

FIRST SUPPLEMENT DATED 11 SEPTEMBER 2020  
TO THE BASE PROSPECTUS DATED 12 JUNE 2020



**CAISSE FRANÇAISE DE FINANCEMENT LOCAL**  
*(société de crédit foncier duly licensed as a French specialised credit institution)*  
**Euro 75,000,000,000 Euro Medium Term Note Programme**  
**for the issue of *Obligations Foncières***  
**Due from one month from the date of original issue**

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 12 June 2020 which was approved by the *Autorité des marchés financiers* (the “**AMF**”) under number No. 20-253 on 12 June 2020 (the “**Base Prospectus**”), as prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Caisse Française de Financement Local (the “**Issuer**” or “**CAFFIL**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the “**Prospectus Regulation**”).

Application has been made for approval of the First Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation. This First Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the following purposes:

- i. incorporating by reference the information contained in the *Rapport financier semestriel 2020* in French language of the Issuer filed with the AMF (the “**2020 Half-Year Report**”);
- ii. updating the section entitled “Risk Factors”;
- iii. updating the section entitled “Documents incorporated by reference”;
- iv. updating the section entitled “Business Overview”;
- v. updating the section entitled “Organisational Structure”;
- vi. updating the section entitled “Recent Developments”; and
- vii. updating the section entitled “General Information” of the Base Prospectus.

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

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

In accordance with Article 23.2 of the Prospectus Regulation and to the extent applicable, investors who have already agreed to purchase or subscribe for *Obligations Foncières* to be issued under the Programme before this First Supplement is published have the right 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 15 September 2020, provided that the *Obligations Foncières* had not yet been delivered to the investors at the time when the significant new factor, material mistake or material

inaccuracy arose or was noted. Investors may notify the Issuer should they wish to exercise the right of withdrawal.

Copies of this First Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1-3, rue du Passeur de Boulogne 92130 Issy-les-Moulineaux, France) during normal business hours and (b) will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.caffil.fr](http://www.caffil.fr)) so long as any of the *Obligations Foncières* issued under the Programme are outstanding.

## TABLE OF CONTENTS

RISK FACTORS.....	4
DOCUMENTS INCORPORATED BY REFERENCE .....	7
BUSINESS OVERVIEW.....	13
ORGANISATIONAL STRUCTURE .....	17
RECENT DEVELOPMENTS .....	18
GENERAL INFORMATION .....	20
PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST SUPPLEMENT .....	21

## RISK FACTORS

The section entitled “**Risk Factors**” on pages 18 to 46 of the Base Prospectus is amended as follows:

- The following paragraph is added after the fourth paragraph on page 18:

"The first half of 2020 saw the emergence of the new Covid-19 pandemic, with quarantine measures and restrictions on mobility for the populations. This major health crisis has caused severe disruptions in most of the economic and business sectors and geographic areas, as well as on financial markets. It has acted as a catalyst on the weaknesses of the various economic players. For Caisse Française de Financement Local and its *Obligations Foncières*, the impact of the pandemic on its specific risk factors has currently been rather limited. Therefore, the understanding and assessment of the effects of the crisis did not lead Caisse Française de Financement Local to change the probability of occurrence, impact or ranking of its risk factors nor to add a new risk factor.

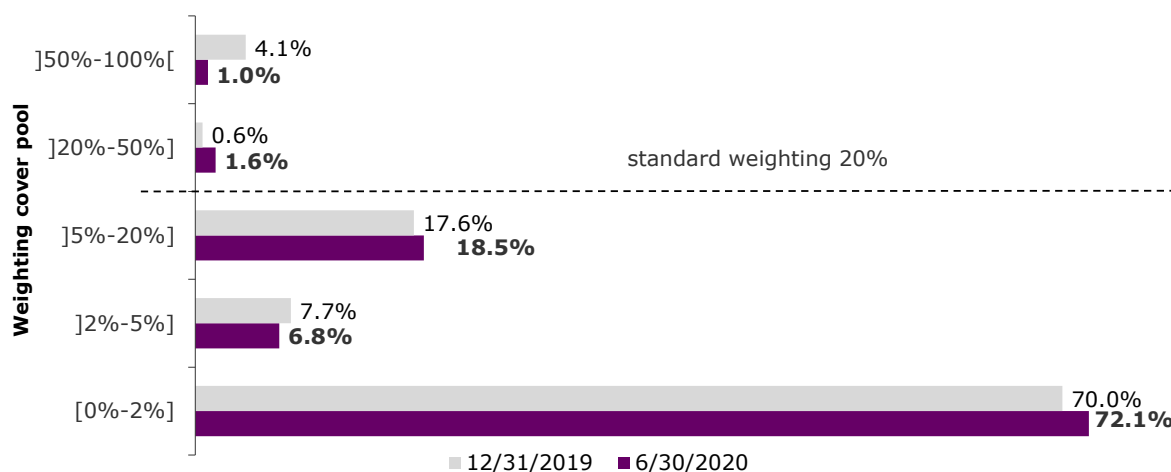
Section "Recent developments" details the effects of the Covid-19 crisis on the business and the financial situation of Caisse Française de Financement Local in the first half of 2020."

- The fourth sentence of the first paragraph of the risk factor entitled "**1.1. Risk arising from implementation of Basel III Risk-Weighted Asset Framework**" of the section entitled "**I. RISK FACTOR RELATING TO THE ISSUER**" is deleted and replaced as follows:

"As of 30 June 2020, Caisse Française de Financement Local's capital level is high (CET1 capital ratio: 29.0%)."

- The graph below the first paragraph of the risk factor entitled “**2.1 Risk of default in the Cover Pool**” is deleted and replaced as follows:

**"Risk weighting of Caisse Française de Financement Local's portfolio as of June 30, 2020**



”

- The last sentence and the last graph of the risk factor entitled “**2.1 Risk of default in the Cover Pool**” of the section entitled "**I. RISK FACTOR RELATING TO THE ISSUER**" is deleted and replaced as follows:

"As an illustration, the Cover Pool is broken down below by country and by category of counterparty. Figures are presented in EUR millions of EAD (exposure at default):

**Analysis of exposure by geographic region**

	12/31/2019	6/30/2020
France	61 977	63 702
Italy	5 989	5 966
Germany	448	446
Spain	187	178
United Kingdom	171	123
Belgium	257	189
Other European Union countries	926	654
Norway	239	233
Switzerland	797	778
United States and Canada	845	840
Japan	41	43
<b>TOTAL EXPOSURE</b>	<b>71 877</b>	<b>73 152</b>

**Analysis of exposure by category of counterparty**

	12/31/2019	6/30/2020
Sovereigns	10 808	11 569
Local public sector	57 310	58 732
Other assets guaranteed by public sector entities	26	26
Financial institutions	3 724	2 817
Other exposures	9	8
<b>TOTAL EXPOSURE</b>	<b>71 877</b>	<b>73 152</b>

Exposure on financial institutions is primarily comprised of counterparties in hedging derivatives and replacement assets.

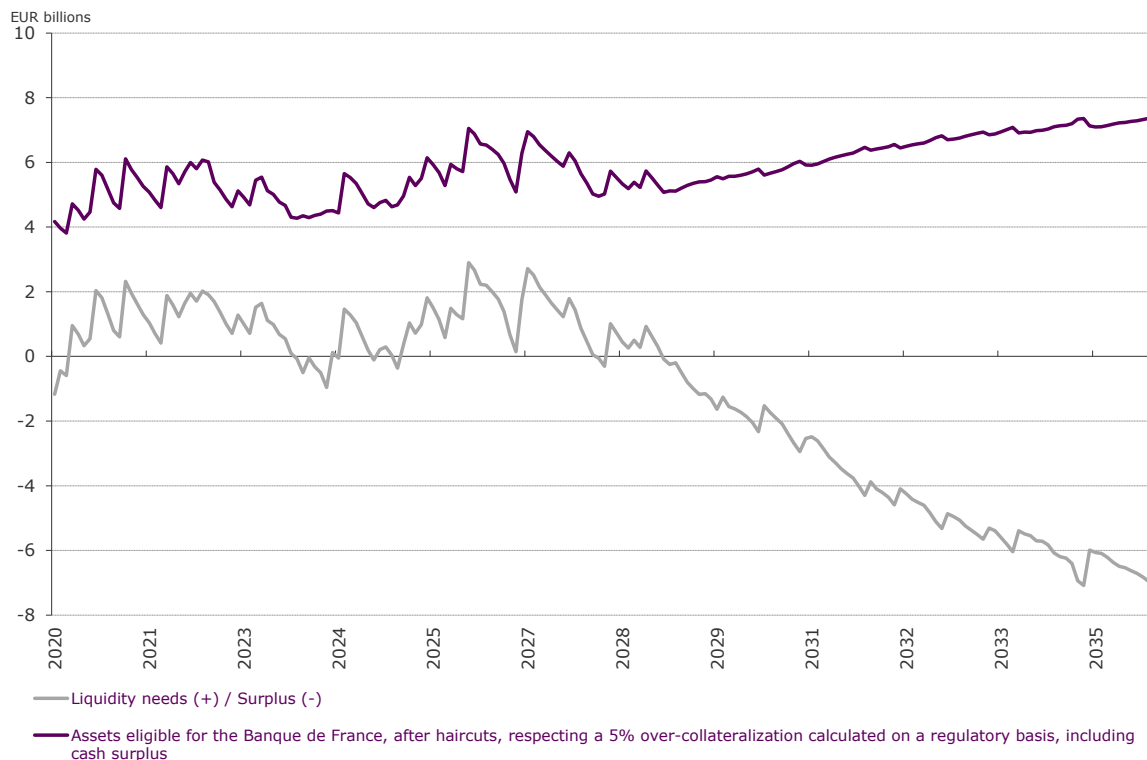
"

- The fifth paragraph of the risk factor entitled **“2.3 Risk of default of bank counterparties”** of the section entitled **"I. RISK FACTOR RELATING TO THE ISSUER"** is deleted and replaced as follows:

"Exposure on financial institutions is primarily comprised of counterparties in hedging derivatives and replacement assets. As of 30 June 2020, the amount is EUR 2.8 billion."

- The graph of the risk factor entitled **“3.2.1 Risk of a liquidity shortfall that may affect the Issuer's ability to settle its debt commitments in a timely fashion”** of the section entitled **"I. RISK FACTOR RELATING TO THE ISSUER"** is deleted and replaced as follows:

**“Liquidity needs as of June 30, 2020**



"

- The last sentence of the risk factor entitled “**3.2.1 Risk of a liquidity shortfall that may affect the Issuer's ability to settle its debt commitments in a timely fashion**” of the section entitled "**I. RISK FACTOR RELATING TO THE ISSUER**" is deleted and replaced as follows:

"As of 30 June 2020, the Liquidity Coverage Ratio reaches to 267 %."

- The second sentence of the second paragraph of the risk factor entitled **3.2.2 Dependence on SFIL for the unsecured funding of its over-collateral** of the section entitled "**I. RISK FACTOR RELATING TO THE ISSUER**" is deleted and replaced as follows:

"At the end of June 2020, the funds borrowed from SFIL are EUR 5.5 billion."

- The third sentence of the second paragraph of the risk factor entitled “**3.3 Risks linked to financial conditions offered for export credit refinancing loans**” of the section entitled "**I. RISK FACTOR RELATING TO THE ISSUER**" is deleted and replaced as follows:

"As of 30 June 2020, the financing commitments of Caisse Française de Financement Local for such contracts (amounts remaining to be paid to the counterparty) amounted to EUR 4.9 billion."

- The last sentence of the risk factor entitled “**3.4 Caisse Française de Financement Local may be exposed to risks linked to its hedging operations**” of the section entitled "**I. RISK FACTOR RELATING TO THE ISSUER**" is deleted and replaced as follows:

"As an illustration, the impacts of hedge accounting on the net banking income of the Issuer amounted to EUR -3 million at the end of June 2020. "

- The third sentence of the risk factor entitled “**6.1 Risks linked to compliance with the coverage ratio required of it under French law**” of the section entitled "**I. RISK FACTOR RELATING TO THE ISSUER**" is deleted and replaced as follows:

"French law requires that the total amount of assets of *sociétés de crédit foncier* must be at least equal to 105% of the amount of liabilities benefiting from the privilège (on 30 June 2020, the coverage ratio was equal to 111.9%)."

- The last paragraph of the risk factor entitled “**1.2 Holders have access to a limited description of the Cover Pool**” of the section entitled "**II. RISKS RELATING TO THE OBLIGATIONS FONCIÈRES**" is deleted and replaced as follows:

"As of 30 June 2020, the Cover Pool comprised EUR 49.5 billion in loans, EUR 7.0 billion in securities and the cash surplus placed with the Banque de France amounted to EUR 1.2 billion. In addition, the average life of the Cover Pool was 7.16 years. "

- The last sentence of the ninth paragraph of the risk factor entitled “**3.2 French and European rules relating to insolvency and bank recovery and resolution**” of the section entitled "**II. RISKS RELATING TO THE OBLIGATIONS FONCIÈRES**" is deleted and replaced as follows:

"On 30 June 2020, the coverage ratio was equal to 111.9%."

## DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “**Documents Incorporated by reference**” on pages 47 to 50 of the Base Prospectus is deleted and replaced for the purposes of adding the 2020 Half-Year Report of the Issuer:

"This Base Prospectus shall be read and construed in conjunction with the sections set out in the cross-reference table below of the following documents and the EMTN Previous Conditions (as defined below) which have been previously or simultaneously filed with the *Autorité des marchés financiers* (the "AMF") and shall be incorporated in, and form part of, this Base Prospectus:

- (a) the Half-Year Report in the French language relating to Caisse Française de Financement Local for the period ended 30 June 2020 (the "**2020 Half-Year Report**"; [https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2020/09/Rapport\\_financier-semestriel\\_2020\\_vdef.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2020/09/Rapport_financier-semestriel_2020_vdef.pdf))<sup>1</sup>
- (b) the Annual Report in the French language relating to Caisse Française de Financement Local, incorporating its audited annual accounts for the period ended 31 December 2019 and the related audit report (the "**2019 Annual Report**"; [https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2020/03/CAF2019\\_RFA\\_FR\\_MEL\\_200331.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2020/03/CAF2019_RFA_FR_MEL_200331.pdf))<sup>2</sup>;
- (c) the Annual Report in the French language relating to Caisse Française de Financement Local, incorporating its audited annual accounts for the period ended 31 December 2018 and the related audit report (the "**2018 Annual Report**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2019/03/CAFFIL-Rapport-financier-annuel-2018.pdf>)<sup>3</sup>; and
- (d) the terms and conditions of the *obligations foncières* contained in pages 28 to 50 of 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**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2006.pdf>), the terms and conditions of the *obligations foncières* contained in pages 31 to 54 of the base prospectus of Dexia Municipal Agency dated 23 July 2007 approved by the CSSF (the "**2007 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2007.pdf>), the terms and conditions of the *obligations foncières* contained in pages 31 to 54 of the base prospectus of Dexia Municipal Agency dated 24 July 2008 approved by the CSSF (the "**2008 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2008.pdf>), the terms and conditions of the *obligations foncières* contained in pages 29 to 50 of the base prospectus of Dexia Municipal Agency dated 10 July 2009 approved by the CSSF (the "**2009 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2009.pdf>).

---

<sup>1</sup> For information purposes only, the English translation of the 2020 Half-Year Report is published on the website of the Issuer ([www.caffil.fr](http://www.caffil.fr)) and may be obtained without charge at the registered office of the Issuer.

<sup>2</sup> For information purposes only, the English translation of the 2019 Annual Report is published on the website of the Issuer ([www.caffil.fr](http://www.caffil.fr)) and may be obtained without charge at the registered office of the Issuer.

<sup>3</sup> For information purposes only, the English translation of the 2018 Annual Report is published on the website of the Issuer ([www.caffil.fr](http://www.caffil.fr)) and may be obtained without charge at the registered office of the Issuer.

[content/uploads/2015/01/EMTNProgramme2009.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2009.pdf)), the terms and conditions of the *obligations foncières* contained in pages 33 to 54 of the base prospectus of Dexia Municipal Agency dated 2 July 2010 approved by the CSSF (the "**2010 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2010.pdf>), the terms and conditions of the *obligations foncières* contained in pages 35 to 56 of the base prospectus of Dexia Municipal Agency dated 8 April 2011 approved by the CSSF (the "**2011 EMTN Conditions**" ; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2011.pdf>), the terms and conditions of the *obligations foncières* contained in pages 69 to 103 of the base prospectus of Caisse Française de Financement Local dated 26 June 2013 which received visa n° 13-306 from the AMF (the "**2013 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTN-program-2013-Base-Prospectus.pdf>) as modified by the supplement dated 24 July 2013 to the base prospectus dated 26 June 2013 (the "**Additional 2013 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/SUPPLEMENT-1-VISA-13-415.pdf>), the terms and conditions of the *obligations foncières* contained in pages 70 to 105 of the base prospectus of Caisse Française de Financement Local dated 23 June 2014 which received visa n° 14-317 from the AMF (the "**2014 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/2014-06-CAFFIL-BASE-PROSPECTUS-VISA.pdf>), the terms and conditions of the *obligations foncières* contained in pages 71 to 107 of the base prospectus of Caisse Française de Financement Local dated 11 June 2015 which received visa n° 15-269 from the AMF (the "**2015 EMTN Conditions**"; [https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/06/A19763722-v4.2-CAFFIL-2015\\_Base-Prospectus.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/06/A19763722-v4.2-CAFFIL-2015_Base-Prospectus.pdf)), the terms and conditions of the *obligations foncières* contained in pages 77 to 113 of the base prospectus of Caisse Française de Financement Local dated 10 June 2016 which received visa n° 16-240 from the AMF (the "**2016 EMTN Conditions**"; [https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2016/06/A31665570-v0.47-CAFFIL-2016\\_Base-Prospectus.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2016/06/A31665570-v0.47-CAFFIL-2016_Base-Prospectus.pdf)), the terms and conditions of the *obligations foncières* contained in pages 77 to 112 of the base prospectus of Caisse Française de Financement Local dated 9 June 2017 which received visa n° 17-267 from the AMF (the "**2017 EMTN Conditions**"; [https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2017/06/CAFFIL-2017\\_Base-Prospectus.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2017/06/CAFFIL-2017_Base-Prospectus.pdf)), the terms and conditions of the *obligations foncières* contained in pages 86 to 120 of the base prospectus of Caisse Française de Financement Local dated 8 June 2018 which received visa n° 18-234 from the AMF (the "**2018 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2018/06/CAFFIL-BP-18-234.pdf>) and the terms and conditions of the *obligations foncières* contained in pages 92 to 129 of the base prospectus of Caisse Française de Financement Local dated 7 June 2019 which received visa n° 19-252 from the AMF (the "**2019 EMTN Conditions**"; [https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2019/06/CAFFIL-2019\\_Base-Prospectus.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2019/06/CAFFIL-2019_Base-Prospectus.pdf), and together with the 2006 EMTN Conditions, the 2007 EMTN Conditions, the 2008 EMTN Conditions, the 2009 EMTN Conditions, the 2010 EMTN Conditions, the 2011 EMTN Conditions, the 2013 EMTN Conditions, the Additional 2013 EMTN Conditions, the 2014 EMTN Conditions, the 2015 EMTN Conditions, the 2016 EMTN Conditions, the 2017 EMTN Conditions and the 2018 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).

All documents incorporated by reference in this Base Prospectus may be obtained, without charge upon request, during usual business hours on any weekday, at the registered office of the Issuer (1-3 rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France) so long as any of the *Obligations Foncières* are outstanding. Such documents will be published on the website of the Issuer ([www.caffil.fr](http://www.caffil.fr)).

The EMTN Conditions are incorporated by reference in this Base Prospectus for the purposes only of further issues of *Obligations Foncières* to be assimilated (*assimilées* for the purpose of French law) and form a single Series with *Obligations Foncières* already issued under the relevant EMTN Conditions. To the extent that only the EMTN Conditions are specified to be incorporated by reference therein, 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, 8 April 2011, 26 June 2013, 23 June 2014, 11 June 2015, 10 June 2016, 9 June 2017, 8 June 2018, 7 June 2019 and of the supplement dated 24 July 2013 are not relevant for the investors or are covered elsewhere in the Base Prospectus.

For the purposes of the Prospectus Regulation, the information incorporated by reference in this Base Prospectus shall be read in connection with the following cross-reference list below. For the avoidance of doubt, any information not listed in the cross-reference list below but included in the documents listed above is either contained in the relevant sections of this Base Prospectus or is not relevant for the holders of *Obligations Foncières*. Furthermore, "N/A" in the cross-reference table below means that the information is not relevant for the purposes of Annex 6 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation (the "**Commission Delegated Regulation**").

<b>DOCUMENTS INCORPORATED BY REFERENCE (ANNEX 6 OF THE COMMISSION DELEGATED REGULATION)</b>	<b>2018 Annual Report</b>	<b>2019 Annual Report</b>	<b>2020 Half-Year Report</b>
<b><u>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</u></b>			
<b><u>11.1. Historical Financial Information</u></b>			

<p><b>11.1.1. Audited historical financial information covering the latest two financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year</b></p> <p>Audited historical financial information for the latest two financial years</p> <p>Audit reports for the latest two financial years</p>	<p>IFRS Pages 65 to 109</p> <p>French GAAP Pages 111 to 129</p> <p>IFRS Auditors' reports Page 110</p> <p>French GAAP Auditors' reports Pages 130 to 133</p>	<p>IFRS Pages 87 to 129</p> <p>French GAAP Pages 131 to 151</p> <p>IFRS Auditors' reports Page 130</p> <p>French GAAP Auditors' reports Pages 152 to 133</p>	<p>N/A</p> <p>N/A</p>
<p><b>11.1.3. Accounting standards</b></p>	<p>IFRS Page 65 to 109</p> <p>French GAAP Pages 111 to 129</p>	<p>IFRS Pages 87 to 129</p> <p>French GAAP Pages 131 to 151</p>	<p>N/A</p>
<p><b>11.1.5. Audited financial information prepared according to national accounting standards</b></p>			
<p>– Balance sheet</p>	<p>IFRS Page 65</p> <p>French GAAP Page 111</p>	<p>IFRS Page 88</p> <p>French GAAP Page 132</p>	<p>N/A</p>
<p>– Income statement</p>	<p>IFRS Page 66</p> <p>French GAAP</p>	<p>IFRS Page 89</p> <p>French GAAP Page 133</p>	<p>N/A</p>

	Page 112		
– Cash flow statement	IFRS Page 68  French GAAP Page 114	IFRS Page 91  French GAAP Page 135	N/A
– Accounting policies and explanatory notes	IFRS Pages 69 to 109  French GAAP Pages 115 to 129	IFRS Pages 93 to 129  French GAAP Pages 137 to 151	N/A
<b>11.1.6. Consolidated financial statements</b>			
If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	Pages 65 to 110  Pages 111 to 133	Pages 87 to 130  Pages 131 to 155	N/A
<b>11.1.7. Age of financial information</b>			
The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document.	N/A	N/A	N/A
<b><u>11.2 Interim and other financial information</u></b>			
If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is not audited or has not been reviewed state that fact.	N/A	N/A	IFRS Pages 41 to 69  French GAAP Pages 70 to 88
<b><u>11.3. Auditing of historical annual financial information</u></b>			
<b>11.3.1. The historical financial information must be independently audited</b>	IFRS Auditors' reports Page 110  French GAAP Auditors' reports Pages 130 to 133	IFRS Auditors' reports Page 130  French GAAP Auditors' reports Pages 152 to 155	IFRS Auditors' reports  (limited review) Pages 68 and 69  French GAAP

			Auditors' reports (limited review) Page 88
<b>11.3.2. Indication of other information in the registration document which has been audited by the auditors</b>	Page 135	N/A	N/A

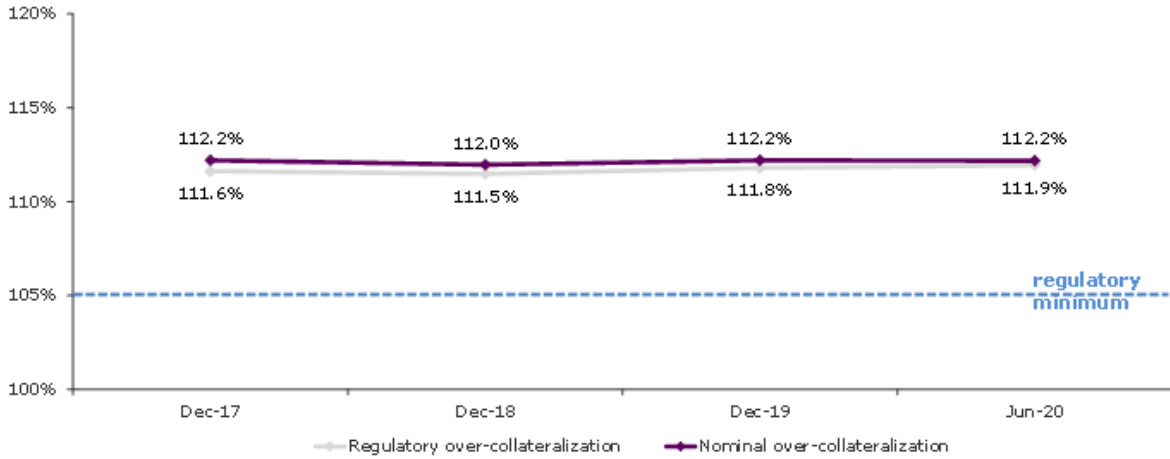
"

## BUSINESS OVERVIEW

The section “**Business Overview**” on pages 120 to 125 of the Base Prospectus is amended as follows:

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

”



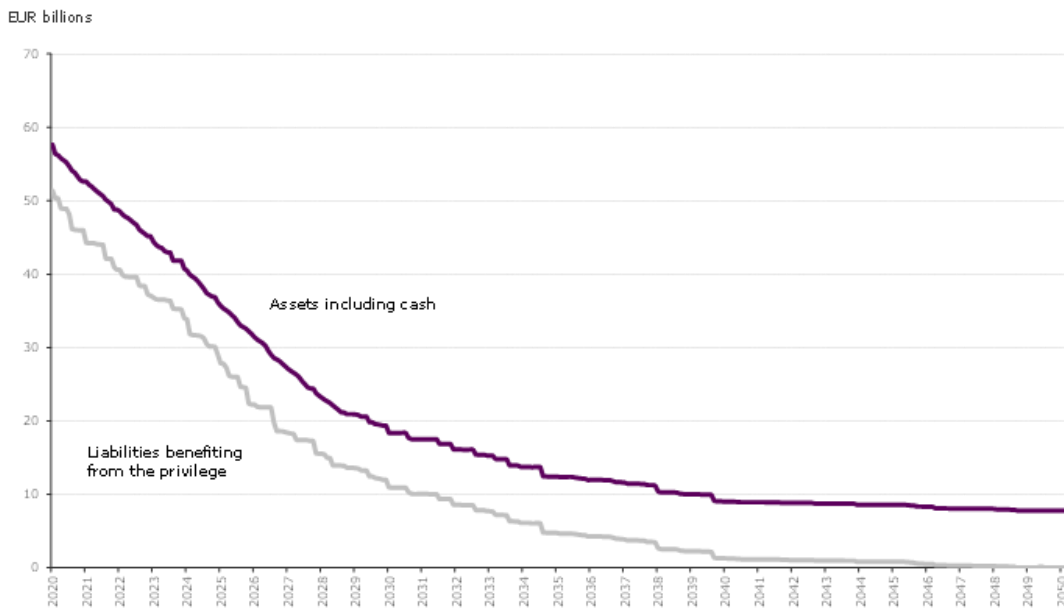
”

- The sentence above the second graph below the title “**Over-collateralization ratio**” is deleted and replaced as follows:

“The following graph on over-collateralization presents amortization curves of the assets and the liabilities benefiting from the legal *privèlge* as of 30 June 2020.”

- The second graph below the title “**Over-collateralization ratio**” is deleted and replaced as follows:

”



”

- The table above the sub-title “**3. Limits on interest rate risk**” is deleted and replaced as follows:

"In the first half of 2020, the sensitivity limits to interest rate risk were adjusted, while keeping the overall value of interest rate risk appetite unchanged (EUR 80 million). The objective of this reallocation is to optimize the management of short-term interest rate risk by limiting the volume of swaps required. Thus, the sensitivity limit allocated:

- to short-term positions has been increased from EUR 10 million to EUR 15 million;
- to very long-term positions has been reduced from EUR 10 million to EUR 9 million; and
- at each bucket maturity, in absolute value, has been reduced from EUR 40 million to EUR 30 million.

<b>Translation of the rate curve</b>	Limit of EUR 25 million
<b>Sloping/rotation of the interest rate curve on distant points on the curve</b>	EUR 15 million limit over Short term time buckets EUR 10 million limit over Medium term time buckets EUR 10 million limit over Long term time buckets EUR 9 million limit over Very long term time buckets
<b>Sloping/rotation of the interest rate curve inside a time bucket</b>	EUR 30 million limit on the absolute value of the sensitivities inside each time bucket

"

- The table below the sub-title “**Limiting directional risk**” is deleted and replaced as follows:

"

**Directional risk**

Total sensitivity

EUR millions	Limit	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
<b>Sensitivity</b>	<b>(25)/25</b>	(0.1)	3.2	(0.3)	(2.7)	<b>(1.9)</b>

"

- The two tables below the sub-title “**Measurement of the slope/rotation risk**” are deleted and replaced as follows:

"

**Risk of slope between two distant points on the rate curve**

Sum of sensitivities

EUR millions	Limit*	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
Short term	<b>(15)/15</b>	(5.7)	(0.1)	(5.5)	(6.0)	<b>(4.0)</b>
Medium term	<b>(10)/10</b>	(5.6)	(8.6)	(9.2)	(2.1)	<b>(6.6)</b>
Long term	<b>(10)/10</b>	6.7	5.7	8.4	1.6	<b>4.1</b>
Very long term	<b>(9)/9</b>	4.4	6.2	6.0	3.8	<b>4.6</b>

\* The limits applicable to points prior to 06/30/2020 were EUR 10 million for each time bucket. As of 06/30/2020, the limit is now EUR 15 million for the short-term time bucket, EUR 10 million for the medium-term and long-term time buckets and EUR 9 million for the very long-term time bucket.

**Risk of slope between two close points on the rate curve**

Sum of sensitivities in absolute value

EUR millions	Limit*	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
Short term	<b>30</b>	9.3	5.9	10.8	17.3	<b>9.0</b>
Medium term	<b>30</b>	13.3	11.0	15.3	12.7	<b>13.0</b>
Long term	<b>30</b>	6.8	8.2	12.3	12.3	<b>10.4</b>
Very long term	<b>30</b>	8.0	10.5	9.0	7.0	<b>7.6</b>

\* The limit applicable to points prior to 12/31/2019 was EUR 20 million. As of 12/31/2019 and 03/31/2020, the limit applicable was EUR 40 million. As of 06/30/2020, the limit applicable is now EUR 30 million."

- The sub-section entitled “**Outlook for 2020**” is deleted and replaced as follows:

"In 2020, and within the COVID-19 pandemic health crisis, the Caisse Française de Financement Local and its parent company, SFIL will aim to maintain their position as recognized leader for their two activities entrusted by the State:

- financing loans to French local authorities and public hospitals, within the framework of the partnership established with La Banque Postale; and
- supporting French exporters by refinancing large export credits guaranteed by the State.

With regard to the local public sector, after very sustained activity during the first half year, an increase in the use of loans by local authorities is expected to maintain their investment levels despite the decrease in their income due to the impacts of the COVID-19 pandemic health crisis. This situation should increase the volume of loans to be financed by the Caisse Française de Financement Local as part of its partnership with La Banque Postale. In this context, the Caisse Française de Financement Local and its parent company, SFIL, will provide their support for the post-COVID economic recovery, and notably for the public initiatives for local authorities, health institutions.

With regard to the export credit market, the COVID-19 pandemic health crisis will most likely have a negative impact on the signature of large commercial contracts, and notably those relating to the cruise sector, and on the use of refinancing by the Caisse Française de Financement Local of large export credits guaranteed by the French State to support French exporters. This decrease in the volume of activity for the Caisse Française de Financement Local may, however, be offset in future years as the requirements in terms of infrastructure and equipment for potential customers should remain at a high level. Moreover, the global nature of the crisis should not weigh on the competitiveness of French exporters. In this context, the Caisse Française de Financement Local and its parent company, SFIL, will provide their support to the post-COVID economic recovery. As part of its export refinancing mission, the Caisse Française de Financement Local also intends to be able to intervene in the credit refinancing system covered by the new guarantee for projects with a strategic interest for the French overseas economy. Once the necessary authorizations have been obtained from the European Commission, this extension could come into operation as of end 2020.

In 2020, the SFIL Group will continue its CSR actions, with notably, at the end of 2020, the publication of the allocation and impact report on its first green issue launched in November 2019 and the integration of climatic risks in its methodological risks.

In terms of financing, the first half year showed the Caisse Française de Financement Local's considerable ability to access the market. To cover its financing requirements, as planned in 2020, Caisse Française de Financement Local will actively continue its program to issue between EUR 3.5 and 5.5 billion of covered bonds with a long-dated average maturity, adapted to the profile of the assets financed. It will carry out this program mainly through a number of benchmark *obligations foncières* issued in euros on the primary market and private placements adapted to the needs of its broad investor base. Furthermore, the Caisse Française de Financement Local's very large stock of assets eligible for European Central Bank refinancing also provides a deep source of alternative liquidity.

From a macro-economic viewpoint, the SFIL Group will attentively monitor the potential short to medium term impacts of the COVID-19 pandemic on the Caisse Française de Financement Local's current and forecast operations, on the financial situation of its counterparties (local authorities, hospitals, export credit counterparties, banks, partners) and on market conditions notably for covered bonds. The quality of SFIL's shareholding structure, its status as a public development bank, the resilience of its business model, the quality of CAFFIL's and SFIL's standings, the very rigorous risk management of the Caisse Française de Financement and its solid solvency ratio are all advantages within the current context.

Lastly, the transfer of control of SFIL to the CDC, should be finalized during the third quarter of 2020, subject to authorizations, giving rise to an intensification of exchanges of experience within a large public financial group."



## ORGANISATIONAL STRUCTURE

The section “**Organisational Structure**” on pages 126 to 130 of the Base Prospectus is amended as follows:

- The first sentence of the seventh paragraph of the sub-section entitled “**Shareholding structure of the Issuer**” is deleted and replaced as follows:

"Lastly, the transfer of control of SFIL to CDC, pursuant to the agreement signed on March 4, 2020, should be effective in the third quarter of 2020."

## RECENT DEVELOPMENTS

The section “**Recent Developments**” on page 136 of the Base Prospectus is deleted and replaced as follows:

"The impacts of the COVID-19 pandemic health crisis and the decisions taken by governments to deal with it have affected all French and global economic and financial sectors of activity. Within the context of this crisis, the Caisse Française de Financement Local continued its two missions of financing of the local public sector and refinancing of large export credits.

French local public sector financing saw a sustained level of activity during the first half-year 2020 despite a significant decline in demand during April due to the COVID-19 pandemic lockdown. The volume of loans granted by the CAFFIL/SFIL/LBP system is close to the level of 2019, which was a record year for production. Although local public sector players suffered exceptional costs and a decrease in their income, a very small number requested payment terms, that Caisse Française de Financement Local accepted for a maximum of 180 days (55 customers for an amount of EUR 17 million).

As regards the business of refinancing large export credits, no new contracts were signed during the first half-year. The impact of the successive lockdown periods in the different regions of the world led, in the short term, to a slowdown in on-going negotiations for certain projects. However, over the medium term and as part of the economic recovery, the use of export credit with a refinancing by SFIL/CAFFIL could play a counter-cyclical role. Caisse Française de Financement Local current export refinancing portfolio suffered a limited impact from the COVID-19 pandemic, with only the cruise ship financing sector requiring specific action due to the brutal interruption to their business. According to an approach developed jointly by the European export credit guarantee agencies to provide liquidity support for cruise companies through their export credits, Caisse Française de Financement Local accepted to defer the payment of maturities on 3 contracts for a total of around EUR 75 million.

To finance credits granted by its two business lines, Caisse Française de Financement Local was able to raise money in the public primary market with three benchmark issues in the total amount of EUR 2.75 billion. In a fluctuating context due to the coronavirus pandemic and despite the temporary closure of financing markets during April, Caisse Française de Financement Local's ability to access the market remained intact, with a constantly growing investor base. The half-year issue program was carried out in line with the budget. Thus, the impacts of the crisis on the Caisse Française de Financement Local's liquidity remain very limited.

The crisis did not have a significant impact on interest rate or foreign exchange risk, given the very cautious policy of the Caisse Française de Financement Local in this area and the reduced level of non-hedged positions.

With respect to the management of the operational risks related to the COVID-19 pandemic, the SFIL Group set up a crisis unit from the first days of March 2020, which met throughout the period with 3 main objectives: protecting the health of internal and external employees, maintaining operational capacity in order to ensure business continuity, notably the services carried out on behalf of the Caisse Française de Financement Local and managing all increased risks during this period, notably cyber risk and the risk of fraud. The crisis unit created a dedicated lockdown exit task force. Overall, few incidents were reported concerning the COVID-19 crisis and they generated low impacts. SFIL was able to adapt its organization and IT systems in order to function almost entirely remotely and enable all of its activities, and notably its services for Caisse Française de Financement Local, to continue normally.

The financial impacts of this crisis were very limited for Caisse Française de Financement Local, although some accounting impacts can be seen in the income statement due to banking regulations and IFRS accounting rules.

Globally Caisse Française de Financement Local showed its resilience capacity notably in terms of solvency and liquidity, thanks to the public development model of its parent company, SFIL.

Implementation of the transfer to the CDC of the control of SFIL, in accordance with the agreement signed on 4 March 2020, should be effective in the third quarter of 2020. This operation will contribute to the ongoing streamlining of the organization of public financial institutions in the service of France's regions, by merging them into a major public financing hub, structured around the CDC and La Poste.

The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) increased by an amount of EUR 206,345,004.31 between 31 December 2019 and 8 September 2020."

## GENERAL INFORMATION

The section “**General Information**” on page 188 to 192 of the Base Prospectus is amended as follows:

- The paragraph entitled “(2) **Corporate authorisations**” is deleted and replaced as follows:

"The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the updating of the Programme.

Any drawdown of *Obligations Foncières* under the Programme, to the extent that such *Obligations Foncières* constitute *obligations*, requires the prior authorisation of the Executive Board (*Directoire*) of the Issuer.

For this purpose, on 4 September 2020, the Executive Board (*Directoire*) of the Issuer authorised the issue of *obligations foncières* under the Programme up to an aggregate maximum amount of €5,500,000,000 for the period from 1 January 2020 to 31 December 2020 and delegated the power to realise such issues to Mr. Gilles Gallerne, in his capacity as *Président du Directoire* of the Issuer, to Mrs. Herdile Guérin, in her capacity as *Directeur Général* of the Issuer and, in the absence or unavailability of any of them, to Mr. Patrick Galland and Mr. Olivier Eudes, each of them having the capacity to act separately, the power to decide the issue of *obligations foncières* and to determine their final terms and conditions subject to the conditions set forth therein."

- The paragraph entitled “(4) **Significant change in the Issuer's financial position or financial performance**” is deleted and replaced as follows:

"Save as disclosed in the Base Prospectus as supplemented by this First Supplement and in particular with respect to the Covid-19 crisis, there has been no significant change in the financial position or financial performance of the Issuer since 30 June 2020 (being the date of its last financial period for which financial information has been published)."

- The first sentence of the paragraph entitled “(12) **Auditors**” shall be deleted and replaced as follows:

"Ernst & Young et Autres (Paris La Défense, 1-2 Place des Saisons, 92400 Courbevoie, France) and Deloitte & Associés (6, place de la Pyramide – 92908 Paris-La Défense) have audited and rendered unqualified audit opinions in their reports on the financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2019 and a limited review report on the interim financial statements of the Issuer as at 30 June 2020."

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

I declare, to the best of my knowledge, that the information contained in this First Supplement is in accordance with the facts and that this First Supplement makes no omission likely to affect its import.

### **Caisse Française de Financement Local**

1 à 3, rue du Passeur de Boulogne  
92130 Issy-les-Moulineaux  
France

Duly represented by:  
Herdile Guérin  
*Directrice Générale*  
Duly authorised  
on 11 September 2020



This First Supplement has been approved on 11 September 2020 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this First Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer described in this First Supplement.

The First Supplement has the following approval number: 20-452.