

**FOURTH SUPPLEMENT DATED 14 APRIL 2021  
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 fourth supplement (the "**Fourth 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, as supplemented by the first supplement to the base prospectus dated 11 September 2020 which was approved by the AMF under number No. 20-452 on 11 September 2020, the second supplement to the base prospectus dated 6 October 2020 which was approved by the AMF under number No. 20-494 on 6 October 2020 (the "**Second Supplement**") and the third supplement to the base prospectus dated 6 November 2020 which was approved by the AMF under number No. 20-540 on 6 November 2020 (the "**Third Supplement**" and, together with the First Supplement, the Second Supplement and the Fourth Supplement, the "**Base Prospectus**"), as prepared in relation to the Euro 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 Fourth Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation. This Fourth Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the following purposes: updating the Base Prospectus by (i) incorporating by reference the audited annual accounts for the period ended 31 December 2020 and the related audit report in French language of the Issuer (the "**2020 Annual Report**") and the information therein, (ii) replacing Standard & Poor's Ratings Services by S&P Global Ratings Europe Limited and DBRS Rating Limited by DBRS GmbH as rating agencies of the Issuer, to reflect the transfer of the on-going coverage of the ratings assigned to the Issuer, from Standard & Poor's Ratings Services to S&P Global Ratings Europe Limited and from DBRS Ratings Limited to DBRS Ratings GmbH and (iii) implementing the Brexit impacts.

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

- i. the cover pages of the Base Prospectus;
- ii. the section entitled "General Description of the Programme";
- iii. the section entitled "Risk Factors";
- iv. the section entitled "Documents incorporated by reference";
- v. the section entitled "Supplement to the Base Prospectus";
- vi. the section entitled "Terms and conditions of the *Obligations Foncières*";
- vii. the section entitled "Description of Caisse Française de Financement Local";
- viii. the section entitled "The legal regime applicable to CAFFIL";
- ix. the section entitled "Business Overview";
- x. the section entitled "Organisational Structure";
- xi. the section entitled "Administrative, management and supervisory bodies";

- xii. the section entitled "Recent Developments";
- xiii. the section entitled "Subscription and Sale";
- xiv. the section entitled "Form of Final Terms 1";
- xv. the section entitled "Form of Final Terms 2"; and
- xvi. the section entitled "General Information" of the Base Prospectus.

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

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

To the extent that there is any inconsistency between (a) any statement in this Fourth 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 bis 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 Fourth Supplement is published have the right to withdraw their acceptances within a time limit of minimum three working days after publication of this Fourth Supplement. This right to withdraw shall expire by close of business on 19 April 2021, 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 Fourth 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.

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## COVER PAGES

The cover pages on pages 1 to 7 are amended as follows:

1. On page 1 of the Base Prospectus, the fourth paragraph is deleted and replaced as follows:

"Application may be made for *Obligations Foncières* issued under the Programme during a period of twelve (12) months after the date of the approval granted by the AMF on the Base Prospectus to be admitted to trading on Euronext Paris and/or any other Regulated Market (as defined below) and/or to be offered to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation in any member state (the "**Member State(s)**") of the European Economic Area (the "**EEA**"). Euronext Paris is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"), appearing on the list of regulated markets issued by the European Securities and Markets Authority (each, a "**Regulated Market**"). The *Obligations Foncières* may also be admitted to trading on any other stock exchange, or may not be admitted to trading on any market. The relevant final terms (the "**Final Terms**") (forms of which are contained herein) in respect of the issue of any *Obligations Foncières* will specify whether or not such *Obligations Foncières* will be admitted to trading and/or offered to the public pursuant to a non-exempt offer in a Member State of the EEA and, if so, the relevant market and/or jurisdiction."

2. On page 1 of the Base Prospectus, the seventh paragraph is deleted and replaced as follows:

"It is expected that the *Obligations Foncières* issued under the Programme will be rated AA+ by S&P Global Ratings Europe Limited ("**S&P**") and/or Aaa by Moody's France SAS ("**Moody's**") and/or AAA by DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity ("**DBRS**") and by their respective successors and/or any other rating agency. The rating (if any) will be specified in the relevant Final Terms. The credit ratings included or referred to in this Base Prospectus or in any Final Terms have been issued by S&P, Moody's and/or DBRS, which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "**CRA Regulation**"), and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) as of the date of this Base Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

3. On page 1 of the Base Prospectus, the tenth paragraph is deleted and replaced as follows:

"This Base Prospectus, any supplements thereto (if any) and the Final Terms related to the *Obligations Foncières* admitted to trading on any Regulated Market in the EEA and/or offered to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation will be published on the websites of the Issuer ([www.caffil.fr](http://www.caffil.fr)) and of the AMF ([www.amf-france.org](http://www.amf-france.org))."

4. The notices "**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**" and "**MiFID II product governance / target market**" on pages 6 and 7 of the Base Prospectus are deleted and replaced as follows:

**"PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – In respect of (i) any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify the "Prohibition of Sales to EEA Retail Investors" as "Applicable" and (ii) any *Obligations Foncières* with a denomination of at least €100,000, the *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "Insurance Distribution Directive") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of**

MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council dated 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "PRIIPs Regulation") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS –** In respect of (i) any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify the "Prohibition of Sales to UK Retail Investors" as "Applicable" and (ii) any *Obligations Foncières* with a denomination of at least €100,000, the *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance / target market –** The Final Terms in respect of any *Obligations Foncières* may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 and which channels for distribution of the *Obligations Foncières* are appropriate. Any person subsequently selling or recommending the *Obligations Foncières* (a "distributor" as defined in MiFID II) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the "MiFID II Product Governance Rules"), any Dealer subscribing for any *Obligations Foncières* is a manufacturer as defined in MiFID II in respect of such *Obligations Foncières*, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under MiFID II Product Governance Rules.

**UK MiFIR product governance / target market –** The Final Terms in respect of any *Obligations Foncières* may include a legend entitled "UK MiFIR product governance" which will outline the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach*

*to EU non-legislative materials") and which channels for distribution of the *Obligations Foncières* are appropriate. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the target market assessment) and determining appropriate distribution channels.*

**A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any *Obligations Foncières* is a manufacturer in respect of such *Obligations Foncières*, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules."**

## GENERAL DESCRIPTION OF THE PROGRAMME

The section entitled "General Description of the Programme" on pages 9 to 17 of the Base Prospectus is amended as follows:

1. The item entitled "Approval and admission to trading" on page 14 of the Base Prospectus is deleted and replaced as follows:

**"Approval and admission to trading:**

This Base Prospectus has been approved by the *Autorité des marchés financiers* (the "AMF") in France in its capacity as competent authority under the 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**").

The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the *Obligations Foncières* that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the *Obligations Foncières*.

This Base Prospectus is valid until 11 June 2021, provided that the obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Application may be made for *Obligations Foncières* issued under the Programme during a period of twelve (12) months after the date of the approval granted by the AMF on the Base Prospectus to be admitted to trading on Euronext Paris and/or any other Regulated Market (as defined below) and/or to be offered to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation in any member state (the "**Member State(s)**") of the European Economic Area (the "**EEA**"). Euronext Paris is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended, appearing on the list of regulated markets issued by the European Commission (each, a "**Regulated Market**"). Application has been made for the delivery by the AMF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority in Luxembourg for the purpose of the Luxembourg act dated 16 July 2019 relating to prospectuses for securities (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) which implements the Prospectus Regulation.

The *Obligations Foncières* may also be admitted to trading on any other stock exchange, or may not be admitted to trading on any market. The relevant Final Terms in respect of the issue of any *Obligations Foncières* will specify whether or not such *Obligations Foncières* will be admitted to trading and/or offered to

the public pursuant to a non-exempt offer in a Member State of the EEA and, if so, the relevant market and/or jurisdiction."

2. The item entitled "Non-Exempt Offer" on page 15 of the Base Prospectus is deleted and replaced as follows:

**"Non-Exempt Offer:** *Obligations Foncières* may be offered to the public pursuant to a non-exempt offer in France, in the Grand Duchy of Luxembourg and in any Member State of the EEA to the extent the AMF has provided the competent authority of the relevant Member State of the EEA with a certificate of approval attesting that the Base Prospectus (and, if applicable, any supplement related thereto) has been drawn up in accordance with the Prospectus Regulation, if the relevant Final Terms provide it and in accordance with applicable laws and regulations."

3. The item entitled "Ratings" on pages 16 and 17 of the Base Prospectus is deleted and replaced as follows:

**"Ratings:** *Obligations Foncières* to be issued under the Programme are expected to be rated AA+ by S&P Global Ratings Europe Limited ("**S&P**") and/or Aaa by Moody's France SAS ("**Moody's**") and/or AAA by DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity ("**DBRS**") and by their respective successors and/or any other rating agency. Each of S&P, Moody's and DBRS is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "**CRA Regulation**"), and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) as of the date of the Base Prospectus.

The rating (if any) of *Obligations Foncières* to be issued under the Programme will be specified in the applicable Final Terms.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency."

4. The item entitled "General Information" on page 17 of the Base Prospectus is deleted and replaced as follows:

**"General Information:** This Base Prospectus, any supplement thereto that may be published from time to time and, so long as *Obligations Foncières* are admitted to trading on any Regulated Market and/or offered to the public pursuant to a Non-Exempt Offer in a Member State of the EEA in accordance with the Prospectus Regulation, and for at least ten years as from the Issue Date of such *Obligations Foncières* the Final Terms relating to such *Obligations Foncières* are available on the websites 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* are outstanding, copies of the following documents will also be available for inspection



and obtainable upon request and free of charge, 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) and, except for the document referred to in sub-paragraph (i) below, on the website of the Issuer ([www.caffil.fr](http://www.caffil.fr)):

- (i) the amended and restated agency agreement dated 12 June 2020 which has been agreed between the Issuer and Banque Internationale à Luxembourg, *société anonyme* as fiscal agent and, unless otherwise specified in the applicable Final Terms, as calculation agent (as amended or supplemented from time to time);
- (ii) the up-to-date by-laws (*statuts*) of the Issuer;
- (iii) the most recently published audited annual financial statements and interim financial statements of the Issuer;
- (iv) each Final Terms for *Obligations Foncières* that are admitted to trading on Euronext Paris or admitted to trading on any other Regulated Market of the EEA and/or offered to the public pursuant to a Non-Exempt Offer in a Member State of the EEA;
- (v) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further base prospectus;
- (vi) any document incorporated by reference in this Base Prospectus; and
- (vii) all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus."

## RISK FACTORS

The section entitled "**Risk Factors**" on pages 18 to 46 of the Base Prospectus, as amended by the Third Supplement, is amended as follows:

1. The first and sixteenth paragraphs of the risk factor entitled "**1.1 Risk arising from implementation of Basel III Risk-Weighted Asset Framework**" of the section entitled "**Risk Factors relating to the Issuer**" on page 20 are deleted and replaced as follows:

"The Issuer and the Group are subject to prudential regulations applicable to credit institutions and have to comply with the current capital requirements, prudential oversight and risk-management systems. As a *société de crédit foncier*, the Issuer is not subject to the leverage ratio nor the solvency ratio. Nevertheless, it calculates and discloses quarterly its CET1 ratio in its activity reports. As of 31 December 2020, Caisse Française de Financement Local's capital level is high (CET1 capital ratio: 28.8%). On 16 December 2010 and 13 January 2011, the Basel Committee on Banking Supervision (the "**Basel Committee**") published a revised framework ("**Basel III**"), including new capital and liquidity standards for credit institutions.

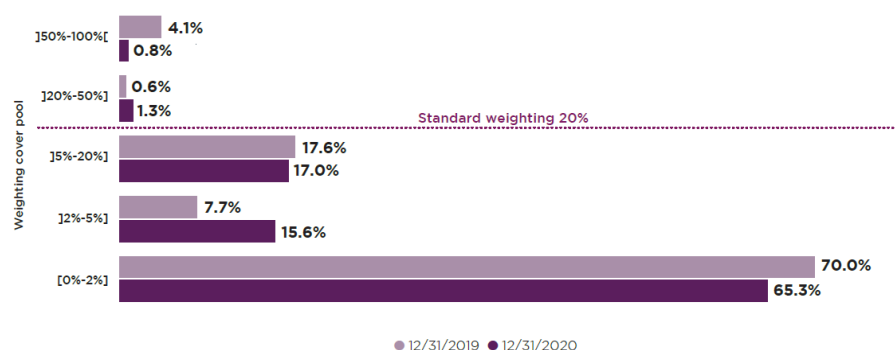
[...]

The CRD V package came into force on 27 June 2019. The CRD V Directive has been implemented under French law by an ordinance n°2020-1635 dated 21 December 2020 and a decree n°2020-1637 dated 22 December 2020. Certain portions of the CRR II Regulation apply since 27 June 2019 (including those applicable to the new requirements for own funds and eligible liabilities) while others shall apply several years after the date of its entry into force."

2. The graph "**Risk weighting of the Caisse Française de Financement Local's portfolio**" of the risk factor entitled "**2.1 Risk of default in the Cover Pool**" of the section entitled "**Risk Factors relating to the Issuer**" on page 23 is deleted and replaced as follows:

"

RISK WEIGHTING OF CAISSE FRANÇAISE DE FINANCEMENT LOCAL'S PORTFOLIO AS OF DECEMBER 31, 2020



"

3. The table "Analysis of exposure by geographic region" in paragraph of the risk factor entitled "2.1 Risk of default in the Cover Pool" of the section entitled "Risk Factors relating to the Issuer" on page 24 is deleted and replaced as follows:

"

Analysis of exposure by geographic region

	12/31/2019	12/31/2020
France	61,977	64,076
Italy	5,989	5,820
Germany	448	450
Spain	187	328
United Kingdom	171	125
Belgium	257	181
Other European Union countries	926	604
Norway	239	201
Switzerland	797	611
United States and Canada	845	794
Japan	41	42
<b>TOTAL EXPOSURE</b>	<b>71,877</b>	<b>73,232</b>

"

4. The table "Analysis of exposure by category of counterparty" in paragraph of the risk factor entitled "2.1 Risk of default in the Cover Pool" of the section entitled "Risk Factors relating to the Issuer" on page 24 is deleted and replaced as follows:

"

Analysis of exposure by category of counterparty

	12/31/2019	12/31/2020
Sovereigns	10,808	12,558
Local public sector	57,310	58,077
Other assets guaranteed by public sector entities	26	25
Financial institutions	3,724	2,562
Other exposures	9	9
<b>TOTAL EXPOSURE</b>	<b>71,877</b>	<b>73,232</b>

"

5. The fifth paragraph of the risk factor entitled "2.3 Risk of default of bank counterparties" of the section entitled "Risk Factors relating to the Issuer" on page 25 is deleted and replaced as follows:

"Exposure on financial institutions is primarily comprised of counterparties in hedging derivatives and replacement assets. As of 31 December 2020, the amount is EUR 2.6 billion."

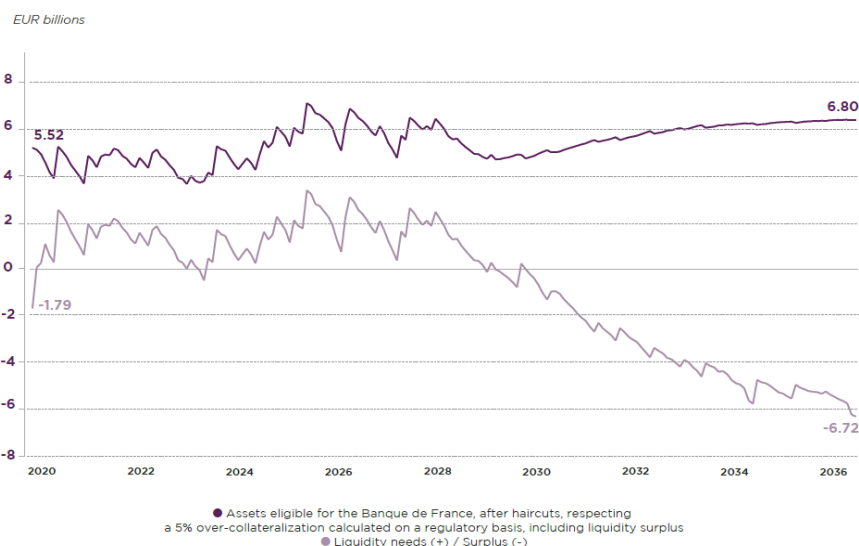
6. The first paragraph of the risk factor entitled "3.1 Credit rating of Caisse Française de Financement Local's *Obligations foncières* may be affected by the credit rating of SFIL and the French State" of the section entitled "Risk Factors relating to the Issuer" on page 25 of the Base Prospectus is deleted and replaced as follows:

"As of 31 December 2020, the French State has been assigned a rating of Aa2 by Moody's France SAS ("**Moody's**"), AA by S&P Global Ratings Europe Limited ("**S&P**") and AA (high) by DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity ("**DBRS**"). SFIL's Notes have been assigned a rating of Aa3 by Moody's, AA by S&P and AA (high) by DBRS and CAFFIL's *Obligations Foncières* have been assigned a rating of Aaa by Moody's,

AA+ by S&P and AAA by DBRS. CDC has been assigned a rating of Aa2 by Moody's and AA by S&P."

7. The graph of the risk factor entitled **"3.2.1 Risk of liquidity shortfall that may affect the Issuer's ability to settle its debt commitments in a timely fashion"** of the section entitled **"Risk Factors relating to the Issuer"** on page 26 is deleted and replaced as follows:

"



"

8. The last paragraph of the risk factor entitled **"3.2.1 Risk of liquidity shortfall that may affect the Issuer's ability to settle its debt commitments in a timely fashion"** on page 27 is deleted and replaced as follows:

"As of 31 December 2020, the Liquidity Coverage Ratio reaches to 176%."

9. 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 **"Risk Factors relating to the Issuer"** on page 27 is deleted and replaced as follows:

"Caisse Française de Financement Local's overcollateralization is financed by equity contributions, by a current account agreement granted to it by SFIL and mainly through a long-term revolving credit facility extended to it by SFIL that put in place the support received from SFIL and its reference shareholder. At the end of December 2020, the funds borrowed from SFIL are EUR 6.6 billion. There can be no assurance that the long-term credit facility agreement or the current account agreement from SFIL will continue to be in force for the term of the *Obligations Foncières*. To the extent that this facility is discontinued, the amount of over-collateralization of the Cover Pool could be reduced, which could adversely affect the ability of Caisse Française de Financement Local to make payments on the *Obligations Foncières* as they become due, the rating assigned to the *Obligations Foncières*, and consequently the market value of Caisse Française de Financement Local's existing *obligations foncières*, including the *Obligations Foncières*."

10. 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 **"Risk Factors relating to the Issuer"** on page 27 is deleted and replaced as follows:

"The particular features of these loans lead Caisse Française de Financement Local to give a commitment on financial conditions several months before the signing of the loan contract. The financial conditions at the time of the offer might no longer be in line with the refinancing and hedging conditions of Caisse Française de Financement Local at the time and after the signing date of the contract. At the end of the year 2020, the financing commitments of Caisse Française de Financement Local for such contracts (amounts remaining to be paid to the counterparty) amounted

to EUR 4.7 billion. Changes in market conditions could therefore adversely affect its results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*."

11. The last paragraph 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 **"Risk Factors relating to the Issuer"** on page 28 is deleted and replaced as follows:

"Therefore, these market risks exist and could have an adverse effect on the financial situation, operations and cash flows of Caisse Française de Financement Local. As an illustration, the impacts of hedge accounting on the net banking income of the Issuer amounted to EUR -6 million in 2020."

12. The first paragraph of the risk factor entitled **"4.2.1 Risk of failure or malfunction of the operational risk management systems put the place by SFIL"** of the section entitled **"Risk Factors relating to the Issuer"** on page 29 is deleted and replaced as follows:

"SFIL, as a servicer, has put in place risk control procedures intended to identify and map operational risks at the level of Caisse Française de Financement Local. 62 key risk indicators have been defined by SFIL to control operational risk for SFIL and Caisse Française de Financement Local. Operational risk can be defined as the risk of loss due to inappropriate, or failure of, procedures, individuals or systems, or loss resulting from external events."

13. The last sentence of the first paragraph of the risk factor entitled **"5.1.Caisse Française de Financement Local may face a decrease in its activity and its margins in the local authority and municipal lending market or in the refinancing of export credit"** of the section entitled **"Risk Factors relating to the Issuer"** on page 30 is deleted and replaced as follows:

"As an illustration, in 2020, SFIL and La Banque Postale partnership consolidated their leadership position with EUR 5,6 billion loans production (source: *Observatoire Finance Active*, March 2021)."

14. The first paragraph 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 **"Risk Factors relating to the Issuer"** on page 31 is deleted and replaced as follows:

"The coverage ratio of Caisse Française de Financement Local, or the ratio between the Cover Pool assets and the debt benefiting from the *privilège* issued by Caisse Française de Financement Local, may be subject to fluctuation in the future. Fluctuation may be driven by factors such as the purchase or origination of assets at a different pace than issuances of *obligations foncières*, the use of certain assets as collateral for liquidity operations with the Banque de France and to obtain financing from credit institution in the form of repurchase agreement, or the changes in the requirements of the rating agencies. French law requires that the total amount of assets of *sociétés de crédit foncier* must be at least equal to 105% of the amount of liabilities benefiting from the *privilège* (on 31 December 2020, the coverage ratio was equal to 114.2 %). Credit rating agencies may request higher coverage ratios in order to maintain the current ratings assigned to Caisse Française de Financement Local's *obligations foncières*."

15. The third paragraph of the risk factor entitled **"1.2 Holders have access to a limited description of the Cover Pool"** of the section entitled **"Risk Factors relating to the *Obligations Foncières*"** on page 33 is deleted and replaced as follows:

"As of 31 December 2020, the Cover Pool comprised EUR 49.7 billion in loans, EUR 7.0 billion in securities and the cash surplus placed with the Banque de France amounted to EUR 1.8 billion. In addition, the average life of the Cover Pool was 7.05 years."

16. The first paragraph of the risk factor entitled **2.3 Risk relating to the rating of the *Obligations Foncières* - the credit rating of the *Obligations Foncières*** may not reflect all risks of the section

entitled "**Risk Factors relating to the *Obligations Foncières***" on page 40 of the Base Prospectus is deleted and replaced as follows:

"*Obligations Foncières* issued under the Programme are expected to be rated AA+ by S&P and/or Aaa by Moody's and/or AAA by DBRS. The credit rating of the *Obligations Foncières* will be specified in the relevant Final Terms."

17. The eighth paragraph of the risk factor entitled "**3.2 French and European rules relating to insolvency and bank recovery and resolution**" of the section entitled "**Risk Factors relating to the *Obligations Foncières***" on page 43 is deleted and replaced as follows:

"With respect to the *obligations foncières* and other privileged notes, the BRRD provides that the Resolution Authority shall not exercise the write down or conversion powers in relation to secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds, whether they are governed by the law of a member state or of a third country. Nevertheless, relevant claims for the purposes of the Bail-in Tool would still include the claims of the holders in respect of any *Obligations Foncières* issued under the Programme, only if and to the extent that the notes liability exceeded the value of the cover pool collateral against which it is secured. In such case, the write-down or conversion requirements could result in the full (i.e., to zero) or partial write-down or conversion into ordinary shares or other instruments of ownership of the notes, or the variation of the terms of notes (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Pursuant to Articles L.513-12 and R.513-8 of the French *Code monétaire et financier*, *sociétés de crédit foncier* must, at all times, maintain a ratio of at least one hundred and five per cent (105%) between its eligible assets (including substitution assets (*valeurs de remplacement*)) and the total amount of its liabilities benefiting from the *Privilège*, as calculated pursuant to Articles 6 to 11 of the regulation no. 99-10 of the Committee of banking and financial regulation, as amended from time to time (the *Comité de la réglementation bancaire et financière*). On 31 December 2020, the coverage ratio was equal to 114.2%."

18. The first paragraph of the risk factor entitled "**4.2 Market value of the *Obligations Foncières***" of the section entitled "**Risk Factors relating to the *Obligations Foncières***" on page 45 of the Base Prospectus is deleted and replaced as follows:

"The Programme allows for *Obligations Foncières* to be admitted to trading on Euronext Paris and/or, subject to the notification of a certificate of approval to any relevant competent authority as may be requested by the Issuer, on any other regulated market of the European Economic Area."

## DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "**Documents incorporated by reference**" on pages 47 to 50 of the Base Prospectus, as amended by the Second Supplement, is deleted and replaced for the purposes of adding the 2020 Annual 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 Annual Report in the French language relating to Caisse Française de Financement Local incorporating its audited annual accounts for the period ended 31 December 2020 and the related audit report (the "**2020 Annual Report**"; [https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2021/03/CAF\\_RFA\\_2020\\_FR\\_VMEL\\_21\\_03\\_29.pdf](https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2021/03/CAF_RFA_2020_FR_VMEL_21_03_29.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>; and
- (c) 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>), 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

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<sup>1</sup> For information purposes only, the English translation of the 2020 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>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.

*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>2019 Annual Report</b>	<b>2020 Annual 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>		
<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>		
Audited historical financial information for the latest two financial years	IFRS Pages 87 to 129  French GAAP Pages 131 to 151	IFRS Pages 89 to 135  French GAAP Pages 139 to 160

Audit reports for the latest two financial years	IFRS Auditors' reports Page 130  French GAAP Auditors' reports Page 152	IFRS Auditors' reports Page 136  French GAAP Auditors' reports Pages 161 to 163
<b>11.1.3. Accounting standards</b>	IFRS Pages 87 to 129  French GAAP Pages 131 to 151	IFRS Pages 89 to 136  French GAAP Pages 139 to 161
<b>11.1.5. Audited financial information prepared according to national accounting standards</b>		
– Balance sheet	IFRS Page 88  French GAAP Page 132	IFRS Page 90  French GAAP Page 140
– Income statement	IFRS Page 89  French GAAP Page 133	IFRS Page 91  French GAAP Page 142
– Cash flow statement	IFRS Page 91  French GAAP Page 135	IFRS Page 93  N/A
– Accounting policies and explanatory notes	IFRS Pages 93 to 129  French GAAP Pages 137 to 151	IFRS Pages 95 to 135  French GAAP Pages 145 to 160
<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 87 to 130  Pages 131 to 155	Pages 89 to 137  Pages 139 to 161

<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
<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
<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 130  French GAAP Auditors' reports Pages 152 to 155	IFRS Auditors' reports Page 136  French GAAP Auditors' reports Pages 161 to 163
<b>11.3.2. Indication of other information in the registration document which has been audited by the auditors</b>	N/A	N/A

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## SUPPLEMENT TO THE BASE PROSPECTUS

The second paragraph of the section entitled "**Supplement to the Base Prospectus**" on page 53 of the Base Prospectus is deleted and replaced as follows:

"In accordance with and pursuant to Article 23.2 (bis) of the Prospectus Regulation, where the relevant Final Terms relate to an offer of *Obligations Foncières* to the public, investors who have already agreed to purchase or subscribe for *Obligations Foncières* before any supplement is published shall have the right, exercisable within three working days after the publication of this supplement, to withdraw their acceptances provided that the new factor, material mistake or material inaccuracy referred to in Article 23.1 of the Prospectus Regulation arose or was noted before the final closing of such offer or the delivery of the *Obligations Foncières*, whichever occurs first. That period may be extended by the Issuer or, if any, the relevant Authorised Offeror(s). The final date of the right of withdrawal shall be stated in the supplement. On 11 June 2021, this Base Prospectus, as supplemented (as the case may be), will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply."

## TERMS AND CONDITIONS OF THE *OBLIGATIONS FONCIÈRES*

The section entitled "**Terms and Conditions of the *Obligations Foncières***" on pages 54 to 108 of the Base Prospectus is amended as follows:

1. The fifth paragraph of preamble on page 54 of the Base Prospectus is deleted and replaced as follows:

"For the purpose of these Terms and Conditions, "**Regulated Market**" means any regulated market situated in a member state (the "**Member State(s)**") of the European Economic Area ("**EEA**") as defined in the Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended and "day" or "days" means calendar days unless the context otherwise specifies."

2. The sub-paragraphs (a) and (b) of Condition 13 (*Notices*) on page 107 of the Base Prospectus are deleted and replaced as follows:

"(a) Notices to the holders of *Obligations Foncières* in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth (4<sup>th</sup>) weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or, (b) in a leading daily newspaper of general circulation in Europe or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such *Obligations Foncières* are admitted to trading, if the rules applicable to such Regulated Market so require.

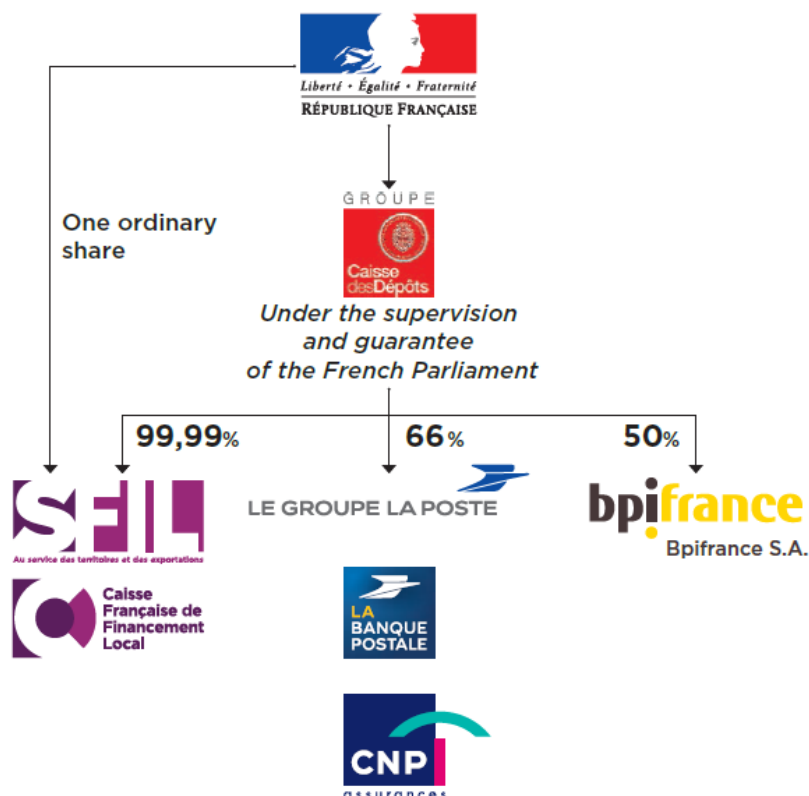
(b) Notices to the holders *Obligations Foncières* in bearer form (*au porteur*) shall be valid if published (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or, (b) in a daily leading newspaper of general circulation in Europe or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such *Obligations Foncières* are admitted to trading, if the rules applicable to such Regulated Market so require."

## DESCRIPTION OF CAISSE FRANCAISE DE FINANCEMENT LOCAL

The section entitled "**Description of Caisse Française de Financement Local** " on pages 112 to 114 of the Base Prospectus is amended as follows:

1. The first graph on page 114 of the Base Prospectus is deleted and replaced as follows:

"



SFIL's shareholders remains firmly anchored in the public sphere, thus reflecting the missions the French State assigned it.

"

2. The first and second paragraphs of the section entitled "**Sensitivity reduction and decrease in litigation related to structured loans**" on page 114 of the Base Prospectus are deleted and replaced as follows:

"The most structured loans according to the Gissler classification (categories 3E, 4E and 5E as well as "not in the charter" loans) may be classified as "sensitive". As of 31 December 2020, they now represent only EUR 0.7 billion (1.2% of the cover pool) compared with EUR 8.5 billion on SFIL's inception at the end of 2012, i.e. a decrease of almost 92%. The number of customers holding sensitive loans fell over the same period from 879 to 152.

The scope of sensitive structured loans is therefore extremely limited and the associated risk is no longer material for Caisse Française de Financement Local."

3. The paragraph entitled "**Legal risk**" on page 115 of the Base Prospectus is deleted and replaced as follows:

"As regards litigation, relating to structured loans, at 31 December 2020, there were 10 borrowers who had brought lawsuits on structured loans, compared to 15 at the end of 2019, 18 at the end of 2018, 25 at the end of 2017, and 39 at the end of 2016. Since SFIL's creation, 213 borrowers have dropped their claims regarding these loans against the Group.

In line with a now established case law (in particular by its judgments of 28 March 2018 and 26 June 2019), the Court of Cassation once again confirmed the validity of the structured loans recorded on the balance sheet of Caisse Française de Financement Local with two judgments on 20 May and 12 November 2020. Thus, since the entry into force on 30 July 2014 of the law on the securitization of structured loan contracts taken out by public legal entities, over 60 legal decisions have dismissed claims by borrowers to invalidate the structured loans recorded on Caisse Française de Financement Local's balance sheet.

As of 31 December 2020, to the Caisse Française de Financement Local's knowledge, there were no other lawsuits or disputes between SFIL or Caisse Française de Financement Local and its borrowers that were considered significant."

## THE LEGAL REGIME APPLICABLE TO CAFFIL

The section entitled "**The legal regime applicable to CAFFIL**" on pages 116 to 119 of the Base Prospectus is amended as follows:

1. The eighth and eleventh paragraph of the section entitled "**Legislation Relating to *sociétés de crédit foncier***" are deleted and replaced as follows:

"- Central governments or central banks not located in an Eligible State, but who benefit from the highest level of credit quality<sup>3</sup> established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*);

[...]

- Public institutions and local authorities mentioned in the bullet point above benefiting from the second-highest level of credit quality<sup>4</sup> established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*), provided that such exposures are limited to 20% of the total outstanding nominal amount of the *obligations foncières* and other sources of financing benefiting from the *privilège*."

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<sup>3</sup> highest level of credit quality (or Step 1): AAA to AA (low) low for DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity, Aaa to Aa3 for Moody's France SAS or AAA to AA- for S&P Global Ratings Europe Limited.

<sup>4</sup> second-highest level of credit quality (or Step 2): A (high) to A (low) for DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity, A1 to A3 for Moody's France SAS or A+ to A- for S&P Global Ratings Europe Limited.

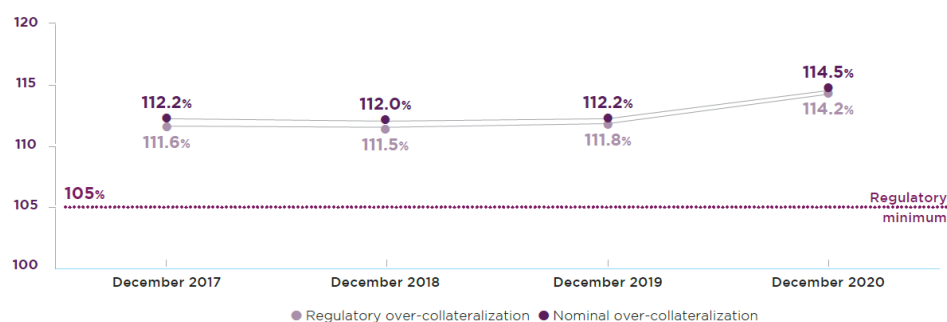


## BUSINESS OVERVIEW

The section entitled "**Business Overview**" on pages 120 to 129 of the Base Prospectus, as amended by the Third Supplement, is amended as follows:

1. The first graph, fifth paragraph and second graph of section entitled "**Over-collateralisation ratio**" on page 122 of the Base Prospectus are deleted and replaced as follows:

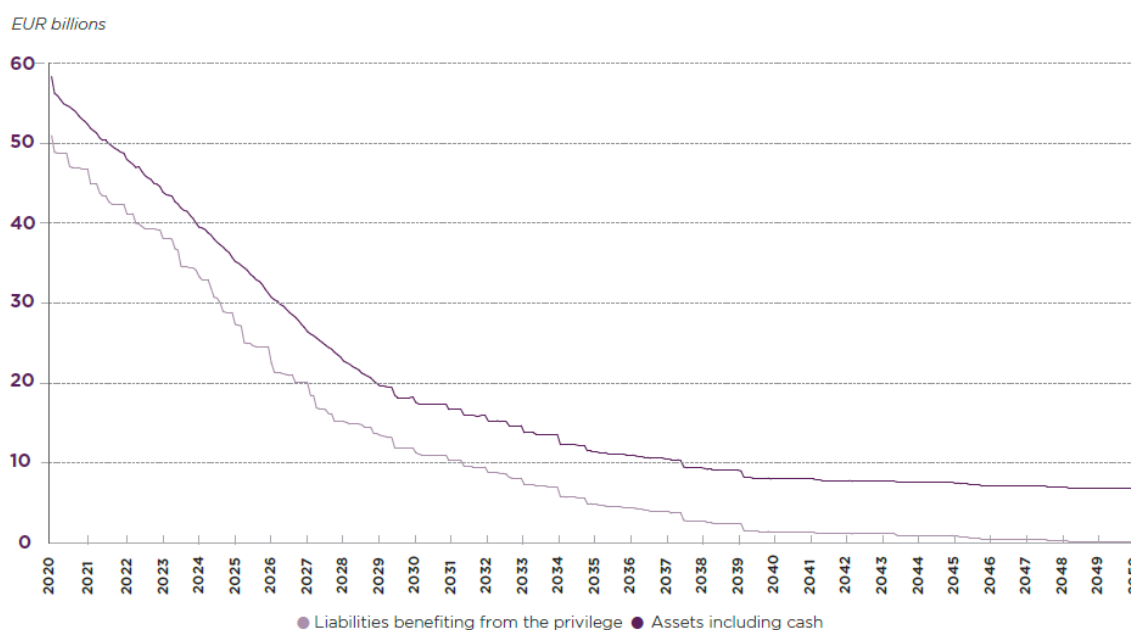
"



"

[...]

The following graph on over-collateralisation presents the amortization curves of the assets and the issues benefiting from the legal *privège* as of 31 December 2020.



"

2. The second table of the sub-section entitled "**Hedging Strategy**" of the section the section entitled "**Hedging interest rate risk**" on page 124 of the Base Prospectus is deleted and replaced as follows:

"

<b>Translation of the rate curve</b>	EUR 25 million limit
<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

"

3. The first, second and third tables of the sub-section entitled "**Limits on interest rate risk**" of the section the section entitled "**Hedging interest rate risk**" on page 124 of the Base Prospectus are deleted and replaced as follows:

"

#### Directional risk

<b>Total sensitivity (EUR millions)</b>	<b>Limit</b>	<b>3/31/2020</b>	<b>6/30/2020</b>	<b>9/30/2020</b>	<b>12/31/2020</b>
Sensitivity	25/(25)	(2.7)	(1.9)	(1.0)	(6.8)

[...]

#### RISK OF SLOPE BETWEEN TWO DISTANT POINTS ON THE RATE CURVE

<b>Sum of sensitivities EUR millions</b>	<b>Limit*</b>	<b>12/31/2019</b>	<b>3/31/2020</b>	<b>6/30/2020</b>	<b>9/30/2020</b>	<b>12/31/2020</b>
Short term	(15)/15	(5.5)	(6.0)	(4.0)	(5.3)	(9.5)
Medium term	(10)/10	(9.2)	(2.1)	(6.6)	(6.1)	3.1
Long term	(10)/10	8.4	1.6	4.1	5.1	(2.5)
Very long term	(9)/9	6.0	3.8	4.6	5.3	2.2

\* The limits applicable to points prior to 6/30/2020 were EUR 10 million for each time bucket. Since 6/30/2020, the limit is 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

<b>Sum of sensitivities in absolute value EUR millions</b>	<b>Limit*</b>	<b>12/31/2019</b>	<b>3/31/2020</b>	<b>6/31/2020</b>	<b>9/30/2020</b>	<b>12/31/2020</b>
Short term	30	10.8	17.3	9.0	12.6	10.9
Medium term	30	15.3	12.7	13.0	13.9	22.3
Long term	30	12.3	12.3	10.4	3.7	11.3
Very long term	30	9.0	7.0	7.6	8.2	8.8

\* The limit, which applied before 12/31/2019 and to 3/31/2020, was EUR 40 million. Since 6/30/2020, the limit applicable is EUR 30 million.

"

4. The section entitled "**Outlook for 2020**" on page 124 and 125 of the Base Prospectus is deleted and replaced as follows:

#### "Outlook for 2021

Since 30 September 2020, Caisse Française de Financement Local and its parent company SFIL have joined the new major French public finance hub formed around Caisse des Dépôts. The SFIL Group will be able to provide the major French public finance hub with its high-performance financing platform, which has continued to benefit from excellent access to financial markets despite the instability related to the health and economic crisis, as well as from its two business lines, established leaders in their respective markets, financing for the French local public sector

and for large export contracts. In particular, the crisis has strengthened SFIL's strategic positioning and shown its financial resilience, a strong characteristic of public development banks.

In 2021, Caisse Française de Financement Local and its parent company SFIL will aim to maintain their position as a recognized leader for the two activities entrusted to them by the French States:

- financing loans to French local authorities and public hospitals, within the framework of the partnership established with La Banque Postale. Caisse Française de Financement Local and its parent company, SFIL, will also provide their support for the post-Covid-19 economic recovery, and in particular to supplement the French government's economic recovery plans to promote investments by local authorities and health institutions, notably through their green loans;
- supporting French exporters by refinancing large export credits guaranteed by the State. Indeed, for projects in the preliminary study phase, market demand for SFIL's system is very high compared to last year. Thus, export credit is expected to play its counter-cyclical role in supporting certain sectors such as civil aviation, in which SFIL will be present. Moreover, the increased attention paid to sustainable development issues and the French economic recovery plans should support export business in the areas of infrastructure and equipment. In this context, the Caisse Française de Financement Local and its parent company, SFIL, will provide their support to the post-Covid-19 economic recovery for these various sectors. As part of its export refinancing mission, 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 2021.

To cover its financing requirements, Caisse Française de Financement Local plans to issue between EUR 3.5 and 5.5 billion of covered bonds in 2021 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. Caisse Française de Financement Local's issue program should be carried out in a dynamic market context and low rates in view of:

- the interest taken by investors in this asset category which notably benefits from preferential regulatory treatment;
- the strong support provided by the European Central Bank with the continuation of its program to purchase covered bonds

In 2021, SFIL will continue its CSR measures, including the integration of climate risks into its methodological criteria and the issuance of bonds in the form of thematic "social" and/or "green" issues. These should become a permanent and significant source of refinancing to support the investments needed by French public hospitals and those of French local authorities dedicated to the ecological transition. These new types of financings will enable SFIL to fully exercise its role as a public development bank to support a sustainable future.

The macroeconomic context will be closely monitored in 2021:

- the geopolitical environment and the degree of market volatility;

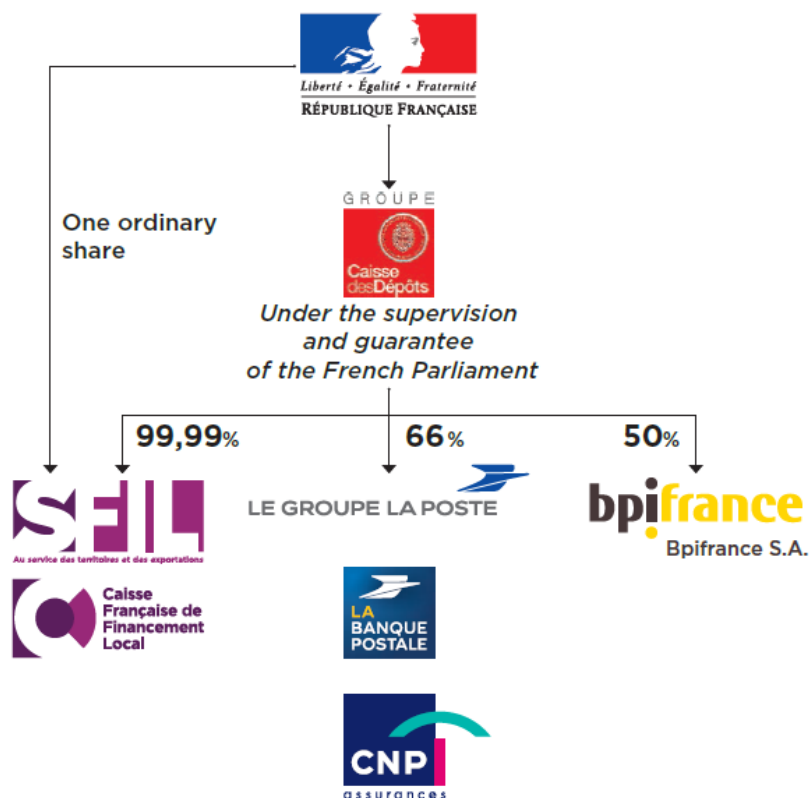
- changes in the regulatory environment, with the finalization of Basel III and, with regard to Caisse Française de Financement Local, the transposition into national law of the European directive aimed at harmonizing the covered bonds regimes of Member States.

For its operations, Caisse Française de Financement Local will continue to rely on SFIL, whose teams have shown constant commitment since the beginning of the crisis. SFIL will continue to adapt its organization and its tools to the new operational context that will result in the long term from the health crisis, and will continue to strengthen its prevention system against new risks that have appeared or intensified during the health crisis, such as cybercrime.

Moreover, the SFIL Group will continue to 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 Caisse Française de Financement and its solid solvency ratio are all advantages within the current context."

## ORGANISATIONAL STRUCTURE

The first graph of the section entitled "**Organisational Structure**" on page 127 of the Base Prospectus, as amended by the Third Supplement, is deleted and replaced as follows:



SFIL's shareholders remains firmly anchored in the public sphere, thus reflecting the missions the French State assigned it.

## ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

The preamble, the paragraph entitled "**Members of the Executive Board and Supervisory Board**" and the paragraph entitled "**Members of the Executive Board and their membership in other boards**" of the section entitled "**Administrative, management and supervisory bodies**" on pages 131 and 132 of the Base Prospectus are deleted and replaced as follows:

"Caisse Française de Financement Local is administered by an Executive Board (*Directoire*) consisting of five members, and a Supervisory Board (*Conseil de Surveillance*). As of the date of this Base Prospectus, the Supervisory Board of Caisse Française de Financement Local consisted of six members, including the Chairman of the Board and the Vice Chairman of the Board. Statutory auditors as well as the *contrôleur spécifique* may also attend board meetings (depending on the nature of the items on the agenda).

### ***Members of the Executive Board and Supervisory Board***

As of the date of this Fourth Supplement, the Executive Board and Supervisory Board of Caffil were composed as follows:

<b><u>Representative</u></b>	<b><u>Function at the Issuer</u></b>	<b><u>Date of Appointment</u></b>	<b><u>Term</u></b>
Gilles Gallerne	Chairman of the Executive Board	31 January 2013	2025
Herdile Guerin	CEO, member of the Executive Board	18 March 2020	2025
Olivier Eudes	Member of the Executive Board	27 May 2015	2025
Valérie Schiltz	Member of the Executive Board	31 January 2021	2025
Lan-Anh Pham	Member of the Executive Board	31 January 2021	2025
Philippe Mills	Chairman of the Supervisory Board	31 January 2013	2021
François Laugier	Vice Chairman of the Supervisory Board	31 January 2013	2021
Nathalie Argourd	Member of the Supervisory Board	30 May 2017	2021
Anne Crépin	Member of the Supervisory Board	30 May 2017	2021
Béatrice Gosserez	Member of the Supervisory Board	12 December 2012	2024
Florent Lecinq	Member of the Supervisory Board	25 February 2013	2021

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

Gilles GALLERNE

Member of the Executive Committee, SFIL

Member of the Board, Association des Sociétés Financières (ASF)

Herdile GUERIN

Olivier EUDES

Manager, SCI Phoenix

Valérie SCHILTZ

Lan-Anh PHAM"

## RECENT DEVELOPMENTS

The section entitled "**Recent Developments**" on page 136 of the Base Prospectus, as amended by the Third Supplement, is deleted and replaced as follows:

"Within the context of Covid-19 crisis, Caisse Française de Financement Local continued its two missions of financing the local public sector and refinancing large export credits. The commercial activity relating to the financing of the local public sector (carried out in partnership with La Banque Postale) was very strong, while activity related to export refinancing was slowed down by the health situation. It showed its resilience capacity notably in terms of solvency and liquidity, thanks to the public development bank model of its parent company, SFIL.

On the operational side, 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 SFIL Group was able to monitor and manage all of its risks, notably those related to market volatility and the economic situation of its customers.

For Caisse Française de Financement Local, the financial impacts of this crisis remained very limited, even if some temporary impacts were visible in its interim accounting results (first half of 2020) due to banking regulations and IFRS accounting rules.

The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) increased by an amount of EUR 455 million between 1 January 2021 and 31 March 2021.

In the short term, the health crisis has led to a general slowdown in the pace of contract negotiations in 2020. Only one file was signed in 2020 for EUR 0.2 billion in the renewable energy sector in Europe.

Since 2015, the total volume refinanced by the SFIL Group amounts to EUR 8.4 billion for EUR 15 billion in total export credits. On average, over the last four years, SFIL's contribution of liquidity to the refinancing of large export credits represents more than 40% of the market.

In addition, in 2020, the public financing system entrusted to SFIL was in great demand for projects in the preliminary study phase, with an increase of 40% compared to 2019.

The Covid-19 pandemic had a limited impact on the SFIL Group's current export refinancing portfolio. The only business sector that required special action is the cruise ship financing sector, in which SFIL has been present since 2016. The cruise lines were impacted by the sudden interruption to their business and the need to continue to cover their fixed costs. The SFIL Group entered into the approach developed jointly by the European export credit guarantee agencies to provide liquidity support for export credits for cruise companies. This liquidity support consists of deferring the repayment of the principal amount of the loans due for a 12-month period and spreading repayment over four years. In this context, in 2020, Caisse Française de Financement Local agreed to postpone the payment of three contracts for a total amount of slightly less than EUR 68 million. In addition, the manufacture and delivery of certain cruise ships will be staggered over time, which will have an impact on the profile of the refinancing granted by CAFFIL to SFIL, which benefits from the French State guarantee.

Moreover, in May 2020, the European Commission renewed for seven years, *i.e.* until 2027, its agreement to the SFIL Group to carry out its activity of refinancing export credits provided by the French State; it confirmed its diagnosis of a market failure for the financing of export credits and the appropriateness and necessity of the intervention of a public development bank such as SFIL. An initiative is also underway to extend the scope of this activity to strategic projects: this involves allowing the SFIL Group to intervene in the mechanism for refinancing loans covered by the Strategic Projects Guarantee<sup>5</sup>. This plan to expand the activity of the SFIL Group will enable France to propose to exporters a financing offer in line with the best practices in other large exporting countries, particularly in Asia."

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<sup>5</sup> Decree No. 2018-1162 of 17 December 2018 on the granting of French State guarantees for operations likely to contribute to the development of France's foreign trade or of strategic interest to the French economy abroad.



## SUBSCRIPTION AND SALE

The section entitled "**Subscription and Sale**" on page 137 to 142 of the Base Prospectus is amended as follows:

1. The selling restriction "**European Economic Area and United Kingdom**" on pages 137 and 138 of the Base Prospectus is deleted and replaced as follows:

### **"European Economic Area**

#### **(i) Prohibition of Sales to EEA Retail Investors**

In respect of (i) any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify the "Prohibition of Sales to EEA Retail Investors" as "Applicable" and (ii) any *Obligations Foncières* with a denomination of at least €100,000, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any *Obligations Foncières* which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the 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**"); and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe for the *Obligations Foncières*.

#### **(ii) Non-Exempt Offer selling restriction under the Prospectus Regulation**

In respect of any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of *Obligations Foncières* which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in a member state of the EEA (each, a "**Relevant State**") except that it may make an offer of *Obligations Foncières* to the public in that Relevant State:

- (a) if the Final Terms in relation to the *Obligations Foncières* specify that an offer of those *Obligations Foncières* may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-Exempt Offer**"), following the date of publication of a Base Prospectus in relation to such *Obligations Foncières* which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Regulation in the period

beginning and ending on the dates specified in such Base Prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Non-Exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of *Obligations Foncières* referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation."

2. The selling restriction "**United Kingdom**" on page 139 of the Base Prospectus is deleted and replaced as follows:

#### **"United Kingdom**

##### **(i) Prohibition of sales to UK Retail Investors**

In respect of (i) any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify the "Prohibition of Sales to UK Retail Investors" as "Applicable" and (ii) any *Obligations Foncières* with a denomination of at least €100,000, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any *Obligations Foncières* which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ; or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe for the *Obligations Foncières*.

##### **(ii) Public Offer selling restriction under the UK Prospectus Regulation**

In respect of any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of *Obligations Foncières* which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such *Obligations Foncières* to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of *Obligations Foncières* referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA<sup>6</sup> or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of *Obligations Foncières* to the public**" in relation to any *Obligations Foncières* means the communication in any form and by any means of sufficient information on the terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe for the *Obligations Foncières* and the expression "**UK Prospectus Regulation**" means the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

### (iii) **Other regulatory restrictions**

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

- (i) in relation to any *Obligations Foncières* having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any *Obligations Foncières* other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the *Obligations Foncières* would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any *Obligations Foncières* in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such *Obligations Foncières* in, from or otherwise involving the United Kingdom."

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<sup>6</sup> The cornerstone provisions of the UK prospectus regime are set out in Article 3 UK Prospectus Regulation and in section 85 FSMA. Section 85 FSMA has been used here, as it is where the criminal offence lies. It also ties in with the use of section 86 FSMA (which not only cross-refers to the Article 1(4) UK Prospectus Regulation exemptions, but also includes the EUR 8m exemption).

## FORM OF FINAL TERMS 1

The section entitled "Form of Final Terms 1" on page 143 to 164 of the Base Prospectus is amended as follows:

1. The paragraphs entitled "**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**", "**MiFID II product governance / Professional investors and eligible counterparties only target market**" and "**MiFID II product governance / Retail investors, professional investors and eligible counterparties target market**" on pages 143 and 144 of the Base Prospectus are deleted and replaced as follows:

"[**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in 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**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council dated 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "**PRIIPs Regulation**") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>7</sup>

[**PRIIPS REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>8</sup>

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<sup>7</sup> Legend to be included on front of the Final Terms if either (a) the *Obligations Foncières* potentially constitute "packaged" products and no key information document will be prepared or (b) the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case this selling restriction should be included and item 10(viii) of Part B should be specified as being "Applicable".

<sup>8</sup> Legend to be included on front of the Final Terms if either (a) the *Obligations Foncières* potentially constitute "packaged" products and no key information document will be prepared or (b) the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case this selling restriction should be included and item 10(vii) of Part B should be specified as being "Applicable".

<sup>9</sup>**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. *[Consider any negative target market<sup>10</sup>]* Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

<sup>11</sup> **[<sup>12</sup>UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), has led to the conclusion that: (i) the target market for the *Obligations Foncières* is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (the "**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. *[Consider any negative target market<sup>13</sup>]*. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**OR**

<sup>14</sup> **[MiFID II product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments (as amended, **MiFID II**)]**[MiFID II]**; ***EITHER***<sup>15</sup> [and (ii) all channels for distribution of the *Obligations Foncières* are appropriate, including investment advice, portfolio

<sup>9</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

<sup>10</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

<sup>11</sup> The legend may not be necessary if the managers in relation to the *Obligations Foncières* are not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or where both are included.

<sup>12</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

<sup>13</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

<sup>14</sup> Legend to be included on front of the Final Terms if following the ICMA 2 approach.

<sup>15</sup> Include for bonds that are not ESMA complex.

management, non-advised sales and pure execution services]<sup>16</sup> **OR**<sup>17</sup> [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the *Obligations Foncières* to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]<sup>18</sup>. [*Consider any negative target market*<sup>19</sup>] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]<sup>20</sup>.]

<sup>21</sup> <sup>22</sup>[**UK MiFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), has led to the conclusion that: (i) the target market for the *Obligations Foncières* is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); **EITHER**<sup>23</sup> [and (ii) all channels for distribution of the *Obligations Foncières* are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]<sup>24</sup> **OR**<sup>25</sup> [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the *Obligations Foncières* to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]<sup>26</sup>. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate

<sup>16</sup> The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

<sup>17</sup> Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the *Obligations Foncières* constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

<sup>18</sup> The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

<sup>19</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

<sup>20</sup> If the *Obligations Foncières* constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II. If there are advised sales, a determination of suitability will be necessary.

<sup>21</sup> The legend may not be necessary if the managers in relation to the *Obligations Foncières* are not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or where both are included.

<sup>22</sup> Legend to be included on front of the Final Terms if following the ICMA 2 approach.

<sup>23</sup> Include for bonds that are not ESMA complex (in the UK context, as reflected in COBS).

<sup>24</sup> This list may not be necessary, especially for bonds that are not ESMA complex (in the UK context, as reflected in COBS) where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

<sup>25</sup> Include for certain ESMA complex bonds (in the UK context, as reflected in COBS). This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the *Obligations Foncières* constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness.

<sup>26</sup> ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]<sup>2728</sup>.]]"

2. The paragraph "**Ratings**" of the item 3 entitled "**Ratings and euro equivalent**" of section entitled "**Part B**" on pages 158 and 159 of the Base Prospectus is deleted and replaced as follows:

**"Ratings:**

[Not applicable. The *Obligations Foncières* are not rated]/

[Applicable:

The *Obligations Foncières* to be issued under the Programme are expected to be rated [AA] by S&P and/or [AA (high)] by DBRS and/or [Aa3] by Moody's.]

[S&P: [●]]

[Moody's: [●]]

[DBRS: [●]]

[Other: [●]]

[[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**").] [[●] is registered under Regulation (EC) No 1060/2009 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**").] [[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)).] [[Each of] [●] is included in the list of credit rating agencies published by the Financial Conduct Authority on its website (<https://register.fca.org.uk>) in accordance with the UK CRA Regulation.]

[[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is not established in the European Union and has not applied for registration under the Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"), but is endorsed by [●] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([https://www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)).]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]*

*(The above disclosure should reflect the rating allocated to Obligations Foncières of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)"*

27 If the *Obligations Foncières* constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness. If there are advised sales, a determination of suitability will be necessary.

28 Please note that non-exempt offers in the UK require a FCA approval. Since the Base Prospectus is not currently passported in the UK or approved by the FCA, an approval of this document or a drawdown approved by the FCA should be required before any sales to UK retail investors.

3. The item 9 "**FLOATING RATE OBLIGATIONS FONCIÈRES ONLY – PERFORMANCE OF RATES**" of section entitled "**Part B**" on pages 160 and 161 of the Base Prospectus is deleted and replaced as follows:

**"9 [FLOATING RATE OBLIGATIONS FONCIÈRES ONLY – PERFORMANCE OF RATES**

Details of performance of [CMS Rate/EURIBOR/EONIA/€STR/LIBOR/SOFR/SONIA/TEC10 (or any other reference rate)] rates can be obtained [but not] free of charge from [[●]/give details of electronic means of obtaining the details of performance.]

[Amounts payable under the Obligations Foncières will be calculated by reference to [CMS Rate/EURIBOR/EONIA/€STR/LIBOR/SOFR/SONIA/TEC10] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").] [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority in the United Kingdom pursuant to Article 36 of the Benchmarks Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK BMR**").] [As far as the Issuer is aware, [[●] is not required to be registered by virtue of Article 2 of the [Benchmark Regulation]/[UK BMR]]/[the transitional provisions in Article 51 of the [Benchmark Regulation/UK BMR] apply, such that [●] is not currently required to obtain authorisation or registration.]]"

4. The paragraph "**Prohibition of Sales to EEA and UK Retail Investors**" of section entitled "**Part B**" on pages 161 and 162 of the Base Prospectus is deleted and replaced as follows:

- (vi) Prohibition of Sales to EEA Retail Investors:

[Not applicable/Applicable]

*(If the Obligations Foncières clearly do not constitute "packaged" products or the Obligations Foncières do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Obligations Foncières may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified and the legend entitled "Prohibition of Sales to EEA Retail Investors" on the cover page of the Final Terms should be included. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor).*

- (vii) Prohibition of Sales to UK Retail Investors:

[Not applicable/Applicable]

*(If the Obligations Foncières clearly do not constitute "packaged" products or the Obligations Foncières do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Obligations Foncières may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*



## FORM OF FINAL TERMS 2

The section entitled "**Form of Final Terms 2**" on page 165 to 187 of the Base Prospectus is amended as follows:

1. The paragraphs entitled "**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**" and "**MiFID II product governance / Professional investors and eligible counterparties only target market**" on page 165 of the Base Prospectus are deleted and replaced as follows:

**"PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in 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**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council dated 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "**PRIIPs Regulation**") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**[PRIIPS REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[<sup>29</sup>MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of

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<sup>29</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [**Consider any negative target market**<sup>30</sup>] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[<sup>31</sup>**UK MIFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), in respect of the *Obligations Foncières* has led to the conclusion that: (i) the target market for the *Obligations Foncières* is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (the "**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [**Consider any negative target market**]<sup>32</sup>. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]"

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30 ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

31 The legend may not be necessary if the managers in relation to the *Obligations Foncières* are not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or where both are included.

32 ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that *Obligations Foncières* are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

2. The paragraph "**Ratings**" of the item 2 entitled "**Ratings and euro equivalent**" of section entitled "**Part B**" on pages 183 and 184 of the Base Prospectus is deleted and replaced as follows:

**"Ratings**

[Not Applicable. The *Obligations Foncières* are not rated.] /

[Applicable:

The *Obligations Foncières* to be issued under the Programme are expected to be rated [AA] by S&P and/or [AA (high)] by DBRS and/or [Aa3] by Moody's.].

[S&P: [●]]

[Moody's: [●]]

[DBRS: [●]]

[Other: [●]]

[[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). [[Each of] [●] is established in the United Kingdom and registered under Regulation (EC) No 1060/2009 (as amended) as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). [[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)).] [[Each of] [●] is included in the list of credit rating agencies published by the Financial Conduct Authority on its website (<https://register.fca.org.uk>) in accordance with the UK CRA Regulation.]

[[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is not established in the European Union and has not applied for registration under the Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"), but is endorsed by [●] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).]

*[Need to include a brief explanation of the meaning of the ratings if it has previously been published by rating provider.]*

*(The above disclosure should reflect the rating allocated to Obligations Foncières of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)"*

3. The item 8 "**FLOATING RATE OBLIGATIONS FONCIÈRES ONLY – PERFORMANCE OF RATES**" of section entitled "**Part B**" on pages 185 and 186 of the Base Prospectus is deleted and replaced as follows:

## "8 [FLOATING RATE OBLIGATIONS FONCIÈRES ONLY – PERFORMANCE OF RATES

Details of performance of [CMS Rate/EURIBOR/EONIA/€STR/LIBOR/SOFR/SONIA/TEC10 (or any other reference rate)] rates can be obtained [but not] free of charge from [●].

[Amounts payable under the *Obligations Foncières* will be calculated by reference to [CMS Rate/EURIBOR/EONIA/€STR/LIBOR/SOFR/SONIA/TEC10] rates which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").] [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority in the United Kingdom pursuant to Article 36 of the Benchmarks Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK BMR**").] [As far as the Issuer is aware, [[●] is not required to be registered by virtue of Article 2 of the [Benchmark Regulation]/[UK BMR]]/[the transitional provisions in Article 51 of the [Benchmark Regulation/UK BMR] apply, such that [●] is not currently required to obtain authorisation or registration.]]"

## GENERAL INFORMATION

The section entitled "**General Information**" on pages 188 to 192 of the Base Prospectus, as amended by the Second Supplement, is amended as follows:

1. The last sentence of the paragraph entitled "(1) **AMF approval and admission to trading**" on page 188 of the Base Prospectus is deleted and replaced as follows:

"In accordance with Article 25 of the Prospectus Regulation, a request may be made for the notification of a certificate of approval to any competent authority of any member state (the "Member State(s)") of the EEA in order for *Obligations Foncières* to be admitted to trading on any other Regulated Market in the EEA or to be offered to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation."

2. The paragraph entitled "(2) **Corporate authorisations**" on page 188 of the Base Prospectus 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 25 March 2021, the Executive Board (*Directoire*) of the Issuer authorised the issue of *obligations foncières* under the Programme up to an aggregate maximum amount of €4,850,000,000 for the period from 1 January 2021 to 31 December 2021 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 *Directrice Générale* of the Issuer and, in the absence or unavailability of any of them, to 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."

3. The paragraph entitled "(4) **Significant change in the Issuer's financial position or financial performance**" on page 188 of the Base Prospectus is deleted and replaced as follows:

"Except as disclosed under the section entitled "**Recent Developments**" on page 32 of this Fourth Supplement, there has been no significant change in the financial position or financial performance of the Issuer since 31 December 2020 (being the date of its last financial period for which financial information has been published)."

4. The paragraph entitled "(5) **No material adverse change**" on page 189 of the Base Prospectus is deleted and replaced as follows:

"Except as disclosed under the section entitled "**Recent Developments**" on page 32 of this Fourth Supplement, there has been no material adverse change in the prospects of the Issuer since 31 December 2020 (being the date of its last published financial statements)."

5. The paragraph entitled "(10) **Documents available**" on page 190 of the Base Prospectus is deleted and replaced as follows:

"So long as *Obligations Foncières* may be issued pursuant to this Base Prospectus, copies of the following documents will be available, free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and, except for the document referred to in sub-paragraph (i) below, on the website of the Issuer ([www.caffil.fr](http://www.caffil.fr)):

- (i) the Amended and Restated Agency Agreement;
- (ii) the up-to-date by-laws (*statuts*) of the Issuer;

- (iii) the most recently published audited annual financial statements and interim financial statements of the Issuer;
- (iv) each Final Terms for *Obligations Foncières* that are admitted to trading on Euronext Paris or admitted to trading on any other Regulated Market in the EEA and/or offered to the public pursuant to a Non-Exempt Offer in a Member State of the EEA;
- (v) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further base prospectus;
- (vi) any document incorporated by reference; and
- (vii) all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

This Base Prospectus, any supplement thereto that may be published from time to time and, so long as *Obligations Foncières* are admitted to trading on any Regulated Market and/or offered to the public pursuant to a Non-Exempt Offer in a Member State of the EEA in accordance with the Prospectus Regulation, and for at least ten years as from the Issue Date of such *Obligations Foncières* the Final Terms relating to such *Obligations Foncières* are also available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org))."

6. The paragraph entitled "(12) **Auditors**" on page 190 of the Base Prospectus 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 year ended 31 December 2019.

Statutory auditors' reports on the audited annual accounts established under IFRS as adopted by the European Union contain observations, without qualifying their opinions for the period ended 31 December 2019. Statutory auditors' reports on the audited annual accounts established under French GAAP do not contain any qualification for the period ended 31 December 2019.

Ernst & Young et Autres and Deloitte & Associés have resigned on 29 September 2020 due to the transfer of control of SFIL to CDC.

KPMG SA (Tour Eqho, 2, avenue Gambetta, 92066 Paris-La Défense Cedex, France) and PricewaterhouseCoopers Audit (63, rue de Villiers, 92200 Neuilly-sur-Seine, France) are Auditors to the Issuer since 30 September 2020. They have audited and rendered unqualified audit opinions in their reports on the financial statements of the Issuer for the financial year ended 31 December 2020.

Statutory auditors' reports on the audited annual accounts established under French GAAP do not contain any qualification for the period ended 31 December 2020.

The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC)."

7. The paragraph entitled "(20) **Benchmarks**" on page 192 of the Base Prospectus is deleted and replaced as follows:

"Amounts payable under the *Obligations Foncières* bearing floating rates of interest may be calculated by reference to benchmarks such as CMS Rate, EURIBOR, EONIA, €STR, LIBOR, SOFR, SONIA, TEC 10 or any other reference rate as specified in the relevant Final Terms (the "**Benchmark**"), in accordance with the Regulation (EU) no. 2016/1011 of the European Parliament and of the Council dated 8 June 2016 (the "**Benchmarks Regulation**"). The relevant Final Terms in respect of an issue of *Obligations Foncières* bearing floating rates of interest will specify the relevant Benchmark, the relevant Benchmark administrator and whether such Benchmark administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation or in the FCA's register of administrators under Article 36 of Benchmarks Regulation

as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK BMR**").

The registration status of any administrator under the Benchmarks Regulation or the UK BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Base Prospectus or the relevant Final Terms to reflect any change in the registration status of the administrator."

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

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

**Caisse Française de Financement Local**

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

Duly represented by:

Gilles Gallerne

*Président du directoire*

Duly authorised

on 14 April 2021



AUTORITÉ  
DES MARCHÉS FINANCIERS

This Fourth Supplement has been approved on 14 April 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Fourth 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 Fourth Supplement.

The Fourth Supplement has the following approval number: 21-106.