THIRD SUPPLEMENT DATED 7 APRIL 2015
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 third supplement (the "**Third Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 23 June 2014 as supplemented by the First Supplement and Second Supplement to the Base Prospectus dated 4 September 2014 and 9 January 2015 respectively, prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Caisse Française de Financement Local (the "**Issuer**"). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the "**Prospectus Directive**"). The *Autorité des marchés financiers* (the "**AMF**") has granted visa No.°14-317 on 23 June 2014 to the Base Prospectus, visa No.°14-482 on 4 September 2014 to the First Supplement and visa No.°15-016 on 9 January 2015 to the Second Supplement.

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

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

(i) amending the section entitled "Risk Factors";

(ii) incorporating by reference the information contained in the French language version of the annual financial report of the Issuer, containing its audited annual accounts for the period ended 31 December 2014 (the "**2014 Annual Report**");

(iii) updating the sections B.10 and B.12 in the English and French versions of the Summary of the Programme;

(iv) updating the section entitled "Business Overview";

(v) updating the section entitled "Trend Information";

(vi) updating the section entitled "Recent Developments"; and

(vii) updating the section entitled "General Information" of the Base Prospectus.

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

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

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

To the extent applicable, and provided that the conditions of Article 212-25 I of the *Règlement Général* of the AMF are fulfilled, investors who have already agreed to purchase or subscribe for *Obligations Foncières* to be issued under the Programme before this Third Supplement is published, have the right, according to Article 212-25 II of the *Règlement Général* of the AMF, to withdraw their acceptances within a time limit of minimum two working days after publication of this Third Supplement. This right to withdraw shall expire by close of business on 9 April 2015.

Copies of this Third Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1 à 3, rue du Passeur de Boulogne 92130 Issy-les-Moulineaux, France) during normal business hours, (b) will be available on the website of the AMF (www.amf-france.org) 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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RISK FACTORS

The section "Risk Factors" on pages 49 to 65 of the Base Prospectus is amended as follow:

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

"As of 31 December 2014, almost 76% of the Cover Pool, measured by principal amount of the assets, was concentrated in France."

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 annual financial report of the Issuer for the financial year ended 31 December 2014 (the "**2014 Annual Report**"). The 2014 Annual Report is published on the website of the Issuer (http://www.caissefrancaisedefinancementlocal.fr).

The 2014 Annual Report has been filed with the AMF.

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

INFORMATION INCORPORATED BY REFERENCE	2014 Annual Report
Historical Financial Information	
– the IFRS balance sheet; – the French GAAP balance sheet	Page 37 Page 75
– the IFRS income statement; – the French GAAP income statement	Page 38 Page 76
– in the case of an admission of securities to trading on a regulated market only, a IFRS cash flow statement;	Page 40
– 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 41 to 71
– the accounting policies and French GAAP explanatory notes;	Pages 79 to 96
– the management report;	Pages 5 to 35
– the coverage ratio	Page 99
Auditing of historical annual financial information	
A statement that the historical financial information has been audited. If audit reports on the historical	IFRS Auditors' reports

INFORMATION INCORPORATED BY REFERENCE	2014 Annual Report
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.	Page 72 French GAAP Auditors' reports Page 95
An indication of other information in the registration document which has been audited by the auditors.	Pages 36, 120 and 121

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

SUMMARY OF THE PROGRAMME

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

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

B.10	**Qualifications in the auditors' report**	Statutory auditors' reports on the audited consolidated annual accounts and on the audited non-consolidated annual accounts for the periods ended 31 December 2013 and 31 December 2014 contain observations, without qualifying their opinion.

- The item B.12 is deleted and replaced by the following:

B.12 **Selected historical key financial information**

The tables below set out summary information extracted from the Issuer's audited statement of financial position as at 31 December 2012, 31 December 2012 and 31 December 2014:

Millions euros	**As of December 31**		
	2012	**2013**	**2014**
Core shareholders' equity *(excluding unrealized gains & losses)*	1,530	1,533	1,504
Financial debt	73,877	66,449	67,080
- privileged debt	66,257	59,675	60,852
- non privileged debt	7,620	6,774	6,228
Balance sheet total	92,169	80,017	83,926
Millions euros	**Fiscal year**		
	2012	**2013**	**2014**
Net banking income	257	242	69
Operating income	138	-15	-42
Net income	91	3	-29

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, Caisse Française de Financement Local restated its financial statements and notes published for 2012.

As of 31 December 2014, the outstanding amount of privileged debt in swapped value is stable compared to 31 December 2013. The outstanding amount of non-privileged debt decreased by 8.9% compared to 31 December 2013. Those amounts are extracted from the Issuer's management report and audited consolidated annual accounts as of 31 December 2014.

Except as disclosed below, there has been no material adverse change in the prospects of the Issuer since 31 December 2014 and there has been no significant change in the financial or trading position of the Issuer since 31 December 2014.

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 210 on April 1st 2015, compared with 210 on December 31 2014.

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

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

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

B.10	**Réserves contenues dans le rapport des Commissaires aux comptes**	Les rapports des commissaires aux comptes sur les états financiers annuels audités consolidés et sur les états financiers annuels audités non consolidés pour les périodes s'achevant le 31 décembre 2012 et le 31 décembre 2013 contiennent des observations, qui ne remettent pas en cause la certification des comptes.

- The item B.12 is deleted and replaced by the following:

B.12	**Informations financières sélectionnées**	Les tableaux ci-dessous présentent un résumé des informations extraites du bilan audité de l'Émetteur au 31 décembre 2012, au 31 décembre 2013 et au 31 décembre 2014 :

Millions d'euros	**Au 31 décembre**		
	2012	**2012**	**2014**
Fonds propres de base *(à l'exclusion des gains ou pertes latents ou différés)*	1.530	1.533	1.504
Dettes financières	73.877	66.449	67.080
- Dette privilégiée	66.257	59.675	60.852
- Dette non privilégiée	7.620	6.774	6.228
Total du bilan	92.169	80.017	83.926
Millions d'euros		**Exercice**	
	2012	**2013**	**2014**
Produit net bancaire	257	242	69
Résultat d'exploitation	138	-15	-42
Résultat net	91	3	-29

La Caisse Française 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 IAS 8, la Caisse Française de Financement Local a procédé au retraitement des comptes et annexes publiés pour l'exercice 2012.

Au 31 décembre 2014, l'encours des dettes privilégiées en valeur swappée est stable par rapport au 31 décembre 2013. L'encours des dettes non privilégiées a baissé de 8,9% par rapport au 31 décembre 2013. Ces informations proviennent du rapport de gestion et des comptes annuel consolidés audités de l'Emetteur au 31 décembre 2014.

A l'exception de ce qui est spécifié ci-dessous, depuis le 31 décembre 2014, aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Émetteur et aucun changement significatif de la situation financière ou commerciale de l'Émetteur n'est survenu depuis le 31 décembre 2014.

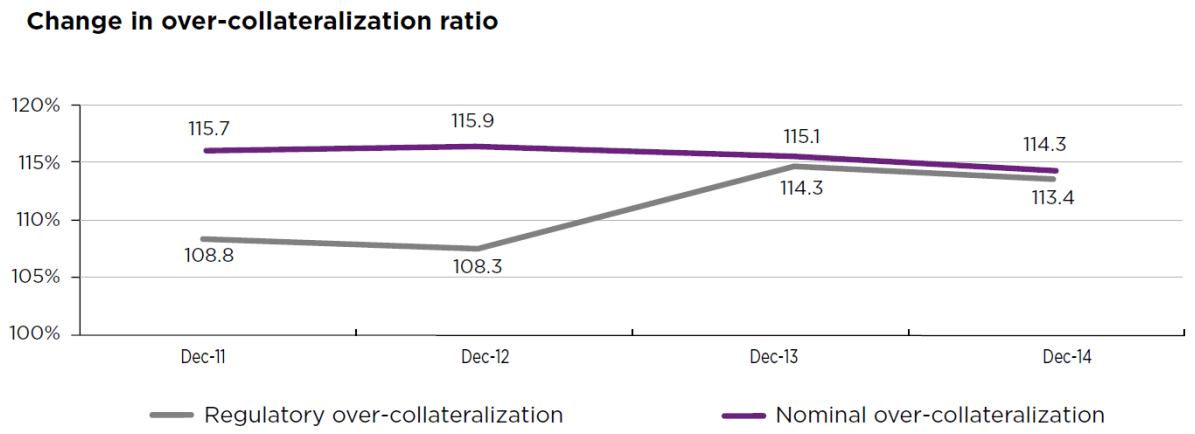
Le nombre de clients qui ont poursuivi Dexia Crédit Local et/ou Société de Financement Local et/ou Caisse Française de Financement Local en raison des

		prêts figurant au bilan de la Caisse Française de Financement Local s'élevait à 210 le 1er avril 2015, comparé à 210 au 31 décembre 2014.

BUSINESS OVERVIEW

The section "Business Overview" on pages 115 to 118 of the Base Prospectus is amended as follow:

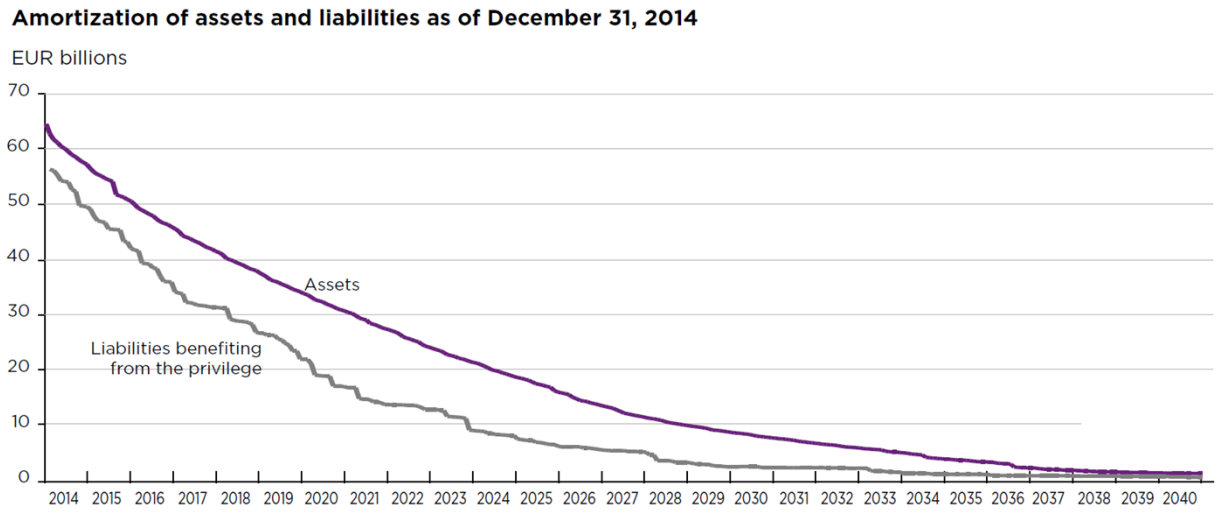
1) The first graph below the title "**Over-collateralization ratio**" is deleted in its entirety and replaced by the following:



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

   "The following graph on over-collateralization presents amortization curves of the assets and the issues benefiting from the legal privilege as of 31 December 2014.";

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



4) The text and graph below the title "**Hedging interest rate risk**" is deleted in its entirety and replaced by the following:

"There are two steps in the hedging of interest rate risk.

• In the first stage, all the assets and the liabilities benefiting from the privilege which do not naturally have a floating rate are hedged against Euribor until maturity as soon as they are recorded on the balance sheet. In practice, acquisitions of loan portfolios (in which the unit amount is generally small) are usually macro-hedged whereas loans granted individually or bond issues are micro-hedged. Hedging is more often done by interest rate swaps, but the same effect may be obtained whenever possible by the cancelation of liability swaps.

• In the second step, Euribor lending and borrowing flows (naturally or after hedges) are swapped against Eonia over a sliding period of two years in order to eliminate the basis risk generated by differences in Euribor fixing dates (1, 3, 6 or 12 months) and the fixing risk due to refixing dates based on different reference indices in the assets and the liabilities.

The possibility of hedging a purchased portfolio of loans by unwinding swaps of liabilities with an adequate profile rather than contracting new swaps is a change in hedging policy and was applied for the first time when loans were acquired in the second half of 2014. This made it possible to protect the bank from interest rate risk by backing the new assets by liabilities already on the balance sheet. Derivative hedging these liabilities up to that point were unwound on this occasion. This policy makes it possible to limit the use of derivatives, of which the regulatory and accounting cost has significantly increased in the last few years.

The sensitivity of residual positions that remain after the first step and after the second level of hedges is monitored carefully and kept within strict limits. The set of limits guarantees, with 99% probability, a maximum one year loss of less than EUR 80 million in the event of a change in interest rates of 200 basis point (bp); it covers the slope risk, as well as the directional risk. The three limits are as follows.

Limiting directional risk

The limit in total sensitivity for a shift in rates of 100 bp of all points in the yield curve is set at EUR 25 million. The measurement of sensitivity at the end of each quarter is presented below.

Directional risk
Total sensitivity

EUR millions, end of quarter	Limit	1Q 2014	2Q 2014	3Q 2014	4Q 2014
SENSITIVITY	25.0	(2.0)	(2.0)	0.3	0.6

Limiting the slope risk

The slope risk benefits from specific limits which are applied to four segments of maturity on the yield curve (short, medium, long and very long).

• Limiting the slope risk between two points of maturity distant from one another on the curve: sensitivity to a shift in rates of 100 bp is limited to EUR 10 million by segment of maturity.

Measurement of sensitivity at the end of the quarter is presented below.

Risk of slope between two distant points on the rate curve
Sum of sensitivities

EUR millions, end of quarter	Limit	1Q 2014	2Q 2014	3Q 2014	4Q 2014
Short term	10.0	0.6	(2.6)	(0.5)	(1.6)
Medium term	10.0	0.5	2.6	2.4	3.8
Long term	10.0	6.0	4.7	5.3	6.4
Very long term	10.0	(9.1)	(6.7)	(6.8)	(8.0)

• Limiting the slope risk between two points of maturity close to one another on the curve:

in each segment, the sum in absolute value of the sensitivities of points on the yield curve (grouped in several points of reference) is limited to EUR 20 million per segment.

Measurement of sensitivity at the end of the quarter is presented below.

Risk of slope between two close points on the rate curve
Sum of sensitivities in absolute value

EUR millions, end of quarter	Limit	1Q 2014	2Q 2014	3Q 2014	4Q 2014
Short term	20.0	3.9	5.2	2.3	4.2
Medium term	20.0	5.7	9.5	5.1	6.3
Long term	20.0	5.3	4.8	5.1	4.7
Very long term	20.0	9.1	6.7	6.8	8.0

5) The section entitled "**Outlook for the year 2014**" is deleted in its entirety and replaced by the following:

"**Outlook for the year 2015**

Two years after the introduction by the French State of the new organization of the financing system for local governments and public hospitals, Caisse Française de Financement Local has become the leading European issuer of covered bonds backed by public sector assets and has demonstrated its ability to supply efficient financing to refinance these loans, with particularly long maturities and in large amounts.

This performance led the French government to entrust the bank with a second refinancing mission at the beginning of 2015. This will involve loans granted to accompany French exports (see subsection 4 of the section "Recent Developments"). Caisse Française de Financement Local will remain totally specialized in the refinancing of French public sector assets, and the strategic importance of its parent company, Sfil, for the government and the French economy will be strengthened.

For the year 2015, the volume of issues planned is between EUR 4.5 billion and EUR 5.5 billion. Caisse Française de Financement Local launched its first public issue in 2015 on January 15, in the amount of EUR 500 million with a maturity of 20 years, a period that is exceptionally long and rare in the covered bond market. The success of this transaction makes it possible to complete the public issue curve after 5, 7, 10 and 15 year series launched since the creation of the CAFFIL signature at the beginning of 2013."

TREND INFORMATION

The paragraph of the section entitled "Trend Information" on page 123 of the Base Prospectus shall be deleted and replaced as follows:

"Except as disclosed in this Base Prospectus as supplemented, there has been no material adverse change in the prospects of the Issuer since 31 December 2014.".

RECENT DEVELOPMENTS

The section entitled "Recent Developments", which has been included on page 130 of the Base Prospectus by virtue of the First Supplement is amended as follow:

1) the subsection entitled "**2. Litigation**" is deleted in its entirety and replaced by the following:

"**2. Litigation and Governmental Measures**

In its portfolio, Caisse Française de Financement Local has structured loans considered as sensitive, which had been granted to French customers by Dexia Credit Local. Some of these customers sued Dexia Credit Local, Caisse Française de Financement Local and/or Société de Financement Local, contesting the contractual interest rate. As of December 31, 2014, the number of customers having brought suit was 210 as compared with 205 at the end of 2013.

A limited number of cases were judged in initial hearings.

Following the suit brought against Dexia Credit Local by the Département de la Seine-Saint-Denis, three legal decisions were handed down on February 8, 2013, by the Tribunal de Grande Instance de Nanterre. It was a question of three structured loans representing a total capital of EUR 178 million.

The Tribunal de Grande Instance de Nanterre rejected the claims of the Département de la Seine-Saint-Denis, which sought to have the three disputed loan agreements canceled and asked for compensation and damages. In particular, the Tribunal considered that these loans were not of a speculative character, that the Département was competent to sign these loan agreements, and that Dexia Credit Local acted in the respect of its duty to inform and advise the Département. The Tribunal de Grande Instance de Nanterre however estimated that the faxes which had preceded the signing of the agreements could be qualified as "loan agreements", and that the lack of mention of the annual percentage rate of charge (*Taux Effectif Global* – TEG) implied the application of an official interest rate (*taux légal*). Dexia Credit Local appealed this decision on April 4, 2013, and Caisse Française de Financement Local decided to intervene voluntarily in the proceedings that oppose the Département de la Seine-Saint- Denis and Dexia Credit Local in order to defend its interests by taking part in the proceedings. In December 2014, the Département de la Seine-Saint-Denis committed to put an end to these proceedings in signing a legal settlement that organized the full transformation of its debt into vanilla loans.

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 Credit 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 Credit Local and recognized on the balance sheet of Caisse Française de Financement Local, with total initial capital of EUR 98 million. As in 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 it was motivated by the formal absence 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 item 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 these decisions.

In order to find a permanent and comprehensive solution for the problem of the most sensitive structured loans contracted by local governments, and in compliance with its press releases dated June 18, and July 16, 2013, the French government took the following measures:

- the creation of a multi-year support fund endowed with significant resources enabling local governments to finance the unwinding of structured loans; a similar system is currently being set up for public hospitals;
- legislative measures targeting a legal basis to secure loan agreements in effect with local governments.

The multi-year support fund was created by the 2014 law of Finances voted in December 2013. It is endowed with EUR 1.5 billion and has a life span of 15 years maximum (EUR 100 million per year). It is managed by a new administrative department created by the State, the Service de pilotage du dispositif de sortie des emprunts à risque.

The framework in which the fund is working has been described in the decree of application dated April 29, 2014, in the arête dated November 4, 2014, and in the guidelines for using the funds, approved by a Conseil national d'orientation et de suivi (CNOS), bringing together representatives of the State, local governments and qualified individuals, on November 13, 2014.

The main features of this framework are the following:

- eligible customers: local governments and groups of such holding the most sensitive loans;
- amount of aid: it is defined by several criteria, as the financial situation of the customer and the share of eligible contracts in the total debt of this customer; the maximum amount of aid will be 45% of the indemnity to be paid by the customer to the bank (maximum rate of aid being granted to customers with the worst financial situation);
- use of the aid received by local governments: it will be paid by equal parts over a period of 15 years and will compensate a part of the early reimbursement indemnity;
- exceptionally and for a limited time, aid could be granted to pay for a portion of the interest on the loan in question (which would not be redeemed in that case);
- renunciation by the entities that benefit from the fund of current or future litigation on the loans benefiting from the fund, formalized in an agreement signed with the bank;
- management of the fund ensured by the State, via the CNOS;
- the funds come from the banks for 60% of the amount and from the State for the remaining part.

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

Substantial changes were made in February 2015 in the operation and ceilings of these funds. They are described in section 3 below.

New legislative provisions targeting a legal basis to secure loan agreements in effect with local governments were specified, and they take into account the comments of the Conseil constitutionnel at the end of December 2013.

Legislation to secure structured loan agreements with public sector entities 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 took effect on July 30, 2014."

2) The subsection 3 created by the Second Supplement is deleted in its entirety and replaced by the following:

"**3. Post-closing events**

On January 15, 2015, the Swiss National Bank (SNB) announced its decision to put an end to the floor rate of exchange of its national currency, the Swiss franc (CHF). This brutal and unexpected decision had the immediate consequence of a sharp increase in the Swiss franc vis-à-vis the other currencies and especially the euro.

For French local governments and public hospitals that had subscribed structured loans with an interest rate highly dependent on the EUR/CHF exchange rate, this decision of the SNB led to a considerable increase in future instalments of the loan repayment and indemnities in the event of early reimbursement.

The French government immediately announced that it would review the conditions whereby local governments would benefit from the support fund set up to deal with sensitive structured loans, in close cooperation with all the stakeholders. It will ensure that the support fund continue to attain the goals that had been set, i.e. to enable the entities concerned to finish with their sensitive loans under acceptable and achievable financial conditions.

Thus on February 24, 2015, the French government announced its decision to increase massively the intervention capacity of the funds earmarked to support public sector entities having contracted sensitive structured loans.

• The amount of the fund set aside for local governments will be increased from EUR 1.5 billion to EUR 3.0 billion, and the ceiling for assistance from the fund (initially set at 45% of the penalties due) will be significantly raised for the most vulnerable entities.

• The amount of the fund dedicated to public hospitals will rise from EUR 100 million to EUR 400 million.

The government also insisted on the necessity to finish definitively with sensitive structured contracts, and called on local governments to submit as soon as possible a request for assistance from the support funds. The banks will contribute to the additional financing for half of the local government fund and the entire hospital fund, by raising the rate of the tax on systemic risk.

This bolstering of the support funds aims to cover the additional cost of the appreciation of the Swiss franc so that the penalties for early reimbursement remaining the responsibility of the customers concerned, after assistance from the funds, will not be greater than they would have been without the decision of the SNB.

To prepare its 2014 financial statements, Caisse Française de Financement Local took into account the effects of the decision of the SNB and the hypothesis that the solution announced by the government (in particular, strengthening the funds' intervention capacity and pushing up the ceiling for assistance to the most vulnerable local governments) would in fact rapidly be made available so that the support would remain at least as attractive as before the SNB decision for local governments holding loans indexed on the EUR/CHF exchange rate. Caisse Française de Financement Local voluntarily contributed EUR 150 million to the local government support fund and EUR 18 million to the hospital support fund, but it did not book in its 2014 financial statements any provision for a potential new contribution to the increase of these funds (given the uncertain existence of such a contribution, its features, and its hypothetical amount).

As a reminder, to prepare its financial statements for 2013, Caisse Française de Financement Local had worked on the hypothesis that the comprehensive arrangements to solve the problem of structured loans proposed by the government and in particular the law that created a legal basis to secure structured loan contracts would be voted and implemented in 2014. The same was true for the half-year accounts as of June 30, 2014. The passing of the law specifying a legal basis to secure these loans on July 30, 2014, made it possible to reduce significantly residual legal risks and their financial impact, which was considered to be very minor at that closing date."

3) A new subsection 4 is created below the subsection 3 as follows:

"**4. Project to extend activity to the refinancing of export credit**

4.1 – A new mission assigned by the State

On February 6, 2014, the President of the French Republic announced the creation of a national scheme dedicated to the refinancing of export credit, that would be competitive and similar to what exists in most OECD countries. This new scheme will bolster the export capacity of French companies.

The mission was entrusted to Sfil and its subsidiary, Caisse Française de Financement Local, by the State, their reference shareholder. They will refinance buyer credit contracts insured by Coface on behalf of the State and will help improve competitiveness in large export contracts. Thus, banks that are partners of French exporters will be able to rely on the capacities of Caisse Française de Financement Local to raise funds in the market with the volumes and maturities adapted to the refinancing of large-sized export credits and under conditions that are those of the best issuers of French covered bonds.

The project may be operative by the second half of 2015, once the necessary authorizations have been obtained. This new activity will develop progressively and complement the initial business of financing the French local public sector.

4.2 – New assets for the cover pool

The new activity will root Caisse Française de Financement Local even more firmly in the French public sector without modifying the risk profile of its cover pool. The system will function as follows.

Sfil will contribute to the financial proposal made by one or more banks in the banking syndicate granting the buyer credit insured by the export credit agency Coface on behalf of the State; these banks will then sell to Sfil all or a part of the credit (and the rights attached) and keep the 5% of the credit sold that is not insured.

Caisse Française de Financement Local will grant a loan to Sfil to enable it to refinance the export credit; this refinancing loan will benefit from an irrevocable and unconditional 100% guarantee provided by Coface for and with the guarantee of the French State, referred to as an "enhanced guarantee"[1]. Loans granted by Caisse Française de Financement Local to Sfil to refinance the purchasedexport credit loans will constitute exposures that are totally guaranteed by France, thus eligible for the cover pool of a société de crédit foncier. These loans will also comply with the European CRR regulation (article 129, that specifies which assets are authorized for the inclusion in a cover pool to ensure that the covered bonds will benefit from the best prudential treatment).

These new loans, like the new French local public sector loans marketed by La Banque Postale, will complement the portfolio (cover pool) of Caisse Française de Financement Local, which is financed by the issue of covered bonds. Given the current size of the cover pool and the growth of its traditional business, the share of the new activity in the portfolio of Caisse Française de Financement Local will increase progressively and will only become significant in several years. ".

[1] The enhanced guarantee was created by law 2012-1510 of December 29, 2012, and decree 2013-693 of July 30, 2013.

GENERAL INFORMATION

The section "General Information" on page 187 of the Base Prospectus is amended as follows:

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

   "Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 December 2014 nor any material adverse change in the prospects of the Issuer since 31 December 2014.";

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

   "(4) Except as discussed in the section entitled "*Selected Financial Information – Legal and arbitration proceedings – Customer Litigation*" and in the subsection "*2. Litigation and Governmental Measures*" of the section entitled "*Recent Development*" above, the Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.";

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

   "(c) the audited annual accounts of the Issuer for the financial years ended 31 December 2013 and 31 December 2014 incorporated by reference or otherwise in this Base Prospectus;"; and

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

   "(14) Deloitte & Associés and Mazars (both entities regulated by the Haut Conseil du Commissariat aux Comptes and duly authorised as Commissaires aux comptes) have audited the financial statements of the Issuer for the years ended 31 December 2013 and 2014.".

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE THIRD SUPPLEMENT

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

The financial statements of Caisse Française de Financement Local for the annual period ended 31 December 2014 have been audited by the statutory auditors in accordance with professional standards applicable in France. The relevant report is included in the Annual financial report 2014 and contains observations.

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

Duly represented by:
Gilles Gallerne *Président du Directoire*
Duly authorised
on 7 April 2015

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

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 (*Réglement Général*) of the *Autorité des marchés financiers* ("**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Third Supplement the visa no. 15-143 on 7 April 2015. 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.