

**FIRST SUPPLEMENT DATED 4 SEPTEMBER 2014
TO THE BASE PROSPECTUS DATED 23 JUNE 2014**



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

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 23 June 2014 prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme of Caisse Française de Financement Local (the “**Issuer**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa No.°14-317 on 23 June 2014 to the Base Prospectus.

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

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

- (i) incorporating by reference the information contained in the French language version of the half-year financial report of the Issuer for the period ended 30 June 2014 (the “**30 June 2014 Financial Report**”);
- (ii) updating the section B. 12 Selected historical key financial information in the English and French versions of the Summary of the Programme;
- (iii) creating a new section entitled “Recent Developments”;
- (iv) updating the section entitled “General Information” of the Base Prospectus.

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

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

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

To the extent applicable, and provided that the conditions of Article 212-25 I of the *Règlement Général* of the AMF are fulfilled, investors who have already agreed to purchase or subscribe for *Obligations Foncières* to be issued under the Programme before this First Supplement is published, have the right, according to Article 212-25 II of the *Règlement Général* of the AMF, to withdraw their acceptances

within a time limit of minimum two working days after publication of this First Supplement. This right to withdraw shall expire by close of business on 8 September 2014.

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

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DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “Documents incorporated by reference” on pages 66 to 68 of the Base Prospectus is hereby supplemented as follows:

The Base Prospectus should also be read and construed in conjunction with the sections set out in the cross-reference tables below from the French language version of the half-year financial report of the Issuer for the period ended 30 June 2014 (the “**30 June 2014 Financial Report**”). The 30 June 2014 Financial Report is published on the website of the Issuer (<http://www.caissefrancaisedefinancementlocal.fr>).

The 30 June 2014 Financial Report has been filed with the AMF.

For information purposes only, the English translation of the 30 June 2014 Financial Report is published on, and may be obtained without charge from (i) the registered office of the Issuer and (ii) the website of the Issuer (<http://www.caissefrancaisedefinancementlocal.fr>).

INFORMATION INCORPORATED BY REFERENCE	30 June 2014 Financial Report
<u>Historical Financial Information</u>	
– the IFRS balance sheet;	Page 31
– the French GAAP balance sheet	Pages 75-76
– the IFRS income statement;	Page 32
– the French GAAP income statement	Page 76
– in the case of an admission of securities to trading on a regulated market only, a IFRS cash flow statement;	Page 34
– in the case of an admission of securities to trading on a regulated market only, a French GAAP cash flow statement	Page 78
– the accounting policies and IFRS explanatory notes;	Pages 35-70
– the accounting policies and French GAAP explanatory notes;	Pages 79-101
– the management report;	Pages 2-29

INFORMATION INCORPORATED BY REFERENCE	30 June 2014 Financial Report
– the coverage ratio	Pages 14
<u>Auditing of historical annual financial information</u>	X
A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	IFRS Auditors' reports (limited review report) Pages 71-73 French GAAP Auditors' reports (limited review report) Pages 103-104
An indication of other information in the registration document which has been audited by the auditors.	N/A

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

SUMMARY OF THE PROGRAMME

- The item B.12 of the section entitled “Summary of the Programme” on pages 7 and 8 of the Base Prospectus shall be replaced as follows:

B.12	Selected historical key financial information	<p>The tables below set out summary information extracted from the Issuer's audited statement of financial position as at 31 December 2012 and 31 December 2013, and from the Issuer's statement of financial position reviewed by the auditors as at 30 June 2014:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Millions euros</th> <th colspan="2" style="text-align: center;">As of December 31</th> <th style="text-align: center;">As of June 30</th> </tr> <tr> <th style="text-align: center;">2012</th> <th style="text-align: center;">2013</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Core shareholders' equity <i>(excluding unrealized gains & losses)</i></td> <td style="text-align: right;">1,530</td> <td style="text-align: right;">1,533</td> <td style="text-align: right;">1,475</td> </tr> <tr> <td>Financial debt</td> <td style="text-align: right;">73,877</td> <td style="text-align: right;">66,449</td> <td style="text-align: right;">65,758</td> </tr> <tr> <td>- privileged debt</td> <td style="text-align: right;">66,257</td> <td style="text-align: right;">59,675</td> <td style="text-align: right;">59,559</td> </tr> <tr> <td>- non privileged debt</td> <td style="text-align: right;">7,620</td> <td style="text-align: right;">6,774</td> <td style="text-align: right;">6,199</td> </tr> <tr> <td>Balance sheet total</td> <td style="text-align: right;">92,169</td> <td style="text-align: right;">80,017</td> <td style="text-align: right;">80,944</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Millions euros</th> <th colspan="2" style="text-align: center;">Fiscal year</th> <th style="text-align: center;">1st half</th> </tr> <tr> <th style="text-align: center;">2012</th> <th style="text-align: center;">2013</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Net banking income</td> <td style="text-align: right;">257</td> <td style="text-align: right;">242</td> <td style="text-align: right;">-1</td> </tr> <tr> <td>Operating income</td> <td style="text-align: right;">138</td> <td style="text-align: right;">-15</td> <td style="text-align: right;">-89</td> </tr> <tr> <td>Net income</td> <td style="text-align: right;">91</td> <td style="text-align: right;">3</td> <td style="text-align: right;">-58</td> </tr> </tbody> </table> <p>The financial statements as of 31 December 2012 have been restated. Caisse Française de Financement Local, within the framework of a review of its valuation methods, has corrected the fair value of certain assets and liabilities hedged by derivatives in hedging relations. According to IAS 8, the company restated its financial statements and notes published for 2012.</p> <p>Except as disclosed below, there has been no material adverse change in the prospects of the Issuer since 31 December 2013 and there has been no significant change in the financial or trading position of the Issuer since 30 June 2014.</p> <p>The number of clients who sued Dexia Crédit Local and/or Société de Financement Local and/or Caisse Française de Financement Local for loans on the balance sheet of Caisse Française de Financement Local stood at 212 on 1 September 2014, compared with 207 on 18 June 2014.</p>	Millions euros	As of December 31		As of June 30	2012	2013	2014	Core shareholders' equity <i>(excluding unrealized gains & losses)</i>	1,530	1,533	1,475	Financial debt	73,877	66,449	65,758	- privileged debt	66,257	59,675	59,559	- non privileged debt	7,620	6,774	6,199	Balance sheet total	92,169	80,017	80,944	Millions euros	Fiscal year		1st half	2012	2013	2014	Net banking income	257	242	-1	Operating income	138	-15	-89	Net income	91	3	-58
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RÉSUMÉ EN FRANÇAIS DU PROGRAMME

(FRENCH SUMMARY OF THE PROGRAMME)

- The item B.12 of the section entitled “Résumé en Français du Programme (French Summary of the Programme)” on page 26 of the Base Prospectus shall be replaced as follows:

B.12	Informations financières sélectionnées	<p>Les tableaux ci-dessous présentent un résumé des informations extraites du bilan audité de l'Émetteur au 31 décembre 2012 et au 31 décembre 2013, ainsi que du bilan au 30 juin 2014 revu par les auditeurs :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Millions d'euros</th> <th colspan="2" style="text-align: center;">Au 31 décembre</th> <th style="text-align: center;">Au 30 juin</th> </tr> <tr> <th style="text-align: center;">2012</th> <th style="text-align: center;">2013</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Fonds propres de base <i>(à l'exclusion des gains ou pertes latents ou différés)</i></td> <td style="text-align: right;">1,530</td> <td style="text-align: right;">1,533</td> <td style="text-align: right;">1,475</td> </tr> <tr> <td>Dettes financières</td> <td style="text-align: right;">73,877</td> <td style="text-align: right;">66,449</td> <td style="text-align: right;">65,758</td> </tr> <tr> <td>- Dette privilégiée</td> <td style="text-align: right;">66,257</td> <td style="text-align: right;">59,675</td> <td style="text-align: right;">59,559</td> </tr> <tr> <td>- Dette non privilégiée</td> <td style="text-align: right;">7,620</td> <td style="text-align: right;">6,774</td> <td style="text-align: right;">6,199</td> </tr> <tr> <td>Total du bilan</td> <td style="text-align: right;">92,169</td> <td style="text-align: right;">80,017</td> <td style="text-align: right;">80,944</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Millions d'euros</th> <th colspan="2" style="text-align: center;">Exercice</th> <th style="text-align: center;">1er semestre</th> </tr> <tr> <th style="text-align: center;">2012</th> <th style="text-align: center;">2013</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Produit net bancaire</td> <td style="text-align: right;">257</td> <td style="text-align: right;">242</td> <td style="text-align: right;">-1</td> </tr> <tr> <td>Résultat d'exploitation</td> <td style="text-align: right;">138</td> <td style="text-align: right;">-15</td> <td style="text-align: right;">-89</td> </tr> <tr> <td>Résultat net</td> <td style="text-align: right;">91</td> <td style="text-align: right;">3</td> <td style="text-align: right;">-58</td> </tr> </tbody> </table> <p>Les chiffres au 31 décembre 2012 ont été retraités. La Caisse de Financement Local, dans le cadre de la revue de sa méthodologie de valorisation, a corrigé la juste valeur de certains actifs et passifs couverts par des dérivés dans le cadre d'une relation de couverture. Conformément à la norme IAS8, la société a procédé au retraitement des comptes et annexes publiés pour l'exercice 2012.</p> <p>A l'exception de ce qui est spécifié ci-dessous, depuis le 31 décembre 2013, aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Émetteur et aucun changement significatif de la situation financière ou commerciale de l'Émetteur n'est survenu depuis le 30 juin 2014.</p> <p>Le nombre de clients qui ont poursuivi Dexia Crédit Local et/ou Société de Financement Local et/ou Caisse Française de Financement Local en raison des prêts figurant au bilan de la Caisse Française de Financement Local s'élevait à 212 le 1 septembre 2014, comparé à 207 au 18 juin 2014.</p>	Millions d'euros	Au 31 décembre		Au 30 juin	2012	2013	2014	Fonds propres de base <i>(à l'exclusion des gains ou pertes latents ou différés)</i>	1,530	1,533	1,475	Dettes financières	73,877	66,449	65,758	- Dette privilégiée	66,257	59,675	59,559	- Dette non privilégiée	7,620	6,774	6,199	Total du bilan	92,169	80,017	80,944	Millions d'euros	Exercice		1er semestre	2012	2013	2014	Produit net bancaire	257	242	-1	Résultat d'exploitation	138	-15	-89	Résultat net	91	3	-58
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RECENT DEVELOPMENTS

A section entitled “Recent Developments” shall be included on page 130 of the Base Prospectus and the following wording shall be added to the Base Prospectus under this section:

1. Debt securities issued since 1st July 2014

The section entitled “Debt Securities issued since 1st January 2014” on page 127 of the Base Prospectus shall be deleted and replaced as follows:

“Debt securities issued since 1st July 2014

Between 1st July 2014 and 4 September 2014, Caisse Française de Financement Local has issued debt securities in the form of *obligations foncières* and other debt benefiting from the *privilège* for an amount of EUR 5 million.”

2. Litigation

Since the February 2013 legal decisions concerning the Département de la Seine-Saint-Denis, decisions were handed down by the Tribunal de Grande Instance (TGI) of Nanterre in the suits brought by four municipalities against Dexia Crédit Local (and Caisse Française de Financement Local, which intervened voluntarily in the proceedings in order to defend its interests). These decisions concerned structured loans marketed by Dexia Crédit Local and recognized on the balance sheet of Caisse Française de Financement Local, with total initial capital of EUR 98 million.

As with the February 2013 decisions, the Tribunal’s decision did not address the core issue (validity of the agreement, failure to provide adequate information, advice and warning, etc.), but was motivated by the absence of any mention of the annual rate of charge (TEG) or intermediary data with which to calculate the TEG in the fax which had preceded the signing of the loan agreement. This led the Tribunal to decide to apply the official interest rate (taux légal) instead of the contractual rate. Dexia Credit Local and Caisse Française de Financement Local have appealed or may appeal these decisions.

Caisse Française de Financement Local committed to contribute EUR 10 million per year to the fund dedicated to local governments for 15 years, as well as to the planned arrangements for public hospitals for a total amount of EUR 18 million. All of these contributions have been recorded in the Company’s accounts.

New legislative provisions targeting the legal basis to secure loan agreements in effect with local governments were specified, and they take into account the comments handed down by the Conseil constitutionnel at the end of December 2013. Legislation was adopted by the National Assembly on July 10, 2014, and passed by the Senate on July 17, 2014. The Conseil constitutionnel validated this legislation on July 24, 2014 and it is now in effect.

The financial statements as of June 30th, 2014 of Caisse Française de Financement Local were prepared taking into account the comprehensive set of measures taken by the French government to provide a solution to the problem of structured loans, and in particular the law aimed at providing a solid legal base for structured loan agreements with public sector entities. With this law coming into force on July 30th, 2014, residual legal risks have been very appreciably reduced and their financial impact at the closing date was considered to be very low.

It should be recalled that to prepare its financial statements for 2013, Caisse Française de Financement Local had worked on the hypothesis that these measures would be voted on and applied in 2014.

GENERAL INFORMATION

- The paragraph (3) of the section entitled “General Information” on page 187 of the Base Prospectus shall be deleted and replaced as follows:

“(3) Except as disclosed in this Base Prospectus as supplemented, there has been no significant change in the financial or trading position of the Issuer since 30 June 2014 nor any material adverse change in the prospects of the Issuer since 31 December 2013.”

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST SUPPLEMENT

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

The statutory auditors have rendered a limited review report on each of the IFRS and French Gaap semi-annual accounts for the period ended 30 June 2014 which each contain an observation (pages 71 to 73 and 103 and 104 respectively of the 30 June 2014 Financial Report).

Caisse Française de Financement Local

La Défense 2
1, passerelle des Reflets
92913 La Défense Cedex
France

Duly represented by:
Gilles Gallerne *Président du Directoire*
Duly authorised
on 4 September 2014



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this First Supplement the visa no. 14-482 on 4 September 2014. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.