

**FIRST SUPPLEMENT DATED 24 JULY 2013  
TO THE BASE PROSPECTUS DATED 26 JUNE 2013**



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

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 26 June 2013 prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme of Caisse Française de Financement Local (the “**Issuer**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa No.°13-306 on 26 June 2013 to the Base Prospectus.

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

This First Supplement constitutes a supplement to the Base Prospectus and has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF for the following purposes:

- (i) creating a new section entitled “Recent Developments” in respect of the Press release dated on 17 July 2013 published by the Issuer;
- (ii) reflecting the downgrade of the credit rating of the *Obligations Foncières* of the Issuer from AAA to AA+ by Fitch;
- (iii) updating the risk factor on EU Crisis Management Directive by referring to the law regarding the separation and the regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) adopted by the French Parliament on 17 July 2013;
- (iv) updating the risk factor on Basel II and Basel III Risk-Weighted Asset Framework by referring to the Capital Requirements Directive (CRD IV) and an accompanying regulation (the Capital Requirement Regulation or CRR) published in the Official Journal of the European Union on 27 June 2013;
- (v) modifications regarding the remuneration of the Representative in respect of Full *Masse* and Contractual *Masse*; and
- (vi) incorporating by reference terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 8 April 2011 approved by the *Commission de surveillance du secteur financier* in Luxembourg.

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

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

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

To the extent applicable, and provided that the conditions of Article 212-25 I of the *Règlement Général* of the AMF are fulfilled, investors who have already agreed to purchase or subscribe for *Obligations Foncières* to be issued under the Programme before this First Supplement is published, have the right, according to Article 212-25 II of the *Règlement Général* of the AMF, to withdraw their acceptances within a time limit of minimum two working days after publication of this First Supplement. This right to withdraw shall expire by close of business on 29 July 2013.

Copies of this First Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1, passerelle des Reflets, TSA 42206 - 92919 La Défense Cedex, France) during normal business hours, (b) will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and (c) will be available during normal business hours at the specified office of the Fiscal Agent (69, route d'Esch, L-1470 Luxembourg, Grand-Duchy of Luxembourg) so long as any of the *Obligations Foncières* issued under the Programme are outstanding.

## TABLE OF CONTENTS

RECENT DEVELOPMENTS.....	4
CREDIT RATINGS ASSIGNED TO THE <i>OBLIGATIONS FONCIERES</i> .....	5
RISK FACTORS .....	7
REPRESENTATION OF THE HOLDERS OF <i>OBLIGATIONS FONCIERES</i> .....	8
DOCUMENTS INCORPORATED BY REFERENCE .....	9
PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST PROSPECTUS SUPPLEMENT .....	10

## RECENT DEVELOPMENTS

A section entitled “Recent Developments” shall be included on page 129 of the Base Prospectus and the following wording shall be added to the Base Prospectus under this section:

“The following recent development has been published by the Issuer:

**Press release dated on 17 July 2013 - Fitch lowered the credit rating of the *Obligations Foncières* issued by Caisse Française de Financement Local (Caffil) to AA+ following the downgrade of France announced late last week**

The rating of France has been lowered on Friday July 12th by the credit rating agency Fitch from AAA (outlook negative) to AA+ (outlook stable). This rating is now at the same level as the rating attributed by the other two rating agencies, S&P (AA+) and Moody's (Aa1).

This downgrade of the French State by one notch has automatically led to a downgrade of the credit rating of Sfil, the sole shareholder of Caffil, by one notch from AA+ to AA. The rating of Société de Financement Local (Sfil) is directly linked to the rating of France in application of the rating methodology for state dependent entities. Sfil is now rated AA+ by S&P (same rating as the French State), Aa2 by Moody's and AA by Fitch (on notch below the French State).

Fitch also announced the downgrade of the credit rating of the *Obligations Foncières* (OF) of Caffil from AAA (outlook negative) to AA+ (outlook stable). The rating agency took the view that the concentration of cover pool exposures to French local authorities (70%) does not allow Caffil to achieve a credit rating above that of the French State. As a result the rating of the OF issued by Caffil has been aligned to the same level as that of France, AA+. The credit rating of the OF of Caffil is now AAA by S&P, Aaa by Moody's and AA+ by Fitch.

### **Meeting between the French government and representative bodies of French local authorities**

The French government published the minutes of a meeting held on 16 July 2013 between the French government and representative bodies of French local authorities.

The summary of conclusions of this meeting provide further details on the implementation of measures announced by the French government in its 18 June 2013 statement (as to which please refer to “Customer litigation” on page 125 of the Base Prospectus):

- The support fund, managed by the French government with a policy committee including local authorities, will benefit from an annual endowment of Euro 100 millions starting in 2014 and for a total period up to 15 years, i.e. an aggregate amount of Euro 1.5 billion.
- The endowment will be equally provided by French state and by tax resources on banking sector.
- Local authorities with the most structured loans will be eligible to the support fund and their accession to the fund implies that they drop litigation proceedings engaged previously and refrain from engaging litigation in relation to such structured loans.”

## CREDIT RATINGS ASSIGNED TO THE *OBLIGATIONS FONCIERES*

- The first sentence of the tenth paragraph of the cover page of the Base Prospectus shall be replaced as follows:

“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 AA+ by Fitch Ratings (“**Fitch**”), and/or Aaa by Moody’s Investors Services, Inc. (“**Moody’s**”).”

- The first sentence of item B.17 of the section entitled “Summary of the Programme” on page 9 of the Base Prospectus shall be replaced as follows:

“*Obligations Foncières* to be issued under the Programme are expected to be rated AAA by Standard & Poor’s Rating Services (“**S&P**”) and/or AA+ by Fitch Ratings (“**Fitch**”) and/or Aaa by Moody’s Investors Services, Inc. (“**Moody’s**”), which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies (the “**CRA Regulation**”), 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](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) as of the date of the Base Prospectus.”

- The first sentence of item B.17 of the section entitled “French Summary of the Programme” on page 29 of the Base Prospectus shall be replaced as follows:

“Les Obligations Foncières émises en vertu du Programme devraient être notées AAA par Standard & Poor’s Rating Services (« **S&P** ») et/ou AA+ par Fitch Ratings (« **Fitch** ») et/ou Aaa par Moody’s Investors Services, Inc. (« **Moody’s** »), 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 « **Règlement CRA** »), 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 (*European Securities and Market Authority*) sur son site Internet [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) à la date du Prospectus de Base.”

- The first sentence of item 3 entitled “Ratings” of the Part B of the section entitled “Form of Final Terms 1” on page 149 of the Base Prospectus shall be replaced as follows:

“[Applicable

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

- The first sentence of item 2 entitled “Ratings” of the Part B of the section entitled “Form of Final Terms 2” on page 168 of the Base Prospectus shall be replaced as follows:

“[Applicable

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

- The first sentence of item 1 entitled “Ratings” of the Part B of the section entitled “Form of Final Terms 3” on page 185 of the Base Prospectus shall be replaced as follows:

“[Applicable

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

## RISK FACTORS

- The last two paragraphs of the section entitled “1.15 EU Crisis Management Directive” on page 60 of the Base Prospectus shall be deleted and replaced as follows:

“In addition, a law regarding the separation and the regulation of banking activities (*loi de séparation et de régulation des activités bancaires*), that anticipates the implementation of the CMD, has been adopted by the French Parliament on 17 July 2013.

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*.”

- The last three paragraphs of the section entitled “1.16 Implementation of Basel II and Basel III Risk-Weighted Asset Framework” on page 61 of the Base Prospectus shall be deleted and replaced as follows:

“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. The Capital Requirements Directive ("**CRD IV**") and an accompanying regulation (the "**Capital Requirement Regulation**" or "**CRR**") were published in the Official Journal of the European Union on 27 June 2013 and must be applied from 1 January 2014.

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 CRD IV.

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 that the implementation of CRD IV could have on them.”

## **REPRESENTATION OF THE HOLDERS OF *OBLIGATIONS FONCIERES***

- The third paragraph of the Condition 10(a)(i) of the section entitled “Terms and Conditions of the *Obligations Foncières*” on page 98 of the Base Prospectus shall be replaced as follows:  
“The Representative will be entitled, as the case may be, to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.”
- The third paragraph of the Condition 10(a)(ii)(B) of the section entitled “Terms and Conditions of the *Obligations Foncières*” on page 99 of the Base Prospectus shall be replaced as follows:  
“The Representative will be entitled, as the case may be, to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.”



## DOCUMENTS INCORPORATED BY REFERENCE

- Subparagraph (d) of the first paragraph of the section entitled “Documents incorporated by reference” on page 65 of the Base Prospectus shall be deleted and replaced as follows:

“(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 23 July 2007 approved by the CSSF (the “**2007 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 24 July 2008 approved by the CSSF (the “**2008 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 10 July 2009 approved by the CSSF (the “**2009 EMTN Conditions**”), the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 2 July 2010 approved by the CSSF (the “**2010 EMTN Conditions**”) and the terms and conditions of the *obligations foncières* contained in the base prospectus of Dexia Municipal Agency dated 8 April 2011 approved by the CSSF (the “**2011 EMTN Conditions**” and together with, the 2006 EMTN Conditions, the 2007 EMTN Conditions, the 2008 EMTN Conditions, the 2009 EMTN Conditions and the 2010 EMTN Conditions the “**EMTN Previous Conditions**”).”

- The table entitled “EMTN Previous Conditions” of the section entitled “Documents incorporated by reference” on page 67 of the Base Prospectus shall be deleted and replaced as follows:

<b>EMTN Previous Conditions</b>	
2006 EMTN Conditions	Pages 28 to 50
2007 EMTN Conditions	Pages 31 à 54
2008 EMTN Conditions	Pages 31 to 54
2009 EMTN Conditions	Pages 29 to 50
2010 EMTN Conditions	Pages 33 to 54
2011 EMTN Conditions	Pages 35 to 56

- The sentence below the table entitled “EMTN Previous Conditions” of the section entitled “Documents incorporated by reference” on page 67 of the Base Prospectus shall be deleted and replaced as follows:

“Non-incorporated parts of the base prospectuses of the Issuer dated 21 July 2006, 23 July 2007, 24 July 2008, 10 July 2009, 2 July 2010 and 8 April 2011 are not relevant for the investors.”

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST SUPPLEMENT

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

### **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 24 July 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 First Supplement the visa no. 13-415 on 24 July 2013. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has 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.