

**THIRD SUPPLEMENT DATED 4 APRIL 2016  
TO THE BASE PROSPECTUS DATED 11 JUNE 2015**



**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 third supplement (the “**Third Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 11 June 2015 as supplemented by the First Supplement and Second Supplement to the Base Prospectus dated 31 August 2015 and 7 December 2015 respectively, prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Caisse Française de Financement Local (the “**Issuer**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa No.°15-269 on 11 June 2015 to the Base Prospectus, visa No.°15-461 on 31 August 2015 to the First Supplement and visa No.°15-617 on 7 December 2015 to the Second Supplement.

Application has been made for approval of the Third 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 Third 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) incorporating by reference the information contained in the French language version of the annual financial report of the Issuer, containing its audited annual accounts for the period ended 31 December 2015 (the “**2015 Annual Report**”);
- (ii) updating the sections B.10, B.12 and D.2 in the English and French versions of the Summary of the Programme;
- (iii) amending the section entitled "Risk Factors";
- (iv) updating the section entitled “Business Overview”;
- (v) updating the section entitled “Selected Financial Information”;
- (vi) updating the section entitled “Trend Information”;
- (vii) updating the section entitled “Recent Developments”; and
- (viii) updating the section entitled “General Information” of the Base Prospectus.

Save as disclosed in this Third 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 Third Supplement.

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

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 Third 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 Third Supplement. This right to withdraw shall expire by close of business on 6 April 2016.

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

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## SUMMARY OF THE PROGRAMME

The section entitled “Summary of the Programme” on pages 5 to 25 of the Base Prospectus is amended as follows:

- The item B.10 is deleted and replaced by the following:

<b>B.10</b>	<b>Qualifications in the auditors’ report</b>	Statutory auditors’ reports on the audited annual accounts established under IFRS as adopted by the European Union and on the audited annual accounts established under French GAAP for the periods ended 31 December 2014 and 31 December 2015 contain observations, without qualifying their opinion.
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- The item B.12 is deleted and replaced by the following:

<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 2014 and 31 December 2015:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Millions euros</th> <th colspan="2" style="text-align: center;">As of December 31</th> </tr> <tr> <th style="text-align: center;">2014</th> <th style="text-align: center;">2015</th> </tr> </thead> <tbody> <tr> <td>Core shareholders’ equity <i>(excluding unrealized gains &amp; losses)</i></td> <td style="text-align: right;">1,504</td> <td style="text-align: right;">1,428</td> </tr> <tr> <td>Financial debt</td> <td style="text-align: right;">67,080</td> <td style="text-align: right;">64,059</td> </tr> <tr> <td>- privileged debt</td> <td style="text-align: right;">60,852</td> <td style="text-align: right;">58,539</td> </tr> <tr> <td>- non privileged debt</td> <td style="text-align: right;">6,228</td> <td style="text-align: right;">5,520</td> </tr> <tr> <td>Balance sheet total</td> <td style="text-align: right;">83,926</td> <td style="text-align: right;">79,061</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Millions euros</th> <th colspan="2" style="text-align: center;">Fiscal year</th> </tr> <tr> <th style="text-align: center;">2014</th> <th style="text-align: center;">2015</th> </tr> </thead> <tbody> <tr> <td>Net banking income</td> <td style="text-align: right;">69</td> <td style="text-align: right;">55</td> </tr> <tr> <td>Operating income</td> <td style="text-align: right;">-42</td> <td style="text-align: right;">-55</td> </tr> <tr> <td>Net income</td> <td style="text-align: right;">-29</td> <td style="text-align: right;">-76</td> </tr> </tbody> </table> <p>As of 31 December 2015, the outstanding amount of privileged debt in swapped value decreased by EUR 1.6 billion (-2.9% compared to 31 December 2014). The outstanding amount of non privileged debt amounted at EUR 5.5 billion, decreasing by 11.3% compared to 31 December 2014. Those amounts are extracted from the Issuer’s management report and audited annual accounts as of 31 December 2015, established under IFRS as adopted by the European Union.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2015 and there has been no significant change in the financial or trading position of the Issuer since 31 December 2015.</p> <p>The number of clients who sued Dexia Crédit Local and/or SFIL and/or Caisse Française de Financement Local for loans on the balance sheet of Caisse Française de Financement Local stood at 91 on 30 March 2015.</p>	Millions euros	As of December 31		2014	2015	Core shareholders’ equity <i>(excluding unrealized gains &amp; losses)</i>	1,504	1,428	Financial debt	67,080	64,059	- privileged debt	60,852	58,539	- non privileged debt	6,228	5,520	Balance sheet total	83,926	79,061	Millions euros	Fiscal year		2014	2015	Net banking income	69	55	Operating income	-42	-55	Net income	-29	-76
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- In item D.2, the first sentence after the title “- Geographic concentration risk in its Cover Pool;” is deleted in its entirety and replaced by the following:

“More than 80% of the Cover Pool (excluding replacement assets and cash) is located in France.”.

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

The section entitled “Résumé en Français du Programme (French Summary of the Programme)” on pages 26 to 46 of the Base Prospectus is amended as follows:

- The item B.10 is deleted and replaced by the following:

<b>B.10</b>	<b>Réserves contenues dans le rapport des Commissaires aux comptes</b>	Les rapports des commissaires aux comptes, sur les états financiers annuels audités établis selon le référentiel IFRS tel qu’adopté dans l’Union Européenne et sur les états financiers annuels audités selon le référentiel français pour les périodes s’achevant le 31 décembre 2014 et le 31 décembre 2015, contiennent des observations, qui ne remettent pas en cause la certification des comptes.
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- The item B.12 is deleted and replaced by the following:

<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 2014 et au 31 décembre 2015 :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Millions d'euros</th> <th colspan="2" style="text-align: center;">Au 31 décembre</th> </tr> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2015</th> </tr> </thead> <tbody> <tr> <td>Fonds propres de base <i>(à l'exclusion des gains ou pertes latents ou différés)</i></td> <td style="text-align: right;">1.504</td> <td style="text-align: right;">1.428</td> </tr> <tr> <td>Dettes financières</td> <td style="text-align: right;">67.080</td> <td style="text-align: right;">64.059</td> </tr> <tr> <td>- Dette privilégiée</td> <td style="text-align: right;">60.852</td> <td style="text-align: right;">58.539</td> </tr> <tr> <td>- Dette non privilégiée</td> <td style="text-align: right;">6.228</td> <td style="text-align: right;">5.520</td> </tr> <tr> <td>Total du bilan</td> <td style="text-align: right;">83.926</td> <td style="text-align: right;">79.061</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Millions d'euros</th> <th colspan="2" style="text-align: center;">Exercice</th> </tr> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2015</th> </tr> </thead> <tbody> <tr> <td>Produit net bancaire</td> <td style="text-align: right;">69</td> <td style="text-align: right;">55</td> </tr> <tr> <td>Résultat d'exploitation</td> <td style="text-align: right;">-42</td> <td style="text-align: right;">-55</td> </tr> <tr> <td>Résultat net</td> <td style="text-align: right;">-29</td> <td style="text-align: right;">-76</td> </tr> </tbody> </table> <p>Au 31 décembre 2015, l’encours des dettes privilégiées en valeur swappée a diminué de EUR 1,6 milliard (-2,9% par rapport à décembre 2014). L’encours des dettes non privilégiées s’élève à EUR 5,5 milliards, en baisse de 11,3% par rapport à décembre 2014. Ces informations proviennent du rapport de gestion et des comptes annuels audités de l’Émetteur au 31 décembre, établis selon le référentiel IFRS tel qu’adopté par l’Union Européenne.</p> <p>Depuis le 31 décembre 2015, 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 décembre 2015.</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 91 le 30 mars 2016.</p>	Millions d'euros	Au 31 décembre			2014	2015	Fonds propres de base <i>(à l'exclusion des gains ou pertes latents ou différés)</i>	1.504	1.428	Dettes financières	67.080	64.059	- Dette privilégiée	60.852	58.539	- Dette non privilégiée	6.228	5.520	Total du bilan	83.926	79.061	Millions d'euros	Exercice			2014	2015	Produit net bancaire	69	55	Résultat d'exploitation	-42	-55	Résultat net	-29	-76
Millions d'euros	Au 31 décembre																																					
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- The item D.2 the first sentence after the title “-Risque de concentration géographique sur son Pool de Couverture ;” is deleted in its entirety and replaced by the following:

"Plus de 80% du Pool de Couverture (à l’exception des valeurs de remplacement et de la trésorerie) est situé en France."

## **RISK FACTORS**

The section “Risk Factors” on pages 49 to 66 of the Base Prospectus is amended as follow:

The first sentence of the first paragraph below the risk factor entitled “**2. Geographic concentration risk in its Cover Pool**” is deleted and replaced as follow:

“As of 31 December 2015, more than 80% of the Cover Pool (excluding replacement assets and cash), measured by principal amount of the assets, was concentrated in France.”.

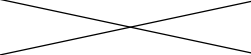
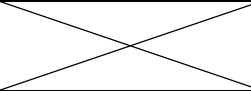
## DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “Documents incorporated by reference” on pages 67 to 69 of the Base Prospectus is hereby supplemented as follows:

The Base Prospectus should also be read and construed in conjunction with the sections set out in the cross-reference tables below from the French language version of the annual financial report of the Issuer for the financial year ended 31 December 2015 (the “**2015 Annual Report**”). The 2015 Annual Report is published on the website of the Issuer (<http://www.caffil.fr>).

The 2015 Annual Report has been filed with the AMF.

For information purposes only, the English translation of the Annual Report is published on, and may be obtained without charge from (i) the registered office of the Issuer (1 à 3, rue du Passeur de Boulogne 92130 Issy-les-Moulineaux, France) and (ii) the website of the Issuer (<http://www.caissefrancaisedefinancementlocal.fr>).

<b>INFORMATION INCORPORATED BY REFERENCE</b>	<b>2015 Annual Report</b>
<b><u>Historical Financial Information</u></b>	
– the IFRS balance sheet;	Page 41
– the French GAAP balance sheet	Page 75
– the IFRS income statement;	Page 42
– the French GAAP income statement	Page 76
– in the case of an admission of securities to trading on a regulated market only, a IFRS cash flow statement;	Page 44
– in the case of an admission of securities to trading on a regulated market only, a French GAAP cash flow statement	Page 78
– the accounting policies and IFRS explanatory notes;	Pages 45 to 73
– the accounting policies and French GAAP explanatory notes;	Pages 79 to 95
– the management report;	Pages 5 to 39
– the coverage ratio	Page 99
<b><u>Auditing of historical annual financial information</u></b>	
A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	IFRS Auditors’ reports Page 74 French GAAP Auditors’ reports Page 96
An indication of other information in the	

<b>INFORMATION INCORPORATED BY REFERENCE</b>	<b>2015 Annual Report</b>
registration document which has been audited by the auditors.	Pages 40, 126 and 127

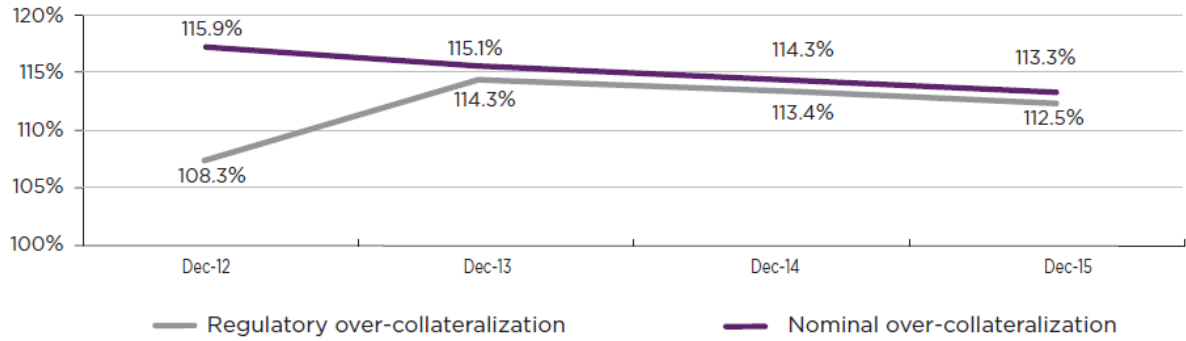
*Any other information not listed above but contained in such document is incorporated by reference for information purposes only.*



## BUSINESS OVERVIEW

The section “Business Overview” on pages 117 to 122 of the Base Prospectus is amended as follow:

- 1) The first graph below the title “**Over-collateralization ratio**” is deleted in its entirety and replaced by the following:

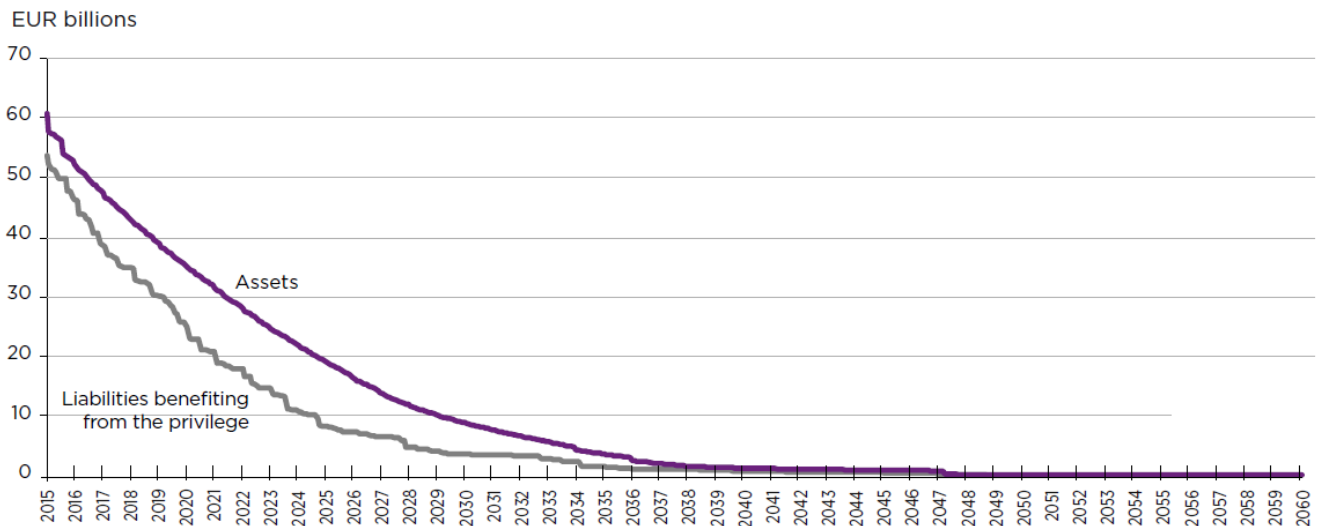


- 2) The sentence above the second graph below the title “**Over-collateralization ratio**” is deleted in its entirety and replaced by the following:

“The following graph on over-collateralization presents amortization curves of the assets and the issues benefiting from the legal privilege as of 31 December 2015.”;

- 3) The second graph below the title “**Over-collateralization ratio**” is deleted in its entirety and replaced by the following:

### Amortization of assets and liabilities as of December 31, 2015



- 4) The table below the sub-title “limiting directional risk” is deleted in its entirety and replaced by the following:

<u>Directional risk</u>					
Total sensitivity					
EUR millions, end of quarter	Limit	1Q 2015	2Q 2015	3Q 2015	4Q 2015
<b>SENSITIVITY</b>	<b>25.0</b>	<b>4.9</b>	<b>10.5</b>	<b>0.0</b>	<b>0.1</b>

- 5) The first table below the sub-title “limiting the slope risk” is deleted in its entirety and replaced by the following:

<u>Risk of slope between two distant points on the rate curve</u>					
Sum of sensitivities					
EUR millions, end of quarter	Limit	1Q 2015	2Q 2015	3Q 2015	4Q 2015
Short term	10.0	0.3	2.0	3.5	0.6
Medium term	10.0	5.1	5.6	(0.8)	(0.4)
Long term	10.0	6.8	6.3	(0.5)	1.9
Very long term	10.0	(7.3)	(3.4)	(2.2)	(2.0)

- 6) The second table below the sub-title “limiting the slope risk” is deleted in its entirety and replaced by the following:

<u>Risk of slope between two close points on the rate curve</u>					
Sum of sensitivities in absolute value					
EUR millions, end of quarter	Limit	1Q 2015	2Q 2015	3Q 2015	4Q 2015
Short term	20.0	1.0	7.6	5.2	6.2
Medium term	20.0	7.8	13.4	8.4	4.5
Long term	20.0	4.1	8.9	4.9	3.7
Very long term	20.0	7.3	7.6	3.8	3.8

- 7) The section entitled “**Outlook for the year 2015**” is deleted in its entirety and replaced by the following:

#### “**Outlook for the year 2016**”

For the year 2016, Caisse Française de Financement Local and its parent company SFIL aim to:

- confirm their role as a major player in the market for loans to French local government and public hospital within the framework of cooperation with La Banque Postale (leader in this market in 2015);
- give concrete shape to their new role in refinancing banks that work with French exporters for the loans insured by the French export credit agency under the State’s control, on its behalf and in its name.

In addition to these two responsibilities entrusted by the French State, within an operating framework approved by the European Commission, there is also the objective to reduce the volume of sensitive structured loans (already cut in half since the beginning of 2013). This activity is generally accompanied by new loans granted to the local governments concerned. Caisse Française de Financement Local will thus see new loans enter its portfolio of assets on 2016. They represent exposures on the French local public sector and the French State.

To cover its financing needs, Caisse Française de Financement Local plan to issue approximately EUR 7.0 billion of obligations foncières in 2016 with a long average maturity adapted to the profile of the new assets. Its program will mainly be developed through several benchmark issues in euros and private placements adapted to the needs of its large investor base.”.

## **TREND INFORMATION**

The paragraph of the section entitled “Trend Information” on page 126 of the Base Prospectus shall be deleted and replaced as follows:

“Except as disclosed in this Base Prospectus as supplemented, there has been no material adverse change in the prospects of the Issuer since 31 December 2015.”.

## SELECTED FINANCIAL INFORMATION

The section entitled “Selected Financial Information”, on pages 132 to 134 of the Base Prospectus is amended as follow:

- 1) The section below the title “SELECTED FINANCIAL INFORMATION” and above the title “**Auditing of historical annual financial information**” is deleted in its entirety and replaced by the following:

“As of 31 December 2015, the Caisse Française de Financement Local had a shareholders’ equity of 1,428 million euros (compared to 1,504 million euros as of 31 December 2014).

Its financial debt amounted to 64,059 million euros (compared to 67,080 million euros as of 31 December 2014). It was comprised of debt benefiting from the legal privilege\* totaling 58,539 million euros (compared to 60,852 million euros as of 31 December 2014) and debt not benefiting from this privilege\*\* totaling 5,520 million euros (compared to 6,228 million euros as of 31 December 2014).

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

\*\* financing received from its shareholder

Millions euros	31 December		
	2013	2014	2015
Core shareholders’ equity <i>(excluding unrealized gains &amp; losses)</i>	1 533	1 504	1 428
Financial debt	66 449	67 080	64 059
- privileged debt	59 675	60 852	58 539
- non privileged debt	6 774	6 228	5 520
Balance sheet total	80 017	83 926	79 061

Net banking income for the year ended on 31 December 2015 amounted to 55 million euros (compared to 69 million euros in 2014). Net income for the year ended on 31 December 2015 amounted to -76 million euros (compared to -29 million euros in 2014).

Income was strongly influenced by the following factors that should be mentioned in this analysis:

- adjustments in fair value concerning interest rate risk hedges: the application of these changes in accounting standards or methods is a source of volatility in net banking income since 2013. The impact was very positive in 2013 (+116 million euros) and negative in 2014 (-24 million euros) and 2015 (-36 million euros).
- the contribution to the support funds created by the French State to solve the problem of sensitive structured loans. This contribution was totally covered by a provision once Caisse Française de Financement Local decided to contribute to these funds (local governments in 2013, hospitals in 2014 and increase in hospital funds in 2015). The impact on the cost of risk was 150 million euros in 2013, 18 million euros in 2014 and 20 million euros in 2015.
- the provision covering the risk of additional tax to pay within the framework of the tax assessment of Caisse Française de Financement Local; this provision was recorded in the 2015 financial statements for EUR 38 million.

Corrected for these items, net banking income went from EUR +93 million in 2014 to EUR +91 million in 2015, and net income was stable at EUR -1 million.

Millions euros	Fiscal year		
	2013	2014	2015
Net banking income	242	69	55
Operating income	-15	-42	-55
Net income	3	-29	-76

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

2) The section untitled “**Customer litigation**” is deleted in its entirety and replaced by the following:

**“Litigation related to structured loans**

In its portfolio, Caisse Française de Financement Local has structured loans considered as sensitive that were granted to French customers of Dexia Credit Local. Certain of these customers initiated legal proceedings against Dexia Credit Local, Caisse Française de Financement Local and/or SFIL.

**Decrease in outstanding sensitive structured loans**

The policy applied by SFIL since its creation at the beginning of 2013 made it possible to effect a significant reduction in the size of the portfolio of sensitive structured loans of Caisse Française de Financement Local.

**Creation of the support fund contributing to the cost of sensitivity reduction**

The two support funds created by the French government in 2013 and 2014 allow local governments and public hospitals eligible for this arrangement to finance the cost of doing away with their structured loans. These funds were fully operational as of 2015. In the second half, notifications of the amounts of assistance provided by the funds began to be sent to local governments and public hospitals that had requested such help. This made it possible to maintain a sustained pace of sensitivity reduction and resulted in a major decrease in the number of law suits.

The intervention capacity of these funds was significantly increased in the first quarter of 2015 in order to cover the additional cost linked to the appreciation of the Swiss franc so that the early reimbursement penalties for which customers holding loans indexed on the EUR/CHF exchange rate were still responsible would not be greater, after assistance from the fund, than they would have been before the decision of the Swiss National Bank (SNB) in January 2015 to put an end to the floor rate of exchange of the Swiss franc (CHF). The fund earmarked for local governments now totals EUR 3.0 billion and the one for public hospitals EUR 400 million. Likewise, the ceiling of the assistance made available was significantly raised from 45% to 75% of penalties owed by the most fragile local governments.

Caisse Française de Financement Local made a voluntary contribution to the local government support fund in the amount of EUR 150 million and to the hospital support fund for EUR 38 million, including an additional contribution of EUR 20 million to the hospital support fund decided in November 2015 in order to participate in the increase in these funds.

To prepare its 2013 and 2014 annual financial statements, as well as its 2015 half year financial statements, Caisse Française de Financement Local took into account the hypothesis that the solutions announced by the government would in fact rapidly be made available. It was notably a question of defining a legal base for other structured loan agreements contracted by public sector entities (which took effect on July 30, 2014), creating a support fund for local governments and then for public hospitals

and finally the measures taken in 2015 to counter the major rise in the exchange value of the Swiss franc decided by the Swiss National Bank so that the support funds would remain at least as attractive as before the SNB decision for local governments and hospitals holding loans indexed on the EUR/CHF exchange rate (rise in the two support funds and increase in the maximum rate of assistance granted).

### **Significant decline in the number of suits**

As of December 31, 2015, the number of borrowers who had brought suit totaled 131, down from 210 as of December 31, 2014, a decline of 79 borrower-plaintiffs.

The law that created a legal basis to secure structured loan agreements subscribed by public sector entities took effect on July 30, 2014. Since then, a bank can no longer be condemned for reasons linked to the annual rate of charge (TEG) of structured loan agreements, in particular the formal absence of the TEG in the faxes which had preceded the signing of the contract, which had motivated the decision of the Tribunal de grande instance de Nanterre on February 8, 2013, concerning the loans granted to the Département de la Seine-Saint-Denis.

The Département de la Seine-Saint-Denis which had initiated the first law suit to be decided, chose to put an end to the litigation within the framework of a financial agreement that made it possible to eliminate its debt sensitivity.

Since this first legal decision in February 2013, the Tribunal has decided a limited number of cases. Four decisions were handed down in 2014 before the law creating a legal basis to secure structured loan agreements subscribed by public entities took effect, which Dexia Credit Local and Caisse Française de Financement Local appealed, and three in 2015.

Of the three decisions of the Tribunal de grande instance de Nanterre handed down in 2015, a single decision condemned jointly and separately Dexia Credit Local and Caisse Française de Financement Local for the failure of Dexia Credit Local to provide adequate information and sufficient warning when it marketed the loan. This same decision condemned the borrower to reimburse Caisse Française de Financement Local for all the unpaid sums and to pay the contractual interest rate for the remaining life of the contract.

As of December 31, 2015, all these decisions were being heard in appeal before the Cour d'appel de Versailles, except for litigation in which a financial agreement had been reached. At the same time, 88 borrowers who had brought suit signed a financial settlement agreement with SFIL, Caisse Française de Financement Local and Dexia Credit Local, thereby putting an end to legal litigation.”;

3) A new section is created below the section entitled “**Litigation related to the structured loans**” as follows:

#### **Tax assessment**

In 2015, French tax authorities investigated the income declared and the tax paid for 2012 and 2013. Following the tax assessment, the tax authorities expressed their disagreement with the tax treatment of the following two points: the taxation in Ireland of the income from the Dublin branch of Dexia Municipal Agency, which has now been closed, and the deductibility of provisions for non-performing loans.

In order to take into account the risk of an unfavorable outcome in these proceedings, Caisse Française de Financement Local has recorded a provision for additional income tax in the amount of EUR 38 million. Nonetheless, Caisse Française de Financement Local does not agree with the position of the tax

authorities and will appeal within the framework of legal recourse allowed by current tax regulations.”; and

- 4) The paragraph below the title “**Debt securities issued since 1st January 2015**” is deleted in its entirety and replaced by the following:

“Between 1st January 2015 and 30th March 2016, the Caisse Française de Financement Local has issued debt securities issued in the form of *obligations foncières* and other resources benefiting from the privilege for an amount of EUR 8 324 million.”.



## RECENT DEVELOPMENTS

The sentence below the title “**Indebtedness**” in the section entitled “Recent Developments”, on page 137 of the Base Prospectus is deleted in its entirety and replaced by the following:

“The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) decreased by an amount of € 503 million between 31 December 2014 and 31 December 2015 and of € 178 million between 31 December 2015 and 30 March 2016.”.

## GENERAL INFORMATION

The section “General Information” on page 196 to 198 of the Base Prospectus is amended as follows:

- 1) The paragraph (3) shall be deleted and replaced as follows:

“(3) Except as disclosed in this Base Prospectus as supplemented, there has been no significant change in the financial or trading position of the Issuer since 31 December 2015 nor any material adverse change in the prospects of the Issuer since 31 December 2015.”;

- 2) The paragraph (4) shall be deleted and replaced as follows:

“(4) Except as discussed in the section entitled "*Selected Financial Information – Legal and arbitration proceedings – Litigation related to structured loans*" and "*-Tax assessment*", which have been included by virtue of the Third Supplement, 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.”;

- 3) The paragraph (8) (c) shall be deleted and replaced as follows:

“(c) the audited annual accounts of the Issuer for the financial years ended 31 December 2014 and 31 December 2015 incorporated by reference or otherwise in this Base Prospectus;” and

- 4) The paragraph (14) shall be deleted and replaced as follows:

“(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 2014 and 2015.”.

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE THIRD 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 Third Supplement is in accordance with the facts and contains no omission likely to affect its import.

The financial statements of Caisse Française de Financement Local for the annual period ended 31 December 2015 have been audited by the statutory auditors in accordance with professional standards applicable in France. The relevant report is included in the Annual financial report 2015 and contains observations.

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

Duly represented by:  
Gilles Gallerne *Président du Directoire*  
Duly authorised  
on 4 April 2016



### *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 Third Supplement the visa no. 16-117 on 4 April 2016. 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.