du transfert. Pour tous les prêts français contenus dans le Pool de Couverture de CAFFIL, l'éligibilité est vérifiée grâce à un contrôle quotidien réalisé par SFIL. 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.</li> <li>- 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.</li> <li>- CAFFIL peut faire face à une concurrence importante sur le marché des prêts aux collectivités locales et aux municipalités ;  La concurrence existante ou croissante sur le marché du financement du secteur public local européen pourrait conduire à une réduction des marges sur les nouveaux engagements et, ainsi, à une forte réduction de la production de nouveaux actifs pour CAFFIL ou d'une quelconque façon affecter de manière négative l'activité, les conditions financières, les flux de trésorerie et des résultats des opérations de CAFFIL.</li> <li>- CAFFIL a retenu et applique certaines règles comptables dans la préparation de ses états financiers selon les normes IFRS.  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.</li> </ul>
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		<ul style="list-style-type: none"> <li>- Les porteurs ont accès à une description limitée du Pool de Couverture ;</li> </ul> <p>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 les rapports annuels ou trimestriels de CAFFIL ou dans ses rapports sur la qualité des actifs.</p> <ul style="list-style-type: none"> <li>- Les opérations de la Caisse Française de Financement Local sont sujettes aux risques juridiques liés à des changements de loi et réglementations.</li> </ul> <p>Tout changement dans la législation actuelle (en particulier, concernant la législation relative à l'émission d'obligations foncières et aux privilèges associés à de telles obligations) ou dans la réglementation applicable à une telle législation pourrait affecter l'activité, les conditions financières, les flux de trésorerie et les résultats des opérations de CAFFIL.</p>
<b>D.3</b>	<b>Informations clés sur les principaux risques propres aux Obligations Foncières</b>	<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"> <li>- Risques généraux relatifs aux Obligations Foncières tels que : <ul style="list-style-type: none"> <li>- les investisseurs doivent procéder à une revue indépendante et obtenir un conseil professionnel concernant les Obligations Foncières émises sous Programme ;</li> <li>- 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) ;</li> <li>- 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 ;</li> <li>- 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.515-14 à L.515-18 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 ;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>- la notation de crédit des Obligations Foncières peut ne pas refléter l'ensemble des risques ;</li> <li>- un marché secondaire liquide pour les Obligations Foncières émises sous Programme peut ne pas se développer ;</li> <li>- le marché secondaire pour les Obligations Foncières émises sous Programme peut être volatile et peut être affecté de manière négative par de nombreux événements ;</li> <li>- ni CAFFIL, ni aucun des Agent(s) Placeur(s) n'assume la responsabilité de la légalité de la souscription sous Programme ;</li> <li>- 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 ;</li> <li>- la souscription des Obligations Foncières peut être soumise à certaines taxes ou autres coûts ;</li> <li>- 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 postérieure à la date du présent Prospectus de Base ;</li> <li>- Directive Européenne sur l'Épargne - si un paiement devait être effectué ou collecté au sein d'un Etat Membre qui a opté pour un système de retenue à la source prévu par la Directive (sous réserve que certaines conditions soient remplies) et qu'un montant devait être retenu sur ce paiement en tant qu'impôt, ou en vertu d'un impôt, ni CAFFIL, ni aucun agent payeur, ni aucune autre personne ne sera tenu de payer des montants additionnels afférents aux Obligations Foncières du fait de l'application de cette retenue ou de ce prélèvement à la source. CAFFIL devra maintenir un agent payeur dans un Etat Membre qui ne sera pas tenu de procéder à la retenue à la source ou au prélèvement de l'impôt en vertu de la Directive;</li> <li>- CAFFIL ne sera pas tenu de payer des montants additionnels si une loi imposait que tous paiements relatifs aux Obligations Foncières soient soumis à un prélèvement ou à une retenue à la source au titre d'un quelconque impôt ou taxe de toute nature. Par conséquent, ce risque sera supporté par les porteurs d'Obligations Foncières ou les porteurs de Coupons, le cas échéant ;</li> <li>- La retenue à la source imposée par les règles « FATCA » aux Etats-Unis est susceptible d'affecter les paiements relatifs aux Obligations Foncières - si une somme est prélevée ou retenue sur les intérêts, le principal ou tous autres paiements relatifs aux Obligations Foncières au titre de la retenue à la source imposée par les règles « FATCA », ni l'Émetteur, ni aucun agent payeur, ni aucune autre personne ne sera tenue de payer des montants additionnels résultant du prélèvement ou d'une retenue à la source, conformément aux modalités des Obligations Foncières. Par conséquent, les investisseurs pourraient recevoir des intérêts ou un principal inférieurs à ceux escomptés ;</li> <li>- La Directive sur la Résolution des Crises dans l'UE - la Commission européenne a publié des propositions relatives à une</li> </ul>
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		<p>directive sur la résolution des crises afin de mettre en place une série de mesures devant 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. La portée de la directive et son impact sur l'Émetteur sont actuellement incertains, toutefois la mise en œuvre de la directive et des mesures prises en application de celle-ci pourraient affecter la valeur des Obligations Foncières de façon significative;</p> <ul style="list-style-type: none"> <li>- La mise en place de règles de pondération des actifs en fonction du risque par Bâle II et Bâle III – la mise en œuvre de Bâle II et Bâle III 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 II et Bâle III 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 de transposition des directives relatives aux exigences de fonds propres. De plus, la mise en œuvre de Bâle II et Bâle III pourrait affecter la pondération des obligations garanties (<i>covered bonds</i>) en fonction du risque à l'égard de certains investisseurs dans la mesure où ces investisseurs sont soumis aux nouvelles règles de transposition des directives relatives aux exigences de fonds propres. Par conséquent, les destinataires du présent Prospectus de Base doivent consulter leurs propres conseils pour connaître les conséquences et les effets que la mise en œuvre des directives relatives aux exigences de fonds propres peuvent avoir sur lui.</li> </ul> <ul style="list-style-type: none"> <li>- Risques relatifs à la structure d'une émission d'Obligations Foncières sous Programme tels que : <ul style="list-style-type: none"> <li>- les Obligations Foncières émises sous Programme peuvent ne pas convenir à tous les investisseurs ;</li> <li>- les Obligations Foncières peuvent être assorties d'une option de remboursement anticipé par CAFFIL ;</li> <li>- la valeur des Obligations Foncières à Taux Fixe peut varier ;</li> <li>- les investisseurs peuvent ne pas être en mesure de calculer par avance le taux de rendement des Obligations Foncières à Taux Variable ;</li> <li>- les Obligations Foncières dont le taux peut être alternativement à taux fixe et à taux variable peuvent avoir un <i>spread</i> moins favorable que les <i>spreads</i> applicables aux titres à taux variable comparables et liés au même taux de référence ;</li> <li>- 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 ;</li> <li>- les porteurs peuvent être exposés au risque sur les Obligations Foncières Indexées sur l'Inflation, dépendant de la performance</li> </ul> </li> </ul>
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		<p>de l'indice ;</p> <ul style="list-style-type: none"> <li>- les Obligations Foncières Indexées sur l'Inflation avec un multiplicateur ou autre facteur de levier peuvent constituer des investissements particulièrement volatiles ;</li> <li>- les Obligations Foncières structurées peuvent comporter des risques importants non associés aux investissements similaires dans des titres de créance simples ;</li> <li>- les risques de taux de change et les contrôles de change peuvent affecter de manière négative le rendement des Obligations Foncières émises sous Programme.</li> </ul> <p>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.</p> <p>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.</p>
<b>D.6</b>	<b>Informations clés sur les facteurs significatifs permettant de déterminer les risques associés aux Obligations Indexées</b>	<p>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 :</p> <p>(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.</p>

<b>Section E - Offre</b>		
<b>E.2b</b>	<b>Raisons de l'offre et utilisation du produit de l'Offre</b>	<p>Le produit net de l'émission de chaque Tranche d'Obligations Foncières sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise sauf indication contraire dans les Conditions Définitives concernées.</p> <p><b>Résumé spécifique à l'émission :</b>  [Le produit net de l'émission des Obligations Foncières sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise./<i>préciser autre</i>]</p>
<b>E.3</b>	<b>Modalités de l'offre</b>	<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><b>Résumé spécifique à l'émission :</b>  [Sans objet, les Obligations Foncières ne font pas l'objet d'une offre au public.]/  [Les Obligations Foncières sont offertes au public [en France]/[au Grand-Duché de Luxembourg]</p> <p>Prix d'Offre : <span style="float: right;">[●]</span></p> <p>Conditions auxquelles l'Offre est soumise : <span style="float: right;">[Sans objet/[●]]</span></p> <p>Période d'Offre (y compris les modifications possibles) : <span style="float: right;">[●]</span></p> <p>Description de la procédure de demande de souscription : <span style="float: right;">[Sans objet/[●]]</span></p> <p>Informations sur le montant minimum et/ou maximum de souscription : <span style="float: right;">[Sans objet/[●]]</span></p> <p>Modalités et date de publication des résultats de l'Offre : <span style="float: right;">[Sans objet/[●]]</span></p>
<b>E.4</b>	<b>Intérêts des personnes morales ou physiques impliquées dans l'émission</b>	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Obligations Foncières.</p> <p><b>Résumé spécifique à l'émission :</b>  [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.]</p>
<b>E.7</b>	<b>Estimation des Dépenses mises à la charge de l'investisseur par l'Émetteur</b>	<p>Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour chaque Tranche d'Obligations Foncières.</p> <p><b>Résumé spécifique à l'émission :</b>  [Sans objet / Les dépenses mises à la charge de l'investisseur sont estimées à [●].]</p>

	<b>ou l'offreur</b>	
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## 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, as amended, (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) subject to conditions set out in the relevant Final Terms, 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) 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; (d) 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; (e) 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); (f) 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 (g) 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 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.caissefrancaisedefinancementlocal.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.**



## 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 applicable 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. Risk of default in its Cover Pool

Caisse Française de Financement Local is exposed to the risk of default on the pool of 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 Prudential Control Authority). See “Description of Caisse Française de Financement Local”. Consequently, almost all of the Cover Pool comprises loans to, or bonds purchased from, local governments and municipalities. The ability of public sector borrowers, including local governments and municipalities, to meet their payment obligations will be affected by their levels of indebtedness, social spending obligations, interest rates and tax revenue collections, each of which can be adversely affected by a deterioration of general economic conditions. Deteriorating economic conditions could therefore have a material adverse effect on the credit quality of the 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, and further production 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 fair market value of certain assets included in the Cover Pool.

While the eligibility and suitability of assets is vetted by Société de Financement Local'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 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*.

## **2. Geographic concentration risk in its Cover Pool**

As of 31 March 2013, almost 70% of the Cover Pool, measured by principal amount of the assets, was concentrated in France. The ability of French 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.

Furthermore, Caisse Française de Financement Local holds a significant amount of assets representing lending to borrowers in Belgium, Italy and Switzerland. 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.

## **3. Risk of default of its bank counterparties**

Caisse Française de Financement Local enters into derivative transactions with a number of bank hedge counterparties as part of its currency and interest rate hedging operations. In relation to each such hedging relationship, Caisse Française de Financement Local enters into master agreements with such counterparties that provide for asymmetrical collateralization arrangements (with the counterparties unilaterally posting collateral to Caisse Française de Financement Local). Some of these counterparties, however, are not required to post collateral to Caisse Française de Financement Local as they benefit from the highest credit rating. 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 in order to maintain its liquidity position (up to 15% of the nominal amount of all privileged debt allowed by applicable legislation). See "Description of Caisse Française de Financement Local – Legislation Relating to *Sociétés de Crédit Foncier*".

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. If certain hedge counterparties that do not post collateral default as to payment, Caisse Française de Financement Local is likely to experience losses and reduced liquidity. Likewise, Replacement Assets issued by banks expose Caisse Française de Financement Local to credit and liquidity risk from such banks should their financial condition deteriorate. Caisse Française de Financement Local may also 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*.

#### **4. 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 settle its liabilities. The maturity and amortization profile of the Cover Pool does not match the repayment profile and the maturity schedule of the privileged debt. The duration gap between the Cover Pool and the privileged liabilities 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 years. 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, Société de Financement Local, and, if needed, on secured financings it can borrow from the *Banque de France* or from financial institution counterparties using its assets from the Cover Pool, a significant part of which is eligible as collateral for such liquidity operations (including Replacement Assets). 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, Société de Financement Local, is diminished, and if it no longer maintains sufficient assets eligible for refinance with financial institution counterparties, 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*.

#### **5. Dependence on Société de Financement Local, 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, Société de Financement Local, for the day-to-day operation of its business and, in particular, the servicing of its asset portfolio. Société de Financement Local, 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 Société de Financement Local 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 Société de Financement Local 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*.

#### **6. Risk of failure or malfunction of the operational risk management systems put in place by Société de Financement Local**

Société de Financement Local 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, malfunction and malfeasance by employees, agents or other third parties, adversely

affecting Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

#### **7. 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, has been subject to fluctuation in recent years. Such fluctuation has been driven by factors such as the purchase or origination of assets before issuances of *obligations foncières*, the use of certain assets as collateral for liquidity operations with the Banque de France, 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 102% of the amount of liabilities benefiting from the *privilège*. Caisse Française de Financement Local's own management policy sets the minimum Coverage Ratio at 105%, and certain credit rating agencies request higher Coverage Ratios in order to maintain the then current ratings assigned to Caisse Française de Financement Local's *obligations foncières*.

As the Cover Pool is limited to interests in obligations of 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 or decline in creditworthiness. 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 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 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.

#### **8. Dependence on Société de Financement Local for the unsecured funding of its over-collateral**

Société de Financement Local is the main provider of unsecured funding to Caisse Française de Financement Local, which finances the over-collateral, or assets of Caisse Française de Financement Local that are not financed by the issuance of *obligations foncières*. The over-collateral is essential to Caisse Française de Financement Local's ability to meet any liquidity shortfall arising from the gap between the maturity and amortization profile of the *obligations foncières* and that of the assets included in the Cover Pool, to meet its commitment to maintain a Coverage Ratio greater than or equal to 105%, and maintain the current credit ratings of *obligations foncières*.

Caisse Française de Financement Local's overcollateralization is financed by equity contributions, through a current account agreement granted to it by Société de Financement Local and by a long-term revolving credit facility extended to it by Société de Financement Local that put in place the support received from Société de Financement Local and its reference shareholder, the French state. There can be no assurance that the long-term credit facility agreement or the current account agreement from Société de Financement Local will continue 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*.

## **9. Risks relating to the EU local government and municipal lending market**

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. In particular, local governments and municipalities in Europe have widely subscribed to structured loan products as part of the diversification of their funding. Due to changes in market conditions leading to higher interest rates on their borrowings, certain local governments and municipalities may consider that they had not been sufficiently informed by the sellers of such loan products of the potential risks of such products, including in relation to the amount of their interest payments. These borrowers may widely express their opinion in the media or initiate litigation against the originating banks. As some structured loan products that have been originated by members of the Dexia Group are part of Caisse Française de Financement Local's Cover Pool, Caisse Française de Financement Local may be affected by such press articles or litigation. Such adverse publicity 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. 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.

## **10. Interest rate risk on its portfolio of assets which make up the Cover Pool**

Société de Financement Local, on behalf of Caisse Française de Financement Local, implements asset-liability management policies designed to minimize exposure to interest rate risk by using derivatives (primarily interest rate swaps), including routinely entering into micro hedges to hedge interest rate exposure resulting from a particular asset or specific transaction. Société de Financement Local, on behalf of Caisse Française de Financement Local, also enters into macro hedges to hedge a particular portfolio of assets, and manage overall balance sheet exposure. Nevertheless, Caisse Française de Financement Local is exposed to 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, before being hedged, may adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

## **11. Credit rating of Caisse Française de Financement Local's *obligations foncières* will be affected by the credit rating of Société de Financement Local**

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, Société de Financement Local, as well as the strength of parental support. The credit rating of Société de Financement Local is closely linked to the credit rating of the French state. Decreases in the credit rating of Société de Financement Local 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 Société de Financement Local. 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*.

## **12. Caisse Française de Financement Local undertakes no due diligence as to the assets purchased**

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 will purchase loans originated by La Banque Postale – See Material contracts. The verification of eligibility is performed by La Banque Postale, and then by Société de Financement Local 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 Société de Financement Local. 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 back 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.

### **13. 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 Société de Financement Local, 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 Société de Financement Local 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*.

### **14. Caisse Française de Financement Local may face significant competition in the local government and municipal lending market**

Caisse Française de Financement Local may face increasing competition in the local government and municipal lending market 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 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 EU municipal banking sector 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.

## **15. Caisse Française de Financement Local applies certain critical accounting policies in preparing its financial statements in accordance with IFRS**

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

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.

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 restated at a later date. Hedge accounting may be used for derivatives designated in this way, provided certain criteria are met. If the hedge no longer meets the criteria for hedge accounting, then an adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortized to income over the period to maturity. If a derivative does not perfectly hedge an asset or a liability, the non-effective portion of the changes in the fair value of the derivatives is recognized in income.
- Fair value of assets: judgment is used to determine whether there is an active market or not for each asset; market prices can be used in case of an active market, otherwise valuation techniques are used.
- 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 judgement. The amount of impairment represents management's best estimate of recoverable amounts and losses at each balance-sheet date.
- Litigations: in the context of litigation, a liability is recorded in the accounts if a present obligation will result in probable outflows; if the liability is uncertain in its timing or amount, a provision is recognized. The amount of the provision is based on management's estimate of the amount of the obligation.
- 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.

If the assumptions and estimates which Caisse Française de Financement Local has used to prepare its historical financial statements, which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable, turn out to be incorrect and must be changed and such changes are material, such new assumptions or estimates could have an adverse effect on Caisse Française de Financement Local's financial statements.

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.

## **16. Holders have access to a limited description of the Cover Pool**

Save as provided in Caisse Française de Financement Local's annual or quarterly reports, or Caisse Française de Financement Local's report on assets quality, 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*.

## **17. Caisse Française de Financement Local's operations are subject to legal risks arising from changes in law and 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 French Prudential Control Authority. Any changes to the current legislation (in particular, legislation relating to the issuance of obligations foncières and the *privilège* attached to such *obligations foncières*) or regulations applying such legislation could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

### **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**

Potential conflicts of interest may arise between the various parties operating under the Programme and the investor. For example, conflicts may arise between the holders of *Obligations Foncières* and 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*.

### **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 Monetary and Financial Code, 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.515-14 to L.515-18 of the French Monetary and Financial Code, 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, waivers and substitution of conditions affecting the *Obligations Foncières* that are not desired by all holders can be effected by a majority**

The conditions of the *Obligations Foncières* contain provisions for calling general meetings of holders of *Obligations Foncières* to consider matters affecting their interests generally. These provisions permit defined majorities of less than 100% to bind all including holders of *Obligations Foncières* who did not attend or were not represented at the relevant general meeting, and holders of *Obligations Foncières* who voted in a manner contrary to the majority.

#### **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 sale or repayment thereof, may be subject to taxation or other 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 but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale 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 EU Savings Directive**

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise. See "Taxation – EU Taxation".

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above. If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither CAFFIL nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any *Obligation Foncière* as a result of the imposition of such withholding tax. CAFFIL will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

### **1.13 CAFFIL will not be required to pay any gross-up amounts**

If any law should require that any payments in respect of any *Obligation Foncière* be subject to deduction or withholding in respect of any taxes or duties whatsoever, CAFFIL will not pay any additional amounts, unless otherwise provided in the relevant Final Terms, in respect of any such deduction or withholding. Therefore, the corresponding risk shall be borne by the holders of *Obligations Foncières* or if applicable, the Couponholders.

### **1.14 U.S. Foreign Account Tax Compliance Withholding may affect payments on the *Obligations Foncières***

The U.S. "**Foreign Account Tax Compliance Act**" (or "**FATCA**") imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. The Issuer is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the *Obligations Foncières*, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the *Obligations Foncières*, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act.*"

### **1.15 EU Crisis Management Directive**

The European Commission has published proposals for a crisis management directive which is intended 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 full scope of the directive and its impact on the Issuer is currently unclear but the implementation of the directive or the taking of any action under it could materially affect the value of any *Obligations Foncières*.

On 6 June 2012, the European Commission published a draft legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Crisis Management Directive**" or "**CMD**"). The stated aim of the draft CMD is to

provide resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' contributions to bank bail-outs and/or exposure to losses. The powers provided to authorities in the draft CMD 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) if insolvency of a firm presents a concern as regards the general public interest, a clear means to reorganise or wind down the firm in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses.

The draft CMD currently 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 of all or part of the business of the firm to a "bridge bank" (a public controlled entity);
- (iii) *asset separation* - enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time; and
- (iv) *bail-in* - gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert debt claims to equity (subject to certain parameters as to which liabilities would be eligible for the bail-in tool).

The draft CMD currently contemplates that it will be implemented in Member States with effect from 1 January 2015, except for the bail in tool, which is contemplated to be implemented by 1 January 2018.

The powers currently set out in the draft CMD would impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. However, the proposed directive is not in final form and changes may be made to it in the course of the legislative process. In addition, certain proposals contained in the draft CMD are already included in the French Monetary and Financial Code and it is currently unclear to what extent, the provisions of the French Monetary and Financial Code will be amended once the draft CMD is implemented.

In addition, a draft bill regarding the separation and the regulation of banking activities, that anticipates the implementation of the CMD, has been adopted by the Council of Ministers on 19 December 2012 and was recently adopted by the *Assemblée Nationale* on 5 June 2013 and passed on to the *Sénat* for its second reading.

Accordingly, it is not yet possible to assess the full impact of the draft CMD on the Issuer and there can be no assurance that, once it is implemented, the fact of its implementation or the taking of any actions currently contemplated in it would 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*.

#### **1.16 Implementation of Basel II and Basel III Risk-Weighted Asset Framework**

In June 1999, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued proposals for the reform of the 1988 Basel Capital Accord and proposed a new capital adequacy framework which would place enhanced emphasis on risk sensitivity and market discipline. On 26 June 2004, the Basel Committee published a new Capital Accord under the title "Basel II International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"), an updated version of which was published in November 2005. Basel II was implemented under EU legislation by virtue of directives no. 2006/48 and no. 2006/49 (the "**Capital Requirements Directives**" as amended from time to time) both dated 14 June 2006. In France, the provisions of the Capital Requirements Directives providing for a new solvency ratio were implemented under the *arrêtés* dated 20 February 2007 and the *ordonnance* no. 2007-571 dated 19 April

2007. In addition, the *arrêté* dated 25 August 2010 transposing the Capital Requirements Directives, which came into effect on 31 December 2010, amended the French prudential control requirements applicable to credit institutions and investment firms.

On 17 December 2009, the Basel Committee published for consultation a package of proposals for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. On 16 December 2010 and 13 January 2011, the Basel Committee has approved significant changes to Basel II ("**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*").

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. The Basel III reforms have not yet been implemented by relevant authorities in the European Union. First drafts of the European Union's legislation to implement the Basel III reforms, being amendments to the Capital Requirements Directive (*directive CRD IV*) and an accompanying regulation (the *Capital Requirement Regulation*) were released on 20 July 2011. A number of revised drafts of CRD IV and CRR have been published since. It is not yet known when CRD IV and CRR will be finalised and what the scheduled date will be for, in the case of CRD IV, its implementation under French law and, in the case of CRR, its direct application in France.

The implementation of Basel II and Basel III 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 II and 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 Capital Requirements Directives.

In addition, the implementation of Basel II and Basel III 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 Capital Requirements Directives. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the Capital Requirements Directives 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 Holders will not be able to calculate their rate of return on Floating Rate *Obligations Foncières* in advance**

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 Fixed to Floating Rate *Obligations Foncières* may have a less favorable spread than the prevailing spreads on comparable floating rate securities tied to the same reference rate**

Fixed to floating rate *Obligations Foncières* initially bear interest at a fixed rate; conversion from a fixed rate to a floating rate then takes place either automatically or at the option of CAFFIL if certain predetermined conditions are met. The conversion (whether it be automatic or optional) of the interest rate will affect the secondary market and the market value of the *Obligations Foncières* since the conversion may

lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate *Obligations Foncières* may be less favorable than then prevailing spreads on comparable floating rate *Obligations Foncières* tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other *Obligations Foncières*.

## **2.6 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.

## **2.7 Holders may be exposed to risk on Inflation Linked *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 (“**Inflation Linked *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 Linked *Obligations Foncières*.

Inflation Linked *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 Linked *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 Linked *Obligations Foncières*. The issue of Inflation Linked *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).

## **2.8 Inflation Linked *Obligations Foncières* and Formulas with a multiplier or other leverage factor can be particularly volatile investments**

Inflation Linked *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.

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

An investment in *Obligations Foncières*, 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 Foncière*.

## **2.10 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.



## 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 former Dexia Municipal Agency (now Caisse Française de Financement Local), incorporating its audited annual accounts for the period ended 31 December 2011 (the “**2011 Annual Report**”)<sup>1</sup>;
- (b) the Annual Report in French language relating to Caisse Française de Financement Local (previously Dexia Municipal Agency), incorporating its audited annual accounts for the period ended 31 December 2012 (the “**2012 Annual Report**”)<sup>2</sup>;
- (c) the Interim Financial report in French language relating to Caisse Française de Financement Local, incorporating the interim financial statements of Caisse Française de Financement Local for the period ended 31 March 2013 (the “**March 2013 Interim Financial Report**”)<sup>3</sup>; and
- (d) 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 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**”) and 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**”) and together with, the 2006 EMTN Conditions, the 2008 EMTN Conditions and the 2009 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.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr)) and/or (iii) the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours.

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.

<sup>1</sup> For information purposes only, the English translation of the 2011 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.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr)).

<sup>2</sup> For information purposes only, the English translation of the 2012 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.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr)).

<sup>3</sup> For information purposes only, the English translation of the March 2013 Interim Financial 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.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr)).

<b>Annex 11.11 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	<b>March 2013 Interim Financial Report</b>	<b>Annual Report 2011</b>	<b>Annual Report 2012</b>
<b>A11.11.1. <u>Historical Financial Information</u></b>	X	X	X
<ul style="list-style-type: none"> <li>– the IFRS balance sheet;</li> <li>– the French GAAP balance sheet</li> </ul>	<ul style="list-style-type: none"> <li>Page 29</li> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Page 35</li> <li>Page 72</li> </ul>	<ul style="list-style-type: none"> <li>Page 35</li> <li>Page 68</li> </ul>
<ul style="list-style-type: none"> <li>– the IFRS income statement;</li> <li>– the French GAAP income statement</li> </ul>	<ul style="list-style-type: none"> <li>Page 30</li> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Page 36</li> <li>Page 73</li> </ul>	<ul style="list-style-type: none"> <li>Page 36</li> <li>Page 69</li> </ul>
<ul style="list-style-type: none"> <li>– in the case of an admission of securities to trading on a regulated market only, a IFRS cash flow statement;</li> <li>– in the case of an admission of securities to trading on a regulated market only, a French GAAP cash flow statement</li> </ul>	Page 32	Page 38	Page 38
	N/A	Page 75	Page 71
<ul style="list-style-type: none"> <li>– the accounting policies and IFRS explanatory notes;</li> <li>– the accounting policies and French GAAP explanatory notes;</li> </ul>	Page 33 to 61	Pages 39 to 70	Pages 39 to 66
	N/A	Pages 76 to 94	Pages 72 to 87
<ul style="list-style-type: none"> <li>– the management report;</li> </ul>	Pages 3 to 27	Pages 3 to 27	Pages 5 to 26
<ul style="list-style-type: none"> <li>– coverage ratio</li> </ul>	Pages 16 and 17	Page 98	Page 91
<b>A11.11.3 <u>Auditing of historical annual financial information</u></b>	X	X	X
<p>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.</p>	IFRS Auditors' reports Page 62 to 64	IFRS Auditors' reports Page 71  French GAAP Auditors' reports Page 95	IFRS Auditors' reports Page 67  French GAAP Auditors' reports Page 88
<p>A11.11.3.2. An indication of other information in the registration document which has been audited by the auditors.</p>	N/A	Pages 133 to 135	Pages 120 to 124

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.

<b>EMTN Previous Conditions</b>	
2006 EMTN Conditions	Pages 28 to 50
2008 EMTN Conditions	Pages 31 to 54
2009 EMTN Conditions	Pages 29 to 50
2010 EMTN Conditions	Pages 33 to 54

Non-incorporated parts of the base prospectuses of the Issuer dated 21 July 2006, 24 July 2008, 10 July 2009 and 2 July 2010 are not relevant for the investors.

## 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 26 June 2013 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 European Economic Area (“**EEA**”) as defined in the Markets in Financial Instruments Directive 2004/39/EC.

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 Monetary and Financial Code by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Monetary and Financial Code) 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**”).

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 S.A./N.V. (“**Euroclear**”) and the depositary bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

- (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 Monetary and Financial Code 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**”) save that the minimum denomination of each *Obligation Foncière* admitted to trading on a Regulated Market, or offered to the public, in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be at least €1,000 (or, if the *Obligations Foncières* are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. 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 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 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 Euros 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.

## 2 Conversions 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 Monetary and Financial Code. 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.515-19 of the French Monetary and Financial Code as described in Condition 4.

## 4 *Privilège*

- (a) The *Obligations Foncières* benefit from the *Privilège* (priority right of payment) pursuant to Article L.515-19 of the French Monetary and Financial Code.
- (b) In accordance with Article L.515-19, all sums payable to the Issuer in respect of loans, assimilated receivables, exposures or securities referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code and the forward financial instruments referred to in Article L.515-18 (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 Monetary and Financial Code 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.515-18 of the French Monetary and Financial Code.

- (c) Article L.515-19 of the French Monetary and Financial Code provides that, notwithstanding any legislative provisions to the contrary and in particular those contained in the French Code of 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 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 Centres, 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 Centres

“**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**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” 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)
- (ii) 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 hereon or, if none is so specified, the Interest Payment Date

- (iii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- (iv) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360
- (v) 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:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (vi) 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:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” 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 **D<sub>2</sub>** will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, 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:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” 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 **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” 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 **D<sub>2</sub>** will be 30

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

“**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

“**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 and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone 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 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 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

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

“**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 Formulas:**

(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 ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

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

(B) 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, the Rate of Interest for each Interest Accrual Period will, subject as provided 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 as at either 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 as determined by the Calculation Agent. If five 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.

If the Reference Rate from time to time in respect of Floating Rate *Obligations Foncières* is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such *Obligations Foncières* will be determined as provided hereon.

- (b) if the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (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, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, 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) or, 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, as the case may be, 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, as the case may be, 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 applicable 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, 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 applicable 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 **d<sub>0</sub>**, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Interest Accrual Period;

“**d<sub>0</sub>**” for any Interest Accrual Period, is the number of TARGET Business Days in the relevant Interest Accrual Period;

“**EONIA<sub>i</sub>**”, 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<sub>i</sub>**” is the number of calendar days in the relevant Interest Accrual Period on which the rate is EONIA<sub>i</sub>; and

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

- (e) Where Screen Rate Determination is specified in the applicable 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 will, subject as provided below, be determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

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 applicable Final Terms.

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

“**Designated Maturity**”, “**Margin**”, “**Specified Time**” and “**Relevant Screen Page**” shall have the meaning given to those terms in the applicable 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 Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable 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 applicable 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 the TEC10, the Rate of Interest for each Interest Accrual Period will be, subject as provided below, 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-CNO<sup>4</sup>, calculated by the *Comité de Normalisation Obligataire* (“**CNO**”), which appears on the Relevant Screen Page, being the caption “TEC10” on the Reuters Screen CNOTEC10 Page or any successor page, as at 10.00 a.m. Paris time on the Interest Determination Date in question.

If, on any Interest Determination Date, TEC10 does not appear on Reuters Screen CNOTEC 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.

<sup>4</sup> All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

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.

(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”) 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 applicable Final Terms (the “Base Reference”). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to five 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<sub>M</sub>” 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 five 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 TRESOR <GO> pages and on the website [www.aft.gouv.fr](http://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](http://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.

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 above).

(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 would 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<sub>M</sub>=

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

- (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:

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

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**") 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 applicable Final Terms (the “**Base Reference**”). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to five 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<sub>M</sub>**” 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<sub>M-2</sub>**”: the level of the HICP Monthly Reference Index published in relation to month M - 2;

“**HICP Monthly Reference Index<sub>M-3</sub>**”: 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](http://www.aft.gouv.fr). and on Bloomberg page TRESOR.*

“**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) 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* specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined above).

(c)

(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 would 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<sub>M</sub> =

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

(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 €100,000)*

(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 €100,000 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:

$$\text{Rate of Interest} = \text{Participation} \times (\text{Index 1} - \text{Index 2}) + \text{Spread}$$

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 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);

**"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<sub>M</sub>"**: 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<sub>M'</sub>"**: 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 applicable 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 applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the CPI Monthly Reference Index<sub>M</sub> or the CPI Monthly Reference Index<sub>M'</sub> 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<sub>M</sub>"**: 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<sub>M</sub>**”: 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 applicable 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 applicable Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the HICP Monthly Reference Index<sub>M</sub> or the HICP Monthly Reference Index<sub>M'</sub> is or are not published in a timely manner, Condition 5(c)(iv)(B)(c) shall apply.

- (B) When the TEC10 Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least €100,000 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:

$$\text{Rate of Interest} = \text{Participation} \times (1 + \text{TEC10} + \text{Spread})^k - 1$$

Where:

"**Participation**" means the coefficient specified in the relevant Final Terms;

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

"**TEC10**" means the offered quotation (expressed as a percentage rate per annum) for the EUR-TEC10-CNO<sup>5</sup>, calculated by the *Comité de Normalisation Obligataire* (“**CNO**”), which appears on the Relevant Screen Page, being Reuters Screen CNOTEC10 Page or any successor page, as at 10.00 a.m. Paris time on the Interest Determination Date;

"**k**" means the coefficient specified in the relevant Final Terms.

If, on the relevant Interest Determination Date, TEC10 does not appear on the relevant Screen Page at the relevant time, the adjustment provisions set out in Condition 5(c)(iii)(f) shall apply.

- (C) When the CPI Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least €100,000 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<sub>M</sub>**”: 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<sub>M'</sub>**”: the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M’ ;

<sup>5</sup> All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

" $M$ " is the calendar month, falling such number of calendar months (as specified in the applicable 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 applicable 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 €100,000 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:

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

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 applicable 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 applicable 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 to convert on the date set out in the Final Terms 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.
- (e) **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)).
- (f) **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.
- (g) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts, 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 or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be
- (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.
- (h) **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.
- (i) **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.

- (j) **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, unless otherwise provided, is its nominal amount).
- (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 as may be 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 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 so specified 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 Early Redemption Amount payable in respect of any Zero Coupon *Obligation Foncière*, 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(e) if so specified in the relevant Final Terms shall be the Amortised Nominal Amount (calculated as provided below) of such *Obligation Foncière*.

- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal 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 Amortised Nominal 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 Early Redemption Amount payable in respect of any such *Obligation Foncière* upon its redemption pursuant to Condition 6(e) is not paid when due, the Early Redemption Amount due and payable in respect of such *Obligation Foncière* shall be the Amortised Nominal Amount of such *Obligation Foncière* as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal 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 applicable 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 Final Redemption Amount.

- (e) **No Redemption for Taxation Reasons:** If French law should require that payments of principal or interest in respect of any *Obligation Foncière* be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, 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, 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 be held and resold for the purpose of enhancing the liquidity of the *Obligations Foncières* in accordance with Articles L.213-1 A and D.213-1 A of the French Monetary and Financial Code.
- (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 reissued 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.515-32-1 of the French Monetary and Financial Code, 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.

**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 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). No commission or expenses shall be charged to the holders of *Obligations Foncières* or Coupons in respect of such payments.

- (d) **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 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 allowed to provide in France services relating to issues of securities within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions (v) a Registration Agent, (vi) so long as Materialised *Obligations Foncières* are outstanding, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive and (vii) such other agents as may be required by any other Regulated Market or stock exchange on which the *Obligations Foncières* may be listed and 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.



(e) **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 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*.
- (f) **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).
- (g) **Business Days for Payment:** 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.

- (h) **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 Tax:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the *Obligations Foncières* 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 or interest in respect of any *Obligation Foncière*, or any Coupon relating thereto, be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will not be required to pay any additional amounts in respect of any such deduction or withholding.
- (c) **Supply of Information:** Each holder of *Obligations Foncières* shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

## 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 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Representation of holders of *Obligations Foncières*

- (a) **In respect of the representation of the holders of *Obligations Foncières*, the following shall apply:**
- (i) If the *Obligations Foncières* are issued in France, relevant Final Terms will specify that “Full *Masse*” is applicable and 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* and the provisions of the French Code of Commerce relating to the *Masse* shall apply subject to the below provisions of this Condition 10(a)(i).

The names and addresses of the initial Representative of the *Masse* 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.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the holders of *Obligations Foncières* (the “**General Meeting**”).

In accordance with Article R.228-71 of the French Code of Commerce, the right of each holder of *Obligations Foncières* to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such holder of *Obligations Foncières* as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where of a General Meeting shall be held will be set out in the notice convening such General Meeting; or

- (ii) If the *Obligations Foncières* are issued outside France for the purpose of Article L.228-90 of the French Code of Commerce, the relevant Final Terms will specify that “Contractual *Masse*” is applicable and 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* (in each case, the “*Masse*”) which will be subject to the below provisions of this Condition 10(a)(ii).

The *Masse* will be governed by the provisions of French Law with the exception of Articles L. 228-47, L. 228-48, L. 228-59, R.228-63, R.228-67 and R.228-69 of the French Code of Commerce subject to the following provisions:

**(A) Legal Personality**

The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the holders of *Obligations Foncières* (the “**General Meeting**”).

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

**(B) Representative**

The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- the Issuer;
- any entity holding at least 10 per cent. of the share capital of the Issuer or any entities at least 10 per cent. of the share capital of which is held by the Issuer;
- any entity guaranteeing all or part of the obligations of the Issuer;
- any member of the management board (*Directoire*) and supervisory board (*Conseil de Surveillance*), any statutory auditors, any employee, managers (*gérants*), general managers (*directeurs généraux*), members of the board of directors (*Conseil d'Administration*) (or their respective ascendants, descendants and spouses) of any entities referred to in (i), (ii) and (iii) above; and
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the 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.

The Representative will not be entitled to any remuneration in connection with its functions or duties.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

### **(C) Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting and except as provided by paragraph 1 of Article L. 515-31 of the French Monetary and Financial Code) have the power to take all acts of management necessary in order to defend the common interests of the holders of *Obligations Foncières*.

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*).

The Representative may not be involved in the management of the affairs of the Issuer.

### **(D) General Meeting**

A General Meeting may be held at any time, on convocation 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 the *Obligations Foncières* outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the holders of *Obligations Foncières* may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 13.

Each holder of an *Obligation Foncière* has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify<sup>6</sup>, videoconference or any other means of telecommunication allowing the identification of the participating holders of the *Obligations Foncières*. Each *Obligation Foncière* carries the right to one vote or, in the case of *Obligations Foncières* issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such *Obligation Foncière*.

In accordance with Article R. 228-71 of the French Code of Commerce, the rights of each holder of an *Obligation Foncière* to participate in a General Meeting must be evidenced by entries in the books of the relevant Account Holder of the name of such holder of an *Obligation Foncière* on the third business day in Paris preceding the date set for the relevant General Meeting at 0.00, Paris time.

### **(E) Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the *Obligations Foncières*, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) by holders of *Obligations Foncières*,

<sup>6</sup> At the date of this Base Prospectus the *statuts* of the Issuer do not contemplate the right for a holder of an *Obligation Foncière* to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating holders of *Obligations Foncières*.

nor establish any unequal treatment between the holders of *Obligations Foncières*, nor decide to convert *Obligations Foncières* into shares.

General Meetings may deliberate validly on first convocation only if 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. Decisions at meetings shall be taken by a two-third majority of votes cast by holders of *Obligations Foncières* attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 13.

(b) **Information to holders of *Obligations Foncières***

Each holder of an *Obligation Foncière* or representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports 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, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(c) **Expenses**

The Issuer will pay all reasonable expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable on the *Obligations Foncières*.

(d) **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.

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.515-32-1 and L.213-1 A of the French Monetary and Financial Code that are held by it and not cancelled.

## 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*) with the *Obligations Foncières* provided such *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 *Obligations Foncières* provide for such assimilation and references in these Conditions to “*Obligations Foncières*” shall be construed accordingly.
- (b) **Consolidation:** The Issuer may 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 following 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 listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://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 (i) 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 (ii) in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (iii) they are published following 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 (iv) so long as the *Obligations Foncières* are listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://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, Luxembourg 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) following 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 listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris and the rules of such Regulated Market so permit, on the website of the AMF, or (b) in a leading newspaper of general circulation in Europe.

#### 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 in Hauts de Seine.

## **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 depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”), Euroclear or Clearstream, Luxembourg 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 Depository 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, Luxembourg 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, Luxembourg 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 the C Rules 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*.



## USE OF PROCEEDS

The net proceeds of the issue of the *Obligations Foncières* will be used for the Issuer's general corporate purposes. If in respect of any particular issue of *Obligations Foncières*, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## DESCRIPTION OF CAISSE FRANÇAISE DE FINANCEMENT LOCAL

Caisse Française de Financement Local was previously known as Dexia Municipal Agency. On 31 January 2013, the company was renamed and sold by Dexia Credit Local to Société de Financement Local (“**SFIL**”). All Caisse Française de Financement Local’s balance sheet *i.e.* assets and liabilities have been sold. This sale was part of the orderly resolution plan of the Dexia Group and the creation of a new organization for the financing of the local public sector in France.

Caisse Française de Financement Local is a limited liability company (*société anonyme à directoire et conseil de surveillance*) organised under the laws of the Republic of France. It is licensed as a specialized credit institution known as a “financial company” (*société financière*), which is one of the five types of credit institutions recognized and regulated under French banking law. That license specifies that Caisse Française de Financement Local is a *société de crédit foncier*, which is a restricted category of financial company with a specific purpose. See “Description of Caisse Française de Financement Local – The Legal Regime Applicable to CAFFIL – Legislation Relating to *Sociétés de Crédit Foncier*”.

Caisse Française de Financement Local was approved by the *Comité des établissements de crédit et des entreprises d’investissement* (an institution now merged in the French *Autorité de contrôle prudentiel* (the “**French Prudential Control Authority**”)) on 30 August 1999, as *société financière – société de crédit foncier*. This approval became definitive on 1 October 1999. It is governed by the provisions of Articles L.210-1 and following of the French Code of Commerce, Articles L.511-1 and following and R.511-1 and following of the French Monetary and Financial Code and Articles L.515-13 and following and R.515-2 and following of the French Monetary and Financial Code.

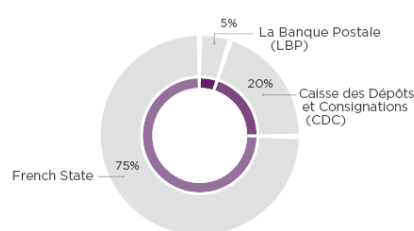
Under the French regulatory framework and as set out in Article 2 of Caisse Française de Financement Local 's by-laws and in compliance with its license, Caisse Française de Financement Local may only make or acquire public sector loans, acquire public sector obligations, and acquire debt securities backed by public sector obligations (the “**Eligible Assets**”). Caisse Française de Financement Local is also permitted to invest in certain highly liquid cash-like securities, instruments and deposits and loans (the “**Replacement Assets**”). However, Caisse Française de Financement Local may not hold equity participations or other forms of equity interest. Caisse Française de Financement Local finances its business principally by the issuance of *obligations foncières* and other forms of privileged debt benefiting from a legal priority in right of payment.

Holders of *obligations foncières* issued by Caisse Française de Financement Local benefit from a legal priority in right of payment called the *privilège* on all assets and cash flows of Caisse Française de Financement Local. Pursuant to French law, 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*), no other creditors of a *société de crédit foncier*, and therefore of Caisse Française de Financement Local, can claim cash flows generated by its asset portfolio until Caisse Française de Financement Local’s obligations in respect of its privileged liabilities are discharged in full. Caisse Française de Financement Local 's privileged liabilities, which rank *pari passu* among themselves, are comprised of *obligations foncières* or other forms of privileged debt, liabilities to derivative counterparties, and liabilities to Société de Financement Local (“**SFIL**”) and other entities under the management and loan service agreements. See “Description of Caisse Française de Financement Local – The Legal Regime Applicable to CAFFIL – The *Privilège* (Statutory Priority in Right of Payment)”.

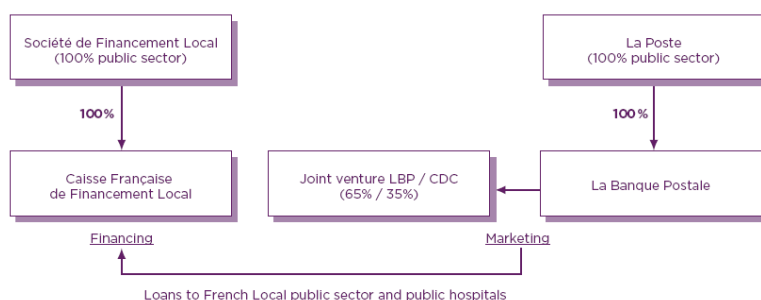
Caisse Française de Financement Local may also fund the above-mentioned activities by issuing bonds or other sources of financing that do not benefit from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code. This debt includes a current account agreement with SFIL and a long-term revolving credit facility granted by SFIL with unlimited drawdown capacity which finances the portion of assets comprising the over-collateral and other liquidity needs.

## 100% PUBLIC SECTOR SHAREHOLDERS AND THE FRENCH STATE AS REFERENCE SHAREHOLDER

Shareholders of Société de Financement Local (SFIL)



New organization for the financing of the local public sector in France



Caisse Française de Financement Local is a wholly-owned subsidiary of SFIL. SFIL shareholders are the French State (75%), Caisse des Dépôts et Consignations (20%), and La Banque Postale (5%). The French State is the reference shareholder for the French Prudential Control Authority, underlining its commitment to ensure oversight and strategic decision-making, as well as its determination to ensure SFIL's ongoing financial transactions if so required.

SFIL is a credit institution registered by the French Prudential Control Authority. Its 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 *sociétés de crédit foncier*, in particular within the meaning of Article L.515-22 of the French Monetary and Financial Code.

SFIL and Caisse Française de Financement Local are part of the organisation of the new public sector structure 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 organisation:

- commercial activities developed by La Banque Postale and its joint-venture with Caisse des Dépôts et Consignations,
- refinancing activities conducted by Caisse Française de Financement Local,
- operational functions in support of the above performed under the responsibility of SFIL.

The joint-venture between La Banque Postale (LBP) and Caisse des Dépôts et Consignations (CDC) was named La Banque Postale Collectivités Locales; it is owned 65% by LBP and 35% by CDC and is registered as *intermédiaire en opération de banque*. It will consist in a call center for customers and a research department.

Before 2013, Dexia Municipal Agency's *obligations foncières* issues provided the largest part of Dexia's long-term funding programme.

From 2013, Caisse Française de Financement Local will buy loans originated by La Banque Postale and refinance them together with its current cover pool, through the issuance of *obligations foncières*.

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. It therefore relies on the resources provided to it by its parent company, SFIL for the day-to-day operation of its business including the servicing of its loan portfolio. SFIL, in accordance with the terms of

the management agreement entered into between Caisse Française de Financement Local and SFIL (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources 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. See “Description of Caisse Française de Financement Local – The Legal Regime Applicable to CAFFIL”.

In addition:

- SFIL manages the reduction in sensitivity of structured loans on the balance sheet of CAFFIL;
- SFIL provides CAFFIL with the non-privileged debt its activity requires;
- SFIL has intermediated the long term derivatives operations previously existing with Dexia.

Caisse Française de Financement Local is governed by an Executive Board and a Supervisory Board. See “Administrative, Management and Supervisory Bodies”.

Caisse Française de Financement Local's registered office is located at La Défense 2 - 1, passerelle des Reflets - 92 913 La Défense Cedex - France (Telephone: +33 1 71 02 90 90), it is registered as a *société anonyme à directoire et conseil de surveillance* with the *Registre du commerce et des sociétés* of Nanterre under the number 421 318 064.

Since the third quarter of 2006, Caisse Française de Financement Local has operated a branch in Dublin. Since the branch's balance sheet is integrated with that of Caisse Française de Financement Local in Paris, the assets in Paris and Dublin represent a single pool to cover *obligations foncières* and other debt benefiting from the *privilège*. Caisse Française de Financement Local does not issue any debt securities through its Dublin branch, nor does it originate or acquire exposure to Irish public sector borrowers through the branch (as of 31 March 2013, Caisse Française de Financement Local had no exposures to Irish public sector borrowers). *Obligations foncières* and other debt benefiting from the *privilège* are issued, and the funds are collected exclusively in Paris. Financing for the Dublin branch is organized by Caisse Française de Financement Local's headquarters in Paris. An extension of the loan service agreement signed by SFIL and Caisse Française de Financement Local entrusts management of Caisse Française de Financement Local's branch in Dublin to SFIL. The existence of Caisse Française de Financement Local's branch in Dublin does not affect the characteristics of the *privilège* accorded to Caisse Française de Financement Local under French law. CAFFIL entered into the process of closing this branch.

### **Share capital**

As of the date of this Base Prospectus, Caisse Française de Financement Local 's capital stock was 1,315,000,000 euros represented by 13,150,000 shares. Caisse Française de Financement Local has not issued any other securities that could be converted into or exchanged for shares in the capital of Caisse Française de Financement Local. As of 31 January 2013, 99.99% of Caisse Française de Financement Local 's capital stock was held by SFIL and 0.01% was held by French private investors.

## 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.515-20 of the French Monetary and Financial Code.

The legal *privilège* is governed by Article L.515-19 of the French Monetary and Financial Code 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 Société de Financement Local 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 Société de Financement Local benefit from the *privilège* to the same extent as any privileged debt.

### Legislation Relating to *Sociétés de Crédit Foncier*

Article L.515-13 of the French Monetary and Financial Code 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.515-14 to L.515-17 of the French Monetary and Financial Code (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 Monetary and Financial Code. 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.515-19 (*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.515-13 of the French Monetary and Financial Code 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 quality<sup>7</sup> established by a credit rating agency recognized by the French 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 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 Prudential Control Authority; and
- Public institutions and local authorities mentioned in the bullet point above benefiting from the second-highest level of credit quality<sup>8</sup> established by a credit rating agency recognized by the French 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 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 Monetary and Financial Code. Any amounts payable

<sup>7</sup> highest level of credit quality (or Step 1): AAA to AA- for Fitch Ratings Ltd., Aaa to Aa3 for Moody's Investors Services, Inc. or AAA to AA- for Standard and Poor's Ratings Services.

<sup>8</sup> second-highest level of credit quality (or Step 2): A+ to A- for Fitch Ratings Ltd., A1 to A3 for Moody's Investors Services, Inc. or A+ to A- for Standard and Poor's Ratings Services.

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*.

According to Article L.515-17, *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.515-7 of the French Monetary and Financial Code defines these Replacement Assets as debts due from credit institutions benefiting from the highest level of credit quality<sup>6</sup> established by an external rating agency recognized by the Prudential Control Authority. If any debt has a maturity of less than 100 days, the rating can be the second highest level of credit quality<sup>7</sup> 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 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.515-18 of the French Monetary and Financial Code. Article L.515-32-1 of the French Monetary and Financial Code 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 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 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 ou de liquidation judiciaires*) 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.515-13 of the French Monetary and Financial Code may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de redressement ou de liquidation judiciaires*) 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 ou de liquidation judiciaires*) 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 102%. Calculation of this coverage ratio is set out in regulation no. 99-10 of the Committee of banking and financial regulation (the *Comité de la réglementation bancaire et financière* or “**CRBF**”).

*Sociétés de crédit foncier* submit their Coverage Ratio to the French Prudential Control Authority on 30 June 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 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 loans to public sector entities as defined in Articles L.515-15 of the French Monetary and Financial Code as well as assets considered as loans as defined in Article L.515-16 of the same code;
- to hold assets defined by decree as replacement assets (*valeurs de remplacement*);
- in order to finance the above-mentioned loans, to issue *obligations foncières*, benefiting from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code 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.515-19 of the French Monetary and Financial Code.

Pursuant to Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (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:

### 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 Articles L.515-15 and following of the Monetary and Financial Code, 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. Exposures on public sector entities in other countries may be included in the assets of Caisse Française de Financement Local, under the condition that they benefit from a high credit rating from a rating agency recognized by the French Prudential Control Authority, but there is no exposure of this nature on Caisse Française de Financement Local's balance sheet.

These commitments take the form of loans or bonds representing a commitment on or guaranteed by such public sector entities. Debt issued by mutual funds or similar structures, such as asset-backed securities (ABS), is also eligible for booking on Caisse Française de Financement Local's balance sheet if at least 90% of the assets are directly eligible, and if, upon acquisition, the debt issued has a minimum rating of AA-, Aa3, AA- from a rating agency recognized by the French Prudential Control Authority. In practice, the securitization units acquired by Caisse Française de Financement Local were issued by funds wholly comprised of eligible assets, corresponding to loans granted by banks belonging to the same group at the date of securitization.

Assets considered by current legislation to be replacement assets correspond to exposures vis-à-vis credit institutions benefiting from a Step 1 rating or a Step 2 rating (when maturity does not exceed 100 days) for a total amount limited to 15% of all privileged debt (*obligations foncières* and registered covered bonds for Caisse Française de Financement Local).

Caisse Française de Financement Local operates a branch in Dublin. Since the branch's balance sheet is completely integrated into the balance sheet of Caisse Française de Financement Local, all the assets in Paris and Dublin represent a single volume of collateral to cover *obligations foncières* and other debt benefiting from the legal privilege. *Obligations foncières* and other debt benefiting from the same privilege are issued and funds collected solely from Paris. The branch is funded through internal financing by the Paris headquarters of Caisse Française de Financement Local.

Since *sociétés de crédit foncier* do not have salaried employees (Article L.515-22 of the Monetary and Financial Code), the management of its branch in Dublin is ensured by Société de Financement Local within the framework of the agreement between Caisse Française de Financement Local and Société de Financement Local.

The existence of a branch in Dublin maintains unchanged the characteristics of the privilege of *sociétés de crédit foncier* specific to French legislation. CAFFIL entered into the process of closing this branch.

Most of the assets on Caisse Française de Financement Local's balance sheet were generated by the Dexia Group's commercial activities. From 2013, the new assets of Caisse Française de Financement Local will be loans to French local governments and French public hospitals granted by La Banque Postale.

### **Liabilities**

In addition to equity, Caisse Française de Financement Local uses two categories of debt to finance its assets:

- debt that benefits from the legal privilege, defined by law as *obligations foncières* or other resources that benefit from the legal privilege by reason of their contract. Caisse Française de Financement Local thus issues registered covered bonds that benefit contractually from the legal privilege on the same basis as *obligations foncières*. Designed for German institutional investors, these private placements are governed by German law and benefit from the French legal privilege specific to issues by *sociétés de crédit foncier*;
- debt that does not benefit from the legal privilege, i.e. debt that is not covered by the assets and would, therefore, be considered as subordinated debt with regard to debt benefiting from the legal privilege. With equity, such debt finances over-collateralization. There are primarily two types:
  - debt negotiated according to the terms of a financing agreement signed with the parent company. Since 31 January 2013, such debt is contracted with Société de Financement Local, through a financing agreement between Caisse Française de Financement Local and its new parent company. This debt was previously contracted with Dexia Credit Local;
  - refinancing obtained from the Banque de France. As a credit institution, Caisse Française de Financement Local may benefit, in its own name, from access to Banque de France refinancing operations. Caisse Française de Financement Local has introduced the organizational and IT procedures required to participate in the refinancing operations of the Banque de France. The financing obtained does not benefit from the privilege specified by the legislation on *sociétés de crédit foncier*, but is guaranteed by assets pledged 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, Société de Financement Local, Caisse Française de Financement Local's parent company, 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 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."

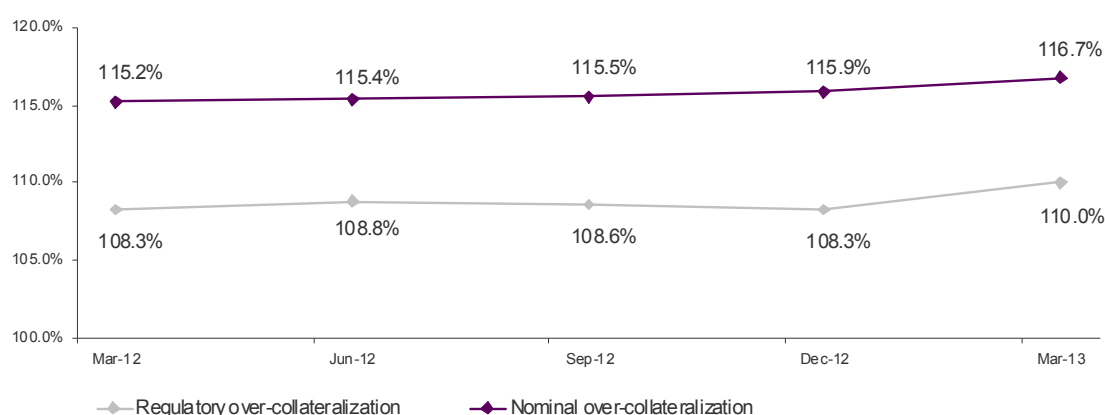
### **Over-collateralization ratio**

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 privilege which is at least equal to 102%.

Caisse Française de Financement Local decided to maintain a minimum regulatory over-collateralization ratio of 105%, which is considered a safe margin. In practice, the over-collateralization ratio is regularly higher than 105%, as can be seen at the end of each month. To maintain an adequate level of credit rating, a level of over-collateralization of more than 3% may be required. This requirement depends on the method applied 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.

Any assets that Caisse Française de Financement Local may have assigned in guarantee to borrow funds from the Banque de France were excluded from the calculation of over-collateralization.

The following graph analyzes the trend in over-collateralization at the end of each quarter.

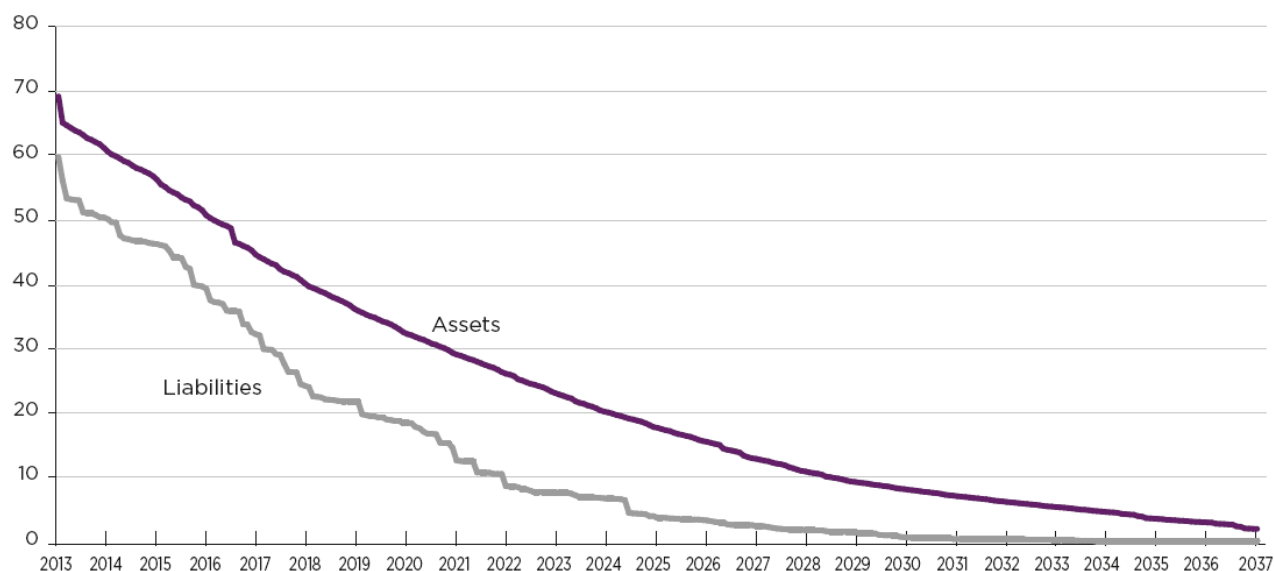


Regulatory over-collateralization is less than nominal over-collateralization because it is calculated on the basis of the rules determined by the *Autorité de contrôle prudentiel* (“ACP”). In particular, these rules require different weighting levels according to the assets. The assets in Caisse Française de Financement Local’s cover pool are generally weighted at 100%, except for certain units of securitization vehicles, made up of assets originated by the Dexia Group and issued by Dexia subsidiaries, benefiting from a rating that is below Step 1.

These particular weightings are the primary reason for the gap that exists between regulatory over-collateralization and nominal over-collateralization.

The following graph on over-collateralization presents amortization curves of the assets and the issues benefiting from the legal privilege as of 31 March 2013.

EUR billions - End of December



### Hedging interest rate risk

The management of the interest rate risk involves two steps.

- In the first stage, all the assets and the liabilities benefiting from the privilege which do not naturally have a floating rate are swapped against Euribor until maturity as soon as they are recorded on the balance sheet. A residual fixed rate gap remains on certain fixed rate assets that are hedged by macro-swaps (in particular, small loans to clients). This gap is monitored within very strict limits.

- In the second step, Euribor lending and borrowing flows are swapped against Eonia over a sliding period of two years in order to eliminate the interest rate risk generated by differences in fixing dates. A residual gap remains after the first and second levels of hedging and is also monitored within strict limits.

In addition, any debt contracted by Caisse Française de Financement Local with its shareholder to finance over-collateralization is directly borrowed either with a monetary index (and it therefore does not have to be swapped) or with a Euribor index (and it is thus integrated into the Euribor/Eonia macro-hedge management). Any debt vis-à-vis the Banque de France, which is short-term and at a fixed rate, is not hedged, but finances assets that also have a fixed rate.

The objective targeted by this interest rate risk management is to convert the assets and liabilities on the balance sheet into floating rates, so that they move together in a parallel manner following the trend in interest rates, while maintaining the margin unchanged.

The sensitivity limits for the fixed rate gap and the monetary gap mentioned above are defined as the change in the gaps' net present value (NPV) under the impact of a parallel 1% (100 basis points) shift in the yield curve. The aggregate of these two limits for the fixed rate gap and the monetary gap is set at 3% of equity, and this figure is reviewed every year at the end of the first quarter. This general sensitivity limit remains unchanged at EUR 40.0 million, including EUR 9.0 million for the monetary gap and EUR 31.0 million for the fixed rate gap. In practice, the real sensitivity is maintained significantly below this limit, as can be seen in the following table.

Sensitivity of the interest rate gap (EUR millions)

		Average	Maximum	Minimum	Limit
<b>Fixed Rate</b>	2Q 2012	15.0	17.9	12.5	<b>31.0</b>
	3Q 2012	15.2	16.6	13.2	<b>31.0</b>
	4Q 2012	13.3	16.0	10.9	<b>31.0</b>
	1Q 2013	16.4	18.1	15.7	<b>31.0</b>
<b>Monetary</b>	2Q 2012	(0.0)	1.0	(1.1)	<b>9.0</b>
	3Q 2012	0.9	1.2	0.6	<b>9.0</b>
	4Q 2012	0.4	1.8	(1.3)	<b>9.0</b>
	1Q 2013	(0.3)	0.5	(0.7)	<b>9.0</b>
<b>Total</b>	2Q 2012	14.9	18.4	12.9	<b>40.0</b>
	3Q 2012	16.1	17.2	14.1	<b>40.0</b>
	4Q 2012	13.7	16.4	11.7	<b>40.0</b>
	1Q 2013	16.1	18.6	15.1	<b>40.0</b>

### Outlook for the year 2013

The year 2013 will make a new start for Caisse Française de Financement Local, which now has a strong public sector shareholder, within the framework of a clear public policy mandate.

The new organization implemented will make it possible to reconcile the intrinsic qualities of the *obligations foncières* issued by Caisse Française de Financement Local (cover pool, safe investment protection of the French law on *sociétés de crédit foncier*, strict risk management) and the perception of these securities in the markets, as demonstrated by the fact that the three main rating agencies have again granted the best possible rating to these securities. The support of the French State and the very clear economic model are factors that will bolster investor confidence in the issues of Caisse Française de Financement Local.

Beginning in the second quarter, Caisse Française de Financement Local plans to issue up to EUR 2-3 billion in *obligations foncières* in 2013. The volume of issues will mainly be composed of euro denominated public sector issues, making it possible to complete Caisse Française de Financement Local's euro benchmark curve. It should also include a large share of private investments in order to meet investor demand.

In order to maintain the ECB eligibility of its *Obligations foncières*, Caisse Française de Financement Local has sold its "external" public sector ABS in the 1<sup>st</sup> half of 2013 and will sell its "internal" public sector ABS to SFIL before it starts to issue in 2013.

## ORGANISATIONAL STRUCTURE

Caisse Française de Financement Local is a wholly owned subsidiary of Société de Financement Local (“SFIL”).

SFIL is a credit institution approved by the French Prudential Control Authority. Its 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 *sociétés de crédit foncier*, in particular within the meaning of Article L.515-22 of the French Monetary and Financial Code.

SFIL and Caisse Française de Financement Local are part of the organization of the new public sector structure 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 and its joint-venture with Caisse des Dépôts et Consignations,
- refinancing activities conducted by Caisse Française de Financement Local,
- operational functions in support of the above performed under the responsibility of SFIL.

The purpose of Caisse Française de Financement Local is to finance public sector commitments generated by La Banque Postale by issuing *obligations foncières* and raising other funds benefiting from the same privilege, all rated AAA (or the highest rating comparable to peers) reflecting the strategic character of the public policy mission conferred by the French State to SFIL and the Caisse Française de Financement Local. CAFFIL also holds other public sector assets originated by Dexia that will be managed in a run off mode.

Caisse Française de Financement Local benefits from a declaration of support issued by SFIL and dated 31 January 2013 affirming that the latter entity and the French State, its reference shareholder, will do what is necessary for Caisse Française de Financement Local to be able, at any time, to pursue its activities on an ongoing basis and honor its financial commitments in respect of the obligations imposed by current regulations. The text of the declaration of financial support is translated (for information purposes only) as follows:

*“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 Monetary and Financial Code.*

*“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*

## TREND INFORMATION

Except as discussed in the section entitled "*Selected Financial Information – Legal and arbitration proceeding-Customer Litigation*" below, there has been no material adverse change in the prospects of the Issuer since 31 December 2012.

## 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:

<b><u>Representative</u></b>	<b><u>Function at the Issuer</u></b>	<b><u>Date of Appointment</u></b>	<b><u>Term</u></b>
Gilles Gallerne	Chairman of the Executive Board	31 January 2013	2017
Caroline Gruson	CEO, member of the Executive Board	31 January 2013	2017
Cyril Cudennec	Member of the Executive Board	31 January 2013	2017
Pierre-Marie Debreuille	Member of the Executive Board	31 January 2013	2017
Emmanuel Moritz	Member of the Executive Board	31 January 2013	2017
Philippe Mills	Chairman, Supervisory Board	31 January 2013	2019
François Laugier	Vice Chairman, Supervisory Board	31 January 2013	2019
Stéphane Costa de Beauregard	Member, Supervisory Board	31 January 2013	2019
Béatrice Gosserez	Member, Supervisory Board	12 December 2012	2017
Sami Gotrane	Member, Supervisory Board	31 January 2013	2019
Florent Lecinq	Member, Supervisory Board	25 February 2013	2019
Marc Robert	Member, Supervisory Board	31 January 2013	2019

### **Members of the Executive Board and their membership in other boards**

Gilles GALLERNE

Caroline GRUSON

Cyril CUDENNEC

Pierre-Marie DEBREUILLE

Emmanuel MORITZ

### **Members of the Supervisory Board and their membership in other boards**

Philippe MILLS

Chairman of the board of directors and chief executive officer of Société de Financement Local

François LAUGIER

Deputy chief executive officer of Société de Financement Local



Stéphane COSTA de BEAUREGARD

Béatrice GOSSEREZ

Sami GOTRANE  
Chairman of CTG Financial Consulting

Florent LECINQ

Marc ROBERT

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, La Défense 2 - 1, passerelle des Reflets - 92913 La Défense Cedex, 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. 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 of Caisse Française de Financement Local meets at least every three months. In advance of the meeting, the Chairman of the Board and the Chairman of the Executive Board send 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, and the development of projects for asset acquisition from other entities. 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 2011 and 2012 and their alternates were:

### MAZARS

Exaltis – 61, rue Henri Regnault – 92075 La Défense Cedex  
represented by Hervé Helias, Partner and Virginie Chauvin, Partner  
Alternate: Pierre Masieri

### DELOITTE & ASSOCIES

185, avenue Charles de Gaulle – 92524 Neuilly-sur-Seine  
represented by Jose-Luis Garcia, Partner and Charlotte Vandeputte, Partner  
Alternate: BEAS represented by Mireille Berthelot, Partner

Mazars and Deloitte & Associés are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*. They both belong to the *Compagnie Régionale des Commissaires aux Comptes de Paris*.

## MAJOR SHAREHOLDERS

	2008	2009	2010	2011	2012	2013
Dexia Credit Local	99.99 %	99.99 %	99.99 %	99.99 %	99.99%	
Société de Financement Local						99.99%
French and/or Belgian private, institutional and corporate investors	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%

As of 31 January 2013, the 99.99% of the issued share capital of Caisse Française de Financement Local was held by Société de Financement Local and 0.01% of the issued share capital was held by the members of the Supervisory Board.

## SELECTED FINANCIAL INFORMATION

As of 31 March 2013, the Caisse Française de Financement Local had a shareholders' equity of 1,474 million euros (compared to 1,482 millions euros as of 31 December 2012).

Its financial debt amounted to 69,750 million euros (compared to 73,797 million euros as of 31 December 2012). It was comprised of debt benefiting from the legal privilege\* totaling 62,076 million euros (compared to 66,177 million euros as of 31 December 2012) and debt not benefiting from this privilege\*\* totaling 7,674 million euros (compared to 7,620 million euros as of 31 December 2012).

\* obligations foncières, registered covered bonds and collateral received in cash

\*\* financing received from its shareholder (overcollateral), and from Banque de France (excess overcollateral) if needed

Millions euros	As of 31 December 2011	As of 31 December 2012	As of 31 March 2013
Core shareholders' equity	1,391	1,482	1,474
<i>(excluding unrealized gains &amp; losses)</i>			
Financial debt	83,251	73,797	69,750
- privileged debt	71,034	66,177	62,076
- non privileged debt	12,217	7,620	7,674
Balance sheet total	100,409	92,037	85,706

Net banking income for the year ended on 31 December 2012 amounted to 257 million euros (compared to 205 million euros in 2011). Net income for the year ended on 31 December 2012 amounted to 91 million euros (compared to 68 million euros in 2011). The net income for the 1st quarter 2013 shows a loss of 8 million euros, after the effects of the first application of IFRS 13 and an additional allowance for collective impairment of the structured loans portfolio. The amount of this collective impairment stands now at 209 million euros and will be allocated in the coming quarters to the cost of the new measures announced on 17 June 2013 by the French government to address the issue of structured loans.

Millions euros	Fiscal year 2011	Fiscal year 2012	1 <sup>st</sup> quarter 2013
Net banking income	205	257	179
Operating income	105	138	-12
Net income	68	91	-8

*Figures shown in the tables above are extracted from the Caisse Française de Financement Local audited annual and quarterly financial statements and were established in accordance with IFRS, as adopted by the European Commission.*

## **Auditing of historical annual financial information**

The statutory auditors of the Caisse Française de Financement Local have prepared a report in accordance with Article L. 225-235 of the French Code of Commerce on the report from the Chairman of the Supervisory Board of the Caisse Française de Financement Local on information given on the internal control procedures relating to the preparation and production of financial and accounting information. Such report dated 29 March 2013 can be found on page 117 of the Issuer's Annual Report 2012.

## **Legal and arbitration proceedings**

### **Customer litigation**

Certain clients took Dexia Crédit Local to court for the sensitive loans it had granted them. The number of clients who sued Dexia Crédit Local and/or Société de Financement Local and/or Caisse Française de Financement Local for loans on the balance sheet of Caisse Française de Financement Local stood at 174 on 24 June 2013, compared with 69 on 31 March 2013. The number of litigation should decrease significantly as local authorities access the government sponsored fund.

Three legal decisions on the suits brought against Dexia Crédit Local by the Département de la Seine-Saint-Denis were handed down on 8 February 2013, by the Tribunal de Grande Instance de Nanterre. They relate to three sensitive loans with a total capital of EUR 178 million. The Tribunal de Grande Instance de Nanterre rejected the claims of the Département de la Seine-Saint-Denis for the cancellation of the three contested loan agreements and for any type of compensation. In particular, the court considered that these loans were not of a speculative nature, that the Département de la Seine-Saint-Denis was competent to sign these loan agreements, and that Dexia Crédit Local complied with its obligations to inform and advise the Département de la Seine-Saint-Denis.

The Tribunal de Grande Instance de Nanterre however ruled that the documents transmitted by fax prior to the signing of the agreements could be qualified as "loan agreements", and that the lack of mention of the annual percentage rate of charge (*taux effectif global* – TEG) in those documents implied the application of the legal interest rate. The loans concerned by the decision of the court are now part of the cover pool of Caisse Française de Financement Local, which if this decision were to be confirmed, would bear the financial impact linked to the decrease in the interest rate. Nevertheless, this decision has been appealed by Dexia Crédit Local on 4 April 2013 and CAFFIL has taken part in the proceedings on a voluntary basis on 5 April 2013 to protect its rights. If the decisions of the Tribunal de Grande Instance de Nanterre on the absence of the TEG rate were confirmed and become precedents, they may apply to other loans from banks active in France, including Caisse Française de Financement Local and could represent significant potential risks.

### 18 June 2013 French government statement

French government emphasizes its political will to resolve durably and completely the issue of structured loans contracted by certain local authorities by presenting the following measures:

- The setting up of a multi-year support fund, benefitting from a substantial endowment, to assist local authorities in exiting such structured loans;
- Amendments to the law so as to secure the legal framework within which certain outstanding loans to local authorities were contracted.

Necessary bills to implement the resolution framework will be discussed in Parliament in the second semester of 2013.

### **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.

### **Debt securities issued since 1st January 2013**

Between 1st January 2013 and 24 June 2013, the Caisse Française de Financement Local has not issued any debt securities in the form of *obligations foncières* and other debt benefiting from the *privilège*.

## MATERIAL CONTRACTS

### Management Agreement

In accordance with Article L.515-22 of the French Monetary and Financial Code, the Issuer is not permitted to have its own employees. It has therefore contractually entrusted its parent company Société de Financement Local (“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 further described below. Caisse Française de Financement Local does, however, have its own Executive Board and Supervisory Board. See “Administrative, Management and Supervisory Bodies”.

Caisse Française de Financement Local operates in Dublin. The existence of the branch in Dublin does not affect the characteristic of the *privilege of sociétés de crédit foncier* under French law. Under the loan service agreement with SFIL, Caisse Française de Financement Local entrusts management of its branch in Dublin to SFIL.

Specific loan service agreement have 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 *privilege*.

As of 31 March 2013, 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, 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. 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. In addition, this agreement provides for the operational management of the Dublin branch.
- 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 Carinthie 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.

### **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, 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 millions, 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 supplemented by an AFB collateral annex “*Annexe Remises en garantie*”, dated 31 January 2013. 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, 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.



## TAXATION

*The statements herein regarding taxation are based on the laws of the European Union and the laws in force in France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Programme and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which 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 the European Union, French or, as the case may be, the Luxembourg tax consequences of any investment in or ownership and disposition of the Obligations Foncières.*

### EU Taxation

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or to residual entities established in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 35%.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories, including Switzerland, have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### France - Taxation

*The following is a description limited to certain tax considerations in France relating to the Obligations Foncières that may be issued under the Programme to any holder of Obligations Foncières who does not concurrently hold shares of the Issuer. Prospective holders or beneficial owners of Obligations Foncières should consult their tax*

advisors as to the tax consequences of any investment in or ownership and disposition of the Obligations Foncières.

### ***EU Savings Directive***

The Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

### ***French withholding tax***

#### ***Obligations Foncières which are not assimilated to (assimilables for the purpose of French law) Obligations Foncières issued before 1 March 2010***

Following the enactment of the French *loi de finances rectificative pour 2009 no. 3* (no. 2009-1674 dated 30 December 2009) (the “**Law**”), payments of interest and other revenues made by the Issuer with respect to *Obligations Foncières* issued on or after 1 March 2010 (other than *Obligations Foncières* (described below) which are assimilated to (*assimilables* for the purpose of French law), and form a single series with, *Obligations Foncières* issued prior to 1 March 2010 benefitting from the exemption from withholding tax of Article 131 *quater* of the French *Code général des impôts*) 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 a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the *Obligations Foncières* are made in a Non-Cooperative State, 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 in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 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* of the French *Code général des impôts*, at a rate of 30% or 75% (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, the Law provides that 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 or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount the non-deductibility set out under Article 238 A of the French *Code général des impôts* will apply in respect of a particular issue of *Obligations Foncières* if the Issuer can prove that the principal 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 *Bulletins officiels des Finances Publiques-Impôts*, BOI – ANNX – 000364 – 20120912 and BOI – ANNX – 000366 - 20120912, an issue of *Obligations Foncières* will benefit from the Exception without the Issuer having to provide any proof of the 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 Monetary and Financial Code 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 regulated market or on a French or foreign 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 by such 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 clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

***Obligations Foncières which are assimilated to (assimilables for the purpose of French law) Obligations Foncières issued before 1 March 2010***

Payments of interest and other revenues with respect to *Obligations Foncières* issued on or after 1 March 2010 and which are assimilated to (*assimilables* for the purpose of French law), and form a single series with *Obligations Foncières* issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

*Obligations Foncières* issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *Obligations Foncières de créances négociables* within the meaning of the French tax administrative guidelines (BOI-RPPM-RCM-30-10-30-30) dated 12 September 2012, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the aforementioned administrative guidelines.

In addition, interest and other revenues paid by the Issuer on *Obligations Foncières* issued on or after 1 March 2010 and which are to be assimilated to (*assimilables* for the purpose of French law), and form a single series with *Obligations Foncières* issued before 1 March 2010 will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

***Payments made to French tax resident individuals***

Pursuant to Article 9 of the 2013 Finance Law (*loi de finances pour 2013, n° 2012-1509 du 29 décembre 2012*) subject to certain limited exceptions, interest and assimilated revenues received as from 1 January 2013 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% 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 other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and assimilated revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

**Luxembourg – Taxation**

*The following information 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.*

**Withholding tax**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Holders of *Obligations Foncières* and to certain residual entities (as described below) there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg

withholding tax, with the possible exception of payments made to individual holders of *Obligations Foncières*, and to certain residual entities (as described below) upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the *Obligations Foncières*.

## **Individuals**

### *Luxembourg non-residents*

Under the Luxembourg laws dated 21 June 2005 implementing the Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called "residual entities" within the meaning of Article 4.2 of the Directive (*i.e.* an entity established in a Member State or in certain EU dependent or associated territories without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC).

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. The withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### *Luxembourg residents*

A 10 per cent. withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents or to certain residual entities (as described below) that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime).

Only interest accrued after 1 July 2005 falls within the scope of the withholding tax. Interest income from current and sight accounts (*comptes courants et à vue*) provided that the remuneration on these accounts is not higher than 0.75 per cent. are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed Euro 250 per person and per paying agent is exempt from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers acting within the framework of management of their private wealth.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

## **Corporations**

There is no Luxembourg withholding tax for Luxembourg resident and non-resident corporations holders of the *Obligations Foncières* on payments of interest (including accrued but unpaid interest).

## **Foreign Account Tax Compliance Act**

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain

information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "*foreign passthru payments*" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any *Obligations Foncières* characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any *Obligations Foncières* characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If *Obligations Foncières* are issued before the grandfathering date, and additional *Obligations Foncières* of the same series are issued on or after that date, the additional *Obligations Foncières* may not be treated as grandfathered, which may have negative consequences for the existing *Obligations Foncières*, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have indicated an intention to enter into an agreement (a "**U.S.-France IGA**") however no assurance can be given that the United States and France will enter into such an agreement.

The Issuer expects to be treated as a Reporting FI pursuant to a U.S.-France IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the *Obligations Foncières* are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such *Obligations Foncières* is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the *Obligations Foncières*, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the *Obligations Foncières*, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.**

**TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE**

**TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated distribution agreement dated 26 June 2013 (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

#### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) 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 that Relevant Member State except that it may with effect from and including the Relevant Implementation Date, make an offer of *Obligations Foncières* to the public in that Relevant Member State:

- (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 that Relevant Member State (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 Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, 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 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 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 Relevant Member State 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 by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EC.

## **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 Monetary and Financial Code and the *Règlement général* of the AMF, 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 Monetary and Financial Code.

If necessary these selling restrictions will be supplemented in the relevant Final Terms.

## **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, in the case of Materialised *Obligations Foncières* in bearer form, deliver the *Obligations Foncières* within the United States or, in the case of bearer Materialised *Obligations Foncières*, to U.S. persons.

In addition, until 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.



## United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) 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 (the “**FSMA**”) by the Issuer
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such *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. 16190 of 29 October 2007, all as amended;

(ii) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; 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.

### **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

Final Terms dated [●]

[LOGO, if document is printed]

#### CAISSE FRANÇAISE DE FINANCEMENT LOCAL (the “Issuer”)

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: [●]

[Brief Description and Amount of *Obligations Foncières*]

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(vi) 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; 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.

The expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.]

## 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 26 June 2013 which received visa n°13-306 from the *Autorité des marchés financiers* (the “AMF”) on 26 June 2013 [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 Directive 2003/71/EC, as amended by Directive 2010/73/EU (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.caissefrancaisedefinancementlocal.fr)] and copies may be obtained from Caisse Française de Financement Local, 1, passerelle des Reflets, TSA 42206 - 92919 La Défense Cedex, 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 26 June 2013. This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended by Directive 2010/73/EU (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 26 June 2013 which received visa n°13-306 from the *Autorité des marchés financiers* (the “AMF”) on 26 June 2013 [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 26 June 2013 [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.caissefrancaisedefinancementlocal.fr)] and copies may be obtained from Caisse Française de Financement Local, 1, passerelle des Reflets, TSA 42206 - 92919 La Défense Cedex, 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: | [Not Applicable/ 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 “ <b>Existing Obligations Foncières</b> ”) as from the Issue Date of this Tranche.] |
| 3 | Specified Currency or Currencies:                                      | [•]  |
| 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) <sup>1</sup>
7	(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] [[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10 +/- [•] per cent. Floating Rate] [Fixed/Floating Rate] [Zero Coupon] [Inflation Linked Interest] [(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 Fixed/Floating Rate Obligations Foncières)/Not Applicable] [Specify details for convertibility of the Fixed/Floating Rate Obligations Foncières in accordance with the provisions of Conditions 5(d)]
12	Call Options:	[Issuer Call] [(further particulars specified below)]
13	(i) Status of the <i>Obligations Foncières</i> :	[ <i>Obligations Foncières</i> ]
	(ii) Dates of the corporate authorisations for issuance of <i>Obligations Foncières</i> obtained:	Decision of the <i>Directoire</i> of Caisse Française de Financement Local dated [•] deciding the issue of the <i>Obligations Foncières</i> and authorizing Mr [•], President or any of its <i>Directeurs Généraux</i> to sign and execute all documents in relation to the issue of the <i>Obligations Foncières</i> .

<sup>1</sup> *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).

**PROVISIONS RELATING TO INTEREST (IF ANY)  
PAYABLE**

<b>14</b>	<b>Fixed Rate <i>Obligation Foncière</i> Provisions</b>	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(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 [•] in nominal amount / Not Applicable]
	(iv) Broken Amount(s):	[•] payable on the Interest Payment Date falling [in/on] [•]
	(v) Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
	(vi) Determination Date(s) (Condition 5(a)):	[•] in each year <i>(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))</i>
	(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):	[•]
<b>15</b>	<b>Floating Rate Provisions</b>	[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) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(v) Business Centre(s) (Condition 5(a)):	[•]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
	(viii) Screen Rate Determination (Condition	

	5(c)(iii)(B):	
	-- Reference Rate:	[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10]
	-- 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:	[•]]
(ix)	ISDA Determination (Condition 5(c)(iii)(A)):	
	-- Floating Rate Option:	[•]
	-- Designated Maturity:	[•]
	-- Reset Date:	[•]
(x)	Margin(s):	[+/-] [•] per cent. per annum
(xi)	Minimum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xii)	Maximum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xiii)	Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
<b>16</b>	<b>Zero Coupon Obligation Foncière Provisions</b>	[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)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
<b>17</b>	<b>Inflation Linked Interest Obligation Foncière Provisions</b>	[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):	[•]
	(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 Inflation

		Index Ratio
(viii)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
(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 22 relates)
(x)	Minimum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
(xi)	Maximum Rate of Interest:	[Not Applicable]/[•] per cent. per annum

## 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(s) of each <i>Obligation Foncière</i> and method, if any, of calculation of such amount(s):	[•] per <i>Obligation Foncière</i> [of [•] Specified Denomination]
(iii)	If redeemable in part:	[•]
	(a) Minimum Redemption Amount to be redeemed:	[•]
	(b) Maximum Redemption Amount to be redeemed:	[•]
(iv)	Option Exercise Date(s):	[•]
(v)	Notice period:	[•]

### 19 Final Redemption Amount of each *Obligation Foncière*

		[[•] per <i>Obligation Foncière</i> [of [•] Specified Denomination]/[As provided below for Inflation Linked <i>Obligations Foncières</i> , 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 <i>Obligations Foncières</i> :	[Condition 6(c) applies]
(iii)	Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on [ <i>specify date</i> ] (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):

[•]

## 20 Early Redemption Amount

Early Redemption for taxation reasons:

[Applicable/Not Applicable]

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):

[•]

## **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*)/Registered dematerialised form (*au nominatif*)]

(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/Not Applicable] (*Only applicable to Materialised Obligations Foncières*)
- 22 Financial Centre(s) (Condition 7(g)) 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 to interest period end dates, to which items 14(ii), 15(ii) and 17(iv) relate*)
- (i) Adjusted Payment Date (Condition 7(g)): [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]/[Other\*]
- 23 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*)
- 24 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
- 25 Consolidation provisions: [Not Applicable/The provisions [in Condition 12(b)] apply]
- 26 Representation of holders of *Obligations Foncières - Masse* (Condition 10): [[Full Masse]/[Contractual Masse] shall apply] (*Note that: (i) in respect of any Tranche of Obligations Foncières issued outside France, Condition 10(a)(ii) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Obligations Foncières issued inside France, Condition 10(a)(i) (Full Masse) shall apply.*)

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 [●]

## 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 [*specify relevant regulated market*] 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

\* 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(g)).

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:

## PART B – OTHER INFORMATION

*(If any of the following paragraphs is not applicable, delete such paragraph)*

### 1. LISTING AND 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 [Euronext Paris] / [the Official List of 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 admitted to trading on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [specify relevant regulated market]] with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

### 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 manner for refunding excess amount paid by applicants:	[Not Applicable/give details]
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 <i>Obligations Foncières</i> :	[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	[Not Applicable/give details]

dealing may begin before notification is made:

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". Where Authorised Offeror(s) have been designated herein, specify any condition]

### 3. RATINGS

Ratings:

[Applicable:

*Obligations Foncières* to be issued under the Programme are expected to be rated AAA by S&P and/or Fitch and/or Aaa by Moody's]

[The *Obligations Foncières* to be issued have been rated]:

[S & P: [•]]

[Moody's: [•]]

[Fitch: [•]]

[Other: [•]]

[[Each of [S&P] [and/,] [Moody's] [and/,] [Fitch] [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/,] [Fitch] [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/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)).]

*(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.)*

### 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 *privilège* defined in Article L.515-19 of the French Monetary and Financial Code, 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.515-7-2 of the French Monetary and Financial Code.

## 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 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 for any fees 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. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business."]

*[(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, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for the offer: **[•]** / [See "*Use of Proceeds*" wording in Base Prospectus]]  
*(If reasons for offer different from those stated in "Use of Proceeds" and in particular if the Obligations Foncières are subscribed by the Issuer as collateral for credit operations of the Banque de France will need to include those reasons here.)*

(ii) [Estimated net proceeds:] **[•]**  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) [Estimated total expenses:] **[•]** / Not Applicable [*Include breakdown of expenses.*]  
*(If the Obligations Foncières are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

## 8. [*Fixed Rate Obligations Foncières only* – YIELD

Indication of yield: **[•]**

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 [●].]

## 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) 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 [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. OPERATIONAL INFORMATION

- ISIN Code: [•]
- Common Code: [•]
- Depositories:
- (i) Euroclear France to act as Central Depository: [Yes/No]
- (ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream, Luxembourg: [Yes/No]
- Any clearing system(s) other than Euroclear and Clearstream, Luxembourg 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 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**

**Final Terms dated [●]**

[LOGO, if document is printed]

**CAISSE FRANÇAISE DE FINANCEMENT LOCAL  
(the “Issuer”)**

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: [●]**

**[Brief Description and Amount of *Obligations Foncières*]**

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 26 June 2013 which received visa n°13-306 from the *Autorité des marchés financiers* (the “**AMF**”) on 26 June 2013 [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 Directive 2003/71/EC, as amended by Directive 2010/73/EU (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](http://www.amf-france.org))[, on the website of the Issuer ([www.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr))] and copies may be obtained from Caisse Française de Financement Local, 1, passerelle des Reflets, TSA 42206 - 92919 La Défense Cedex, 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 26 June 2013. This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Directive 2003/71/EC, as amended by Directive 2010/73/EU (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [26] June 2013 which received visa n°13-306 from the *Autorité des marchés financiers* (the “**AMF**”) on 26 June 2013 [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 26 June 2013 [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](http://www.amf-france.org))[, on the website of the Issuer ([www.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr))] and copies may be obtained from Caisse Française de Financement Local, 1, passerelle des Reflets, TSA 42206 - 92919 La Défense Cedex, 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: | [Not Applicable/ 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 “ <b>Existing Obligations Foncières</b> ”) as from the Issue Date of this Tranche.] |

3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount:	
	(i) Series:	[•]
	(ii) Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
6	Specified Denomination[s]:	[•] ( <i>one denomination only for Dematerialised Obligations Foncières</i> ) <sup>1</sup>
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]  [[EURIBOR/LIBOR/EONIA/CMS Rate/TEC 10] +/- [•] per cent. Floating Rate] [Fixed/Floating Rate] [Zero Coupon] [Inflation Linked Interest] [(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) ( <i>for Inflation Linked Obligations Foncières, as the case may be</i> )].
11	Change of Interest Basis:	[Applicable ( <i>for Fixed/Floating Rate Obligations Foncières</i> ) / Not Applicable]  <i>[Specify details for convertibility of the Fixed/Floating Rate Obligations Foncières in accordance with the provisions of Condition 5(d)]</i>
12	Call Options:	[Issuer Call]  [(further particulars specified below)]
13	(i) Status of the <i>Obligations Foncières</i> :	[ <i>Obligations Foncières</i> ]

<sup>1</sup> *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).

- (ii) Dates of the corporate authorisations for issuance of *Obligations Foncières* obtained:

Decision of the *Directoire* of Caisse Française de Financement Local dated [•] deciding the issue of the *Obligations Foncières* and authorizing Mr [•], President or any of its *Directeurs Généraux* to sign and execute all documents in relation to the issue of the *Obligations Foncières*.

**PROVISIONS RELATING TO INTEREST (IF ANY)  
PAYABLE**

**14 Fixed Rate *Obligation Foncière* Provisions**

[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 [•] in nominal amount / Not Applicable]
- (iv) Broken Amount(s): [•] payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction (Condition 5(a)): [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (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): [•]

**15 Floating Rate Provisions**

[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) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (v) Business Centre(s) (Condition 5(a)): [•]

(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vii)	Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
(viii)	Screen Rate Determination (Condition 5(c)(iii)(B)): -- Reference Rate: -- Interest Determination Date(s):	[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] [[●] / [•] [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:	[•]]
(ix)	ISDA Determination (Condition 5(c)(iii)(A)): -- Floating Rate Option: -- Designated Maturity: -- Reset Date:	[•] [•] [•]
(x)	Margin(s):	[+/-] [•] per cent. per annum
(xi)	Minimum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xii)	Maximum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xiii)	Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
<b>16</b>	<b>Zero Coupon <i>Obligation Foncière</i> Provisions</b>	[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)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
<b>17</b>	<b>Inflation Linked Interest <i>Obligation Foncière</i> Provisions</b>	[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): [•]
- (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 Inflation Index Ratio
- (viii) Day Count Fraction: [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (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: [Not Applicable]/[•] per cent. per annum
- (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) Index 1: [Index Reference Rate / CPI Reference Rate/ HICP Reference Rate]
- (ii) Designated Maturity of Index 1: [•]
- (iii) Index 2: [Index Reference Rate / CPI Reference Rate / HICP Reference Rate / zero]
- (iv) Designated Maturity of Index 2: [•]
- (v) Participation: [•]
- (vi) Spread: [•] per cent.
- (vii) Interest Period(s): [•]
- (viii) Specified Interest Payment Dates: [•]
- (ix) First Specified Interest Payment Date: [•]
- (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): [•]

- (xiv) Screen Rate Determination for Index 1  
(Condition 5(c)(iii)(B)):
- [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: [•]]
- (xv) Screen Rate Determination for Index 2  
(Condition 5(c)(iii)(B)):
- [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: [•]]
- (xvi) ISDA Determination for Index 1 (Condition 5(c)(iii)(A)):
- [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: [•]
- Designated Maturity: [As specified above for Index 1]
- Reset Date: [•]
- (xvii) ISDA Determination for Index 2 (Condition 5(c)(iii)(A)):
- [Applicable/Not Applicable] *(If not applicable,*



*delete the remaining sub-paragraphs of this paragraph)*

- Floating Rate Option: [•]
- Designated Maturity: [As specified above for Index 2]
- [Relevant Financial Centre: [•]]
- Reset Date: [•]
- (xviii) Inflation determination for Index 1: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (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: [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
  - (f) 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)
  - (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 Index 2: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (a) Index: [CPI Reference Rate / HICP Reference Rate]
  - (b) Interest Determination Date: [•]
  - (c) M: [•] month(s)
  - (d) M: [•] month(s)
  - (e) Day Count Fraction: [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
  - (f) 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)
  - (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: [Not Applicable]/[•] per cent. per annum

- (xxi) Maximum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xxii) Margin(s): [zero]
- (xxiii) Day Count Fraction (Condition 5(a)): [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]

**19 TEC10 Formula**

[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Participation: [•]
- (ii) Spread: [•] per cent. per annum
- (iii) k: [•]
- (iv) Interest Period(s): [•]
- (v) Specified Interest Payment Dates: [•]
- (vi) First Specified Interest Payment Date: [•]
- (vii) Interest Period Date: [•]  
*(Not applicable unless different from Interest Payment Date)*
- (viii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (ix) Business Centre(s) (Condition 5(a)): [•]
- (x) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (xi) Minimum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xii) Maximum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xiii) Day Count Fraction (Condition 5(a)): [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (xiv) 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): [•]
- (v) Interest Period(s): [•]
- (vi) Specified Interest Payment Date(s): [•]
- (vii) Interest Determination Date: [•]

- (viii) Day Count Fraction: [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (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: [Not Applicable]/[•] per cent. per annum
- (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)]

**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): [•]
- (v) Interest Period(s): [•]
- (vi) Specified Interest Payment Date(s): [•]
- (vii) Interest Determination Date: [•]
- (viii) Day Count Fraction: [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (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: [Not Applicable]/[•] per cent. per annum
- (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(s) of each *Obligation Foncière* and method, if any, of calculation of such amount(s): [•] per *Obligation Foncière* [of [•] Specified Denomination]
- (iii) If redeemable in part: [•]
  - (a) Minimum Redemption Amount to be redeemed: [•]
  - (b) Maximum Redemption Amount to be redeemed: [•]
- (iv) Option Exercise Date(s): [•]
- (v) Notice period: [•]

**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): [•]

## 24 Early Redemption Amount

Early redemption for taxation reasons:	[Applicable/Not Applicable]
Early Redemption Amount(s) of each <i>Obligation Foncière</i> payable on redemption for taxation reasons:	【●】 / [As provided below for Inflation Linked <i>Obligations Foncières</i> , as the case may be]
Inflation Linked <i>Obligations Foncières</i> – 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 <i>Obligations Foncières</i> :	[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):	【●】

## GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

25 Form of <i>Obligations Foncières</i> :	[Dematerialised <i>Obligations Foncières</i> /Materialised <i>Obligations Foncières</i> ] (Materialised <i>Obligations Foncières</i> are only in bearer form) [Delete as appropriate]
(i) Form of Dematerialised <i>Obligations Foncières</i> :	[Not Applicable/if Applicable specify whether] [Bearer dematerialised form ( <i>au porteur</i> )/Registered dematerialised form ( <i>au nominatif</i> )]
(ii) Registration Agent:	[Not Applicable/if Applicable give name and details] (note that a Registration Agent must be appointed in relation to Registered Dematerialised <i>Obligations Foncières</i> 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 <i>Obligations Foncières</i> on 【●】 (the “ <b>Exchange Date</b> ”), 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/Not Applicable] (Only

- applicable to Materialised Obligations Foncières)*
- 26 Financial Centre(s) (Condition 7(g)) 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 to interest period end dates, to which items 14(ii), 15(ii) and 17(iv) relate)
- (i) Adjusted Payment Date (Condition 7(g)): [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]/[Other\*]
- 27 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*)
- 28 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
- 29 Consolidation provisions: [Not Applicable/The provisions [in Condition 12(b)] apply]
- 30 Representation of holders of *Obligations Foncières Masse* (Condition 10) [[Full Masse]/[Contractual Masse] shall apply] (Note that: (i) in respect of any Tranche of *Obligations Foncières* issued outside France, Condition 10(a)(ii) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of *Obligations Foncières* issued inside France, Condition 10(a)(i) (Full Masse) shall apply.)
- 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 [●]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on] [*specify relevant regulated market*] 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(g)).

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. LISTING AND ADMISSION TO TRADING

- (i) Listing and 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 [Euronext Paris] / [the Official List of 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 admitted to trading on [Euronext Paris] / [the Official List of the Luxembourg Stock Exchange] / [specify relevant regulated market]] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: [Applicable

*Obligations Foncières* to be issued under the Programme are expected to be rated AAA by S&P and/or Fitch and/or Aaa by Moody's]

[The *Obligations Foncières* to be issued have been rated]:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[Other: [●]]

[[Each of [S&P] [and/,] [Moody's] [and/,] [Fitch] [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/,] [Fitch] [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/page/List-registered-and-certified-CRAs).]

[[Each of [●], [●] and] [●] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[None of [●], [●] 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.)

### 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.515-19 of the French Monetary and Financial Code, 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.515-7-2 of the French Monetary and Financial Code.



#### 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 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 for any fees 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. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business."]

*[(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. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) [Reasons for the offer: [•] / [See "Use of Proceeds" wording in Base Prospectus]  
*(If reasons for offer different from those stated in "Use of Proceeds" and in particular if the Obligations Foncières are subscribed by the Issuer as collateral for credit operations of the Banque de France will need to include those reasons here.)]*
- (ii) [Estimated net proceeds:] [•]  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) [Estimated total expenses:] [•] / Not Applicable [Include breakdown of expenses.]  
*(If the Obligations Foncières are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

#### 7. [Fixed Rate Obligations Foncières only – YIELD

- Indication of yield: [•]  
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 [•].]

**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. OPERATIONAL INFORMATION**

- ISIN Code: [•]
- Common Code: [•]
- Depositories:
  - (i) Euroclear France to act as Central Depository: [Yes/No]
  - (ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream, Luxembourg: [Yes/No]
- Any clearing system(s) other than Euroclear and Clearstream, Luxembourg 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 additional Paying [•]

Agent(s) (if any):

The aggregate principal amount of [Not Applicable/Euro [●]] (Only applicable for *Obligations Foncières* issued has been translated into Euro at the rate of [currency] *Foncières* not denominated in Euro) per Euro 1.00, producing a sum of:

### FORM OF FINAL TERMS 3

#### EXEMPT *OBLIGATIONS FONCIERES* OF ANY DENOMINATION

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt *Obligations Foncières*, whatever the denomination of those *Obligations Foncières*, issued under the Programme.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF *OBLIGATIONS FONCIERES* DESCRIBED BELOW.

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES* THE PLACEMENT OF WHICH DOES NOT REQUIRE THE PUBLICATION OF A PROSPECTUS PURSUANT TO THE PROSPECTUS DIRECTIVE

[THIS FORM OF FINAL TERMS MAY ONLY BE USED WHERE THE TWO FOLLOWING CONDITIONS ARE SATISFIED: THE *OBLIGATIONS FONCIERES* ARE (i) NOT OFFERED TO THE PUBLIC AND (ii) NEITHER LISTED NOR ADMITTED TO TRADING ON ANY REGULATED MARKET]

Final Terms dated [●]

[LOGO, if document is printed]

**CAISSE FRANÇAISE DE FINANCEMENT LOCAL**  
(the “Issuer”)

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: [●]**

**[Brief Description and Amount of *Obligations Foncières*]**

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 26 June 2013 which received visa n°13-306 from the *Autorité des marchés financiers* (the “AMF”) on 26 June 2013 [and the supplement[s] to the Base Prospectus dated [•] which received visa n°[•] from the AMF on [•] (the “Supplement[s]”).

This document constitutes the Final Terms of the *Obligations Foncières* 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.caissefrancaisedefinancementlocal.fr)] and copies may be obtained from Caisse Française de Financement Local, 1, passerelle des Reflets, TSA 42206 - 92919 La Défense Cedex, France.

[In the case of *Obligations Foncières* which do not benefit from the Exception provided under the ruling (rescrit) n°2010/11 (FP and FE) of the French tax authorities dated 22 February 2010 (please refer to France – Taxation section of the Base Prospectus) it will be necessary to (a) make additional modifications to the terms of these Final Terms and (b) consider including additional risk factors, to take account of the tax regime introduced by Article 22 of the French loi de finances rectificative pour 2009 n°3 (n°2009-1674 dated 30 December 2009).]

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:	[Not Applicable/ 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 “ <b>Existing <i>Obligations Foncières</i></b> ”) as from the Issue Date of this Tranche.]
3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount:	
	(i) Series:	[•]
	(ii) Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ <i>insert date</i> ] ( <i>if applicable</i> )]
6	Specified Denomination[s]:	[•] ( <i>one denomination only for Dematerialised Obligations Foncières</i> ) <sup>1</sup>
7	(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]

<sup>1</sup> *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).

- 9 Interest Basis: [•] per cent. Fixed Rate  
 [[EURIBOR/LIBOR/EONIA/CMS Rate/TEC 10] +/- [•] per cent. Floating Rate]  
 [Fixed/Floating Rate]  
 [Zero Coupon]  
 [Inflation Linked Interest]  
 [(further particulars specified below)]
- 10 Redemption Basis: Subject to any purchase and cancellation or early redemption, the *Obligations Foncières* 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 *Fixed/Floating Rate Obligations Foncières*) / Not Applicable]  
 [Specify details for convertibility of the *Fixed/Floating Rate Obligations Foncières* in accordance with the provisions of Condition 5(d)]
- 12 Call Options: [Issuer Call]  
 [(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 [•] deciding the issue of the *Obligations Foncières* and authorizing Mr [•], President or any of its *Directeurs Généraux* to sign and execute all documents in relation to the issue of the *Obligations Foncières*.

**PROVISIONS RELATING TO INTEREST (IF ANY)  
 PAYABLE**

- 14 **Fixed Rate *Obligation Foncière* Provisions** [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 [•] in nominal amount / Not Applicable]
- (iv) Broken Amount(s): [•] payable on the Interest Payment Date falling [in/on] [•]

- (v) Day Count Fraction (Condition 5(a)): [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (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): [•]
- 15 Floating Rate Provisions** [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) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (v) Business Centre(s) (Condition 5(a)): [•]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (viii) Screen Rate Determination (Condition 5(c)(iii)(B)):  
 -- Reference Rate: [EURIBOR/LIBOR/EONIA/CMS Rate/TEC 10]  
 -- 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:	[•]
(ix)	ISDA Determination (Condition 5(c)(iii)(A)):	
	-- Floating Rate Option:	[•]
	-- Designated Maturity:	[•]
	-- Reset Date:	[•]
(x)	Margin(s):	[+/-] [•] per cent. per annum
(xi)	Minimum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xii)	Maximum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xiii)	Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
<b>16</b>	<b>Zero Coupon <i>Obligation Foncière</i> Provisions</b>	[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)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
<b>17</b>	<b>Inflation Linked Interest <i>Obligation Foncière</i> Provisions</b>	[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):	[•]
(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:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
(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 26 relates</i> )
(x)	Minimum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
(xi)	Maximum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
<b>18</b>	<b>Index Formula</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )



- (i) Index 1: [Index Reference Rate / CPI Reference Rate / HICP Reference Rate]
- (ii) Designated Maturity of Index 1: [•]
- (iii) Index 2: [Index Reference Rate / CPI Reference Rate / HICP Reference Rate / zero]
- (iv) Designated Maturity of Index 2: [•]
- (v) Participation: [•]
- (vi) Spread: [•] per cent.
- (vii) Interest Period(s): [•]
- (viii) Specified Interest Payment Dates: [•]
- (ix) First Specified Interest Payment Date: [•]
- (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): [•]
- (xiv) Screen Rate Determination for Index 1  
(Condition 5(c)(iii)(B)):  
[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: [•]]
- [Designated Maturity: [As specified above for Index 1]
- [Specified Time: [•]]
- (xv) Screen Rate Determination for Index 2  
(Condition 5(c)(iii)(B)):  
[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:	[•]
	-- [Designated Maturity:	[As specified above for Index 2]
	-- [Specified Time:	[•]
(xvi)	ISDA Determination for Index 1 (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	-- Floating Rate Option:	[•]
	-- Designated Maturity:	[As specified above for Index 1]
	-- Reset Date:	[•]
(xvii)	ISDA Determination for Index 2 (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	-- Floating Rate Option:	[•]
	-- Designated Maturity:	[As specified above for Index 2]
	-- Reset Date:	[•]
(xviii)	Inflation determination for Index 1:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Index:	[CPI Reference Rate/HICP Reference Rate]
	(b) 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)].]
	(c) M:	[•] month(s)
	(d) M':	[•] month(s)
	(e) Day Count Fraction:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
	(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 Index 2:	[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(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)].]
(c) M:	[•] month(s)
(d) M:	[•] month(s)
(e) Day Count Fraction:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
(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:	[Not Applicable]/[•] per cent. per annum
(xxi) Maximum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
(xxii) Margin(s):	[zero]
(xxiii) Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]

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**TEC10 Formula**

	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i) Participation:	[•]
(ii) Spread:	[•] per cent.
(iii) k:	[•]
(iv) Interest Period(s):	[•]
(v) Specified Interest Payment Dates:	[•]
(vi) First Specified Interest Payment Date:	[•]
(vii) Interest Period Date:	[•]
	<i>(Not applicable unless different from Interest Payment Date)</i>

- (viii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (ix) Business Centre(s) (Condition 5(a)): [•]
- (x) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (xi) Minimum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xii) Maximum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xiii) Day Count Fraction (Condition 5(a)): [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (xiv) Interest Determination Date [•]

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**CPI Formula**

- [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) M: [•] months
- (ii) M: [•] months
- (iii) Spread: [•]
- (iv) Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): [•]
- (v) Interest Period(s): [•]
- (vi) Specified Interest Payment Dates: [•]
- (vii) 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*)].]
- (viii) Day Count Fraction: [30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
- (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: [Not Applicable]/[•] per cent. per annum
- (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*)]

<b>21</b>	<b>HICP Formula</b>	Business Day Convention/other ( <i>give details</i> ) [Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i)	M:	[•] months
(ii)	M:	[•] months
(iii)	Spread:	[•]
(iv)	Calculation Agent responsible for calculating the interest due (if not the Calculation Agent):	[•]
(v)	Interest Period(s):	[•]
(vi)	Specified Interest Payment Dates:	[•]
(vii)	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 ( <i>give details</i> )].]
(viii)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA / ISDA) / Actual/365 (Fixed)/ Actual/360 / 30E/360 / 30E/360 (ISDA)]
(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 26 relates</i> )
(x)	Minimum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
(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 ( <i>give details</i> )]

**PROVISIONS RELATING TO REDEMPTION**

<b>22</b>	<b>Call Option</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i)	Optional Redemption Date(s):	[•]
(ii)	Optional Redemption Amount(s) of each <i>Obligation Foncière</i> and method, if any, of calculation of such amount(s):	[•] per <i>Obligation Foncière</i> [of [•] Specified Denomination]
(iii)	If redeemable in part:	[•]
	(a) Minimum Redemption Amount to be redeemed:	[•]
	(b) Maximum Redemption Amount to be redeemed:	[•]

	(iv) Option Exercise Date(s):	[•]
	(v) Notice period:	[•]
<b>23</b>	<b>Final Redemption Amount of each <i>Obligation Foncière</i></b>	[[•] per <i>Obligation Foncière</i> [of [•] Specified Denomination]/ As provided below for Inflation Linked <i>Obligations Foncières</i> , as the case may be]
	(i) Inflation Linked <i>Obligations Foncières</i> – Provisions relating to the Final Redemption Amount:	[Applicable / Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	(ii) Index:	[CPI/HICP]
	(iii) Final Redemption Amount in respect of Inflation Linked <i>Obligations Foncières</i> :	[Condition 6(c) applies]
	(iv) Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on [ <i>specify date</i> ] (amounting to: [•])
	(v) Inflation Index Ratio:	[•]
	(vi) Party responsible for calculating the Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[•]
<b>24</b>	<b>Early Redemption Amount</b>	
	Early redemption for taxation reasons:	[Applicable/Not Applicable]
	Early Redemption Amount(s) of each <i>Obligation Foncière</i> payable on redemption for taxation reasons:	[•] / [As provided below for Inflation Linked <i>Obligations Foncières</i> , as the case may be]
	Inflation Linked <i>Obligations Foncières</i> – 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 <i>Obligations Foncières</i> :	[Condition 6(d)(ii) applies]
	(iii) Base Reference:	[CPI/HICP] Daily Inflation Reference Index applicable on [ <i>specify date</i> ] (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):	[•]

## 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*)/Registered dematerialised form (*au nominatif*)]
- (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/Not Applicable] (*Only applicable to Materialised Obligations Foncières*)
- 26 Financial Centre(s) (Condition 7(g)) 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 to interest period end dates, to which items 14(ii), 15(ii) and 17(iv) relate*)
- (i) Adjusted Payment Date (Condition 7(g)): [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]/[Other\*]
- 27 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*)
- 28 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
- 29 Consolidation provisions: [Not Applicable/The provisions [in Condition 12(b)] apply]
- 30 Representation of holders of *Obligations Foncières Masse* (Condition 10) [[Full Masse]/[Contractual Masse] shall apply] (*Note that: (i) in respect of any Tranche of Obligations Foncières issued outside France,*

\* 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(g)).

*Condition 10(a)(ii) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Obligations Foncières issued inside France, Condition 10(a)(i) (Full Masse) shall apply.)*

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 [●]

## **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:



## PART B – OTHER INFORMATION

### 1. RATINGS

Ratings: [Applicable]

*Obligations Foncières* to be issued under the Programme are expected to be rated AAA by S&P and/or Fitch and/or Aaa by Moody's]

[The *Obligations Foncières* to be issued have been rated]:

[S & P: [•]]

[Moody's: [•]]

[Fitch: [•]]

[Other: [•]]

[[Each of [S&P] [and/,] [Moody's] [and/,] [Fitch] [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/,] [Fitch] [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/page/List-registered-and-certified-CRAs).]

[[Each of [•], [•] and] [•] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[None of [•], [•] 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.)*

### 2. 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.515-19 of the French Monetary and Financial Code, 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.515-7-2 of the French Monetary and Financial Code.

### 3. 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]

#### 4. OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Depositaries:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream, Luxembourg: [Yes/No]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg 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 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)

## GENERAL INFORMATION

- (1) This Base Prospectus has received visa n°13-306 from the AMF on 26 June 2013. Application has been made to Euronext Paris for *Obligations Foncières* issued under the Programme to be listed and admitted to trading on Euronext Paris and/or any other regulated market in a Member State of the European Economic Area (the “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 (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) The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the updating of the Programme. The *Directoire* of the Issuer authorised the update of the Programme on 7 March 2013.

Any drawdown of *Obligations Foncières* under the Programme, to the extent that such *Obligations Foncières* constitute *obligations*, requires the prior authorisation of (i) the Executive Board (*Directoire*) of the Issuer or (ii) the Ordinary General Meeting of the Issuer's shareholders if (a) the *statuts* of the Issuer so require or (b) such Ordinary General Meeting decides itself to exercise such authority.

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) Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 March 2013 nor any material adverse change in the prospects of the Issuer since 31 December 2012.
- (4) Except as discussed in the section entitled "*Selected Financial Information – Legal and arbitration proceedings – Customer Litigation*" 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) *Obligations Foncières* have been accepted for clearance through the Euroclear and Clearstream, Luxembourg 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.
- (6) The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L- 1855 Luxembourg, Grand-Duchy of Luxembourg.
- (7) 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

- (8) 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 2011 and 31 December 2012 and any subsequent interim financial accounts 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 listed and/or 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 each issue of *Obligations Foncières*.
- (9) The non-consolidated accounts of the Issuer are audited and are published on an annual basis. The Issuer also produces unaudited interim financial information.
- (10) 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 listed and admitted to trading on the Paris, Frankfurt, Luxembourg, Zurich or Sydney stock exchanges.
- (11) 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.
- (12) Pursuant to Article R.515-13-IV of the French Monetary and Financial Code, 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 any issue of *Obligations Foncières* in a principal amount equal to or above Euro 500 million or its equivalent in the currency of issue. The Issuer will procure that the Specific Controller certifies that the previously referred rule is satisfied for all issues of *Obligations Foncières* under this Programme even in relation to issues whose principal amount is less than Euro 500 millions.
- (13) On 3 June 2003, the European Council of Economics and Finance Ministers adopted the Taxation Directive. The Taxation Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any *Obligation Foncière* as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Taxation Directive. The Issuer assumes responsibility for withholding taxes to the extent set forth in Condition 8 of the Conditions.

- (14) Deloitte & Associés and Mazars (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have audited the financial statements of the Issuer for the years ended 31 December 2011 and 2012.

- (15) 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 applicable 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.

## 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 does not omit anything likely to affect the import of such information. Each of the statutory auditors' reports on the audited consolidated annual accounts and on the audited non-consolidated annual accounts for the periods ended 31 December 2011 and 31 December 2012 contains an observation, without qualifying the opinion.

### Caisse Française de Financement Local

La Défense 2  
1, passerelle des Reflets  
92913 La Défense Cedex  
France

Duly represented by:  
Gilles Gallerne *Président du Directoire*  
Duly authorised  
on 26 June 2013



### *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.13-306 on 26 June 2013. 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 verified 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**

La Défense 2  
1, passerelle des Reflets  
92913 La Défense Cedex  
France

**Arranger**

**Deutsche Bank AG, Paris Branch**

3, avenue de Friedland  
75008 Paris  
France

**Dealers**

**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**

9, quai du Président Paul Doumer  
92920 Paris la Défense  
France

**Credit Suisse Securities (Europe) Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

**Deutsche Bank Aktiengesellschaft**

Theodor-Heuss-Allee 70  
60486 Frankfurt am Main  
Germany

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**Natixis**

30 avenue Pierre Mendès France  
75013 Paris  
France

**Nomura International plc**

1 Angel Lane  
London EC4R 3AB  
United Kingdom

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

**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**

**Deloitte & Associés**  
185, avenue Charles de Gaulle  
92524 Neuilly-sur-Seine  
France

**Mazars**  
Exaltis  
61, rue Regnault  
92075 Courbevoie Cedex  
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