

FIRST SUPPLEMENT DATED 10 October 2019

TO THE INFORMATION MEMORANDUM DATED 20 DECEMBER 2018



**CAISSE CENTRALE DU CREDIT IMMOBILIER DE FRANCE —
3CIF**

(Incorporated in France as a société anonyme)

Euro 12,000,000,000

**Debt Issuance Programme unconditionally and irrevocably
guaranteed by**

THE REPUBLIC OF FRANCE

This supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the Information Memorandum dated 20 December 2018 (the “**Information Memorandum**”), prepared in relation to the €12,000,000,000 Debt Issuance Programme unconditionally and irrevocably guaranteed by the Republic of France for the issue of debt securities (the “**Notes**”) of Caisse Centrale du Crédit Immobilier de France - 3CIF (“**3CIF**” or the “**Issuer**”).

The Information Memorandum, together with this First Supplement, does not constitute a prospectus as defined in Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”), as amended or superseded, and may be used only for the purpose for which it is published. The purpose of the Information Memorandum in relation to Notes is to give information with respect to the issue of Notes. The Notes will be exempt from the Prospectus Directive pursuant to Article 1.2(d) thereof and the Notes will not be treated as being within the scope of the Prospectus Directive. The Information Memorandum has not been, and will not be, approved by the CSSF as complying with the Prospectus Directive.

The Information Memorandum may not be used for any offering to the public or any admittance to trading on a regulated market of Notes in any jurisdiction which would require the approval and publication of a prospectus under the Prospectus Directive or similar document under applicable law.

The Issuer accepts responsibility for the information contained in this First Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this First Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Information Memorandum have the same meaning when used in this First Supplement.

This First Supplement will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of the Issuer (www.3cif.com).

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Information Memorandum since its publication.

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

The First Supplement has been prepared for the purpose of:

- incorporating by reference the English translation of the audited 2018 Annual Report (“AR”);
- updating the following sections of the Information Memorandum:
 - Recent Developments and Outlook on page 122; and
 - General Information – paragraphs 1, 3, 10 and 11 on pages 131 to 132.

DOCUMENTS INCORPORATED BY REFERENCE

The first paragraph of the section entitled “Documents Incorporated by Reference” appearing on page 25 of the Information Memorandum is deleted and replaced with the following:

“This Information Memorandum should be read and construed in conjunction with the following documents:

- a) the English translation of the 2018 Annual Report of the Issuer (“**2018 AR**”); and
- b) the English translation of the 2017 Annual Report of the Issuer (“**2017 AR**”).

which have been previously published or are published simultaneously with this Information Memorandum and which have been filed with the CSSF and shall be deemed to be incorporated in, and form part of, this Information Memorandum.”

The cross reference table of the section “Documents Incorporated by Reference” appearing on page 26 of the Information Memorandum is deleted and replaced with the following:

Information incorporated by reference	Reference	Reference
Audited annual financial statements for the financial years ended 31 December 2017 and 2018	2018 AR	2017 AR
Information about the Issuer	Page 5	Page 3
Business overview	Pages 5 to 25	Pages 3 to 19
Organisational structure	Pages 9 to 12	Pages 4 to 9

Trend information	Pages 69 and 70	Page 56
Board of directors and general management	Pages 33 to 36 and 54 to 56	Pages 19 to 23 and 44
Major shareholders	Pages 23 and 24	Page 37
Financial information concerning the Issuer	Pages 61 to 65	Pages 34 to 38
Balance sheet	Pages 62 and 63	Pages 48 and 49
Off balance sheet items	Page 64	Page 50
Income statement	Page 65	Page 51
Notes in respect of the financial statements	Pages 66 to 104	Pages 52 to 89
Cash Flow statements	Pages 105 and 106	Pages 90 and 91
Auditors' report in respect of the financial statements	Pages 107 to 113	Pages 92 to 98
Share capital	Page 23	Page 37

RECENT DEVELOPMENTS

The section entitled “Recent Development and Outlook” appearing of the Information Memorandum the paragraphs:

1) Optimizing Intra-Group Cash Transfers Within the Contractual “Evergreen” Framework:

Following the liquidity risk audit conducted by the ACPR in the first half of 2018, CIF Group restructured its “evergreen” facilities and improved its liquidity risk forecasting tools, which ensure ongoing compliance with the Group’s liquidity ratios and improve the framework of cash transfers between CIFD and 3CIF.

Since the end of 2018, the financing that 3CIF provides to CIFD has been governed by:

- a new master agreement for an account with an authorization for overdrafts of up to €200 million; this arrangement is referred to as “Evergreen 1” or “Short-Term Evergreen”
- a loan with an initial face value of €11.575 billion, due 23 April 2050, referred to as “Evergreen 2” or “Medium-/Long-Term Evergreen”; this loan is subject to early repayment under certain conditions.

These two contractual arrangements ensure that CIFD has the full amount of cash it needs at all times to conduct business. “Evergreen” funds provided to CIFD are refinanced by 3CIF either in the markets or by CIF Euromortgage.

As collateral for the “evergreen” portion of facilities refinanced by 3CIF, in the amount of €11.4 billion, CIFD has transferred to 3CIF full ownership of eligible receivables, in accordance with CMF § L.211-38, which CIF Euromortgage in turn refinances in the amount of roughly €7 billion.

2) Creation of a Securitization Fund for RMBS Issuance:

Following a call for bids, CIFD Group selected two banks to help it examine possibilities for diversifying its source of funds in the form of a securitization without deconsolidation.

Based on discussions held in 2018, CIFD created a securitization fund and finalized in early 2019, a private placement of residential mortgage backed securities (RMBS) in the amount of about €1 billion involving those two banks in equal proportion.

Moreover, at the end of 2019, the Group will proceed with the issuance of senior notes backed by a pool of receivables, pursuant to a public placement and without recourse to the State guarantee.

3) Recent developments:

3CIF, during the first half of the year, made two public sector issue carrying the State guarantee of the Republic of France.

The first one was a 4-year €650 million issue. The yield spread was 30 basis points over the benchmark French Treasury bond (OAT) and the issue premium represented a 3bp yield spread with respect to 3CIF’s own State-guaranteed issues listed on the secondary market.

Market demand for the issue, dated 22 January 2019 and maturing on 22 January 2023, was €1,000 million and the allocation came primarily from Germany/Austria/Hungary (36%), France (22%), Scandinavia (13%), and the Benelux countries (12%). Central banks and supranational organizations and agencies (38%), mutual funds (31%), and commercial banks (28%) were the main subscribers.

The second one was a 2-year €350 million tap of the €650 million issue maturing in March 2021. The yield spread was 25 basis points over the benchmark French Treasury bond (OAT) and the issue premium represented a 2 bp negative yield spread with respect to 3CIF’s own State-guaranteed issues listed on the secondary market.

Market demand for the issue, dated 23 April 2019 and maturing on 1 March 2021, was €2,000 million, the allocation came primarily from Germany/Austria/Hungary (23 %), France (22%), Scandinavia (21 %), and the Asian countries (14 %). Mutual funds (35 %), commercial banks (33 %), Central banks and supranational organizations and agencies (30 %), were the main subscribers.

GENERAL INFORMATION

The first paragraph of the section “General Information” appearing on page 131 of the Information Memorandum is deleted and replaced with the following:

A decision of the Board of Directors of the Issuer dated 8 April 2019 authorizes the Issuer to issue securities in a maximum amount of €10,000,000,000 or its equivalent value for one year, commencing from 1st July 2019.

The third paragraph of the section “General Information” appearing on page 131 of the Information Memorandum is deleted and replaced with the following:

“3. Except as disclosed in the section entitled “Recent Developments” on page 122 of this Information Memorandum, no significant change has occurred in the financial position and trading position of the Issuer of the CIF Group since of its last published audited financial statements in 31 December 2018 and no material adverse change has occurred in the prospects of the Issuer or of the CIF Group since of its last published audited financial statements in 31 December 2018. The latest audited financial information is the December 2018 annual financial statements. The Issuer does not prepare quarterly financial statements.”

The tenth paragraph of the section “General Information” appearing on page 132 of the Information Memorandum is deleted and replaced with the following:

“11. 3 CIF’s financial statements for the year ended 31 December 2018 have been audited by the independent auditors without qualifications. Nevertheless, the auditor’s report for the 2018 financial statements, without qualifying the opinion of the auditors, draws attention to the matters set out in Notes 1.1 “*State Guarantee*”; 1.5 “*Provision for restructuring under the staff/management agreement*” and 2.1 “*Going concern*” of the financial statements.”