

**SECOND SUPPLEMENT DATED 19 NOVEMBER 2018
TO THE BASE PROSPECTUS DATED 15 MAY 2018**



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 15 May 2018 as supplemented by the First Supplement to the Base Prospectus dated 17 September 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.18-175 on 15 May 2018 to the Base Prospectus and visa No.18-435 on 17 September 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) updating sections B.5 and B.16 in the English and French versions of the Summary of the Programme; and
- (ii) updating the section entitled “Recent Developments” 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 21 November 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-2953 Luxembourg, Grand-Duchy of Luxembourg) so long as any of the Notes issued under the Programme are outstanding.

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SUMMARY OF THE PROGRAMME

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

- The item B.5 is deleted and replaced by the following:

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| B.5 | A description of the Issuer's Group and the Issuer's position within the Group | <p>The share capital of the Issuer is held at 75% by the French State via the Agence des Participations de l'Etat (French government shareholding agency), 20% by Caisse des Dépôts et Consignations and 5% by La Banque Postale.</p> <p>Since the Issuer was created, the French State plays a special role by contributing 75% of the Issuer's capital, and as the reference shareholder by supplying prudential authorities with a strong commitment to provide financial support, in compliance with current banking regulations.</p> <p>We present below a chart detailing the shareholder structure of SFIL:</p> <div style="text-align: center;"> </div> <p>On 15 November 2018, the French Ministry for the Economy and Finance and Caisse des Dépôts et Consignations announced that they have entered into discussions on the transfer of control of SFIL to Caisse des Dépôts et Consignations.</p> |
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- The item B.16 is deleted and replaced by the following:

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| B.16 | Extent to which the Issuer is directly or indirectly owned or controlled | <p>The French State is the "reference shareholder" of the Issuer under French regulation. The Banque de France may ask the French State, as reference shareholder, to provide the necessary support to the Issuer in accordance with Article L.511-42 of the French <i>Code monétaire et financier</i>.</p> <p>The share capital of the Issuer is held as follows:</p> |
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| | | <ul style="list-style-type: none">• 75% by the French State via the Agence des Participations de l'Etat (French government shareholding agency), <i>i.e.</i> 6,964,293 ordinary shares;• 20% by Caisse des Dépôts et Consignations, <i>i.e.</i> 1,857,145 preferred shares; and• 5% by La Banque Postale, <i>i.e.</i> 464, 287 ordinary shares. <p>On 15 November 2018, the French Ministry for the Economy and Finance and Caisse des Dépôts et Consignations announced that they have entered into discussions on the transfer of control of SFIL to Caisse des Dépôts et Consignations.</p> |
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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:

- The item B.5 is deleted and replaced by the following:

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| <p>B.5</p> | <p>Description du Groupe de l’Emetteur et de la position de l’Emetteur au sein du Groupe</p> | <p>Le capital social de l’Emetteur est détenu à 75 % par l’Etat français par l’intermédiaire de l’Agence des Participations de l’Etat, 20% par la Caisse des Dépôts et Consignations et 5% par La Banque Postale.</p> <p>Depuis que l’Emetteur a été créé, l’Etat français joue un rôle particulier en ayant apporté 75% du capital et fourni aux autorités prudentielles, en tant qu’actionnaire de référence, un engagement fort de soutien financier, en conformité avec ce que prévoit les réglementations bancaires.</p> <p>Nous présentons ci-dessous un schéma capitalistique de SFIL :</p> <div data-bbox="555 824 1308 1500" data-label="Diagram"> </div> <p>Le 15 novembre 2018, le Ministre de l’Economie et des Finances et la Caisse des Dépôts et Consignations ont annoncé avoir engagé des discussions en vue de transférer le contrôle de SFIL à la Caisse des Dépôts et Consignations.</p> |
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- The item B.16 is deleted and replaced by the following:

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|--------------------|--|---|
| <p>B.16</p> | <p>Entité(s) ou personne(s) détenant le contrôle directement ou indirectement de l’Emetteur</p> | <p>L’Etat français est "l’actionnaire de référence" de l’Emetteur en vertu de la réglementation française. La Banque de France peut demander à l’Etat français, en sa qualité d’actionnaire de référence, de fournir le soutien nécessaire à l’Emetteur conformément à l’article L.511-42 du Code monétaire et financier.</p> <p>Le capital social de l’Emetteur est détenu comme suit:</p> <ul style="list-style-type: none"> 75% par l’Etat français, <i>via</i> l’Agence des Participations de l’Etat, soit 6.964.293 actions ordinaires; |
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| | | |
|--|--|--|
| | | <ul style="list-style-type: none">• 20% par la Caisse des Dépôts et Consignations, soit 1.857.145 actions de préférence; et• 5% par La Banque Postale, soit 464.287 actions ordinaires. <p>Le 15 novembre 2018, le Ministre de l'Economie et des Finances et la Caisse des Dépôts et Consignations ont annoncé avoir engagé des discussions en vue de transférer le contrôle de SFIL à la Caisse des Dépôts et Consignations.</p> |
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RECENT DEVELOPMENTS

The following paragraphs are included at the end of the section entitled “Recent Developments” on page 128 of the Base Prospectus as follows:

Press release dated 15 November 2018

The French government has entered into discussions with Caisse des Dépôts (CDC) regarding the transfer of control of SFIL to CDC

The French Ministry for the Economy and Finance and CDC announced that they have entered into discussions on the transfer of control of SFIL to CDC. For SFIL, the public development bank created in 2013, this change in controlling shareholder would mark a new phase in its young history promoting local investment and exports.

SFIL takes pride in its proven success, which for several years has been reflected by its excellent creditworthiness recognized in financial markets, a strengthened balance sheet, leadership positions in its two business activities and sustained profitability going forward. The bank is pleased to contribute to the establishment of a major public financial unit within the CDC group, which has served the public interest and the economic development of our country and territories for more than two centuries.

SFIL, the seventh largest French bank and largest issuer of public-sector covered bonds in Europe, would complement this major public-sector finance division by contributing its extensive and effective access to financial markets.

SFIL’s teams appreciate the importance of the missions they have been entrusted with and will continue to fulfill them with the same level of high professional standards and commitment that enabled the company to successfully establish itself as a major driving force behind the competitiveness of our economy and territories.

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**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

François Laugier
Directeur Général Adjoint (Deputy Managing Director)

Dated 19 November 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 (*Règlement 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. 18-522 on 19 November 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.