

**SECOND SUPPLEMENT DATED 9 APRIL 2018
TO THE BASE PROSPECTUS DATED 27 SEPTEMBER 2017**



**SFIL
€ 10,000,000,000
Euro Medium Term Note Programme**

This Second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 27 September 2017 as supplemented by the First Supplement to the Base Prospectus dated 11 January 2018, prepared in relation to the € 10,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of SFIL (the “**Issuer**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa No.17-517 on 27 September 2017 to the Base Prospectus and visa No.18-012 on 11 January 2018 to the First Supplement.

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

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

- (i) incorporating by reference the information contained in the *Rapport financier annuel 2017* in French language of the Issuer filed with the AMF, which includes the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 and the related statutory auditors' report (the “**2017 Financial Report**”);
- (ii) updating the disclaimers;
- (iii) updating sections A.2, B.12 and B.13 in the English and French versions of the Summary of the Programme;
- (iv) updating the section entitled “Conditions Attached to the Consent of the Issuer to Use the Prospectus”;
- (v) updating the section entitled “Risk Factors”;
- (vi) updating the section entitled “Information incorporated by reference”;
- (vii) updating the section entitled “Recent Developments”;
- (viii) updating the section entitled “PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA”;

(ix) updating the section entitled “PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET”; and

(x) updating the section entitled “General Information” of the Base Prospectus.

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

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

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

To the extent applicable, and provided that the conditions of Article 212-25 I of the *Règlement Général* of the AMF are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right, according to Article 212-25 II of the *Règlement Général* of the AMF, to withdraw their acceptances within a time limit of minimum two working days after publication of this Second Supplement. This right to withdraw shall expire by close of business on 11 April 2018.

Copies of this Second Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1 à 3, rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France) during normal business hours, (b) will be available on the website of the AMF (www.amf-france.org) and on the website of the Issuer (www.sfil.fr) and (c) will be available during normal business hours at the specified office of the Fiscal Agent (Banque Internationale à Luxembourg, société anonyme 69, route d’Esch, L-1470 Luxembourg, Grand-Duchy of Luxembourg) so long as any of the Notes issued under the Programme are outstanding.

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DISCLAIMERS

The disclaimers of the Base Prospectus are amended as follows:

- On page 3 of the Base Prospectus, the two following paragraphs shall be inserted between the fifth and the sixth paragraphs:

“MiFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes, 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 Notes are appropriate. Any person subsequently selling or recommending the Notes (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 Notes (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 Product Governance Rules), any Dealer subscribing for any Notes is a manufacturer as defined in MIFID II in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID regulated entity and does not qualify as a distributor or a manufacturer under MiFID Product Governance Rules.”

SUMMARY OF THE PROGRAMME

The section entitled “**Summary of the Programme**” on pages 6 to 29 of the Base Prospectus is amended as follows:

- Paragraph (2) (b) of item A.2 is deleted and replaced by the following:

A.2	Information regarding consent by the Issuer to the use of the Prospectus	(b) complies with the restrictions set out under "Subscription and Sale" in this Base Prospectus which would apply as if it were a Dealer and takes into account 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;
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- The item B.12 is deleted and replaced by the following:

B.12	Selected historical key financial information	<p>Selected historical key financial information (IFRS Consolidated):</p> <p>Comparative annual financial data - In EUR millions</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%; text-align: center;">31/12/2016</th> <th style="width: 25%; text-align: center;">31/12/2017</th> </tr> </thead> <tbody> <tr> <td>Total Balance Sheet</td> <td style="text-align: center;">78,937</td> <td style="text-align: center;">72,432</td> </tr> <tr> <td>Debt Securities</td> <td style="text-align: center;">57,681</td> <td style="text-align: center;">56,315</td> </tr> <tr> <td>Equity</td> <td style="text-align: center;">1,388</td> <td style="text-align: center;">1,469</td> </tr> <tr> <td>Net Banking Income</td> <td style="text-align: center;">139</td> <td style="text-align: center;">184</td> </tr> <tr> <td>Net Income</td> <td style="text-align: center;">18</td> <td style="text-align: center;">54</td> </tr> </tbody> </table> <p>Statements of no significant or material adverse change</p> <p>There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published).</p> <p>There has no material adverse change in the prospects of the Issuer since 31 December 2017 (being the end of the last financial period for which audited financial statements have been published).</p>		31/12/2016	31/12/2017	Total Balance Sheet	78,937	72,432	Debt Securities	57,681	56,315	Equity	1,388	1,469	Net Banking Income	139	184	Net Income	18	54
	31/12/2016	31/12/2017																		
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- The item B.13 is deleted and replaced by the following:

B.13	Recent material events relevant to the evaluation of the Issuer's solvency	Not applicable, as at the date of this Base Prospectus and to the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since 31 December 2017.
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**RÉSUMÉ EN FRANÇAIS DU PROGRAMME
(FRENCH SUMMARY OF THE PROGRAMME)**

The section entitled “**Résumé en Français du Programme (French Summary of the Programme)**” on pages 30 to 56 of the Base Prospectus is amended as follows:

- Paragraph (2) (b) of item A.2 is deleted and replaced by the following:

A.2	Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus	(b) qui respecte les restrictions énoncées dans la partie intitulée Souscription et Vente (" <i>Subscription and Sale</i> ") du présent Prospectus de Base qui s'appliquent comme s'il s'agissait d'un Agent Placeur et prend en compte l'évaluation du marché cible concerné réalisée par le producteur ainsi que les canaux de distribution identifiés dans le paragraphe « <i>MiFID II product governance</i> » des Conditions Définitives concernées ;
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- The item B.12 is deleted and replaced by the following:

B.12	Informations financières historiques clés sélectionnées :	<p>Informations financières historiques clés sélectionnées (consolidés IFRS) :</p> <p>Données financières annuelles comparées - En millions d'euros</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 30%; text-align: center;">31/12/2016</th> <th style="width: 30%; text-align: center;">31/12/2017</th> </tr> </thead> <tbody> <tr> <td>Total du Bilan</td> <td style="text-align: center;">78.937</td> <td style="text-align: center;">72.432</td> </tr> <tr> <td>Dettes représentées par un Titre</td> <td style="text-align: center;">57.681</td> <td style="text-align: center;">56.315</td> </tr> <tr> <td>Capitaux Propres</td> <td style="text-align: center;">1.388</td> <td style="text-align: center;">1.469</td> </tr> <tr> <td>Produit Net Bancaire</td> <td style="text-align: center;">139</td> <td style="text-align: center;">184</td> </tr> <tr> <td>Résultat Net</td> <td style="text-align: center;">18</td> <td style="text-align: center;">54</td> </tr> </tbody> </table> <p><i>Déclarations relatives à l'absence de changement significatif ou de changement défavorable significatif</i></p> <p>Il ne s'est produit aucun changement significatif dans la situation financière ou commerciale de l'Émetteur ou du Groupe depuis le 31 décembre 2017 (date de clôture de la dernière période comptable pour laquelle des états financiers audités ont été publiés).</p> <p>Il ne s'est produit aucun changement défavorable significatif dans les perspectives de l'Émetteur depuis le 31 décembre 2017 (date de clôture de la dernière période comptable pour laquelle des états financiers audités ont été publiés).</p>		31/12/2016	31/12/2017	Total du Bilan	78.937	72.432	Dettes représentées par un Titre	57.681	56.315	Capitaux Propres	1.388	1.469	Produit Net Bancaire	139	184	Résultat Net	18	54
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Produit Net Bancaire	139	184																		
Résultat Net	18	54																		

- The item B.13 is deleted and replaced by the following:

B.13	Événement récent présentant un intérêt significatif pour l'évaluation	Sans objet, à la date du Prospectus de Base et à la meilleure connaissance de l'Émetteur, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité de l'Émetteur depuis le 31 décembre 2017.
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	de la solvabilité de l'Emetteur	
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**CONDITIONS ATTACHED TO THE CONSENT OF THE ISSUER TO USE THE
PROSPECTUS**

The section entitled “**Conditions Attached to the Consent of the Issuer to Use the Prospectus**” on pages 75 to 76 of the Base Prospectus is amended as follows:

- On page 75 of the Base Prospectus, paragraph (2) (b) is amended as follows:

“(b) complies with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer and takes into account 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;”

RISK FACTORS

- The risk factor entitled “*Reform and regulation of “benchmarks”*” on pages 72 and 73 of the Base Prospectus is deleted and replaced as follows:

“The regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks”, (including EURIBOR and LIBOR) 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 than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”. Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) was published in the Official Journal of the EU on 29th June 2016 and applies from 1st January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union. It will, among other things, (i) require 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 (ii) prevent certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, 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” (including EURIBOR and LIBOR): (i) discourage market participants from continuing to administer or contribute to the “benchmark”; (ii) trigger changes in the rules or methodologies used in the “benchmark” or (iii) lead to the disappearance of the “benchmark”. 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 a material adverse effect on the value of and return on any Notes linked to or referencing a “benchmark”.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.”

- The following risk factor is included on page 73 of the Base Prospectus after the risk factor entitled “*Reform and regulation of “benchmarks”*”:

“Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR 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 LIBOR 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 LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.”

INFORMATION INCORPORATED BY REFERENCE

The section entitled “**Information incorporated by reference**” on pages 77 to 79 of the Base Prospectus is hereby supplemented as follows:

“This Base Prospectus should also be read and construed in conjunction with the sections referred to in the table below included in:

- the *Rapport financier annuel* 2017 in French language of the Issuer filed with the AMF, which includes the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 and the related statutory auditors' report (the "**2017 Financial Report**");

which have been previously published or are published simultaneously with this Base Prospectus and shall be incorporated in, and form part of, this Base Prospectus.

Such information shall be deemed to be incorporated in, and form part of this Base Prospectus, save that any statement contained in the information 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). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

This Base Prospectus, the 2016 Financial Report and the 2017 Financial Report will be available on the websites of the Issuer (www.sfil.fr) and the AMF (www.amf-france.org). The Final Terms related to the Notes admitted to trading on any Regulated Market in the EEA will be published on the website of the AMF at (www.amf-france.org). This Base Prospectus, the 2016 Financial Report and the 2017 Financial Report will also be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and collection free of charge, at the specified office of the Fiscal Agent so long as any of the Notes are outstanding.

The free English translations of the 2016 Financial Report and the 2017 Financial Report are available on, and may be obtained without charge from, the website of the Issuer (www.sfil.fr).

For the purposes of the Prospectus Directive, the information incorporated by reference in this Base Prospectus is set out in the following cross-reference table:

Annex XI of the European Regulation 809/2004/EC of 29 April 2004	Page / Paragraph	
8. PROFIT FORECASTS OR ESTIMATES		
If an issuer chooses to include a profit forecast or a profit estimate the registration document must contain the information items 8.1 and 8.2:		
8.1 A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	N/A	
8.2 A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer.	N/A	
8.3 The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	N/A	
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	Pages of the 2017	Pages of the 2016

	Financial Report	Financial Report
<p><u>11.1 Historical Financial Information</u></p> <p>Audited historical financial information covering the latest 2 financial years</p> <p>the consolidated balance sheet</p> <p>the income statement;</p> <p>Statement of net profit and gains and losses recognised directly in equity capital;</p> <p>Statement of changes in equity capital;</p> <p>Cash Flow statement;</p> <p>Notes to the consolidated financial statements.</p>	<p>p.65</p> <p>p.66</p> <p>p.66</p> <p>p.67</p> <p>p.68</p> <p>p.69 to 101</p>	<p>p.65</p> <p>p.66</p> <p>p.66</p> <p>p.67</p> <p>p.68</p> <p>p.69 to 100</p>
<p><u>11.2 Financial statements</u></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p>p.65 to 101</p>	<p>p.65 to 100</p>
<p><u>11.3 Auditing of historical annual financial information</u></p> <p>A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.</p> <p>An indication of other information in the registration document which has been audited by the auditors.</p>	<p>p.102 to 104</p> <p>p.124 to 125 and 127 to 131</p>	<p>p.101</p> <p>p.62 and 123 to 126</p>
<p>Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.</p>	<p>N/A</p>	<p>N/A</p>
<p><u>11.4 Age of latest financial information</u></p>		
<p>The last year of audited financial information may not be older than 18 months from the date of the registration document.</p>	<p>p.65 to 104 of the 2017 Financial Report</p>	
<p><u>11.5 Interim and other financial information</u></p>		
<p>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 unaudited or has not been reviewed state that fact.</p>	<p>N/A</p>	
<p>If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is unaudited state that- fact.</p>	<p>N/A</p>	
<p>The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.</p>		

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.”

RECENT DEVELOPMENTS

The paragraph of the section entitled “**Recent Developments**” on page 131 of the Base Prospectus shall be deleted and replaced as follows:

“The number of clients who sued Dexia Crédit Local and/or SFIL and/or Caisse Française de Financement Local for loans on the balance sheet of Caisse Française de Financement Local stood at 23 on 4 April 2018, compared with 25 on 31 December 2017.”

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH
A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON A
REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC
IN THE EUROPEAN ECONOMIC AREA**

The section entitled “**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF LESS THAN €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA**” on pages 138 to 151 of the Base Prospectus is amended as follows:

- On page 138 of the Base Prospectus, the following paragraphs (along with the footnotes included below) is inserted under the paragraph entitled “Prohibition of Sales to EEA Retail Investors”:

“¹**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five 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 Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]²[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*²] Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

OR

³**[MIFID II product governance / Retail investors, professional investors and ECPs** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five 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 Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]⁴[MiFID II]; **EITHER**⁴ [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services]⁵ **OR**⁶ [(ii) all channels for distribution to eligible counterparties and

¹ Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

² 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 Notes 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]."

³ Legend to be included on front of the Final Terms if following the ICMA 2 approach.

⁴ Include for bonds that are not ESMA complex.

⁵ The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

professional clients are appropriate; and (iii) the following channels for distribution of the Notes 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 MiFID II, as applicable]⁷. [**Consider any negative target market**⁸] Any person subsequently offering, selling or recommending the Notes (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 Notes (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]⁹.]]”

- On page 148, Part B, item 7 is deleted and replaced by :

“7. **[FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES, DESCRIPTION OF THE UNDERLYING, MARKET OR SETTLEMENT DISRUPTION AND ADJUSTMENT RULES**

Details of historic [LIBOR/EURIBOR/EONIA/CMS Rate/TEC10] rates can be obtained from [Reuters].]

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR/EONIA/CMS 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 Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]”

⁶ Include for certain ESMA complex bonds. 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 Notes 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.

⁷ The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

⁸ 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 Notes 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]."

⁹ If the Notes 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.

**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH
A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON A
REGULATED MARKET**

The section entitled “**PRO FORMA FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF NOTES WITH A DENOMINATION OF AT LEAST €100,000 TO BE ADMITTED TO TRADING ON A REGULATED MARKET**” on pages 152 to 163 of the Base Prospectus is amended as follows:

- On page 152 of the Base Prospectus, the following paragraphs (along with the footnotes included below) is inserted under the paragraph entitled “Prohibition of Sales to EEA Retail Investors”:

“¹**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five 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 Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [**Consider any negative target market**²] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer[’s/’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/’] target market assessment) and determining appropriate distribution channels.]”

- On page 161, Part B, item 6 is deleted and replaced by :

“6. **[FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES, DESCRIPTION OF THE UNDERLYING, MARKET OR SETTLEMENT DISRUPTION AND ADJUSTMENT RULES**

Details of historic [LIBOR/EURIBOR/EONIA/CMS Rate/TEC10] rates can be obtained from [Reuters].]

[Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR/EONIA/CMS 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 Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**").] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]”

¹ Legend to be included on front of the Final Terms if following the ICMA 1 "all bands to all professionals" target market approach.

² 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 Notes 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]."

GENERAL INFORMATION

The section “**General Information**” on page 164 to 166 of the Base Prospectus is amended as follows:

- 1) The paragraph under the heading “**4. Significant change**” shall be deleted and replaced as follows:

“There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2017 (being the date of its last published audited consolidated financial statements).”;

- 2) The paragraph under the heading “**5. Material adverse change**” shall be deleted and replaced as follows:

“There has been no material adverse change in the prospects of the Issuer since 31 December 2017 (being the date of its last published audited consolidated financial statements).”;

- 3) Item (v) under the heading “**7. Documents available**” shall be deleted and replaced as follows:

“(v) the annual audited consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 2017.”; and

- 4) The paragraph under the heading “**8. Auditors**” shall be deleted and replaced as follows:

“Mazars (Exaltis – 61, rue Henri Regnault, 92075 La Défense, France) and Deloitte & Associés (185, avenue Charles de Gaulle, 92524 Neuilly-sur-Seine, France) have audited and rendered an unqualified audit report on the consolidated financial statements of the Issuer for the year ended 31 December 2016 and on the consolidated financial statements of the Issuer for the year ended 31 December 2017. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC).”

- 5) The paragraph (15) shall be added as follows:

“**Benchmarks**

Amounts payable under the Notes may be calculated by reference to one or more “benchmarks” for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the “**Benchmarks Regulation**”). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the “benchmark” is included in ESMA’s register of administrators under Article 36 of the Benchmarks Regulation.”

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND
SUPPLEMENT**

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

SFIL

1-3, rue du Passeur de Boulogne
92130 Issy-les-Moulineaux
France

Represented by Philippe Mills
Directeur Général (Managing Director)

Dated 9 April 2018



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement Général*) of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa no. 18-122 on 9 April 2018. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has approved the appropriateness of the transaction or authenticated the accounting and financial information presented herein.

This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.