

**FIRST SUPPLEMENT DATED 20 SEPTEMBER 2021
TO THE BASE PROSPECTUS DATED 11 JUNE 2021**



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

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 11 June 2021 which was approved by the *Autorité des marchés financiers* (the “**AMF**”) under number No. 21-217 on 11 June 2021 (the “**Base Prospectus**”), as prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Caisse Française de Financement Local (the “**Issuer**” or “**CAFFIL**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the “**Prospectus Regulation**”).

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

- i. incorporating by reference the information contained in the *Rapport financier semestriel 2021* in French language of the Issuer filed with the AMF (the “**2021 Half-Year Report**”);
- ii. updating the section entitled “Risk Factors”;
- iii. updating the section entitled “Documents incorporated by reference”;
- iv. updating the section entitled “Description of Caisse Française de Financement Local”;
- v. updating the section entitled “The Legal Regime Applicable to CAFFIL”;
- vi. updating the section entitled “Business Overview”;
- vii. updating the section entitled “Material Contracts”;
- viii. updating the section entitled “Recent Developments”; and
- ix. updating the section entitled “General Information” of the Base Prospectus.

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

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

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

In accordance with Article 23.2 (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 First Supplement is published have the right to withdraw their acceptances within a time limit of minimum three (3) working days after publication of this First Supplement. This right to withdraw shall expire by close of business on 23 September 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 First Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1-3, rue du Passeur de Boulogne 92130 Issy-les-Moulineaux, France) during normal business hours and (b) will be available on the website of the AMF (www.amf-france.org) and of the Issuer (www.caffil.fr) so long as any of the *Obligations Foncières* issued under the Programme are outstanding.

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RISK FACTORS

The section entitled “**Risk Factors**” on pages 19 to 49 of the Base Prospectus is amended as follows:

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

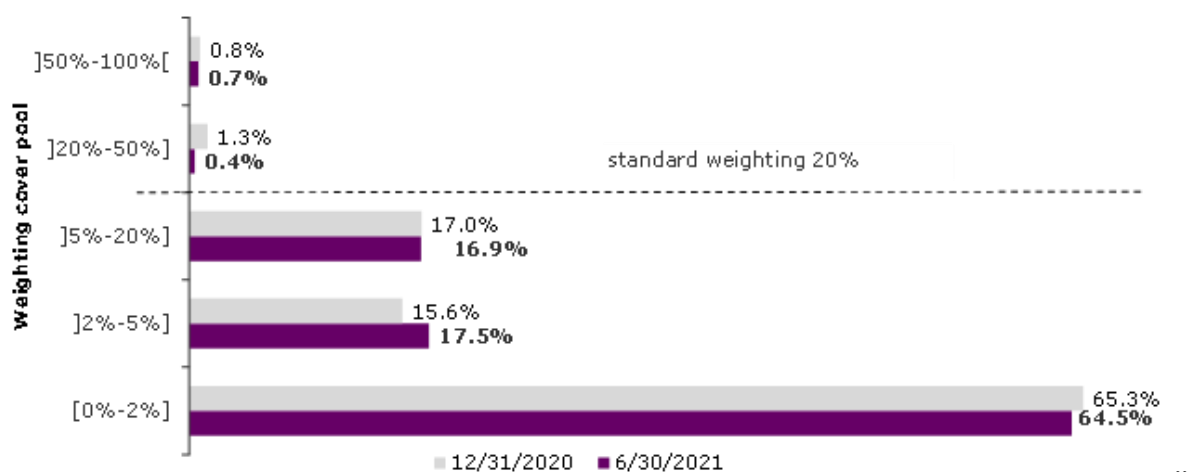
“As of 30 June 2021, Caisse Française de Financement Local's capital level is high (CET1 capital ratio: 32.5%).”

- The fifth paragraph of the risk factor entitled “**1.2. Risk arising from European and French laws and regulations and harmonization of the existing rules on covered bonds throughout the European Union**” of the section entitled “**I. RISK FACTOR RELATING TO THE ISSUER**” is deleted and replaced as follows:

“The Covered Bond Directive had to be implemented by each of the Member States of the European Union by 8 July 2021 and the Member States must apply those measures at the latest from 8 July 2022. The French ordinance has been published on 30 June 2021 (*Ordonnance n° 2021-858 portant transposition de la directive (UE) 2019/2162*) and the relating application decree has been published on 6 July 2021 (*Décret n° 2021-898 portant transposition de la directive (UE) 2019/2162*). The final outcome is not yet known and could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.”

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

“**Risk weighting of Caisse Française de Financement Local's portfolio as of 30 June 2021**



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

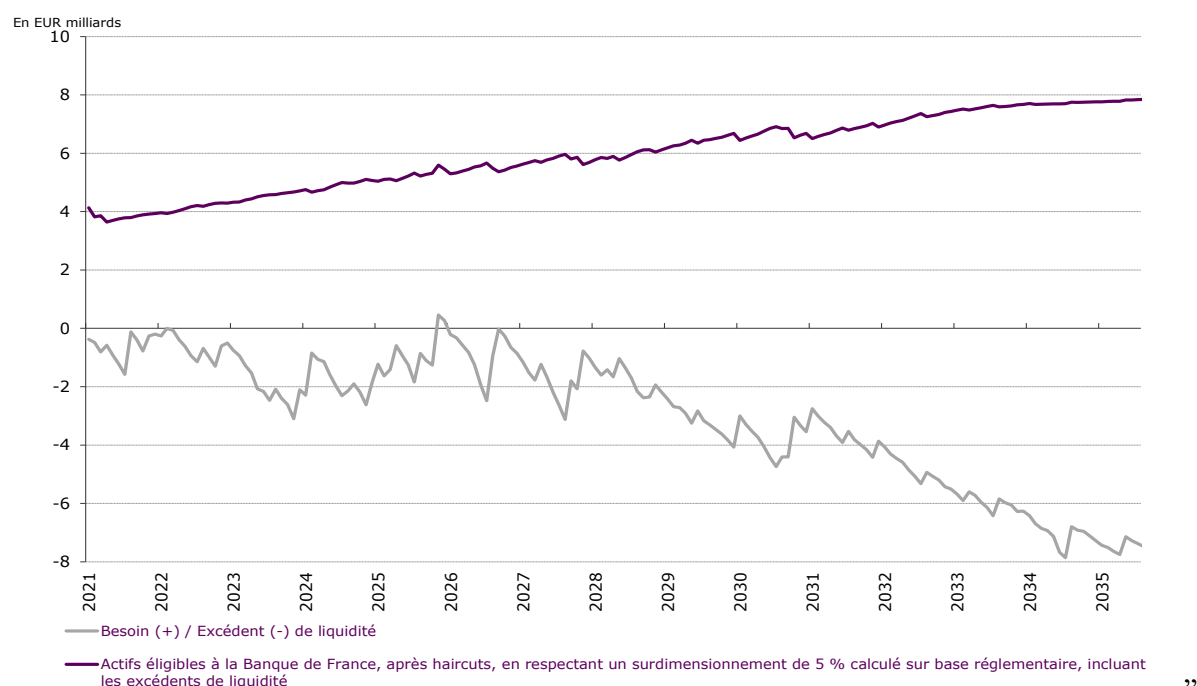
“Deteriorating economic conditions could therefore have a material adverse effect on the probability of default of these assets in the Cover Pool. Arrears fell in 2021 (-8%) from EUR 36 to 33 million (excluding technical arrears). In addition, as of 30 June 2021, the balance of deferred payments represented a very low amount (EUR 0.5 million).”

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

“Exposure on financial institutions is primarily comprised of counterparties in hedging derivatives and replacement assets. As of 30 June 2021, the amount is EUR 1.1 billion.”

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

“Liquidity needs as of 30 June 2021



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

“As of 30 June 2021, the Liquidity Coverage Ratio reaches to 647%.”

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

“As of 30 June 2021, the funds borrowed from SFIL are EUR 5.8 billion.”

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

“As of 30 June 2021, the financing commitments of Caisse Française de Financement Local for such contracts (amounts remaining to be paid to the counterparty) amounted to EUR 4.3 billion.”

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

“As an illustration, the impacts of hedge accounting on the IFRS net banking income of the Issuer amounted to EUR 19 million in 2020.”

- The fifth sentence of 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 “**I. RISK FACTOR RELATING TO THE ISSUER**” is deleted and replaced as follows:

“On 30 June 2021, the coverage ratio was equal to 112.7%.”

- The first sentence of the second paragraph of the risk factor entitled “**1.1 The Issuer has sole liability under the *Obligations Foncières***” of the section entitled “**II. RISKS RELATING TO THE OBLIGATIONS FONCIÈRES**” is deleted and replaced as follows:

“As of 30 June 2021, the Cover Pool comprised EUR 51,2 billion in loans, EUR 6.3 billion in securities and the cash surplus placed with the *Banque de France* amounted to EUR 0.4 billion.”

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

“As of 30 June 2021, the Cover Pool comprised EUR 51.2 billion in loans, EUR 6.3 billion in securities and the cash surplus placed with the *Banque de France* amounted to EUR 0.4 billion. In addition, the average life of the Cover Pool was 7.26 years.”

- The last sentence of the fifth paragraph of the risk factor entitled “**3.5 Bank Recovery and Resolution Directive**” of the section entitled “**II. RISKS RELATING TO THE OBLIGATIONS FONCIÈRES**” is deleted and replaced as follows:

“On 30 June 2021, the coverage ratio was equal to 112.7%.”

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “**Documents Incorporated by reference**” on pages 50 to 54 of the Base Prospectus is deleted and replaced for the purposes of adding the 2021 Half-Year Report of the Issuer:

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

- (a) the Half-Year Report in the French language relating to Caisse Française de Financement Local for the period ended 30 June 2021 (the “**2021 Half-Year Report**”; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2021/09/Rapport_semestriel_CAFFIL_-30_06_2021_FR.pdf);
- (b) the Annual Report in the French language relating to Caisse Française de Financement Local, incorporating its audited annual accounts for the year 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)¹;
- (c) the Annual Report in the French language relating to Caisse Française de Financement Local, incorporating its audited annual accounts for the year 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)²; and
- (d) the terms and conditions of the *obligations foncières* contained in pages 28 to 50 of the base prospectus of Dexia Municipal Agency dated 21 July 2006 approved by the *Commission de surveillance du secteur financier* in Luxembourg (the “CSSF”) (the “**2006 EMTN Conditions**”; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2006.pdf>), the terms and conditions of the *obligations foncières* contained in pages 31 to 54 of the base prospectus of Dexia Municipal Agency dated 23 July 2007 approved by the CSSF (the “**2007 EMTN Conditions**”; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2007.pdf>), the terms and conditions of the *obligations foncières* contained in pages 31 to 54 of the base prospectus of Dexia Municipal Agency dated 24 July 2008 approved by the CSSF (the “**2008 EMTN Conditions**”; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2008.pdf>), the terms and conditions of the *obligations foncières* contained in pages 29 to 50 of the base prospectus of Dexia Municipal Agency dated 10 July 2009 approved by the CSSF (the “**2009 EMTN Conditions**”; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2009.pdf>) as modified by the supplement dated 4 March 2010 to the base prospectus dated 10 July 2009 (the “**Additional 2009 EMTN Conditions**”; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/SupplementBaseProspectus2009_5.pdf), the terms and conditions of

¹ For information purposes only, the English translation of the 2020 Annual Report is published on the website of the Issuer (www.caffil.fr) and may be obtained without charge at the registered office of the Issuer.

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

the *obligations foncières* contained in pages 33 to 54 of the base prospectus of Dexia Municipal Agency dated 2 July 2010 approved by the CSSF (the "**2010 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2010.pdf>), the terms and conditions of the *obligations foncières* contained in pages 35 to 56 of the base prospectus of Dexia Municipal Agency dated 8 April 2011 approved by the CSSF (the "**2011 EMTN Conditions**" ; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2011.pdf>), the terms and conditions of the *obligations foncières* contained in pages 69 to 103 of the base prospectus of Caisse Française de Financement Local dated 26 June 2013 which received visa n° 13-306 from the AMF (the "**2013 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTN-program-2013-Base-Prospectus.pdf>) as modified by the supplement dated 24 July 2013 to the base prospectus dated 26 June 2013 (the "**Additional 2013 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/SUPPLEMENT-1-VISA-13-415.pdf>), the terms and conditions of the *obligations foncières* contained in pages 70 to 105 of the base prospectus of Caisse Française de Financement Local dated 23 June 2014 which received visa n° 14-317 from the AMF (the "**2014 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/2014-06-CAFFIL-BASE-PROSPECTUS-VISA.pdf>), the terms and conditions of the *obligations foncières* contained in pages 71 to 107 of the base prospectus of Caisse Française de Financement Local dated 11 June 2015 which received visa n° 15-269 from the AMF (the "**2015 EMTN Conditions**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/06/A19763722-v4.2-CAFFIL-2015_Base-Prospectus.pdf), 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), 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), 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>), 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) and the terms and conditions of the *obligations foncières* contained in pages 54 to 108 of the base prospectus of Caisse Française de Financement Local dated 12 June 2020 which received approval number n°20-253 from the AMF (the "**2020 EMTN Conditions**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2020/06/CAFFIL-2020_Base-Prospectus.pdf) as modified by the supplement dated 14 April 2021 to the base prospectus dated 12 June 2020 (the "**Additional 2020 EMTN Conditions**"; <https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2021/04/Supplement-4-EMTN-CAFFIL.pdf>, together with the 2006 EMTN Conditions, the 2007 EMTN Conditions,

the 2008 EMTN Conditions, the 2009 EMTN Conditions, the Additional 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, the 2018 EMTN Conditions, the 2019 EMTN Conditions and the 2020 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).

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 12 June 2020 and of the supplement dated 4 March 2010, 24 July 2013 and 14 April 2021 are not relevant for the investors or are covered elsewhere in the Base Prospectus.

For the purposes of 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 information incorporated by reference in this Base Prospectus shall be read in connection with the following cross-reference lists below. For the avoidance of doubt, any information not listed in the cross-reference lists 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**").

DOCUMENTS INCORPORATED BY REFERENCE (ANNEX 6 OF THE COMMISSION DELEGATED REGULATION)	2019 Annual Report	2020 Annual Report	2021 Half-Year Report
<u>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</u>			
<u>11.1. Historical Financial Information</u>			

<p>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</p> <p>Audited historical financial information for the latest two financial years</p>	<p>IFRS Pages 87 to 129</p> <p>French GAAP Pages 131 to 151</p>	<p>IFRS Pages 89 to 135</p> <p>French GAAP Pages 139 to 160</p>	<p>N/A</p> <p>N/A</p>
<p>Audit reports for the latest two financial years</p>	<p>IFRS Auditors' report Page 130</p> <p>French GAAP Auditors' report Page 152</p>	<p>IFRS Auditors' report Page 136</p> <p>French GAAP Auditors' report Pages 161 to 163</p>	<p>N/A</p> <p>N/A</p>
<p>11.1.3. Accounting standards</p>	<p>IFRS Pages 87 to 129</p> <p>French GAAP Pages 131 to 151</p>	<p>IFRS Pages 89 to 136</p> <p>French GAAP Pages 139 to 161</p>	<p>N/A</p>
<p>11.1.5. Audited financial information prepared according to national accounting standards</p>			
<p>– Balance sheet</p>	<p>IFRS Page 88</p> <p>French GAAP Page 132</p>	<p>IFRS Page 90</p> <p>French GAAP Page 140</p>	<p>N/A</p>
<p>– Income statement</p>	<p>IFRS Page 89</p> <p>French GAAP Page 133</p>	<p>IFRS Page 91</p> <p>French GAAP Page 142</p>	<p>N/A</p>
<p>– Cash flow statement</p>	<p>IFRS Page 91</p> <p>French GAAP Page 135</p>	<p>IFRS Page 93</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
<p>– Accounting policies and explanatory notes</p>	<p>IFRS Pages 93 to 129</p> <p>French GAAP Pages 137 to 151</p>	<p>IFRS Pages 95 to 135</p> <p>French GAAP Pages 145 to 160</p>	<p>N/A</p>
<p>11.1.6. Consolidated financial statements</p>			

If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	N/A	N/A	N/A
11.1.7. Age of financial information			N/A
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	Pages 89 to 135	N/A
<u>11.2 Interim and other financial information</u>			
If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited, the audit or review report must also be included. If the quarterly or half yearly financial information is not audited or has not been reviewed state that fact.	N/A	N/A	IFRS Page 40 to 72 French GAAP Page 76 to 93
<u>11.3. Auditing of historical annual financial information</u>			
11.3.1. The historical financial information must be independently audited	IFRS Auditors' report Page 130 French GAAP Auditors' report Pages 152 to 155	IFRS Auditors' report Page 136 French GAAP Auditors' report Pages 161 to 163	IFRS Auditors' reports (limited review) Page 73 to 75 French GAAP Auditors' reports (limited review) Page 94 to 96
11.3.2. Indication of other information in the registration document which has been audited by the auditors	N/A	N/A	N/A

Cross-reference list in respect of EMTN Previous Conditions

EMTN Previous Conditions	Information from previous base prospectuses/supplements incorporated by reference
2006 EMTN Conditions	Pages 28 to 50
2007 EMTN Conditions	Pages 31 to 54
2008 EMTN Conditions	Pages 31 to 54
2009 EMTN Conditions	Pages 29 to 50
Additional 2009 EMTN Conditions	Page 4
2010 EMTN Conditions	Pages 33 to 54
2011 EMTN Conditions	Pages 35 to 56
2013 EMTN Conditions	Pages 69 to 103
Additional 2013 EMTN Conditions	Page 8
2014 EMTN Conditions	Pages 70 to 105
2015 EMTN Conditions	Pages 71 to 107
2016 EMTN Conditions	Pages 77 to 113
2017 EMTN Conditions	Pages 77 to 112
2018 EMTN Conditions	Pages 86 to 120
2019 EMTN Conditions	Pages 92 to 129
2020 EMTN Conditions	Pages 54 to 108
Additional 2020 EMTN Conditions	Page 21

”

DESCRIPTION OF CAISSE FRANCAISE DE FINANCEMENT LOCAL

The section “**Description of Caisse Française de Financement Local**” on pages 116 to 119 of the Base Prospectus is amended as follows:

- The paragraph entitled “**Sensitive loans and reduction in loan sensitivity**” is 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 June 30, 2021, they now represent only EUR 0.6 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 93%. The number of customers holding sensitive loans fell over the same period from 879 to 145.”

- The first sentence of the paragraph entitled “**Legal risk**” is deleted and replaced as follows:

“As regards litigation, relating to structured loans, at June 30, 2021, there were 7 borrowers who had brought lawsuits on structured loans, compared to 10 as of December 31, 2020 and 15 as of December 31, 2019, steadily decreasing since 2014 (210 lawsuits as of December 31, 2014). Since SFIL’s creation, 216 borrowers have dropped their claims regarding these loans against the Group.”

- The last sentence of the paragraph entitled “**Legal risk**” is deleted and replaced as follows:

“As of June 30, 2021, 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 120 to 124 of the Base Prospectus is amended as follows:

- The last sub-paragraph of the paragraph entitled “**Covered Bonds European legislation**” is deleted and replaced as follows:

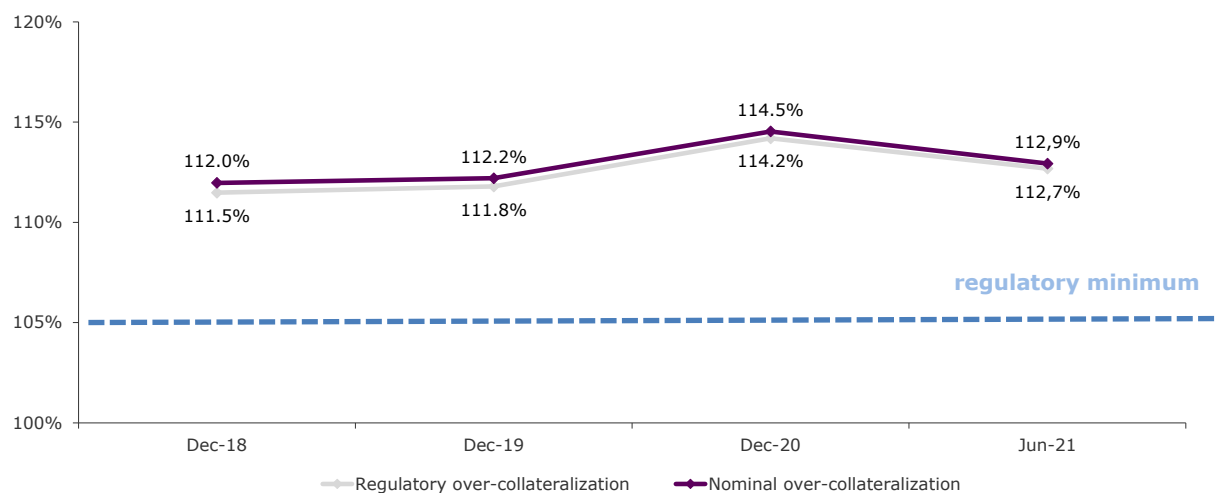
“The Covered Bond Directive had to be implemented by each of the Member States of the European Union by 8 July 2021 and the Member States must apply those measures at the latest from 8 July 2022. The French ordinance has been published on 30 June 2021 (*Ordonnance n° 2021-858 portant transposition de la directive (UE) 2019/2162*) and the relating application decree has been published on 6 July 2021 (*Décret n° 2021-898 portant transposition de la directive (UE) 2019/2162*). The analyses of these new texts started in order to implement them by 8 July 2022.”

BUSINESS OVERVIEW

The section entitled “**Business Overview**” on pages 125 to 131 of the Base Prospectus is amended as follows:

- The first graph in the paragraph entitled “**Over-collateralization ratio**” is deleted and replaced by the following:

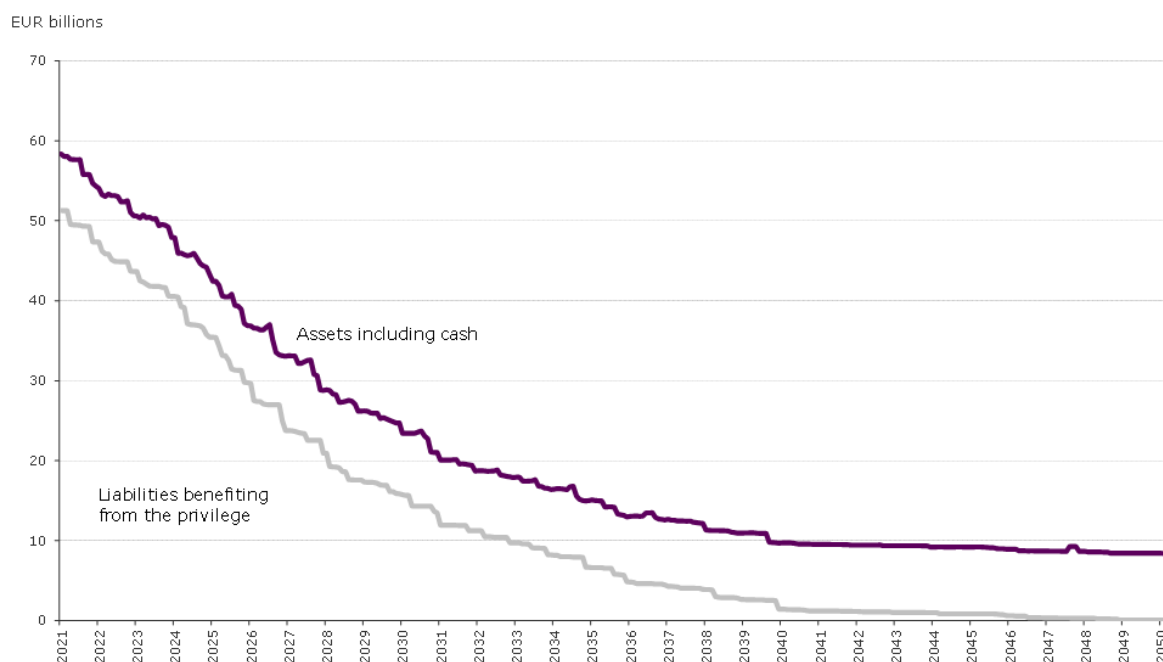
“



”

- The sentence above the second graph and the second graph in the paragraph entitled “**Over-collateralization ratio**” 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 *privilège* as of 30 June 2021.



”

- The paragraph entitled “3. Limits on interest rate risk” is deleted and replaced as follows:

“3. Limits on interest rate risk

Measurement of directional risk

The quarter-end sensitivity measurements are presented below.

Total sensitivity						
EUR millions	Limit	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021
Sensitivity	(25)/25	(1,9)	(1,0)	(6,8)	(10,1)	(5,3)

Measurement of the slope/rotation risk

The quarter-end sensitivity measurements are presented below.

RISK OF SLOPE BETWEEN TWO DISTANT POINTS ON THE RATE CURVE

Sum of sensitivities						
EUR millions	Limit	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021
Short term	(15)/15	(4,0)	(5,3)	(9,5)	(4,4)	(5,8)
Medium term	(10)/10	(6,6)	(6,1)	3,1	(6,5)	1,0
Long term	(10)/10	4,1	5,1	(2,5)	0,7	(1,4)
Very long term	(9)/9	4,6	5,3	2,2	0,1	0,9

RISK OF SLOPE BETWEEN TWO CLOSE POINTS ON THE RATE CURVE

Sum of sensitivities in absolute value						
EUR millions	Limit	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021
Short term	30	9,0	12,6	10,9	12,4	7,7
Medium term	30	13,0	13,9	22,3	21,4	24,5
Long term	30	10,4	3,7	11,3	16,7	26,0
Very long term	30	7,6	8,2	8,8	8,3	5,7

Outlook for 2021

In 2021, Caisse Française de Financement Local will be able to bring its large refinancing capacity to the new major French public finance hub formed around Caisse des Dépôts, of which it is now a part, as well as its parent company SFIL. The financial resilience which it has demonstrated since the start of the health crisis linked to the Covid-19 pandemic and the excellent conditions of access to financial markets from which it continues to benefit, should consolidate its two business lines, established leaders on their respective markets, for the French local public sector and for large French export contracts.

Concerning the 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 will provide its support for the post-Covid-19 economic recovery, in the context of the French government's economic recovery plans to promote investments by local authorities, particularly for the ecological transition (thanks to its green loans) and of the “*Ségur de la Santé*” plan to promote investments by health institutions. Loan financing activity to the French local public sector should therefore be more sustained in the second half of 2021. In addition, work is being carried out with the Banque des Territoires of the Caisse des Dépôts to use the financing capacities of the Caisse Française de Financement Local for structural projects in the local public sector.

Concerning the refinancing of large export credits guaranteed by the French State, supporting the French exporters: Caisse Française de Financement Local will provide as well its support to the post-Covid-19 economic recovery of the different French export credit sectors. The increase in activity seen

in the first half of 2021 is expected to continue through to the end of 2021 given the number of projects under review and their level of progress. 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, subject to obtaining the necessary authorizations from the European Commission.

To cover its financing requirements, in a favorable low interest rate environment, Caisse Française de Financement Local plans to issue more than 5.5 billion of covered bonds in 2021, a slightly higher amount than in 2020, 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.

In 2021, SFIL will continue as well its CSR actions, including the integration of climate risks into its methodological criteria, the integration of the European taxonomy in its activities and the issuance of bonds in the form of thematic “social” and/or “green” issues. In addition, the SFIL Group's second strategic plan is currently being developed as an extension of the first strategic plan, which affirmed the public development bank model and enabled the Group to achieve commercial and economic results that were well above expectations.

From a macroeconomic point of view, SFIL group will continue to closely monitor the impacts of the geopolitical environment and the market volatility as well as the changes in the regulatory environment, with the finalization of Basel III and the implementation of the transposition into national law of the European directive aimed at harmonizing the covered bonds regimes of Member States.

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.”

MATERIAL CONTRACTS

The section entitled “**Material contracts**” on pages 139 to 141 of the Base Prospectus is amended as follows:

- The second bullet point of the third sub-paragraph of the paragraph entitled “**Management Agreement**” is deleted.

RECENT DEVELOPMENTS

The section entitled “**Recent Developments**” on page 142 of the Base Prospectus is deleted and replaced as follows:

“In the first half of 2021, as in 2020, Caisse Française de Financement Local continued its two missions of financing the local public sector and refinancing large export credits within the context of Covid-19 crisis.

During the first half of 2021, commercial activity relating to the financing of the local public sector (carried out in partnership with La Banque Postale) was not as well-supported as in the first half of 2020, particularly in the healthcare sector. However, this should change positively from the second half of the year with the deployment of the Ségur healthcare plan. Since the beginning of the partnership in 2013, the total volume of loans acquired by Caisse Française de Financement Local from La Banque Postale amounted EUR 27.6 billion, including EUR 3.1 billion over the first half of 2021, i.e. more than the volume acquired in the first half of 2020 (EUR 2.9 billion).

As part of its mission of refinancing large export credits, two new contracts were signed during the first semester 2021 for a total amount of EUR 0.2 billion, compared to EUR 0.2 billion as well for the full year 2020. One of the new contracts is related to civil aircrafts exportation and is the first one that benefits from a so-called "pure and unconditional" guarantee (GPI) by Bpifrance Assurance Export in the name, on behalf of and under the control of the French State. In addition, after the overall Covid-19 health crisis-related slowdown in the pace of negotiation of major export contracts in 2020, the start of 2021 seems to confirm a pronounced recovery in activity. Indeed, the number of requests for projects under negotiation is up sharply and doubled in the first half of 2021 compared to the first half of 2020. Since the middle of 2015, Caisse Française de Financement Local has granted a total of EUR 8.5 billion in refinancing loans to SFIL.

In 2021, SFIL has maintained and extended the liquidity support on export credits for cruise lines, introduced in the spring of 2020 as part of the approach developed jointly by the European credit insurance agencies and the lending banks.

Moreover, the European Commission renewed in May 2020 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. 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. In 2020 and the first half of 2021, Caisse Française de Financement Local showed its resilience capacity notably in terms of solvency and liquidity, thanks to the public development bank model of its parent company, SFIL.

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. In this respect, SFIL has been able to adapt its organization and IT systems in order to enable all its services for Caisse Française de Financement Local to continue normally.

In 2020 and the first half of 2021, the financial impacts of this crisis remained very limited for Caisse Française de Financement Local, even if some temporary impacts were visible in its interim accounting results for the first half of 2020, due to banking regulations and IFRS accounting rules.

This confirms the excellent market access conditions as well as the persistence of a very low risk profile and solid financial results.

The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) increased by an amount of EUR 737 million between 1 January 2021 and 15 September 2021.”

GENERAL INFORMATION

The section entitled “**General Information**” on pages 201 to 205 of the Base Prospectus is amended as follows:

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

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

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

For this purpose, on 30 June 2021, the Executive Board (*Directoire*) of the Issuer authorised the issue of *obligations foncières* under the Programme up to an aggregate maximum amount of €5,850,000,000 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.”

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

“There has been no significant change in the financial position or financial performance of the Issuer since 30 June 2021 (being the date of its last financial period for which financial information has been published).”

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

“KPMG SA (Tour Egho, 2, avenue Gambetta, 92066 Paris-La Défense Cedex, France) and PricewaterhouseCoopers Audit (63, rue de Villiers, 92200 Neuilly-sur-Seine, France) are statutory auditors to the Issuer since 30 September 2020. They have audited and rendered unqualified audit opinions in their reports on the annual financial statements of the Issuer for the financial year ended 31 December 2020 and issued a limited review report on the interim financial information of the Issuer as at 30 June 2021.”

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST SUPPLEMENT

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

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

Duly represented by:
Gilles Gallerne
Président du Directoire
Duly authorised
on 20 September 2021



This First Supplement has been approved on 20 September 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

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

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

The First Supplement has the following approval number: 21-409.