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**Base Prospectus dated 10 June 2022**

# 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

Under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (as defined below), Caisse Française de Financement Local (the "**Issuer**", "**Caisse Française de Financement Local**" or "**CAFFIL**"), subject to compliance by the Issuer with all relevant laws, regulations and directives applicable to the Issuer and the *Obligations Foncières*, may from time to time issue *obligations foncières* (the "***Obligations Foncières***") benefiting from the statutory *privilège* created by Article L.513-11 of the French *Code monétaire et financier*, as more fully described herein. The aggregate nominal amount of *Obligations Foncières* (issued under the Programme) outstanding will not at any time exceed Euro 75,000,000,000 (or the equivalent in other currencies at the date of signing of the documentation relating to the issue of any *Obligations Foncières*).

This document constitutes a base prospectus (the "**Base Prospectus**") for the purpose of Article 8 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**").

This Base Prospectus has been approved by the *Autorité des marchés financiers* (the "**AMF**") in France in its capacity as competent authority under the Prospectus Regulation. The AMF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the *Obligations Foncières* that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the *Obligations Foncières*.

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

**This Base Prospectus shall be valid for the admission to trading of *Obligations Foncières* on a Regulated Market and/or the offering of *Obligations Foncières* to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation until 9 June 2023, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (or incorporated by reference) in this Base Prospectus which may affect the assessment of an investment in the *Obligations Foncières*. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.**

*Obligations Foncières* may be issued either in dematerialised form ("**Dematerialised *Obligations Foncières***") or in materialised form ("**Materialised *Obligations Foncières***") as more fully described herein. Dematerialised *Obligations Foncières* will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised *Obligations Foncières*.

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

The final terms of the *Obligations Foncières* will be determined at the time of the offering of each Tranche based on then prevailing market conditions and will be set out in the relevant Final Terms.

**As of the entry into force on 8 July 2022 of the relevant provisions of decree-law (*ordonnance*) No. 2021-858 dated 30 June 2021 transposing the Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (the "Covered Bond Directive"), the *Obligations Foncières* to be issued as from 8 July 2022 under the Programme are intended to benefit from the "European Covered Bond (Premium)" label (only for *Obligations Foncières* which meet the requirements laid down in the provisions of French law transposing the Covered Bond Directive plus the requirements of Article 129 of Regulation (EU) No 575/2013 (Capital Requirements Regulation), as amended, and excluding *Obligations Foncières* issued as from 8 July 2022 which are assimilated to and under the same legal regime as *Obligations Foncières* issued before 8 July 2022), subject to verification by the specific controller (*contrôleur spécifique*) that the conditions are satisfied and prior approval and supervision of the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*). However, no representation is made or assurance given that any *Obligations Foncières* to be issued under the Programme will actually be and remain allowed to use the "European Covered Bond (Premium)" label until their maturity.**

Since 1 January 2013, Caisse Française de Financement Local benefits for all its *obligations foncières* from the Covered Bond Label granted by the Covered Bond Label Foundation.

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

***Prospective investors should have regard to the factors described under the section headed "Risk factors" in this Base Prospectus before deciding to invest in the* Obligations Foncières *issued under the Programme.***

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Arranger

**Barclays**

Dealers

| | |
|---|---|
| **Barclays** | **BNP PARIBAS** |
| **Citigroup** | **Commerzbank** |
| **Crédit Agricole CIB** | **Deutsche Bank** |
| **Goldman Sachs Bank Europe SE** | **HSBC** |
| **J.P. Morgan** | **Landesbank Baden-Württemberg** |
| **Morgan Stanley** | **NATIXIS** |
| **NatWest Markets** | **Nomura** |
| **Société Générale Corporate & Investment Banking** | **UniCredit** |

**This Base Prospectus (together with any supplements to this Base Prospectus published from time to time (each a "Supplement" and together the "Supplements")) constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation in respect of, and for the purpose of giving information with regard to the Issuer and the *Obligations Foncières* which contains the necessary information which is material to investors for making an informed assessment of the assets and liabilities, profit and losses, financial position and prospects of the Issuer, the rights attaching to the *Obligations Foncières*, the reasons for the issuance and its impact on the Issuer and may only be used for the purposes for which it has been published.**

**This Base Prospectus should be read and construed in conjunction with any Supplement that may be published from time to time and with all documents incorporated by reference (see section entitled "Documents Incorporated by Reference" below) and in relation to any Series (as defined herein) of *Obligations Foncières*, should be read and construed together with the relevant Final Terms.**

**No person has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of the *Obligations Foncières* and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Arranger or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.**

**The distribution of this Base Prospectus and the offering or sale of the *Obligations Foncières* in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of *Obligations Foncières* and on distribution of this Base Prospectus, see section entitled "Subscription and Sale".**

**NOTICE**

**Each prospective investor of *Obligations Foncières* must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the *Obligations Foncières* is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the *Obligations Foncières*.**

**A prospective investor may not rely on the Issuer, the Arranger or the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the *Obligations Foncières* or as to the other matters referred to above.**

**Neither the Issuer, the Arranger or the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the *Obligations Foncières* by a prospective investor of the *Obligations Foncières*, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.**

***OBLIGATIONS FONCIÈRES* ISSUED UNDER THE PROGRAMME MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS**

**Each potential investor in the *Obligations Foncières* must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:**

(i) **have sufficient knowledge and experience to make a meaningful evaluation of the relevant *Obligations Foncières*, the merits and risks of investing in the relevant *Obligations Foncières* and the information contained (or incorporated by reference) in this Base Prospectus or any applicable supplement;**

(ii) **have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant *Obligations Foncières* and the impact such investment will have on its overall investment portfolio;**

(iii) **have sufficient financial resources and liquidity to bear all of the risks of an investment in the *Obligations Foncières*, such as instances where *Obligations Foncières* have principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;**

(iv) **understand thoroughly the terms of the relevant *Obligations Foncières* issued under the Programme and be familiar with the behavior of any relevant indices and financial markets;**

(v) **be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and**

(vi) **consult its own advisers as to legal, tax and related aspects of an investment in the *Obligations Foncières* (in particular to determine whether and to what extent (i) *Obligations Foncières* are legal investments for it, (ii) *Obligations Foncières* can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any *Obligations Foncières*).**

***Obligations Foncières* are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, and appropriate addition of risk to their overall portfolios. A potential investor should not invest in *Obligations Foncières* which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial advisor) to evaluate how the *Obligations Foncières* will perform under changing conditions, the resulting effects on the value of such *Obligations Foncières*, and the impact this investment will have on the overall investment portfolio of the potential investor.**

**A number of Member States of the European Union are currently negotiating to introduce a financial transactions tax ("FTT") in the scope of which transactions in the *Obligations Foncières* may fall. If the proposed directive is adopted and implemented in local legislation, holders of *Obligations Foncières* may be exposed to increased transaction costs with respect to financial transactions carried out with respect to the *Obligations Foncières* and the liquidity of the market for the *Obligations Foncières* may be diminished. Prospective investors should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing, purchasing, holding and disposing the *Obligations Foncières*.**

**The Materialised *Obligations Foncières* are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.**

**This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Arranger or the Dealers to subscribe for, or purchase, any *Obligations Foncières*.**

**The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. None of the Arranger or the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements nor any other information incorporated by reference are intended to provide the basis of any credit or other evaluation and should be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements or any other information incorporated by reference should purchase the *Obligations Foncières*. Each potential purchaser of *Obligations Foncières* should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of**

**_Obligations Foncières_ should be based upon such investigation as it deems necessary. None of the Arranger or the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the _Obligations Foncières_ of any information coming to the attention of any of the Arranger or the Dealers.**

**One or more independent credit rating agencies may assign credit ratings to the _Obligations Foncières_. A rating assigned to the _Obligations Foncières_ is based on the Issuer's financial situation, but takes into account other relevant structural features of the transaction, including, inter alia, the terms of the _Obligations Foncières_, and reflects only the views of the rating agency. The ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the _Obligations Foncières_. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.**

**IMPORTANT NOTICE RELATING TO INFLATION LINKED INTEREST _OBLIGATIONS FONCIÈRES_**

**_Obligations Foncières_ linked to an inflation index, which will be one of (i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the _Institut National de la Statistique et des Etudes Economiques_ ("INSEE"), or (ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (each an "Inflation Index" and together, the "Inflation Indices") (the "Inflation Linked _Obligations Foncières_") are not in any way sponsored, endorsed, sold or promoted by the INSEE or Eurostat, as the case may be, and the INSEE or Eurostat makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of any of the Inflation Indices and/or the figure at which such indices stand at any particular time. The Inflation Indices are determined, composed and calculated by the INSEE or Eurostat, as the case may be, without regard to the Issuer or the _Obligations Foncières_. The INSEE or Eurostat, as the case may be, is not responsible for or has not participated in the determination of the timing of, prices of, or quantities of the Inflation Linked _Obligations Foncières_ to be issued or in the determination or calculation of the interest payable under such _Obligations Foncières_.**

**None of the Issuer, the Arranger, the Dealers or any of their respective affiliates makes any representation as to the Inflation Indices. Any of such persons may have acquired, or during the term of the _Obligations Foncières_ may acquire, non-public information with respect to any of the Inflation Indices that is or may be material in the context of Inflation Linked _Obligations Foncières_. The issue of Inflation Linked _Obligations Foncières_ will not create any obligation on the part of any such persons to disclose to the holders of _Obligations Foncières_ or any other party such information (whether or not confidential).**

**Neither the current nor the historical levels of any of the Inflation Indices should be taken as an indication of future performance of such index during the term of any Inflation Linked _Obligations Foncières_.**

**IMPORTANT NOTICE RELATING TO GREEN _OBLIGATIONS FONCIÈRES_ OR SOCIAL _OBLIGATIONS FONCIÈRES_**

**Prospective investors should have regard to the information set out in the relevant Final Terms regarding use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in green _Obligations Foncières_ (the "Green _Obligations Foncières_") or social _Obligations Foncières_ (the "Social _Obligations Foncières_"), as the case may be, together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer or the Dealers that the use of proceeds for any loan will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by the Issuer's own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental or social impact of any loan or uses related to any loan. Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "green", a "social" or an equivalently-labelled asset. In addition, the requirements of any such**

**label may evolve from time to time, accordingly, no assurance is or can be given to investors that any loan or use(s) the subject of, or related to, any loan will meet any or all investor expectations regarding such "green", "social" or other equivalently-labelled performance objectives.**

**No assurance or representation is given as to the content, suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, and in particular with any loan, to fulfil any environmental, social and/or other criteria. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Green *Obligations Foncières* or such Social *Obligations Foncières*, as the case may be. For the avoidance of doubt, neither the second party opinions, nor any such other opinion or certification is, or shall be deemed to be, incorporated in and/or form part of this Base Prospectus.**

**Neither the Arranger nor any Dealer makes any representation as to the suitability of the Green *Obligations Foncières* or the Social *Obligations Foncières* to fulfil environmental or social criteria required by prospective investors. The Arranger and the Dealers have not undertaken, nor are responsible for, any assessment of the eligibility criteria, any verification of whether the Green *Obligations Foncières* or the Social *Obligations Foncières*, as the case may be, meet the eligibility criteria, the monitoring of the use of proceeds or the allocation by the Issuer of the proceeds (or amounts equal or equivalent thereto) of the Green *Obligations Foncières* or the Social *Obligations Foncières*.**

**For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Green *Obligations Foncières* or the Social *Obligations Foncières*, as the case may be, shall not depend on the performance of the relevant loan.**

**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – In respect of (i) any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify the "Prohibition of sales to EEA retail investors" as "Applicable" and (ii) any *Obligations Foncières* with a denomination of at least €100,000, the *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "Insurance Distribution Directive") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council dated 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "PRIIPs Regulation") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.**

**UK PRIIPS REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – In respect of (i) any *Obligations Foncières* with a denomination of less than €100,000 for which the Final Terms specify the "Prohibition of sales to UK retail investors" as "Applicable" and (ii) any *Obligations Foncières* with a denomination of at least €100,000, the *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance**

**Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.**

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

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

**UK MiFIR product governance / target market – The Final Terms in respect of any *Obligations Foncières* may include a legend entitled "UK MiFIR product governance" which will outline the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "Brexit our approach to EU non-legislative materials") and which channels for distribution of the *Obligations Foncières* are appropriate. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "distributor") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the target market assessment) and determining appropriate distribution channels.**

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

**SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of *Obligations Foncières*, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the *Obligations Foncières* are "capital markets products other than prescribed capital markets products" (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).**

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following general description of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of* Obligations Foncières*, the relevant Final Terms. The* Obligations Foncières *will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and will be subject to the Conditions set out in this Base Prospectus as completed by the relevant Final Terms.*

*This general description constitutes a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended. It does not, and is not intended to, constitute a summary of this Base Prospectus within the meaning of Article 7 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, or any implementing regulation thereof.*

*Words and expressions defined in the section entitled* "Terms and Conditions of the Obligations Foncières" *below shall have the same meanings in this general description.*

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| **Issuer:** | Caisse Française de Financement Local, a limited liability company (*société anonyme*) incorporated under French law and a *société de crédit foncier* duly licensed as a French specialised credit institution (*établissement de crédit spécialisé*) by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) on 1 October 1999. |
| **Legal Entity Identifier ("LEI"):** | 549300E6W08778I4OW85 |
| **Website** | https://caissefrancaisedefinancementlocal.fr |
| **Arranger:** | Barclays Bank Ireland PLC |
| **Permanent Dealers:** | Barclays Bank Ireland PLC<br>BNP Paribas<br>Citigroup Global Markets Europe AG<br>Commerzbank Aktiengesellschaft<br>Crédit Agricole Corporate and Investment Bank<br>Deutsche Bank Aktiengesellschaft<br>Goldman Sachs Bank Europe SE<br>HSBC Continental Europe<br>J.P. Morgan SE<br>Landesbank Baden-Württemberg<br>Morgan Stanley Europe SE<br>Natixis<br>NatWest Markets N.V.<br>Nomura Financial Products Europe GmbH<br>Société Générale<br>UniCredit Bank AG<br><br>The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or as Permanent Dealers under the Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the persons referred to above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to the Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches. |

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| **Description:** | Under the Euro Medium Term Note Programme (the "**Programme**"), the Issuer, subject to compliance by the Issuer with all relevant laws, regulations and directives applicable to the Issuer and the *Obligations Foncières*, may from time to time issue *obligations foncières* (the "***Obligations Foncières***") the principal and interest of which benefit from the statutory priority right of payment (*privilège*) created by Article L.513-11 of the French *Code monétaire et financier* (the "***Privilège***") (for further description, see section entitled "*The Legal Regime Applicable to CAFFIL*"). |
| **Programme Limit:** | Up to €75,000,000,000 (or the equivalent in other currencies at the date of signing of the the documentation relating to the issue of any *Obligations Foncières*) aggregate nominal amount of *Obligations Foncières* issued under the Programme outstanding at any time.<br><br>The Programme Limit may be increased from time to time, subject to compliance with the relevant provisions of the amended and restated dealer agreement entered into between the Issuer, the Arranger and the Permanent Dealers. |
| **Fiscal Agent, Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent in respect of the *Obligations Foncières*:** | Banque Internationale à Luxembourg, *société anonyme*. |
| **Risk Factors:** | There are certain factors which the Issuer believes are specific to the Issuer and/or the *Obligations Foncières* and material for the purpose of assessing the market risk associated with the *Obligations Foncières* and of which prospective investors should be aware. Such risks may alter its ability to fulfil its obligations under the *Obligations Foncières* towards investors. These are set out under the section entitled "Risk Factors" of this Base Prospectus. |
| **Method of Issue:** | The *Obligations Foncières* may be issued on a syndicated or non-syndicated basis. |
| **Series and Tranches:** | The *Obligations Foncières* will be issued in series (each a "**Series**") having one or more issue date(s). The *Obligations Foncières* of each Series will be fungible with all other *Obligations Foncières* of that Series.<br><br>Each Series of *Obligations Foncières* may be issued in tranches (each a "**Tranche**") on the same or different issue date(s) and on terms identical to the terms of other Tranches of the same Series, save in respect of the issue date, issue price, first payment of interest and aggregate nominal amount of the Tranche. The specific terms of each Tranche of *Obligations Foncières* will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the "**Final Terms**"). |
| **Maturities:** | Subject to compliance with all relevant laws, regulations and directives, the *Obligations Foncières* may have any maturity as specified in the relevant Final Terms. |
| **Currencies:** | *Obligations Foncières* may be denominated and/or payable in any currency agreed between the Issuer and the relevant Dealer(s) in the relevant Final Terms. |

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" or "euro" are to the currency of the participating Member States of the European Union which was introduced on 1 January 1999, references to "£", "GBP", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "$", "USD" and "US Dollars" are to the lawful currency of the United States of America, references to "¥", "JPY", "Japanese yen" and "Yen" are to the lawful currency of Japan, references to "CHF" and "Swiss francs" are to the lawful currency of Switzerland and references to "CAD" and "Canadian Dollars" are to the lawful currency of Canada.

**Denomination(s):**

The *Obligations Foncières* shall be issued in the Specified Denomination set out in the relevant Final Terms.

Unless permitted by then current laws and regulations, *Obligations Foncières* (including *Obligations Foncières* denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Dematerialised *Obligations Foncières* shall be issued in one denomination only.

**Redenomination:**

*Obligations Foncières* denominated in the national currency of a European Member State that subsequently becomes a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community, as amended from time to time may be subject to redenomination with other *Obligations Foncières* denominated in Euro (see sections entitled "*Terms and Conditions of the Obligations Foncières - Form, Denomination, Title and Redenomination*").

**Form of *Obligations Foncières*:**

*Obligations Foncières* may be issued in either dematerialised form ("**Dematerialised *Obligations Foncières***") or in materialised form ("**Materialised *Obligations Foncières***").

Dematerialised *Obligations Foncières* may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder of *Obligations Foncières*, in either fully registered form (*au nominatif pur*) or administered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised *Obligations Foncières*.

Materialised *Obligations Foncières* will be in bearer form (*au porteur*) only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised *Obligations Foncières*. Materialised *Obligations Foncières* may only be issued outside France.

**Status of the *Obligations Foncières*:**

The *Obligations Foncières* and, where applicable, any Coupons relating to them constitute direct, unconditional and, pursuant to the provisions of Condition 4 (*Privilège*), privileged obligations of the Issuer and rank, and

will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future *obligations foncières* of the Issuer (including the *Obligations Foncières* of all other Series) and other resources raised by the Issuer benefiting from the *Privilège*. Pursuant to Article L.513-11 of the French *Code monétaire et financier*, the *Obligations Foncières* benefit from the *Privilège* (priority right of payment) (see sections entitled "*Terms and Conditions of the Obligations Foncières - Privilège*" and "*The Legal Regime Applicable to CAFFIL*").

**Negative Pledge:** None.

**Interest Periods and Interest Rates:** The Final Terms will specify whether the *Obligations Foncières* bear interest. The length of the interest periods for the *Obligations Foncières* and the applicable interest rate may differ from time to time or be constant for any Series. *Obligations Foncières* may have a maximum interest rate, a minimum interest rate, or both, provided that in no event, will the relevant interest amount be less than zero. The use of interest accrual periods permits the *Obligations Foncières* to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

**Fixed Rate *Obligations Foncières*:** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate *Obligations Foncières*:** Floating Rate *Obligations Foncières* will bear interest determined separately for each Series as follows:

(a) on the same basis as the Floating Rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the FBF Definitions, or

(b) on the same basis as the Floating Rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") or the 2021 ISDA Definitions, as published by ISDA, as specified in the relevant Final Terms; or

(c) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service (including, without limitation, CMS Rate, EURIBOR, €STR, SARON, SOFR, SONIA or TEC10),

in each case plus or minus any applicable margin and calculated and payable as indicated in the relevant Final Terms. Floating Rate *Obligations Foncières* may also have a maximum rate of interest, a minimum rate of interest or both, provided that in no event, will the relevant interest amount be less than zero.

**Formula *Obligations Foncières*:** Formula *Obligations Foncières* Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent on the Interest Determination Date in accordance with the Index Formula, Underlying Formula, CPI Formula or HICP Formula, as specified in the relevant Final

Terms. Formulas relating to *Obligations Foncières* are only applicable for Obligations Foncières having a denomination of at least EUR100,000.

**Fixed/Floating Rate *Obligations Foncières*:** Fixed/Floating Rate *Obligations Foncières* may be converted from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate, all on the date set out in the relevant Final Terms either by the election of the Issuer or automatically.

**Fixed Rate/Formula *Obligations Foncières*:** Solely for *Obligations Foncières* having a denomination of at least EUR100,000, Fixed Rate/Formula *Obligations Foncières* may be converted from a Fixed Rate to a Formula, or from a Formula to a Fixed Rate, all on the date set out in the relevant Final Terms either by the election of the Issuer or automatically.

**Zero Coupon *Obligations Foncières*:** Zero Coupon *Obligations Foncières* may be issued at their nominal amount or at a discount to it and will not bear interest.

**Inflation Linked *Obligations Foncières*:** Inflation Linked *Obligations Foncières* may be issued by the Issuer where the interest and/or principal in respect of such *Obligations Foncières* will be calculated by reference to an Inflation Index Ratio derived from:

(i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE; or

(ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat.

**Events of Default:** None.

**Final Redemption:** Unless previously redeemed or purchased and cancelled, each *Obligation Foncière* shall be finally redeemed on the Maturity Date specified in the relevant Final Terms (the "**Maturity Date**") at its Final Redemption Amount (which is (i) its nominal amount or (ii) an amount determined in accordance with Condition 6(c)).

**Optional Redemption:** The Final Terms issued in respect of each Tranche will state whether such *Obligations Foncières* may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and if so the terms applicable to such redemption among the options described in Condition 6 (*Redemption, Purchase and Options*).

**No Redemption for Taxation Reasons:** The *Obligations Foncières* will not, unless otherwise specified in the relevant Final Terms, be redeemed early for taxation reasons.

**Taxation (withholding tax):** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the *Obligations Foncières* or Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction

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| | or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.<br><br>Each prospective holder or beneficial owner of *Obligations Foncières* should consult its tax adviser as to the tax consequences of any investment in, or ownership and disposition of, the *Obligations Foncières*. |
| **No additional amounts:** | If any law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will not be required to pay any additional amounts in respect of any such withholding or deduction. |
| **Representation of holders of *Obligations Foncières*:** | Holders of *Obligations Foncières* will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the "***Masse***"), which will be governed by the provisions of Article L.228-46 *et seq.* of the French *Code de commerce* as amended or supplemented by Condition 10 (*Representation of holders of* Obligations Foncières).<br><br>The *Masse* will be a separate legal entity and will act in part through a Representative and in part through Collective Decisions of the relevant holders of *Obligations Foncières*. |
| **Central Depositary:** | Euroclear France. |
| **Clearing Systems:** | Euroclear France as central depositary in relation to Dematerialised *Obligations Foncières* and, in relation to Materialised *Obligations Foncières*, Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s). |
| **Initial Delivery of Dematerialised *Obligations Foncières*:** | At least one (1) Paris business day before the issue date of each Tranche of Dematerialised *Obligations Foncières*, the *lettre comptable* or the application form relating to such Tranche shall be deposited with Euroclear France as central depositary. |
| **Initial Delivery of Materialised *Obligations Foncières*:** | On or before the issue date for each Tranche of Materialised *Obligations Foncières*, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s). |
| **Issue Price:** | *Obligations Foncières* may be issued at their nominal amount or at a discount or premium to their nominal amount, as specified in the relevant Final Terms. The price and amount of the *Obligations Foncières* to be issued under the Programme will be determined by the Issuer and the relevant Dealers at the time of issue in accordance with prevailing market conditions. |
| **Approval and Admission to Trading:** | |

This Base Prospectus has been approved by the *Autorité des marchés financiers* (the "**AMF**") in France in its capacity as competent authority under the Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**").

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

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

This Base Prospectus shall be valid for the admission to trading of *Obligations Foncières* on a Regulated Market and/or the offering of *Obligations Foncières* to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation until 9 June 2023, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (or incorporated by reference) in this Base Prospectus which may affect the assessment of an investment in the *Obligations Foncières*. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The *Obligations Foncières* may also be admitted to trading on any other stock exchange, or may not be admitted to trading on any market. The relevant Final Terms in respect of the issue of any *Obligations Foncières* will specify whether or not such *Obligations Foncières* will be admitted to trading and/or offered to the public pursuant to a non-exempt offer in a Member State of the EEA and, if so, the relevant market and/or jurisdiction.

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

**Green *Obligations Foncières*:** Green *Obligations Foncières* may be issued by the Issuer to finance and/or refinance, in whole or in part, Eligible Green Loans as defined in the SFIL Group Green Bond Framework available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/).

The SFIL Group Green Bond Framework is based on the Green Bond Principles (the "**GBP**") published by the International Capital Markets Association and the Issuer has requested a Green Second Party Opinion on the SFIL Group Green Bond Framework assessing its alignment with the GBP.

An allocation reporting will be made available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/) and an independent third party will verify the allocation of the net proceeds of the Green *Obligations Foncières*.

The SFIL Group Green Bond Framework and the Green Second Party Opinion are not incorporated by reference in this Base Prospectus.

**Social *Obligations Foncières*:** Social *Obligations Foncières* may be issued by the Issuer to finance and/or refinance, in whole or in part, Eligible Health Loan Portfolio as defined in the SFIL Group Social Note Framework available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/).

The SFIL Group Social Note Framework is based on the Social Bond Principles (the "**SBP**") published by the International Capital Markets Association and the Issuer has requested a Social Second Party Opinion on the SFIL Group Social Note Framework assessing its alignment with the SBP.

An allocation reporting will be made available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/) and an independent third party will verify the allocation of the net proceeds of the Social *Obligations Foncières*.

The SFIL Group Social Bond Framework and the Social Second Party Opinion are not incorporated by reference in this Base Prospectus.

**Use of Proceeds:** The net proceeds of the issue of the *Obligations Foncières* will (as specified in the applicable Final Terms) be applied by the Issuer:

(i) either to be used for the Issuer's general corporate purposes; or

(ii) in the case of Green *Obligations Foncières*, to finance and/or refinance, in whole or in part, Eligible Green Loans as defined in the SFIL Group Green Bond Framework available on the Issuer's website https://caissefrancaisedefinancementlocal.fr/en/investor/covered bonds issuance/issuance/); or

(iii) in the case of Social *Obligations Foncières*, to finance and/or refinance, in whole or in part, Eligible Health Loan Portfolio as defined in the SFIL Group Social Note Framework available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/); or

(iv) as stated in the relevant Final Terms in respect of any particular issue of *Obligations Foncières* for which there is a particular identified use of proceeds (other than as specified above).

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

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

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

**Selling Restrictions:** The offer and sale of *Obligations Foncières* will be subject to selling restrictions (see section "*Subscription and Sale*") in various jurisdictions, in particular, those of the United States of America, the United Kingdom, Singapore, Switzerland, Japan, Republic of Italy, Norway and those of the EEA including France.

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

So long as any of the *Obligations Foncières* are outstanding, copies of the following documents will also be available for inspection and obtainable upon request and free of charge, during usual business hours on any weekday, at the registered office of the Issuer (1-3 rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France) and, except for the document referred to in sub-paragraph (a) below, on the website of the Issuer (www.caffil.fr):

(a) the amended and restated agency agreement dated 10 June 2022 which has been agreed between the Issuer and Banque Internationale à Luxembourg, *société anonyme* as fiscal agent and, unless

otherwise specified in the applicable Final Terms, as calculation agent (as amended or supplemented from time to time);

(b) the up-to-date *statuts* of the Issuer;

(c) the most recently published audited annual financial statements and interim financial statements of the Issuer;

(d) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further base prospectus (in each case published in accordance with the Prospectus Regulation);

(e) each Final Terms for *Obligations Foncières* that are admitted to trading on Euronext Paris or admitted to trading on any other Regulated Market of the EEA and/or offered to the public pursuant to a Non-Exempt Offer in a Member State of the EEA;

(f) any document incorporated by reference in this Base Prospectus; and

(g) all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

**Governing Law:** The *Obligations Foncières*, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, French law.

# RISK FACTORS

*The following are risk factors which Caisse Française de Financement Local believes are specific to Caisse Française de Financement Local and/or the* Obligations Foncières *and material for the purpose of assessing the market risk associated with the* Obligations Foncières.

*Caisse Française de Financement Local believes that the following factors may affect its ability to fulfill its obligations under* Obligations Foncières *issued under the Programme. All of these factors are contingencies which may or may not occur.*

*In each category below Caisse Française de Financement Local sets out the most material risks in first according to each assessment, taking into account the negative impact of such risks and the probability of their occurrence. The materiality of the risks has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact on Caisse Française de Financement Local.*

*Caisse Française de Financement Local believes that the factors described below represent the principal risks inherent in investing in* Obligations Foncières *issued under the Programme. Additional risks not included in this risk factors section below, e.g. because they are currently not material or not known by Caisse Française de Financement Local, may result in material risks in the future.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any document deemed to be incorporated by reference herein) and the relevant Final Terms and reach their own views in light of their financial circumstances and investment objectives prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the* Obligations Foncières *prior to investing in* Obligations Foncières *issued under the Programme.*

*Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings when used below.*

## I. RISK FACTORS RELATING TO THE ISSUER

*The following risks factors are presented from the most important to the less, as result of the crossing of the likelihood of their occurrence and of the level of their impact in case of occurrence.*

*The following table gives the detail of the risk factors identified and indicates, for each of them, the likelihood of their occurrence and their negative impact on the Issuer and the Group on the date of this Base Prospectus. The likelihood of the occurrence is graded on a four-level scale ("Very Unlikely", "Unlikely", "Likely" and "very Likely") and the magnitude of their negative impact is graded on a three-level scale ("Low", "Moderate" and "Significant"). Within each of the below mentioned categories, the risks have been listed according to this grading, the risks with the combination of the highest likelihood and negative impact coming first.*

| | | ***Likelihood*** | ***Impact*** |
|---|---|---|---|
| ***1) Legal and tax risks*** | | | |
| | *1.1 Risks arising from implementation of Basel III Risk-Weighted Asset Framework* | *Likely* | *Moderate* |
| | *1.2 Risk arising from European and French laws and regulations and harmonization of the existing rules on covered bonds throughout the European Union* | *Likely* | *Moderate* |
| | *1.3 Risks relating to any litigation with a counterparty/borrower or tax authority* | *Unlikely* | *Moderate* |
| ***2) Credit and counterparty risks*** | | | |

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|---|---|---|---|
| | *2.1 Risk of default* | *Likely* | *Moderate* |
| | *2.2 Risk of geographic concentration* | *Unlikely* | *Moderate* |
| | *2.3 Risk of default of bank counterparties* | *Unlikely* | *Moderate* |
| ***3) Financial risks*** | | | |
| | *3.1 Credit rating of Caisse Française de Financement Local's Obligations Foncières will be affected by the credit rating of SFIL and the French State* | *Likely* | *Moderate* |
| | *3.2 Liquidity risk* | | |
| | *3.2.1 Risk of a liquidity shortfall that may affect the Issuer's ability to settle its debt commitments in a timely fashion* | *Unlikely* | *Moderate* |
| | *3.2.2 Dependence on SFIL for the unsecured funding of its over-collateral* | *Unlikely* | *Moderate* |
| | *3.3 Risks linked to financial conditions offered for export credit refinancing loans* | *Unlikely* | *Moderate* |
| | *3.4 Caisse Française de Financement Local may be exposed to risks linked to its hedging operations* | *Unlikely* | *Low* |
| ***4) Operational and non-compliance risks*** | | | |
| | *4.1 Non-compliance risk* | *Unlikely* | *Moderate* |
| | *4.2 Operational risk* | | |
| | *4.2.1 Risk of failure or malfunction of the operational risk management systems put in place by SFIL* | *Unlikely* | *Moderate* |
| | *4.2.2 Risks relating to dependence on SFIL for its operations* | *Unlikely* | *Moderate* |
| ***5) Business activity risks - Caisse Française de Financement Local may face a decrease in its activity and its margins in the local authority and municipal lending market or in the refinancing of export credit*** | | *Very unlikely* | *Significant* |
| ***6)*** **Société de crédit foncier** ***specific risk*** | | | |
| | *7.1 Risks linked to compliance with the coverage ratio required of it under French law* | *Very unlikely* | *Significant* |

| | | | |
|---|---|---|---|
| | *7.2 Compliance of the assets in the Cover Pool with the eligibility criteria* | *Unlikely* | *Moderate* |

## 1 Legal and tax risks

### 1.1. Risk arising from implementation of Basel III Risk-Weighted Asset Framework

The Issuer and the Group are subject to prudential regulations applicable to credit institutions and have to comply with the current capital requirements, prudential oversight and risk-management systems. As of 31 December 2021, Caisse Française de Financement Local's capital level is high (CET1 capital ratio: 33.2 %).

The revised framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") ("**Basel III**") was implemented under EU legislation through the "**CRD IV package**" which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013, the Capital Requirements Regulation (EU) No 575/2013 dated 26 June 2013 and the relevant subsequent Delegated Regulations. A number of new requirements arising from the CRD IV package was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of the CRD IV package at the legislative level was finalized under French law by Ordinance n°2014-158 dated 20 February 2014 and subsequent implementing decrees and "*arrêtés*".

The CRD IV package has been amended by Directive (EU) 2019/878 of the European Parliament and of the Council dated 20 May 2019 (the "**CRD V Directive**") and Regulation (EU) 2019/876 of the European Parliament and of the Council dated 20 May 2019 (the "**CRR II Regulation**" and, together with the CRD V Directive, the "**CRD V package**"), which were published in the European Union's Official Journal on 7 June 2019.

They notably provide for:

- leverage ratio calculation rules tailored to the specific nature of public development banks;
- a weighting of the Net Stable Funding Ratio tailored to encumbered assets included in the covered bond issuer's cover pool.

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

In order to finalise Basel III reforms, the Basel Committee decided in December 2017 to introduce new revisions seeking to restore credibility in the calculation of risk-weighted assets ("**RWAs**") and improve the comparability of banks' capital ratios by:

- enhancing the robustness and risk sensitivity of the standardised approaches for credit risk, credit valuation adjustment ("**CVA**") risk and operational risk;
- constraining the use of the internal model approaches, by placing floors on certain inputs used to calculate capital requirements under the internal ratings-based approach ("**IRBA**") for credit risk and by removing the use of the internal model approaches for CVA risk and for operational risk: for instance, the input loss given default ("**LGD**") for "institutions" -including regional governments and local authorities ("**RGLA**") - was set at 45%; and
- introducing a progressive output floor on RWAs based on the Committee's revised Basel III standardised approaches.

Implementation dates and transitional arrangements related to the standards described above were supposed to occur in January 2023.

In order to implement at the European level the December 2017 Basel Committee decisions, the European Commission published on 27 October 2021 a legislative proposal to amend the CRD IV package. The proposal for a regulation amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor provides notably for the creation of a specific IRBA category for exposures to RGLA and public sector entities ("**PSE**"), henceforth distinct from that dedicated to "institutions". It also provides for a minimum LGD level of 25% for this category, identical to that applicable to corporate exposures, but reduced compared to the December 2017 Basel Committee decision, which had set it at 45%. However, this proposal from the European Commission could potentially affect the current capital requirements of the Issuer.

Furthermore, this proposal, inter alia, aims at requiring credit institutions to systematically identify, disclose and manage risks in connection with environmental and sustainability growth ("**ESG Risks**") as part of their risk management, and introducing regular climate stress testing of credit institutions by national supervisors to enhance the focus on ESG Risks in the prudential framework.

This proposal must be discussed in the trialogue with the European Parliament and Council and will in any case not apply before 1st January 2025.

The magnitude of the impact of Basel III will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time: a number of elements will have to be discussed in this context, in particular the level of LGD finally applicable as well as the possibility of exempting development loans from the calculation of the output floor. The moderate qualification of the risk impact related to this future regulation is also linked to the possibility of treating SFIL Group's RGLA/PSE exposures according to the standard method.

In addition, the implementation of Basel III, the CRD V package, and any of their expected amendments could affect the risk weighting of the covered bonds in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the CRD V package.

### 1.2. Risk arising from European and French laws and regulations and harmonization of the existing rules on covered bonds throughout the European Union

Caisse Française de Financement Local's business operations are governed by European and French laws and regulations and are subject to supervision by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) ("**ACPR**") and also by the European Central Bank at the consolidated level of SFIL. Any changes to the current legislation (in particular legislation relating to the issuance of *obligations foncières* and the privilège attached to such *obligations foncières*) could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

Furthermore, any measure could have an impact on the legal and regulatory framework applicable to the *obligations foncières* in force at the date of this Base Prospectus. In particular, on 27 November 2019, Directive (EU) 2019/2162 of the European Parliament and of the Council dated 27 November 2019 (the "**Covered Bond Directive**") and Regulation (EU) 2019/2160 of the European Parliament and of the Council dated 27 November 2019 (the "**Covered Bond Regulation**") were adopted.

The Covered Bond Directive and Covered Bond Regulation aim for the establishment of a framework to enable a more harmonised covered bond market in the EU. The Covered Bond Directive covers in particular requirements for issuing covered bonds, requirements for marketing covered bonds as "European Covered Bonds", structural features of covered bonds (asset composition, derivatives, liquidity, etc.) and regulatory supervision. The Covered Bond Regulation mainly amend Article 129 of Regulation (EU) No 575/2013 (Capital Requirements Regulation) and add requirements on minimum overcollateralisation and substitution assets. A minimum 5% overcollateralisation is required, based on a nominal calculation method. Member states are allowed to reduce this level to a minimum of 2% under certain conditions.

The Covered Bond Directive has been implemented under French law by decree-law No. 2021-858 dated 30 June 2021 (*Ordonnance n°2021-858 portant transposition de la directive (UE) 2019/2162*), the relating application

decrees n°2021-898 dated 6 July 2021 (*Décret n° 2021-898 portant transposition de la directive (UE) 2019/2162*) and n°2022-766 dated 2 May 2022 (*Décret n°2022-766 du 2 mai 2022 portant diverses modifications du Code monétaire et financier et complétant la transposition de la directive (UE) 2019/2162 du Parlement européen et du Conseil du 27 novembre 2019 concernant l'émission d'obligations garanties et la surveillance publique des obligations garanties*) and the order dated 7 July 2021 (*Arrêté du 7 juillet 2021 modifiant le règlement n°99-10 du 9 juillet 1999 relatif aux sociétés de crédit foncier et aux sociétés de financement de l'habitat*). The final outcome of the impact assessment is not yet known but the compliance with the new legal framework to obtain the new label European Covered Bond (Premium) could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

### 1.3. Risks relating to any litigation with a counterparty/borrower or tax authority

Caisse Française de Financement Local is exposed to legal and tax risk which can be defined as the risk of any litigation with a counterparty/borrower or tax authority resulting from any misunderstanding, lack or insufficiency that may be attributed to the Issuer in the exercise of its activities. Certain legal and legislative changes in the EU local government and municipal lending market may expose Caisse Française de Financement Local to financial and reputational risk.

Caisse Française de Financement Local has, in its portfolio, some structured loans considered as sensitive, which had been granted to French public sector entities by Dexia Crédit Local before the acquisition of Caisse Française de Financement Local by SFIL. Certain of these customers initiated legal proceedings against Dexia Crédit Local, Caisse Française de Financement Local and/or SFIL claiming notably that such loans, including their annual rate of charge (TEG), were not valid and that Dexia Crédit Local did not provide mandatory information and advice prior to their signature.

Even if the number of lawsuits with borrowers is very limited at the date of this Base Prospectus (3 for around 13,500 borrowers for the sensitive loans portfolio, being noted that more than 220 borrowers cancelled their litigation proceedings since 2013) and that with two rulings dated 28 March 2018 and 26 June 2019 and two judgments dated 20 May 2020 and 12 November 2020, the *Cour de cassation* confirmed the validity of the structured loans carried on Caisse Française de Financement Local's balance sheet, there is a risk that one of linked court decision may be unfavourable to Caisse Française de Financement Local. Two partially unfavorable rulings were issued by the *Cour de cassation* during the year 2021. Insofar as these rulings sanctioned insufficient substantiation of the appeal rulings, they do not prejudge the outcome of the proceedings in question, which have been transferred back to the *Cour d'appel*.

Such adverse court decision may have a negative impact on the reputation of Caisse Française de Financement Local. In the worst case, such litigation may lead to certain loans in the Cover Pool being declared void or voidable in whole or in part, reducing the amount of collateral. It could also lead to a decrease of the contractual interest rate with retroactive effect and thus affect the hedging derivatives and the hedge relationship. In such cases, it may adversely affect cash flows, results of operations and financial condition of Caisse Française de Financement Local.

## 2 Credit and counterparty risk

Credit risk represents the potential loss that Caisse Française de Financement Local may incur as the result of the decline in a counterparty's solvency.

### 2.1. Risk of default in the Cover Pool

Caisse Française de Financement Local is exposed to the risk of default on the pool of public sector assets included in its portfolio used as cover for the issuance of *Obligations Foncières* under the Programme (the "**Cover Pool**"). The classes of assets that Caisse Française de Financement Local may own within its Cover Pool are restricted to specific categories narrowly defined by French law, and for Caisse Française de Financement Local these categories are further limited to transactions with public sector entities or entities guaranteed by public sector entities under the license granted by the CECEI (*Comité des établissements de crédit et des entreprises d'investissement*) (an institution now merged into the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*)). Consequently, almost all of the Cover Pool comprises loans to, or bonds purchased from, local

governments, municipalities and sovereigns. The ability of public sector borrowers, including local governments, municipalities and sovereigns, to meet their payment obligations may be affected by their levels of indebtedness, social spending obligations, interest rates, tax revenue collections and transfers of subsidies from the central governments, each of which could be adversely affected by a deterioration of general economic conditions.

**Risk weighting of Caisse Française de Financement Local's portfolio as of 31 December 2021**

Deteriorating economic conditions could therefore have a material adverse effect on the probability of default of these assets in the Cover Pool. However, arrears fell in 2021 (-64%) from EUR 36 million to EUR 13 million (excluding technical arrears).

While the eligibility and suitability of assets is vetted by SFIL's risk management and permanent control departments, on behalf of Caisse Française de Financement Local, certain default scenarios such as losses on assets representing a significant portion of the Cover Pool may exist, which would ultimately affect the ability of Caisse Française de Financement Local to comply with the terms of the Obligations Foncières issued under the Programme. Adverse changes affecting the local economies of countries from which Caisse Française de Financement Local sources its assets, such as the economic and financial impact of the Covid-19 crisis, could result in, among other things, higher rates of credit defaults on loans and bonds. The materialisation of any of the foregoing factors or a divergence in the appreciation of these risks by the banking supervisory authorities or financial markets could lead to significant losses or provisions and could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations, and may result in Caisse Française de Financement Local having insufficient funds to meet its obligations under the Obligations Foncières.

In its business of refinancing large export credits, Caisse Française de Financement Local grants loans to its parent company SFIL, to refinance its export credits. These refinancing loans benefit from an unconditional and irrevocable 100% guarantee provided by the French State. Bpifrance Assurance Export manages and delivers this guarantee under the State's control, on its behalf and in its name. These refinancing loans are thus considered as exposures to the French State. The French State's ability to meet its payment obligations may be affected by its levels of indebtedness, social spending obligations, interest rates and tax revenue collections, each of which could be adversely affected by a deterioration in general economic conditions. Deteriorating economic conditions, such as the economic and financial impact of the Covid-19 crisis, could therefore have an adverse effect on the probability of default of these assets in the Cover Pool.

In addition, certain geographic regions of Europe to which Caisse Française de Financement Local has credit exposure through its lending to local authorities and municipalities may, from time to time, experience weaker regional economic conditions. Assets originated in such areas may experience higher rates of loss and the ability of borrowers to make payments may also be affected by factors such as adverse economic conditions (*e.g.*, the economic and financial impact of the Covid-19 crisis) in particular geographic areas or industries, or perceptions in financial markets as to the creditworthiness of certain borrowers. Such occurrences may accordingly have a material adverse impact on the credit quality of certain assets included in the Cover Pool.

As an illustration, the Cover Pool is broken down below by country and by category of counterparty. Figures are presented in EUR millions of EAD (exposure at default):

**Analysis of exposure by geographic region**

| | 12/31/2020 | 12/31/2021 |
|---|---|---|
| France | 64,169 | 65,321 |
| Italy | 450 | 296 |
| Germany | 181 | 90 |
| Spain | 5,820 | 5,235 |
| United Kingdom | 328 | 328 |
| Belgium | 603 | 270 |
| Other European Union countries | 611 | 592 |
| Norway | 201 | 139 |
| Switzerland | 125 | 1 |
| United States and Canada | 794 | 802 |
| Japan | 42 | 39 |
| **TOTAL EXPOSURE** | **73,324** | **73,113** |

**Analysis of exposure by category of counterparty**

| | 12/31/2020 | 12/31/2021 |
|---|---|---|
| Sovereigns | 12,651 | 16,171 |
| Local public sector | 58,077 | 55,731 |
| Other assets guaranteed by public sector entities | 25 | 243 |
| Financial institutions | 2,562 | 960 |
| Other exposures | 9 | 8 |
| **TOTAL EXPOSURE** | **73,324** | **73,113** |

### 2.2. Risk of geographic concentration in the Cover Pool

The vast majority of the Cover Pool (near 90%, excluding replacement assets and cash), measured by principal amount of the assets, is concentrated in France. The ability of French State and local authorities and municipal borrowers and guarantors, like other public sector borrowers, to meet their obligations will be affected by the economic factors noted above. Adverse changes in the financial, economic and fiscal conditions within France, such as the economic and financial impact of the Covid-19 crisis, may have significant consequences for the French public sector borrowers whose obligations are included in the Cover Pool, and consequently, on the credit quality of such obligations. In addition, since 2013 all of Caisse Française de Financement Local's new assets relate to French borrowers, with the exception of certain bonds purchased for cash investment purposes.

Furthermore, Caisse Française de Financement Local holds a significant amount of assets representing lending to borrowers in other countries than France and in particular in Italy. These assets are now managed in a run-off mode with the exception of certain bonds purchased for cash investment purposes. Adverse financial, economic and fiscal conditions in these economies, such as the economic and financial impact of the Covid-19 crisis, and perceived weaknesses of a country's financial situation may also have an adverse impact on the credit quality of the assets in the Cover Pool.

### 2.3. Risk of default of bank counterparties

Caisse Française de Financement Local is exposed to bank counterparties risk of default for transactions it enters into as part of its currency and interest rate hedging operations, of its liquidity management and excess liquidity investment.

For hedging transactions, Caisse Française de Financement Local enters into master agreements with a large number of bank counterparties and these agreements provide for asymmetrical collateralisation arrangements (with the counterparties unilaterally posting collateral to Caisse Française de Financement Local). While having hedging relationships with a large number of counterparties is designed to mitigate risk, Caisse Française de Financement Local is nonetheless exposed to the risk of default of its bank counterparties. Some of these counterparties are not required to post collateral to Caisse Française de Financement Local as long as they benefit from the highest credit

rating. If certain of these hedge counterparties, that don't have to post collateral, would default as to payment, Caisse Française de Financement Local may be likely to experience losses and reduced liquidity.

In order to maintain its liquidity position, Caisse Française de Financement Local is also allowed to hold exposures to certain bank counterparties as issuers of its replacement assets, including securities, instruments and deposits which are sufficiently safe and liquid, defined as certain high quality assets eligible for inclusion in its Cover Pool (up to 15% of the nominal amount of all of *obligations foncières* and registered covered bonds allowed by applicable legislation).

Replacement assets issued by banks expose Caisse Française de Financement Local to credit and liquidity risk from such banks (including its parent company SFIL) should their financial condition deteriorate. Thus, Caisse Française de Financement Local may experience losses in the form of reduced value of assets, due to a decrease in a bank counterparty's or issuers of replacement assets' financial position.

Exposure on financial institutions is primarily comprised of counterparties in hedging derivatives and replacement assets. As of 31 December 2021, the amount is EUR 0.9 billion.

Moreover, the financial situation of certain of these counterparties could be adversely affected by the Covid-19 crisis or by the climate change. Any such losses could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations, and may result in Caisse Française de Financement Local having insufficient funds to meet its obligations with respect to the *Obligations Foncières*.

## 3 Financial risks

### 3.1. Credit rating of Caisse Française de Financement Local's *Obligations Foncières* may be affected by the credit rating of SFIL and the French State

Caisse Française de Financement Local is currently wholly-owned by SFIL. In the rating agencies' methodologies, the credit rating of a covered bond programme is linked to the credit rating attributed to the Issuer's parent. The rating criteria for Caisse Française de Financement Local include both the financial health of its parent, SFIL, as well as the strength of parental support.

The credit rating of SFIL is closely linked to the credit rating of the French State due to its shareholding structure. In fact, since 30 September 2020, SFIL's sole shareholder is the Caisse des Dépôts et Consignations ("**CDC**") (holding 99.99% of SFIL's share capital). The French State retained one ordinary share and continues to be present on SFIL's Board of Directors through a non-voting member, given the public interest missions entrusted to SFIL.

As of 31 December 2021, the French State has been assigned a rating of Aa2 with a stable outlook by Moody's France SAS ("**Moody's**"), AA with a stable outlook by S&P Global Ratings Europe Limited ("**S&P**") and AA (high) with a stable outlook by DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity ("**DBRS**"). CDC has been assigned a rating of Aa2 with a stable outlook by Moody's and AA with a stable outlook by S&P. SFIL's long term senior debt has been assigned a rating of Aa3 with a stable outlook by Moody's, AA with a stable outlook by S&P and AA (high) with a stable outlook by DBRS and CAFFIL's *Obligations Foncières* are expected to be rated Aaa by Moody's, AA+ by S&P and AAA by DBRS.

SFIL's shareholding structure is thus still fully public. Its shareholders will ensure that SFIL's financial solidity is preserved and its economic base protected and will continue to provide it with the necessary support, in accordance with the applicable regulations. CDC, SFIL's new reference shareholder, confirmed its commitment in a letter of support, completed by a letter of support from the State, in the context of SFIL's continuing status as a State-owned development bank.

This commitment, made with the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*), underlines its involvement to ensure oversight and to influence strategic decisions, as well as its determination to ensure Caisse Française de Financement Local's and SFIL's ongoing financial transactions and to comply with regulatory requirements, if so required.

Deteriorating economic conditions, such as those that could result from the Covid-19 crisis, can lead to a downgrade of the credit rating of the French State, CDC and SFIL. Decreases in the credit rating of SFIL or the French State may cause a decrease in the credit rating of Caisse Française de Financement Local's *obligations foncières*, or a requirement that Caisse Française de Financement Local obtain funding in order to achieve a higher level of overcollateralisation. A variety of factors may make obtaining such higher level of overcollateralisation impossible for Caisse Française de Financement Local in the event of a downgrade of SFIL. If the credit rating of Caisse Française de Financement Local's *obligations foncières* were reduced due to these factors, such downgrade may adversely affect the value of Caisse Française de Financement Local's outstanding *obligations foncières*, including the *Obligations Foncières*, increase Caisse Française de Financement Local's cost of borrowing and adversely affect Caisse Française de Financement Local's ability to issue new *obligations foncières*.

## 3.2. Liquidity risk

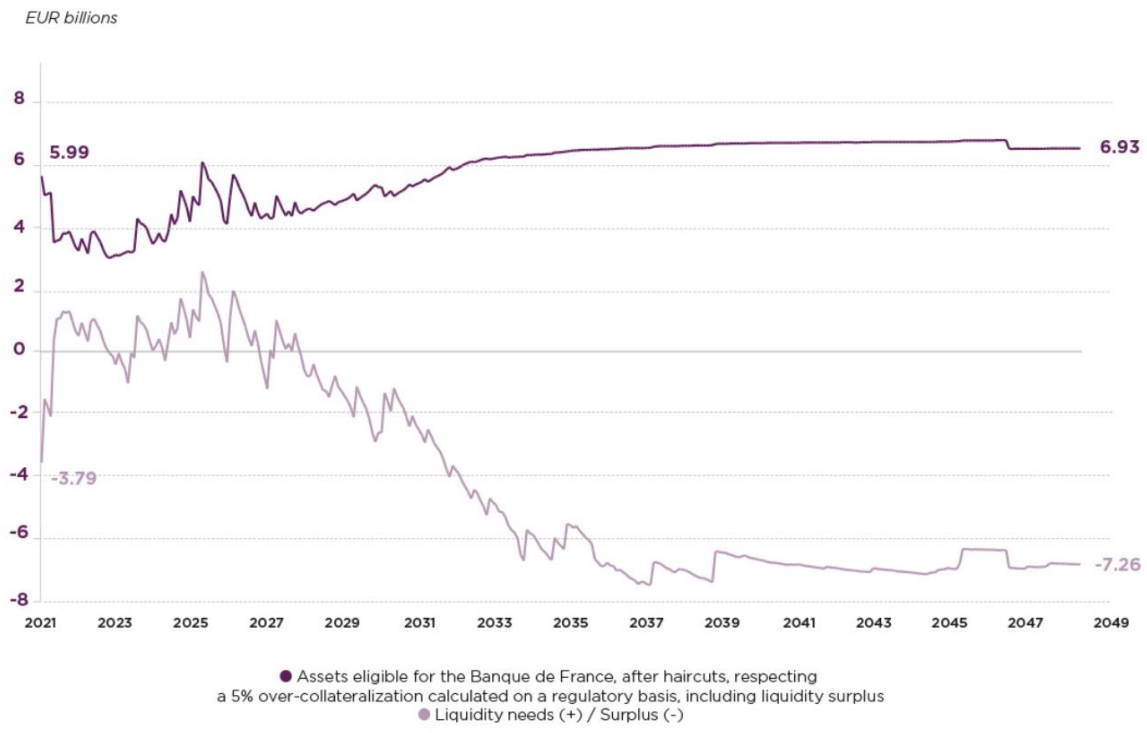
Liquidity risk is defined as the risk that the institution may not be able to find the necessary liquidity, on a timely basis and at a reasonable cost, to cover the financing needs related to its activity, including the redemption of its *Obligations Foncières*.

### 3.2.1. Risk of a liquidity shortfall that may affect the Issuer's ability to settle its debt commitments in a timely fashion

Caisse Française de Financement Local is exposed to liquidity risk arising from the gap between the date it is reimbursed, in connection with various assets it holds, and the date it is required to pay out loans or to settle its liabilities. The maturity and amortization profile of the Cover Pool does not perfectly match the repayment profile and the maturity schedule of the privileged debt.

This mismatch creates a liquidity need at certain periods of time in the future as illustrated in the following graph which presents the need/excess of liquidity resulting from the amortization of assets and liabilities (without any new asset or liability).

**Liquidity needs as of 31 December 2021**




The duration gap between the Cover Pool and the privileged liabilities is currently low, but may widen in the future. As a matter of management policy, Caisse Française de Financement Local has limited the maximum duration gap between the assets and the resources benefiting from the *privilège* to three (3) years. Moreover, the regulation of covered bonds in France imposes a great congruence between asset/liability maturities with an annual cover plan

and with the limitation to 18 months of the gap between the weighted average life of eligible assets, considered up to their minimum amount required to satisfy a 105% overcollateralisation ratio, and the weighted average life of the privileged liabilities. This requires Caisse Française de Financement Local to have appropriate liquidity positions to cover its liability commitments as they become due to avoid any shortfall in liquidity.

As Caisse Française de Financement Local turns to the market for medium- or long-term financing, prolonged disruptions, uncertainty or volatility in the debt markets may limit its ability to access funding, particularly its ability to issue longer-dated new *obligations foncières*. In case of such adverse market conditions, as those caused by the Covid-19 crisis which has severely impacted financial markets in 2020, Caisse Française de Financement Local's ability to replace, in a timely manner, maturing liabilities may be limited. It may also be forced to delay raising longer term funding.

To maintain its liquidity in case of market disruptions that prevent Caisse Française de Financement Local from issuing new *obligations foncières*, Caisse Française de Financement Local relies on non-privileged debt provided by its parent, SFIL, and, if needed, on secured financings it can borrow from the *Banque de France* or from a bank counterparty (through a repo transactions), by using some assets from the Cover Pool (including those considered as replacement assets), a significant part of which is eligible as collateral for such liquidity operations. However, any gap between receipt of funds and funding of its commitments may lead to Caisse Française de Financement Local not settling its debt commitments on time. If Caisse Française de Financement Local's ability to access funds from its parent, SFIL, is diminished, and if it no longer maintains sufficient assets eligible for refinancing with the *Banque de France*, a liquidity shortfall may occur that will adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations and may result in Caisse Française de Financement Local having insufficient funds to meet its obligations with respect to the *Obligations Foncières*.

As of 31 December 2021, the Liquidity Coverage Ratio reaches to 771%.

#### 3.2.2. Dependence on SFIL for the unsecured funding of its over-collateral

SFIL is the main provider of unsecured funding to Caisse Française de Financement Local, which finances the over-collateral, *i.e.* assets of Caisse Française de Financement Local that are not financed by the issuance of *Obligations Foncières*.

Caisse Française de Financement Local's overcollateralization is financed by equity contributions, by a current account agreement granted to it by SFIL and mainly through a long-term revolving credit facility extended to it by SFIL that put in place the support received from SFIL and its reference shareholder. As of 31 December 2021, the funds borrowed from SFIL are EUR 7.7 billion. The long-term credit facility agreement or the current account agreement from SFIL may not continue to be in force for the term of the *Obligations Foncières*. To the extent that this facility is discontinued, the amount of over-collateralization of the Cover Pool could be reduced, which could adversely affect the ability of Caisse Française de Financement Local to make payments on the *Obligations Foncières* as they become due, the rating assigned to the *Obligations Foncières*, and consequently the market value of Caisse Française de Financement Local's existing *obligations foncières*, including the *Obligations Foncières*.

### 3.3. Risks linked to financial conditions offered for export credit refinancing loans

In its business of refinancing large export credit, Caisse Française de Financement Local grants loans to its parent company SFIL, to refinance its export credits. These refinancing loans benefit from an unconditional and irrevocable 100% guarantee provided by the French State.

The particular features of these loans lead Caisse Française de Financement Local to give a commitment on financial conditions several months before the signing of the loan contract. The financial conditions at the time of the offer might no longer be in line with the refinancing and hedging conditions of Caisse Française de Financement Local at the time and after the signing date of the contract. As of 31 December 2021, the financing commitments of Caisse Française de Financement Local for such contracts (amounts remaining to be paid to the counterparty) amounted to EUR 5.1 billion. Changes in market conditions could therefore adversely affect its results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

In order to reduce its currency and spread risks, Caisse Française de Financement Local may enter into hedging operations or may prefinance, in full or in part, the future drawdown of the credit as soon as a firm offer for a credit refinancing has been delivered. In some cases, the credit may not be signed or may be delayed and related hedging operations may have to be cancelled with a material cost, and prefunding may be allocated to other assets with a potentially lower margin, which could adversedly affect Caisse Française de Financement Local's results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

Moreover, certain loans to refinance large export credits denominated in USD may cause a limited risk of foreign exchange during their drawing phase; this risk could be more material in case of credit restructuring. For these loans, foreign exchange risks exist and adverse evolution on this market could have an adverse effect on the financial situation, operations and cash flows of Caisse Française de Financement Local.

### 3.4. Caisse Française de Financement Local may be exposed to risks linked to its hedging operations

After hedging, residuals positions remain and are monitored by narrow limits. Nevertheless, Caisse Française de Financement Local is exposed to a residual interest rate risk as a result of unanticipated changes in the Cover Pool due to, for example, the default, pre-payment or renegotiation of loans. The level of this exposure may increase in the future with new commercial loans entering the Cover Pool. These unanticipated changes in the Cover Pool, or in interest rate curve may adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations. The limits in place allow a maximum loss of EUR 80 billion (*i.e.* 6% of share equity).

Market risk is limited to the market risk of a trading portfolio. Caisse Française de Financement Local does not carry out trading operations and is therefore not subject to market risk in the regulatory sense of the term. Moreover, all swaps are carried out for hedging purposes. Nonetheless, for loans hedged using derivatives and becoming non-performing, the corresponding derivatives become subject to market risk in the regulatory sense of the term if the accounting hedge relationship is broken. In addition, the positions or activities of the banking book, which are monitored in terms of non-regulatory market risks, pose a risk resulting from exposure to the volatility of market parameters. There also are other non-regulatory market risks such as changes in accounting value based on derivatives. This risk has to be assessed considering that global debt markets have experienced historic levels of volatility and the outlook is uncertain. Besides, some derivatives are not recorded in a hedging relationship. That result from derivatives that hedge the foreign exchange risk related to export credit refinancing loans denominated in a currency other than the euro, and that are concluded before the end of the drawing phase of the hedged loans. Hedging of currency risk relating to monetary assets or liabilities cannot be documented, in accordance with IAS 39, before they are recorded in the entity's balance sheet.

Therefore, these market risks exist and could have an adverse effect on the financial situation, operations and cash flows of Caisse Française de Financement Local. As an illustration, the impacts of hedge accounting on the IFRS net banking income of the Issuer amounted to EUR 27 million in 2021.

## 4 Operational and non-compliance risks

### 4.1. Non-compliance risk

The risk of non-compliance is the risk of a legal, administrative or disciplinary sanction, of a significant financial loss or of a denigration of reputation caused by the non-respect of procedures specific to banking and financial activities, whether they are of legislative or regulatory nature.

SFIL and Caisse Française de Financement Local strive to comply with all laws, regulations, professional standards or recommendations that apply to them. However, as compliance requirements become more stringent, Caisse Française de Financement Local is exposed to the risk of non-compliance, *i.e.* the inability to comply with them in full.

The SFIL Group's non-compliance risks are divided into two major categories: regulatory compliance risks and financial security risks:

| Regulatory non-compliance risks | | | | | Risks in terms of financial security | | | |
|---|---|---|---|---|---|---|---|---|
| Professional conduct and prevention of conflicts of interest | Integrity of markets | Protection of interest of customers | Fight against corruption | Protection of personal data | Customer knowledge (KYC) | AML/CFT | Sanctions, asset freezes and embargoes | Export rules |

In addition to the damage to its reputation, non-compliance would expose Caisse Française de Financement Local to various types of litigation, sanctions, fines or costs relating to failure to comply with above mentioned provisions, that may adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations. This risk is further enhanced by the increased level of supervision of financial institutions by the relevant authorities.

## 4.2. Operational risk

### 4.2.1. Risk of failure or malfunction of the operational risk management systems put in place by SFIL

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

The main operational risks can be divided into the following categories:

- risk of internal or external fraud: from an employee or a third party, especially in case of cyber-attack;
- human resources and skills risk: the risk of skills management is a risk identified as high due to several factors:
    - an activity requiring expertise in certain fields linked to the specificity of Caisse Française de Financement Local (local public sector, balance sheet management, covered bonds, etc.) associated with the limited number of key skills in certain teams of SFIL due to their reduced size,
    - a company present on the banking job market but with a lack of notoriety on this market in the first years of its existence due to its youth and fact,
    - complex recruitments accentuated in certain areas by a tension on certain skills (in particular on internal models, on balance sheet management or on financial security),
    - structuring development projects both in the extension of the activity, in the regulatory evolution but also in the recasting of the informatics service which required the integration of external skills, parties at the end of the project and whose the expertise then had to be internalized, in a context of managing overhead costs under control.

      The consequences of this risk are mainly operational in nature through errors, malfunctions and delays in the performance of activities. This risk is regularly monitored via controls and indicators (such as the turnover rate or the percentage of people with experience of more than 1 year in certain teams);
- risks relating to information systems which include risks relating to the planning of systems development, risk of design, development, maintenance and security of applications, and risks related to the use of applications and softwares;
- risks relating to the conduct of operations (in particular, risks relating to the EU local authority and municipal lending market): information reliability, compliance with procedures, reliability of deliverables, human errors and inadequate monitoring of activities;
- risks relating to operational organisation: this risk relates to the inadequacy of the strategy and organisation of SFIL, the inefficiency of defined processes or inappropriate definition of interfaces;

- risks relating to compensation delays in relation to insurance policies, including insurance on export credit;
- security risks: this risk relates to the continuity and resumption of activities (including the establishment of a business continuity plan), goods and individuals;
- commercial and partnership risks: risks regarding the default of a partner, the sharing of responsibilities, commissioning, products distribution, knowledge of clients' needs and ethics;
- risks relating to professional conduct: the risk of a failure to comply with professional conduct when dealing with clients and the reputational risk linked to this failure to comply. In particular, this could be linked to a failure to comply with the laws governing EU local authority and municipal lending or a failure by Caisse Française de Financement Local to comply with the legislation applicable in France to covered bonds (*obligations foncières*) or a failure to comply with export credit regulations;
- risks relating to failure of anti-money laundering policies; and
- model risk: risk relating to decisions based on internal model results due to errors in their development implementation or use.

The occurrence of any such above mentioned operational risks may affect negatively Caisse Française de Financement Local's business, profits and financial situation.

#### 4.2.2. Risks relating to dependence on SFIL for its operations

Caisse Française de Financement Local does not have its own employees and is therefore dependent on the resources dedicated to it by its parent company, SFIL, for the day-to-day operation of its business and, in particular, the servicing of its asset portfolio. SFIL, in accordance with the terms of the management agreement entered into with Caisse Française de Financement Local (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and current account services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity, and settlement at the level of Caisse Française de Financement Local. Accordingly, Caisse Française de Financement Local is subject to the risk of non-performance or poor performance by SFIL under this management agreement. Any such non-performance or poor performance could have an adverse impact on Caisse Française de Financement Local's ability to operate and administer its Cover Pool, which could in turn have a material adverse impact on Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

If Caisse Française de Financement Local were to terminate the management agreement or otherwise if SFIL fails to provide such services, a new servicer would have to be appointed. The transfer of the servicing function to a new servicer may result in delays, increased costs and/or losses in collections under the assets in the Cover Pool, could create operational and administrative difficulties for Caisse Française de Financement Local and could adversely affect its results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

**5 Business activity risks - Caisse Française de Financement Local may face a decrease in its activity and its margins in the local authority and municipal lending market or in the refinancing of export credit**

Caisse Française de Financement Local may face increasing competition in the local government lending market or in the refinancing of export credit from which Caisse Française de Financement Local sources its Cover Pool. In France, where it will source its new assets, competition may increase from French universal banks. Within the context of Covid-19 crisis, Caisse Française de Financement Local continued its two missions of financing the local public sector and refinancing large export credits. As an illustration, the financing activity of the French local public sector was very dynamic in 2021. Production amounted to EUR 4.9 billion. The impact of the Covid-19 crisis on the financial position of the local authorities was very limited, given the support measures put in place by the French State. 2021 confirmed as well the expected increase in the use of export credit in a context of the crisis with five transactions signed by the SFIL mechanism for EUR 2.2 billion, 10% higher than the budget for the year, along with

a sustained increase in requests for quotations compared to pre-crisis years, which bodes well for sustained activity in the coming years.

Even if competitive pressure seems to have lowered in 2020 and 2021, certain of Caisse Française de Financement Local's, SFIL's and La Banque Postale's competitors may be larger and better capitalized than Caisse Française de Financement Local, or benefit from other funding sources at a different cost than market funding used by the SFIL group. Consequently, Caisse Française de Financement Local may face pricing pressure in certain areas of its operations in the future as competitors seek to increase market share by reducing prices, or offering new services at low prices. The municipal market competition could intensify, which may result in narrower lending spreads. This could make it more difficult for Caisse Française de Financement Local to purchase or originate new eligible loans and credit exposures with a sufficient margin to be refinanced by *obligations foncières*. Existing or increased competition in the French municipal banking sector or in the refinancing of export credit may lead to a reduction of margins for new commitments and ultimately to a strong reduction of new assets lending for Caisse Française de Financement Local, or otherwise materially affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

The level of margins and the amounts of loans to the local authorities and municipalities bought from La Banque Postale or the export credit market guaranteed by the French State may not remain at their current level, particularly in the uncertain environment that will prevail in the context of exiting the Covid-19 crisis and with the return of inflation and the increase in interest rates.

## 6 *Société de crédit foncier* specific risk

### 6.1. Risks linked to compliance with the coverage ratio required of it under French law

The coverage ratio of Caisse Française de Financement Local, or the ratio between the Cover Pool assets and the debt benefiting from the *Privilège* issued by Caisse Française de Financement Local, may be subject to fluctuation in the future. Fluctuation may be driven by factors such as the purchase or origination of assets at a different pace than issuances of *obligations foncières*, the use of certain assets as collateral for liquidity operations with the *Banque de France* and to obtain financing from credit institution in the form of repurchase agreement, or the changes in the requirements of the rating agencies. French law requires that the total amount of assets of *sociétés de crédit foncier* must be at least equal to 105% of the amount of liabilities benefiting from the *Privilège*. Credit rating agencies may request higher coverage ratios in order to maintain the current ratings assigned to Caisse Française de Financement Local's *obligations foncières*. On 31 December 2021, the coverage ratio was equal to 115.8%.

As the Cover Pool is limited to credits to or guaranteed by public sector entities, including various local governments and municipalities, the coverage ratio may decline in the event of a decrease in the value of those interests, such as in the case of significant defaults in payment. The coverage ratio is monitored by the specific controller (the "***Contrôleur Spécifique***") to confirm compliance with French law upon each issuance of *obligations foncières*. If a material amount of assets in the Cover Pool were to default, Caisse Française de Financement Local may not be able to purchase new assets as a substitute for the defaulting assets and thus to maintain the required level of assets within the Cover Pool. Non-compliance with the required coverage ratio would lead the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) to ask the management of Caisse Française de Financement Local to remedy the situation, and ultimately could lead to the institution of substitute management by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*), or a loss of Caisse Française de Financement Local's status as a *société de crédit foncier*. Failure to maintain the required coverage ratio could also result in Caisse Française de Financement Local being unable to issue further *Obligations Foncières* or refinance existing *Obligations Foncières*, adversely affecting its business, financial condition, cash flows and results of operations.

### 6.2. Compliance of the assets in the Cover Pool with the eligibility criteria

For all French loans contained in Caisse Française de Financement Local's Cover Pool, the eligibility is verified through a daily control carried out by SFIL. Nevertheless, assets in the Cover Pool at the time of acquisition or at any given time may not comply with the applicable eligibility criteria. As an illustration, the Cover Pool comprises

bonds issued by banks eligible as replacement assets if only their rating is above a certain threshold. In case of rating downgrade, these bonds would lose their eligibility. In addition, loans to certain clients could be automatically transfered to other entities that are not eligible, in case of reorganisation of public services. Were there to be material non-compliance as to a large enough portion of Caisse Française de Financement Local's Cover Pool assets, Caisse Française de Financement Local would be required to sell its non-compliant assets, leading to losses and, in certain circumstances, to a reduction in the coverage ratio, and it may be unable to issue further *Obligations Foncières* or meet payment obligations on existing *Obligations Foncières*, adversely affecting Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

In its business of refinancing large export credit, Caisse Française de Financement Local grants loans to its parent company SFIL, to refinance its export credit. These refinancing loans benefit from a 100% guarantee of the French State which entitles such loans to be eligible to the Cover Pool. Should a refinancing loan loose the benefit of the guarantee, it could become not eligible to the Cover Pool, and Caisse Française de Financement Local would either notify SFIL a mandatory redemption of the loan or reclassify the asset as a replacement asset within the regulatory limit and subject to a sufficient rating of SFIL. In certain circumstances, SFIL may not be able to redeem the loan or the reclassification may not be possible; in such cases, Caisse Française de Financement Local would not be compliant with regulation and this could deteriorate its reputation or lead to an interdiction of issuing new *obligations foncières*.

## II. RISKS RELATING TO THE *OBLIGATIONS FONCIÈRES*

### 1 Risk relating to the nature of the Programme and the parties involved in its functioning

#### 1.1. The Issuer has sole liability under the *Obligations Foncières*

The Issuer has traditionally benefitted from the financial support of its parent company, including arrangements designed to ensure its continued liquidity and viability, including large amounts of equity, long-term loan financing and further liquidity through a current account agreement. None of the various arrangements, including the "declaration of support" from SFIL, constitutes a guarantee of the Issuer's obligations to its creditors. The Issuer is solely responsible for its obligations to its creditors, is the only entity with the obligation to pay principal and interest in respect of the *Obligations Foncières* and cannot legally rely on any other entity to this end. The *Obligations Foncières* are not guaranteed by SFIL or any other person.

As of 31 December 2021, the Cover Pool comprised EUR 51.3 billion in loans, EUR 6.0 billion in securities and the cash surplus placed with the *Banque de France* amounted to EUR 3.8 billion. The Cover Pool may not be sufficient to pay in full the amounts payable under the *Obligations Foncières,* especially for *Obligations Foncières* with the longest maturities.

Should the Issuer default from its obligations under the *Obligations Foncières*, holders of *Obligations Foncières* will have no other external remedies than to request such payment from the Issuer. As a consequence, the situation of the holders of *Obligations Foncières* may be adverserly and materially affected and holders of *Obligations Foncières* could lose all of their investments in the *Obligations Foncières*.

#### 1.2. Holders have access to a limited description of the Cover Pool

Save as provided in the Issuer's annual or semi-annual reports, quarterly activity reports, quarterly reports on assets quality or quarterly Harmonised Transparency Template of the Covered Bond Label, holders will not receive more detailed statistics or information in relation to the loans or other assets contained or to be contained in the Issuer's Cover Pool. Although the *Contrôleur Spécifique* will monitor the Issuer's compliance with asset portfolio requirements and the coverage ratio under French law, the report of the *Contrôleur Spécifique* is not publicly available. Furthermore, the composition of the Cover Pool is dynamic, and is expected to change during the term of any *Obligations Foncières*, details of which may not be available to holders of the *Obligations Foncières.*

As a consequence, the credit quality of the Cover Pool may be gradually adversely affected by new assets.

As of 31 December 2021, the Cover Pool comprised EUR 51.3 billion in loans, EUR 6.0 billion in securities and the cash surplus placed with the *Banque de France* amounted to EUR 3.8 billion. In addition, the weighted average life of the Cover Pool was 6.75 years.

### 1.3. Holders of *Obligations Foncières* issued under the Programme may not declare the *Obligations Foncières* immediately due and payable under any circumstances, including a default in the payment by the Issuer of any interest or principal due in respect of the *Obligations Foncières*

*Obligations Foncières* issued under the Programme may not be declared immediately due and payable under any circumstances, including a default in the payment by the Issuer of any principal or interest due in respect of the *Obligations Foncières*. Certain events that are customarily considered events of default under debt instruments giving rise to a right on the part of the registered holder to declare such debt instrument immediately due and payable, such as the Issuer filing for bankruptcy, cross-defaults or insolvency proceedings, will not give rise to the right on the part of the holders of *Obligations Foncières* issued under the Programme to declare the *Obligations Foncières* immediately due and payable. Pursuant to the terms of the French *Code monétaire et financier*, all cash flows generated by the Issuer's assets and by derivatives transactions together with deposits made by the Issuer with other credit institutions, that in each case are eligible assets within the meaning of Articles L.513-3 to L.513-10 of the French *Code monétaire et financier*, are allocated as a matter of absolute priority to servicing *Obligations Foncières* or other privileged liabilities of the Issuer as they fall due.

As a consequence, for the holders of *Obligations Foncières* with the longest maturity the situation may be adverserly and materially affected and they could lose all of their investments in the *Obligations Foncières*.

## 2 Risks relating to the structure of a particular issue of *Obligations Foncières* under the Programme

### 2.1. Interest rate risks relating to the *Obligations Foncières*

#### 2.1.1. Fixed Rate *Obligations Foncières*

Condition 5(b) of the Terms and Conditions of the *Obligations Foncières* allows for the issuance of *Obligations Foncières* that pay a fixed rate of interest to holders of *Obligations Foncières*. Investment in *Obligations Foncières* which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of *Obligations Foncières*.

While the nominal interest rate of a Fixed Rate *Obligation Foncière* is determined for the term of such *Obligation Foncière* or for a given period of time, the market interest rate typically varies on a daily basis. As the market interest rate changes, the price of the Fixed Rate *Obligation Foncière* varies in the opposite direction. If the market interest rate increases, the price of the Fixed Rate *Obligation Foncière* typically decreases, until the yield of such Fixed Rate *Obligation Foncière* equals approximately the market interest rate. If the market interest rate decreases, the price of the Fixed Rate *Obligation Foncière* typically increases, until the yield of such Fixed Rate *Obligation Foncière* equals approximately the market interest rate.

Movements of the market interest rate can adversely affect the price of the Fixed Rate *Obligation Foncière* and can lead to losses if they sell *Obligations Foncières* during the period in which the market interest rate exceeds the fixed rate of such *Obligation Foncière*. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the price of the *Obligations Foncières* and cause holders of *Obligations Foncières* who sell *Obligations Foncières* on the secondary market to lose part of their initial investment.

#### 2.1.2. Floating Rate *Obligations Foncières*

Condition 5(c) of the Terms and Conditions of the *Obligations Foncières* allows for the issuance of *Obligations Foncières* that pay a floating rate of interest to holders of *Obligations Foncières*. Investment in *Obligations Foncières* which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to

be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the *Obligations Foncières* but there will be a periodic adjustment (as specified in the Final Terms) of the reference rate (*e.g.*, every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate *Obligations Foncières* may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these *Obligations Foncières* upon the next periodic adjustment of the relevant reference rate.

A key difference between Floating Rate *Obligations Foncières* and Fixed Rate *Obligations Foncières* is that interest income on Floating Rate *Obligations Foncières* cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate *Obligations Foncières* at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Terms and Conditions of the *Obligations Foncières* provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to also issue Fixed Rate *Obligations Foncières* may affect the market value and the secondary market (if any) of the Floating Rate *Obligations Foncières* (and *vice versa*).

### 2.1.3. Fixed/Floating Rate *Obligations Foncières* and Fixed Rate/Formula *Obligations Foncières*

Condition 5(d) of the Terms and Conditions of the *Obligations Foncières* and Condition 5(e) of the Terms and Conditions of the *Obligations Foncières* respectively allow the issue of Fixed/Floating Rate *Obligations Foncières* and, in respect of *Obligations Foncières* having a denomination of at least EUR100,000, Fixed Rate/Formula *Obligations Foncières* which bear interest at a rate that converts either automatically or at the option of the Issuer from (i) a fixed rate to a floating rate, or a floating rate to a fixed rate or (ii) a fixed rate to a rate of interest linked to a formula, or a rate of interest linked to a formula to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market, the yield on, and the market value of, such *Obligations Foncières* as the change of interest basis may result in a lower interest return for holders of *Obligations Foncières*. Where the *Obligations Foncières* convert from a fixed rate to a floating rate or a rate of interest linked to a formula, the spread on the Fixed/Floating Rate *Obligations Foncières* may be less favourable than then prevailing spreads on comparable Floating Rate *Obligations Foncières* tied to the same reference rate or a rate of interest linked to a formula. In addition, the new floating rate at any time may be lower than the rates on other *Obligations Foncières*. Where the *Obligations Foncières* convert from a floating rate or a rate of interest linked to a formula to a fixed rate, the fixed rate may be lower than then prevailing rates on those *Obligations Foncières* and could affect the market value of an investment in the relevant *Obligations Foncières*. Therefore, investors could receive a lower return on the *Obligations Foncières* and, as a result, lose all or part of their investment in the *Obligations Foncières*. Where conversion is at the option of the Issuer, the Issuer may not exercise such option.

### 2.1.4. Inflation Linked Obligations *Foncières*

Condition 5(c) of the Terms and Conditions of the *Obligations Foncières* allows for the issuance of *Obligations Foncières* with principal or interest determined by reference to the rate of inflation in France or in the European Monetary Union ("**Inflation Linked *Obligations Foncières***"). Inflation Linked *Obligations Foncières* are securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of one or more inflation indices, which themselves may contain substantial credit, interest rate, foreign exchange, time value, political and/or other risks and will be one of (i) the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the Institut National de la Statistique et des Etudes Economiques ("**INSEE**"), or (ii) the harmonised index of consumer prices (excluding tobacco), or the relevant substitute index, measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (each an "**Inflation Index**" and together, the "**Inflation Indices**"). If the value of the relevant index calculated at any time prior to the maturity date is lower than the value of the relevant index at the time of the issue of the *Obligations Foncières* or at the time of purchase by the holders of *Obligations Foncières*, then the amount of interest payable by the

Issuer and/or the principal of Inflation Linked *Obligations Foncières* may vary. Holders of such *Obligations Foncières* may receive no interest.

Each holder of *Obligations Foncières* linked to an Inflation Index may receive a Final Redemption Amount in respect of any Inflation Linked *Obligations Foncières*, which will be determined on the basis of a formulae and by reference to an IIR (as defined in Condition 6(c) of the Terms and Conditions of the *Obligations Foncières*) ratio. If the calculated Final Redemption Amount is below par, the *Obligations Foncières* will be redeemed at par. An investment in Inflation Linked *Obligations Foncières* therefore entails significant risks which include, among other things, the possibility that:

- such inflation indices may be subject to significant changes, whether due to the composition of any such inflation index itself, or because of fluctuations in value of the inflation indices;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time; and
- it may not be possible for investors to hedge their exposure to these various risks relating to Inflation Linked *Obligations Foncières*.

In addition, the value of Inflation Linked *Obligations Foncières* on the secondary market is subject to greater levels of risk than the value of other *Obligations Foncières* and the market price of such *Obligations Foncières* may be very volatile. The secondary market, if any, for Inflation Linked *Obligations Foncières* will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable inflation index, including the volatility of the applicable inflation index, the time remaining to the maturity of such *Obligations Foncières*, the amount outstanding of such *Obligations Foncières* and market interest rates. The value of the applicable inflation index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Holders of Inflation Linked *Obligations Foncières* are exposed to the risk that changes in the levels of the Inflation Indices may adversely affect the value of such *Obligations Foncières* and, as a result, investors could lose part of their investment.

### 2.1.5. Formulas relating to *Obligations Foncières*

Condition 5(c) of the Terms and Conditions of the *Obligations Foncières* allows for the issuance of *Obligations Foncières* having a denomination of at least EUR100,000 with interest determined by reference to the Index Formula, the Underlying Formula, the CPI Formula or the HICP Formula (together, the "**Formulas**"), where interest amounts are dependent upon a formula.

*Obligations Foncières* linked to Formulas can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features, and such volatility may have a significant adverse effect on the market value of the *Obligations Foncières*.

Holders of *Obligations Foncières* linked to Formulas are exposed to the risk that changes in the levels of the underlyings and/or indices of the Formulas may adversely affect the value of such *Obligations Foncières* and, as a result, investors could lose part of their investment.

*Obligations Foncières* linked to Formulas are securities which do not provide for predetermined interest payments but amounts due in respect of interest that will be dependent upon the performance of one or more underlyings and/or indices, which themselves may contain substantial credit, interest rate, foreign exchange, time value, political and/or other risks.

An investment in *Obligations Foncières* linked to Formulas therefore entails significant risks which include, among other things, the possibility that:

- such underlyings and/or indices may be subject to significant changes, whether due to the composition of any such underlying and/or indice itself, or because of fluctuations in value of the underlyings and/or indices;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time; and
- it may not be possible for investors to hedge their exposure to these various risks relating to *Obligations Foncières* linked to Formulas.

### 2.1.6. Reform and regulation of Benchmarks

Pursuant to Condition 5(c) and where the relevant Final Terms for a Series of Floating Rate *Obligations Foncières* identifies that the Rate of Interest for such Floating Rate *Obligations Foncières* will be determined by reference to interest rates and indices which are deemed to be Benchmarks (such as CMS Rate, EURIBOR, €STR, SARON, SOFR, SONIA, TEC 10 or any other reference rate specified in the relevant Final Terms), such Benchmarks are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently from the past, to disappear entirely, to be subject to revised calculation methods, or have other consequences that cannot be predicted. Any such consequence could have an adverse effect on any Floating Rate *Obligations Foncières* linked to or referencing such a Benchmark.

Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**") entered into force on 30 June 2016, with the majority of its provisions applying from 1 January 2018.

The Benchmarks Regulation (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non-EU based, to be subject to equivalent requirements) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, deemed equivalent or recognised or endorsed). In the United Kingdom, the Benchmarks Regulations as it forms part of UK domestic law by virtue of European Union (Withdrawal) Act 2018 provides for equivalent sets of rules.

The Benchmarks Regulation could have a material impact on any Floating Rate *Obligations Foncières* traded on a trading venue or via a "systematic internaliser" linked to or referencing a Benchmark. Notably, the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmarks Regulation, and such changes could, among other things, have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the Benchmark. This could potentially lead to the Floating Rate *Obligations Foncières* being de-listed, adjusted or redeemed early or otherwise impacted depending on the particular Benchmark and the applicable terms of the Floating Rate *Obligations Foncières* or have other adverse effects or unforeseen consequences.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks or any further uncertainty in relation to the timing and manner of implementation of such changes, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks (such as CMS Rate, EURIBOR, €STR, SARON, SOFR, SONIA, TEC 10 or any other reference rate specified in the relevant Final Terms): (i) discourage market participants from continuing to administer or contribute to such Benchmarks, (ii) trigger changes in the rules or the methodologies used in such Benchmarks or (iii) lead to the disappearance of such Benchmarks. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have an adverse effect on the market value of and return on any Floating Rate *Obligations Foncières* linked to or referencing a Benchmark.

If a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate *Obligations Foncières* which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Floating Rate *Obligations Foncières* (it being specified that if the Reference Rate has been discontinued or a Benchmark Event has occurred, a specific fall-back shall apply - please refer to the risk factor entitled "*The occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such Obligations Foncières linked to or referencing such Benchmarks*" below). However, such fall-back provisions may be deviated from if deemed unsuitable by the Commission or the relevant national authority, as further explained below.

Depending on the manner in which a benchmark rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies, be reliant upon the provision by reference banks of offered quotations for the benchmark rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when the benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any *Obligations Foncières* linked to or referencing a Benchmark.

Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 has amended the existing provisions of the Benchmarks Regulation by extending the transitional provisions applicable to material benchmarks and third-country benchmarks until the end of 2021.

The Benchmarks Regulation was notably amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 which introduces a harmonised approach to deal with the cessation or wind-down of certain Benchmarks (such as EURIBOR) by conferring the power to designate a statutory replacement for said Benchmarks on the Commission or the relevant national authority, such replacement being limited to contracts and financial instruments (such as certain *Obligations Foncières* issued under the Programme) which contain no fallback provision or no suitable fallback provisions before the date of cessation of the Benchmark concerned. For instance, if pursuant to a fallback provision included in the Condition 5(c)(iii) of the Terms and Conditions of the *Obligations Foncières* a Benchmark is replaced by a Benchmark which no longer reflects or which significantly diverges from the underlying market or the economic reality that the Benchmark in cessation is intended to measure, a statutory replacement of such Benchmark may be designated. This replacement could have a negative impact on the value or liquidity of, and return on, certain *Obligations Foncières* issued under the Programme linked to or referencing such Benchmark and may not operate as intended at the relevant time or may perform differently from the discontinued or otherwise unavailable Benchmark. However, there are still uncertainties about the exact implementation of this provision pending the implementing acts of the European Commission.

In addition, Regulation (EU) 2021/168 is subject to further development through delegated regulations, the transitional provisions applicable to third-country Benchmarks are extended until the end of 2023 and the Commission is empowered to further extend this period until the end of 2025, if necessary. Such developments may create uncertainty regarding any future legislative or regulatory requirements arising from the implementation of delegated regulations.

### 2.1.7. Risks relating to *Obligations Foncières* which are linked to €STR, SARON, SOFR and SONIA

The market continues to develop in relation to adoption of risk-free rates (including overnight rates) as reference rates for Floating Rate *Obligations Foncières*. These new overnight risk-free rates are still however in very early stages of development and they may not be widely adopted by market users.

The Final Terms for a Series of Floating Rate *Obligations Foncières* may provide that the Rate of Interest for such *Obligations Foncières* will be determined by reference to such overnight risk-free rates such as the Euro short term rate ("**€STR**"), the Swiss Average Rate Overnight ("**SARON**"), the Secured Overnight Financing Rate ("**SOFR**") or the Sterling Overnight Index Average ("**SONIA**").

The market or a significant part thereof may adopt an application of €STR, SARON, SOFR and SONIA that differs significantly from that set out in the Terms and Conditions of the *Obligations Foncières* and used in relation to Floating Rate *Obligations Foncières* issued under this Base Prospectus that reference €STR, SARON, SOFR or SONIA.

The nascent development of these overnight risk-free rates as interest reference rates for the Eurobond markets, as well as continued development of such rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Floating Rate *Obligations Foncières*. The return on and value of €STR-, SARON-, SOFR- or SONIA-linked *Obligations Foncières* may fluctuate more than *Obligations Foncières* that are linked to less volatile rates. Since overnight risk-free rates are relatively new market indexes, the *Obligations Foncières* will likely have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Investors in the *Obligations Foncières* may not be able to sell the *Obligations Foncières* at all or may not be able to sell the *Obligations Foncières* at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Interest on Floating Rate *Obligations Foncières* that reference €STR, SARON, SOFR or SONIA is only capable of being determined at the end of the relevant Interest Accrual Period and shortly prior to the relevant Interest Payment Date. It may be difficult for investors in Floating Rate *Obligations Foncières* that reference €STR, SARON, SOFR or SONIA to reliably estimate the amount of interest that will be payable on such Floating Rate *Obligations Foncières*.

The mismatch between the adoption of such reference rates across these markets may impact negatively any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Floating Rate *Obligations Foncières* referencing €STR, SARON, SOFR or SONIA.

### 2.1.8. The discontinuance of a reference rate or occurrence of a Benchmark Event could have a material adverse effect on the value of and return on any such *Obligations Foncières* linked to or referencing such Benchmarks

Where FBF Determination, ISDA Determination or Screen Rate Determination are specified as the manner in which the Rate of Interest in respect of the Floating Rate *Obligations Foncières* is to be determined and the reference rate has been discontinued or a Benchmark Event (only applicable for Screen Rate Determination, as further described in Condition 5(c)(iii)(D) of the Terms and Conditions of the *Obligations Foncières*, it being specified that this Condition shall not apply to €STR, SARON, SOFR and SONIA) has occurred, the Rate of Interest on the affected Floating Rate *Obligations Foncières* will be changed in ways that may be adverse to holders of such Floating Rate *Obligations Foncières*, without any requirement to obtain the consent of such holders.

Pursuant to the Terms and Conditions of any Floating Rate *Obligations Foncières* for which Screen Rate Determination is specified, such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in Condition 5(c)(iii)(D) of the Terms and Conditions of the *Obligations Foncières*), and may include concomitant changes to the Terms and Conditions of the *Obligations Foncières* necessary to make the Alternative Rate or the Successor Rate (as defined in Condition 5(c)(iii)(D) of the Terms and Conditions of the *Obligations Foncières*) as comparable as possible to the previous Reference Rate, all as determined by the Independent Adviser and without the consent of the holder of *Obligations Foncières*.

In certain circumstances, including where no Successor Rate or Alternative Rate (as applicable) is determined or due to the uncertainty concerning the availability of Successor Rates or Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time and the Alternative Rate or Successor Rate may perform differently from the discontinued or otherwise unavailable Benchmark. In addition, pursuant to Regulation (EU) 2021/168 of the European

Parliament and of the Council of 10 February 2021 they may be deviated from if deemed unsuitable by the Commission or the relevant national authority.

If the Independent Adviser is unable to determine an appropriate Alternative Rate or Successor Rate for any Reference Rate on or prior to the next following relevant Floating Rate Determination Date, then the provisions for the determination of the Rate of Interest on the affected Floating Rate *Obligations Foncières* will not be changed. In such cases, the Terms and Conditions of the *Obligations Foncières* provide that the Rate of Interest on such Floating Rate *Obligations Foncières* shall be the Rate of Interest determined on the previous relevant Floating Rate Determination Date, as determined by the Calculation Agent (*i.e.* which may result in the effective application of a fixed rate). In such circumstances and a rising interest rate environment, holders of *Obligations Foncières* will, consequently, not benefit from any increase in rates. The trading value and return of such Floating Rate *Obligations Foncières* could therefore be adversely and materially affected.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate *Obligations Foncières* or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate *Obligations Foncières*. Investors should note that, the Independent Adviser will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and, due to the particular circumstances of each holder of *Obligations Foncières*, any such adjustment may not be favourable to each holder of *Obligations Foncières*.

#### 2.1.9. Zero Coupon *Obligations Foncières*

Condition 5(f) of the Terms and Conditions of the *Obligations Foncières* allows for the issuance of *Obligations Foncières* that pay no interest to holders of *Obligations Foncières*. Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon *Obligations Foncières* than on the prices of ordinary *Obligations Foncières* because the discounted issue prices of Zero Coupon *Obligations Foncières* are generally substantially below their par value. If market interest rates increase, holders of Zero Coupon *Obligations Foncières* are exposed to greater price declines than holders of other securities with comparable maturity and credit rating. Zero Coupon *Obligations Foncières* are a type of investment associated with a particularly high risk of price fluctuation. Due to their leverage effect, Zero Coupon *Obligations Foncières* are a type of investment associated with a particularly high price risk and holders of *Obligations Foncières* may, as a result, lose all or part of their investment in the *Obligations Foncières*.

#### 2.1.10. *Obligations Foncières* issued at a substantial discount or premium

The relevant Final Terms of a Tranche of *Obligations Foncières* will specify the relevant issue price. The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have an adverse effect on the value of the *Obligations Foncières*. Therefore, holders of *Obligations Foncières* issued at a substantial discount or premium could be exposed to greater losses on their investment than holders of conventional interest-bearing securities.

### 2.2. Risk relating to the redemption at the option of the Issuer of the *Obligations Foncières*

Any optional redemption feature of *Obligations Foncières* (as provided in Condition 6(b) (Redemption at the Option of the Issuer and Partial Redemption), Condition 6(d) (Early Redemption), Condition 6(e) (No Redemption for Taxation Reasons) and Condition 6(i) (Illegality) of the Terms and Conditions of the *Obligations Foncières*) is likely to limit their market value. During a period when the Issuer may elect, or has elected, to redeem *Obligations Foncières*, such *Obligations Foncières* may feature a market value not substantially above the price at which they can be redeemed. In such circumstances an investor may not be

able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the *Obligations Foncières* and may only be able to do so at a lower rate.

If the Issuer decides to redeem the *Obligations Foncières* in part only, such partial redemption shall be effected by reducing the nominal amount of all such *Obligations Foncières* in proportion to the aggregate nominal amount redeemed. Depending on the proportion of the principal amount of all of the *Obligations Foncières* so reduced, any trading market in respect of those *Obligations Foncières* in respect of which such option is not exercised may become illiquid.

### 2.3. Risk relating to the rating of the *Obligations Foncières*

*Obligations Foncières* issued under the Programme are expected to be rated AA+ by S&P and/or Aaa by Moody's and/or AAA by DBRS. The credit rating of the *Obligations Foncières* will be specified in the relevant Final Terms. Any such ratings may not continue for any period of time or may be reviewed, revised, suspended or withdrawn entirely by any of the rating agencies, such as S&P, Moody's, DBRS or their respective successors and/or by any other rating agency, without notice as a result of changes in or unavailability of information or if, in the judgment of the rating agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may adversely and materially affect both the value of the *Obligations Foncières* or their marketability in secondary market transactions and adversely affect the Issuer's ability to issue new *Obligations Foncières*.

The rating reflects the relative likelihood that the *Obligations Foncières* are repaid as per their Terms and Conditions as judged by one or more independent credit rating agencies. In addition, an investment in the *Obligations Foncières* involves (i) the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant *Obligations Foncières* and (ii) taking credit risk on the Issuer because if the financial situation of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the *Obligations Foncières*, and investors may lose all or part of their investment.

Please also refer to the risk factor 3.1 entitled "Credit rating of Caisse Française de Financement Local's *Obligations Foncières* may be affected by the credit rating of SFIL and the French State" above.

### 2.4. Risks relating to Green *Obligations Foncières* and to Social *Obligations Foncières*

The Final Terms relating to any specific Tranche of *Obligations Foncières* may provide that it will be the Issuer's intention to apply (i) an amount equal to the net proceeds of the issue of those *Obligations Foncières* into Eligible Green Loans as defined in the green bond framework (as may be amended or supplemented from time to time) (the "**SFIL Group Green Bond Framework**") (such *Obligations Foncières* being "**Green *Obligations Foncières***") or (ii) an amount equal to the net proceeds of the issue of those *Obligations Foncières* into Eligible Health Loan Portfolio as defined in the social note framework (as may be amended or supplemented from time to time) (the "**SFIL Group Social Note Framework**") (such *Obligations Foncières* being "**Social *Obligations Foncières***"), such SFIL Group Green Bond Framework and SFIL Group Social Note Framework being published on the website of the Issuer (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/), as specified in the relevant Final Terms.

Regulation (EU) No 2020/852 of the European Parliament and of the Council dated 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended (the "**Taxonomy Regulation**") has been adopted, establishing a single EU-wide classification system, or "taxonomy", which provides companies and investors with a common language for determining which economic activities can be considered environmentally sustainable (the "**EU Taxonomy**"). The Taxonomy Regulation establishes six environmental objectives: (i) climate change mitigation, (ii) climate change adaptation, (iii) the sustainable use and protection of water and marine resources, (iv) the transition to a circular economy, (v) pollution prevention and control and (vi) the protection and restoration of biodiversity and ecosystems. Under the

Taxonomy Regulation, the European Commission had to come up with the actual list of environmentally sustainable activities by defining technical screening criteria for each environmental objective.

The EU Taxonomy is subject to further development through delegated regulations. A first Delegated Regulation (EU) 2021/2139 dated 4 June 2021 established the technical screening criteria for determining the conditions under which an economic activity qualifies as "contributing substantially" to climate change mitigation or climate change adaptation and determined whether that economic activity causes no significant harm to any of the other environmental objectives. Another delegated acts for the remaining objectives should be published in 2022. In addition, the European Commission adopted a Delegated Regulation (EU) 2021/2178 dated 6 July 2021 supplementing Article 8 of the Taxonomy Regulation and specifying the content, methodology and presentation of information to be disclosed by certain undertakings concerning environmentally sustainable economic activities. Moreover, on 6 July 2021 the European Commission published its proposal for a regulation on an EU green bond standard and on 13 April 2022, the European Union permanent representatives greenlighted the Council's position on the proposal to create European green bonds. Negotiations with the European Parliament in order to agree on a final version of the text will now begin.

In light of the continuing development of legal, regulatory and market conventions in the green, sustainable and social market, there is a risk that the use of proceeds of any Green *Obligations Foncières* or Social *Obligations Foncières* will not satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

While it is the intention of the Issuer to apply the proceeds of any Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, so specified for the relevant loan, in, or substantially in, the manner described in the relevant Final Terms, the relevant loan or use(s) the subject of, or related to, any loan, may not be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and accordingly such proceeds may not be totally or partially disbursed for such loan. Such loan may not be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. In addition, SFIL Group may change the SFIL Group Green Bond Framework and/or the SFIL Group Social Note Framework at any time, in particular, in order to adapt to any update that may be made to the ICMA's Green Bond Principles on which the SFIL Group Green Bond Framework is based and/or the ICMA's Social Bond Principles on which the SFIL Group Social Note Framework is based. Such changes may have a negative impact on the market value and the liquidity of any Green *Obligations Foncières* or Social *Obligations Foncières* issued prior to their implementation. Any such event or failure by the Issuer will not constitute an Event of Default under the Green *Obligations Foncières* or the Social *Obligations Foncières*, as the case may be.

In addition, any failure to use the net proceeds from such Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, with any loan or to meet or continue to meet the investment requirements of certain environmentally or socially focused investors with respect to such Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, may affect the value of such Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, and/or may have consequences for certain investors with portfolio mandates to invest in green and/or social assets and consequently, holders of Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, could lose all or part of their investment in the Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be.

## 3 Risks relating to all Series of *Obligations Foncières*

### 3.1. Credit Risk

As contemplated in Condition 3 of the Terms and Conditions of the *Obligations Foncières*, the *Obligations Foncières* are direct, unconditional and, pursuant to the provisions of Condition 4 of the Terms and Conditions of the *Obligations Foncières*, privileged obligations of the Issuer and rank, and will rank *pari*

*passu* and without any preference among themselves and equally and rateably with all other present or future *obligations foncières* of the Issuer (including the *Obligations Foncières* of all other Series) and other resources raised by the Issuer benefiting from the *privilège* referred to in Article L.513-11 of the French *Code monétaire et financier*.

However, an investment in the *Obligations Foncières* involves taking credit risk on the Issuer. If the financial situation of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the *Obligations Foncières*, and investors may lose all or part of their investment.

### 3.2. French insolvency laws

The Issuer having its registered office in France, French insolvency laws apply to the Issuer. Under French insolvency law, pursuant to *Ordonnance* No.2021-1193 of 15 September 2021, which transposes Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019, in the context of the opening in France of a safeguard (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) with respect to the Issuer, the affected parties (*parties affectées*) (*i.e.* creditors, including the holders of *Obligations Foncières*) are grouped into distinct classes in order to adopt a restructuring plan. The administrator (*administrateur judiciaire*) splits, on the basis of verifiable objective criteria, the affected parties between classes comprising claims or interests with rights that reflect a sufficient commonality of interest, following certain conditions. As a minimum, the secured and unsecured receivables must be treated in distinct classes in order to adopt a restructuring plan.

The decision of each class is taken by a two-third (2/3rd) majority of the voting rights of the participating members, no quorum being required.

If the restructuring plan is not approved by all classes of affected parties, it can still be ratified by the court at the request of the Issuer or the receiver with the Issuer's consent and be imposed on dissenting classes through a cross-class cram down, under certain conditions.

As specialised credit institution (*établissement de crédit spécialisé*), the Issuer is also subject to the provisions of Article L.613-24 *et seq.* of the French *Code monétaire et financier*, which include, *inter alia,* specific rules concerning the opening of insolvency proceedings against credit institutions (*établissements de crédit*) or financing companies (*sociétés de financement*), a specific involvement of the ACPR in the event of bankruptcy of a credit institution or financing company, an overriding concept of suspension of payment (*cessation des paiements*) and other specific rules of liquidation.

However, the Issuer, as *société de crédit foncier*, benefits from a regime which derogates in many ways from the French legal provisions relating to insolvency proceedings, including:

(i) in accordance with Article L.513-18 of the French *Code monétaire et financier*, the provisions of Article L.632-2 of the French *Code de commerce*, allowing an administrative receiver to render certain transactions entered into during the hardening period (*période suspecte*) null and void, are not applicable to contracts executed by *sociétés de crédit foncier*, or to legal transactions in favour of *sociétés de crédit foncier*, provided that those contracts or transactions are, without fraud, made in accordance with their exclusive legal purpose (as defined by Article L.513-2 of the French *Code monétaire et financier*);

(ii) in accordance with Article L.513-20 of the French *Code monétaire et financier*, precludes the extension of insolvency proceedings in respect of the *société de crédit foncier* parent company to the *société de crédit foncier*;

(iii) in accordance with Article L.513-21 of the French *Code monétaire et financier*, in case of the opening of any safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) against the credit institution which is acting as manager and servicer of the assets and liabilities of the Issuer (such as the cash manager), the recovery, management and servicing contract pursuant to which the Issuer has delegated to such credit institution the management or recovery of its assets may be immediately terminated by the Issuer notwithstanding any legal provisions to the contrary; and

(iv) pursuant to Article L.513-11 of the French *Code monétaire et financier*, notwithstanding any legal provisions to the contrary and in particular the provisions of book VI (*Livre VI*) of the French *Code de commerce* relating to the difficulties of companies (*difficultés des entreprises*):

(a) the amounts resulting from loans, assimilated receivables, exposures and securities (and, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and, as from 8 July 2022, deposits (*dépôts*)) referred to in Articles L.513-3 to L.513-7 of the French *Code monétaire et financier*, including, as from 8 July 2022, any mortgage, charge, lien, or other guarantee or indemnity relating thereto, and the forward financial instruments used for hedging as referred to in Article L.513-10 of the French *Code monétaire et financier* (in each case, after any applicable set-off), together with the receivables in respect of deposits made by a *société de crédit foncier* with credit institutions (*établissements de crédit*), are allocated by way of priority to the payment of any sums due in relation to the *obligations foncières*, to other resources benefiting from the *Privilège*, as mentioned in paragraph 2 of the I of Article L.513-2 of the French *Code monétaire et financier*;

(b) prior to 8 July 2022, when a *société de crédit foncier* (such as the Issuer) is subject to conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*), and as from 8 July 2022, when a *société de crédit foncier* (such as the Issuer) is subject to safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) or to resolution proceedings (*procédure de résolution*) opened pursuant to article L.613-49 of the French *Code monétaire et financier*, the amounts regularly originated from the operations referred to in the second paragraph of I of Article L.513-2 of the French *Code monétaire et financier* (*i.e.* resources benefiting from the *Privilège*) are paid to their respective creditors, on their respective contractual due date and by way of priority to all other receivables, whether or not preferred or secured, including interests resulting from agreements whatever their duration is;

(c) no creditor of a *société de crédit foncier* (such as the Issuer) may avail itself of any right over the assets and rights of such *société de crédit foncier,* either in principal or interest, until all creditors benefiting from the *Privilège* defined in Article L.513-11 of the French *Code monétaire et financier* have been fully paid off;

(d) prior to 8 July 2022, the judicial liquidation proceedings (*procédure de liquidation judiciaire*) of a *société de crédit foncier* such as the Issuer will not result in the acceleration of payment of *Obligations Foncières* and other debts benefiting from the *Privilège*; and

(e) as from 8 July 2022, the safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*), judicial liquidation proceedings (*procédure de liquidation judiciaire*) or the resolution proceedings (*procédure de résolution*) opened pursuant to Article L.613-49 of the French *Code monétaire et financier* against a *société de crédit foncier* such as the Issuer will not result in the acceleration of payment of *Obligations Foncières* and other debts benefiting from the *Privilège*.

In the case of insolvency proceedings in respect of the Issuer, the ability of holders of *Obligations Foncières* to enforce their rights under the *Obligations Foncières* may be limited. In addition, the value of the *Obligations Foncières* would be adversely affected.

### 3.3. Modification and waivers

The holders of *Obligations Foncières* will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *Masse* and a General Meeting can be held or Written Decisions can be taken, each as defined in Condition 10 of the Terms and Conditions of the *Obligations Foncières*. The Terms and Conditions of the *Obligations Foncières* permit in certain cases defined majorities to bind all holders of *Obligations Foncières* including holders of *Obligations Foncières* who did not attend and vote at the relevant General Meeting or did not consent to the Written Decision or holders of *Obligations Foncières* who voted in a manner contrary to the majority. Holders of *Obligations Foncières* may through Collective

Decisions (as defined in as defined in Condition 10 of the Terms and Conditions of the *Obligations Foncières*) deliberate or vote on any proposal relating to the modification of the Terms and Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 10 of the Terms and Conditions of the *Obligations Foncières*. The modification of the Terms and Conditions of the *Obligations Foncières* adopted by a majority of holders of *Obligations Foncières* may adversely and materially affect the market value of the *Obligations Foncières* and these holders of *Obligations Foncières* may lose all or part of their investment in the *Obligations Foncières*.

### 3.4. Withholding taxes - No additional amounts

Pursuant to Condition 8 of the Terms and Conditions of the *Obligations Foncières*, if any law should require that any payments in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges of whatever nature, the Issuer will not pay any additional amounts in respect of any such withholding or deduction. Therefore, the corresponding risk shall be borne by the holders of *Obligations Foncières* or, if applicable, the Couponholders.

In addition, pursuant to Condition 6(e) of the Terms and Conditions of the *Obligations Foncières*, if French law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, such *Obligation Foncière* will not, unless otherwise specified in the relevant Final Terms, be redeemed early. If such early redemption is provided in the relevant Final Terms, the Issuer may redeem such *Obligation Foncière*.

Such risk could adversely and materially affect the investment in the *Obligations Foncières*.

### 3.5. Bank Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing an EU-wide framework for the recovery and resolution of credit institutions and investment firms, as amended (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"), entered into force on 2 July 2014, and Regulation (EU) No. 806/2014 of the European Parliament and of the Council dated 15 July 2014 as amended by Regulation (EU) 2019/877 of the European Parliament and of the Council dated 20 May 2019 (the "**SRM Regulation**") provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the authority designated by each EU member state (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimizing the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses). Under the SRM Regulation a centralized power of resolution is established and entrusted to the Single Resolution Board (the "**SRB**") and to the national resolution authorities.

Since 1st January 2016, French credit institutions (such as the Issuer) have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article L.613-44 of the French *Code monétaire et financier*. The BRRD has been amended by Directive (EU) 2019/879 of the European Parliament and of the Council dated 20 May 2019 and has been implemented under French law by French ordinance No.2020-1636 (*ordonnance relative au régime de résolution dans le secteur bancaire*) dated 21 December 2020.

The legislative proposal published by the European Commission on 27 October 2021 is also amending BRRD by introducing new measures to clarify the calculation of internal MREL requirements within EU Banking groups and by harmonizing supervisory powers and tools of local supervisory authorities.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments such as the *Obligations Foncières* if junior instruments

prove insufficient to absorb all losses) absorb losses of the issuing institution under resolution in accordance with a set order of priority (the "**Bail-in Tool**"). They also include write-down/conversion powers with respect to institutions or groups which viability would otherwise be at threat or who require extraordinary financial support.

In addition to the Bail-in Tool, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

With respect to the *obligations foncières* and other privileged notes, the BRRD provides that the Resolution Authority shall not exercise the write down or conversion powers in relation to secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds, whether they are governed by the law of a Member State of the European Union or of a third country. Nevertheless, relevant claims for the purposes of the Bail-in Tool would still include the claims of the holders in respect of any *Obligations Foncières* issued under the Programme, only if and to the extent that the notes liability exceeded the value of the cover pool collateral against which it is secured. In such case, the write-down or conversion requirements could result in the full (*i.e.*, to zero) or partial write-down or conversion into ordinary shares or other instruments of ownership of the notes, or the variation of the terms of notes (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Pursuant to Articles L.513-12 and R.513-8 of the French *Code monétaire et financier*, *sociétés de crédit foncier* must, at all times, maintain a ratio of at least one hundred and five per cent (105%) between its eligible assets (including, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and as from 8 July 2022, claims for payment attached to forward financial instruments benefiting from the *Privilèg*e as well as any collateral received in relation to such forward financial instruments) and the total amount of its liabilities benefiting from the *Privilège*, as calculated pursuant to Articles 6 to 11 of the regulation no. 99-10 of the Committee of banking and financial regulation, as amended from time to time (*Comité de la réglementation bancaire et financière*). As from 8 July 2022, the costs incurred for managing and putting an end to the *Obligations Foncières* program may be defined as a percentage, the terms of which are set out by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*). On 31 December 2021, the coverage ratio was equal to 115.8%.

The holders of *Obligations Foncières* have very limited rights to contest and/or ask for the suspension of the exercise of the relevant competent authorities' resolution powers.

The application of any resolution measure under the French BRRD implementing provisions, or any suggestion of such application, with respect to the Issuer could adversely affect the rights of the holders of *Obligations Foncières*, the price or value of an investment in the *Obligations Foncières* and/or the ability of the Issuer to satisfy its obligations under the *Obligations Foncières*. As a result, holders of *Obligations Foncières* could lose all or part of their investment in the *Obligations Foncières*.

### 3.6. Change of law or regulations

The Terms and Conditions of the *Obligations Foncières* are based on French law in effect as at the date of this Base Prospectus. Any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus could be unfavourable to creditors' rights, including those of the holder of *Obligations Foncières*.

Any *Obligations Foncières* issued or to be issued may be affected by any new regulation produced by any European or French supervisory, such as the recently adopted EU directive on covered bonds. Any possible

decision or change in European or French regulations or interpretation of such regulations could be unfavourable to creditors' rights, including those of the holders of *Obligations Foncières*.

If any change in law or regulations was unfavourable to the Issuer or the holders of *Obligations Foncières*, it could have an adverse effect on the market value of the *Obligations Foncières* (depending on the nature of the change) and could have potentially negative repercussions on the holders of *Obligations Foncières* investment in the *Obligations Foncières*.

## 4 Risks relating to the market

### 4.1. An active trading market for *Obligations Foncières* issued under the Programme may never develop

The *Obligations Foncières* may have no established trading market when issued and an active trading market for the *Obligations Foncières* issued under the Programme may not develop (even where the *Obligations Foncières* are listed), or, if one does develop, it may not be maintained or may not be liquid. If an active trading market for the *Obligations Foncières* does not develop, or is not maintained, the market or trading price and liquidity of the *Obligations Foncières* may be adversely affected.

Therefore, holders of *Obligations Foncières* may not be able to sell their *Obligations Foncières* easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. These types of *Obligations Foncières* generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse impact on the market value of *Obligations Foncières* and, as a result, holders of *Obligations Foncières* could lose part of their investment in the *Obligations Foncières*.

Although application has been made for the *Obligations Foncières* issued under the Programme to be admitted to trading on Euronext Paris and/or, subject to the notification of a certificate of approval to any relevant competent authority as may be requested by the Issuer, on any other regulated market of the European Economic Area, such application may not be accepted, any particular Tranche of *Obligations Foncières* may not be admitted to trading or an active trading market may not develop.

In addition, the Issuer is entitled to buy the *Obligations Foncières* and it may issue further *Obligations Foncières*. Such transactions by the Issuer may adversely affect the price development of *Obligations Foncières* issued under the Programme. If additional and competing products are introduced in the markets, this may adversely affect the value of the *Obligations Foncières* issued under the Programme.

### 4.2. Market value of the *Obligations Foncières*

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

The market value of the *Obligations Foncières* will be affected by the creditworthiness of the Issuer and/or the rating of the *Obligations Foncières* and a number of additional factors, including but not limited to, the volatility of market interest and yield rates and the time remaining to the maturity date. The value of the *Obligations Foncières* depends on a number of additional factors, including economic, financial and political events in France, Europe or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the *Obligations Foncières* are traded, which may cause market volatility. Such volatility may adversely affect the price of *Obligations Foncières* or economic and market conditions may have any other adverse effect. The price at which holders of *Obligations Foncières* will be able to sell the *Obligations Foncières* prior to maturity may be at a discount, which could be substantial and adverse, from the issue price or the purchase price paid by such purchaser and result in losing all or part of their investment in the *Obligations Foncières*.

### 4.3. Exchange rate risks and exchange controls

The Programme allows for *Obligations Foncières* to be issued in a range of currencies (each, a "**Specified Currency**" as defined in Condition 5(a) of the Terms and Conditions of the *Obligations Foncières*). The Issuer will pay principal and interest on the *Obligations Foncières* issued under the Programme in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the *Obligations Foncières*, (ii) the Investor's Currency-equivalent value of the principal payable on the *Obligations Foncières*, and (iii) the Investor's Currency-equivalent market value of the *Obligations Foncières*. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely and materially affect applicable exchange rates. As a result, investors may receive an amount of interest or principal that is less than expected, or no interest or principal. This may adversely and materially affect the holders of *Obligations Foncières* who could lose part of their investment in the *Obligations Foncières*.

### 4.4. Potential conflicts of interest

Potential conflicts of interest may arise between the various parties (including the Issuer, the Arranger, the Dealers and their respective affiliates) operating under the Programme and the investor.

The Arranger, certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business. The Arranger, certain of the Dealers and their affiliates may have positions, deal or make markets in the *Obligations Foncières*, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In such cases, the interest of any of those parties or their affiliates or the interest of other parties for whom they perform servicing functions may differ from, and compete with, the interest of the Issuer or the holders of *Obligations Foncières*.

In addition, in the ordinary course of their business activities, the Arranger, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may enter into hedging strategies on behalf of the Issuer or investor clients, or as principal, in order to manage their exposure, their general risk or other trading activities. Such activity may affect future trading prices. Such investments and securities activities may involve securities and/or instruments of the Issuer. The Arranger, certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Arranger, Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the *Obligations Foncières*. Any such short positions could adversely affect future trading prices of *Obligations Foncières*. The Arranger, the Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments, which could be deemed to be adverse to the interests of the holders of *Obligations Foncières*.

In addition, potential conflicts may arise between the holders of *Obligations Foncières* and the calculation agent (including where the Arranger or a Dealer acts as a calculation agent) or any agent appointed for a Tranche of *Obligations Foncières*, including with respect to certain discretionary determinations and judgments that such agent may make pursuant to the Terms and Conditions of the *Obligations Foncières* that

may influence the amount receivable upon redemption of the *Obligations Foncières*. In particular, whilst a calculation agent will, as the case may be, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by holders of *Obligations Foncières* during the term and on the maturity of the *Obligations Foncières* or the market price, liquidity or value of the *Obligations Foncières* and which could be deemed to be adverse to the interests of the holders of *Obligations Foncières*.

## DOCUMENTS INCORPORATED BY REFERENCE

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

(a) the Annual Report in the French language relating to Caisse Française de Financement Local incorporating its audited annual accounts for the year ended 31 December 2021 and the related audit report (the "**2021 Annual Report**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2022/03/CAF_CAFFIL_RFA2021_FR_MEL.pdf)[1];

(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)[2];

(c) the terms and conditions of the *obligations foncières* contained in pages 28 to 50 of the base prospectus of Dexia Municipal Agency dated 21 July 2006 approved by the *Commission de surveillance du secteur financier* in Luxembourg (the "**CSSF**") (the "**2006 EMTN Conditions**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2006.pdf), the terms and conditions of the *obligations foncières* contained in pages 31 to 54 of the base prospectus of Dexia Municipal Agency dated 23 July 2007 approved by the CSSF (the "**2007 EMTN Conditions**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2007.pdf), the terms and conditions of the *obligations foncières* contained in pages 31 to 54 of the base prospectus of Dexia Municipal Agency dated 24 July 2008 approved by the CSSF (the "**2008 EMTN Conditions**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2008.pdf), the terms and conditions of the *obligations foncières* contained in pages 29 to 50 of the base prospectus of Dexia Municipal Agency dated 10 July 2009 approved by the CSSF (the "**2009 EMTN Conditions**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2015/01/EMTNProgramme2009.pdf) 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 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**

1 For information purposes only, the English translation of the 2021 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 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.

**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), 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) and the terms and conditions of the *obligations foncières* contained in pages 58 to 112 of the base prospectus of Caisse Française de Financement Local dated 11 June 2021 which received approval number n°21-217 from the AMF (the "**2021 EMTN Conditions**"; https://caissefrancaisedefinancementlocal.fr/wp-content/uploads/2021/06/CAFFIL-2021_BASE-PROSPECTUS.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 11 June 2021 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, as amended (the "**Commission Delegated Regulation**").

| **DOCUMENTS INCORPORATED BY REFERENCE (ANNEX 6 OF THE COMMISSION DELEGATED REGULATION)** | **2020 Annual Report** | **2021 Annual Report** |
|---|---|---|
| **11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES** | | |
| **11.1. Historical Financial Information** | | |
| **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**<br><br>Audited historical financial information for the latest two financial years | IFRS<br>Pages 89 to 135<br><br>French GAAP<br>Pages 139 to 160 | IFRS<br>Pages 93 to 143<br><br>French GAAP<br>Pages 147 to 170 |
| Audit reports for the latest two financial years | IFRS Auditors' report<br>Page 136<br><br>French GAAP Auditors' report<br>Pages 161 to 163 | IFRS Auditors' report<br>Page 144<br><br>French GAAP Auditors' report<br>Pages 171 to 173 |
| **11.1.3. Accounting standards** | IFRS<br>Pages 89 to 136<br><br>French GAAP<br>Pages 139 to 161 | IFRS<br>Pages 93 to 144<br><br>French GAAP<br>Pages 147 to 171 |
| **11.1.5. Audited financial information prepared according to national accounting standards** | | |
| – Balance sheet | IFRS<br>Page 90 | IFRS<br>Page 94 |

| | | |
|---|---|---|
| | French GAAP<br>Page 140 | French GAAP<br>Page 148 |
| – Income statement | IFRS<br>Page 91<br><br>French GAAP<br>Page 142 | IFRS<br>Page 95<br><br>French GAAP<br>Page 150 |
| – Cash flow statement | IFRS<br>Page 93<br><br>N/A | IFRS<br>Page 97<br><br>N/A |
| – Accounting policies and explanatory notes | IFRS<br>Pages 95 to 135<br><br>French GAAP<br>Pages 145 to 160 | IFRS<br>Pages 99 to 143<br><br>French GAAP<br>Pages 153 to 170 |
| **11.1.6. Consolidated financial statements** | | |
| 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 |
| **11.1.7. Age of financial information** | | |
| 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. | Pages 89 to 135 | Pages 93 to 143 |
| **11.2 Interim and other financial information** | | |
| 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 |
| **11.3. Auditing of historical annual financial information** | | |
| **11.3.1. The historical financial information must be independently audited** | IFRS Auditors' report<br>Page 136<br><br>French GAAP<br>Auditors' report<br>Pages 161 to 163 | IFRS Auditors' report<br>Page 144<br><br>French GAAP<br>Auditors' report<br>Pages 171 to 173 |
| **11.3.2. Indication of other information in the registration document which has been audited by the auditors** | 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 |
| 2021 EMTN Conditions | Page 58 to 112 |

## CONDITIONS ATTACHED TO THE CONSENT OF THE ISSUER TO USE THE PROSPECTUS

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) 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**") (a "**Non-Exempt Offer**") in France and in the Grand Duchy of Luxembourg (a "**Non-Exempt Offer Jurisdiction**").

The consent referred to above relates to Offer Periods (if any and as defined below) beginning within twelve (12) months from the date of the approval of the Base Prospectus by the AMF.

In the context of a Non-Exempt Offer, in relation to any person (an "**Investor**") to whom an offer of any *Obligations Foncières* is made, the Issuer may, if so specified in the relevant Final Terms, consent to the use of the Base Prospectus together with any supplement with respect thereto that may be published from time to time and the relevant Final Terms (together, the "**Prospectus**") in connection with a Non-Exempt Offer of any *Obligations Foncières* during the offer period specified in the relevant Final Terms (the "**Offer Period**") and in the Non-Exempt Offer Jurisdiction(s) specified in the relevant Final Terms by:

(1) any financial intermediary authorised to make such offers pursuant to Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended, as designated and subject to conditions set out in the relevant Final Terms; or

(2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the *Obligations Foncières* by any person and disclosure to any potential investor; (b) complies with the restrictions set out under section entitled "*Subscription and Sale*" which would apply as if it were a Dealer; (c) considers the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II Product Governance" legend set out in the relevant Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the *Obligations Foncières* is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the *Obligations Foncières* under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery and "know your client" rules applying to the Issuer and/or the relevant Dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms,

(in each case an "**Authorised Offeror**"). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Non-Exempt Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any Investor in such Non-Exempt Offer Jurisdiction(s) to whom an offer of any *Obligations Foncières* is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) occurring in the periods beginning and ending on the dates specified for such purpose in the relevant Final Terms relating to such Non-Exempt Offers and provided that the relevant Final Terms have been duly published and specify that Non-Exempt Offers may be made in Non-Exempt Offer Jurisdictions, all in accordance with the Prospectus Regulation.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at http://www.caffil.fr.

**If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website that it is using the Prospectus for the relevant Non-Exempt Offer with the consent of the Issuer and in accordance with the conditions attached thereto.**

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-Exempt Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any *Obligations Foncières*. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any *Obligations Foncières* from an Authorised Offeror will do so, and offers and sales of the *Obligations Foncières* to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price allocations and settlement arrangements (the "Terms and Conditions of the Non-Exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the *Obligations Foncières* and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-Exempt Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-Exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

## SUPPLEMENT TO THE BASE PROSPECTUS

If at any time between the date on which this Base Prospectus has been approved and 9 June 2023, a significant new factor, material mistake or material inaccuracy relating to the information contained in this Base Prospectus which may affect the assessment of the *Obligations Foncières* arises or is noted, the Issuer shall prepare and make available a supplement to this Base Prospectus (each a "**Supplement**") as required by Article 23 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**") or a restated Base Prospectus.

Where the relevant Final Terms relate to an offer of *Obligations Foncières* to the public, investors who have already agreed to purchase or subscribe for *Obligations Foncières* before any supplement is published shall have the right, exercisable within three (3) working days after the publication of this supplement pursuant to Article 23.2 (bis) of the Prospectus Regulation or, as from 1 January 2023, two (2) working days after the publication of this supplement pursuant to Article 23.2 of the Prospectus Regulation, to withdraw their acceptances provided that the new factor, material mistake or material inaccuracy referred to in Article 23.1 of the Prospectus Regulation arose or was noted before the final closing of such offer or the delivery of the *Obligations Foncières*, whichever occurs first. That period may be extended by the Issuer or, if any, the relevant Authorised Offeror(s). The final date of the right of withdrawal shall be stated in the supplement. On 9 June 2023, this Base Prospectus, as supplemented (as the case may be), will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

Any supplement to the Base Prospectus shall be (a) published on the websites of the AMF (www.amf-france.org) and the Issuer (www.caffil.fr) and (b) available for inspection and obtainable, upon request and free of charge, during usual business hours, on any weekday at the registered office of the Issuer (1-3 rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France).

## TERMS AND CONDITIONS OF THE *OBLIGATIONS FONCIÈRES*

*The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the* Obligations Foncières*. In the case of Dematerialised* Obligations Foncières *the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised* Obligations Foncières*, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised* Obligations Foncières*.*

*All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms.*

*Unless the context requires otherwise, references below to (i) "**Conditions**" are to the numbered paragraphs below and (ii) "**Obligations Foncières**" are to the* Obligations Foncières *of one Series only, not to all* Obligations Foncières *that may be issued under the Programme.*

The *Obligations Foncières* will be issued by Caisse Française de Financement Local (the "**Issuer**"). An amended and restated agency agreement dated 10 June 2022 has been agreed between the Issuer and Banque Internationale à Luxembourg, société anonyme as fiscal agent, paying agent, redenomination agent, consolidation agent and calculation agent and the other agents named therein (the "**Amended and Restated Agency Agreement**"). The fiscal agent, the paying agent, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Redenomination Agent**", the "**Consolidation Agent**" and the "**Calculation Agent(s)**".

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

### 1 Form, Denomination, Title and Redenomination

(a) **Form:** *Obligations Foncières* may be issued either in dematerialised form ("**Dematerialised *Obligations Foncières***") or in materialised form ("**Materialised *Obligations Foncières***").

(i) Title to Dematerialised *Obligations Foncières* will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised *Obligations Foncières*.

Dematerialised *Obligations Foncières* are issued, at the option of the Issuer and as specified in the final terms (the "**Final Terms**"), in either bearer form (*au porteur*), in which case they are inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, S.A. ("**Clearstream**").

(ii) Materialised *Obligations Foncières* are issued in bearer form (*au porteur*) only. Materialised *Obligations Foncières* in definitive form ("**Definitive Materialised *Obligations Foncières***") are serially numbered and are issued with coupons (the "**Coupons**") (and, where appropriate, a talon (the "**Talon**")) attached, save in the case of Zero Coupon *Obligations Foncières* in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*, securities which are governed by French law (such as *Obligations Foncières*) and are in materialised form must be issued outside the French territory.

The *Obligations Foncières* may be "**Fixed Rate *Obligations Foncières***", "**Floating Rate *Obligations Foncières***", "**Inflation Linked *Obligations Foncières***", "**Formula *Obligations Foncières***", "**Fixed/Floating Rate *Obligations Foncières***", "**Fixed Rate/Formula *Obligations Foncières***" and "**Zero Coupon *Obligations Foncières***", depending on the Interest Basis and the redemption method specified in this Base Prospectus as completed by the relevant Final Terms.

(b) **Denomination:** *Obligations Foncières* shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination**"). Dematerialised *Obligations Foncières* shall be issued in one Specified Denomination only.

Unless permitted by then current laws and regulations, *Obligations Foncières* (including *Obligations Foncières* denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

(c) **Title:**

(i) Title to Dematerialised *Obligations Foncières* in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised *Obligations Foncières* in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.

(ii) Title to Definitive Materialised *Obligations Foncières* and the Coupons and Talons shall pass by delivery.

(iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any *Obligation Foncière* (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

(iv) In these Conditions, "**holder of *Obligations Foncières***" or "**holder of any *Obligation Foncière***", means (i) in the case of Dematerialised *Obligations Foncières*, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such *Obligations Foncières* and (ii) in the case of Materialised *Obligations Foncières*, the bearer of any Definitive Materialised *Obligation Foncière* and the Coupons or Talon relating to it.

(d) **Redenomination:**

(i) The Issuer may (if so specified in the Final Terms), on any Interest Payment Date, without the consent of the holder of any *Obligation Foncière*, Coupon or Talon, by giving at least thirty

(30) days' notice in accordance with Condition 13 and on or after the date on which the European Member State in whose national currency the *Obligations Foncières* are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community, as amended from time to time (the "**Treaty**")) or events have occurred which have substantially the same effects, redenominate all, but not some only, of the *Obligations Foncières* of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".

(ii) The redenomination of the *Obligations Foncières* pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each *Obligation Foncière* from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each *Obligation Foncière* using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the *Obligations Foncières* so determined shall be notified to holders of *Obligations Foncières* in accordance with Condition 13. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euro on the Redenomination Date in the manner notified to holders of *Obligations Foncières* by the Issuer.

(iii) Upon redenomination of the *Obligations Foncières*, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.

(iv) The Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 12, without the consent of the holder of any *Obligation Foncière*, Coupon or Talon, make any changes or additions to these Conditions or Condition 12 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of *Obligations Foncières*, Coupons and Talons and shall be notified to holders of *Obligations Foncières* in accordance with Condition 13 as soon as practicable thereafter.

(v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any *Obligation Foncière*, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euros or any currency conversion or rounding effected in connection therewith.

(e) **Method of Issue**: The *Obligations Foncières* may be distributed on a syndicated or non-syndicated basis. The *Obligations Foncières* will be issued in series (each a "**Series**") having one or more issue date(s).

Each Series of *Obligations Foncières* may be issued in tranches (each a "**Tranche**") on the same or different issue dates and on terms identical to the terms of other Tranches of the same Series, save in respect of the issue date, issue price, first payment of interest and aggregate nominal amount of the Tranche. The specific terms of each Tranche of *Obligations Foncières* will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the Final Terms of such Tranche.

The *Obligations Foncières* of a Tranche of each Series will be fungible with all *Obligations Foncières* of the other Tranches of that Series.

## 2 Conversion and Exchanges of *Obligations Foncières*

(a) Dematerialised *Obligations Foncières*

(i) Dematerialised *Obligations Foncières* issued in bearer form (*au porteur*) may not be converted into Dematerialised *Obligations Foncières* in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).

(ii) Dematerialised *Obligations Foncières* issued in registered form (*au nominatif*) may not be converted into Dematerialised *Obligations Foncières* in bearer form (*au porteur*).

(iii) Dematerialised *Obligations Foncières* issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such *Obligations Foncières*, be converted into *Obligations Foncières* in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such holder.

(b) Materialised *Obligations Foncières*

Materialised *Obligations Foncières* of one Specified Denomination may not be exchanged for Materialised *Obligations Foncières* of another Specified Denomination.

## 3 Status

The *Obligations Foncières* and, where applicable, any Coupons relating to them constitute direct, unconditional and, pursuant to the provisions of Condition 4, privileged obligations of the Issuer and rank, and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future *obligations foncières* of the Issuer (including the *Obligations Foncières* of all other Series) and other resources raised by the Issuer benefiting from the *privilège* referred to in Article L.513-11 of the French *Code monétaire et financier* (the "***Privilège***") as described in Condition 4.

## 4 *Privilège*

(a) The *Obligations Foncières* benefit from the *Privilège* (priority right of payment) pursuant to Article L.513-11 of the French *Code monétaire et financier*.

(b) In accordance with Article L.513-11, all amounts payable to the Issuer in respect of loans, assimilated receivables, exposures and securities (and, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and, as from 8 July 2022, deposits (*dépôts*)) referred to in Articles L.513-3 to L.513-7 of the French *Code monétaire et financier* including as from 8 July 2022, any mortgage, charge, lien or other guarantee or indemnity relating thereto, and the forward financial instruments used for hedging as referred to in Article L.513-10 of the French *Code monétaire et financier* (in each case, after any applicable set-off), together with the receivables in respect of deposits made by the Issuer with credit institutions (*établissements de crédit*), are allocated in priority to the payment of any sums due in respect of *obligations foncières* (including the *Obligations Foncières*) issued by the Issuer and other resources raised by the Issuer pursuant to issue or subscription contracts referring to the *Privilège*.

It should be noted that, in addition to *Obligations Foncières* and other resources raised by the Issuer pursuant to any agreement, document purporting to inform the public within the meaning of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 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, or any other equivalent document required in connection with the admission to trading on a Regulated Market located outside France referring to the *Privilège,* derivative transactions

used for hedging also benefit from the *Privilège* under the conditions of Article L.513-10 of the French *Code monétaire et financier*.

(c) in the event of conciliation proceedings (*procédure de conciliation*), safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) opened against the Issuer and, as from 8 July 2022, in the event of safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*) proceedings or resolution proceedings (*procédure de résolution*) pursuant to Article L.613-49 of the French *Code monétaire et financier* opened against the Issuer, the amounts due regularly under *obligations foncières* (including the *Obligations Foncières*) and other resources benefiting from the *Privilège*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer either in principal or interest.

## 5 Interest and other Calculations

(a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**2006 ISDA Definitions**" means, in relation to a Series of *Obligations Foncières*, the 2006 ISDA Definitions (a copy of which may be obtained at the registered office of the Issuer during usual business hours), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as may be amended, supplemented or superseded from time to time, in their updated version applicable as at the Issue Date of the first Tranche of the relevant Series.

"**2021 ISDA Definitions**" means, in relation to a Series of *Obligations Foncières*, the 2021 ISDA Interest Rate Derivatives Definitions including each Matrix (and any successor Matrix thereto, as defined in the 2021 ISDA Interest Rate Derivatives Definitions) (a copy of which may be obtained at the registered office of the Issuer during usual business hours), as published by ISDA, as may be amended, supplemented or superseded from time to time, in their updated version applicable as at the Issue Date of the first Tranche of the relevant Series.

"**Benchmark**" means the Reference Rate as set out in the relevant Final Terms.

"**Business Day**" means:

(i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto (the "**TARGET System**") is operating (a "**TARGET Business Day**"); and/or

(ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or

(iii) in the case of a Specified Currency and/or one or more Business Centre(s) specified in the relevant Final Terms (the "**Business Centre(s)**"), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centre(s) so specified.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any *Obligation Foncière* for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual - ISDA**" or "**Actual/365 – FBF**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if

any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/Actual - ICMA**" is specified in the relevant Final Terms:

(A) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Accrual Period is longer than one Determination Period, the sum of:

(x) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

in each case where:

"**Accrual Period**" means the relevant period for which interest is to be calculated;

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"**Determination Date**" means any date specified in the relevant Final Terms or, if none is so specified, any Interest Payment Date

(iii) if **Actual/Actual-FBF** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one year, the basis shall be calculated as follows:

- the number of complete years shall be counted back from the last day of the Calculation Period;
- this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.

(iv) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365

(v) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360

(vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$Y_1$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30.

(vii) if **30/360-FBF** or **Actual 30A/360** (**American Bond Basis**) is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first day is neither the 30th nor the 31st, the last month of the Calculation Period shall be deemed to be a month of thirty one (31) days.

The fraction is:

$$\text{If } dd2 = 31 \text{ and } dd1 \neq (30,31)$$

then:

$$\frac{1}{360} \text{x} \left[(yy2 \;\; yy1) \text{ x } 360 + (mm2 - mm1) \text{ x } 30 + (dd2 - dd1)\right]$$

or

$$\frac{1}{360} \text{x} \left[(yy2 \;\; yy1) \text{ x } 360 + (mm2 - mm1) \text{ x } 30 + \text{Min}\,(dd2, 30) - \text{Min}\,(dd1, 30)\right]$$

where:

**D1** (dd1, mm1, yy1) is the date of the beginning of the period;

**D2** (dd2, mm2, yy2) is the date of the end of the period.

(viii) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case $D_2$ will be 30.

(ix) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**$Y_1$**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**$Y_2$**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$M_1$**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case $D_2$ will be 30.

(x) if **30E/360-FBF** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days

Using the same abbreviations as for 30/360-FBF, the fraction is:

$$\frac{1}{360} \times [(yy2 \;\; yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

"**Euro-zone**" means the region comprised of Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty.

"**FBF Definitions**" means the definitions set out in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together the "**FBF Master Agreement**") as supplemented or amended from time to time, in their updated version applicable as at the Issue Date of the first Tranche of the relevant Series.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning

on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means the amount of interest payable, and in the case of Fixed Rate *Obligations Foncières*, means the Fixed Coupon Amount or Broken Amount, as the case may be.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in Paris for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

"**Interest Payment Date**" means the date(s) specified as Specified Interest Payment Date or Interest Payment Date in the relevant Final Terms.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, or the relevant payment date if the *Obligations Foncières* become payable on a date other than an Interest Payment Date.

"**Interest Period Date**" means each Interest Payment Date.

"**ISDA Definitions**" means, as specified in the relevant Final Terms, either the 2006 ISDA Definitions or the 2021 ISDA Definitions.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the *Obligations Foncière*s and that is specified in the relevant Final Terms.

"**Reference Banks**" means, in the case of a determination of SONIA, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, or, if otherwise, the principal offices of four (4) major banks in the Relevant Inter-Bank Market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

"**Reference Rate**" means the rate specified as such in the relevant Final Terms which shall be either CMS Rate, EURIBOR, €STR, SARON, SOFR, SONIA or TEC10 (or any successor or replacement rate).

"**Relevant Date**" means, in respect of any *Obligation Foncière* or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised *Obligations Foncières* if earlier) the date seven (7) days after that on which notice is duly given to the holders of such Materialised *Obligations Foncières* that, upon further presentation of the Materialised *Obligation Foncière* or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**Relevant Inter-Bank Market**" means such inter-bank market as may be specified in the relevant Final Terms.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms.

"**Relevant Screen Page Time**" means such Relevant Screen Page time as may be specified in the relevant Final Terms.

"**Specified Currency**" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the *Obligations Foncières* are denominated.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(b) **Interest on Fixed Rate *Obligations Foncières*:** Each Fixed Rate *Obligation Foncière* bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

(c) **Interest on Floating Rate *Obligations Foncières,* Inflation Linked *Obligations Foncières* and Formula:**

(i) Interest Payment Dates: Each Floating Rate *Obligation Foncière,* Inflation Linked *Obligation Foncière* and Formula bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(c). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate *Obligations Foncières*: The Rate of Interest in respect of the Floating Rate *Obligations Foncières* for each Interest Accrual Period shall be determined according to the provisions below relating to either FBF Determination, ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(A) FBF Determination for Floating Rate *Obligations Foncières*

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the

relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

a) the Floating Rate is as specified in the relevant Final Terms; and

b) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**" (*Taux Variable*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions, provided that "Euribor" means the rate calculated for deposits in Euro which appears on Reuters Page EURIBOR01, as more fully described in the relevant Final Terms.

In the relevant Final Terms, when the paragraph "Floating Rate" (*Taux Variable*) specifies that the rate is determined by linear interpolation, in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate, one of which shall be determined as if the maturity for which rates are available were the period of time of next shorter length as compared to the length of the relevant Interest Accrual Period, and the other of which shall be determined as if the maturity were the period of time of next longer length as compared to the length of the relevant Interest Accrual Period.

(B) ISDA Determination for Floating Rate *Obligations Foncières*

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (B), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating (i) if "2006 ISDA Definitions" is specified in the relevant Final Terms, the 2006 ISDA Definitions or (ii) if "2021 ISDA Definitions" is specified in the relevant Final Terms, the 2021 ISDA Definitions and under which:

(a) the Floating Rate Option is as specified in the relevant Final Terms;

(b) the Designated Maturity is a period specified in the relevant Final Terms; and

(c) the relevant Reset Date is the first day of that Interest Accrual Period or such other date as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

In the relevant Final Terms, when the paragraph Floating Rate Option specifies that the rate is determined by linear interpolation, in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate Option, one of which shall be determined as if the

Designated Maturity for which rates are available were the period of time of next shorter length as compared to the length of the relevant Interest Accrual Period, and the other of which shall be determined as if the Designated Maturity were the period of time of next longer length as compared to the length of the relevant Interest Accrual Period.

(C) Screen Rate Determination for Floating Rate *Obligations Foncières*

(a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being EURIBOR, the Rate of Interest for each Interest Accrual Period will, subject as provided below or to Condition 5(c)(iii)(D) (*Benchmark discontinuation*) below, be either:

(i) the offered quotation; or

(ii) the arithmetic mean of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time), on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five (5) or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(b) if the Relevant Screen Page is not available or if sub-paragraph (C)(a)(i) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (C)(a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time), on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent;

(c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which

would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro zone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date relating to such Rate of Interest calculation (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period);

(d) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being €STR, the Rate of Interest for each Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any) will, subject as provided below, be the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{€STR_{i-p}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**$d_o$**" is for any Interest Accrual Period, the number of TARGET Business Days in the relevant Interest Accrual Period;

"**ECB €STR Guideline**" means the Guideline (EU) 2019/1265 of the European Central Bank dated 10 July 2019 on the euro short-term rate (€STR) (ECB/2019/19), as amended from time to time;

"**€STR**" means, in respect of any TARGET Business Day, the interest rate representing the wholesale Euro unsecured overnight borrowing costs of banks located in the Eurozone provided by the European Central Bank as administrator of such rate (or any successor administrator) and published on the Website of the European Central Bank at or before 9:00 a.m. (Frankfurt time) (or, in case a revised euro short-term rate is published as provided in Article 4 subsection 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the TARGET Business Day immediately following such TARGET Business Day;

"**$€STR_{i-p}$**" means, in respect of any TARGET Business Day falling in the relevant €STR Observation Period, the €STR for the TARGET Business Day falling "p" TARGET Business Days prior to the relevant TARGET Business Day "i";

"**i**" is a series of whole numbers from 1 to do, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Interest Accrual Period;

"$\mathbf{n_i}$" is, for any TARGET Business Day "i", the number of calendar days from, and including, the relevant TARGET Business Day "i" up to, but excluding, the immediately following TARGET Business Day in the relevant Interest Accrual Period;

"**p**" is, in relation to any Interest Accrual Period, the number of TARGET Business Days as specified in the Final Terms under the item "€STR Observation Look-Back Period";

"**€STR Observation Period** " means in respect of any Interest Accrual Period, the period from and including the date falling "p" TARGET Business Days prior to the first day of the relevant Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" TARGET Business Day prior to the Interest Payment Date of such Interest Accrual Period (or the date falling "p" TARGET Business Day prior to such earlier date, if any, on which the *Obligations Foncières* become due and payable); and

"**Website of the European Central Bank**" means the website of the European Central Bank currently at https://www.ecb.europa.eu/home/html/index.en.html or any successor source officially designated by the European Central Bank.

If the €STR is not published, as specified above, on any particular TARGET Business Day and no €STR Index Cessation Event (as defined below) has occurred, the €STR for such TARGET Business Day shall be the rate equal to €STR in respect of the last TARGET Business Day for which such rate was published on the Website of the European Central Bank.

If the €STR is not published, as specified above, on any particular TARGET Business Day and both an €STR Index Cessation Event and an €STR Index Cessation Effective Date (as defined below) have occurred, the rate of €STR for each TARGET Business Day in the relevant €STR Observation Period occurring on or after such €STR Index Cessation Effective Date will be determined as if references to €STR were references to the ECB Recommended Rate (as defined below).

If no ECB Recommended Rate has been recommended before the end of the first TARGET Business Day following the date on which the €STR Index Cessation Event occurs, then the rate of €STR for each TARGET Business Day in the relevant €STR Observation Period occurring on or after the €STR Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR (as defined below).

If an ECB Recommended Rate has been recommended and both an ECB Recommended Rate Index Cessation Event (as defined below) and an ECB Recommended Rate Index Cessation Effective Date (as defined below) subsequently occur, then the rate of €STR for each TARGET Business Day in the relevant €STR Observation Period occurring on or after that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR.

Any substitution of the €STR, as specified above, will remain effective for the remaining term to maturity of the *Obligations Foncières* and shall be published by the Issuer in accordance with Condition 13.

In the event that the Rate of Interest cannot be determined in accordance with the provisions of this sub-paragraph (d) by the Calculation Agent, (i) the Rate of Interest shall be that determined as at the last preceding Interest Determination Date relating to such Rate of Interest calculation (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if the rate of €STR for each TARGET Business Day in the €STR Observation Period on or after such €STR Index Cessation Effective Date were references to the latest published €STR or, if ECB Recommended Rate is published on a later date than the latest published €STR, the ECB Recommended Rate or, if EDFR is published on a later date than the latest published ECB Recommended Rate, the Modified EDFR (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

For the purpose of this Condition 5(c)(iii)(C)(d):

"**ECB Recommended Rate**" means a rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator), as determined by the Calculation Agent and notified by the Calculation Agent to the Issuer;

"**ECB Recommended Rate Index Cessation Event**" means the occurrence of one or more of the following events, as determined by the Calculation Agent and notified by the Calculation Agent to the Issuer:

(1) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time

of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate;

"**ECB Recommended Rate Index Cessation Effective Date**" means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate is no longer provided, as determined by the Calculation Agent and notified by the Calculation Agent to the Issuer;

"**EDFR**" means the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem (comprising the European Central Bank and the national central banks of those countries that have adopted the Euro) as published on the Website of the European Central Bank;

"**EDFR Spread**" means:

(1) if no ECB Recommended Rate is recommended before the end of the first TARGET Business Day following the date on which the €STR Index Cessation Event occurs, the arithmetic mean of the daily difference between the €STR and the EDFR for each of the thirty (30) TARGET Business Days immediately preceding the date on which the €STR Index Cessation Event occurred; or

(2) if an ECB Recommended Rate Index Cessation Event occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the thirty (30) TARGET Business Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurred;

"**€STR Index Cessation Event**" means the occurrence of one or more of the following events, as determined by the Calculation Agent and notified by the Calculation Agent to the Issuer:

(1) a public statement or publication of information by or on behalf of the European Central Bank (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or

(2) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

"**€STR Index Cessation Effective Date**" means, in respect of an €STR Index Cessation Event, the first date on which €STR is no longer provided by the European Central Bank (or any successor administrator of €STR), as determined by the Calculation Agent and notified by the Calculation Agent to the Issuer; and

"**Modified EDFR**" means a reference rate equal to the EDFR plus the EDFR Spread;

(e) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being SARON, the Rate of Interest for each Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any) will, subject as provided below, be the rate of return of a daily compound interest investment (with the overnight interest rate of the secured funding market for Swiss franc as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{\text{SARON}_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

Where:

"**d**" is the number of calendar days in the relevant SARON Observation Period;

"**$d_0$**" is the number of Zurich Banking Days in the relevant SARON Observation Period;

"**i**" is a series of whole numbers from one to $d_0$, each representing the relevant Zurich Banking Day in chronological order from, and including, the first Zurich Banking Day in the relevant SARON Observation Period;

"**$n_i$**" for any Zurich Banking Day "i" in the relevant SARON Observation Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following Zurich Banking Day ("i+1");

"**SARON**" means, in respect of any Zurich Banking Day, the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Screen Page (as defined below) at the SARON Relevant Time on such Zurich Banking Day;

"**$\text{SARON}_i$**" for any Zurich Banking Day "i" in the relevant SARON Observation Period, is equal to SARON in respect of that day "i";

"**SARON Observation Period**" means the period from, and including, the date falling "p" Zurich Banking Days prior to the first day of the relevant Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" Zurich Banking Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling "p" Zurich Banking Days prior to such earlier date, if any, on which the *Obligations Foncières* become due and payable);

"**p**" means in relation to any Interest Accrual Period, the number of Zurich Banking Days as specified in the Final Terms under the item "SARON Observation Look-Back Period";

"**SARON Relevant Time**" means, in respect of any Zurich Banking Day, close of trading on SIX Swiss Exchange on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time); and

"**Zurich Banking Day**" means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

If the SARON is not published on the Relevant Screen Page (the "**SARON Screen Page**") at the SARON Relevant Time on the relevant Zurich Banking

Day and neither a SARON Index Cessation Event nor a SARON Index Cessation Effective Date have occurred on or prior to the SARON Relevant Time on the relevant Zurich Banking Day, the SARON for such Zurich Banking Day shall be the rate equal to the SARON published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the SARON was published by the SARON Administrator on the SARON Administrator Website.

If the SARON is not published on the SARON Screen Page at the SARON Relevant Time on the relevant Zurich Banking Day and both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred on or prior to the SARON Relevant Time on the relevant Zurich Banking Day:

(i) if there is a SARON Recommended Replacement Rate within one (1) Zurich Banking Day of the SARON Index Cessation Effective Date, then the rate of SARON for each Zurich Banking Day in the relevant SARON Observation Period occurring on or after that SARON Index Cessation Effective Date will be determined as if references to SARON were references to the SARON Recommended Replacement Rate, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or

(ii) if there is no SARON Recommended Replacement Rate within one (1) Zurich Banking Day of the SARON Index Cessation Effective Date, then the rate of SARON for each Zurich Banking Day in the relevant SARON Observation Period occurring on or after that SARON Index Cessation Effective Date will be determined as if references to SARON were references to the policy rate of the Swiss National Bank (the "**SNB Policy Rate**") for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Any substitution of the SARON by the SARON Recommended Replacement Rate or the SNB Policy Rate as specified above (the "**SARON Replacement Rate**") will remain effective for the remaining term to maturity of the *Obligations Foncières* and shall be published by the Issuer in accordance with Condition 13.

In the event that the Rate of Interest cannot be determined in accordance with the provisions of this sub-paragraph (e) by the Calculation Agent, (i) the Rate of Interest shall be the last SARON available on the SARON Screen Page as determined by the Calculation Agent determined as at the last preceding Interest Determination Date relating to such Rate of Interest calculation (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if the rate of SARON for each Zurich Banking Day in the SARON Observation Period on or after such SARON Index Cessation Effective Date were references to the latest published SARON (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

For the purpose of this Condition 5(c)(iii)(C)(e):

"**SARON Administrator**" means SIX Swiss Exchange or any successor administrator of the SARON;

"**SARON Administrator Website**" means the website of the SARON Administrator;

"**SARON Index Cessation Effective Date**" means the earliest of (as determined by the Calculation Agent and notified by the Calculation Agent to the Issuer):

(1) in the case of the occurrence of a SARON Index Cessation Event described in paragraph (i) of the definition thereof, the date on which the SARON Administrator ceases to provide the SARON;

(2) in the case of the occurrence of a SARON Index Cessation Event described in subparagraph (ii)(x) of the definition thereof, the latest of: (i) the date of such statement or publication or (ii) the date, if any, specified in such statement or publication as the date on which the SARON will no longer be representative; or

(3) in the case of the occurrence of a SARON Index Cessation Event described in subparagraph (ii)(y) of the definition thereof, the date as of which the SARON may no longer be used;

"**SARON Index Cessation Event**" means the occurrence of one or more of the following events (as determined by the Calculation Agent and notified by the Calculation Agent to the Issuer):

(i) a public statement or publication of information by or on behalf of the SARON Administrator, or by any competent authority, announcing or confirming that the SARON Administrator has ceased or will cease to provide the SARON permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the SARON; or

(ii) a public statement or publication of information by the SARON Administrator or any competent authority announcing that (*x*) the SARON is no longer representative or will as of a certain date no longer be representative, or (*y*) the SARON may no longer be used after a certain date, which statement, in the case of subclause (y), is applicable to (but not necessarily limited to) fixed income securities and derivatives.

"**SARON Recommended Adjustment Spread**" means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

(i) that the SARON Recommending Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the SARON as the reference rate for purposes of determining the applicable rate of interest thereon; or

(ii) if the SARON Recommending Body has not recommended such a spread, formula or methodology as described in clause (i) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the SARON with such SARON Recommended Replacement Rate for purposes of determining SARON, such spread will be determined by the Calculation Agent,

acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced the SARON as the reference rate for purposes of determining the applicable rate of interest thereon;

"**SARON Recommended Replacement Rate**" means the rate that has been recommended as the replacement for the SARON by any working group or committee in Switzerland organized in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the "**SARON Recommending Body**");

"**SIX Swiss Exchange**" means SIX Swiss Exchange AG and any successor thereto; and

"**SNB Adjustment Spread**" means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the SARON with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, taking into account the historical median between the SARON and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred).

(f) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being SOFR, the Rate of Interest for each Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any) will, subject as provided below, be calculated by the Calculation Agent on the SOFR Interest Determination Date as follows, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.00005 being rounded upwards:

(1) if SOFR Arithmetic Mean is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be the arithmetic mean of the SOFR rates for each day during such Interest Accrual Period; or

(2) if SOFR Lockout Compound is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be USD-SOFR-LOCKOUT-COMPOUND; or

(3) if SOFR Lookback Compound is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be USD-SOFR-LOOKBACK-COMPOUND; or

(4) if SOFR Shift Compound is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be USD-SOFR-SHIFT-COMPOUND; or

(5) if SOFR Index Average is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be USD-SOFR-INDEX-AVERAGE;

where:

"**USD-SOFR-LOCKOUT-COMPOUND**" means the rate of return of a daily compound interest investment (with the SOFR as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the U.S. Government Securities Business Day following each SOFR Rate Cut-Off Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**$d_0$**", for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

"**$n_i$**" for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**$SOFR_i$**" means for any U.S. Government Securities Business Day "i" that is a SOFR Interest Reset Date, the SOFR in respect of this SOFR Interest Reset Date;

"**SOFR Rate Cut-Off Date**" means the date that is the second U.S. Government Securities Business Day prior to the Interest Payment Date in respect of the relevant Interest Accrual Period or such other date specified in the Final Terms;

"**SOFR Interest Reset Date**" means each U.S. Government Securities Business Day in the relevant Interest Accrual Period; provided, however, that the SOFR with respect to each SOFR Interest Reset Date in the period from and including, the SOFR Rate Cut-Off Date to, but excluding, the corresponding Interest Payment Date of an Interest Accrual Period, will be the SOFR with respect to the SOFR Interest Reset Date coinciding with the SOFR Rate Cut-Off Date for such Interest Accrual Period;

"**USD-SOFR-LOOKBACK-COMPOUND**" means the rate of return of a daily compound interest investment (with the SOFR as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the U.S. Government Securities Business Day following each SOFR Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_{i\text{-}pUSGSBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in the relevant Interest Accrual Period;

"**$d_0$**", for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"**i**" means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

"**SOFR Interest Determination Date**" means, in respect of each Interest Accrual Period, the date "p" U.S. Government Securities Business Days before each Interest Payment Date;

"**$n_i$**" for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" up to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**p**" means in relation to any Interest Accrual Period, the number of U.S. Government Securities Business Days as specified in the Final Terms under the item "SOFR Observation Look-Back Period";

"**$SOFR_{i\text{-}pUSGSBD}$**" means, for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, the SOFR in respect of the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to that day "i";

"**USD-SOFR-SHIFT-COMPOUND**" means the rate of return of a daily compound interest investment (with the SOFR as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the U.S. Government Securities Business Day following each SOFR Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**$d_0$**", for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Observation Period;

"**SOFR Interest Determination Date**" means, in respect of each Interest Accrual Period, the date "p" U.S. Government Securities Business Days before each Interest Payment Date;

"**$n_i$**" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, means the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

"**$SOFR_i$**" means, for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, SOFR in respect of that day "i";

"**SOFR Observation Period**" in respect of each Interest Accrual Period, means the period from, and including, the date "p" U.S. Government Securities Business Days preceding the first date in such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) to, but excluding, the date "p" U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Interest Accrual Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the *Obligations Foncières* become due and payable);

"**p**" means in relation to any Interest Accrual Period, the number of U.S. Government Securities Business Days as specified in the Final Terms under the item "SOFR Observation Look-Back Period".

"**USD-SOFR-INDEX-AVERAGE**" means the rate of return of a compounded average interest investment (with the SOFR Index as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

where:

"**$d_c$**" means the number of calendar days from, and including, the day in relation to which the SOFR $Index_{Start}$ is determined to, but excluding, the day in relation to which the SOFR $Index_{End}$ is determined;

"**p**" means in relation to any Interest Accrual Period, the number of U.S. Government Securities Business Days as specified in the Final Terms under the item "SOFR Observation Look-Back Period";

"**SOFR Index**" in relation to any U.S. Government Securities Business Day shall be the value published by the Federal Reserve Bank of New York on the SOFR Administrator's Website on or about 8:00 a.m. (New York City time) on such U.S. Government Securities Business Day. In the event that the value originally published by the Federal Reserve Bank of New York on or about 8:00 a.m. (New York City time) on any U.S. Government Securities Business Day is subsequently corrected and such corrected value is published by the Federal Reserve Bank of New York on or about 2:30 p.m. (New York City time) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index in relation to such U.S. Government Securities Business Day;

"**SOFR Index$_{Start}$**" means the SOFR Index value on the day falling "p" U.S. Government Securities Business Day preceding the first date of the relevant Interest Accrual Period (or with respect to the first Interest Accrual Period, the Issue Date) (a "**SOFR Index Determination Date**");

"**SOFR Index$_{End}$**" means the SOFR Index value on the day falling "p" U.S. Government Securities Business Day preceding the Interest Payment Date relating to such Interest Accrual Period (or with respect to the final Interest Accrual Period, the Maturity Date, or, if applicable, the date on which the *Obligations Foncières* become due and payable).

Subject to the provisions of paragraph (3) of the definition of "SOFR" below, if the SOFR Index is not published on any relevant SOFR Index Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred, the "USD-SOFR-INDEX-AVERAGE" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with "USD-SOFR-SHIFT-COMPOUND" and "p" shall mean two U.S. Government Securities Business Days.

If the Calculation Agent or, as the case may be, the Alternate Agent determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the *Obligations Foncières* in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Calculation Agent or, as the case may be, the Alternate Agent will have the right to make Benchmark Replacement Conforming Changes from time to time.

For the purpose of this Condition 5(c)(iii)(C)(f):

"**Alternate Agent**" means an independent financial institution of international repute or an independent financial expert with appropriate expertise appointed by the Issuer;

"**Benchmark**" means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Replacement**" means the first alternative set forth in the order presented in clause (3) of the definition of "SOFR" that can be determined by the Calculation Agent or, as the case may be, the Alternate Agent as of the Benchmark Replacement Date;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Calculation Agent or, as the case may be, the Alternate Agent as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent or, as the case may be, the

Alternate Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate *obligations foncières* at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Calculation Agent or, as the case may be, the Alternate Agent decide may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Calculation Agent or, as the case may be, the Alternate Agent decide that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent or, as the case may be, the Alternate Agent determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Calculation Agent or, as the case may be, the Alternate Agent determine is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) in the case of paragraph (1) or (2) of the definition of "Benchmark Transition Event", the later of (*a*) the date of the public statement or publication of information referenced therein and (*b*) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(2) in the case of paragraph (3) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that

the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (i) if the Benchmark is SOFR, the SOFR Determination Time and (ii) if the Benchmark is not SOFR, the time determined by the Calculation Agent or, as the case may be, the Alternate Agent after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**");

(2) if the rate specified in (1) above does not so appear, and unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred:

(X) the sum of (*a*) the alternate rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable corresponding tenor and (*b*) the Benchmark Replacement Adjustment;

(Y) the sum of (*a*) the ISDA Fallback Rate and (*b*) the Benchmark Replacement Adjustment; or

(Z) the sum of (*a*) the alternate rate of interest that has been selected by the Calculation Agent or, as the case may be, the Alternate

Agent as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate *obligations foncières* at such time and (*b*) the Benchmark Replacement Adjustment;

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor website of the Federal Reserve Bank of New York or the website of any successor administrator of SOFR;

"**U.S. Government Securities Business Day or USGSBD**" means any day except for a Saturday, Sunday or a day on which Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Any substitution of the SOFR, as specified above, will remain effective for the remaining term to maturity of the *Obligations Foncières* and shall be published by the Issuer in accordance with Condition 13.

(g) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being SONIA, the Rate of Interest for each Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any) will, subject as provided below, be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

(1) if SONIA Shift Compound is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be SONIA-SHIFT-COMPOUND; or

(2) if SONIA Lookback Compound is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be SONIA-LOOKBACK-COMPOUND; or

(3) if SONIA Compounded Index is specified as applicable in the relevant Final Terms, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be SONIA- COMPOUND;

where:

"**SONIA-SHIFT-COMPOUND**" means the rate of return of a daily compounded interest investment (with the SONIA (as defined below) as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant SONIA Observation Period;

"**$d_o$**" for any SONIA Observation Period, is the number of London Banking Days in the relevant SONIA Observation Period;

"**i**" is a series of whole numbers from one to $d_0$, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant SONIA Observation Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**$n_i$**" for any London Banking Day "i" in the relevant SONIA Observation Period, means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day ("i+1");

"**p**" means in relation to any Interest Accrual Period, the number of London Banking Days as specified in the Final Terms under the item "SONIA Observation Look-Back Period";

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, on the London Banking Day immediately following such London Banking Day;

"**$SONIA_i$**", means in respect of any London Banking Day "i" falling in the relevant SONIA Observation Period, the SONIA for such London Banking Day "i"; and

"**SONIA Observation Period**" means the period from and including the date falling "p" London Banking Days prior to the first day of the relevant Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date relating to such Interest Accrual Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the *Obligations Foncières* become due and payable);

"**SONIA-LOOKBACK-COMPOUND**" means the rate of return of a daily compounded interest investment (with the SONIA (as defined below) as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i\text{-pLBD}}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Accrual Period;

"**$d_o$**" is the number of London Banking Days in the relevant Interest Accrual Period;

"**i**" is a series of whole numbers from one to $d_0$, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the Interest Accrual Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"$\mathbf{n_i}$" for any London Banking Day "i" in the relevant Interest Accrual Period, means the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day ("i+1");

"**p**" means in relation to any Interest Accrual Period, the number of London Banking Days as specified in the Final Terms under the item "SONIA Observation Look-Back Period";

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, in each case, on the London Banking Day immediately following such London Banking Day; and

"$\mathbf{SONIA_{i-pLBD}}$", means in respect of any London Banking Day "i" falling in the relevant Interest Accrual Period, the SONIA in respect of the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i";

"**SONIA Compounded Index**" means the rate of return of a compounded average interest investment (with the SONIA (as defined below) as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left(\frac{SONIA\ Compounded\ Index_y}{SONIA\ Compounded\ Index_x} - 1\right) x\ \frac{365}{d}$$

where:

"**d**" is the number of calendar days from, and including, the day in relation to which the SONIA Compounded $Index_x$ is determined to, but excluding, the day in relation to which the SONIA Compounded $Index_y$ is determined;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**p**" means in relation to any Interest Accrual Period, the number of London Banking Days as specified in the Final Terms under the item "SONIA Observation Look-Back Period";

"**SONIA**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, on the London Banking Day immediately following such London Banking Day;

"**SONIA Compounded Index**" in relation to any London Banking Day shall be the value provided by the administrator of SONIA to authorised distributors on or about 9:00 a.m. (London Time), and as then published on the Relevant Screen Page, or if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors. In the event that the SONIA Compounded Index value originally published by the administrator of SONIA on or about 9:00 a.m. (London Time) on any London Banking Day is subsequently corrected and such corrected value is published by the administrator of SONIA on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SONIA Compounded Index value;

"**SONIA Compounded Index$_x$**" means the SONIA Compounded Index value on the day falling "p" London Banking Days preceding the first date of such Interest Accrual Period (or with respect to the first Interest Accrual Period, the Issue Date);

"**SONIA Compounded Index$_y$**" means the SONIA Compounded Index value on the day falling "p" London Banking Days preceding the Interest Payment Date relating to such Interest Accrual Period (or with respect to the final Interest Accrual Period, the Maturity Date, or, if applicable, the date on which the *Obligations Foncières* become due and payable).

If the SONIA Compounded Index is unavailable on the Relevant Screen Page on any SONIA Compounded Index determination date, the "SONIA Compounded Index" shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period in accordance with "SONIA-SHIFT-COMPOUND".

If the Calculation Agent determines that the SONIA is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA shall be:

(*x*) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA to the Bank Rate over the previous five days on which a SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(*y*) if such Bank Rate is not available, the SONIA published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or, if more recent, the latest rate determined under paragraph (*x*) above.

Notwithstanding the paragraphs above, in the event the Bank of England publishes guidance as to (i) how the SONIA is to be determined or (ii) any rate that is to replace the SONIA, the Calculation Agent shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the *Obligations Foncières* for so long as the SONIA is not available or has not been published by the authorised distributors.

Any substitution of the SONIA, as specified above, will remain effective for the remaining term to maturity of the *Obligations Foncières* and shall be published by the Issuer in accordance with Condition 13.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date relating to such Rate of Interest calculation (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such *Obligations Foncières* for the first Interest Accrual Period, had the *Obligations Foncières* been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(h) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period plus or minus (as indicated in the relevant Final Terms) the Margin (if any) will, subject as provided below or (if applicable) to Condition 5(c)(iii)(D) (*Benchmark discontinuation*) below, be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

If the Relevant Screen Page is not available at the Specified Time on the relevant Interest Determination Date: (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the relevant Interest Determination Date; (ii) if at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with the then prevailing standard market practice.

For the purpose of this Condition 5(c)(iii)(C)(h):

"**CMS Rate**" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time on the relevant Interest Determination Date in question, all as determined by the Calculation Agent.

"**CMS Reference Banks**" means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading

swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent.

"**Reference Currency**" means the currency specified as such in the relevant Final Terms.

"**Reference Financial Centre**" means, with respect to a Reference Currency, the financial centre specified as such in the relevant Final Terms.

"**Designated Maturity**", "**Margin**", "**Specified Time**" and "**Relevant Screen Page**" shall have the meaning given to those terms in the relevant Final Terms.

"**Relevant Swap Rate**" means:

(i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Accrual Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to the then prevailing standard market practice or the ISDA Definitions;

(ii) where the Reference Currency is any other currency of if the relevant Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the relevant Final Terms.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time, as determined by the Calculation Agent.

(i) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate *Obligations Foncières* is specified as being TEC10, the Rate of Interest for each Interest Accrual Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any) will, subject as provided below or (if applicable) to Condition 5(c)(iii)(D) (*Benchmark discontinuation*) below, be determined by the Calculation Agent by reference to the following formula:

TEC10 + Margin.

"**TEC10**" means the offered quotation (expressed as a percentage rate per annum) for the EUR-TEC10-CNO[3], calculated by the *Banque de France*, which appears on the Relevant Screen Page, being the caption "TEC10" on the Reuters Screen BDFCNOTEC Page or any successor page, as at 10.00 a.m. Paris time on the Interest Determination Date in question.

If, on any Interest Determination Date, TEC10 does not appear on Reuters Screen BDFCNOTEC Page or any successor page, (i) it shall be determined by the

[3] All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

Calculation Agent on the basis of the mid-market prices for each of the two reference OAT (*Obligation Assimilable du Trésor*) which would have been used by the *Banque de France* for the calculation of the relevant rate, quoted in each case by five *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. Paris time on the Interest Determination Date in question; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) TEC10 will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest of such quotations. The above-mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Banque de France* for the determination of the relevant rate.

*For information purposes only, the EUR-TEC10-CNO, established in April 1996, is the percentage yield (rounded to the nearest second decimal point, 0.005 per cent. being rounded upwards) of a notional 10 year French Treasury Bond (*Obligation Assimilable du Trésor*, "**OAT**") corresponding to the linear interpolation between the yield to maturity of the two actual OATs (the "**Reference OATs**") whose periods to maturity are closest in duration to the notional 10 year OAT, one Reference OAT's duration being of less than 10 years and the other Reference OAT's duration being greater than 10 years.*

In the relevant Final Terms, when the paragraph "Reference Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Benchmark, one of which shall be determined as if the maturity for which rates are available were the period of time of next shorter length as compared to the length of the relevant Interest Accrual Period, and the other of which shall be determined as if the maturity were the period of time of next longer length as compared to the length of the relevant Interest Accrual Period.

(D) Benchmark discontinuation

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, if a Benchmark Event occurs in relation to an Original Reference Rate (other than €STR, SARON, SOFR and SONIA) at any time, when the Terms and Conditions of any *Obligations Foncières* provide for any remaining rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, then the following provisions shall apply and prevail over the other fallback provisions set out in Condition 5(c)(iii)(C). For the avoidance of doubt, the following provisions shall not apply and shall not prevail over the fallback provisions relating to €STR, SARON, SOFR and SONIA provided in Condition 5(c)(iii)(C)(d), Condition 5(c)(iii)(C)(e), Condition 5(c)(iii)(C)(f) and Condition 5(c)(iii)(C)(g).

(a) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(c)(iii)(D)(b)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(c)(iii)(D)(c)) and any Benchmark Amendments (in accordance with Condition 5(c)(iii)(D)(d)).

An Independent Adviser appointed pursuant to this Condition 5(c)(iii)(D) shall act in good faith and in a commercially reasonable manner as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Paying Agents, the Calculation Agent or any other party responsible for determining the Rate of Interest specified in the applicable Final Terms, or the holders of *Obligations Foncières* for any determination made by it pursuant to this Condition 5(c)(iii)(D).

(b) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith and in a commercially reasonable manner that:

(1) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(d)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the *Obligations Foncières* (subject to the further operation of this Condition 5(c)(iii)(D)); or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(c)(iii)(D)(d)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the *Obligations Foncières* (subject to the further operation of this Condition 5(c)(iii)(D)).

(c) Adjustment Spread

If the Independent Adviser, determines in good faith and in a commercially reasonable manner (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(c)(iii)(D) and the Independent Adviser determines in good faith and in a commercially reasonable manner (i) that amendments to the Terms and Conditions of the *Obligations Foncières* (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days, or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(c)(iii)(D)(e), without any requirement for the consent or approval of holders of *Obligations Foncières*, vary the Terms and Conditions of the *Obligations Foncières* to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(c)(iii)(D), the Issuer shall comply with the rules of any stock exchange on which the *Obligations Foncières* are for the time being admitted to trading.

(e) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 13, the holders of *Obligations Foncières*, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c)(iii)(D). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision, the fallback provisions relating to the Originial Reference Rate specified in Condition 5(c)(iii)(C) will continue to apply to such determination.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5(c)(iii)(D), *mutatis mutandis*, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5(c)(iii)(D) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the other fallbacks specified in Condition 5(c)(iii)(C), will continue to apply in accordance with their terms.

(g) Definitions

In this Condition 5(c)(iii)(D):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to holders of *Obligations Foncières* as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

(2) in the case of an Alternative Rate (or in the case of a Successor Rate where (1) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference

Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or

(3) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser, acting in good faith, determines to be appropriate;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5(c)(iii)(D) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the *Obligations Foncières*;

"**Benchmark Event**" means, with respect to an Original Reference Rate:

(1) the Original Reference Rate ceasing to exist or be published;

(2) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the date specified in (2)(i);

(3) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(4) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the date specified in (4)(i);

(5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months;

(6) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Agent or the Calculation Agent), or any Paying Agent to calculate any payments due to be made to any holder of *Obligations Foncières* using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation (Regulation (EU) 2016/1011, as amended), if applicable); or

(7) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation (Regulation (EU) 2016/1011, as amended) of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted;

"**Independent Adviser**" means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 5(c)(iii)(D)(a);

"**Original Reference Rate**" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the *Obligations Foncières*;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body, and if, following a Benchmark Event, two or more successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser, shall determine which of those successor or replacement rates is most appropriate, having regard to, inter alia, the particular features of the relevant *Obligations Foncières* and the nature of the Issuer.

(iv) Rate of Interest for Inflation Linked *Obligations Foncières*:

(A) Consumer Price Index (CPI)

Where the consumer price index (excluding tobacco) for all households in France, as calculated and published by the *Institut National de la Statistique et des Etudes Economiques* (the "**INSEE**") ("**CPI**") is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)(A) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(A) shall apply.

The Rate of Interest in respect of Inflation Linked *Obligations Foncières* indexed to the CPI (the "**CPI Linked Interest**") applicable from time to time for each Interest Accrual Period (as specified in the relevant Final Terms) will be equal to the fixed rate per annum specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined below).

The CPI Linked Interest will be determined by the Calculation Agent on the following basis:

(a) On the fifth Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)(A), the "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the CPI Daily Inflation Reference Index (as defined below) applicable on any Interest Payment Date, as the case may be and (ii) the base reference defined as the CPI Daily Inflation Reference Index (as defined below) applicable on the date specified in the relevant Final Terms (the "**Base Reference**"). Notwithstanding Condition 5(g)(iii), the IIR

will be rounded if necessary to six significant figures (with halves being rounded up).

"**CPI Daily Inflation Reference Index**" means (i) in relation to the first day of any given calendar month, the CPI Monthly Reference Index of the third month preceding such month, and (ii in relation to a day D (other than the first day) in any given calendar month ("M"), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third calendar month preceding such month ("M – 3") and the second calendar month preceding such month ("M – 2") calculated in accordance with the following formula:

CPI Daily Inflation Reference Index=

$$\text{CPI Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{CPI Monthly Reference Index}_{M-2} - \text{CPI Monthly Reference Index}_{M-3})$$

With:

"**$ND_M$**": number of days in the relevant month M and, in the case of payment of principal or interest, shall be equal to 31;

"**D**": actual day of payment in the relevant month M and, in the case of payment of principal or interest, shall be equal to 25;

"**CPI Monthly Reference Index $_{M-2}$**": the level of the CPI Monthly Reference Index published in relation to month M - 2;

"**CPI Monthly Reference Index $_{M-3}$**": the level of the CPI Monthly Reference Index published in relation to month M - 3.

Notwithstanding Condition 5(g)(iii), the CPI Daily Inflation Reference Index will be rounded if necessary to six significant figures (with halves being rounded up).

*For information purposes, such CPI Daily Inflation Reference Index appears on the* Agence France Trésor *Reuters Page OATINFLATION01 or on Bloomberg FRCPXTOB Index <GO> pages and on the website www.aft.gouv.fr.* In the case of doubt in the interpretation of the methods used to calculate the Inflation Index Ratio, such methods shall be interpreted by reference to the procedures selected by the French Treasury (*Trésor*) for its *obligations assimilables du Trésor indexées sur l'inflation*.

"**CPI Monthly Reference Index**" means the definitive consumer price index excluding tobacco for all households in France, as calculated and published monthly by the INSEE as such index may be adjusted or replaced from time to time as provided herein.

(b) The calculation method described below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire – www.cnofrance.org*) in its July 2011 Paper entitled "Inflation linked-bonds". In the case of any conflict between the calculation method provided below and the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*), the calculation method provided by the French Bond Association (*Comité de Normalisation Obligataire*) shall prevail.

(c)

(1) If the CPI Monthly Reference Index is not published in a timely manner, a substitute CPI Monthly Reference Index (the "**Substitute CPI Monthly Reference Index**") shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional CPI Monthly Reference Index (*indice provisoire*) has already been published, such index shall automatically be used as the Substitute CPI Monthly Reference Index. Such provisional CPI Monthly Reference Index would be published under the heading "*indice de substitution*". Once the definitive CPI Monthly Reference Index is released, it shall automatically apply from the day following its release to all calculations taking place from this date.

(y) If no provisional CPI Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

Substitute CPI Monthly Reference Index$_M$=

$$\text{CPI Monthly Reference Index}_{M-1} \times \left(\frac{\text{CPI Monthly Reference Index}_{M-1}}{\text{CPI Monthly Reference Index}_{M-13}}\right)^{\frac{1}{12}}$$

(2) In the event INSEE decides to proceed with one or more base changes for the purpose of calculating the CPI Monthly Reference Index, the two CPI Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December CPI Monthly Reference Index of the last year of joint publications, which corresponds to the CPI Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{CPI Monthly Reference Index}^{\text{pertaining to December}}_{\text{calculated on the new basis}}}{\text{CPI Monthly Reference Index}^{\text{pertaining to December}}_{\text{calculated on the previous basis}}}$$

Such that:

$$\text{CPI Monthly Reference Index}^{\text{Date D New Basis}} = \text{CPI Monthly Reference Index}^{\text{Date D Previous Basis}} \times \text{Key}$$

(B) Harmonised Index of Consumer Prices (HICP)

Where the harmonised index of consumer prices (excluding tobacco) measuring the rate of inflation in the European Monetary Union as calculated and published monthly by Eurostat (the "**HICP**") is specified as the Index in the relevant Final Terms, this Condition 5(c)(iv)(B) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(iv)(B) shall apply.

The Rate of Interest in respect of Inflation Linked *Obligations Foncières* indexed to the HICP (the "**HICP Linked Interest**") applicable from time to time for each Interest Accrual Period (as specified in the relevant Final Terms) will be equal to the fixed rate per annum multiplied by the Inflation Index Ratio (as defined below).

The HICP Linked Interest will be determined by the Calculation Agent on the following basis:

(a) On the fifth Business Day before each Interest Payment Date (an "**Interest Determination Date**") the Calculation Agent will calculate the Inflation Index Ratio.

For the purpose of this Condition 5(c)(iv)(B), the "**Inflation Index Ratio**" or "**IIR**" is the ratio between (i) the HICP Daily Inflation Reference Index (as defined below) applicable on any Interest Payment Date or the redemption date, as the case may be and (ii) the base reference defined as the HICP Daily Inflation Reference Index (as defined below) applicable on the date specified in the relevant Final Terms (the "**Base Reference**"). Notwithstanding Condition 5(g)(iii), the IIR will be rounded if necessary to six significant figures (with halves being rounded up).

"**HICP Daily Inflation Reference Index**" means (i) in relation to the first day of any given calendar month, the HICP Monthly Reference Index of the third calendar month preceding such month, and (ii) in relation to a day D (other than the first day) in any given month ("M"), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third calendar month preceding such month ("M – 3") and the second calendar month preceding such month ("M – 2") calculated in accordance with the following formula:

HICP Daily Inflation Reference Index =

$$\text{HICP Monthly Reference Index}_{M-3} + \frac{D-1}{ND_M} \times (\text{HICP Monthly Reference Index}_{M-2} - \text{HICP Monthly Reference Index}_{M-3})$$

With:

"**$ND_M$**": number of days in the relevant month M and, in the case of payment of principal or interest, shall be equal to 31;

"**D**": actual day of payment in the relevant month M and, in the case of payment of principal or interest, shall be equal to 25;

"**HICP Monthly Reference Index $_{M-2}$**": the level of the HICP Monthly Reference Index published in relation to month M - 2;

"**HICP Monthly Reference Index $_{M-3}$**": the level of the HICP Monthly Reference Index published in relation to month M - 3.

Notwithstanding Condition 5(g)(iii), the HICP Daily Inflation Reference Index will be rounded if necessary to five significant figures (with halves being rounded up).

*For information purposes, such HICP Daily Inflation Reference Index appears on the* Agence France Trésor *Reuters Page OATEI01, on the website www.aft.gouv.fr. and on Bloomberg page CPTFEMU Index <GO>.*

"**HICP Monthly Reference Index**" means to the harmonised index of consumer prices excluding tobacco measuring the rate of inflation in the European Monetary Union excluding tobacco as calculated and published by Eurostat as such index may be adjusted or replaced from time to time as provided herein. The first publication or announcement of a level of such

index for a given month shall be final and conclusive and later revisions to the level for such month will not be used in any calculations.

(b)

(1) If the HICP Monthly Reference Index is not published in a timely manner, a substitute HICP Monthly Reference Index (the "**Substitute HICP Monthly Reference Index**") shall be determined by the Calculation Agent in accordance with the following provisions:

(x) If a provisional HICP Monthly Reference Index has already been published by Eurostat, such index shall automatically be used as the Substitute HICP Monthly Reference Index. Once the definitive HICP Monthly Reference Index is released, it shall automatically apply from the day following its release to all calculations taking place from this date.

(y) If no provisional HICP Monthly Reference Index is available, a substitute index shall be calculated on the basis of the most recently published figure adjusted as set out in the following formula:

$$\text{Substitute HICP Monthly Reference Index}_M = \text{HICP Monthly Reference Index}_{M-1} \times \left( \frac{\text{HICP Monthly Reference Index}_{M-1}}{\text{HICP Monthly Reference Index}_{M-13}} \right)^{\frac{1}{12}}$$

(2) In the event Eurostat decides to proceed with one or more base changes for the purpose of calculating the HICP Monthly Reference Index, the two HICP Monthly Reference Indexes which have been calculated on a different basis will be chained on the basis of the December HICP Monthly Reference Index of the last year of joint publications, which corresponds to the HICP Daily Inflation Reference Index for 1st March of the following year. Such chaining will be carried out in accordance with the following equation:

$$\text{Key} = \frac{\text{HICP Monthly Reference Index}^{\text{pertaining to December}}_{\text{calculated on the new basis}}}{\text{HICP Monthly Reference Index}^{\text{pertaining to December}}_{\text{calculated on the previous basis}}}$$

Such that:

$$\text{HICP Monthly Reference Index}^{\text{Date D New Basis}} = \text{HICP Monthly Reference Index}^{\text{Date D Previous Basis}} \times \text{Key}$$

(v) Formulas relating to *Obligations Foncières*

*(Formulas relating to* Obligations Foncières *are only applicable for* Obligations Foncières *having a denomination of at least EUR100,000)*

(A) Index Formula: When the Index Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

Rate of Interest = Participation x (Leverage1 x Index1 – Leverage2 x Index2) + Spread

where:

"**Designated Maturity**" means a period specified in the relevant Final Terms;

"**Index1**" means the Index Reference Rate or the CPI Reference Rate or the HICP Reference Rate or 0 (zero) as specified in the relevant Final Terms;

"**Index2**" means the Index Reference Rate or the CPI Reference Rate or the HICP Reference Rate or 0 (zero) as specified in the relevant Final Terms.

"**Participation**" means the coefficient specified in the relevant Final Terms;

"**Index Reference Rate**" means the rate designated as such in the Final Terms with the Designated Maturity specified in the relevant Final Terms determined in accordance with the Screen Rate Determination (described in Condition 5(c)(iii)(C)) or the ISDA Determination (described in Condition 5(c)(iii)(B)), as specified in the relevant Final Terms;

"**Leverage1**" means, with respect to an Interest Accrual Period, the percentage or number specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one.

"**Leverage2**" means, with respect to an Interest Accrual Period, the percentage or number specified in the relevant Final Terms. For the avoidance of doubt, this may have a positive or a negative value or may be equal to one.

"**Spread**" means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

"**CPI Reference Rate**" for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\frac{\text{CPI Monthly Reference Index}_{M}}{\text{CPI Monthly Reference Index}_{M'}} - 1$$

where:

"**CPI Monthly Reference Index $_{M}$**": the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M;

"**CPI Monthly Reference Index $_{M'}$**": the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M';

"**$_{M}$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

"**$_{M'}$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the CPI Monthly Reference Index$_{M}$ or the CPI Monthly Reference Index$_{M'}$ is or are not published in a timely manner, Condition 5(c)(iv)(A)(c) shall apply.

"**HICP Reference Rate**" for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\frac{\text{HICP Monthly Reference Index}_{M}}{\text{HICP Monthly Reference Index}_{M'}} - 1$$

where:

"**HICP Monthly Reference Index $_M$**": the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M;

"**HICP Monthly Reference Index $_{M'}$**": the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M';

"**$_M$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

"**$_M$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

If the HICP Monthly Reference Index$_M$ or the HICP Monthly Reference Index$_{M'}$ is or are not published in a timely manner, Condition 5(c)(iv)(B)(c) shall apply.

(B) Underlying Formula: When the Underlying Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent on the Interest Determination Date in accordance with the following formula:

Rate of Interest = Participation x $(1 + \text{Underlying} + \text{Spread})^k - 1$

where:

"**CMS Rate**" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Specified Time.

"**Designated Maturity**" means the maturity specified as such in the relevant Final Terms.

"**Participation**" means the coefficient specified in the relevant Final Terms.

"**Reference Currency**" means the currency specified as such in the relevant Final Terms.

"**Relevant Screen Page**" means the screen page specified as such in the relevant Final Terms or any successor page.

"**Specified Time**" means the time specified as such in the relevant Final Terms.

"**Spread**" means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

"**TEC**" means the offered quotation (expressed as a percentage rate per annum) with a maturity of the Designated Maturity, calculated by the *Comité de Normalisation Obligataire* ("**CNO**"), which appears on the Relevant Screen Page, being Reuters Screen BDFCNOTEC Page or any successor page, as at the Specified Time on the Interest Determination Date.

"**Underlying"** means either TEC[4] or CMS Rate, as specified in the relevant Final Terms, with the applicable Designated Maturity, Relevant Screen Page and Specified Time on the Interest Determination Date as determined by the Calculation Agent.

"**k**" means the coefficient specified in the relevant Final Terms.

If, on the relevant Interest Determination Date, CMS Rate does not appear on the relevant Screen Page at the relevant time, the adjustment provisions with respect to the Relevant Screen Page for CMS Rate set out in Condition 5(c)(iii)(C)(e) shall apply.

[4] *All potential users of the TEC must first enter into a trademark licence agreement available from the CNO.*

If, on the relevant Interest Determination Date, TEC does not appear on the Relevant Screen Page at the Specified Time, (i) TEC shall be determined by the Calculation Agent on the basis of the mid-market prices for each of the two reference OAT (*Obligation Assimilable du Trésor*) which would have been used by the *Comité de Normalisation Obligataire* for the calculation of TEC, quoted in each case by five *Spécialistes en Valeurs du Trésor* at approximately 10:00 a.m. Paris time on the Interest Determination Date in question; (ii) the Calculation Agent will request each *Spécialiste en Valeurs du Trésor* to provide a quotation of its price; and (iii) TEC will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest of such quotations. The above-mentioned redemption yield shall be determined by the Calculation Agent in accordance with the formula that would have been used by the *Comité de Normalisation Obligataire* for the determination of the relevant rate.

(C) When the CPI Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\text{Rate of Interest} = \frac{\text{CPI Monthly Reference Index}_{M}}{\text{CPI Monthly Reference Index}_{M'}} - 1 + \text{Spread}$$

where:

"**CPI Monthly Reference Index $_{M}$**": the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M;

"**CPI Monthly Reference Index $_{M'}$**": the level of the CPI Monthly Reference Index (as defined in Condition 5(c)(iv)(A)) published in relation to month M';

"**$_{M}$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

"**$_{M'}$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

"**Spread**" means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

If the CPI Monthly Reference Index$_{M}$ or the CPI Monthly Reference Index$_{M'}$ is or are not published in a timely manner, Condition 5(c)(iv)(A)(c) shall apply.

(D) When the HICP Formula is specified in the relevant Final Terms for the issue of *Obligations Foncières* having a denomination of at least EUR100,000 as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent with the following formula:

$$\text{Rate of Interest} = \frac{\text{CPI Monthly Reference Index}_{M}}{\text{CPI Monthly Reference Index}_{M'}} - 1 + \text{Spread}$$

where:

"**HICP Monthly Reference Index $_{M}$**": the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M;

"**HICP Monthly Reference Index $_{M'}$**": the level of the HICP Monthly Reference Index (as defined in Condition 5(c)(iv)(B)) published in relation to month M';

"**$_{M}$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls;

"**$_{M'}$**" is the calendar month, falling such number of calendar months (as specified in the relevant Final Terms) preceding the calendar month in which the Interest Determination Date falls.

"**Spread**" means the positive or negative rate expressed as a percentage specified in the relevant Final Terms.

If the HICP Monthly Reference Index$_{M}$ or the HICP Monthly Reference Index$_{M'}$ is or are not published in a timely manner, Condition 5(c)(iv)(B)(c) shall apply.

(d) **Fixed/Floating Rate *Obligations Foncières*:** Fixed/Floating Rate *Obligations Foncières* may bear interest at a rate (i) that the Issuer may elect, upon giving not less than 15 Business Days' prior notice in accordance with Condition 13, to convert on the date set out in the Final Terms (the "**Optional Change of Interest Date**") from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms (the "**Automatic Change of Interest Date**").

(e) **Fixed Rate/Formula *Obligations Foncières*:** Solely for *Obligations Foncières* having a denomination of at least EUR100,000, Fixed Rate/Formula *Obligations Foncières* may bear interest at a rate (i) that the Issuer may elect, upon giving not less than 15 Business Days' prior notice in accordance with Condition 13, to convert on the Optional Change of Interest Date set out in the Final Terms from a Fixed Rate to a Formula, or from a Formula to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Formula or from a Formula to a Fixed Rate on the Automatic Change of Interest Date set out in the Final Terms.

(f) **Zero Coupon *Obligations Foncières*:** Where an *Obligation Foncière* the interest basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date pursuant to an Issuer's option or, if so specified in the relevant Final Terms, pursuant to Condition 6(e) or otherwise pursuant to Condition 6(d)(i) and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such *Obligation Foncière*. As from the Maturity Date, the Rate of Interest for any overdue principal of such an *Obligation Foncière* shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(d)(i)).

(g) **Accrual of Interest:** Interest shall cease to accrue on each *Obligation Foncière* on the due date for redemption unless (i) in the case of Dematerialised *Obligations Foncières*, on such due date or (ii) in the case of Materialised *Obligations Foncières*, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.

(h) **Margin, Maximum/Minimum Rates of Interest and Rounding:**

(i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum as the case may be, provided that in no event, will the relevant Interest Amount be less than zero.

(iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(i) **Calculations:** The amount of interest payable in respect of any *Obligation Foncière* for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such *Obligation Foncière* by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such *Obligation Foncière* for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts and Optional Redemption Amounts or Early Redemption Amount:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the *Obligations Foncières* for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount or Early Redemption Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agent, the holders of *Obligations Foncières*, any other Calculation Agent appointed in respect of the *Obligations Foncières* that is to make a further calculation upon receipt of such information and, if the *Obligations Foncières* are admitted to trading on a Regulated Market or stock exchange, and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(k) **Calculation Agent:** The Issuer shall procure that there shall at all times one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any *Obligation Foncière* is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the *Obligations Foncières*, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through

its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the *Obligations Foncières* are admitted to trading on a Regulated Market and the rules of, or applicable to, that Regulated Market so require, notice of any change of Calculation Agent shall be given in accordance with Condition 13.

For the purpose of these Conditions, "**outstanding**" means, in relation to the *Obligations Foncières* of any Series, all the *Obligations Foncières* issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such *Obligations Foncières* to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised *Obligations Foncières* in bearer form and in administered registered form, to the relevant Account Holder on behalf of the holder of *Obligations Foncières*, (ii) in the case of Dematerialised *Obligations Foncières* in fully registered form, to the account of the holder of *Obligations Foncières* and (iii) in the case of Materialised *Obligations Foncières*, to the Fiscal Agent and remain available for payment against presentation and surrender of Materialised *Obligations Foncières* and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and that are held or have been cancelled as provided in these Conditions, (e) in the case of Materialised *Obligations Foncières* (i) those mutilated or defaced Materialised *Obligations Foncières* that have been surrendered in exchange for replacement Materialised *Obligations Foncières*, (ii) (for the purpose only of determining how many such Materialised *Obligations Foncières* are outstanding and without prejudice to their status for any other purpose) those Materialised *Obligations Foncières* alleged to have been lost, stolen or destroyed and in respect of which replacement Materialised *Obligations Foncières* have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised *Obligations Foncières*, pursuant to its provisions.

## 6 Redemption, Purchase and Options

(a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each *Obligation Foncière* shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount which is (i) its nominal amount (except in the case of Zero Coupon *Obligations Foncières*) or (ii) an amount determined in accordance with Condition 6(c) if specified as applicable in the relevant Final Terms.

(b) **Redemption at the Option of the Issuer and Partial Redemption:** If Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all laws, regulations and directives applicable to the Issuer and the *Obligations Foncières* and on giving not less than 5 nor more than 30 days' irrevocable notice in accordance with Condition 13 to the holders of *Obligations Foncières* (or such other notice period if specified in the relevant Final Terms), redeem all or, if so provided, some, of the *Obligations Foncières* on any Optional Redemption Date.

Any such redemption of *Obligations Foncières* shall be at their Optional Redemption Amount being (except with respect to Zero Coupon *Obligations Foncières*) the nominal amount together with interest accrued to the date fixed for redemption, if any.

Materialised *Obligations Foncières* may be redeemed in all or in part. In the case of a partial redemption the notice to holders of Materialised *Obligations Foncières* shall also contain the numbers of the Definitive Materialised *Obligations Foncières* to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market or stock exchange requirements.

In the case of a partial redemption of Dematerialised *Obligations Foncières*, the redemption may be effected by reducing the nominal amount of all such Dematerialised *Obligations Foncières* in a Series in proportion to the aggregate nominal amount redeemed. Any such redemption must relate to

*Obligations Foncières* of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

So long as the *Obligations Foncières* are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, the Issuer shall, each time there has been a partial redemption of the *Obligations Foncières*, cause to be published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* (the "**AMF**") and on the website of any other competent authority and/or Regulated Market where the *Obligations Foncières* are admitted to trading, a notice specifying the aggregate nominal amount of *Obligations Foncières* outstanding and, in the case of Materialised *Obligations Foncières* a list of any Materialised *Obligations Foncières*, drawn for redemption but not surrendered.

(c) **Redemption of Inflation Linked *Obligations Foncières*:** If Condition 6(c) is specified as applicable in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked *Obligations Foncières* will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x nominal amount of the *Obligations Foncières*

If the Final Redemption Amount calculated as set out above is below par, the *Obligations Foncières* will be redeemed at par.

For the purpose of this Condition 6(c) only, "**IIR**" means the ratio determined on the fifth Business Day before the Maturity Date between (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(A)) on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(B)) on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms.

(d) **Early Redemption:**

(i) Zero Coupon *Obligations Foncières*:

(A) The Optional Redemption Amount or the Early Redemption Amount, as the case may be, payable in respect of any Zero Coupon *Obligation Foncière*, the Optional Redemption Amount or the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such *Obligation Foncière* pursuant to Condition 6(b), 6(e) and 6(i) if so specified in the relevant Final Terms shall be calculated as provided below.

(B) Subject to the provisions of sub-paragraph (C) below, the Optional Redemption Amount or the Early Redemption Amount of any such *Obligation Foncière* shall be the scheduled Final Redemption Amount of such *Obligation Foncière* on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Optional Redemption Amount or an Early Redemption Amount equal to the issue price of the *Obligations Foncières* if they were discounted back to their issue price on the Issue Date (the "**Amortisation Yield**")) compounded annually.

(C) If the Optional Redemption Amount or the Early Redemption Amount payable in respect of any such *Obligation Foncière* upon its redemption pursuant to Condition 6(b), 6(e) and 6(i) is not paid when due, the Optional Redemption Amount or the Early Redemption Amount due and payable in respect of such *Obligation Foncière* shall be as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Optional Redemption Amount or the Early Redemption Amount becomes due and payable was the Relevant Date. The calculation of the Optional Redemption Amount or the Early Redemption Amount in accordance with this sub-paragraph shall continue to be made (both before and after

judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such *Obligation Foncière* on the Maturity Date together with any interest that may accrue in accordance with Condition 5(f).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

(ii) Inflation Linked *Obligations Foncières*:

(A) If the relevant Final Terms provides that Condition 6(d)(ii) shall apply in respect of Inflation Linked *Obligations Foncières*, the Early Redemption Amount of such *Obligations Foncières* in respect of such *Obligations Foncières* will be determined by the Calculation Agent on the following basis:

"**Early Redemption Amount**" = IIR x nominal amount of the *Obligations Foncières*

For the purpose of this Condition only, "**IIR**" means the ratio determined on the fifth Business Day before the date set for redemption between (i) if the CPI is specified as the Index applicable in the Final Terms, the CPI Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(A)) on the date set for redemption and the Base Reference specified in the relevant Final Terms or (ii) if the HICP is specified as the Index applicable in the Final Terms, the HICP Daily Inflation Reference Index (as defined in Condition 5(c)(iv)(B)) on the date set for redemption and the Base Reference specified in the relevant Final Terms.

If the Early Redemption Amount calculated as set out above is below par, the *Obligations Foncières* will be redeemed at par.

(B) If the Inflation Linked *Obligations Foncières* (whether or not Condition 6(d)(ii) applies) fall to be redeemed for whatever reason before the Maturity Date, the Issuer will pay the Early Redemption Amount together with interest accrued to the date set for redemption. Such accrued interest will be calculated by the Calculation Agent in respect of the period from, and including the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the date set for redemption of such *Obligations Foncières* at a rate per annum on the basis of the provisions of Condition 5(c)(iv) above except that, for such purposes the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Early Redemption Date.

(iii) Other *Obligations Foncières*: The Early Redemption Amount payable in respect of any *Obligation Foncière* (other than *Obligations Foncières* described in (i) and (ii) above), upon redemption of such *Obligations Foncières* pursuant to Condition 6(e) or 6(i), if so provided in the relevant Final Terms), shall be the nominal amount of such *Obligation Foncière*.

(e) **No Redemption for Taxation Reasons:** If French law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, such *Obligation Foncière* will not, unless otherwise specified in the relevant Final Terms, be redeemed early. If such early redemption is provided in the relevant Final Terms, the Issuer may redeem such *Obligation Foncière* at their Early Redemption Amount together with interest accrued to the date fixed for redemption and notice of such early redemption shall be given in accordance with Condition 13.

(f) **Purchases:** The Issuer shall have the right at all times to purchase *Obligations Foncières* (provided that, in the case of Materialised *Obligations Foncières*, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. All *Obligations Foncières* so purchased by the Issuer may either (i) be held and resold in

accordance with applicable laws and regulations or (ii) be cancelled in accordance with Condition 6(g) below.

(g) **Cancellation:** All *Obligations Foncières* purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised *Obligations Foncières*, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised *Obligations Foncières*, by surrendering Temporary Global Certificate or the Definitive Materialised *Obligations Foncières* in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all *Obligations Foncières* redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised *Obligations Foncières*, all rights relating to payment of interest and other amounts relating to such Dematerialised *Obligations Foncières* and, in the case of Materialised *Obligations Foncières*, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any *Obligations Foncières* so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such *Obligations Foncières* shall be discharged.

(h) **Subscription and use as collateral:** Notwithstanding this Condition 6, the Issuer may, pursuant to Article L.513-26 of the French *Code monétaire et financier*, subscribe its own *Obligations Foncières* for the sole purpose of pledging them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, in instances where the Issuer is unable to meet its cash-flow needs with other means available to it.

(i) **Illegality:** If, by reason of any change in French law, or any change in the official application of such law, becoming effective after the date on which agreement is reached to issue the first Tranche of any Series of the *Obligations Foncières*, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under such *Obligations Foncières*, the Issuer will, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the holders of *Obligations Foncières* (which notice shall be irrevocable), in accordance with Condition 13, redeem all, but not some only, of such *Obligations Foncières* at their Early Redemption Amount together with any interest accrued to the date set for redemption.

## 7 Payments and Talons

(a) **Dematerialised *Obligations Foncières*:** Payments of principal and interest in respect of Dematerialised *Obligations Foncières* shall (in the case of Dematerialised *Obligations Foncières* in bearer form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of *Obligations Foncières* and, (in the case of Dematerialised *Obligations Foncières* in fully registered form), to an account denominated in the relevant currency with a Bank designated by the holders of *Obligations Foncières*. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

(b) **Materialised *Obligations Foncières*:** Payments of principal and interest in respect of Materialised *Obligations Foncières* shall, subject as mentioned below, be made against presentation and surrender of the relevant Materialised *Obligations Foncières* (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(v)) or Coupons (in the case of interest, save as specified in Condition 7(e)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Materialised *Obligations Foncières* are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed a Paying Agent with specified offices outside the United States with the reasonable

expectation that such Paying Agent would be able to make payment of the amounts on the *Obligations Foncières* in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Fiscal Laws:** Payments will be subject in all cases, to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8, in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the holders of *Obligations Foncières* or Coupons in respect of such payments.

(e) **Appointment of Agents:** The Fiscal Agent, the Paying Agent, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of *Obligations Foncières* of the Issuer. The Fiscal Agent, the Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any holder of *Obligation Foncière* or Coupon. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agent, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent having specified offices in at least two major European cities provided that (A) so long as the *Obligations Foncières* are admitted to trading on the the regulated market of the Luxembourg Stock Exchange and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent in Luxembourg, and (B) so long as the *Obligations Foncières* are admitted to trading on Euronext Paris and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent in France (v) a Registration Agent and (vi) such other agents as may be required by any other Regulated Market or stock exchange on which the *Obligations Foncières* may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised *Obligations Foncières* denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the *Obligations Foncières* of any Series pursuant to Condition 1(d) with a view to consolidating such *Obligations Foncières* with one or more other Series of *Obligations Foncières*, in accordance with Condition 12, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such *Obligations Foncières* and such other Series of *Obligations Foncières* to be so consolidated with such *Obligations Foncières*.

Notice of any such change or any change of any specified office shall promptly be given to the holders of *Obligations Foncières* in accordance with Condition 13.

(f) **Unmatured Coupons and unexchanged Talons:**

(i) Upon the due date for redemption of those *Obligations Foncières*, Materialised *Obligations Foncières* which comprise Fixed Rate *Obligations Foncières* (other than Inflation Linked *Obligations Foncières*) should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each

missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of ten (10) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Materialised *Obligation Foncière* comprising a Floating Rate *Obligation Foncière* or Inflation Linked *Obligation Foncière*, unmatured Coupons relating to such *Obligation Foncière* (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Materialised *Obligation Foncière*, any unexchanged Talon relating to such *Obligation Foncière* (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Materialised *Obligation Foncière* that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those *Obligations Foncières* is presented for redemption without all unmatured Coupons, and where any Bearer *Obligation Foncière* is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Materialised *Obligation Foncière* is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised *Obligation Foncière* Materialised. Interest accrued on a Materialised *Obligation Foncière* that only bears interest after its Maturity Date shall be payable on redemption of such *Obligation Foncière* against presentation of the relevant Materialised *Obligation Foncière*.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised *Obligation Foncière*, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) **Business Days for Payment:** Unless otherwise specified in these Conditions, if any date for payment in respect of any *Obligation Foncière* or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (the "**Adjusted Payment Date**"), nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised *Obligations Foncières*, on which Euroclear France is open for business or (ii) in the case of Materialised *Obligations Foncières*, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as "**Financial Center**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day.

(i) **Bank:** For the purpose of this Condition 7, "**Bank**" means a bank in the principal financial centre of the relevant currency or, in the case of euro, in a city in which banks have access to the TARGET System.

## 8 Taxation

(a) **Withholding Taxes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the *Obligations Foncières* or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **No Additional Amounts:** If any law should require that payments of principal, interest or other revenues in respect of any *Obligation Foncière* or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will not be required to pay any additional amounts in respect of any such withholding or deduction.

## 9 Prescription

Claims against the Issuer for payment in respect of the *Obligations Foncières* and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Representation of holders of *Obligations Foncières*

Subject to the provisions of Condition 10(ix) below with respect to *Obligations Foncières* issued with a denomination of less than €100,000 (or its equivalent in any other currency), the holders of *Obligations Foncières* will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a masse (the "***Masse***") which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* as amended or supplemented by this Condition 10:

(i) **Legal Personality**

The *Masse* will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the holders of *Obligations Foncières* (the "**Collective Decisions**").

The *Masse* alone, to the exclusion of all individual holders of *Obligations Foncières*, shall exercise the common rights, actions and benefits which may accrue with respect to the *Obligations Foncières*, without prejudice to the rights that holders of *Obligations Foncières* may exercise individually in accordance with, and subject to, the provisions of the Terms and Conditions of the *Obligations Foncières*.

(ii) **Representative**

The names and addresses of the Representative and its alternate (if any), will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the Representative of the single *Masse* of all subsequent Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternate, if any. Another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the registered office of the Issuer.

(iii) **Powers of the Representative**

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the holders of *Obligations Foncières*, with the capacity to delegate its powers.

All legal proceedings against the holders of *Obligations Foncières* or initiated by them, must be brought by or against the Representative; except that, should judicial reorganisation or liquidation (*redressement ou liquidation judiciaire*) proceedings be commenced against the Issuer the specific controller shall file the proof of debt of all the creditors of the Issuer benefiting from the *Privilège* (including the holders of *Obligations Foncières*).

(iv) **Collective Decisions**

Collective Decisions are adopted either in a general meeting (the "**General Meeting**") or by consent following a written consultation (the "**Written Decision**").

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each holder of an *Obligation Foncière* to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such holder of an *Obligation Foncière* as of 00:00 (Paris time) on the second business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 10(viii).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the *Obligations Foncières* of such Series.

(A) General Meetings

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more holders of *Obligations Foncières*, holding together at least one-thirtieth of the principal amount of *Obligations Foncières* outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two months after such demand, the holders of *Obligations Foncières* may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the holders of *Obligations Foncières* present or represented hold at least one-fifth of the principal amount of the *Obligations Foncières* then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third majority of votes held by the holders of *Obligations Foncières* attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 10(viii) not less than fifteen calendar days prior to the date of the General Meeting on first convocation and not less than five calendar days prior to the date of the General Meeting on second convocation.

Each holder of *Obligations Foncières* has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each holder of an *Obligation Foncière* or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant holders of *Obligations Foncières* at the registered office of the Issuer and at any other place specified in the notice of the General Meeting,during the fifteen calendar day period

preceding the holding of the General Meeting on first convocation, or during the five calendar day period preceding the holding of the General Meeting on second convocation.

(B) Written Decisions

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Decision.

Such Written Decision shall be signed by or on behalf of the holders of *Obligations Foncières* holding not less than 90 per cent. in nominal amount of the *Obligations Foncières* outstanding, without having to comply with formalities and time limits referred to in Condition 10(iv)(A). Any Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such holder of *Obligations Foncières*. Pursuant to Article L.228-46-1 of the French *Code de commerce*, approval of a Written Decision may also be given by way of electronic consent allowing the identification of the holders of *Obligations Foncières*.

(C) Exclusion of certain provisions of the French *Code de commerce*

The provisions of Article L.228-65 I. 1° (unless the Issuer is no longer a *société de crédit foncier* as a result of the change), 3° and 4°of the French *Code de commerce* and the related provisions of the French *Code de commerce* shall not apply to the *Obligations Foncières*, it being however specified for the avoidance of doubt that the holders of *Obligations Foncières* benefit from the same protection rights as non bondholder creditors (*créanciers non obligataires*).

(v) **Expenses**

The Issuer shall pay all expenses relating to the operation of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the *Obligations Foncières*.

(vi) **Single *Masse***

The holders of *Obligations Foncières* of the same Tranche, and the holders of *Obligations Foncières* of any other Tranche which have been assimilated with the *Obligations Foncières* of such first mentioned Tranche in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single *Masse*.

(vii) **Sole holder of *Obligations Foncières***

If and for so long as the *Obligations Foncières* of a given Series are held by a sole holder of *Obligations Foncières*, and unless a Representative has been appointed in relation to such Series, such sole holder of *Obligations Foncières* shall exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*.

From the date of appointment of the Representative in relation to any Series, if and for so long as the *Obligations Foncières* of such Series are held by a sole holder of *Obligations Foncières*, such holder of *Obligations Foncières* shall exercise all powers, rights and obligations entrusted to the holders of *Obligations Foncières* acting through Collective Decisions by the provisions of the French *Code de commerce*.

The Issuer shall hold a register of the decisions taken by the sole holder of *Obligations Foncières* in this capacity and shall make it available, upon request, to any subsequent holder of any of the *Obligations Foncières* of such Series.

(viii) **Notices to holders of *Obligations Foncières***

Any notice to be given to the holders of *Obligations Foncières* in accordance with this Condition 10 shall be given in accordance with Condition 13.

(ix) **Full *Masse***

For *Obligations Foncières* issued with a denomination of less than EUR100,000 (or its equivalent in any other currency), Condition 10 shall apply to the *Obligations Foncières* subject to the following modifications.

(A) Condition 10(iv)(C) shall not apply to the *Obligations Foncières*; and

(B) except if the Final Terms specify "Issue outside France" as applicable, Condition 10(v) shall be deleted and replaced by the provisions of Article L.228-71 of the French *Code de commerce*.

For the avoidance of doubt, in this Condition 10, the term "**outstanding**" shall not include those *Obligations Foncières* subscribed or purchased by the Issuer pursuant to Article L.513-26 of the French *Code monétaire et financier* that are held by it and not cancelled in accordance with applicable laws and regulations as referred to in Condition 6(f).

## 11 Replacement of definitive *Obligations Foncières*, Coupons and Talons

If, in the case of any Materialised *Obligations Foncières*, a Definitive Materialised *Obligation Foncière*, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market or stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders of *Obligations Foncières*, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Definitive Materialised *Obligation Foncière*, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised *Obligations Foncières*, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Definitive Materialised *Obligations Foncières*, Coupons or Talons must be surrendered before replacements will be issued.

## 12 Further Issues and Consolidation

(a) **Further Issues:** The Issuer may from time to time without the consent of the holders of *Obligations Foncières* or Coupons create and issue further *Obligations Foncières* to be assimilated (*assimilées*) and form a single series with the *Obligations Foncières* provided such further *Obligations Foncières* and the further *Obligations Foncières* carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such further *Obligations Foncières* provide for such assimilation and references in these Conditions to "*Obligations Foncières*" shall be construed accordingly.

(b) **Consolidation:** The Issuer may, if so specified in the relevant Final Terms, with the prior approval (which shall not be unreasonably withheld) of the Redenomination Agent and the Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the holders of *Obligations Foncières* in accordance with Condition 13, without the consent of the holders of *Obligations Foncières* or Coupons, consolidate the *Obligations Foncières* of one Series with the *Obligations Foncières* of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other *Obligations Foncières* have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the *Obligations Foncières*.

## 13 Notices

(a) Notices to the holders of *Obligations Foncières* in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth ($4^{th}$) weekday (being a day other than a Saturday or a Sunday) after the mailing, or

(ii) at the option of the Issuer, they are published (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) or (b) in a leading daily newspaper of general circulation in Europe or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the AMF and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such *Obligations Foncières* are admitted to trading, if the rules applicable to such Regulated Market(s) so require or (d) so long as the *Obligations Foncières* are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices may also be published on the website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu).

(b) Notices to the holders of *Obligations Foncières* in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*) or (b) in a daily leading newspaper of general circulation in Europe or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the AMF and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s), on which such *Obligations Foncières* are admitted to trading is located, if the rules applicable to such Regulated Market(s) so require or (d) so long as the *Obligations Foncières* are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices may also be published on the website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu).

(c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised *Obligations Foncières* in accordance with this Condition.

(d) Notices required to be given to the holders of Dematerialised *Obligations Foncières* (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the *Obligations Foncières* are for the time being cleared in substitution for the mailing and publication as required by Conditions 13 (a), (b) and (c) above; except that notices will be published (i) (a) so long as such *Obligations Foncières* are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (b) in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF or (c) so long as such *Obligations Foncières* are admitted to trading on any Regulated Market(s) and the rules applicable to such Regulated Market(s) so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such *Obligations Foncières* is/are admitted to trading are/is situated, or (d) so long as the *Obligations Foncières* are admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices may also be published on the website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu).

(e) Notices relating to Collective Decisions pursuant to Condition 10 and pursuant to Articles R.228-79 and R.236-11 of the French *Code de commerce* shall be (a) given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the *Obligations Foncières* are for the time being cleared and, if such publication is not practicable in respect of Dematerialised *Obligations Foncières* in registered form (*au nominatif*), by mail to the holders of *Obligations Foncières* at their respective addresses, in which case they will be deemed to have been given notice on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing and (b) published on the website of the Issuer (www.caffil.fr). For the avoidance of doubt, Conditions 13(a), (b), (c) and (d) shall not apply to such notices.

## 14 Governing Law and Jurisdiction

(a) **Governing Law:** The *Obligations Foncières*, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction:** Any claim against the Issuer in connection with any *Obligations Foncières*, Coupons or Talons may be brought before any competent court within the jurisdiction of the registered office of the Issuer.

## TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED *OBLIGATIONS FONCIÈRES*

**Temporary Global Certificates**

A temporary global certificate, without interest coupons (a "**Temporary Global Certificate**"), will initially be issued in connection with Materialised *Obligations Foncières*. Upon the initial deposit of such Temporary Global Certificate with a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**"), Euroclear or Clearstream will credit the accounts of each subscriber with a nominal amount of *Obligations Foncières* equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of *Obligations Foncières* the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, a nominal amount of *Obligations Foncières* that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

**Exchange**

Each Temporary Global Certificate issued in respect of *Obligations Foncières* will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

(i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (or any successor provision in substantially similar form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) (the "**C Rules**" or "**TEFRA C**") or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Materialised *Obligations Foncières* and

(ii) otherwise, in whole but not in part, upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised *Obligations Foncières*.

**Delivery of Definitive Materialised *Obligations Foncières***

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed Definitive Materialised *Obligations Foncières*. In this Base Prospectus, "**Definitive Materialised *Obligations Foncières***" means, in relation to any Temporary Global Certificate, the Definitive Materialised *Obligations Foncières* for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised *Obligations Foncières* will be security printed in accordance with any applicable legal and Regulated Market or stock exchange requirements. Forms of such Definitive Materialised *Obligations Foncières* shall be available at the specified offices of any of the Paying Agent(s).

**Exchange Date**

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised *Obligations Foncières* are issued prior to such day pursuant to Condition 12(a), the Exchange Date for shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised *Obligations Foncières*.

**Legend concerning United States Persons**

In the case of *Obligations Foncières* issued in accordance with United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor provision in substantially similar form that are applicable for purposes of Section 4701 of the Code) (the "**D Rules**" or "**TEFRA D**"), any Materialised *Obligations Foncières* and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE, AS AMENDED."

The sections referred to provide that United States Holders, with certain exceptions, will not be entitled to deduct any loss on such *Obligations Foncières* and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such *Obligations Foncières*.

## USE OF PROCEEDS

The net proceeds of the issue of the *Obligations Foncières*, or an amount equivalent to the net proceeds in the case of Green *Obligations Foncières* or Social *Obligations Foncières* (as defined below), will be (as specified in the applicable Final Terms) applied by the Issuer either:

- to be used for the Issuer's general corporate purposes; or
- in the case of green *Obligations Foncières* (the "**Green *Obligations Foncières***"), to finance and/or refinance, in whole or in part, Eligible Green Loans as defined in the SFIL Group Green Bond Framework available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/);
- in the case of social *Obligations Foncières* (the "**Social *Obligations Foncières***"), to finance and/or refinance, in whole or in part, Eligible Health Loan Portfolio as defined in the SFIL Group Social Note Framework available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/); or
- as stated in the relevant Final Terms in respect of any particular issue of *Obligations Foncières* for which there is a particular identified use of proceeds (other than as specified above).

In relation to Green *Obligations Foncières* or to Social *Obligations Foncières*, as the case may be, and in relation to International Capital Markets Association Guidelines/Principles:

- the SFIL Group Green Bond Framework is based on the Green Bond Principles (the "**GBP**") published by the International Capital Markets Association;
- the Issuer has requested a second party opinion (the "**Green Second Party Opinion**") on the SFIL Group Green Bond Framework assessing its alignment with the GBP. This Green Second Party Opinion is available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/);
- the SFIL Group Social Note Framework is based on the Social Bond Principles (the "**SBP**") published by the International Capital Markets Association; and
- the Issuer has requested a second party opinion (the "**Social Second Party Opinion**") on the SFIL Group Social Note Framework assessing its alignment with the SBP. This Social Second Party Opinion is available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/).

An allocation reporting will be made available on the Issuer's website (https://caissefrancaisedefinancementlocal.fr/en/investor/covered-bonds-issuance/) within one year from the date of the issue of the relevant Green *Obligations Foncières* or Social *Obligations Foncières*, as the case may be, and annually thereafter until the net proceeds have been fully allocated.

An independent third party will verify the allocation of the net proceeds of the Green *Obligations Foncières* and of the Social *Obligations Foncières*.

The SFIL Group Green Bond Framework, the SFIL Group Social Note Framework, the Green Second Party Opinion and the Social Second Party Opinion are not incorporated by reference in this Base Prospectus.

# DESCRIPTION OF CAISSE FRANÇAISE DE FINANCEMENT LOCAL

**Legal structure and name of the Issuer**

The Issuer was created on 29 December 1998 for a period of 99 years. It was authorized to operate as a *société de crédit foncier* by the *Comité des établissements de crédit et des entreprises d'investissement* (now a part of the French Resolution and Prudential Control Authority (*Autorité de Contrôle Prudentiel et de Résolution*) ("**ACPR**")) at its meeting on 23 July 1999. The authorization became definitive on 1 October 1999.

On 31 January 2013, the Issuer was renamed Caisse Française de Financement Local to replace Dexia Municipal Agency, upon the sale of its sole shareholder, Société de Financement Local (renamed SFIL in June 2015), to the French State, Caisse des Dépôts et Consignations ("**CDC**") and La Banque Postale. Since 30 September 2020, SFIL's sole shareholder is the CDC (holding 99.99% of SFIL's share capital). The French State retained one ordinary share and continues to be present on SFIL's Board of Directors through a non-voting member, given the public interest missions entrusted to SFIL.

The Issuer's registered office is located at 1-3, rue du Passeur de Boulogne in Issy-les-Moulineaux (92130), France - (Telephone: +33 1 73 28 90 90). The Issuer is registered with the *Registre du commerce et des sociétés* of Nanterre under the number 421 318 064.

Caisse Française de Financement Local is a *société anonyme à Directoire et Conseil de Surveillance*, a joint-stock corporation with an Executive Board and a Supervisory Board, governed by the provisions of Articles L.210-1 and following of the *Code de commerce*. Its activity is regulated by Articles L.511-1 and following (credit institutions) and L.513-2 and following (*sociétés de crédit foncier*) of the French *Code monétaire et financier*.

**Nature and activity of the Issuer**

Caisse Française de Financement Local (also known by its acronym CAFFIL) is a credit institution active in the refinancing of loans to public sector entities or those they guarantee through the issue of covered bonds, which are called *obligations foncières*.

It is a specialised credit institution authorized to operate as a *société de crédit foncier*. As a credit institution, the Issuer is subject to all legal and regulatory provisions that apply to credit institutions. It conducts banking transactions in its ordinary course of business. As a *société de crédit foncier*, it engages in transactions that are specialised and have an exclusive purpose, as defined in Articles L.513-2 and following of the French *Code monétaire et financier*.

In the case of Caisse Française de Financement Local, this specialisation is exclusively limited to transactions with public sector entities or entities they guarantee as specified in its 1 October 1999, authorization by the ACPR and its own by-laws.

- The authorization mentions that the Issuer "is approved as a *société de crédit foncier*, the activities of which exclusively concern the granting or acquisition of loans to public sector entities or those they guarantee, as well as the holding of securitization units or shares of similar entities when the assets in these securitizations are for at least 90% composed of assets of the same nature as the above-mentioned loans, in accordance with Article 94-II and III of law 99-532".
- The purpose of the Issuer (Article 2 of the by-laws) specifies that the exclusive purpose of the Issuer is:
  - to grant or to acquire exposures on public sector entities as defined in Article L.513-4 of the French *Code monétaire et financier* as well as securitization units or shares of similar entities considered as exposures on public sector entities as defined in Article L.513-5 of the French *Code monétaire et financier* (repealed as at 8 July 2022);
  - to hold securities and other assets under the conditions set by decree to be considered as replacement assets.

*Sociétés de crédit foncier*, which were created by the law of June 1999, are now well-known in the world of bond issuers and investors. They issue covered bonds called *obligations foncières* and contract other covered debt negotiable or not in regulated markets. All these instruments are characterized by the legal privilege that primarily affects cash flows from the Issuer's assets to pay the interest and reimbursement of the *obligations foncières*. *Sociétés de crédit foncier* may also issue or contract non-covered debt. *Obligations foncières* constitute a significant element in the international covered bond market.

**Shareholding structure of the Issuer**

Caisse Française de Financement Local is currently wholly-owned by SFIL. Since 30 September 2020, SFIL's sole shareholder is the CDC (holding 99.99% of SFIL's share capital). The French State retained one ordinary share and continues to be present on SFIL's Board of Directors through a non-voting member, given the public interest missions entrusted to SFIL.

SFIL's shareholding structure is thus still fully public. Its shareholders will ensure that SFIL's financial solidity is preserved and its economic base protected and will continue to provide it with the necessary support, in accordance with the applicable regulations. CDC, SFIL's new reference shareholder, confirmed its commitment in a letter of support, completed by a letter of support from the State, in the context of SFIL's continuing status as a State-owned development bank.

This commitment, made with the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*), underlines its involvement to ensure oversight and to influence strategic decisions, as well as its determination to ensure Caisse Française de Financement Local's and SFIL's ongoing financial transactions and to comply with regulatory requirements, if so required.

In addition, on 5 November 2020, SFIL, the parent company of Caisse Française de Financement Local, signed an updated declaration of support of Caisse Française de Financement Local, ensuring that "*SFIL, its reference shareholder CDC and the French State, will ensure, subject to EU State Aid rules, that Caisse Française de Financement Local always be able to pursue its activity in an ongoing manner and that its economic base is protected and its financial strength preserved, in compliance with the requirements of banking regulations*". This declaration of support is reproduced on page 138 of this Base Prospectus.

** The Caisse des Dépôts holds all SFIL shares with the exception of one ordinary share retained by the French State.*

*** The French State holds 50% of the capital of Bpifrance S.A. (through EPIC Bpifrance) and 34% of La Poste's capital*

**Areas of business of SFIL and Caisse de Française de Financement Local**

Caisse Française de Financement Local and its parent company SFIL (formerly Société de Financement Local) are key elements in the financing of local governments and public hospitals in France introduced by the French State in 2013. This organization is based on a commercial activity developed by La Banque Postale with refinancing provided by Caisse Française de Financement Local.

In 2015, the French State entrusted SFIL and Caisse Française de Financement Local with the responsibility to refinance large export credits with the guarantee of the State. Public guarantees for foreign trade, which in particular cover export credit insurance operations and enhanced guarantees, are granted by the Minister in charge of the Economy, once approved by the Guarantees and Foreign Trade Credit Commission. Their management is entrusted to Bpifrance Assurance Export that deliver these guarantees, under the State's control, on its behalf and in its name.

The objective is to enable large export credits as well as loans to French local governments and public hospitals to benefit from optimal financing conditions through a high rating and irreproachable risk management.

**Legal and arbitration proceedings**

**Sensitivity reduction and decrease in litigation related to structured loans**

The Issuer has, in its portfolio, some structured loans considered as sensitive which had been granted to French clients by Dexia Crédit Local before the acquisition of the Issuer by SFIL. Certain of these customers initiated legal proceedings against Dexia Crédit Local, the Issuer and/or SFIL.

**Sensitive loans and reduction in loan sensitivity**

The most structured loans according to the Gissler classification (categories 3E, 4E and 5E as well as "not in the charter" loans) may be classified as "sensitive". As of 31 December 2021, they now represent only EUR 0.5 billion (0.8% 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 94%. The number of customers holding sensitive loans fell over the same period from 879 to 133. The scope of sensitive structured loans is therefore extremely limited and the associated risk is no longer material for Caisse Française de Financement Local.

**Legal risk**

As regards litigation, relating to structured loans, at 31 December 2021, there were 3 borrowers who had brought lawsuits on structured loans, compared to 10 as of 31 December 2020 and 15 as of 31 December 2019, steadily decreasing since 2014 (210 lawsuits as of 31 December 2014). Since SFIL's creation, 220 borrowers dropped the claims they had initiated.

Since the entry into force on 30 July 2014 of the law on the securitization of structured loan contracts taken out by public legal entities and in accordance with a now established case law of the *Cour de cassation* (cf. judgments rendered on 28 March 2018, 26 June 2019, 20 May 2020 and 12 November 2020), more than 70 judicial decisions have dismissed claims by borrowers to invalidate the structured loans recorded on Caisse Française de Financement Local's balance sheet. Such case law has essentially retained that structured loans were not speculative financial products (which are prohibited for local authorities) but loan contracts whose validity was not questionable. In addition, most of these decisions held that the bank had not failed in its obligation to provide information on the characteristics of the contracts to borrowers who have been, in their majority, considered to be knowledgeable borrowers. In that respect, two rulings issued by the *Cour de cassation* during the year 2021 sanctioned insufficient substantiation of two appeal rulings and transferred both cases back to the *Cour d'appel* which will have to re-examine the admissibility of certain claims that were made by the borrowers.

As of 31 December 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.

**Tax risk**

SFIL's Finance division is responsible for tax declarations and may consult the SFIL's General Secretary for tax advice. SFIL relies notably on tax advisory firms of excellent repute for managing its tax risk. There was no change over the year of 2021 in the case concerning the tax treatment in Ireland of the income of the former Dexia Municipal Agency branch (former name of CAFFIL) in Dublin, which was closed in 2013, and which was subject to an audit by the French tax authorities. CAFFIL booked the necessary liabilities and paid the rights assessed. A procedure is currently under way with the French and Irish tax administrations to eliminate the double taxation (CAFFIL has paid taxes in both countries for the same revenues).

**Other litigation**

The Issuer is not or has not been involved in any other governmental litigation or proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may or have in such period had a significant effect on the financial position or profitability of the Issuer.

## THE LEGAL REGIME APPLICABLE TO CAFFIL

*Please note that the paragraphs below relating to the laws and regulations applicable to* sociétés de crédit foncier *are based on French laws and regulations in force as at the date of this Base Prospectus and should be read in conjunction with, as the case may be, any relevant instruction from the French Resolution and Prudential Control Authority* (Autorité de contrôle prudentiel et de résolution) *or ministerial order published in respect of* sociétés de crédit foncier.

**Legal Framework**

As of the date of this Base Prospectus, the legal and regulatory regime applicable to *sociétés de crédit foncier* results from the following provisions:

- Articles L.513-2 to L.513-27 of the French *Code monétaire et financier* (as amended from time to time);
- Articles R.513-1 to R.513-18 of the French *Code monétaire et financier* (as amended from time to time);
- Regulation (*règlement)* No. 99-10 of 9 July 1999, as amended, issued by the Banking and Financial Regulatory Committee (*Comité de la Règlementation Bancaire et Financière* or "**CRBF**") (as amended from time to time); and
- the various *instructions* relating to *sociétés de crédit foncier* issued by the French Resolution and Prudential Control Authority *(Autorité de contrôle prudentiel et de résolution)* (as amended from time to time).

The recent amendments to the above-mentioned legal and regulatory regime applicable to *sociétés de crédit foncier*, to enter into force on 8 July 2022, have been made by:

- Decree-law (*ordonnance*) No.2021-858 dated 30 June 2021 transposing Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issuance of covered bonds and the public supervision of covered bonds (the "**Covered Bond Directive**");
- Decree (*décret*) No.2021-898 dated 6 July 2021 transposing the Covered Bond Directive;
- Decree (*décret*) No.2022-766 dated 2 May 2022 completing the transposition of the Covered Bond Directive;
- Ministerial decree (*arrêté*) dated 7 July 2021 amending regulation (*règlement*) No.99-10 dated 9 July 1999 relating to the *sociétés de crédit foncier* and *sociétés de financement de l'habitat*;
- Instruction No.2022-I-03 of the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) on the coverage ratio of *sociétés de crédit foncier* and *sociétés de financement de l'habitat* and the regulatory statements mentioned in article 10 of regulation (*règlement*) No.99-10 dated 9 July 1999 relating to the *sociétés de crédit foncier* and *sociétés de financement de l'habitat*;
- Instruction No.2022-I-04 of the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) on the publication by *sociétés de crédit foncier* and *sociétés de financement de l'habitat* of information related to the quality of the assets financed and respectively, their outstanding *obligations foncières* and *obligations de financement de l'habitat*; and
- Instruction No.2022-I-05 of the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) on the information to be provided to the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) by the *sociétés de crédit foncier* and *sociétés de financement de l'habitat* in the context of the granting of the "European Covered Bond" and "European Covered Bond (Premium)" labels.

This new regime also aims to take into account the amendments of Article 129 of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (the "**CRR II Regulation**") as amended by Regulation (EU) 2019/2160 of the European Parliament and of the Council of 27 November 2019 (the "**Covered Bond Regulation**").

The entry into force of the above-mentioned amendments to the legal and regulatory regime does not alter the qualification of covered bonds for bonds issued prior to 8 July 2022 and which already could qualify as such at such

date, nor the prudential preferential treatments associated to this qualification.

**The *Privilège* (Statutory Priority in Right of Payment)**

*Obligations foncières* are specialised covered bond products that can only be issued by credit institutions licensed and regulated in France as *sociétés de crédit foncier*. *Obligations foncières* benefit from the legal *Privilège* under French law which provides a priority in right of payment on certain eligible assets and cash flow of the *société de crédit foncier*, such as the Issuer, to the holders of *obligations foncières* and other privileged debt. CAFFIL's total assets must always exceed liabilities benefiting from the *Privilège*, in particular in accordance with Articles L.513-12 and R.513-8 of the French *Code monétaire et financier.*

The legal *Privilège* is governed by Article L.513-11 of the French *Code monétaire et financier* and has, in particular, the following characteristics:

- the amounts resulting from loans, assimilated receivables, exposures and securities (and, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and, as from 8 July 2022, deposits (*dépôts*)) referred to in Articles L.513-3 to L.513-7 of French *Code monétaire et financier*, including, as from 8 July 2022, any mortgage, charge, lien or other guarantee or indemnity relating thereto, and the forward financial instruments used for hedging as referred to in Article L.513-10 of the French *Code monétaire et financier* (in each case, after any applicable set-off), together with the claims in respect of deposits made by the *société de crédit foncier* with credit institutions, are allocated in priority for the payment of any sums due in relation to the *obligations foncières* and other liabilities benefiting from the *Privilège*, as mentioned in Article L.513-2 I 2° of the French *Code monétaire et financier*, including CAFFIL's derivative counterparties and payments to SFIL under the loan service agreements between them;

- prior to 8 July 2022, when a *société de crédit foncier* is subject to safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*), or judicial liquidation proceedings (*procédure de liquidation judiciaire*) or to conciliation proceedings (*procédure de conciliation*), and as from 8 July 2022, when a *société de crédit foncier* is subject to safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*) or judicial liquidation proceedings (*procédure de liquidation judiciaire*), or resolution proceedings opened pursuant to article L.613-49 of the French *Code monétaire et financier*, liabilities benefiting from the *Privilège,* as described in Article L.513-2 I 2° of the French *Code monétaire et financier*, are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements. No other creditor of a *société de crédit foncier* may exercise any right over the assets and rights of such *société de crédit foncier*, either in principal or interest, until creditors benefiting from the *Privilège* defined in Article L.513-11 of the French *Code monétaire et financier* have been fully paid off;

- prior to 8 July 2022, the judicial liquidation proceedings (*procédure de liquidation judiciaire*) of a *société de crédit foncier* such as the Issuer will not result in the acceleration of payment of *obligations foncières* or other debts benefiting from the *Privilège*; and

- as from 8 July 2022, the safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation proceedings (*procédure de redressement judiciaire*), or judicial liquidation proceedings (*procédure de liquidation judiciaire*) or the resolution proceedings (*procédure de résolution*) opened pursuant to Article L.613-49 of the French *Code monétaire et financier* against a *société de crédit foncier* such as the Issuer will not result in the acceleration of payment of *obligations foncières* or other debts benefiting from the *Privilège*.

CAFFIL does not have any employees.

In accordance with Article L.513-15 of the French *Code monétaire et financier*, CAFFIL must entrust the management or recovery of the loans, exposures, related receivables (*créances assimilées*), titles (and, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and, as from 8 July 2022, deposits (*dépôts*)), bonds or other resources referred to in Article L.513-2 of the French *Code monétaire et financier*, to a credit institution or financing company (*société de financement*) pursuant to an agreement entered into with such entity. Payments arising under

the loan service agreements with SFIL benefit from the *Privilège* to the same extent debt benefitting from the *Privilège*.

**Legislation relating to *sociétés de crédit foncier***

Article L.513-2 of the French *Code monétaire et financier* provides that the sole purpose of a *société de crédit foncier* is:

- to grant or acquire guaranteed loans, exposures to public sector entities and securities (and, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and, as from 8 July 2022, deposits (*dépôts*)) and exposures, each referred to in Articles L.513-3 to L.513-7 of the French *Code monétaire et financier*); and
- in order to finance such categories of loans, exposures, securities, assets and deposits, to issue *obligations foncières* benefiting from the *Privilège* and to issue other debt pursuant to the contract or the document made for the information of the public as provided for in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 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 or any equivalent document required for admission to any foreign regulated market, if such contract or document refers to the *Privilège*.

*Sociétés de crédit foncier* may also fund the activities referred to above through the issue of bonds or other sources of financing which do not benefit from the *Privilège*. They may also issue promissory notes (*billets à ordre)*.

*Sociétés de crédit foncier* may carry out temporary transfers of securities; pledge a securities account and pledge or transfer all or part of the receivables held by them in accordance with the applicable provisions of the French *Code monétaire et financier*. The receivables or securities thus transferred or pledged are not included in the Cover Pool (as such term is defined in "Risk Factors – Risk Factors relating to the Issuer – Risk of default in the Cover Pool") defined in Article L.513-11 (*assiette du privilège)* and are not taken into account for the calculation of the overcollateralisation ratio.

According to Article L.513-4 of the French *Code monétaire et financier*, eligible exposures to public sector entities mentioned in Article L.513-2 of the French *Code monétaire et financier* that may be included in the Cover Pool, are assets such as loans, certain debt securities or off-balance sheet exposures to the entities listed below or fully guaranteed by them.

- Prior to 8 July 2022, central governments, central banks, public institutions, local authorities or state-owned entities located in a Member State of the European Union or within the European Economic Area, in the United States of America, Switzerland, Japan, Canada, Australia or New Zealand, and as from 8 July 2022, central governments, central banks, public institutions, local authorities or state-owned entities located in a Member State of the European Union only (collectively, the "**Eligible States**");
- Central governments or central banks not located in an Eligible State, but who benefit from the highest level of credit quality[5] established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) in accordance with Article L.511-44 of the French *Code monétaire et financier*;
- Prior to 8 July 2022, the European Union, the International Monetary Fund, the Bank for International Settlements, multilateral development banks (the list of which has been set by decree of the Minister of the Economy) and other international organizations and multilateral development banks benefiting from the highest level of credit quality established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) in accordance with Article L.511-44 of the French *Code monétaire et financier*, and as from 8 July 2022, the international organisations mentioned in Article 118 of the Regulation (EU) 575/2013 of 26 June 2013, multilateral development banks mentioned in Article 117 of the same Regulation, and other international organisations and multilateral development banks, each benefiting from the highest level of credit quality established by a credit rating agency recognized by the

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

French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) in accordance with Article L.511-44 of the French *Code monétaire et financier*;

- Public institutions and local authorities located in a state that is neither a Member State of the European Union nor party to the European Economic Area (excluding, prior to 8 July 2022, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand) if financial exposure to such persons are subject, for the determination of capital adequacy, to the same requirements as those used for central governments, central banks or credit institutions, or fully guaranteed by such persons, and benefiting from the highest level of credit quality established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*); and

- Prior to 8 July 2022, public institutions and local authorities mentioned in the bullet point above, and as from 8 July 2022, central administrations and central banks located in states that are not members of the European Union, public institutions and local authorities mentioned in the bullet point above, each benefiting from the second-highest level of credit quality[6] established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*), provided that such exposures are limited to 20% of the total outstanding nominal amount of the *obligations foncières* and other sources of financing benefiting from the *Privilège*.

Eligible assets of the public sector entities described above include, among other things:

- debt securities issued, or fully guaranteed, by one or more of the public sector entities mentioned above;

- monetary claims, including those resulting from a successive performance contract, against the public sector entities referred to above, or fully guaranteed by one or more of such public sector entities;

- debt stemming from leasing contracts or equivalent contracts to which a public sector entity referred to above is party in the capacity of lessee or tenant, or debt stemming from leasing contracts or equivalent contracts fully guaranteed by one or more of those public sector entities. *Sociétés de crédit foncier* that acquire debt resulting from a leasing contract may also acquire all or part of the debt that results from the sale of the leased property.

Prior to 8 July 2022, pursuant to Article L.513-5 of the French *Code monétaire et financier* (repealed as at 8 July 2022) and within the limits of Article R.513-3 of the French *Code monétaire et financier* (repealed as at 8 July 2022), eligible assets also include units or notes (other than subordinated units or subordinated notes) issued by a securitization vehicle (*organisme de titrisation*) which are French securitisation vehicles, or other similar vehicles governed by the laws of a Member State of the European Union or of the European Economic Area, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand provided that at least 90% of the assets held by these securitization vehicles must otherwise be eligible assets. These units or notes must benefit from the highest level of credit quality established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*).

As from 8 July 2022, eligible assets do no longer include units or notes issued by a securitization vehicle (*organisme de titrisation*) within the meaning of French law, nor by other similar vehicles. In addition, according to Article L.513-6 of the French *Code monétaire et financier*, exposures secured by the remittal, sale or lien over receivables (be they trade receivables or not) granted by the *société de crédit foncier* with the benefit from Articles L.211-38 to L.211-40 or Articles L.313-23 to L.313-35 of the French *Code monétaire et financier* are assimilated to exposures referred to in Article L.513-3 of the French *Code monétaire et financier*, subject to these receivables complying with the conditions set out by article L.513-4 of the French *Code monétaire et financier*.

In order to hedge its interest and currency risks on loans, exposures referred to in Articles L.513-3 to L.513-7 of the French *Code monétaire et financier*, *obligations foncières* and other sources of financing benefiting from the *Privilège*, or its global interest rate risk, *sociétés de crédit foncier* may use forward instruments as defined in Article L.211-1 of the French *Code monétaire et financier*. Any amounts payable pursuant to these financial instruments, after applicable set-off, contracted to hedge its eligible assets or replacement assets, its liability items

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

benefiting from the *Privilège* and to manage or hedge the global risk on its assets, its liabilities and its off-balance sheet, benefit from the *Privilège*. As from 8 July 2022, *sociétés de crédit foncier* shall ensure that the volume of such forward instruments used is consistent in case the hedged risk decreases and that they are terminated in case the hedged risk disappears. Moreover, according to Article R.513-6-1 of the French *Code monétaire et financier*, the forward instruments used by *sociétés de crédit foncier* shall be an exposure on a credit institution benefiting at least from the second-highest level of credit quality established by a credit rating agency recognized by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*).

According to Article L.513-7 of the French *Code monétaire et financier*, *sociétés de crédit foncier* may hold as part of the Cover Pool replacement assets, including securities, instruments and deposits which are sufficiently safe and liquid. Article R.513-6 of the French *Code monétaire et financier* provides that these replacement assets shall be securities and deposits (and, prior to 8 July 2022, replacement assets (*valeurs de remplacement*), and as from 8 July 2022, deposits (*dépôts*)) due from credit institutions, investment firms or portfolio management companies (benefiting, prior to 8 July 2022, from the highest level of credit quality, and as from 8 July 2022, from the highest or the second highest level of credit quality established by an external rating agency recognized by the Prudential Control Authority, or guaranteed by such credit institutions or investment firms.

Prior to 8 July 2022, if any debt has a maturity of less than one hundred (100) days, the rating can be the second highest level of credit quality for purposes of consideration as Replacement Assets. The total amount of the replacement assets is limited to 15% of the total outstanding nominal amount of the *obligations foncières* and other sources of financing benefiting from the *Privilège*.

As from 8 July 2022, if any debt has a maturity of less than one hundred (100) days, the rating can be the third highest level of credit quality for purposes of consideration as replacement assets. In addition:

- the amount of exposures on credit institutions benefiting from the highest level of credit quality is limited to 15% of the total outstanding nominal amount of the institution issuing the *obligations foncières* and other sources of financing benefiting from the *Privilège*;
- the amount of exposures on credit institutions benefiting from the second highest level of credit quality is limited to 10% of the total outstanding nominal amount of the institution issuing the *obligations foncières* and other sources of financing benefiting from the *Privilège*; and
- the amount of exposures on credit institutions benefiting from the third highest level of credit quality that are short-term deposits (*dépôts à court terme*) or derivative instruments (*instruments dérivés*) is limited to 8% of the total outstanding nominal amount of the institution issuing the *obligations foncières* and other sources of financing benefiting from the *Privilège*.

Pursuant to Articles L.513-8 and R.513-7 of the French *Code monétaire et financier*, *sociétés de crédit foncier* must ensure, at all times, the coverage of their treasury needs over a period covering the next one hundred and eighty (180) days, while taking into account forecast flows of the principal and interest on its assets and the amounts related to derivatives as mentioned in Article L.513-10 of the French *Code monétaire et financier*. Moreover, pursuant to Articles L.513-12 and R.513-8 of the French *Code monétaire et financier*, *sociétés de crédit foncier* must, at all times, maintain a ratio of at least one hundred and five per cent (105%) between its eligible assets (including, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and, as from 8 July 2022, claims for payment owed in relation to forward financial instruments benefiting from the *Privilège* as well as any collateral received in relation to such forward financial instruments) and the total amount of its liabilities benefiting from the *Privilège*, as calculated pursuant to Articles 6 to 11 of the regulation no. 99-10 of the CRBF, and pursuant to Article 12 of regulation no. 99-10 of the CRBF, the average life of the eligible assets held by the *société de crédit foncier*, up to the minimum required to comply with the cover ratio referred to in Article R.513-8 of the French *Code monétaire et financier*, shall not exceed by more than eighteen (18) months the average life of its liabilities benefitting from the *Privilège*. Article L.513-26 of the French *Code monétaire et financier* provides that a *société de crédit foncier* may, by way of exception to the provisions of Articles 1349 of the French *Code civil* and L.228-44 and L.228-74 of the French *Code de commerce*, subscribe to its own *obligations foncières* for the sole purpose of pledging them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid

out by it for its monetary and intraday credit policy, in instances where the *société de crédit foncier* is unable to cover its cash-flow needs by other means available to it. The *obligations foncières* thus subscribed must satisfy the following conditions:

- they may represent a maximum of 10% of the total outstanding debt benefiting from the *Privilège* at the acquisition date;
- they are deprived of their voting rights in general meetings of bondholders, for so long as they are held by the *société de crédit foncier*;
- they must be posted as collateral to the *Banque de France*; in the absence of this allocation, they must be cancelled within eight (8) days; and
- they cannot be subscribed by third parties.

The *contrôleur spécifique* must certify that the above-mentioned conditions are fulfilled and submit a report on this matter to the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*).

In addition:

- according to Article L.513-18 of the French *Code monétaire et financier*, the provisions on bankruptcy which permit certain transactions entered into in the months preceding the bankruptcy to be declared void, do not apply to *sociétés de crédit foncier*;
- according to Article L.513-20 of the French *Code monétaire et financier*, the bankruptcy proceedings (*procédure de sauvegarde, de redressement, de liquidation judiciaires* or *procédure de sauvegarde accélérée*) of a shareholder of a *société de crédit foncier* cannot be extended to the *société de crédit foncier* itself;
- according to Article L.513-21 of the French *Code monétaire et financier*, in case of the opening of any safeguard proceedings (*procédure de sauvegarde*), judicial reorganisation (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) against the credit institution which is acting as manager and servicer of the assets and liabilities of the *société de crédit foncier*, the recovery, management and servicing contract pursuant to which the *société de crédit foncier* has delegated to such credit institution the management or recovery of its assets may be immediately terminated by the *société de crédit foncier* notwithstanding any legal provisions to the contrary;
- according to Article L.513-2 of the French *Code monétaire et financier*, a *société de crédit foncier* is not legally allowed to have a subsidiary or hold an equity interest in another company; and
- according to Article L.513-24 of the French *Code monétaire et financier*, in case of bankruptcy proceedings (*procédure de sauvegarde, de redressement, de liquidation judiciaires* or *procédure de sauvegarde accélérée*) of a *société de crédit foncier*, the *contrôleur spécifique* will be responsible for filing claims on behalf of creditors benefiting from the *Privilège*.

*Sociétés de crédit foncier* submit their coverage ratio to the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) on 31 March, 30 June, 30 September and 31 December of each year. Pursuant to Article 13 of regulation no. 99-10 of the CRBF, *sociétés de crédit foncier* must send to the French Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) information relating to the quality of their assets. This report is published, prior to 8 July 2022, within fourty five (45) days of a general meeting approving the financial statements of the year then ended. In particular, (i) prior to 8 July 2022, the characteristics, details of the distribution of loans or exposures and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of rates and (ii) as from 8 July 2022, the characteristics and geographical distribution of loans or exposures and guarantees, the method of valorisation, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, a list of international identification numbers of the securities for all the issuances of *obligations foncières*, the proportion of early repayments, the market risk, the maturity structure of the financed assets and *obligations foncières* respectively, the consequences of a bankruptcy or resolution (*insolvabilité ou résolution*) of

the credit institution issuing the *obligations foncières* on a maturity extension (*prorogation d'une échéance*), the role of the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) and, as the case may be, of the special administrator (*administrateur spécial*) relating to a maturity extension (*prorogation d'une échéance*) and the cover levels requested and available, as well as the legal, contractual and voluntary overcollateralization levels are required to be included as part of the latter report.

Please note that, as a specialised credit institution (*établissement de crédit spécialisé*), the Issuer is subject to the Bank Recovery and Resolution Directive (see section entitled "*Risk factors*" above).]

**Labelling**

With respect to *obligations foncières* that are to be issued as from 8 July 2022 (save for *obligations foncières* which are assimilated to and under the same legal regime as *Obligations Foncières* issued before 8 July 2022), pursuant to Article L. 513-26-1 of the French *Code monétaire et financier*, a *société de crédit foncier* may use:

(i) the label "European Covered Bond" for the issuance of *obligations foncières* or other resources benefiting from the *Privilège*, provided that it complies with Articles L.513-2 to L.513-26 and R.513-1 to R.513-18 of the French *Code monétaire et financier*; and

(ii) the label "European Covered Bond (Premium)" for the issuance of *obligations foncières* or other resources benefiting from the *Privilège*, provided that it complies with Articles L.513-2 to L.513-26 and R.513-1 to R.513-18 of the French *Code monétaire et financier* and the provisions of Article 129 of Regulation (EU) No.575/2013 dated 26 June 2013 (as amended).

A *société de crédit foncier* may apply to one of the above-mentioned labels and then, provided it is eligible, decide whether or not to comply with.

The French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) is responsible for the granting and supervision of both "European Covered Bond" and "European Covered Bond (Premium)" labels. In particular, the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) publishes the lists of *obligations foncières* that are entitled to use the labels "European Covered Bond" and "European Covered Bond (Premium)".

With regard to the "European Covered Bond (Premium)" label, in accordance with Article L. 513-23 of the French *Code monétaire et financier*, the Specific Controller verifies that the provisions of Article 129 of Regulation (EU) no. 575/2013 dated 26 June 2013 (as amended) are complied with.

## BUSINESS OVERVIEW

Caisse Française de Financement Local's exclusive purpose is (as per Article 2 of the by-laws):

- to grant or acquire exposures on public sector entities as defined in Articles L.513-4 of the French *Code monétaire et financier* as well as assets considered as exposures to public sector entities as defined in Article L.513-5 (which article is repealed as at 8 July 2022) of the same code;
- to hold securities or other assets under the conditions set by decree to be considered as replacement asset (*valeurs de remplacement*);
- in order to finance the above-mentioned loans, to issue *obligations foncières*, benefiting from the *privilège* defined in Article L.513-11 of the French *Code monétaire et financier* and to raise other funds, under issue or subscription contract referring to the *privilège*.

Caisse Française de Financement Local may also fund the above-mentioned activities by issuing bonds or other sources or financing that do not benefit from the *privilège* defined in Article L.513-11 of the French *Code monétaire et financier*.

Pursuant to Articles L.313-23 to L.313-35 of the French *Code monétaire et financier* (previously French law n° 81-1 of 2 January 1981 facilitating corporate borrowing), Caisse Française de Financement Local may assign all the assets it owns, whatever the nature (whether professional or not).

The following paragraph summarises the Caisse Française de Financement Local's main general framework of activities:

**General market considerations**

Regarding the local public sector market: French local government debt reached a total amount of EUR 230 billion at the end of 2020.

Regarding the export credit financing market: after a 2020 year characterized by a low activity (EUR 1.6 billion of large export credit insured signed by Bpifrance Assurance Export (excluding aviation sector)), the year 2021 marks a significant rebound with nearly EUR 6 billion of large export credit insured by Bpifrance Assurance Export concluded (excluding aviation sector).

Caisse Française de Financement Local as issuer of *obligations foncières* operates within the covered bond market. This market segment has shown dynamic activity over the past years and benefits from a favorable regulatory environment for covered bonds.

**Assets**

The assets held by Caisse Française de Financement Local are solely comprised of commitments on public sector entities that are eligible by the terms of Article L.513-4 of the French *Code monétaire et financier* in its version applicable prior to 8 July 2022, *i.e.* States, local governments or groups of such, public sector entities in the European Economic Area, Switzerland, the United States of America, Canada and Japan. These commitments are comprised of loans and bond issues representing a commitment on, or totally guaranteed by, these public bodies.

Other assets, which current legislation calls replacement assets, may be acquired if they correspond, prior to 8 July 2022, to exposures on credit institutions benefiting from at least a Step 1[7] rating (level triple A or double A) or, when their maturity does not exceed 100 days, from a Step 2[8] rating (level simple A), their total amount is limited to 15% of the total of outstanding *obligations foncières* and other debt benefiting from the legal *privilège* (registered covered bonds in the case of Caisse Française de Financement Local). This asset category is used for cash investments by the Caisse Française de Financement Local.

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

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

As from 8 July 2022, replacement assets may be acquired if they correspond to exposures on credit institutions benefiting from at least a Step 1[9] rating (level triple A or double A) or from a Step 2[10] rating (level simple A) or, when their maturity does not exceed 100 days, from a Step 3[11] rating (level BBB), their total amount is limited to 15% of the total of outstanding *obligations foncières* and other debt benefiting from the legal *privilège* (registered covered bonds in the case of Caisse Française de Financement Local).

Most of the assets on Caisse Française de Financement Local's balance sheet were generated by the Dexia Group's commercial activities. The new assets of Caisse Française de Financement Local primarily involve the following:

- since 2013, the activity of granting loans to French local governments and public hospitals through La Banque Postale, or new loans originated by Caisse Française de Financement Local in order to facilitate the decrease of its outstanding sensitive structured loans;
- since 2016, the activity of granting loans to refinance large export credits guaranteed by the French State.

**Liabilities**

The contracts of Caisse Française de Financement Local that benefit from the legal *privilège* are the *obligations foncières* and registered covered bonds that it issues, the hedging derivative contracts and the servicing agreement signed with SFIL.

In addition to its equity, Caisse Française de Financement Local uses two categories of debt to finance its assets:

- debt that benefits from the legal *privilège*, defined by law as *obligations foncières* or other resources benefiting from the legal *privilège* by reason of their contract. Caisse Française de Financement Local thus issues registered covered bonds benefiting from the legal *privilège* by reason of their contract in the same way as *obligations foncières*; intended for German institutional investors, these private placements governed by German law also benefit from the French legal *privilège* attached to issues of *sociétés de crédit foncier*;
- debt that does not benefit from the legal *privilège* includes debt that is not covered by the assets and which, for this reason, is subordinated vis-à-vis debt benefiting from the *privilège*. With equity, it finances over-collateralisation. It may be of two types:
  - debt negotiated according to the terms of a financing agreement signed with the parent company;
  - refinancing in its own name from the *Banque de France*. Caisse Française de Financement Local received the authorization and implemented the organizational and IT procedures required to participate in the refinancing operations of the *Banque de France*, and tests them regularly. The financing obtained does not benefit from the *privilège* specified by the legislation on *sociétés de crédit foncier*, but is guaranteed by assets (loans or bonds) assigned to the central bank. These pledged assets are temporarily excluded from the cover pool and the calculation of the over-collateralisation ratio.

In addition, on 5 November 2020, SFIL, the parent company of Caisse Française de Financement Local, signed an updated declaration of support of Caisse Française de Financement Local, ensuring that "*SFIL, its reference shareholder CDC and the French State, will ensure, subject to EU State Aid rules, that Caisse Française de Financement Local always be able to pursue its activity in an ongoing manner and that its economic base is protected and its financial strength preserved, in compliance with the requirements of banking regulations*". This declaration of support is reproduced in this Base Prospectus on page 138.

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

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

[11] Third-highest level of credit quality (or Step 3): BBB (high) to BBB (low) for DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity, Baa1 to Baa3 for Moody's France SAS and BBB+ to BBB- for S&P Global Ratings Europe Limited.

**Over-collateralisation ratio**

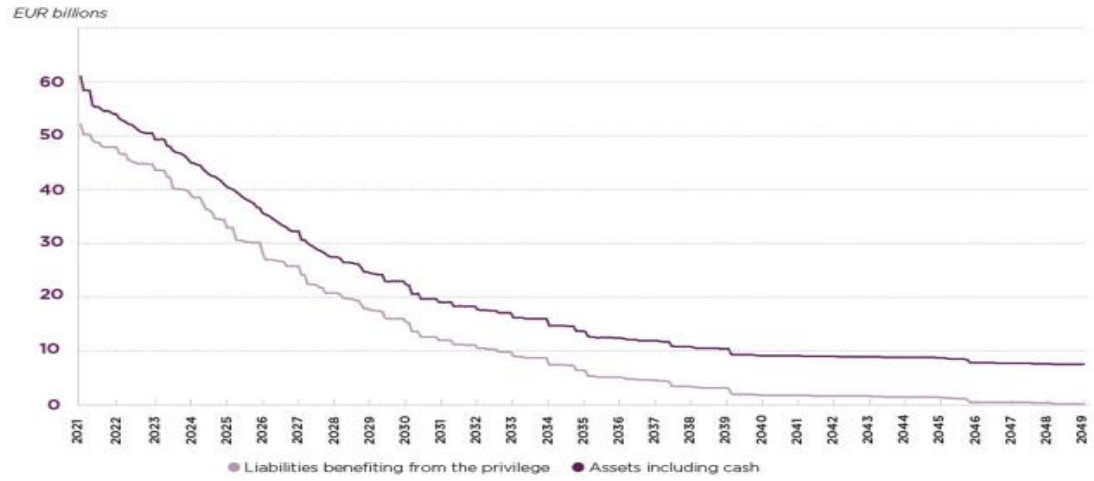
The over-collateralisation ratio, which is calculated on the basis of regulatory standards governing *sociétés de crédit foncier*, is the ratio between the assets and the resources benefiting from the legal *privilège*. The legal minimum threshold is set at 105% and corresponds to the minimum level that Caisse Française de Financement Local had committed to maintain since its creation.

In practice, the over-collateralisation ratio is regularly higher than 105%. To maintain an adequate credit rating, a level of over-collateralisation of more than 5% may be required. This requirement depends on the method applied by each of the rating agencies and on the new assets and liabilities on Caisse Française de Financement Local's balance sheet, and it may vary over time. Caisse Française de Financement Local takes these particular requirements into account in the management of its activity in order to make sure they are constantly met and strives to maintain its over-collateralisation at a relatively stable level, as can be seen in the following graph.

Regulatory over-collateralisation may differ from nominal over-collateralisation. In fact, it is calculated on the basis of the rules determined by the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*). In particular, these rules require different weighting levels according to the assets. The assets in Caisse Française de Financement Local's cover pool are weighted at 100%. The small difference between the two ratios can be explained by the accrued interest not yet due taken into account in the regulatory over-collateralisation ratio

Any assets that Caisse Française de Financement Local may have assigned in guarantee to borrow funds from the *Banque de France* or any other banking institution would be excluded from the calculation of over-collateralisation.

The following graph on over-collateralisation presents the amortization curves of the assets and the issues benefiting from the legal *privilège* as of 31 December 2021.




This graph assumes that the cash surpluses generated over time are retained in the cover pool.

**Hedging interest rate risk**

**1. Definition**

Interest rate structural risk is defined as the risk of loss incurred in the event of a change in interest rates that would lead to a loss in value of balance sheet and off-balance sheet transactions, excluding any trading portfolio transactions. Since Caisse Française de Financement Local does not have a trading portfolio, it is not concerned by this exception.

There are three types of interest rate risks, which are generally covered using derivatives as well as a risk related to any options:

| | |
|---|---|
| **Fixed interest rate risk** | Results from the difference in volume and maturity between assets and liabilities with a fixed rate or an adjustable rate that has already been set. This risk can result in the case of yield curve parallel shifts, steepening, flattening or rotation. |
| **Basis risk** | Results from the gap that may exist in the matching of assets and liabilities which are indexed on variable rates of different types or index tenors. |
| **Fixing risk** | Results from the gap between the fixing dates applied to all the variable rate balance sheet and off-balance sheet items linked to the same index tenor. |
| **Option risk** | Results from the application of floors at 0 on adjustable rates of local public sector receivables. |

**2. Hedging strategy**

To limit its impact, Caisse Française de Financement Local implements an interest rate risk hedging strategy consisting of:

- micro-hedging balance sheet items denominated in a currency other than the euro or indexed to a complex rate structure. Certain euro-denominated vanilla transactions may also be micro-hedged if their notional value or duration could lead to a sensitivity limit being exceeded. Micro-hedging is carried out exclusively by swap;
- macro-hedging all transactions that are not micro-hedged. The transactions concerned are mainly (i) loans to the local public sector and (ii) issues of *obligations foncières* denominated in euros. This macro-hedging is obtained as far as possible by matching fixed-rate assets and liabilities via the termination of swaps and, for the rest, by setting up new swaps against EURIBOR or €STR.

These hedges can be entered into either directly on the market by Caisse Française de Financement Local, or through SFIL, which in turn hedges its resulting position in the market.

Non-privileged debt is not concerned by these hedging operations. Debt contracted by Caisse Française de Financement Local with its shareholder to finance over-collateralization is borrowed either directly with an €STR index and does not need to be swapped, or with a EURIBOR index and thus finances assets also indexed on EURIBOR. Short-term debt owed to the *Banque de France* with a fixed rate (if any) is not hedged, but finances fixed rate assets.

These different kinds of interest rate risks are monitored, analyzed and managed through:

- the production of gaps (fixed rate index, basis and fixing respectively), calculated statically:

| | |
|---|---|
| **Fixed rate gap** | Difference between balance sheet and off-balance sheet assets and liabilities for fixed-rate transactions or transactions for which the rate has been set. It is calculated every month until balance sheet run-off. |
| **Index gaps** | Difference between balance sheet and off-balance sheet assets and liabilities for a given index tenor that has not yet been fixed. This gap is calculated every month until balance sheet run-off. |
| **Basis gaps** | Gaps resulting from matching two index gaps. There are therefore as many basis gaps as there are index pairs. |
| **Fixing gap** | For a given index tenor: difference between floating rate balance sheet and off-balance sheet assets and liabilities, by fixing. |

- the monthly production of net present value (NPV) sensitivity indicators, calculated for a rate shock of 100bp, which aim to regulate the fixed or set rate residual positions of Caisse Française de Financement Local (after setting up hedges). These indicators are calculated for 4 predefined time buckets (short-term, medium-term, long-term, very long-term) regulated by limits which are calibrated to avoid losing more than 6% of equity (*i.e.* EUR 80 million) with a 99% quantile calculated on a 10-year history.

In the first half of 2020, the sensitivity limits to interest rate risk were adjusted, while keeping the overall value of interest rate risk appetite unchanged (EUR 80 million). The objective of this reallocation is to optimize the management of short-term interest rate risk by limiting the volume of swaps required. Thus, the sensitivity limit allocated:

| | |
|---|---|
| **Translation of the rate curve** | EUR 25 million limit |
| **Sloping/rotation of the interest rate curve on distant points on the curve** | EUR 15 million limit over Short-term time buckets<br>EUR 10 million limit over Medium-term time buckets<br>EUR 10 million limit over Long-term time buckets<br>EUR 9 million limit over Very long-term time buckets |
| **Sloping/rotation of the interest rate curve inside a time bucket** | EUR 30 million limit on the absolute value of the sensitivities inside each time bucket |

### 3. Limits on interest rate risk

Measurement of directional risk

The quarter-end sensitivity measurements are presented below.

**DIRECTIONAL RISK**

| Total sensitivity<br>*EUR millions* | Limit | 12/31/2020 | 3/31/2021 | 6/30/2021 | 9/30/2021 | 12/31/2021 |
|---|---|---|---|---|---|---|
| **SENSITIVITY** | (25)/25 | (6.8) | (10.1) | (5.3) | (3.3) | (8.0) |

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<br>*EUR millions* | Limit | 12/31/2020 | 3/31/2021 | 6/30/2021 | 9/30/2021 | 12/31/2021 |
|---|---|---|---|---|---|---|
| Short term | (15)/15 | (9.5) | (4.4) | (5.8) | (3.0) | (6.0) |
| Medium term | (10)/10 | 3.1 | (6.5) | 1.0 | 4.9 | 1.7 |
| Long term | (10)/10 | (2.5) | 0.7 | (1.4) | (6.5) | (0.4) |
| Very long term | (9)/9 | 2.2 | 0.1 | 0.9 | 1.3 | 0.0 |

**RISK OF SLOPE BETWEEN TWO CLOSE POINTS ON THE RATE CURVE**

| Sum of sensitivities in absolute value<br>*EUR millions* | Limit | 12/31/2020 | 3/31/2021 | 6/30/2021 | 9/30/2021 | 12/31/2021 |
|---|---|---|---|---|---|---|
| Short term | 30 | 10.9 | 12.4 | 7.7 | 13.3 | 12.7 |
| Medium term | 30 | 22.3 | 21.4 | 24.5 | 23.1 | 12.5 |
| Long term | 30 | 11.3 | 16.7 | 26.0 | 10.6 | 18.2 |
| Very long term | 30 | 8.8 | 8.3 | 5.7 | 15.0 | 13.0 |

**Outlook for 2022**

2022 marks the beginning of the SFIL Group's new strategic plan, "Objective 2026", which aims to continue and accentuate its expansion within a powerful group, Caisse des Dépôts.

The plan is based on three areas:

- make full use of the strengths of the SFIL Group's public development bank model, through its strong issuance capacity and its recognized know-how in its two business lines;
- broaden its intervention horizons in response to the challenges of recovery plans and the climate transition;
- initiate a new phase of its internal transformation with new ways of working in hybrid mode and greater openness to the Caisse des Dépôts Group, and by making itself better known to the outside world.

In 2022, the SFIL Group will continue its CSR (Corporate Social Responsibility) actions with the realization of thematic "social", "green" or "sustainable" bond issues, the integration of the impacts of the new European taxonomy in its activities and the integration of climate risks in its risk analysis methodological criteria.

As regards the financing of loans to the French local public sector (local authorities and public hospitals), activity should increase from 2022 thanks to the dynamism of the partnership formed with La Banque Postale (LBP) and the implementation of a new partnership with Banque des Territoires (Caisse des Dépôts) to refinance a complementary offer to that of LBP. Caisse Française de Financement Local, SFIL and their partners will support the post-Covid 19 economic recovery as part of the government recovery plan for investments in local authorities and the "Ségur de la Santé" plan for investments in public health institutions. In particular, they will encourage the development of financing for the environmental transition through the current range of green loans (local authorities) and social loans (hospitals) and via the development of a new range of social loans to local authorities. Production should, therefore, be at a sustained level, but will nevertheless be conditioned by the attractiveness of this type of financing for local authorities and by La Banque Postale's leadership position in this market.

With regard to the refinancing of large export credits guaranteed by the French State, in support of French exporters, Caisse Française de Financement Local will continue to finance SFIL's activity in this area. The outlook for 2022 is very favorable, particularly in the transport, road and rail infrastructure, cruise – whose activity has resumed since the end of 2021 – defense and space sectors, and potentially aviation and energy. The Group will thus support the post-Covid 19 economic recovery of the various French export sectors. In addition, as part of its strategic plan, the SFIL Group wishes to broaden the type of refinancing offered for sustainable projects in which there is a French interest and which call upon sources of financing covered by a European or multilateral public guarantee. SFIL and Caisse Française de Financement Local also intend 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.

The financing needs of the two growing business lines of the SFIL Group will be mainly covered by Caisse Française de Financement Local. 2022 will be marked by the expansion of its bond offering with a new type of "sustainable" thematic bond intended to finance a new range of social loans to local authorities marketed via La Banque Postale. Its high refinancing capacity has demonstrated strong resilience since the start of the Covid-19 crisis, with excellent

conditions for access to financial markets maintained. Caisse Française de Financement Local's issuance program in 2022 will be relatively modest, since it voluntarily anticipated in 2021 the covering of its future needs due to excellent market conditions and in order to have some leeway to manage any increase in volatility. Thus, Caisse Française de Financement Local plans to use the financial markets in 2022 for volumes between EUR 3 and 5 billion, mainly through several benchmark-sized euro-denominated *obligations foncières* on the public primary market, with a medium/long maturity adapted to the profile of the assets financed.

The SFIL Group will closely monitor the international situation and macroeconomic developments (impacts related to the geopolitical environment, low interest rates and inflation) in order to anticipate their effects. It will pay particular attention to regulatory changes (completion of Basel III, the LCR regulation and CSR-related texts), the challenges of which have been included in the new strategic plan, and the possible impacts of the Covid-19 pandemic (on its operations, customers and risks).

Lastly, Caisse Française de Financement Local will comply with the decree-law (*ordonnance*) no. 2021-858 dated 30 June 2021 transposing Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision, which will be applicable from 8 July 2022.

# ORGANISATIONAL STRUCTURE

**Shareholding structure of the Issuer**

Caisse Française de Financement Local and its parent company SFIL are key elements in the financing of local governments and public hospitals in France. The organization, introduced by the French State in 2013, is based on a commercial activity developed by La Banque Postale with refinancing provided by Caisse Française de Financement Local.

Since 2015, the French State has entrusted SFIL and Caisse Française de Financement Local with a second mission that is the responsibility to refinance large export credits with the guarantee of the State. The objective is to enable large export credits, as well as French local governments and public hospitals to benefit from optimal financing conditions through a high rating and irreproachable risk management.

SFIL is also the institution managing Caisse Française de Financement Local, in accordance with article L.513-15 of the French *Code monétaire et financier*.

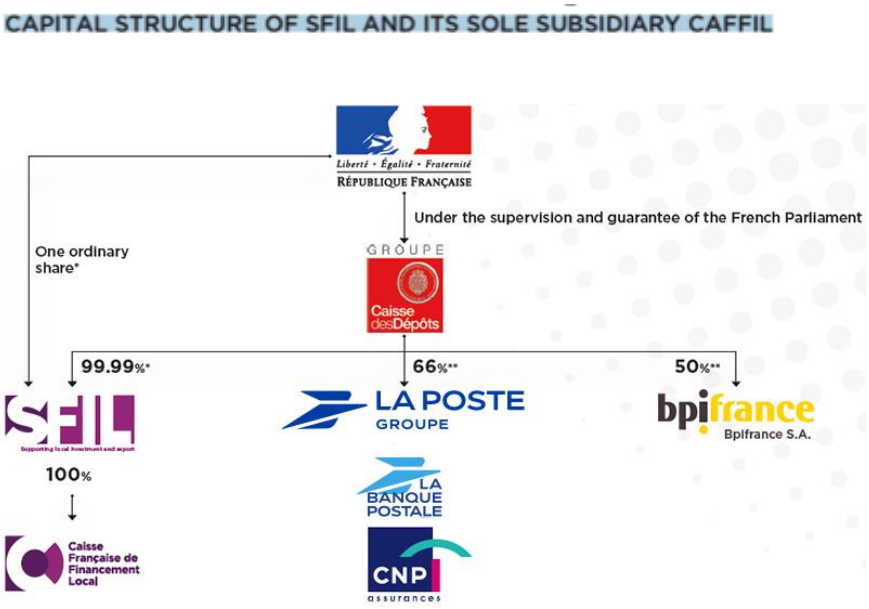
Caisse Française de Financement Local is currently wholly-owned by SFIL. Since 30 September 2020, SFIL's sole shareholder is the CDC (holding 99.99% of SFIL's share capital). The French State retained one ordinary share and continues to be present on SFIL's Board of Directors through a non-voting member, given the public interest missions entrusted to SFIL.

This operation enables the public financial institutions to continue to serve the French territory, by grouping them within a large public financial group, formed around CDC and La Poste.

SFIL's shareholding structure is still fully public. Its shareholders will ensure that SFIL's financial solidity is preserved and its economic base protected, and will continue to provide it with the necessary support, in accordance with the applicable regulations. CDC, SFIL's new reference shareholder, confirmed its commitment in a letter of support, completed by a letter of support from the State, in the context of SFIL's continuing status as a State-owned development bank.

This commitment, made with the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*), underlines its involvement to ensure oversight and to influence strategic decisions, as well as its determination to ensure Caisse Française de Financement Local's and SFIL's ongoing financial transactions and to comply with regulatory requirements, if so required.

**Shareholding structure of the Issuer since 30 September 2020**



** The Caisse des Dépôts holds all SFIL shares with the exception of one ordinary share retained by the French State.*

*** The French State holds 50% of the capital of Bpifrance S.A. (through EPIC Bpifrance) and 34% of La Poste's capital*

**Servicing and financing provided by SFIL**

The role of SFIL primarily involves the following:

- the complete operational management of the Issuer as defined by the regulations applicable to *sociétés de crédit foncier*, in particular Article L.513-15 of the French *Code monétaire et financier*;
- provision of Caisse Française de Financement Local with the non-privileged funding and derivatives it needs to carry out its activities. SFIL obtains these resources from the markets by issuing long-dated (bonds) debt and, to a lesser degree, short-dated (certificates of deposit) debt. It has gradually established its signature in the French agency segment by launching benchmark EMTN issues in Euros and dollars. SFIL can also finance these needs under loan agreements signed with its shareholder, CDC, and its partner, La Banque Postale. The refinancing initially provided *via* these agreements has gradually been completely replaced since 2016 by the financing obtained by SFIL on the financial markets. Nevertheless, shareholder refinancing is still available particularly in the case of liquidity requirements generated under a situation of stress. The financing agreement signed between CDC and SFIL (initially signed in February 2013) was also revised in December 2020 to adapt it to the new shareholder environment and SFIL's current financial position.

In addition, on 5 November 2020, SFIL signed an updated declaration of support of CAFFIL, which is reproduced as follows:

"*Since 31 January 2013, SFIL is the reference shareholder of Caisse Française de Financement Local, a société de crédit foncier, governed by Articles L.513-2 et seq. of the Monetary and Financial Code and holds 99.99% of its capital.*

*SFIL will continue to stand as reference shareholder and hold more than 99% of the capital of Caisse Française de Financement Local on a long-term basis.*

*SFIL, its reference shareholder CDC and the French State, will ensure, subject to EU State Aid rules, that Caisse Française de Financement Local always be able to pursue its activity in an ongoing manner and that its economic base is protected and its financial strength preserved, in compliance with the requirements of banking regulations.*

**Original text in French:**

*Depuis le 31 janvier 2013, SFIL est l'actionnaire de référence de la Caisse Française de Financement Local, société de crédit foncier soumise aux dispositions des articles L.513-2 et suivants du Code monétaire et financier et détient 99,99% de son capital.*

*SFIL continuera de jouer le rôle d'actionnaire de référence de la Caisse Française de Financement Local et détiendra durablement plus de 99% du capital.*

*SFIL, son actionnaire de référence la CDC et l'Etat français feront en sorte, sous réserve des règles de l'Union Européenne relatives aux aides d'Etat, de protéger la base économique de la Caisse Française de Financement Local et de préserver sa viabilité financière tout au long de son existence conformément aux obligations imposées par la règlementation bancaire en vigueur.*

*Philippe MILLS*
*Directeur Général*
*SFIL*

It should be noted that SFIL also supplies services for the business of lending to French public sector entities engaged by La Banque Postale (LBP) and its joint venture LBP/CDC, La Banque Postale Collectivités Locales. These services concern activities involving commercial support, financial oversight, the supply of data for risk analysis and back office operations.

**Partnership between La Banque Postale and Caisse Française de Financement Local**

In early 2013, Caisse Française de Financement Local and La Banque Postale signed an exclusive sale agreement to fund the needs of the French local public sector and public hospitals. The arrangement, set up under the aegis of the French State, works as follows: La Banque Postale markets loans to the French local public sector and public

hospitals, then sells them to Caisse Française de Financement Local, which refinances them by issuing *obligations foncières* (covered bonds). The loans originated are exclusively in Euro with a vanilla interest rate.

La Banque Postale committed to propose to Caisse Française de Financement Local all the loans that would be eligible for its cover pool.

This partnership enables Caisse Française de Financement Local to maintain its control of the credit risk through a two-stage analysis.

- When the loan is originated, the initial analysis of the counterparty is carried out simultaneously at the two entities. The loans that do not meet the credit and eligibility criteria of Caisse Française de Financement Local cannot be transferred to its balance sheet.

  Caisse Française de Financement Local's eligibility criteria are strictly monitored by internal management policies and limit eligible counterparties to French local public sector entities and public hospitals.

- Before loans originated by La Banque Postale are sold to Caisse Française de Financement Local, a new analysis of the assets is conducted, and Caisse Française de Financement Local may refuse a loan prior to the sale if the asset no longer meets the criteria.

As required by law, the sale of loans to Caisse Française de Financement Local is carried out by using a transfer form (*bordereau de cession*) that is specific to *sociétés de crédit foncier*.

**Refinancing of export credit**

In addition to their mission of refinancing French local governments and public hospitals, SFIL and Caisse Française de Financement Local have been entrusted with a second mission by the French State: to refinance large French export contracts, with the objective to support French exports in terms of financial competitiveness, in accordance with a public refinancing plan comparable to that of other OECD countries. In this context, SFIL signed a protocol agreement governing relations with 20 commercial banks, thereby confirming relations with almost all the banks active in the French export credit market. SFIL may acquire all or a part of the participation of each of these banks in an export credit.

In this context, Caisse Française de Financement Local grants loans to SFIL in order to refinance its export credits. Such loans benefit from an irrevocable and unconditional 100% guarantee by the French State (enhanced guarantee). This business brings Caisse Française de Financement Local closer to the French State, without modifying the risk profile of its cover pool. These new loans, like the new French public sector loans marketed by La Banque Postale, are added to the portfolio of Caisse Française de Financement Local, which is financed by the issue of *obligations foncières*.

1. Organization

The system functions as follows:

- SFIL contributes to the financial proposal made by one or more banks in the banking syndicate granting the buyer credit covered by the export credit insurance guaranteed by the French State.

- After the export contract finalisation, these banks sell a part of the loans (and the attached rights) to SFIL and keep at least the share of the export credit not covered by the insurance (usually 5%).

- Caisse Française de Financement Local grants a loan to SFIL to enable it to refinance the acquired export credit. This refinancing loan benefits from an irrevocable and unconditional 100% guarantee by the French State, referred to as an enhanced guarantee;

Loans granted by Caisse Française de Financement Local to SFIL to refinance the purchased export credits thus constitute exposures that are totally guaranteed by the French State and eligible for the cover pool of a société de crédit foncier. These loans also comply with the European CRR regulation (Article 129, which specifies the assets authorized for inclusion in a cover pool to ensure that the covered bonds will benefit from the best prudential treatment).

2. French State export guarantees

Previously granted by Coface, since late 2016, these guarantees have been managed by Bpifrance Assurance Export, in the name of, on behalf of, and under the control of the French State, pursuant to Article L.432.2 of the French *Code des assurances*.

- Guarantee-granting decisions are made by the Minister in charge of the Economy and Finances after instruction by Bpifrance Assurance Export and the opinion of the French Export Credit and Guarantee Commission (*Commission des garanties et du crédit au commerce extérieur*).
- Bpifrance Assurance Export issues insurance policies, as well as enhanced guarantees, in accordance with the decision made. In this context, Bpifrance Assurance Export is also tasked with collecting insurance and guarantee premiums, managing risks, payments, and collections on behalf of the French State.
- The risks related to these guarantees are borne by the French State and all financial flows (premiums, payments, repayments) are recorded in separate accounting entries by Bpifrance Assurance Export. Premiums and collections are received directly on the account of the French State, and payments are made directly from the same account, without passing through the accounts of Bpifrance Assurance Export.

3. The specific case of exports of civil aircraft and helicopters

Financing of export contracts for civil aircraft and helicopters benefits from a so-called "pure and unconditional" guarantee (GPI) aimed at unconditionally and fully guaranteeing at 100% the non-repayment of the loan by the debtor. This guarantee is managed by Bpifrance Assurance Export in the name, on behalf of and under the control of the French State.

For these transactions, no enhanced guarantee has been put in place to cover the refinancing loan of SFIL by Caisse Française de Financement Local. In effect, SFIL transfers to Caisse Française de Financement Local, with the agreement of Bpifrance Assurance Export, full ownership of the benefit of the unconditional guarantee at 100% from which the export credit benefits (GPI), under a financial guarantee contract provided for in the refinancing loan agreement.

## ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

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

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

As of the date of this Base Prospectus, the Executive Board and Supervisory Board of CAFFIL were composed as follows:

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

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

Gilles GALLERNE
Member of the Executive Committee, SFIL
Member of the Board, Association des Sociétés Financières (ASF)

Herdile GUERIN

Olivier EUDES
Manager, SCI Phoenix

Valérie SCHILTZ

Lan-Anh PHAM

Mai Kim SARL, *co-gérante*

**Members of the Supervisory Board and their membership in other boards**

Philippe MILLS
Director and Chairman of the Executive Committee, SFIL
Chairman of the Board of directors and director of European Association of Public Banks (EAPB)

François LAUGIER
Deputy Chief Executive Officer and Member of the Executive Committee, SFIL
Nathalie ARGOURD

Anne CREPIN
Member of the National Committee of Foreign Trade Advisors of France – Vice-Chair of the Business Support Commissions

Béatrice GOSSEREZ
Member of the Executive Committee, SFIL

Florent LECINQ
Member of the Executive Committee, SFIL

Set forth above are the names, the titles and significant directorships (if any) of the current members of the Executive Board and Supervisory Board of Caisse Française de Financement Local. Their business addresses are c/o Caisse Française de Financement Local, 1-3, rue du passeur de Boulogne, 92130 Issy-les-Moulineaux France

The individuals listed above have no potential conflicts of interest between their duties to Caisse Française de Financement Local and their private interests and/or other duties.

# MAJOR SHAREHOLDERS

**Amount of the capital**

As of the date of this Base Prospectus, share capital stands at EUR 1,350,000,000 represented by 13,500,000 nominative shares.

There are no other securities that grant rights to shares in the capital of Caisse Française de Financement Local.

**Capital in the last five years**

| **Date of the Shareholders' Meeting** | **Date of the capital increase** | **Amount of the capital increase** EUR | **Cumulated capital** EUR |
|---|---|---|---|
| 24/05/2013 | - | - | 1,315,000,000 |
| 22/05/2014 | - | - | 1,315,000,000 |
| 26/05/2015 | - | - | 1,315,000,000 |
| 25/05/2016 | - | - | 1,315,000,000 |
| 30/05/2017 | 08/06/2017 | 35,000,000 | 1,350,000,000 |
| 28/05/2018 | - | - | 1,350,000,000 |
| 28/05/2019 | - | - | 1,350,000,000 |
| 27/05/2020 | - | - | 1,350,000,000 |
| 27/05/2021 | | | 1,350,000,000 |

| **Breakdown of capital** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|---|---|---|---|
| SFIL | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% | 99.99% |
| individual and/or corporate investors | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% | 0.01% |

From 31 January 2013 to 18 May 2016, Caisse Française de Financement Local is 99.99%-owned by SFIL (formerly Société de Financement Local), and 0.01% of its capital was in the hands of private investors (individuals, members of the Supervisory Board, to whom SFIL had lent shares).

Since 18 May 2016, only one individual, a member of the Supervisory Board, has kept a share of the Issuer lent by SFIL as a *prêt de consommation d'action*).

# MATERIAL CONTRACTS

**Management Agreement**

The Issuer does not have any employees.

In accordance with Article L.513-15 of the French *Code monétaire et financier*, the Issuer is not permitted to ensure by itself the management or recovery of the loans, exposures, related receivables (*créances assimilées*), titles (and, prior to 8 July 2022, replacement assets (*valeurs de remplacement*) and, as from 8 July 2022, deposits (*dépôts*)), bonds or other resources referred to in Article L.513-2 of the French *Code monétaire et financier*. It has therefore contractually entrusted its parent company SFIL with its operational management under a management agreement, "*Convention de gestion*", dated 31 January 2013 between SFIL and Caisse Française de Financement Local as amended and/or replaced from time to time and as further described below. Caisse Française de Financement Local does, however, have its own Executive Board and Supervisory Board. See "Administrative, Management and Supervisory Bodies".

Specific loan service agreement has also been signed with other entities that transfered assets to Caisse Française de Financement Local and continue to handle the servicing of these assets for their national clients, including in each case the management, negotiation and repayment of the relevant loans. The obligations of Caisse Française de Financement Local under these loan service agreements rank *pari passu* with *obligations foncières* benefiting from the *privilège*.

As of the date of this Base Prospectus, the following loan service agreements were in force:

- A management agreement, "*Convention de gestion*", dated 31 January 2013 between SFIL and Caisse Française de Financement Local as amended and/or replaced from time to time, pursuant to which SFIL agreed to manage on behalf of Caisse Française de Financement Local loans granted to public sector entities in the European Union or to entities guaranteed by these public sector entities and transferred to Caisse Française de Financement Local and the refinancing of export credits. SFIL, in accordance with the terms of this agreement (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and current account services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity, and settlement at the level of Caisse Française de Financement Local.

- A loan service agreement, "*Contrat de gestion de prêts et de titres obligataires non côtés*", dated 27 September 2002 between Dexia Crediop and Caisse Française de Financement Local, pursuant to which Dexia Crediop agreed to manage non-listed Italian bonds and loans granted to Italian public entities or to entities guaranteed by these public entities on behalf of Caisse Française de Financement Local. Dexia Crediop agreed to manage the relationships with the borrowers, to negotiate and manage the legal documentation, to recover the receivables (for loans only) and to negotiate any grace period, waivers or acceleration of the loans.

- A loan service agreement, "*Contrat de gestion de prêts*", dated 22 September 2003 between Belfius Banque et Assurance (Dexia Banque Belgique) and Caisse Française de Financement Local, pursuant to which Belfius agreed to manage loans granted by Belfius to Belgian public entities or entities guaranteed by these public entities and transferred to Caisse Française de Financement Local. Belfius agreed to manage relationships with the borrowers, to recover the receivables, to negotiate any grace period, waivers or acceleration of the loans and to notify any transfers of the loans to the borrowers.

**Registered covered bonds management agreement**

- A management agreement for registered covered bonds (RCB) dated 3 February 2015 between Landesbank Baden-Württemberg (LBBW) and Caisse Française de Financement Local, pursuant to which LBBW is entrusted to manage registered covered bonds.

**Liquidity and Financing Arrangements**

Caisse Française de Financement Local's obligations under the following contracts, entered into between Caisse Française de Financement Local and SFIL, do not have the benefit of the *privilège*, and are therefore subordinate to liabilities having the benefit of the *privilège*:

- A current account agreement, "*Convention de compte courant*", dated 31 January 2013 has been concluded between Caisse Française de Financement Local and SFIL as amended from time to time, which combines multiple current accounts into a single current account and allows Caisse Française de Financement Local and SFIL the ability to share a single current account. Caisse Française de Financement Local is able to use the funds available in the current account to a maximum amount of EUR 50 million, measured at the end of each day.

- An intragroup revolving credit facility, "*Crédit Long Terme*", dated 31 January 2013 has been concluded between Caisse Française de Financement Local, as borrower, and SFIL, as lender, as amended from time to time, pursuant to which SFIL agreed to grant to Caisse Française de Financement Local loans to provide long term financing to cover long term liquidity needs, including the financing of the over-collateral.

**Hedging Arrangements**

The obligations of Caisse Française de Financement Local under these hedging agreements rank *pari passu* with *obligations foncières* benefiting from the *privilège*.

- An FBF master agreement between SFIL and Caisse Française de Financement Local dated 31 January 2013, as amended from time to time and as supplemented by an AFB collateral annex, dated 31 January 2013, as amended from time to time were concluded. The OTC transactions under this master agreement include interest rate swaps and foreign exchange swaps.

- An ISDA master agreement, as supplemented by an ISDA 2016 credit support annex for variation margin (VM), between SFIL and Caisse Française de Financement Local dated 29 April 2022, as amended from time to time, was concluded. The OTC transactions under this master agreement include some interest rate swaps and foreign exchange swaps that are not included in the Cover Pool and that do not benefit from the *Privilège*.

- ISDA and FBF master agreements were signed between Caisse Française de Financement Local and over twenty (20) banks.

**Loan Transfer Arrangements**

- A loan transfer agreement, "*Convention de cession*", dated 31 January 2013 between La Banque Postale, as transferor, and Caisse Française de Financement Local, as transferee, as amended from time to time, pursuant to which La Banque Postale agreed to transfer to Caisse Française de Financement Local loans granted to public sector entities in France or to entities guaranteed by these public sector entities.

**Agreement between SFIL and Caisse Française de Financement Local providing for the payment by Caisse Française de Financement Local of EUR 10 million per annum for 15 years to a government fund for local governments**

- An agreement signed on 14 November 2013, under which Caisse Française de Financement Local, whose balance sheet includes sensitive local government loans, pays €10 million per annum for 15 years to the local government support fund, on behalf of SFIL group.

**Tax consolidation arrangement with SFIL**

- An agreement between SFIL and Caisse Française de Financement Local, dated 13 January 2014, which allows SFIL to be solely liable for income tax for SFIL and Caisse Française de Financement Local from fiscal year 2014 and which governs payment of the tax within the tax group and compensation for leaving the tax group linked to the loss of the right to carry deficits.

**Refinancing master agreements with SFIL (*Convention-cadre de refinancement SFIL-CAFFIL / Crédit Export*)**

- The Issuer and SFIL have entered into a refinancing master agreement on 29 June 2016. Such agreement sets out the general terms relating to any refinancing by CAFFIL of export loans acquired by SFIL from export banks in its export refinancing activity. The purpose of this master agreement is to govern any export loan refinancing between SFIL and CAFFIL.
- The Issuer and SFIL have entered into a refinancing master agreement on 22 February 2021. Such agreement sets out the general terms relating to any refinancing by CAFFIL of export loans acquired by SFIL from export banks and benefited from a so-called "pure and unconditional" guarantee (GPI).

# RECENT DEVELOPMENTS

No events impacting Caisse Française de Financement Local financial situation occurred between the closing date and the management report date. The foreseeable impacts to date related to the war situation in Ukraine are limited for Caisse Française de Financement Local. Caisse Française de Financement Local does not have any exposure in Russia or Belarus. SFIL, its parent company, has only one exposure in Ukraine, which as at 31 December 2021 represented an outstanding on the balance sheet of EUR 51.1 million and an off-balance sheet financing commitment of EUR 17.4 million. This exposure was granted as part of the export credit activity and is 100% guaranteed by the French Republic. SFIL is not, therefore, directly exposed to credit risk. This contract was the subject of a refinancing contract granted by CAFFIL which, in addition to the 100% credit insurance, benefits from the 100% guarantee granted by the French Republic known as the enhanced guarantee.

The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) decreased by an amount of EUR 422 million between 1 January 2022 and 8 June 2022.

# SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 10 June 2022 (as amended or supplemented from time to time, the "**Amended and Restated Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the *Obligations Foncières* will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell *Obligations Foncières* directly on its own behalf to Dealers that are not Permanent Dealers. The *Obligations Foncières* may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The *Obligations Foncières* may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Dealer Agreement also provides for *Obligations Foncières* to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of *Obligations Foncières* subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of *Obligations Foncières* with a denomination of less than €100,000 distributed on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the *Obligations Foncières*. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe *Obligations Foncières* in certain circumstances prior to payment for such *Obligations Foncières* being made to the Issuer.

**Selling Restrictions**

**European Economic Area**

(i) **Prohibition of sales to EEA retail investors**

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

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments, as amended ("**MiFID II**"); or

  (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe for the *Obligations Foncières*.

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

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

(a) if the Final Terms in relation to the *Obligations Foncières* specify that an offer of those *Obligations Foncières* may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-Exempt Offer**"), following the date of publication of a Base Prospectus in relation to such *Obligations Foncières* which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such Base Prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Regulation in the period beginning and ending on the dates specified in such Base Prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Non-Exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

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

For the purposes of this provision, the expression an "**offer**" has the meaning given to it in subparagraph (i)(b) above.

**France**

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

(i) **Non-Exempt Offer in France**

it has not offered or sold and will not offer or sell, directly or indirectly, *Obligations Foncières* to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the *Obligations Foncières*, except (a) in the context of an exempt offer in France as described below and (b) in the period beginning and ending on the dates specified for such purpose in the Final Terms relating to such *Obligations Foncières* and provided that the Final Terms have been duly published and specify that such Non-Exempt Offers may be made to the public in France, all as defined in, and in accordance with, the Prospectus Regulation and any applicable French law and regulation; or

(ii) **Exempt offers in France**

it has not offered or sold and will not offer or sell, directly or indirectly, any *Obligations Foncières* to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the *Obligations Foncières*, except to qualified investors (*investisseurs qualifiés*) in the context of an offer exempted from the obligation to publish a prospectus, all as defined in, and in accordance with, Article 2(e) of the Prospectus Regulation and Article L.411-2 of the French *Code monétaire et financier*.

**United Kingdom ("UK")**

***(i) Prohibition of sales to UK retail investors***

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

For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe for the *Obligations Foncières*.

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

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

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

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

For the purposes of this provision, the expression an "**offer of *Obligations Foncières* to the public**" in relation to any *Obligation Foncière* means the communication in any form and by any means of sufficient information on the

terms of the offer and the *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe for the *Obligations Foncières*.

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

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

(i) in relation to any *Obligations Foncières* having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any *Obligations Foncières* other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the *Obligations Foncières* would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any *Obligations Foncières* in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any *Obligations Foncières* in, from or otherwise involving the UK.

**United States**

The *Obligations Foncières* have not been and will not be registered under the Securities Act. In addition, Materialised *Obligations Foncières* having a maturity of more than one year are subject to U.S. tax law requirements. Subject to certain exceptions, *Obligations Foncières* may not be offered or sold within the United States or, in the case of Materialised *Obligations Foncières*, offered, sold or delivered within the United States.

The *Obligations Foncières* are being offered and sold outside the United States in reliance on Regulation S.

Each Dealer has agreed that it will not offer or sell or deliver Materialised *Obligations Foncières* within the United States or to U.S. persons.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of any identifiable Tranche of such *Obligations Foncières* within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the *Obligations Foncières* outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the *Obligations Foncières*, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such person within the United States is prohibited.

**Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any *Obligations Foncières* or caused such *Obligations Foncières* to be made the subject of an invitation for subscription or purchase and will not offer or sell such *Obligations Foncières* or cause such *Obligations Foncières* to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such *Obligations Foncières*, whether directly or indirectly, to persons in Singapore other than (i) to

an institutional investor (as defined under Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where *Obligations Foncières* are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the *Obligations Foncières* pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Switzerland**

This Base Prospectus is not, and is not intended and shall not be deemed or construed to constitute, an offer or invitation to subscribe for, invest or otherwise acquire *Obligations Foncières* within or from the territory of Switzerland. The *Obligations Foncières* have not been and will not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and related legislation. The *Obligations Foncières* have not been and will not be admitted to any trading venue (exchange or multilateral trading facility) in Switzerland, in particular (without limitation) not the SIX Swiss Exchange Ltd ("**SIX**"). Neither this Base Prospectus nor any other offering or marketing material relating to the *Obligations Foncières* constitutes a prospectus within the meaning of the FinSA or the Listing Rules of the SIX (or any other exchange or multilateral trading facility within the territory of Switzerland), and no such prospectus has been, or will be, prepared for or in connection with, or otherwise relating to, the offering of the *Obligations Foncières*. Neither this Base Prospectus nor any other offering or marketing material relating to the *Obligations Foncières* has been or will be filed with, or approved by, any Swiss regulatory authority. In particular, this Base Prospectus (or any other offering or marketing material) will not be filed with, and the offer of the *Obligations Foncières* will not be supervised by, a review body licensed by the Swiss Financial Market Supervisory Authority. Accordingly, neither this Base Prospectus nor any other offering or marketing material may be publicly offered, distributed or otherwise made available publicly within the territory of Switzerland.

**Japan**

The *Obligations Foncières* have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any *Obligations Foncières* in Japan or to, or for the benefit of, any resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity organised under the laws

of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

**Republic of Italy**

This Base Prospectus has not been, nor will be, published in the Republic of Italy in connection with the offering of the *Obligations Foncières* and no application has been or will be filed with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") to obtain the registration/authorisation for the public offering (offerta al pubblico) of the *Obligations Foncières* in the Republic of Italy pursuant to Legislative Decree no. 58 of 24 February 1998 as amended (the "**Financial Services Act**") and to CONSOB Regulation no. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"). Accordingly, no *Obligations Foncières* may be offered, sold or delivered, directly or indirectly, to the public in the Republic of Italy nor may, or will, copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the *Obligations Foncières* be distributed in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*), as defined by article 2, paragraph 1, letter e) of the Prospectus Regulation, by the Financial Services Act and CONSOB implementing regulations; or

(b) in any other circumstances where an exemption from the rules on offers to the public applies, as provided under Article 1, paragraph 4 of the Prospectus Regulation, Article 100 of the Financial Services Act and its implementing regulations, including Article 34-ter of the Issuers' Regulation.

Accordingly, each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy the *Obligations Foncières*, this Base Prospectus, the relevant Final Terms or any other offering material relating to the *Obligations Foncières* except in the circumstances described under paragraphs (a) and (b) above.

Each Dealer has also represented and agreed that any offer, sale or delivery of the *Obligations Foncières* or distribution of copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the *Obligations Foncières* in the Republic of Italy under (a) or (b) above must, and will, be performed in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and in particular will be made:

(i) by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree no. 385 of 1 September 1993, as amended from time to time (the "**Banking Act**") and CONSOB Regulation no. 20307 of 15 February 2018 as amended from time to time;

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time (pursuant to which the Bank of Italy may request information on the *Obligations Foncières* in the Republic of Italy); and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

Any investor purchasing the *Obligations Foncières* in the offering is solely responsible for ensuring that any offer and resale of the *Obligations Foncières* it purchased in the offering occurs in compliance with applicable laws and regulations. No person resident or located in the Republic of Italy other than the original addressees of this Base Prospectus may rely on this Base Prospectus, the Final Terms or any other offering material relating to the *Obligations Foncières*.

**Norway**

Norway has implemented the Prospectus Regulation pursuant to chapter 7 of the Securities Trading Act of 29 June 2007 no. 75, as amended, and chapter 7 of the Securities Trading Regulations of 29 June 2007 No. 876, as amended. Consequently, the selling restriction set out in the section entitled "*Prohibition of sales to EEA retail investors*" above applies.

Obligations Foncières *denominated in Norwegian Kroner issued by non-Norwegian issuers must be registered in the Norwegian Central Securities Depository (VPS) if the* Obligations Foncières *are offered for sale in Norway, except in case of reverse solicitation.*

**General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a Supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to retail investors of any of the *Obligations Foncières*, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers *Obligations Foncières* or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised *Obligations Foncières* may only be issued outside France.

## FORM OF FINAL TERMS 1

### FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES* WITH A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET (OTHER THAN A REGULATED MARKET, OR SPECIFIC SEGMENT OF A REGULATED MARKET, TO WHICH ONLY QUALIFIED INVESTORS HAVE ACCESS) AND/OR OFFERED TO THE PUBLIC ON A NON-EXEMPT BASIS IN THE EEA OR IN THE UK

**[The Base Prospectus dated 10 June 2022 expires on 9 June 2023. The updated Base Prospectus shall be available for viewing on the website of the AMF (www.amf-france.org) and on the website of the Issuer (www.caffil.fr)]**[12]

[**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council dated 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "**PRIIPs Regulation**") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][13]

[**UK PRIIPS REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the [Insurance Distribution Directive / Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][14]

[**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU of the European Parliament and of

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[12] To be included in the case of an offer to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation which offer period expires after the expiry date of this Base Prospectus.

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

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

the Council dated 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*[15]] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][16]

[17] **[[18]UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the *Obligations Foncières,* taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), has led to the conclusion that: (i) the target market for the *Obligations Foncières* is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*][19]. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**OR**

[20][**MiFID II product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the *Obligations Foncières,* taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**")][MiFID II]; ***EITHER***[21] [and (ii) all channels for distribution of the *Obligations Foncières* are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services][22] ***OR***[23] [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the *Obligations Foncières* to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under

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

[16] Legend to be included if the *Obligations Foncières* are not intended to be sold to retail clients.

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

[18] Legends to be included if the *Obligations Foncières* are not intended to be sold to retail clients.

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

[20] Legend to be included if the *Obligations Foncières* are intended to be sold to retail clients.

[21] Include for *Obligations Foncières* that are not ESMA complex.

[22] The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

[23] Include for certain ESMA complex *Obligations Foncières* such as debt instruments incorporating a structure that making it difficult to understand as referred to in item 13 of the Guidelines published by ESMA on 4 February 2016, as amended from time to time. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the *Obligations Foncières* constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

MiFID II, as applicable]][24]. [*Consider any negative target market*[25]] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable][26].]

[27] [28][**UK MiFIR product governance / Retail investors, professional investors and eligible counterparties target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), has led to the conclusion that: (i) the target market for the *Obligations Foncières* is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); ***EITHER*** [29][and (ii) all channels for distribution of the *Obligations Foncières* are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services][30]] ***OR*** [31][(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the *Obligations Foncières* to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*][32]. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable][3334].]]

**[SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the *Obligations Foncières* are [prescribed capital markets products]/[capital markets

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[24] The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

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

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

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

[28] Legend to be included if the *Obligations Foncières* are intended to be sold to retail clients.

[29] Include for bonds that are not ESMA complex (in the UK context, as reflected in COBS).

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

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

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

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

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

products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][35]

[35] For any *Obligations Foncières* to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the *Obligations Foncières* pursuant to Section 309B of the SFA prior to the launch of the offer.

**Final Terms dated [●]**

**CAISSE FRANÇAISE DE FINANCEMENT LOCAL**
**(the "Issuer")**

**Legal entity identifier (LEI): 549300E6W08778I4OW85**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of *Obligations Foncières*]**

**(the "*Obligations Foncières*")**

**[to be assimilated (*assimilées*) and form a single series with the existing Issue of [Aggregate Nominal Amount of Tranche] [Title of *Obligations Foncières*] (the "Existing *Obligations Foncières*")]**

**under the**
Euro 75,000,000,000
Euro Medium Term Note Programme
for the issue of *Obligations Foncières*
Due from one month from the date of the original issue

**SERIES NO: [●]**
**TRANCHE NO: [●]**

Issue Price: **[●]** per cent.

**[Name(s) of Manager(s)]**

[Any person making or intending to make an offer of the *Obligations Foncières* may only do so [(i) in those Non-Exempt Offer Jurisdictions mentioned in paragraph 2(i) of Part B below, provided such person is [an Authorised Offeror] in that paragraph and that such offer is made during the Offer Period specified for such purpose therein and that any conditions relevant to the use of the Base Prospectus are complied with; or (ii) otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of *Obligations Foncières* in any other circumstances.[36]

[36] Do not include if the "Prohibition of Sales to EEA and UK Retail Investors" legend is included (because the *Obligations Foncières* potentially constitute "packaged" products and **no** key information document will be prepared) and the related selling restriction is specified to be "Applicable".

The expression "**Prospectus Regulation**" means 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.]

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the base prospectus dated 10 June 2022 which received approval number 22-204 from the *Autorité des marchés financiers* (the "**AMF**") on 10 June 2022 [and the supplement[s] to the base prospectus dated [●] which received approval number [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a 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**") / Prospectus Regulation].

This document constitutes the final terms (the "**Final Terms**") of the *Obligations Foncières* for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. A summary of the issue of the *Obligations Foncières* is annexed to these Final Terms. The Base Prospectus [and these Final Terms][37] [is/are] available for viewing free of charge on the website of the AMF (www. amf-france.org) and on the website of the Issuer (www.caffil.fr).

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus and/or an Offering Circular with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**"), which are the [2006/2007/2008/2009/Additional 2009/2010/2011/2013/2014/2015/2016/2017/2018/2019/2020/Additional 2020/2021] EMTN Conditions which are incorporated by reference in the base prospectus dated 10 June 2022 which received approval number 22-204 from the *Autorité des marchés financiers* (the "**AMF**") on 10 June 2022 [, as supplemented by the supplement(s) to the base prospectus dated [●] which received approval number [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of Article 8.4 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**") / Prospectus Regulation].

This document constitutes the final terms (the "**Final Terms**") of the *Obligations Foncières* for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information, save in respect of section "Terms and Conditions of the *Obligations Foncières*" which is replaced by the [2006/2007/2008/2009/Additional 2009/2010/2011/2013/2014/2015/2016/2017/2018/2019/2020/Additional 2020/2021] EMTN Conditions). A summary of the issue of the *Obligations Foncières* is annexed to these Final Terms. The Base Prospectus [and these Final Terms][38] [is/are] available for viewing free of charge on the website of the AMF (www. amf-france.org) and on the website of the Issuer (www.caffil.fr).

[*Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

| | | | |
|---|---|---|---|
| **1** | **Issuer:** | | Caisse Française de Financement Local |
| **2** | **(i)** | **Series Number:** | [●] |
| | **(ii)** | **Tranche Number:** | [●] |
| | **[(iii)** | **Date on which the *Obligations Foncières* become fungible:** | The *Obligations Foncières* will be assimilated (*assimilées*) and form a single series with the existing [*insert description of the Series*] issued by the Issuer on [*insert date*] (the "**Existing** |

[37] If the *Obligations Foncières* are admitted to trading on a Regulated Market and/or offered to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation.

[38] If the *Obligations Foncières* are admitted to trading on a Regulated Market and/or offered to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation.

| | | | |
|---|---|---|---|
| | | | ***Obligations Foncières***") as from the Issue Date of this Tranche.] |
| **3** | **Specified Currency[39]:** | | [●] |
| **4** | **Aggregate Nominal Amount:** | | |
| | (i) | Series: | [●] |
| | (ii) | Tranche: | [●] |
| **5** | **Issue Price:** | | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| **6** | **Specified Denomination[s]:** | | [●] (*one denomination only for Dematerialised* Obligations Foncières*)*[40] |
| **7** | **(i)** | **Issue Date:** | [●] |
| | **(ii)** | **Interest Commencement Date:** | [*Specify* / Issue Date / Not applicable] |
| **8** | **Maturity Date:** | | *[specify date or (for Floating Rate* Obligations Foncières*) Interest Payment Date falling in or nearest to the relevant month and year]* |
| **9** | **Interest Basis:** | | [[●] per cent. Fixed Rate]<br>[[[●] month [CMS Rate / EURIBOR / €STR / SARON / SOFR / SONIA / TEC10 or any other reference rate] +/- [●] per cent. Floating Rate]<br>[Fixed/Floating Rate]<br>[Zero Coupon]<br>[Inflation Linked Interest]<br>[(*further particulars specified below*)] |
| **10** | **Redemption Basis:**[38] | | Subject to any purchase and cancellation or early redemption, the *Obligations Foncières* will be redeemed on the Maturity Date [at [100] per cent. of their nominal amount / pursuant to Condition 6(c) (*for Inflation Linked* Obligations Foncières*, as the case may be*)]. |
| **11** | **Change of Interest Basis:** | | [Applicable (*for Fixed/Floating Rate* Obligations Foncières)/Not applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[Optional Change of Interest Date / Automatic Change of Interest Date: [●]]<br>[*Specify details for convertibility of the Fixed/Floating Rate* Obligations Foncières *in accordance with the provisions of Conditions 5(d)*] |
| **12** | **Call Options:** | | [Issuer Call/Not applicable]<br>[(*further particulars specified below*)] |

[39] Please note that with respect to any domestic issue settled from an Issuer account situated in France, payments relating to *Obligations Foncières* shall be made in Euro (according to Article 1343-3 of the French *Code civil*).

[40] Unless permitted by then current laws and regulations, *Obligations Foncières* (including *Obligations Foncières* denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum denomination of £100,000 (or its equivalent in other currencies).

| | | |
|---|---|---|
| **13** | **Dates of the corporate authorisations for issuance of *Obligations Foncières* obtained:** | Decision of the *Directoire* of Caisse Française de Financement Local dated [●] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| **14** | **Fixed Rate *Obligation Foncière* Provisions:** | [In respect of Fixed/Floating Rate *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Rate**[**(s)**]** of Interest: | [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] |
| (ii) | Interest Payment Date(s): | [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted] |
| (iii) | Fixed Coupon Amount**[**(s)**]**: | [[●] per Specified Denomination/Not Applicable] |
| (iv) | Broken Amount(s): | [●] payable on the Interest Payment Date falling [in/on] [●] *(Insert particulars of any initial or final Broken Amount(s) of interest which do not correspond with the Fixed Coupon Amount(s)*) |
| (v) | Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| (vi) | Determination Date(s) (Condition 5(a)): | [●] in each year *(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))* |
| (vii) | Business Day Convention: | [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable] |
| (viii) | Business Centre(s): | [●]/[Not applicable] |

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| **15** | **Floating Rate *Obligation Foncière* Provisions:** | | [In respect of Fixed/Floating Rate *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:] [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph).*<br>(*In the event where the benchmark used to calculate the interest payable is discontinued, Condition 5(c)(iii)(D) provides for a methodology to determine the successor or alternative rate*) |
| | (i) | Interest Period(s): | [●] |
| | (ii) | Specified Interest Payment Dates: | [●] |
| | (iii) | First Specified Interest Payment Date: | [●] |
| | (iv) | Interest Period Date: | [●] (*Not applicable unless different from Interest Payment Dates*) |
| | (v) | Business Day Convention: | [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] |
| | (vi) | Business Centre(s) (Condition 5(a)): | [●] |
| | (vii) | Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/FBF Determination/ ISDA Determination] |
| | (viii) | Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): | [[●]/Not applicable] |
| | (ix) | Screen Rate Determination (Condition 5(c)(iii)(C)): | *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | | -- Reference Rate: | [CMS Rate / EURIBOR / €STR / SARON / SOFR / SONIA / TEC10 (*or any other reference rate*)]<br>(*If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*) |
| | | -- Relevant Inter-Bank Market: | [●] |
| | | -- Relevant Screen Page: | [●]<br>*(In the case of €STR or SOFR, delete this paragraph)* |
| | | -- [Reference Banks (if Relevant Screen Page is "Reference Banks"): | [[●] (*Specify four)*]/[As per Condition 5(a)]<br>*(In the case of €STR or SOFR, delete this paragraph)*] |
| | | -- Relevant Screen Page Time: | [●] |
| | | -- Interest Determination Date(s): | [●] / [[*TARGET*] *Business Days in* [*specify city*] *for* [*specify currency*]] / [Zurich Banking Days (*if SARON*]] / [U.S. Government Securities Business Days (*if SOFR*)] / [London Banking Days (*if* |

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| | | *SONIA*)] *prior to* [*the first day in each Interest Accrual Period/each Interest Payment Date*] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention /Preceding Business Day Convention].] |
| | -- [Reference Currency: | [●]] |
| | -- [Relevant Financial Centre | [●]] |
| | -- [Designated Maturity: | [●]] |
| | -- [Specified Time: | [●]] |
| | -- [€STR Observation Look-Back Period: | [[●] TARGET Business Day (*specify*) / Not applicable]<br>(*only applicable in the case of €STR*) |
| | -- [SARON Observation Look-Back Period: | [[●] Zurich Banking Days / Not applicable]]<br>*(only applicable in the case of SARON)* |
| | -- [SONIA Observation Look-Back Period: | [[●] London Banking Days / Not applicable]]<br>*(only applicable in the case of SONIA)* |
| | -- [SONIA Rate of Interest Determination: | [SONIA Shift Compound / SONIA Lookback Compound / SONIA Compounded Index]<br>*(only applicable in the case of SONIA)* |
| | -- [SOFR Observation Look-Back Period: | [[●] U.S. Government Securities Business Days *(specify)* / Not applicable]<br>*(only applicable in the case of SOFR)* |
| | -- [SOFR Rate of Interest Determination: | [SOFR Arithmetic Mean / SOFR Lockout Compound / SOFR Lookback Compound / SOFR Shift Compound / SOFR Index Average]]<br>(*only applicable in the case of SOFR*) |
| | -- [SOFR Rate Cut-Off Date: | The day that is the [second / [●]] U.S. Government Securities Business Day prior to the Interest Payment Date in relation to the relevant Interest Accrual Period.]<br>(*only applicable in the case of SOFR*) |
| (x) | FBF Determination (Condition 5(c)(iii)(A)): | |
| | -- Floating Rate: | [●]<br>(*If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*) |
| | -- Floating Rate Determination Date (*Date de Détermination du Taux Variable*): | [●]<br>*(N.B. the fall-back provisions applicable to FBF Determination under the Benchmark Events Technical Schedule published by the FBF in January 2020 are reliant upon the provision by reference banks of offered quotations EURIBOR* |

| | | | |
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| | | | *which, depending on market circumstances, may not be available at the relevant time)* |
| | (xi) | ISDA Determination (Condition 5(c)(iii)(B)): | |
| | | -- ISDA Definitions | [2006 ISDA Definitions/2021 ISDA Definitions] |
| | | -- Floating Rate Option: | [●]<br>(*If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*) |
| | | -- Designated Maturity: | [●] |
| | | -- Reset Date: | [●]<br>(*N.B. the fall-back provisions applicable to ISDA Determination under the ISDA Definitions are reliant upon the provisions by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time*) |
| | (xii) | Margin(s): | [[+/-] [●] per cent. per annum] / [Not applicable] |
| | (xiii) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)] / [[●] per cent. per annum][41] |
| | (xiv) | Maximum Rate of Interest: | [Not applicable] / [[●] per cent. per annum] |
| | (xv) | Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| **16** | **Inflation Linked Interest *Obligation Foncière* Provisions:** | | [Applicable/ Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Index: | [CPI/HICP] |
| | (ii) | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [[●]/Not applicable] |
| | (iii) | Interest Period(s): | [●] |
| | (iv) | Interest Payment Dates: | [●] |
| | (v) | Interest Determination Date: | [●] |
| | (vi) | Base Reference: | [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●]) |
| | (vii) | Rate of Interest: | [●] per cent. per annum multiplied by the Inflation Index Ratio |
| | (viii) | Day Count Fraction: | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / |

[41] [In no event shall the amount of interest payable be less than zero.]

| | | |
|---|---|---|
| | | Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| (ix) | Business Centre(s) (Condition 5(a)): | [●] *(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 24 relates)* |
| (x) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)]/[●] per cent. per annum[42] |
| (xi) | Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| **17** | **Call Option:** | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Optional Redemption Date(s): | [●] |
| (ii) | Optional Redemption Amount of each *Obligation Foncière*: | As per the Conditions |
| (iii) | If redeemable in part: | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (a) | Minimum Redemption Amount to be redeemed: | [●] |
| (b) | Maximum Redemption Amount to be redeemed: | [●] |
| (iv) | Notice period (if other than as set out in the Conditions): | [●]/ [As per the Conditions] |
| **18** | **Final Redemption Amount of each *Obligation Foncière*:** | [[●] per *Obligation Foncière* [of [●] Specified Denomination]/[As provided below for Inflation Linked *Obligations Foncières, as the case may be*] |
| **19** | **Inflation Linked *Obligations Foncières* – Provisions relating to the Final Redemption Amount:** | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Index: | [CPI/HICP] |
| (ii) | Final Redemption Amount in respect of Inflation Linked *Obligations Foncières*: | [Condition 6(c) applies] |
| (iii) | Base Reference: | [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●]) |
| (iv) | Inflation Index Ratio: | [●] |

[42] [In no event shall the amount of interest payable be less than zero.]

| | | |
|---|---|---|
| (v) | Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): | [[●]/Not applicable] |

**20 Early Redemption Amount**

| | |
|---|---|
| Early Redemption for taxation reasons: | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraph of this paragraph*) |
| Early Redemption Amount(s) of each *Obligation Foncière* payable on redemption for taxation reasons, if applicable, or illegality: | [●] per *Obligation Foncière* [of [●] Specified Denomination]/ [As provided below for Inflation Linked *Obligations Foncières, as the case may be*] |

**21 Zero Coupon *Obligations Foncières* – Provisions relating to the Early Redemption Amount:** [Applicable / Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

| | | |
|---|---|---|
| (i) | Amortisation Yield (Condition 6(d)): | [●] per cent. per annum |
| (ii) | Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |

**22 Inflation Linked *Obligations Foncières* – Provisions relating to the Early Redemption Amount:** [Applicable / Not applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

| | | |
|---|---|---|
| (i) | Index: | [CPI/HICP] |
| (ii) | Early Redemption Amount in respect of Inflation Linked *Obligations Foncières*: | [Condition 6(d)(ii) applies] |
| (iii) | Base Reference: | [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●]) |
| (iv) | Inflation Index Ratio: | [●] |
| (v) | Party responsible for calculating the Early Redemption Amount and accrued interest (if any) (if not the Calculation Agent): | [[●]/Not applicable] |

**GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES***

| | |
|---|---|
| **23 Form of *Obligations Foncières:*** | [Dematerialised *Obligations Foncières*/Materialised *Obligations Foncières*] (*Materialised* Obligations Foncières *are only in bearer form)* |

| | | |
|---|---|---|
| | | [*Delete as appropriate*] |
| | (i) Form of Dematerialised *Obligations Foncières:* | [Not applicable/*if Applicable specify whether*] [Bearer form (*au porteur*)/ Registered form (*au nominatif*)] |
| | (ii) Registration Agent: | [Not applicable/*if Applicable give name and details*] *(note that a Registration Agent must be appointed in relation to Registered Dematerialised* Obligations Foncières *only; except that the Issuer may be its own Registration Agent)* |
| | (iii) Temporary Global Certificate: | [Not applicable/Temporary Global Certificate exchangeable for Definitive Materialised *Obligations Foncières* on [●] (the "**Exchange Date**"), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate] |
| | (iv) Applicable TEFRA exemption: | [C Rules/D Rules/TEFRA not applicable] (*Only applicable to Materialised Obligations Foncières*) |
| **24** | **Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:** | [Not applicable/*Give details*]. (*Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which items 14(ii), 15(ii) and 17(iv) relate*) |
| | (i) Adjusted Payment Date (Condition 7(h)): | [The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[As per Condition 7(h)]/[Other[43]] |
| **25** | **Talons for future Coupons to be attached to definitive Materialised *Obligations Foncières* (and dates on which such Talons mature):** | [Yes/No/Not applicable. *If yes, give details*] (*Only applicable to Materialised Obligations Foncières*) |
| **26** | **Redenomination provisions:** | [Not applicable/The provisions [in Condition 1(d)] apply] |
| **27** | **Consolidation provisions:** | [Not applicable/The provisions [in Condition 12(b)] apply] |
| **28** | **Representation of holders of *Obligations Foncières - Masse* (Condition 10):** | Issue outside France: [Applicable/Not applicable]<br>Name and address of the Representative: [●]<br>[Name and address of the alternate Representative: [●]] |

[43] In the market practice, if any date for payment in respect of Fixed Rate *Obligations Foncières* or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

[The Representative will receive no remuneration]/[The Representative will receive a remuneration of [●]].

[*If the* Obligations Foncières *are held by a sole holder of* Obligations Foncières*, insert the wording below*:

As long as the *Obligations Foncières* are held by a sole holder of *Obligations Foncières*, and unless a Representative has been appointed in relation to such Series, such holder of *Obligations Foncières* shall exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*. A Representative will be appointed as soon as the *Obligations Foncières* are held by several holders of *Obligations Foncières*.]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [Non-Exempt Offer in the Non-Exempt Offer Jurisdictions] [and] [admission to trading on the regulated market[s] [of Euronext Paris] [and] [of the Luxembourg Stock Exchange] of the Obligations Foncières described herein] pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Caisse Française de Financement Local.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.][44]

Signed on behalf of the Issuer:

Duly represented by:

[44] To be added only where information provided by third parties is added to the Final Terms.

**PART B – OTHER INFORMATION**

*(If any of the following paragraphs is not applicable, delete such paragraph)*

## 1 ADMISSION TO TRADING

| | |
|---|---|
| (i) Listing: | [Euronext Paris / the Luxembourg Stock Exchange / [*specify relevant regulated market*] / none] |
| (ii) Admission to trading: | [Application has been made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed and admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange / [*specify relevant regulated market, third country market, SME growth market or multilateral trading facility*]] with effect from [●].] / [Application is expected to be made by the Issuer (or on its behalf) for the *Obligations Foncières* to be admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange / [*specify relevant regulated market, third country market, SME growth market or multilateral trading facility*]] with effect from [●].] |
| (iii) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the *Obligations Foncières* to be admitted to trading are already admitted to trading: | *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*<br>[The Existing *Obligations Foncières* are already admitted to trading on the regulated markets of [Euronext Paris] and [the Luxembourg Stock Exchange] / [*specify relevant regulated market*].] / [Not applicable.] |
| (iv) Estimate of total expenses related to admission to trading: | [●] |
| (v) Additional publication of Base Prospectus and Final Terms: | [Website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu)] / [●] *(See Condition 13 which provides that the Base Prospectus and Final Terms of* Obligations Foncières *admitted to trading on any regulated market of the EEA will be published on the website of the* Autorité des marchés financiers*. Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than on the website of the* Autorité des marchés financiers*)* |

## 2 TERMS AND CONDITIONS OF THE OFFER

| | | |
|---|---|---|
| (i) | Non-Exempt Offer Jurisdiction(s) | [Not applicable / An offer of the *Obligations Foncières* may be made by Dealers [and (*specify the name of any financial intermediary*)] other than pursuant to Article 1(4) of the Prospectus Regulation in [France/ the Grand Duchy of Luxembourg] (the "**Non-Exempt Offer Jurisdiction(s)**") during the period from [*specify date*] until [*specify date*] ("**Offer Period**").] |
| (ii) | Expected price at which *Obligations Foncières* will be offered or method of determining the price and method for its disclosure: | [●]<br>*(Where the expected price at which Obligations Foncières will be offered cannot be given, insert a description of the method of determining the price and the process for its disclosure)* |
| (iii) | Conditions to which the Non-Exempt Offer is subject: | [Not applicable/*give details*] |
| (iv) | Offer Period (including any possible amendments): | [*specify*] |
| (v) | Description of the application process (including the time period during which the Non-Exempt Offer will be open and any possible amendments): | [Not applicable/*give details*] |
| (vi) | Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants: | [Not applicable/*give details*] |
| (vii) | Details of the minimum and/or maximum amount of the application (whether in number of securities or aggregate amount to invest): | [Not applicable/*give details*] |
| (viii) | Details of the method and time limits for paying up and delivering the *Obligations Foncières*: | [Not applicable/*give details*] |
| (ix) | Manner in and date on which results of the Non-Exempt Offer are to be made public: | [Not applicable/*give details*] |
| (x) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not applicable/*give details*] |
| (xi) | Whether tranche(s) have been reserved for certain countries: | [Not applicable/*give details*] |

| | | |
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| (xii) | Process for notifying to applicants of the amount allotted and an indication whether dealing may begin before notification is made: | [Not applicable/*give details*] |
| (xiii) | Amount of any expenses and taxes charged to the subscriber or purchaser: | [Not applicable/*give details*]<br>*(If the Issuer is subject to MiFID II and/or PRIIPs such that it is required to disclose information relating to costs and charges, also include that information)* |
| (xiv) | Consent of the Issuer to use the Prospectus during the Offer Period: | [Not applicable / Applicable with respect to any Authorised Offeror specified below] |
| (xv) | Authorised Offeror(s) in the Non-Exempt Offer Jurisdiction(s) where the Non-Exempt Offer takes place: | [Not applicable / *Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s) including the legal entity identifier ("LEI") where the Authorised Offeror has legal personality / Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Prospectus"*] |
| (xvi) | Conditions attached to the consent of the Issuer to use the Prospectus: | [Not applicable / *Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to those set out on pages 51 and 52 of the Base Prospectus or indicate "See conditions set out in the Base Prospectus".*] |
| (xvii) | Name(s) and address(es), as they are known by the Issuer, of the dealers in the various countries where the offer takes place: | [●] |

## 3 RATINGS AND EURO EQUIVALENT

| | |
|---|---|
| Ratings: | [Not applicable. The *Obligations Foncières* are not rated.] /<br>[Applicable:<br>The *Obligations Foncières* [are expected to be/have been] rated [AA+] by S&P [and/or] [Aaa] by Moody's [and/or] [AAA] by DBRS.]<br>[S&P: [●]]<br>[Moody's: [●]]<br>[DBRS: [●]]<br>[Other: [●]]<br>Each of S&P, Moody's, DBRS [and] [●] is established in the European Union and is registered under Regulation (EU) N° 1060/2009 (as amended) (the |

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| | "**CRA Regulation**"). [[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk).]<br>[[Each of] [●] is not established in the European Union and has not applied for registration under the Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"), [[but the rating[s] given by [[each of] [●]] [has been/will be] endorsed by [●] in accordance with the CRA Regulation]/[but [each of] [●]] is certified by [●] which is established in the European Union, registered under the CRA Regulation and included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk).<br>[As such, the rating[s] issued by [[each of] [●]] may be used for regulatory purposes in the European Union in accordance with the CRA Regulation.]<br>(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*)<br>(*The above disclosure should reflect the rating allocated to* Obligations Foncières *of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*) |
| Euro equivalent: | [Not applicable/Euro [●]] (Only applicable for *Obligations Foncières* not denominated in Euro). The aggregate principal amount of *Obligations Foncières* issued has been converted into Euro at the rate of [●], producing a sum of: [●] |

## 4 [EUROPEAN COVERED BOND (PREMIUM) LABEL

The *Obligations Foncières* [benefit/are intended to benefit] from the "European Covered Bond (Premium)" label.

(*Delete this paragraph if the* Obligations Foncières *are issued (i) prior to 8 July 2022 or (ii) as from 8 July 2022 and assimilated to and under the same legal regime as* Obligations Foncières *issued prior to 8 July 2022*)]

## 5 SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has delivered [(i)] a certificate relating to the borrowing programme for the current quarter certifying that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *Privilège* with respect to such quarterly borrowing programme [and will deliver (ii) a certificate relating to the issue of the *Obligations Foncières* certifying that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *Privilège* after settlement of this issue and of the issues which have been the subject of previous attestations][45]

[45] Only applicable if the amount of *Obligations Foncières* issued equals or exceeds €500,000,000 or its equivalent in any other currency.

## 6 [NOTIFICATION

The *Autorité des marchés financiers* in France [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States of the EEA*] with a certificate of approval attesting that the Base Prospectus [as supplemented] has been drawn up in accordance with the Prospectus Regulation.]

## 7 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*Need to include a description of any interest, including a conflict of interest that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

Save as discussed in the section entitled ["*Subscription and Sale*"] of the Base Prospectus [and save for any fees payable to the Managers in connection with the Issue of *Obligations Foncières*,] so far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer.]/ [●]

[*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*]

## 8 REASONS FOR THE OFFER, USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND ESTIMATED TOTAL EXPENSES

| | |
|---|---|
| (i) Reasons for the offer and use of proceeds: | [●]*/[The net proceeds will be used for the Issuer's general corporate purposes]/[The *Obligations Foncières* constitute "[Green/Social] *Obligations Foncières*" and the net proceeds will be used to finance and/or refinance, in whole or in part, [Eligible Green Loans/Eligible Health Loan Portfolio] as defined in the [SFIL Group Green Bond Framework/SFIL Group Social Note Framework which is available on the website of the Issuer:<br><br>[*Describe specific loans and/or availability of Green Second Party Opinion or Social Second Party Opinion and any relevant third-party opinions and/or where the information can be obtained, etc…*]]<br><br>*(*See *"Use of Proceeds" wording in Base Prospectus – if the reasons for the offer are different from financing and/or refinancing any new or existing loans, they will need to be included here.*)] |
| (ii) Estimated net proceeds: | [●]<br>(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*) |
| (iii) Estimated total expenses: | [●]<br>*(Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".)* |

## 9 [*FIXED RATE OBLIGATIONS FONCIERES ONLY* – YIELD

| | |
|---|---|
| Indication of yield [of Aggregate Nominal Amount of the Tranche]: | [●]<br>Calculated as [*include details of method of calculation in summary form*] on the Issue Date.<br>[(*Only applicable for offer to the public pursuant to a non-exempt offer in France*) [yield gap of [●] per cent. in relation to tax free French government bonds (*obligations assimilables au Trésor* (OAT)) of an equivalent duration].<br>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] |

## 10 [*FLOATING RATE OBLIGATIONS FONCIERES ONLY* – PERFORMANCE OF RATES

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

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

## 11 [46][*INFLATION LINKED OBLIGATIONS FONCIERES ONLY* – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i) Name of underlying index: [●]

(ii) Information about the index, its volatility and past and future performance can be obtained: [●]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

## 12 DISTRIBUTION

| | |
|---|---|
| (i) Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) If syndicated: | |
| (A) Names, addresses and underwriting commitments of Managers: | [Not applicable/*give names, addresses and underwriting commitments*]<br>(*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.* |

[46] Required only for securities giving rise to payment or delivery obligations linked to an underlying asset to which Annex 17 to the Delegated Regulation (EU) 2019/980, as amended (the "**Prospectus Delegated Regulation**") applies.

| | |
|---|---|
| | *Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered.*) |
| (B) Date of Subscription Agreement: | [●] |
| (C) Stabilisation Manager(s) (if any): | [Not applicable / [●] *give name and address*] |
| (iii) If non-syndicated, name and address of Manager: | [Not applicable/ [●] *give names and addresses*] |
| (iv) Indication of the overall amount of the underwriting commission and of the placing commission: | [[●] per cent. of the Aggregate Nominal Amount of the Tranche]/[Not applicable] |
| (v) US Selling Restrictions (Categories of potential investors to which the *Obligations Foncières* are offered): | [Reg. S Compliance Category 1 applies to the *Obligations Foncières*; TEFRA C/TEFRA D/TEFRA not applicable] |
| (vi) Prohibition of sales to EEA retail investors: | [Not applicable/ Applicable]<br><br>(*If the Obligations Foncières clearly do not constitute "packaged" products or the Obligations Foncières do constitute "packaged" products and a key information document will be prepared in the EEA, "Not applicable" should be specified. If the Obligations Foncières may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified and the legend entitled "Prohibition of Sales to EEA Retail Investors" on the cover page of the Final Terms should be included. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor*). |
| (vii) Prohibition of sales to UK retail investors: | [Applicable/Not applicable]<br><br>(*If the Obligations Foncières clearly do not constitute "packaged" products or the Obligations Foncières do constitute "packaged" products and a key information document will be prepared in the UK, "Not applicable" should be specified. If the Obligations Foncières may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |

## 13 [*DERIVATIVES ONLY* – OTHER

| | |
|---|---|
| Date of underwriting agreement: | [●] |
| Name and address of Calculation Agent: | [●] |
| Other markets on which securities of the same class of the *Obligations Foncières* to be admitted to trading are already admitted to trading: | [●] |
| [Information on taxes on the income from the *Obligations Foncières* withheld at source in the country where admission to trading (other than in France) is sought: | [●]] |

## 14 OPERATIONAL INFORMATION

| | |
|---|---|
| ISIN: | [●] |
| Common Code: | [●] |
| FISN Code: | [[●]/Not Applicable] (*if the FISN Code is not required or requested, it should be specified as "Not Applicable"*) |
| CFI Code: | [[●]/Not Applicable] (*if the CFI Code is not required or requested, it should be specified as "Not Applicable"*) |
| Depositaries: | |
| (i) Euroclear France to act as Central Depositary: | [Yes/No] |
| (ii) Common Depositary for Euroclear Bank SA/NV and Clearstream: | [Yes/No] |
| Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): | **[**Not applicable / [●] *give name(s) and number(s)*][*and addresses*])] |
| Delivery: | Delivery **[**against/free of**]** payment |
| The Agents appointed in respect of the *Obligations Foncières* are: | [●] |
| Name and address of the Calculation Agent: | [●] |
| Names and addresses of initial Paying Agent(s): | [Banque Internationale à Luxembourg, *société anonyme*<br>69, route d'Esch<br>L-2953 Luxembourg<br>Grand-Duchy of Luxembourg] / [●] |
| Names and addresses of additional Paying Agent(s) (if any): | [●] |
| Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: | [Not applicable / [●] (*give names(s), address(es) and description*)] |

**[ANNEX – ISSUE SPECIFIC SUMMARY]**

**[*insert the issue specific summary*]**

## FORM OF FINAL TERMS 2

### FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES* WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET AND ISSUES OF *OBLIGATIONS FONCIÈRES* TO BE ADMITTED TO TRADING ONLY ON A REGULATED MARKET, OR SPECIFIC SEGMENT OF A REGULATED MARKET, TO WHICH ONLY QUALIFIED INVESTORS HAVE ACCESS

**PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The *Obligations Foncières* are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council dated 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU of the European Parliament and of the Council dated 20 January 2016 on insurance distribution, as amended (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council dated 26 November 2014 on key information documents for packaged retail and insurance-based investment products (as amended, the "**PRIIPs Regulation**") for offering or selling the *Obligations Foncières* or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the *Obligations Foncières* or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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

[[47]**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the *Obligations Foncières* is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [***Consider any negative target market***[48]] Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is

[47] Legend to be included following completion of the target market assessment in respect of the *Obligations Foncières*, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

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

responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [49]

**[**[50]**UK MiFIR product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer['s/s'] product approval process, the target market assessment in respect of the *Obligations Foncières*, taking into account the five (5) categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "Brexit our approach to EU non-legislative materials") has led to the conclusion that: (i) the target market for the *Obligations Foncières* is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the *Obligations Foncières* to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*][51]. Any person subsequently offering, selling or recommending the *Obligations Foncières* (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the *Obligations Foncières* (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [52]

**[SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the *Obligations Foncières* are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][53]

[49] Legend to be included if the *Obligations Foncières* are not intended to be sold to retail clients.

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

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

[52] Legends to be included if the *Obligations Foncières* are not intended to be sold to retail clients.

[53] For any *Obligations Foncières* to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the *Obligations Foncières* pursuant to Section 309B of the SFA prior to the launch of the offer.

**Final Terms dated [●]**

**CAISSE FRANÇAISE DE FINANCEMENT LOCAL**
**(the "Issuer")**

**Legal entity identifier (LEI): 549300E6W08778I4OW85**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of *Obligations Foncières*]**

**(the "*Obligations Foncières*")**

**[to be assimilated (*assimilées*) and form a single series with the existing Issue of [Aggregate Nominal Amount of Tranche] [Title of *Obligations Foncières*] (the "Existing *Obligations Foncières*")]**

**under the**

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

**SERIES NO: [●]**
**TRANCHE NO: [●]**

Issue Price: **[●]** per cent.

**[Name(s) of Manager(s)]**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the base prospectus dated 10 June 2022 which received approval number 22-204 from the *Autorité des marchés financiers* (the "**AMF**") on 10 June 2022 [and the supplement[s] to the base prospectus dated [●] which received approval number [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation.

This document constitutes the final terms (the "**Final Terms**") of the *Obligations Foncières* for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information. The Base Prospectus [and these Final Terms] [54] [is] [are] available for viewing free of charge on the website of the AMF (www. amf-france.org) and on the website of the Issuer (www.caffil.fr).

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus and/or an Offering Circular with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**"), which are the [2006/2007/2008/2009/2010/2011/2013/2014/2015/2016/2017/2018/2019/2020/2021] EMTN Conditions which are incorporated by reference in the base prospectus dated 10 June 2022 which received approval number 22-204 from the *Autorité des marchés financiers* (the "**AMF**") on 10 June 2022 [, as supplemented by the supplement(s) to the base prospectus dated [●] which received approval number [●] from the AMF on [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of Article 8.4 of the Prospectus Regulation.

This document constitutes the final terms (the "**Final Terms**") of the *Obligations Foncières* for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information, save in respect of section "Terms and Conditions of the *Obligations Foncières*" which is replaced by the [2006/2007/2008/2009/2010/2011/2013/2014/2015/2016/2017/2018/2019/2020/2021] EMTN Conditions. The Base Prospectus [and these Final Terms] [55] [is] [are] available for viewing free of charge on the website of the AMF (www. amf-france.org) and on the website of the Issuer (www.caffil.fr).

[*Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

| | | | |
|---|---|---|---|
| **1** | **Issuer:** | | Caisse Française de Financement Local |
| **2** | **(i)** | **Series Number:** | [●] |
| | **(ii)** | **Tranche Number:** | [●] |
| | **[(iii)** | **Date on which the *Obligations Foncières* become fungible:** | The *Obligations Foncières* will be assimilated (*assimilées*) and form a single series with the existing [*insert description of the Series*] issued by the Issuer on [*insert date*] (the "**Existing *Obligations Foncières***") as from the Issue Date of this Tranche.] |
| **3** | **Specified Currency[56]:** | | [●] |
| **4** | **Aggregate Nominal Amount:** | | |
| | (i) | Series: | [●] |
| | (ii) | Tranche: | [●] |

[54] If the *Obligations Foncières* are admitted to trading on a Regulated Market.

[55] If the *Obligations Foncières* are admitted to trading on a Regulated Market.

[56] Please note that with respect to any domestic issue settled from an Issuer account situated in France, payments relating to *Obligations Foncières* shall be made in Euro (according to Article 1343-3 of the French *Code civil*).

| | | |
|---|---|---|
| **5** | **Issue Price:** | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| **6** | **Specified Denomination[s]:** | [●] (*one denomination only for Dematerialised* Obligations Foncières*)*[57] |
| **7** | **(i) Issue Date:** | [●] |
| | **(ii) Interest Commencement Date:** | [Specify/Issue Date// Not applicable] |
| **8** | **Maturity Date:** | *[specify date or (for Floating Rate* Obligations Foncières*) Interest Payment Date falling in or nearest to the relevant month and year]* |
| **9** | **Interest Basis:** | [[●] per cent. Fixed Rate]<br>[[[●] month [CMS Rate/EURIBOR/€STR/SARON/SOFR/SONIA/TEC10 or any other reference rate] +/- [●] per cent. Floating Rate]<br>[Fixed/Floating Rate]<br>[Fixed Rate/Formula *Obligations Foncières*]<br>[Zero Coupon]<br>[Inflation Linked Interest]<br>[[Index/ Underlying /CPI/ HICP] Formula *Obligations Foncières*]<br>[(*further particulars specified below*)] |
| **10** | **Redemption Basis:** [55] | Subject to any purchase and cancellation or early redemption, the *Obligations Foncières* will be redeemed on the Maturity Date [at [100] per cent. of their nominal amount / pursuant to Condition 6(c) (*for Inflation Linked Obligations Foncières, as the case may be*)]. |
| **11** | **Change of Interest Basis:** | [Applicable (*for (i) Fixed/Floating Rate* Obligations Foncières *or (ii) Fixed Rate/Formula* Obligations Foncières) / Not applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br>[Optional Change of Interest Date / Automatic Change of Interest Date: [●]]<br>[*Specify details for convertibility of (i) the Fixed/Floating Rate* Obligations Foncières *in accordance with the provisions of Condition 5(d) or (ii) the Fixed Rate/Formula* Obligations Foncières *in accordance with the provisions of Conditions 5(e)*] |

[57] Unless permitted by then current laws and regulations, *Obligations Foncières* (including *Obligations Foncières* denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended, must have a minimum denomination of £100,000 (or its equivalent in other currencies).

| | | |
|---|---|---|
| **12** | **Call Options:** | [Issuer Call/Not applicable]<br><br>[(*further particulars specified below*)] |
| **13** | **Dates of the corporate authorisations for issuance of *Obligations Foncières* obtained:** | Decision of the *Directoire* of Caisse Française de Financement Local dated [●] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| **14** | **Fixed Rate *Obligation Foncière* Provisions:** | [In respect of Fixed/Floating Rate *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:]<br>[Applicable/Not applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Rate**[**(s)**]** of Interest: | [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] |
| (ii) | Interest Payment Date(s): | [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted] |
| (iii) | Fixed Coupon Amount **[**(s)**]**: | [[●] per Specified Denomination/Not applicable] |
| (iv) | Broken Amount(s): | [●] payable on the Interest Payment Date falling [in/on] [●] (*Insert particulars of any initial or final Broken Amount(s) of interest which do not correspond with the Fixed Coupon Amount(s)*) |
| (v) | Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| (vi) | Determination Date(s) (Condition 5(a)): | [●] in each year *(insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))* |
| (vii) | Business Day Convention: | [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not applicable] |
| (viii) | Business Centre(s): | [●]/[Not applicable] |

| | | | |
|---|---|---|---|
| **15** | **Floating Rate *Obligation Foncière* Provisions:** | | [In respect of Fixed/Floating Rate *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:]<br>[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph).* |
| | (i) | Interest Period(s): | [●] |
| | (ii) | Specified Interest Payment Dates: | [●] |
| | (iii) | First Specified Interest Payment Date: | [●] |
| | (iv) | Interest Period Date: | [●] (*Not applicable unless different from Interest Payment Dates*) |
| | (v) | Business Day Convention: | [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] |
| | (vi) | Business Centre(s) (Condition 5(a)): | [●] |
| | (vii) | Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/FBF Determination/ISDA Determination] |
| | (viii) | Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): | [[●]/ Not applicable] |
| | (ix) | Screen Rate Determination (Condition 5(c)(iii)(C)): | *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | | -- Reference Rate: | [CMS Rate / EURIBOR / €STR / SARON / SOFR / SONIA /TEC10 (*or any other reference rate*)]<br>(*If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*) |
| | | -- Relevant Inter-Bank Market: | [●] |
| | | -- Relevant Screen Page Time: | [●] |
| | | -- Interest Determination Date(s): | [●] [[*TARGET*] *Business Days in* [*specify city*] *for* [*specify currency*]] / [Zurich Banking Days (*if SARON*)]] / [U.S Government Securities Business Days (*if SOFR*)] / [London Banking Days (*if SONIA*) *prior to* [*the first day in each Interest Accrual Period/each Interest Payment Date*] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention].] |

-- Relevant Screen Page: [●]

*(In the case of €STR or SOFR, delete this paragraph)*

-- [Reference Banks (if Relevant Screen Page is "Reference Banks"): [[●] (*Specify four)*]/[As per Condition 5(a)]

*(In the case of €STR or SOFR, delete this paragraph)*]

-- [Reference Currency: [●]]

-- [Relevant Financial Centre: [●]]

-- [Designated Maturity: [●]]

-- [Specified Time: [●]]

-- [€STR Observation Look-Back Period: [[●] TARGET Business Day (*specify*) / Not applicable]

(*only applicable in the case of €STR*)

-- [SARON Observation Look-Back Period: [[●] Zurich Banking Days / Not applicable]]

(*only applicable in the case of SARON*)

-- [SONIA Observation Look-Back Period: [[●] London Banking Days] [Not applicable]]

*(only applicable in the case of SONIA)*

-- [SONIA Rate of Interest Determination: [SONIA Shift Compound / SONIA Lookback Compound / SONIA Compounded Index]

*(only applicable in the case of SONIA)*

-- [SOFR Observation Look-Back Period: [[●] U.S. Government Securities Business Days *(specify)* / Not applicable]

*(only applicable in the case of SOFR)*

-- [SOFR Rate of Interest Determination: [SOFR Arithmetic Mean / SOFR Lockout Compound / SOFR Lookback Compound / SOFR Shift Compound / SOFR Index Average]]

(*only applicable in the case of SOFR*)

-- [SOFR Rate Cut-Off Date: The day that is the [second / [●]] U.S. Government Securities Business Day prior to the Interest Payment Date in relation to the relevant Interest Accrual Period.]

(*only applicable in the case of SOFR*)

(x) FBF Determination (Condition 5(c)(iii)(A)):

-- Floating Rate: [●]

*(If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*)

-- Floating Rate Determination Date (*Date de détermination du Taux Variable*) [●]

*(N.B. the fall-back provisions applicable to FBF Determination under the Benchmark*

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| | | *Events Technical Schedule published by the FBF in January 2020 are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)* |
| (xi) | ISDA Determination (Condition 5(c)(iii)(B)): | |
| | -- ISDA Definitions: | [2006 ISDA Definitions/2021 ISDA Definitions] |
| | -- Floating Rate Option: | [●]<br>(*If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*) |
| | -- Designated Maturity: | [●] |
| | -- Reset Date: | [●]<br>(*N.B. the fall-back provisions applicable to ISDA Determination under the ISDA Definitions are reliant upon the provisions by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time*) |
| (xii) | Margin(s): | [[+/-] [●] per cent. per annum]/[Not applicable] |
| (xiii) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)] / [[●] per cent. per annum][58] |
| (xiv) | Maximum Rate of Interest: | [Not applicable] / [●] per cent. per annum |
| (xv) | Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| **16** | **Inflation Linked Interest *Obligation Foncière* Provisions** | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Index: | [CPI/HICP] |
| (ii) | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [[●]/ Not applicable] |
| (iii) | Interest Period(s): | [●] |
| (iv) | Interest Payment Dates: | [●] |
| (v) | Interest Determination Date: | [●] |

[58] [In no event shall the amount of interest payable be less than zero.]

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| | (vi) | Base Reference: | [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●]) |
| | (vii) | Rate of Interest: | [●] per cent. per annum multiplied by the Inflation Index Ratio |
| | (viii) | Day Count Fraction: | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| | (ix) | Business Centre(s) (Condition 5(a)): | [●]*(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 27 relates)* |
| | (x) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)]/[[●] per cent. per annum][59] |
| | (xi) | Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| **17** | **Index Formula:** | | [In respect of Fixed Rate /Formula *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:]<br>[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Index1: | [Index Reference Rate / CPI Reference Rate/ HICP Reference Rate / zero] |
| | (ii) | Designated Maturity of Index1: | [●] |
| | (iii) | Index2: | [Index Reference Rate / CPI Reference Rate / HICP Reference Rate / zero] |
| | (iv) | Designated Maturity of Index2: | [●] |
| | (v) | Participation: | [●] |
| | (vi) | Spread: | [●] per cent. |
| | | Leverage1: | [[●] with respect to each Interest Accrual Period] [The Leverage1 set out in the following table:]<br><br>Interest Accrual Leverage1 Period:<br>[●] [●]<br><br>*(Specify relevant Leverage1 for each Interest Accrual Period)* |
| | | Leverage2: | [[●] with respect to each Interest Accrual Period] [The Leverage2 set out in the following table:] |

[59] [In no event shall the amount of interest payable be less than zero.]

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| | | Interest Accrual Leverage2 Period:<br>[●] [●]<br><br>*(Specify relevant Leverage2 for each Interest Accrual Period)* |
| (vii) | Interest Period(s): | [●] |
| (viii) | Specified Interest Payment Dates: | [●] |
| (ix) | First Specified Interest Payment Date: | [●] |
| (x) | Interest Period Date: | [●]<br>*(Not applicable unless different from Interest Payment Date)* |
| (xi) | Business Day Convention: | [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)] |
| (xii) | Business Centre(s) (Condition 5(a)): | [●] |
| (xiii) | Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): | [[●]/ Not applicable] |
| (xiv) | Screen Rate Determination for Index1 (Condition 5(c)(iii)(C)): | [Applicable/Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* |
| | -- Reference Rate: | [CMS Rate / EURIBOR / €STR / SARON / SOFR / SONIA /TEC10 (*or any other reference rate*)]<br>(*If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*) |
| | -- Relevant Inter-Bank Market: | [●] |
| | -- Relevant Screen Page Time: | [●] |
| | -- Interest Determination Date(s): | [●] [[*TARGET*] *Business Days in* [*specify city*] *for* [*specify currency*]] / [Zurich Banking Days (*if SARON*)]] / [U.S Government Securities Business Days (*if SOFR*)] / [London Banking Days (*if SONIA*)] *prior to* [*the first day in each Interest Accrual Period/each Interest Payment Date*] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention].] |

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| | -- Relevant Screen Page: | [●]<br>*(In the case of €STR or SOFR, delete this paragraph)* |
| | -- [Reference Banks (if Relevant Screen Page is "Reference Banks"): | [[●] (*Specify four)*]/[As per Condition 5(a)]<br>*(In the case of €STR or SOFR, delete this paragraph)*] |
| | -- [Reference Currency: | [●]] |
| | -- [Relevant Financial Centre: | [●]] |
| | -- [Designated Maturity: | [●]] |
| | -- [Specified Time: | [●]] |
| | -- [€STR Observation Look-Back Period: | [[●] TARGET Business Day (*specify*) / Not applicable]<br>(*only applicable in the case of €STR*) |
| | -- [SARON Observation Look-Back Period: | [[●] Zurich Banking Days / Not applicable]]<br>(*only applicable in the case of SARON*) |
| | -- [SONIA Observation Look-Back Period: | [[●] London Banking Days] [Not applicable]]<br>*(only applicable in the case of SONIA)* |
| | -- [SONIA Rate of Interest Determination: | [SONIA Shift Compound / SONIA Lookback Compound / SONIA Compounded Index]<br>*(only applicable in the case of SONIA)* |
| | -- [SOFR Observation Look-Back Period: | [[●] U.S. Government Securities Business Days *(specify)* / Not applicable]<br>*(only applicable in the case of SOFR)* |
| | -- [SOFR Rate of Interest Determination: | [SOFR Arithmetic Mean / SOFR Lockout Compound / SOFR Lookback Compound / SOFR Shift Compound]]<br>(*only applicable in the case of SOFR*) |
| | -- [SOFR Rate Cut-Off Date: | The day that is the [second / [●]] U.S. Government Securities Business Day prior to the Interest Payment Date in relation to the relevant Interest Accrual Period.]<br>(*only applicable in the case of SOFR*) |
| (xv) | Screen Rate Determination for Index2 (Condition 5(c)(iii)(C)): | [Applicable/Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph* |
| | -- Reference Rate: | [CMS Rate / EURIBOR / €STR / SARON / SOFR / SONIA / TEC10 (*or any other reference rate*)]<br>(*If the Rate of Interest is determined by linear interpolation in respect of the first and/or last long or short interest period, insert the relevant interest period(s) and the relevant two rates used for such determination*) |
| | -- Relevant Inter-Bank Market: | [●] |

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|---|---|
| -- Relevant Screen Page Time: | [●] |
| -- Interest Determination Date(s): | [●] [[*TARGET*] *Business Days in* [*specify city*] *for* [*specify currency*]] / [Zurich Banking Days (*if SARON*)] / [U.S Government Securities Business Days (*if SOFR*)] / [London Banking Days (*if SONIA*)] *prior to* [*the first day in each Interest Accrual Period/each Interest Payment Date*] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention].] |
| -- Relevant Screen Page: | [●]<br>*(In the case of €STR or SOFR, delete this paragraph)* |
| -- [Reference Banks (if Relevant Screen Page is "Reference Banks"): | [[●] (*Specify four)*]/[As per Condition 5(a)]<br>*(In the case of €STR or SOFR, delete this paragraph)*] |
| -- [Reference Currency: | [●]] |
| -- [Relevant Financial Centre: | [●]] |
| -- [Designated Maturity: | [●]] |
| -- [Specified Time: | [●]] |
| -- [€STR Observation Look-Back Period: | [[●] TARGET Business Day (*specify*) / Not applicable]<br>(*only applicable in the case of €STR*) |
| -- [SARON Observation Look-Back Period: | [[●] Zurich Banking Days / Not applicable]]<br>(*only applicable in the case of SARON*) |
| -- [SONIA Observation Look-Back Period: | [[●] London Banking Days] [Not applicable]]<br>*(only applicable in the case of SONIA)* |
| -- [SOFR Observation Look-Back Period: | [[●] U.S. Government Securities Business Days *(specify)* / Not applicable]<br>*(only applicable in the case of SOFR)* |
| -- [SOFR Rate of Interest Determination: | [SOFR Arithmetic Mean / SOFR Lockout Compound / SOFR Lookback Compound / SOFR Shift Compound]]<br>(*only applicable in the case of SOFR*) |
| -- [SOFR Rate Cut-Off Date: | The day that is the [second / [●]] U.S. Government Securities Business Day prior to the Interest Payment Date in relation to the relevant Interest Accrual Period.]<br>(*only applicable in the case of SOFR*) |

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| (xvi) | ISDA Determination for Index1 (Condition 5(c)(iii)(B)): | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | -- Floating Rate Option: | [●] |
| | -- Designated Maturity: | [As specified above for Index1] |
| | -- Reset Date: | [●] |
| | -- Minimum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| | -- Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| (xvii) | ISDA Determination for Index2 (Condition 5(c)(iii)(B)): | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | -- Floating Rate Option: | [●] |
| | -- Designated Maturity: | [As specified above for Index2] |
| | -- [Relevant Financial Centre: | [●]] |
| | -- Reset Date: | [●] |
| | -- Minimum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| | -- Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| (xviii) | Inflation determination for Index1: | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) Index: | [CPI Reference Rate / HICP Reference Rate] |
| | (b) Interest Determination Date: | [[●] / [●] [*TARGET*] *Business Days in* [*specify city*] *for* [*specify currency*] *prior to* [*the first day in each Interest Accrual Period/each Interest Payment Date*] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention /Preceding Business Day Convention/other (*give details*)].] |
| | (c) $_M$: | [●] month(s) |
| | (d) $_{M'}$: | [●] month(s) |
| | (e) Day Count Fraction: | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| | (f) Business Centre(s) (Condition 5(a)): | [●]*(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 26 relates)* |
| | (g) Minimum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| | (h) Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |

| | | |
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| (xix) | Inflation determination for Index2: | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) Index: | [CPI Reference Rate / HICP Reference Rate] |
| | (b) Interest Determination Date: | [●] |
| | (c) $_M$: | [●] month(s) |
| | (d) $_{M'}$: | [●] month(s) |
| | (e) Day Count Fraction: | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| | (f) Business Centre(s) (Condition 5(a)): | [●]*(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 26 relates)* |
| | (g) Minimum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| | (h) Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| (xx) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)]/[●] per cent. per annum[60] |
| (xxi) | Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| (xxii) | Margin(s): | [zero] |
| (xxiii) | Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| **18** | **Underlying Formula:** | [In respect of Fixed Rate /Formula *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:]<br>[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Designated Maturity: | [●] |
| (ii) | Reference Currency: | [●] |
| (iii) | Relevant Screen Page: | [●] |
| (iv) | Specified Time: | [●][a.m.][p.m.] ([●] time) |
| (v) | Participation: | [●] |
| (vi) | Spread: | [●] per cent. per annum |
| (vii) | Underlying: | [TEC][CMS Rate] |

[60] [In no event shall the amount of interest payable be less than zero.]

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| | (viii) | k: | [●] |
| | (ix) | Interest Period(s): | [●] |
| | (x) | Specified Interest Payment Dates: | [●] |
| | (xi) | First Specified Interest Payment Date: | [●] |
| | (xii) | Interest Period Date: | [●]<br>*(Not applicable unless different from Interest Payment Date)* |
| | (xiii) | Business Day Convention: | [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)] |
| | (xiv) | Business Centre(s) (Condition 5(a)): | [●] |
| | (xv) | Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): | [[●]/ Not applicable] |
| | (xvi) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)]/[●] per cent. per annum[61] |
| | (xvii) | Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| | (xviii) | Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| | (xix) | Interest Determination Date: | [●] |
| **19** | **CPI Formula:** | | [In respect of Fixed Rate /Formula *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:]<br>[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | $M$: | [●] month(s) |
| | (ii) | $M'$: | [●] month(s) |
| | (iii) | Spread: | [●] |
| | (iv) | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [[●]/ Not applicable] |
| | (v) | Interest Period(s): | [●] |
| | (vi) | Specified Interest Payment Date(s): | [●] |
| | (vii) | Interest Determination Date: | [●] |
| | (viii) | Day Count Fraction: | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / |

[61] [In no event shall the amount of interest payable be less than zero.]

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|---|---|---|---|
| | | | Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| | (ix) | Business Centre(s) (Condition 5(a)): | [●]*(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 26 relates)* |
| | (x) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)]/[●] per cent. per annum[62] |
| | (xi) | Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| | (xii) | Business Day Convention: | [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)] |
| **20** | **HICP Formula:** | | [In respect of Fixed Rate /Formula *Obligations Foncières*: from (and including) [●] to (but excluding) [●]:]<br>[Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | $M$: | [●] month(s) |
| | (ii) | $M'$: | [●] month(s) |
| | (iii) | Spread: | [●] |
| | (iv) | Calculation Agent responsible for calculating the interest due (if not the Calculation Agent): | [[●]/ Not applicable] |
| | (v) | Interest Period(s): | [●] |
| | (vi) | Specified Interest Payment Date(s): | [●] |
| | (vii) | Interest Determination Date: | [●] |
| | (viii) | Day Count Fraction: | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| | (ix) | Business Centre(s) (Condition 5(a)): | [●]*(Note that this item relates to interest period end dates and not to the date and place of payment, to which item 28 relates)* |
| | (x) | Minimum Rate of Interest: | [In accordance with the Condition 5(h)]/[●] per cent. per annum[63] |

[62] [In no event shall the amount of interest payable be less than zero.]

[63] [In no event shall the amount of interest payable be less than zero.]

| | | |
|---|---|---|
| (xi) | Maximum Rate of Interest: | [Not applicable]/[●] per cent. per annum |
| (xii) | Business Day Convention: | [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)] |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| **21** | **Call Option:** | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Optional Redemption Date(s): | [●] |
| (ii) | Optional Redemption Amount of each *Obligation Foncière*: | As per the Conditions |
| (iii) | If redeemable in part: | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (a) Minimum Redemption Amount to be redeemed: | [●] |
| | (b) Maximum Redemption Amount to be redeemed: | [●] |
| (iv) | Notice period (if other than as set out in the Conditions): | [●] / [As per the Conditions] |
| **22** | **Final Redemption Amount of each *Obligation Foncière*:** | [[●] per *Obligation Foncière* [of [●] Specified Denomination]/ As provided below for Inflation Linked *Obligations Foncières, as the case may be*] |
| **23** | **Inflation Linked *Obligations Foncières* – Provisions relating to the Final Redemption Amount:** | [Applicable / Not applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| (i) | Index: | [CPI/HICP] |
| (ii) | Final Redemption Amount in respect of Inflation Linked *Obligations Foncières*: | [Condition 6(c) applies] |
| (iii) | Base Reference: | [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●]) |
| (iv) | Inflation Index Ratio: | [●] |
| (v) | Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): | [[●]/ Not applicable] |
| **24** | **Early Redemption Amount:** | |

| | | |
|---|---|---|
| | Early redemption for taxation reasons: | [Applicable/Not applicable]<br>(*If not applicable deleted the remaining sub-paragraphs of this paragraph*) |
| | Early Redemption Amount(s) of each *Obligation Foncière* payable on redemption for taxation reasons, if applicable, or illegality: | [●] per *Obligation Foncière* [of [●] Specified Denomination] / [As provided below for Inflation Linked *Obligations Foncières, as the case may be*] |
| **25** | **Zero Coupon *Obligation Foncière* Provisions:** | [Applicable/Not applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) Amortisation Yield (Condition 6(d)): | [●] per cent. per annum |
| | (ii) Day Count Fraction (Condition 5(a)): | [Actual/Actual / Actual/Actual - ISDA / Actual/365 – FBF / Actual/Actual – ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30/360-FBF / Actual 30A/360 (American Bond Basis) / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / 30E/360-FBF] |
| **26** | **Inflation Linked *Obligations Foncières* – Provisions relating to the Early Redemption Amount:** | [Applicable / Not applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) Index: | [CPI/HICP] |
| | (ii) Early Redemption Amount in respect of Inflation Linked *Obligations Foncières*: | [Condition 6(d)(ii) applies] |
| | (iii) Base Reference: | [CPI/HICP] Daily Inflation Reference Index applicable on [*specify date*] (amounting to: [●]) |
| | (iv) Inflation Index Ratio: | [●] |
| | (v) Party responsible for calculating the Early Redemption Amount and accrued interest (if any) (if not the Calculation Agent): | [[●]/Not applicable] |

**GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES***

| | | |
|---|---|---|
| **27** | **Form of *Obligations Foncières:*** | [Dematerialised *Obligations Foncières*/Materialised *Obligations Foncières*] (*Materialised* Obligations Foncières *are only in bearer form)*<br>[*Delete as appropriate*] |
| | (i) Form of Dematerialised *Obligations Foncières:* | [Not applicable/*if Applicable specify whether*] [Bearer form (*au porteur*)/ Registered form (*au nominatif*)] |
| | (ii) Registration Agent: | [Not applicable/*if Applicable give name and details*] *(note that a Registration Agent must be* |

| | | |
|---|---|---|
| | | *appointed in relation to Registered Dematerialised Obligations Foncières only; except that the Issuer may be its own Registration Agent)* |
| | (iii) Temporary Global Certificate: | [Not applicable/Temporary Global Certificate exchangeable for Definitive Materialised *Obligations Foncières* on [●] (the "**Exchange Date**"), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate**]** |
| | (iv) Applicable TEFRA exemption: | [C Rules/D Rules/TEFRA not applicable] (*Only applicable to Materialised Obligations Foncières*) |
| **28** | **Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:** | [Not applicable/*Give details*]. (*Note that this item relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which items 14(ii), 15(ii) and 17(iv) relate*) |
| | (i) Adjusted Payment Date (Condition 7(h)): | [The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[As per Condition 7(h)]/[Other[64]] |
| **29** | **Talons for future Coupons to be attached to definitive Materialised *Obligations Foncières* (and dates on which such Talons mature):** | [Yes/No/Not applicable. *If yes, give details*] (*Only applicable to Materialised* Obligations Foncières) |
| **30** | **Redenomination provisions:** | [Not applicable/The provisions [in Condition 1(d)] apply] |
| **31** | **Consolidation provisions:** | [Not applicable/The provisions [in Condition 12(b)] apply] |
| **32** | **Representation of holders of *Obligations Foncières* – *Masse* (Condition 10):** | Name and address of the Representative: [●]<br>[Name and address of the alternate Representative: [●]]<br>[The Representative will receive no remuneration]/[The Representative will receive a remuneration of [●]].<br>[*If the* Obligations Foncières *are held by a sole holder of* Obligations Foncières*, insert the wording below*: |

[64] In the market practice, if any date for payment in respect of Fixed Rate *Obligations Foncières* or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

As long as the *Obligations Foncières* are held by a sole holder of *Obligations Foncières*, and unless a Representative has been appointed in relation to such Series, such holder of *Obligations Foncières* shall exercise all the powers, rights and obligations entrusted to the *Masse* by the the Terms and Conditions of the *Obligations Foncières*. A Representative will be appointed as soon as the *Obligations Foncières* are held by several holders of *Obligations Foncières*.]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [admission to trading on the regulated market[s] [of Euronext Paris] [and] [of the Luxembourg Stock Exchange] of the *Obligations Foncières* described herein] pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Caisse Française de Financement Local.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.][*]

Signed on behalf of the Issuer:

Duly represented by:

[*] To be added only where information provided by third parties is added to the Final Terms.

**PART B – OTHER INFORMATION**

*(If any of the following paragraphs is not applicable, delete such paragraph)*

## 1 ADMISSION TO TRADING

| | |
|---|---|
| (i) Listing: | [Euronext Paris / the Luxembourg Stock Exchange / [*specify relevant regulated market*] / none] |
| (ii) Admission to trading: | [Application has been made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed and admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange / [*specify relevant regulated market, third country market, SME growth market or multilateral trading facility*]] with effect from [●].] / [Application is expected to be made by the Issuer (or on its behalf) for the *Obligations Foncières* to be admitted to trading on the regulated market of [Euronext Paris / the Luxembourg Stock Exchange / [*specify relevant regulated market, third country market, SME growth market or multilateral trading facility*]] with effect from [●].] / [The Existing *Obligations Foncières* are already admitted to trading on the regulated markets of [Euronext Paris] and [the Luxembourg Stock Exchange] / [*specify relevant regulated market*].] / [Not applicable.] |
| (iii) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the *Obligations Foncières* to be admitted to trading are already admitted to trading: | *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*<br>[The Existing *Obligations Foncières* are already admitted to trading on the regulated markets of [Euronext Paris] and [the Luxembourg Stock Exchange] / [*specify relevant regulated market*].] / [Not applicable.] |
| (iv) Estimate of total expenses related to admission to trading: | [●] |
| (v) Additional publication of Base Prospectus and Final Terms: | [Website of the regulated market of the Luxembourg Stock Exchange (www.bourse.lu)] / [●] (*See Condition 13 which provides that the Base Prospectus and Final Terms of Obligations Foncières admitted to trading on any regulated market of the EEA will be published on the website of the* Autorité des marchés financiers. *Please provide for additional methods of publication in respect of an admission to trading on a regulated market other than on the website of the* Autorité des marchés financiers) |

## 2 RATINGS AND EURO EQUIVALENT

| | |
|---|---|
| Ratings: | [Not applicable. The *Obligations Foncières* are not rated.] / |

[Applicable:

The *Obligations Foncières* [are expected to be/have been] rated [AA+] by S&P [and/or] [Aaa] by Moody's [and/or] [AAA] by DBRS.]

[S&P: [●]]

[Moody's: [●]]

[DBRS: [●]]

[Other: [●]]

Each of S&P, Moody's, DBRS [and] [●] is established in the European Union and is registered under Regulation (EU) N° 1060/2009 (as amended) (the "**CRA Regulation**"). [[Each of] [S&P] [and/,] [Moody's] [and/,] [DBRS] [and] [●] is included in the list of credit rating agencies published by the European Security and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk).]

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

[As such, the rating[s] issued by [[each of] [●]] may be used for regulatory purposes in the European Union in accordance with the CRA Regulation.]

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

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

Euro equivalent: [Not applicable/Euro [●]] (Only applicable for *Obligations Foncières* not denominated in Euro). The aggregate principal amount of *Obligations Foncières* issued has been converted into Euro at the rate of [●], producing a sum of: [●]

## 3 [EUROPEAN COVERED BOND (PREMIUM) LABEL

The *Obligations Foncières* [benefit/are intended to benefit] from the "European Covered Bond (Premium)" label.

(*Delete this paragraph if the* Obligations Foncières *are issued (i) prior to 8 July 2022 or (ii) as from 8 July 2022 and assimilated to and under the same legal regime as* Obligations Foncières *issued prior to 8 July 2022*)]

## 4 SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has delivered [(i)] a certificate relating to the borrowing programme for the current quarter certifying that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the *Privilège* with respect to such quarterly borrowing programme [and will deliver (ii) a certificate relating to the issue of the *Obligations Foncières* certifying that the value of the

assets of the Issuer will be greater than the value of its liabilities benefiting from the *Privilège* after settlement of this issue and of the issues which have been the subject of previous attestations][65]

## 5 [NOTIFICATION

The *Autorité des marchés financiers* in France [has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States of the EEA*] with a certificate of approval attesting that the Base Prospectus [as supplemented] has been drawn up in accordance with the Prospectus Regulation.]

## 6 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*Need to include a description of any interest, including a conflict of interest that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

"Save as discussed in the section entitled ["*Subscription and Sale*"] of the Base Prospectus [and save for any fees payable to the Managers in connection with the Issue of *Obligations Foncières*,] so far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer.]/[●]

[*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*]

## 7 USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

| | |
|---|---|
| (i) Use of proceeds: | [●]*/[The net proceeds will be used for the Issuer's general corporate purposes]/[The *Obligations Foncières* constitute "[Green/Social] *Obligations Foncières*" and the net proceeds will be used to finance and/or refinance, in whole or in part, [Eligible Green Loans/Eligible Health Loan Portfolio] as defined in the [SFIL Group Green Bond Framework/SFIL Group Social Note Framework]:<br><br>[*Describe specific loans and/or availability of Green Second Party Opinion or Social Second Party Opinion and any relevant third-party opinions and/or where the information can be obtained, etc…*]]<br><br>*(*See "Use of Proceeds" wording in Base Prospectus – if the reasons for the offer are different from financing and/or refinancing any new or existing loans, they will need to be included here.*)] |
| (ii) Estimated net proceeds: | [●]<br><br>*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)* |

## 8 [*FIXED RATE OBLIGATIONS FONCIERES ONLY* – YIELD

| | |
|---|---|
| Indication of yield [of Aggregate Nominal Amount of the Tranche]: | [●] |

[65] Only applicable if the amount of *Obligations Foncières* issued equals or exceeds €500,000,000 or its equivalent in any other currency.

Calculated as [*include details of method of calculation in summary form*] on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

## 9 [*FLOATING RATE OBLIGATIONS FONCIERES ONLY* – PERFORMANCE OF RATES

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

[Amounts payable under the *Obligations Foncières* will be calculated by reference to [CMS Rate/EURIBOR/€STR/SARON/SOFR/SONIA/TEC10 *(or any other reference rate*)] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011, as amended) (the "**Benchmarks Regulation**").] [As far as the Issuer is aware, [[●] is not required to be registered by virtue of Article 2 of the Benchmarks Regulation]/[the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]]

## 10 [66][*INFLATION LINKED OBLIGATIONS FONCIERES ONLY* – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i) Name of underlying index: [●]

(ii) Information about the index, its volatility and past and future performance can be obtained: [●]

The Issuer [intends to provide post-issuance information [*specify what information will be reported and where it can be obtained*]] [does not intend to provide post-issuance information].

## 11 DISTRIBUTION

| | |
|---|---|
| (i) Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) If syndicated: | |
| (A) Names of Managers: | [Not applicable/*give names*]<br>*(Include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)* |
| (B) Stabilisation Manager(s) if any: | [Not applicable/*give name*] |
| (iii) If non-syndicated, name of Manager: | [Not applicable/*give name*] |
| (iv) US Selling Restrictions (Categories of potential investors to which the *Obligations Foncières* are offered): | [Reg. S Compliance Category 1 applies to the *Obligations Foncières*; TEFRA C/TEFRA D/TEFRA not applicable] |

[66] Required only for securities giving rise to payment or delivery obligations linked to an underlying asset to which Annex 17 to the Prospectus Delegated Regulation applies.

## 12 [*DERIVATIVES ONLY* – OTHER

| | |
|---|---|
| Date of underwriting agreement: | [●] |
| Name and address of Calculation Agent: | [●] |
| Other markets on which securities of the same class of the *Obligations Foncières* to be admitted to trading are already admitted to trading: | [●] |
| [Information on taxes on the income from the *Obligations Foncières* withheld at source in the country where admission to trading (other than in France) is sought: | [●]] |

## 13 OPERATIONAL INFORMATION

| | |
|---|---|
| ISIN: | [●] |
| Common Code: | [●] |
| FISN Code: | [[●]/Not Applicable] (*if the FISN Code is not required or requested, it should be specified as "Not Applicable"*) |
| CFI Code: | [[●]/Not Applicable] (*if the CFI Code is not required or requested, it should be specified as "Not Applicable"*) |
| Depositaries: | |
| (i) Euroclear France to act as Central Depositary: | [Yes/No] |
| (ii) Common Depositary for Euroclear Bank SA/NV and Clearstream: | [Yes/No] |
| Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s): | [Not applicable/*give name(s) and number(s) [and address(es)]]* |
| Delivery: | Delivery [against/free of] payment |
| Name and address of the Calculation Agent: | [●] |
| Names and addresses of initial Paying Agent(s): | [Banque Internationale à Luxembourg, *société anonyme*<br>69, route d'Esch<br>L-2953 Luxembourg<br>Grand-Duchy of Luxembourg] / [●] |
| Names and addresses of additional Paying Agent(s) (if any): | [●] |

# GENERAL INFORMATION

(1) **AMF approval, admission to trading and passport request**

This Base Prospectus has been approved by the AMF in France in its capacity as competent authority under the Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**") and has received approval number 22-204 on 10 June 2022.

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

Application may be made for the *Obligations Foncières* during a period of twelve (12) months from the date of this Base Prospectus to be admitted to trading on Euronext Paris.

This Base Prospectus shall be valid for the admission to trading of *Obligations Foncières* on a Regulated Market and/or the offering of *Obligations Foncières* to the public pursuant to a non-exempt offer in accordance with the Prospectus Regulation until 9 June 2023, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (or incorporated by reference) in this Base Prospectus which may affect the assessment of an investment in the *Obligations Foncières*. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Application has been made for the delivery by the AMF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority in Luxembourg for the purpose of the Luxembourg act dated 16 July 2019 relating to prospectuses for securities (*loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières*) which implements the Prospectus Regulation.

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

(2) **Corporate authorisations**

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 May 2022, the Executive Board (*Directoire*) of the Issuer authorised the issue of *obligations foncières* under the Programme up to an aggregate maximum amount of €4,000,000,000 for the period from 1 January 2022 to 31 December 2022 and delegated the power to realise such issues to Mr. Gilles Gallerne, in his capacity as *Président du Directoire* of the Issuer, to Mrs. Herdile Guérin, in her capacity as *Directrice Générale* of the Issuer and, in the absence or unavailability of any of them, to Mr. Olivier Eudes, each of them having the capacity to act separately, the power to decide the issue of *obligations foncières* and to determine their final terms and conditions subject to the conditions set forth therein.

(3) **Issuer's legal entity identifier (LEI)**

The legal entity identifier (LEI) of the Issuer is 549300E6W08778I4OW85.

(4) **Significant change in the Issuer's financial position or financial performance**

There has been no significant change in the financial position or financial performance of the Issuer since 31 December 2021 (being the date of its last financial period for which financial information has been published).

(5) **No material adverse change**

There has been no material adverse change in the prospects of the Issuer since 31 December 2021 (being the date of its last financial period for which financial information has been published and audited).

(6) **Litigation**

Except as disclosed in the paragraph entitled "*Legal and arbitration proceedings*" of the "*Description of Caisse Française de Financement Local*" section on pages 121 and 122 of this Base Prospectus, 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 the period of twelve (12) months immediately preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

(7) **Clearing**

*Obligations Foncières* will be accepted for clearance through the Euroclear and Clearstream which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) Code and, as the case may be, the Financial Instrument Short Name (FISN) Code and/or the Classification of Financial Instruments (CFI) Code or the identification number for any other relevant clearing system for each Series of *Obligations Foncières* will be set out in the relevant Final Terms.

Dematerialised *Obligations Foncières* will be inscribed in the books of Euroclear France (acting as central depositary). Dematerialised *Obligations Foncières* which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the Registration Agent.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L- 1855 Luxembourg, Grand-Duchy of Luxembourg and the address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

(8) **Issuer's website**

The website of the Issuer is www.caffil.fr. The information on the Issuer's website (and more generally on any website included in this Base Prospectus) does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF, unless that information is incorporated by reference into this Base Prospectus.

(9) **Material contracts**

Except as disclosed in the section entitled "*Material Contracts*" on pages 144 to 146 of this Base Prospectus, there are no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the holders of *Obligations Foncières* in respect of the *Obligations Foncières*.

(10) **Documents available**

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

(a) the Amended and Restated Agency Agreement;

(b) the up-to-date *statuts* of the Issuer;

(c) the most recently published audited annual financial statements and interim financial statements of the Issuer;

(d) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further base prospectus (in each case published in accordance with the Prospectus Regulation);

(e) each Final Terms for *Obligations Foncières* that are admitted to trading on Euronext Paris or admitted to trading on any other Regulated Market in the EEA and/or offered to the public pursuant to a Non-Exempt Offer in a Member State of the EEA;

(f) any document incorporated by reference in this Base Prospectus; and

(g) all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

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

(11) **Financial information**

The annual financial statements of the Issuer are audited and are published on an annual basis. The Issuer also produces unaudited interim financial statements.

(12) **Auditors**

KPMG S.A. (Tour Eqho, 2, avenue Gambetta, 92066 Paris-La Défense Cedex, France) and PricewaterhouseCoopers Audit (63, rue de Villiers, 92200 Neuilly-sur-Seine, France) have audited and rendered unqualified audit opinions in their reports on the annual financial statements of the Issuer for the financial years ended 31 December 2020 and 31 December 2021.

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

(13) **Ratings**

It is expected that the *Obligations Foncières* issued under the Programme will be rated AA+ by S&P Global Ratings Europe Limited ("**S&P**"), Aaa by Moody's France SAS ("**Moody's**") and AAA by DBRS Ratings GmbH or any entity that is part of DBRS and any successor to the relevant rating activity ("**DBRS**") and by their respective successors and/or any other rating agency. The rating (if any) of *Obligations Foncières* to be issued under the Programme will be specified in the relevant Final Terms.

Each of S&P, Moody's and DBRS is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "**CRA Regulation**"). Each of S&P, Moody's and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) registered in accordance with the CRA Regulation as of the date of this Base Prospectus.

(14) ***Obligations Foncières* issued by Dexia Municipal Agency**

In respect of outstanding *Obligations Foncières* issued in the past by Dexia Municipal Agency, separate applications may have been made, for such *Obligations Foncières* to be admitted to trading on the Paris, Frankfurt, Luxembourg, Zurich or Sydney stock exchanges.

(15) **Specific Controller**

The specific controller (*contrôleur spécifique*) and his/its alternate specific controller (*contrôleur spécifique suppléant*) of Caisse Française de Financement Local are respectively: RSM represented by Mrs. Martine Leconte - 26, rue Cambacérès - 75008 Paris – France and Mr. Ratana Lyvong - 26, rue Cambacérès - 75008 Paris – France.

(16) **Certification of the specific controller**

Pursuant to Articles L.513-23 and R.513-16 IV of the French *Code monétaire et financier*, the specific controller certifies that the rule providing that the amount of eligible assets of the Issuer is greater than the amount of liabilities benefiting from the *privilège* is satisfied for the Issuer's quarterly issuance programme or any issue of *Obligations Foncières* in a principal amount equal to or above Euro 500 million or its equivalent in the currency of issue.

As from 8 July 2022, pursuant to Article 2 and Article 3 of instruction no. 2022-I-05 of the French Resolution and Prudential Control Authority (*Autorité de contrôle prudentiel et de résolution*) in relation to *Obligations Foncières* for which the Issuer requests the use, or benefits from, the "European Covered Bond (Premium)" label, the specific controller verifies that the provisions of Article 129 of Regulation (EU) No. 575/2013 (Capital Requirements Regulation) of 26 June 2013, as amended, are complied with.

(17) **Yield**

In relation to any Tranche of Fixed *Obligations Foncières*, an indication of the yield in respect of such *Obligations Foncières* will be specified in the relevant Final Terms. The yield is calculated at the Issue Date of the *Obligations Foncières* on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the *Obligations Foncières* and will not be an indication of future yield.

(18) **Forward-Looking Statements**

This Base Prospectus may contain certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words believe, expect, project, anticipate, seek, estimate or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward-looking statements do not constitute profit forecasts or estimates under Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended.

(19) **Stabilisation Manager**

In connection with the issue of any Tranche (as defined in "General Description of the Programme"), the Dealer or Dealers (if any) named as the stabilisation manager(s) (the "**Stabilisation Manager(s)**") (or any person acting on behalf of any Stabilisation Manager(s)) in the relevant Final Terms may over-allot *Obligations Foncières* or effect transactions with a view to supporting the market price of the *Obligations Foncières* at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the Issue Date of the relevant Tranche and sixty (60) calendar days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

(20) **Currencies**

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" or "euro" are to the currency of the participating Member States of the European Union which was

introduced on 1 January 1999, references to "£", "GBP", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "$", "USD" and "US Dollars" are to the lawful currency of the United States of America, references to "¥", "JPY", "Japanese yen" and "Yen" are to the lawful currency of Japan, references to "CHF" and "Swiss francs" are to the lawful currency of the Switzerland and references to "CAD" and "Canadian Dollars" are to the lawful currency of Canada.

(21) **Benchmarks**

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

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

(22) **Taxation**

The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the *Obligations Foncières*.

Potential purchasers and sellers of the *Obligations Foncières* should be aware that payments of interest on the *Obligations Foncières*, or profits realised by a holder of *Obligations Foncières* upon the disposal or repayment thereof, may be subject to taxation or documentary charges or duties in its home jurisdiction or in other jurisdictions in which it is required to pay taxes or where the *Obligations Foncières* are transferred. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial obligations such as the *Obligations Foncières*. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, ownership, disposal and redemption of the *Obligations Foncières*. Only these advisors are in a position to duly consider the specific situation of the potential investor.

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

**In the name of the Issuer**

I declare, to the best of my knowledge, that the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

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

Duly represented by:
Herdile Guérin, *Directrice Générale*
Duly authorised
on 10 June 2022

AMF AUTORITÉ DES MARCHÉS FINANCIERS

This Base Prospectus has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this Base Prospectus 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 and on the quality of the *Obligations Foncières* described in this Base Prospectus. Investors should make their own assessment of the opportunity to invest in such *Obligations Foncières*.

This Base Prospectus has been approved on 10 June 2022 and is valid until 9 June 2023 and shall, during this period and in accordance with the provisions of article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies. This Base Prospectus obtained the following approval number: n°22-204.

**Registered office of the Issuer**

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

**Arranger**

**Barclays Bank Ireland PLC**
One Molesworth Street
Dublin 2
D02RF29
Ireland

**Dealers**

**Barclays Bank Ireland PLC**
One Molesworth Street
Dublin 2
D02RF29
Ireland

**BNP Paribas**
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75009 Paris
France

**Citigroup Global Markets Europe AG**
Reuterweg 16
60323 Frankfurt am Main
Germany

**Commerzbank Aktiengesellschaft**
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

**Crédit Agricole Corporate and Investment Bank**
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**Deutsche Bank Aktiengesellschaft**
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**Goldman Sachs Bank Europe SE**
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Germany

**HSBC Continental Europe**
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75116 Paris
France

**J.P. Morgan SE**
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60310 Frankfurt am Main
Germany

**Landesbank Baden-Württemberg**
Am Hauptbahnhof 2
D-70173 Stuttgart
Germany

**Morgan Stanley Europe SE**
Grosse Gallusstrasse 18
60312 Frankfurt-am-Main
Germany

**NATIXIS**
30, avenue Pierre Mendès France
75013 Paris
France

**NatWest Markets N.V.**
Claude Debussylaan 94
1082 MD Amsterdam
Netherlands

**Nomura Financial Products Europe GmbH**
Rathenauplatz 1
60313, Frankfurt-am-Main
Germany

**Société Générale**
29, boulevard Haussmann
75009 Paris
France

**UniCredit Bank AG**
Arabellastrasse 12
81925 Munich
Germany

**Fiscal Agent, Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent**

**Banque Internationale à Luxembourg, société anonyme**
69, route d'Esch
L-1470 Luxembourg
Grand-Duchy of Luxembourg

**Luxembourg Listing Agent**

**Banque Internationale à Luxembourg, société anonyme**
69, route d'Esch
L-1470 Luxembourg
Grand-Duchy of Luxembourg

**Auditors to the Issuer**

**KPMG S.A.**
Tour Eqho, 2, avenue Gambetta
92066 Paris-La-Défense Cedex
France

**PricewaterhouseCoopers Audit**
63, rue de Villiers
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France

**Legal Advisers**

**To the Issuer**

**CMS Francis Lefebvre Avocats**
2, rue Ancelle
92522 Neuilly-sur-Seine Cedex
France

**To the Dealers**

**Linklaters LLP**
25, rue de Marignan
75008 Paris
France