

**FIRST SUPPLEMENT DATED 12 SEPTEMBER 2016  
TO THE BASE PROSPECTUS DATED 10 JUNE 2016**



**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 10 June 2016, 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 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.16-240 on 10 June 2016 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 2016 (the “**30 June 2016 Financial Report**”);
- (ii) updating sections B.12 and D.2 in the English and French versions of the Summary of the Programme;
- (iii) amending the section entitled "Risk Factors";
- (iv) amending the section entitled "Documents Incorporated by Reference";
- (v) updating the section entitled “Business Overview”;
- (vi) updating the section entitled “Selected Financial Information”;
- (vii) updating the section entitled “Recent Developments”; and
- (viii) 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 14 September 2016.

Copies of this First 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](http://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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## SUMMARY OF THE PROGRAMME

The section entitled “Summary of the Programme” on pages 5 to 27 of the Base Prospectus is amended as follows:

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

<b>B.12</b>	<b>Selected historical key financial information</b>	<p>The tables below set out summary information extracted from the Issuer's audited statement of financial position as at 31 December 2014 and 31 December 2015, and from the Issuer's statement of financial position reviewed by the auditors as at 30 June 2015 and 30 June 2016:</p> <table border="1"> <thead> <tr> <th rowspan="2">EUR millions</th> <th colspan="2">As of 31 December</th> <th colspan="2">As of 30 June</th> </tr> <tr> <th>2014</th> <th>2015</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Core shareholders' equity <i>(excluding unrealized gains &amp; losses)</i></td> <td>1 504</td> <td>1 428</td> <td>1 470</td> <td>1 429</td> </tr> <tr> <td>Financial debt</td> <td>64 729</td> <td>62 662</td> <td>65 266</td> <td>65 266</td> </tr> <tr> <td>- privileged debt</td> <td>58 501</td> <td>57 142</td> <td>59 664</td> <td>60 618</td> </tr> <tr> <td>- non privileged debt</td> <td>6 228</td> <td>5 520</td> <td>5 602</td> <td>5 486</td> </tr> <tr> <td>Balance sheet total</td> <td>83 926</td> <td>79 061</td> <td>81 772</td> <td>81 693</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">EUR millions</th> <th colspan="2">Fiscal year</th> <th colspan="2">1st half</th> </tr> <tr> <th>2014</th> <th>2015</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>Net banking income</td> <td>69</td> <td>55</td> <td>4</td> <td>50</td> </tr> <tr> <td>Operating income</td> <td>-42</td> <td>-55</td> <td>-47</td> <td>3</td> </tr> <tr> <td>Net income</td> <td>-29</td> <td>-76</td> <td>-34</td> <td>1</td> </tr> </tbody> </table> <p>As of 30 June 2016, the outstanding amount of privileged debt in swapped value increased by EUR 1.1 billion (+2.1%) compared to 31 December 2015. The outstanding amount of non privileged debt amounted to EUR 5.5 billion, decreasing by 0.7% compared to 31 December 2015. Those amounts are extracted from the Issuer's management report as of 30 June 2016 reviewed by the auditors.</p> <p>Except as disclosed below, there has been no material adverse change in the prospects of the Issuer since 31 December 2015 and there has been no significant change in the financial or trading position of the Issuer since 30 June 2016.</p> <p>The number of clients who sued Dexia Crédit Local and/or SFIL and/or Caisse Française de Financement Local for loans on the balance sheet of Caisse Française de Financement Local stood at 45 on 6 September 2016, compared with 131 on 31 December 2015.</p>	EUR millions	As of 31 December		As of 30 June		2014	2015	2015	2016	Core shareholders' equity <i>(excluding unrealized gains &amp; losses)</i>	1 504	1 428	1 470	1 429	Financial debt	64 729	62 662	65 266	65 266	- privileged debt	58 501	57 142	59 664	60 618	- non privileged debt	6 228	5 520	5 602	5 486	Balance sheet total	83 926	79 061	81 772	81 693	EUR millions	Fiscal year		1st half		2014	2015	2015	2016	Net banking income	69	55	4	50	Operating income	-42	-55	-47	3	Net income	-29	-76	-34	1
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- In item D.2, the first sentence after the title “- Geographic concentration risk in its Cover Pool;” is deleted in its entirety and replaced by the following:

“More than 81% of the Cover Pool (excluding replacement assets and cash) is located in France.”

and the third sentence after the title “- Geographic concentration risk in its Cover Pool;” is deleted in its entirety and replaced by the following:

“In addition Caffil has certain large exposure in certain other geographic areas such as Italy (9.4%), United Kingdom (3.9%) and Switzerland (2.2%).”.

**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 28 to 53 of the Base Prospectus is amended as follows:

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

<b>B.12</b>	<b>Informations financières sélectionnées</b>	<p>Les tableaux ci-dessous présentent un résumé des informations extraites du bilan audité de l’Émetteur au 31 décembre 2013 et au 31 décembre 2014, ainsi que des bilans au 30 juin 2015 et au 30 juin 2016 qui ont fait l’objet d’un examen limité par les commissaires aux comptes :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">(EUR millions)</th> <th colspan="2" style="text-align: center;">Au 31 décembre</th> <th colspan="2" style="text-align: center;">Au 30 juin</th> </tr> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2016</th> </tr> </thead> <tbody> <tr> <td>Fonds propres de base (à l'exclusion des gains ou pertes latents ou différés)</td> <td style="text-align: right;">1 504</td> <td style="text-align: right;">1 428</td> <td style="text-align: right;">1 470</td> <td style="text-align: right;">1 429</td> </tr> <tr> <td>Dettes financières</td> <td style="text-align: right;">64 729</td> <td style="text-align: right;">62 662</td> <td style="text-align: right;">65 266</td> <td style="text-align: right;">65 266</td> </tr> <tr> <td>- Dette privilégiée</td> <td style="text-align: right;">58 501</td> <td style="text-align: right;">57 142</td> <td style="text-align: right;">59 664</td> <td style="text-align: right;">60 618</td> </tr> <tr> <td>- Dette non privilégiée</td> <td style="text-align: right;">6 228</td> <td style="text-align: right;">5 520</td> <td style="text-align: right;">5 602</td> <td style="text-align: right;">5 486</td> </tr> <tr> <td>Total du bilan</td> <td style="text-align: right;">83 926</td> <td style="text-align: right;">79 061</td> <td style="text-align: right;">81 772</td> <td style="text-align: right;">81 693</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">(EUR millions)</th> <th colspan="2" style="text-align: center;">Exercice</th> <th colspan="2" style="text-align: center;">1er semestre</th> </tr> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2016</th> </tr> </thead> <tbody> <tr> <td>Produit net bancaire</td> <td style="text-align: right;">69</td> <td style="text-align: right;">55</td> <td style="text-align: right;">4</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Résultat d'exploitation</td> <td style="text-align: right;">-42</td> <td style="text-align: right;">-55</td> <td style="text-align: right;">-47</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Résultat net</td> <td style="text-align: right;">-29</td> <td style="text-align: right;">-76</td> <td style="text-align: right;">-34</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>Au 30 juin 2016, l’encours des dettes privilégiées en valeur swappée a augmenté de EUR 1,1 milliard (+2,1%) par rapport à décembre 2015. L’encours des dettes non privilégiées s’élève à EUR 5,5 milliards, en baisse de 0,7% par rapport à décembre 2015. Ces informations proviennent du rapport semestriel de l’Émetteur au 30 juin 2016 qui a fait l’objet d’un examen limité par les commissaires aux comptes.</p> <p>A l’exception de ce qui est spécifié ci-dessous, depuis le 31 décembre 2015, 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 2016.</p> <p>Le nombre de clients qui ont poursuivi Dexia Crédit Local et/ou SFIL et/ou Caisse Française de Financement Local en raison des prêts figurant au bilan de la Caisse Française de Financement Local s’élevait à 45 le 06 septembre 2016, comparé à 131 au 31 décembre 2015.</p>	(EUR millions)	Au 31 décembre		Au 30 juin			2014	2015	2015	2016	Fonds propres de base (à l'exclusion des gains ou pertes latents ou différés)	1 504	1 428	1 470	1 429	Dettes financières	64 729	62 662	65 266	65 266	- Dette privilégiée	58 501	57 142	59 664	60 618	- Dette non privilégiée	6 228	5 520	5 602	5 486	Total du bilan	83 926	79 061	81 772	81 693	(EUR millions)	Exercice		1er semestre			2014	2015	2015	2016	Produit net bancaire	69	55	4	50	Résultat d'exploitation	-42	-55	-47	3	Résultat net	-29	-76	-34	1
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- The item D.2 the first sentence after the title “-Risque de concentration géographique sur son Pool de Couverture ;” is deleted in its entirety and replaced by the following:

“Plus de 81% du Pool de Couverture (à l’exception des valeurs de remplacement et de la trésorerie) est situé en France.”

and the third sentence after the title “-Risque de concentration géographique sur son Pool de Couverture;” is deleted in its entirety and replaced by the following::

“De plus, Caffil dispose d’une forte exposition dans d’autres zones géographiques comme l’Italie (9,4%), la Grande-Bretagne (3,9%) et la Suisse (2,2%).”.

## **RISK FACTORS**

The section “Risk Factors” on pages 54 to 71 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 30 June 2016, more than 81% of the Cover Pool (excluding replacement assets and cash), measured by principal amount of the assets, was concentrated in France.”.

The first two sentences of the second paragraph below the risk factor entitled “**2. Geographic concentration risk in its Cover Pool**” is deleted and replaced as follow:

“Furthermore, Caisse Française de Financement Local holds a significant amount of assets representing lending to borrowers in Italy, United Kingdom and Switzerland. As of 30 June 2016, they represented respectively 9.4%, 3.9% and 2.2% of the Cover Pool excluding replacement assets and cash.”.



## DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “Documents incorporated by reference” on pages 72 to 75 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 2016 (the “**30 June 2016 Financial Report**”). The 30 June 2016 Financial Report is published on the website of the Issuer (<http://www.caissefrancaisedefinancementlocal.fr>).

The 30 June 2016 Financial Report has been filed with the AMF.

For information purposes only, the English translation of the 30 June 2016 Financial Report is published on, and may be obtained without charge from (i) the registered office of the Issuer 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	30 June 2016 Financial Report
<b><u>Historical Financial Information</u></b>	<del> </del>
– the IFRS balance sheet;	Page 29
– the French GAAP balance sheet	Page 58
– the IFRS income statement;	Page 30
– the French GAAP income statement	Page 59
– in the case of an admission of securities to trading on a regulated market only, a IFRS cash flow statement;	Page 32
– in the case of an admission of securities to trading on a regulated market only, a French GAAP cash flow statement	Page 60
– the accounting policies and IFRS explanatory notes;	Pages 33-53
– the accounting policies and French GAAP explanatory notes;	Pages 174
– the management report;	Pages 3-27
– the coverage ratio	Page 13

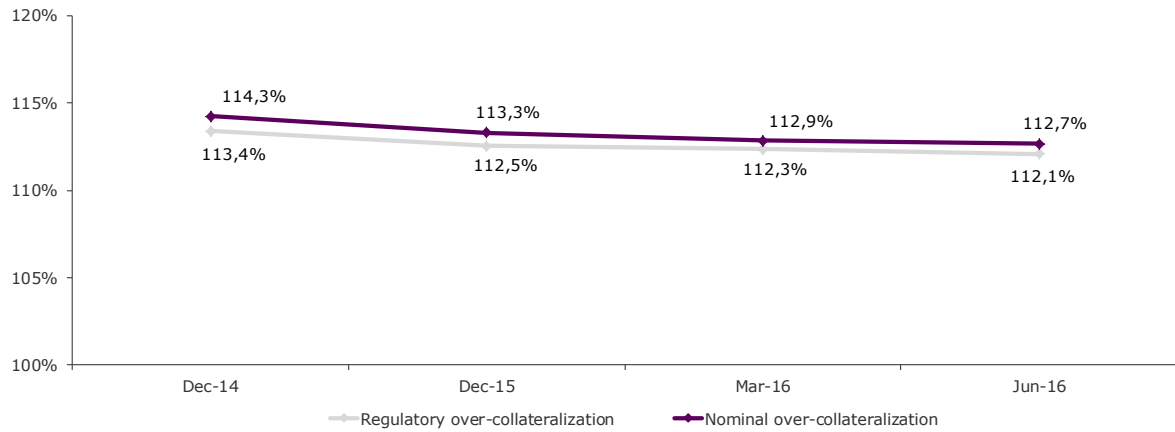
INFORMATION INCORPORATED BY REFERENCE	30 June 2016 Financial Report
<u>Auditing of historical annual financial information</u>	X
A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	<p>IFRS Auditors' reports (limited review report) Pages 55 and 56</p> <p>French GAAP Auditors' reports (limited review report) Pages 76 and 77</p>
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.*

## BUSINESS OVERVIEW

The section “Business Overview” on pages 123 to 128 of the Base Prospectus is amended as follow:

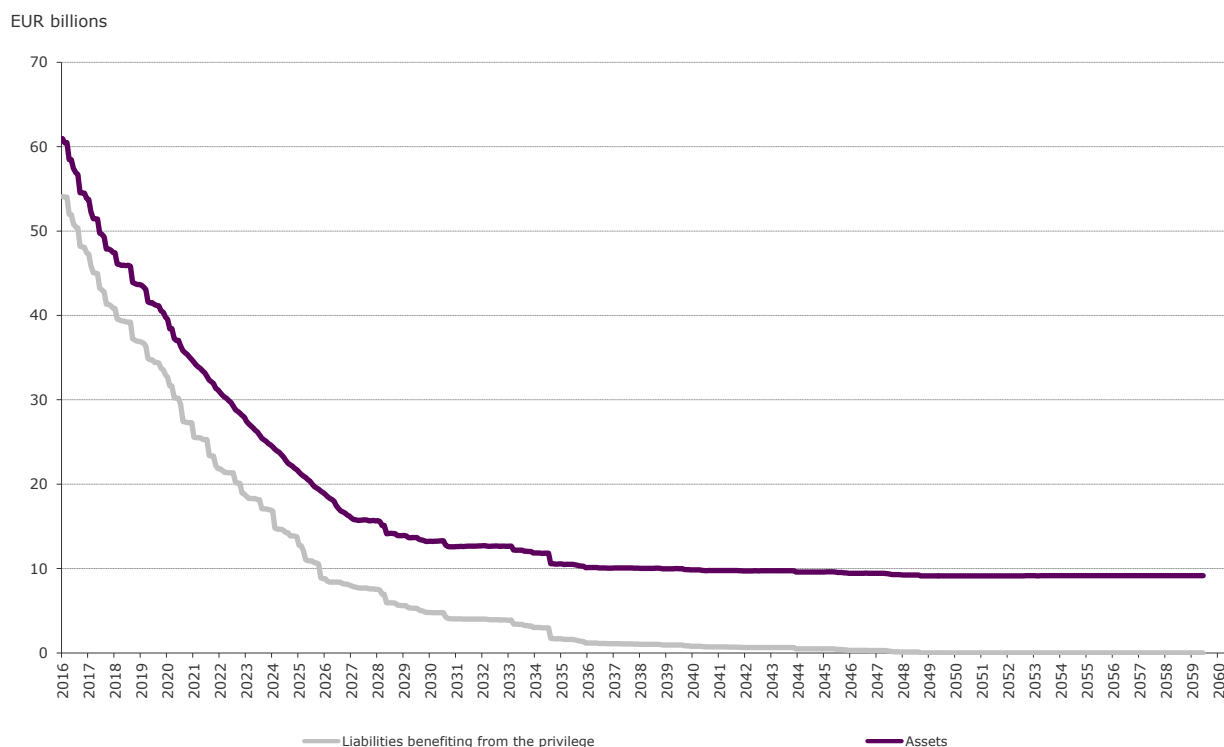
- 1) The first graph below the title “**Over-collateralization ratio**” is deleted in its entirety and replaced by the following:



- 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 presents amortization curves of the assets -including treasury- and the issues benefiting from the legal privilege as of 30 June 2016.”;

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



- 4) The table below the sub-title “Directional risk management” is deleted in its entirety and replaced by the following:

**Directional risk**

Total sensitivity

EUR millions, end of quarter	Limit	9/30/2015	12/31/2015	3/31/2016	6/30/2016
<b>Sensitivity</b>	<b>25,0</b>	<b>0,0</b>	<b>0,1</b>	<b>0,6</b>	<b>-3,7</b>

- 5) The first table below the sub-title “Slope risk management” is deleted in its entirety and replaced by the following:

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

Sum of sensitivities

EUR millions, end of quarter	Limit	9/30/2015	12/31/2015	3/31/2016	6/30/2016
<b>Short term</b>	<b>10,0</b>	<b>3,5</b>	<b>0,6</b>	<b>0,0</b>	<b>-1,5</b>
<b>Medium term</b>	<b>10,0</b>	<b>-0,8</b>	<b>-0,4</b>	<b>1,0</b>	<b>-1,8</b>
<b>Long term</b>	<b>10,0</b>	<b>-0,5</b>	<b>1,9</b>	<b>-0,7</b>	<b>-0,5</b>
<b>Very long term</b>	<b>10,0</b>	<b>-2,2</b>	<b>-2,0</b>	<b>0,3</b>	<b>0,1</b>

- 6) The second table below the sub-title “Slope risk management” is deleted in its entirety and replaced by the following:

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

Sum of sensitivities in absolute value

EUR millions, end of quarter	Limit	9/30/2015	12/31/2015	3/31/2016	6/30/2016
<b>Short term</b>	<b>20,0</b>	<b>5,2</b>	<b>6,2</b>	<b>4,8</b>	<b>4,5</b>
<b>Medium term</b>	<b>20,0</b>	<b>8,4</b>	<b>4,5</b>	<b>10,7</b>	<b>14,5</b>
<b>Long term</b>	<b>20,0</b>	<b>4,9</b>	<b>3,7</b>	<b>5,8</b>	<b>10,7</b>
<b>Very long term</b>	<b>20,0</b>	<b>3,8</b>	<b>3,8</b>	<b>6,5</b>	<b>6,4</b>

7) The section entitled “**Outlook for 2016**” is deleted in its entirety and replaced by the following:

**“Outlook for 2016**

For the year 2016, Caisse Française de Financement Local and its parent company SFIL aim:

- to confirm their role as a major player in the market for loans to French local governments and public hospitals within the framework of cooperation with La Banque Postale (leading lender in this market in 2015);
- to give concrete shape to their new role in refinancing banks that work with French exporters for their large export credits. The first loan contracts, granted to SFIL in order to refinance two cruise vessels, were signed in June 2016.

In addition to these two responsibilities entrusted by the French State, within an operating framework approved by the European Commission, there is also the objective to reduce the volume of sensitive structured loans (already cut in half since the beginning of 2013). This activity, generally accompanied by new loans granted to the local governments concerned, has been very strong in the first half of 2016.

Caisse Française de Financement Local will thus see new loans enter its portfolio of assets in 2016. They represent exposures to the French local public sector and the French State.

To cover its financing needs, Caisse Française de Financement Local plans to issue between EUR 6.0 billion and EUR 7.0 billion of *obligations foncières* in 2016 with a long average maturity adapted to the profile of the new assets. Its program will mainly be developed through several benchmark issues in euros and private placements adapted to the needs of its large investor base.

Lastly, with regard to the effects of Brexit vote, Caisse Française de Financement Local does not anticipate at this stage any major direct impact of this event on its activities of issuing bonds and reducing the sensitivity of certain loans. The Company will, nonetheless, remain attentive to shifts in market trends in the conduct of operations linked to the refinancing of export credit. In addition, the cover pool of Caisse Française de Financement Local has very little exposure to the United Kingdom (EUR 0.4 billion in securities with government guarantee).

## SELECTED FINANCIAL INFORMATION

The section entitled “Selected Financial Information”, on pages 138 to 141 of the Base Prospectus is amended as follow:

- 1) The section “**Litigation related to structured loans**” is deleted in its entirety and replaced by the following:

**“Litigation related to structured loans**

In its portfolio, Caisse Française de Financement Local has structured loans considered as sensitive that were granted to French customers of Dexia Credit Local. Some of these customers initiated legal proceedings against Dexia Credit Local, Caisse Française de Financement Local and/or SFIL.

### **Decrease in outstanding sensitive structured loans**

The policy applied by SFIL since its creation at the beginning of 2013 made it possible to effect a significant reduction in the size of the portfolio of sensitive structured loans of Caisse Française de Financement Local.

### **Creation of support funds contributing to the cost of sensitivity reduction**

The two support funds created by the French government in 2013 and 2014 allow local governments and public hospitals eligible for this arrangement to finance the cost of eliminating their structured loans. These funds were fully operational as of 2015. In the second half of the year 2015, notifications of the amounts of assistance provided by the funds began to be sent to local governments and public hospitals that had requested such help. This made it possible to maintain a sustained pace of sensitivity reduction and resulted in a major decrease in the number of lawsuits.

The capacity for intervention of these funds was significantly increased in the first quarter of 2015 in order to cover the additional cost linked to the appreciation of the Swiss franc so that the early reimbursement penalties borne by customers holding loans indexed on the EUR/CHF exchange rate would not be greater, after assistance from the funds, than they would have been before the decision of the Swiss National Bank (SNB) in January 2015 to put an end to the floor rate of exchange of the Swiss franc (CHF). The fund earmarked for local governments now totals EUR 3.0 billion and the one for public hospitals EUR 400 million. Likewise, the ceiling of the assistance made available was significantly raised from 45% to 75% of penalties owed by the most fragile local governments.

Caisse Française de Financement Local made a voluntary contribution to the local government support fund in the amount of EUR 150 million and to the hospital support fund for EUR 38 million.

To prepare its 2014, 2015 and 2016 annual financial statements, Caisse Française de Financement Local took into account the hypothesis that the solutions announced by the government would in fact rapidly be made available. It was notably a question of defining a legal base for other structured loan agreements contracted by public sector entities (which took effect on July 30, 2014), creating a support fund for local governments and then for public hospitals and finally the measures taken in 2015 to counter the major rise in the exchange value of the Swiss franc decided by the Swiss National Bank so that the support funds would remain at least as attractive as before the SNB decision for local governments and hospitals holding loans indexed on the EUR/CHF exchange rate (rise in the two support funds and increase in the maximum rate of assistance granted).

### **Significant decline in the number of lawsuits**

As of June 30, 2016, the number of borrowers who had brought suit totaled 54, down from 131 as of December 31, 2015 and 210 as of December 2014.

The law that created a legal basis to secure structured loan agreements subscribed by public sector entities took effect on July 30, 2014. Since then, a bank can no longer be condemned for reasons linked

to the annual rate of charge (TEG) of structured loan agreements, in particular for the formal absence of the TEG in the fax preceding the signing of the contract, reasons which had motivated the decision of the Tribunal de grande instance de Nanterre (TGI) on February 8, 2013, concerning the loans granted to the Département de la Seine-Saint-Denis.

The Département de la Seine-Saint-Denis which had been the cause of this lawsuit decided to put an end to the litigation within the framework of a financial agreement that made it possible to eliminate its debt sensitivity.

Since this first ruling in February 2013, a limited number of disputes were the subject of court decisions: four rulings in 2014 before the law creating a legal basis to secure structured loan agreements subscribed by public entities took effect, which Dexia Crédit Local and Caisse Française de Financement Local appealed, three in 2015 and four in 2016.

Of the three rulings of the Tribunal de grande instance de Nanterre handed down in 2015, one ruling gave rise to a conviction *in solidum* against Dexia Crédit Local and Caisse Française de Financement Local for the failure of Dexia Crédit Local to provide adequate information and sufficient warning when it marketed the loan. This same ruling condemned the borrower to reimburse Caisse Française de Financement Local for all the unpaid sums and to pay the contractual interest rate for the remaining life of the contract.

Concerning the four rulings handed down in 2016, the first one concerning vanilla loans condemned both Dexia Credit Local and CAFFIL in application of case-law following the February 8, 2013, decision on the TEG and the other three concerning structured loans, dismissed all the claims of the borrower.

As of June 30, 2016, all these rulings were being heard in appeal before the Cour d'appel de Versailles, except for litigation in which a financial agreement had been reached. At the same time, 166 borrowers who had brought suit signed a financial settlement agreement with SFIL, Caisse Française de Financement Local and Dexia Credit Local, thereby putting an end to legal litigation.

”; and

- 2) The paragraph below the titled “**Debt securities issued since 1st January 2016**” is deleted in its entirety and replaced by the following:

“Between 1 January 2016 and 8 September 2016, the Caisse Française de Financement Local has issued debt securities issued in the form of *obligations foncières* and other resources benefiting from the privilege for an amount of EUR 4 816 million.”.

## RECENT DEVELOPMENTS

The sentence below the title “**Indebtedness**” in the section entitled “Recent Developments”, on page 137 of the Base Prospectus is deleted in its entirety and replaced by the following:

“The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) increased by an amount of € 1 165 million between 31 December 2015 and 8 September 2016.”.



## GENERAL INFORMATION

The section “General Information” on page 202 to 203 of the Base Prospectus is amended as follows:

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

“There has been no significant change in the financial or trading position of the Issuer since 30 June 2016 nor any material adverse change in the prospects of the Issuer since 31 December 2015.”;

- 2) 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 2014 and 31 December 2015, the activity report as of 31 March 2016 and the 30 June 2016 Financial Report incorporated by reference or otherwise in this Base Prospectus;”; and

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

“(13) 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 2014 and 2015 and have rendered a limited review report on each of the IFRS and French GAAP semi-annual accounts for the period ended 30 June 2016.”.

## 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.

### **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 12 September 2016



### ***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. 16-425 on 12 September 2016. 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.