

## Base Prospectus dated 15 May 2018



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

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), SFIL (the "**Issuer**" or "**SFIL**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed €10,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

This Base Prospectus replaces and supersedes the base prospectus dated 27 September 2017 and shall be in force for a period of one (1) year as of the date of its approval by the *Autorité des marchés financiers* (the "**AMF**").

Application has been made to the AMF in France for approval of this Base Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements Directive 2003/71/EC of 4 November 2003, as amended on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**").

Application may be made for Notes issued under the Programme during a period of twelve (12) months from the date of this Base Prospectus to be admitted to trading on Euronext Paris and/or on a Regulated Market (as defined below) in another Member State of the European Economic Area ("**EEA**"). Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU as amended (a "**Regulated Market**"). However, Notes which are not admitted to trading on a Regulated Market, or which are not offered to the public, in a Member State of the EEA may also be issued under the Programme and may also be admitted to trading on an unregulated market or may not be admitted to trading at all. The relevant final terms (the "**Final Terms**") (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be admitted to trading and/or offered to the public and, if so, the relevant Regulated Market in the EEA and/or the Member State(s) in the EEA where the Notes will be offered to the public and will be published, if relevant and if required by any applicable regulation, on the website of the Regulated Market where the admission to trading is sought.

This Base Prospectus constitutes a base prospectus for the purposes of article 5.4 of the Prospectus Directive.

Notes will be issued in dematerialised form, as more fully described herein. The Notes 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 Notes.

The Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes – Form, Denomination(s), Title and Redenomination") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, S.A. ("**Clearstream**") or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes – Form, Denomination(s), Title and Redenomination"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

The minimum denomination of each Note admitted to trading on a Regulated Market or offered to the public, in a Member State of the EEA, in circumstances which require the publication of a Base Prospectus under the Prospectus Directive will be at least Euro 1,000 (or the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

The Notes are governed by, and shall be construed in accordance with, French law.

The final terms of the relevant Notes 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.

The long term senior debt of the Issuer has been assigned a rating of AA by Standard & Poor's Credit Market Services France SAS ("**S&P**"), Aa3 by Moody's Investors Service Ltd ("**Moody's**") and AA- by Fitch France SAS ("**Fitch**"). The Notes issued under the Programme may be unrated or rated differently from the current ratings of the Issuer. The rating of Notes (if any) will be specified in the Final Terms. Each of S&P, Moody's and Fitch is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "**CRA Regulation**"). Each of S&P, Moody's and Fitch is 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 ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) as of the date of this Base Prospectus. 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.

This Base Prospectus and the documents incorporated by reference in this Base Prospectus will be available on the website of the Issuer ([www.sfil.fr](http://www.sfil.fr)) and on the AMF ([www.amf-france.org](http://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.

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 the European Securities and Markets Authority's register of administrators under Article 36 of the Benchmarks Regulation.

*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 Notes issued under the Programme.*

*Arranger*

**Barclays**

*Dealers*

**Barclays**  
**CITIGROUP**  
**Crédit Agricole CIB**  
**HSBC**  
**NATIXIS**

**BNP PARIBAS**  
**Commerzbank**  
**Deutsche Bank**  
**J.P. Morgan**  
**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 5.4 of the Prospectus Directive in respect of, and for the purpose of giving information with regard to, the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the "Group") which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.**

**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 "Information Incorporated by Reference") and in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Term(s) (the Base Prospectus and the Final Terms being together, the "Prospectus").**

**No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger. 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 or the Group 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 or trading position of the Issuer or the Group 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 Notes in certain jurisdictions may be restricted by law. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".**

**IMPORTANT - EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes 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 (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive" or "IMD"), 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 Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.**

**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 II 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 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.

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

The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. None of the Dealers or the Arranger 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 or any other information incorporated by reference are intended to provide the basis of any credit or other evaluation and should not 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 Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger 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 Notes of any information coming to the attention of any of the Dealers or the Arranger.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EUR" or "euro" are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, references to "£", "pounds sterling", "GBP" and "Sterling" are to the lawful currency of the United Kingdom, references to "\$", "USD" and "U.S. Dollars" are to the lawful currency of the United States of America.

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## SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements" the communication of which is required by Annex XXII of the Regulation (EC) No 809/2004 of 29 April 2004, as amended. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and for SFIL (the "**Issuer**"). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

This summary is provided for purposes of the issue by the Issuer of the Notes of a denomination of less than €100,000 which are offered to the public or admitted to trading on a Regulated Market of the European Economic Area (the "**EEA**"). The issue specific summary relating to this type of Notes will be annexed to the relevant Final Terms and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the items "issue specific summary".

<b>Section A – Introduction and warnings</b>		
<b>A.1</b>	<b>General disclaimer regarding the summary</b>	<p>This summary must be read as an introduction to the Base Prospectus. Any decision to invest in the Notes should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference and any supplement from time to time. Where a claim relating to information contained in the Base Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State of the EEA where the claim is brought, be required, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
<b>A.2</b>	<b>Information regarding consent by the Issuer to the use of the Prospectus</b>	<p>In the context of any offer of Notes in France (the "<b>Public Offer Jurisdictions</b>") that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a "<b>Public Offer</b>"), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the "<b>Prospectus</b>") in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the "<b>Offer Period</b>") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:</p> <p>(1) any financial intermediary duly authorised designated in such Final Terms; or</p> <p>(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 "<b>Rules</b>"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "Subscription and Sale" in this Base Prospectus which would apply as if it were a Dealer; (c) complies with the target market assessment conducted by the manufacturer and distribution channels identified under the "MiFID II product governance" legend set out in</p>

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 Notes 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 Notes 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;

(each an "**Authorised Offeror**").

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an "**Investor**") in such Public Offer Jurisdiction(s) to whom an offer of any Notes 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) ending no later than the date falling twelve (12) months from the date of the approval of the Base Prospectus by the *Autorité des marchés financiers*.

**The Terms and Conditions of the Public Offer shall be provided to investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

*Issue specific summary:*

[In the context of the offer of the Notes in [France] ("**Public Offer Jurisdiction[s]**") which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the "**Public Offer**"), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [●] until [●] (the "**Offer Period**") and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the "**Authorised Offeror[s]**"). [The Authorised Offeror[s] must satisfy the following conditions: [●]

**The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.] / [Not applicable]**

<b>Section B – Issuer</b>		
<b>B.1</b>	<b>The legal and commercial name of the Issuer</b>	SFIL
<b>B.2</b>	<b>The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation</b>	The Issuer is a French credit institution under the form of a limited liability company ( <i>société anonyme à Conseil d'Administration</i> ) registered with the <i>Registre du Commerce et des Sociétés de Nanterre</i> under No. 428 782 585 and having its registered office at 1-3 rue du Passeur de Boulogne – 92130 Issy-les-Moulineaux – France.
<b>B.4b</b>	<b>Description of any known trends affecting the Issuer and the industries in which it operates</b>	<p>SFIL operates in two markets : lending to the French local public sector and refinancing of large export loans benefiting from a French public guaranty.</p> <p>The economic, regulatory and financial environment in which SFIL carries out these activities has, by definition repercussions for its business, results and outlook.</p> <ul style="list-style-type: none"> <li>- French local government financial situation could be affected by macro-economic conditions and any reform on their resources and/or reorganization .</li> <li>- Refinancing of large export loans business is also deeply exposed to the overall environment impacting the French economy and its key industries</li> </ul>
<b>B.5</b>	<b>A description of the Issuer's Group and the Issuer's position within the Group</b>	<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>

		<p>The diagram illustrates the ownership structure of SFH. At the top, three entities are listed as 'Reference shareholders': GROUPE Caisse des Dépôts (20%), RÉPUBLIQUE FRANÇAISE (75%), and LA BANQUE POSTALE (5%). Arrows from these three entities point to a central box containing the SFH logo. Below the SFH box, an arrow points to a box for Caisse Française de Financement Local, which is labeled '100%'.</p>																		
B.9	<b>Profit forecast or estimate</b>	Not applicable, as there is no profit forecasts or estimates made in respect of the Issuer in the Base Prospectus to which this summary relates.																		
B.10	<b>Qualifications in the auditors' report</b>	Not applicable, there are no qualifications in any auditors report on the historical financial information included in the Base Prospectus.																		
B.12	<b>Selected historical key financial information</b>	<p><b>Selected historical key financial information (IFRS Consolidated):</b></p> <p>Comparative annual financial data - In EUR millions</p> <table border="1" data-bbox="555 1339 1412 1682"> <thead> <tr> <th></th> <th>31/12/2017</th> <th>31/12/2016</th> </tr> </thead> <tbody> <tr> <td>Total Balance Sheet</td> <td>72,432</td> <td>78,937</td> </tr> <tr> <td>Debt Securities</td> <td>56,315</td> <td>57,681</td> </tr> <tr> <td>Equity</td> <td>1,469</td> <td>1,388</td> </tr> <tr> <td>Net Banking Income</td> <td>184</td> <td>139</td> </tr> <tr> <td>Net Income</td> <td>54</td> <td>18</td> </tr> </tbody> </table> <p><b>Statements of no significant or material adverse change</b></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 interim 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</p>		31/12/2017	31/12/2016	Total Balance Sheet	72,432	78,937	Debt Securities	56,315	57,681	Equity	1,469	1,388	Net Banking Income	184	139	Net Income	54	18
	31/12/2017	31/12/2016																		
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Net Income	54	18																		

		financial statements have been published).
<b>B.13</b>	<b>Recent material events relevant to the evaluation of the Issuer's solvency</b>	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.
<b>B.14</b>	<b>Extent to which the Issuer is dependent upon other entities within the Group</b>	<p>SFIL and its subsidiary Caisse Française de Financement Local are mutually dependent. Due to its size, performance of Caisse Française de Financement Local has an impact on SFIL's revenues.</p> <p>SFIL holds 100% of the share capital of Caisse Française de Financement Local. The role of SFIL as servicer of Caisse Française de Financement Local since 2013 primarily involves the following:</p> <ul style="list-style-type: none"> <li>• to ensure the complete operational management of the company (day-to-day management as well as the operational management of the reduction in the sensitivity of the structured loans on the balance sheet of Caisse Française de Financement Local), as defined by the regulations applicable to <i>sociétés de crédit foncier</i>, in particular in accordance with Article L.513-15 of the French <i>Code monétaire et financier</i>. SFIL is also the agent of the "enhanced guarantee" within the framework of the export credit refinancing activity; and</li> <li>• to provide Caisse Française de Financement Local with the derivatives and non-privileged funding it needs to carry out its activities.</li> </ul>
<b>B.15</b>	<b>Principal activities of the Issuer</b>	<p>The Issuer carries out four principal activities:</p> <ul style="list-style-type: none"> <li>• <b>Refinancing of local public sector loans</b>, a public policy mission entrusted by the French State to the Issuer in 2013, within a strictly defined framework, initially granted by La Banque Postale to eligible local authorities and public healthcare facilities via issuance of covered bonds (<i>obligations foncières</i>) by Caisse Française de Financement Local ("CAFFIL") since 2013;</li> <li>• <b>Providing specialized services</b> to La Banque Postale and Caisse Française de Financement Local allowing for the proper operation of the scheme;</li> <li>• <b>Refinancing the insured part of large export credit contracts</b>, a public policy mission entrusted by the French State to the Issuer in 2015. Those export credits initially arranged and granted by commercial banks are refinanced via issuance of covered bonds by Caisse Française de Financement Local; and</li> <li>• <b>Reducing the sensitivity of certain structured loans</b> contained in the assets on the balance sheet of Caisse Française de Financement Local, in line with the objectives defined by the French State in terms of the management of public finances and respecting the Issuer's strategic interests.</li> </ul>
<b>B.16</b>	<b>Extent to which the</b>	The French State is the "reference shareholder" of the Issuer under French

	<p><b>Issuer is directly or indirectly owned or controlled</b></p>	<p>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> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 20% by Caisse des Dépôts et Consignations, <i>i.e.</i> 1,857,145 preferred shares; and</li> <li>• 5% by La Banque Postale, <i>i.e.</i> 464, 287 ordinary shares.</li> </ul>
<p><b>B.17</b></p>	<p><b>Credit ratings assigned to the Issuer or its debt securities</b></p>	<p>Notes to be issued under the Programme are expected to be rated AA by Standard &amp; Poor's Credit Market Services France SAS ("<b>S&amp;P</b>"), and/or Aa3 by Moody's Investors Service Ltd ("<b>Moody's</b>") and/or AA- by Fitch France SAS ("<b>Fitch</b>") and/or by any other rating agency. Each of S&amp;P, Moody's and Fitch is established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit ratings agencies, as amended (the "<b>CRA Regulation</b>"), 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 (<a href="http://www.esma.europa.eu/supervision/credit-rating-agencies/risk">www.esma.europa.eu/supervision/credit-rating-agencies/risk</a>) as of the date of the Base Prospectus.</p> <p>The rating (if any) will be specified in the Final Terms.</p> <p>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.</p> <p><b>Issue specific summary:</b></p> <p>Credit ratings: [Not applicable/The Notes to be issued are expected to be rated]:</p> <p>[S&amp;P: [●]]</p> <p>[Moody's: [●]]</p> <p>[Fitch: [●]]</p>

<b>Section C – Securities</b>		
<b>C.1</b>	<b>Type, class and identification number of the Notes</b>	<p>Up to Euro 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time pursuant to the Euro Medium Term Note Programme arranged by Barclays Bank PLC (the "<b>Programme</b>").</p> <p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "<b>Series</b>") having one or more issue dates and on terms otherwise identical, the Notes of each Series being intended to be fungible (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other Notes of that Series. Each Series may be issued in tranches (each a "<b>Tranche</b>") on the same or different issue dates. The specific terms of each Tranche (except the issue date, issue price, first payment of interest and nominal amount of the Tranche, which will be identical to the terms of other Tranche of the same Series) will be set out in a Final Terms (the "<b>Final Terms</b>").</p> <p>The Notes will be issued in dematerialised form.</p> <p>The Notes may, at the option of the Issuer, be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of the Notes.</p> <p>The Notes have been accepted for clearance through Euroclear France as central depository.</p> <p>An identification number of the Notes (ISIN) and a common code will be specified in the relevant Final Terms.</p> <p><b>Issue specific summary:</b></p> <p>Series Number: <input type="checkbox"/></p> <p>Tranche Number: <input type="checkbox"/></p> <p>Aggregate Nominal Amount: <input type="checkbox"/></p> <p>Series: <input type="checkbox"/></p> <p>Tranche: <input type="checkbox"/></p> <p>Form of Notes: Notes are dematerialised notes [in bearer form (<i>au porteur</i>) / in administered registered form (<i>au nominatif administré</i>) / in fully registered form (<i>au nominatif pur</i>)].</p> <p>ISIN: <input type="checkbox"/></p> <p>Common Code: <input type="checkbox"/></p> <p>Central Depository: Euroclear France</p>
<b>C.2</b>	<b>Currencies</b>	<p>Notes may be denominated and/or payable in any currency agreed between the Issuer and the relevant Dealers.</p> <p><b>Issue specific summary:</b></p> <p>The currency of the Notes is: <input type="checkbox"/></p>
<b>C.5</b>	<b>Description of any restrictions on</b>	<p>Save certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus, any other offering</p>

	<b>the free transferability of the Notes</b>	material or any Final Terms, there is no restriction on the free transferability of the Notes.
<b>C.8</b>	<b>Description of rights attached to the Notes</b>	<ul style="list-style-type: none"> <li>• <b><u>Arranger</u></b> The arranger in respect of the Programme (the "<b>Arranger</b>") is: Barclays Bank PLC</li> <li>• <b><u>Dealers under the Programme</u></b> The dealers in respect of the Programme (the "<b>Dealers</b>") are: <ul style="list-style-type: none"> <li>- Barclays Bank PLC</li> <li>- BNP Paribas</li> <li>- Citigroup Global Markets Limited</li> <li>- Commerzbank Aktiengesellschaft</li> <li>- Crédit Agricole Corporate and Investment Bank</li> <li>- Deutsche Bank Aktiengesellschaft</li> <li>- HSBC France</li> <li>- J.P. Morgan Securities plc</li> <li>- Natixis</li> <li>- Société Générale</li> <li>- UniCredit Bank AG</li> </ul> <p>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 in respect of the whole Programme. References in the Base Prospectus to "<b>Permanent Dealers</b>" are to the persons listed 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 to "<b>Dealers</b>" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> </li> <li>• <b><u>Issue price</u></b> Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.</li> </ul>
		<ul style="list-style-type: none"> <li>• <b><u>Specified denomination</u></b> The Notes will be in such denominations as may be specified in the relevant Final Terms.  The Notes will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer.  Notes having a maturity of less than one (1) year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "<b>FSMA</b>") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent in other currencies.  The Notes shall be issued in one Specified Denomination only.</li> <li>• <b><u>Status of the Notes</u></b> The Notes are direct, unconditional, unsecured and senior preferred obligations within the meaning of Article L.613-30-3-I-3° of the French <i>Code monétaire et financier</i> of the Issuer and rank and will rank <i>pari passu</i> and without any</li> </ul>

preference among themselves and at least *pari passu* with all other direct, unconditional, unsecured and senior preferred obligations of the Issuer (save for statutorily preferred exceptions).

- **Negative pledge**

So long as any of the Notes remains outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other security interest (*sûreté réelle*) upon the whole or any part of its undertaking, revenues or assets, present or future, in order to secure any Relevant Indebtedness, without at the same time according to the Notes the same, or substantially the same, security interest.

"**Relevant Indebtedness**" means any indebtedness for borrowed money of the Issuer which is in the form of or represented by any bond (*obligation*) or note or any other security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

- **Event of default**

The terms of the Notes will contain Events of Default including non-payment, non-performance or non-observance of the Issuer's obligations in respect of the Notes, a cross-default in respect of the Notes and dissolution or merger of the Issuer into a company prior to the repayment in full of the Notes.

- **Withholding tax**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes 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

France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If French law should require that payments of principal, interest or other revenues in respect of any Notes be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges of whatever nature, the Issuer will, save in certain limited circumstances, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

- **Governing law**

French law.

***Issue specific summary:***

Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]

Specified Denomination[s]:

[●]

		<p>Status of the Notes: Senior Preferred</p> <p>Event of default: The terms of the Notes will contain Events of Default including non-payment, non-performance or non-observance of the Issuer's obligations in respect of the Notes, a cross-default in respect of the Notes and dissolution or merger of the Issuer into a company prior to the repayment in full of the Notes.</p>
<p><b>C.9</b></p>	<p><b>Interest, maturity and redemption provisions, yield and representation of the holders of Notes</b></p>	<p>Please also refer to the information provided in item C.8 above.</p> <ul style="list-style-type: none"> <li>• <b><u>Interest rates and interest periods</u></b></li> </ul> <p>The Final Terms will specify whether the Notes bear interest. The length of the interest periods for the Notes and the applicable interest rate may differ from time to time or be constant for any Series. Notes 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 Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</p> <ul style="list-style-type: none"> <li>• <b><u>Fixed Rate Notes</u></b></li> </ul> <p>Fixed interest will be payable in arrear or in advance on each Interest Payment Date specified in the relevant Final Terms.</p> <ul style="list-style-type: none"> <li>• <b><u>Floating Rate Notes</u></b></li> </ul> <p>Floating Rate Notes will bear interest payable in arrear or in advance on each Interest Payment Date, specified in the relevant Final Terms.</p>
		<p>Floating interest shall be determined as follows:</p> <ol style="list-style-type: none"> <li>(i) on the same basis as the floating rate under an interest rate swap transaction in the relevant Specified Currency governed by the June 2013 FBF Master Agreement as published by the <i>Fédération Bancaire Française</i>, or</li> <li>(ii) on the same basis as the floating rate under an interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., or</li> <li>(iii) by reference to LIBOR, EURIBOR, EONIA, CMS Rate or TEC 10,</li> </ol> <p>in each case as adjusted for any applicable margin.</p> <p>Floating rate Notes 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.</p> <ul style="list-style-type: none"> <li>• <b><u>Fixed/Floating Rate Notes</u></b></li> </ul> <p>Fixed/Floating Rate Notes for which a change of interest basis is specified to be applicable may be issued by the Issuer, such change of interest being either at the option of the Issuer or automatic.</p>

- **Zero Coupon Notes**

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

- **Inflation Linked Notes**

Inflation Linked Notes may be issued by the Issuer where the interest and/or principal in respect of such Notes will be calculated by reference to an inflation index ratio (in each case, the "**Inflation Index Ratio**") derived from:

- 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**") (the "**CPI**") (the "**CPI Linked Notes**"); or

- 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 (the "**HICP**") (the "**HICP Linked Notes**").

- **Maturities**

Subject to compliance with all relevant laws, regulations and directives, any maturity in excess of one (1) month or such other minimum maturity as may be required from time to time by the relevant regulatory authority. No maximum maturity is contemplated and Notes may be issued with no specified maturity dates provided, however, that Notes will only be issued in compliance with all applicable legal and/or regulatory requirements.

- **Redemption**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable in accordance with the Terms and Conditions of the Notes. Unless previously redeemed, purchased and cancelled, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which is not less than its nominal amount).

Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one (1) year from the date of issue 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 FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

- **Optional redemption**

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) or at the option of the Noteholders and if so the terms applicable to such redemption.

Any early redemption of Notes can only be made subject to certain conditions.

- **Early redemption**

Except as provided in "Optional redemption" above, Notes will be redeemable prior to maturity in case of illegality and, at the option of the Issuer, for

taxation reasons.

- **Yield**

The Final Terms issued in respect of each issue of Fixed Rate Notes will set out an indication of the yield of the Notes.

- **Representation of the holders of Notes**

The Noteholders 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* with the exception of Articles L.228-71 (except with respect to Notes having a denomination of less than EUR 100,000 and issued in France) and R.228-69 of the French *Code de commerce* and as supplemented by the Terms and Conditions of the Notes.

The Masse will act in part through a representative (the "**Representative**") and in part through collective decisions of the holders of Notes. The names and addresses of the initial Representative and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single Masse of all Tranches in such Series.

Collective decisions are adopted either in a general meeting or by consent following a written consultation.

If and for so long as the Notes of any Series are held by a sole Noteholder, and unless a Representative has been appointed in respect of such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the Masse by the provisions of the French *Code de commerce*. Such sole Noteholder shall hold a register of the decisions it will have taken in its capacity and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series.

***Issue specific summary:***

Rate[s] of Interest:	[[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Fixed/Floating Rate] [Zero Coupon] [CPI Linked Interest] [HICP Linked Interest]
Interest Commencement Date:	[Specify/Issue Date/Not applicable]
Maturity Date:	[●] [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
Final Redemption Amount of each Notes:	[[●] per Note of [●] Specified Denomination]/[give details in relation to Inflation Linked Notes]
Call Option:	[Applicable]/[Not applicable]
Put Option:	[Applicable]/[Not applicable]

		<p>Optional Redemption Amount: [Applicable: [●] per Note of [●] Specified Denomination / Not applicable]</p> <p>Early Redemption Amount: [Applicable: [●] per Notes of [●] Specified Denomination/ [give details in relation to Inflation Linked Notes] / Not applicable]</p> <p>Yield (in respect of Fixed Rate Notes): [●]/[Not applicable]</p> <p>Representation of the holders of Notes: Issue outside France: [Applicable/Not Applicable] Name and address of the Representative: [●]</p>
		Name and address of the alternate Representative: [●]
		<i>[If the Notes are held by a sole Noteholder, insert the wording below:]</i>
		As long as the Notes are held by a sole Noteholder, and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the <i>Masse</i> by the provisions of the French <i>Code de commerce</i> . A Representative will be appointed as soon as the Notes are held by several Noteholders.]
<b>C.10</b>	<b>Derivative component in interest payments</b>	<p>Other than Inflation Linked Notes, Notes issued under the Programme do not contain any derivative components. Inflation Linked Notes are Notes in respect of which the principal and/or the interest amount is linked to:</p> <ul style="list-style-type: none"> <li>- the consumer price index (excluding tobacco) for all households in France or the relevant substitute index, as calculated and published monthly by the INSEE (<b>CPI</b>); or</li> </ul>
		<ul style="list-style-type: none"> <li>- 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 (<b>HICP</b>).</li> </ul> <p>The value of the investment in the Inflation Linked Notes may be affected by the value of the CPI or HICP, as the case may be, as described in item C.15 below.</p>
<b>C.11</b>	<b>Admission to trading</b>	<p>Notes of any particular Series may be admitted to trading on Euronext Paris or as otherwise specified in the applicable Final Terms. The applicable Final Terms will state whether a Series of Notes may or may not be admitted to trading.</p> <p><i>Issue specific summary:</i></p> <p>[[Application has been made]/[Application is expected to be made] by the Issuer (or on its behalf) for the Notes to be admitted to trading [on [Euronext Paris] / [●]] with effect from [●]/[Not applicable]</p>

C.15	<b>Description of how the value of investment is affected by the value of the underlying instrument</b>	<p>Inflation Linked Notes are debt securities which do not provide for predetermined interest payments and/or redemption amount. Interest amounts and/or principal is linked to:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(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.</li> </ul> <p>If, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the Notes will be redeemed at par.</p> <p><i>Issue specific summary:</i></p> <p>The value of the investment in the Inflation Linked Notes may be affected by the level of the [CPI/HICP]. Indeed, this inflation index affects the redemption amount and interest amount calculated as specified in item C.9 above.</p>
C.16	<b>Inflation Linked Notes Maturity</b>	<p>Subject to compliance with all relevant laws, regulations and directives, any maturity set out in the Final Terms.</p> <p><i>Issue specific summary:</i></p> <p>The maturity date of Inflation Linked Notes is [●].</p>
C.17	<b>Inflation Linked Notes – Settlement procedure</b>	<p>The Inflation Linked Notes will be cash settled.</p>
C.18	<b>Return on Inflation Linked Notes</b>	<p>Payments of interest in respect of any Inflation Linked Notes indexed to the CPI or HICP 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.</p>
		<p>Payment of principal in respect of Inflation Linked Notes where the principal amount is indexed shall be determined by multiplying the outstanding nominal amount of such Notes by the relevant Inflation Index Ratio. However, if, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the Notes will be redeemed at par.</p>
C.19	<b>Inflation Linked Notes – Exercise price/ Final reference price</b>	<p>The final redemption amount in respect of Inflation Linked Notes will be calculated on the basis of the ratio between the index on the Maturity Date and the Base Reference specified in the relevant Final Terms.</p> <p>Please also refer to item C.9 above.</p>
C.20	<b>Inflation Linked Notes – Description of Underlying</b>	<p>Inflation Linked Notes are Notes where the coupons and/or the principal are indexed. In the case of Inflation Linked Notes in respect of which interest is indexed, the coupon pays the annual change in inflation, applied in percentage to the issue's nominal amount. In the case of Inflation Linked Notes where the principal is indexed, the principal is indexed to the variation of inflation between the value of the relevant index (i.e. the CPI or the HICP) on the issue date and on the redemption date.</p>

		<p><b>Issue specific summary</b></p> <p><i>[Insert for CPI Linked Notes]</i></p> <p><b>CPI Linked Notes</b></p> <p>CPI Linked Notes are linked to the consumer price index (excluding tobacco) for all households in France, as calculated and published monthly by the INSEE: the CPI. The CPI is the official instrument for measuring inflation. It allows an estimation between two given periods of the average change in prices of goods and services consumed by households on French territory. It is a summary gauge of movements in prices of products on a constant-quality basis. Information regarding the CPI can be found at <i>Agence France Trésor</i> Reuters page OATINFLATION01 or on Bloomberg <i>FRCPXTOB Index</i> &lt;GO&gt; pages and on the website <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a>.</p> <p><i>[Insert for HICP Linked Notes]</i></p> <p><b>HICP Linked Notes</b></p> <p>HICP Linked Notes are linked to the Eurozone harmonised index of consumer prices (excluding tobacco), as calculated and published monthly by Eurostat and the national statistical institutes in accordance with harmonised statistical methods: the HICP. The HICP is an economic indicator constructed to measure the changes over time in the prices of consumer goods and services acquired by households in Europe. Information regarding HICP can be found at <i>Agence France Trésor</i> Reuters page OATEI01, on the website <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a> and on Bloomberg page CPTFEMU Index &lt;GO&gt;.</p>
C.21	<b>Negotiation Market(s)</b>	<p>Notes may (or not) be admitted to trading on Euronext Paris or any other regulated market, as may be specified in the relevant Final Terms. The Base Prospectus will be published for the purposes of this or these regulated market(s).</p> <p><b>Issue specific summary</b></p> <p>[The Notes will be admitted to trading on [Euronext Paris]/[●].]/[Not applicable.]</p>

## Section D -Risk Factors

D.2	<b>Key information on the key risks that are specific to the Issuer or its industry</b>	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. Main factors which may have an impact on the Issuer are as follows:</p> <p><b>1. Credit Risk</b></p> <p>Credit risk represents the potential loss that the Issuer may incur by reason of the deterioration of its counterparties' solvency. A default by any of its counterparties or clients could have an effect on its financial situation. This risk can adversely affect the financial intermediaries, banks and depositories with which the Issuer operates daily which may therefore adversely affect its income, returns and solvency.</p> <p>The Issuer faces credit risk on its loans and bonds portfolio, including its treasury portfolio. The ability of public sector borrowers, including local authorities and municipalities, to meet their payment obligations may be affected by their levels of indebtedness, social spending obligations, interest rates and tax revenue collections, transfers of subsidies from the central governments, each of which could be adversely affected by a deterioration of general economic conditions. Deteriorating economic conditions could therefore have a material adverse effect on the credit quality of the assets of the Issuer.</p> <p><b>2. Counterparty risk on derivatives</b></p> <p>The Issuer enters into derivative transactions with a number of bank counterparties as part of its currency and interest rate hedging operations. These derivatives are governed by master agreements that provide for the bilateral exchange of collateral or unilateral exchange of collateral in favour of Caisse Française de Financement Local. While having collateral agreements and hedging derivatives with a large number of counterparties is designed to mitigate risk, the Issuer is nonetheless exposed to the risk of default of its derivative counterparties.</p> <p><b>3. Counterparty risk on financial assets</b></p> <p>The assets of the Issuer are invested in various types of debt instruments. The Issuer is therefore exposed to the evolutions of the value of its portfolio in case of decrease in the prices of these financial assets and is also exposed to counterparty risks in relation to these financial assets.</p> <p><b>4. Implementing of Basel III Risk-Weighted Asset Framework</b></p> <p>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 n°575/2013 dated 26 June 2013 and the relevant subsequent Delegated Regulations. The implementation of Basel III and the CRD IV package, through the European directives and regulations, has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and the magnitude of the impact of Basel III and the CRD IV package 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. The Issuer may operate</p>
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	<p>its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the CRD IV. In addition, the implementation of Basel III and the CRD IV package could affect the risk weighting of the notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of CRD IV package. Accordingly, recipients of the Base Prospectus should consult their own advisers as to the consequences and effects the implementation of the CRD IV package could have on them.</p> <p><b>5. The Issuer may face a decrease in its activity and in its margins in the local authority and municipal lending market or in the refinancing of export credit</b></p> <p>The Issuer may face increasing competition in the local authority and municipal lending market or in the refinancing of export credit. Furthermore, the Issuer 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.</p> <p><b>6. Market Risks</b></p> <p>Market risk is limited to the market risk of the trading portfolio on a consolidated basis. SFIL does not carry out trading operations, and is therefore not subject to market risk in the regulatory sense of the term. 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 of SFIL, 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. Therefore, market risks exist and any decline in the debt markets could have an adverse effect on the financial situation, operations and cash flows of SFIL. Besides, some derivatives are not recorded in a hedging relationship. That results from derivatives that hedge the foreign exchange risk related to export credit financing 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</p> <p><b>7. Liquidity risk</b></p> <p>Liquidity risk can be defined as the risk that the Issuer may not be able to find the necessary liquidity to cover the financing needs related to its activity, and/or may not be able to settle its liabilities in due date. There is a risk that the Issuer cannot sell a financial asset at its true value or cannot sell it at all. As a consequence, the Issue faces the risk that it cannot meet its obligations, such as being unable to reimburse its counterparties or investors.</p> <p><b>8. Foreign exchange risk</b></p> <p>Foreign exchange risk is the verified or potential risk of volatility of income related to adverse movements in foreign exchange rates.</p> <p><b>9. Risks linked to financial conditions offered for export credit refinancing loans</b></p> <p>In the context of the extension of its activities to the refinancing of large export</p>
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		<p>credit, the particular features of these loans lead SFIL 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 at the time and after the signing date of the contract. Changes in market conditions could therefore adversely affect its results of operations, financial conditions and business prospects.</p> <p>In order to reduce currency and spread risks, hedging operations may be entered into as soon as a firm offer for a credit refinancing has been delivered. In some cases, the credit may not be signed and related hedging operations may be cancelled, which could adversely affect SFIL's results of operations, financial conditions and business prospects.</p> <p><b>10. Operational risks</b></p> <p>The main operational risks can be divided into the following categories;</p> <ul style="list-style-type: none"> <li>- risk of internal or external fraud: from an employee or a third party;</li> <li>- human resources and skills risk: this relates to the inadequacy of the available skills and human resources (including key-men and training), errors in setting hiring, salaries and careers management policies, social relations in relation to employees' representation or negotiation processes;</li> <li>- the 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 software;</li> <li>- 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;</li> <li>- risks relating to operational organisation: this risk relates to the inadequacy of the strategy and organisation of the Issuer and the inefficiency of defined processes or inappropriate definition of interfaces;</li> <li>- risks relating to compensation delays in relation to insurance policies, including insurance on export credit;</li> <li>- security risks: this risk relates to the continuity and resumption of activities (including the establishment of a business continuity plan), goods and individuals;</li> <li>- commercial and partnership risks: risks regarding the default of a partner, the sharing of responsibilities, commissioning, products distribution, knowledge of clients' needs and ethics;</li> <li>- 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 (<i>obligations foncières</i>) or a failure to comply</li> </ul>
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		<p>with Export Credit regulations; and</p> <p>- risks relating to failure of anti-money laundering policies.</p> <p>The occurrence of any such abovementioned operational risks may affect the Issuer's business, profits and financial situation.</p> <p><b>11. Non-compliance risk</b></p> <p>SFIL is exposed to a risk of non-compliance. 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 be of legislative or regulatory nature.</p> <p><b>12. Legal Risk</b></p> <p>The risk of any litigation brought by a counterparty resulting from an ambiguity, loophole, shortfall which could be imputed to the Issuer.</p> <p><b>13. The Issuer is exposed to certain litigation linked to tax matters</b></p> <p>Such litigations may negatively impact the results of operations and financial condition of the Issuer.</p> <p><b>14. The Issuer is exposed to certain litigation linked to structured loans which could adversely affect its business, financial condition and results of operations</b></p> <p>In its portfolio, the Issuer has structured loans considered as sensitive that were granted to French borrowers of Dexia Crédit Local. Certain local authorities and municipalities initiated legal proceedings against Dexia Crédit Local, the Issuer and/or Caisse Française de Financement Local. These litigations may lead to certain loans being declared void or voidable in whole or in part. In such cases, it may affect substantially cash flows, results of operations and financial condition of the Issuer.</p> <p><b>15. Evolutions in the applicable financial regulations governing financial institutions</b></p> <p>The Issuer is a credit institution and is therefore subject to financial laws and regulations. French and European financial laws and regulations have been in constant evolution during the last years, and the legal framework is still being developed. These regulatory evolutions (notably the leverage ratio) could have an impact on its business activity and may create operational and legal risks in the short and medium terms.</p> <p><b>16. Changes to the accounting standards</b></p> <p>The Issuer cannot predict with any certainty at this time the potential impact of any changes in the accounting standards (or of other potential future modifications to these standards); however any significant modifications to the accounting standards may adversely impact its operations and financial condition.</p> <p><b>17. EU Bank Resolution and Recovery Directive</b></p> <p>On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and</p>
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	<p>investment firms entered into force. This Directive is designed to enable a range of actions to be taken by relevant regulatory authorities in relation to credit institutions and investment firms which are considered to be at risk of failing. The exercise of any power under this Directive or any suggestion of such exercise could adversely affect the rights of holders of Notes and/or the price or value of their investment in any Notes and/or the ability of SFIL to satisfy its obligations under any Notes.</p> <p><b><i>18. Credit rating of the Issuer will be affected by the credit rating of the French State</i></b></p> <p>The shareholding of the Issuer renders it indirectly dependent on the situation of the French State. The credit rating of the Issuer is therefore closely linked to that of the French State. In the event of a downgrade of the credit rating of the French State, ratings of the Issuer and of the Notes may be affected.</p> <p><b><i>19. Noteholders have recourse only to the Issuer</i></b></p> <p>The Notes are liabilities of the Issuer only, and Noteholders will therefore only have recourse to the Issuer for payments due under the Notes.</p> <p><b><i>20. Issuer's Geographic and Concentration Risk</i></b></p> <p>The Issuer operates primarily within the French market. A weakening of the French economy could therefore bring about a decline in the Issuer's activity. Furthermore, the Issuer holds a significant amount of assets representing lending to borrowers in Italy and Switzerland. Adverse financial, economic and fiscal conditions in these economies and perceived weaknesses of a country's financial situation may also have an adverse impact on the credit quality of these assets and consequently potentially adversely affect the Issuer.</p> <p><b><i>21. Risk relating to the public policy missions entrusted by the French State to SFIL</i></b></p> <p>Two of SFIL's principal activities are public policy missions entrusted by the French State: (i) the refinancing of local public sector loans and (ii) the refinancing of buyer credits insured by the French public export credit agency under the French State's control, on its behalf and in its name and thereby to help enhance the competitiveness of the large export contracts negotiated by French firms. If SFIL's public policy missions were withdrawn by the French State, it could potentially adversely affect the Issuer.</p> <p><b><i>22. Risk linked to the privileges granted to other creditors</i></b></p> <p>In case of insolvency proceedings opened against the Issuer, the Noteholders may be adversely affected by the privileges granted to other creditors.</p> <p><b><i>23. The United Kingdom leaving the European Union could adversely affect the Issuer</i></b></p> <p>On 23 June 2016 the United Kingdom ("UK") held a referendum to decide on its membership within the European Union. The UK vote was to leave the European Union and the UK Government invoked its right to withdraw from the European Union under article 50 of the Treaty on the European Union on 29 March 2017. Under such article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply in the UK from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period</p>
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		<p>may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the United Kingdom's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the Issuer's financial condition. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.</p>
<p><b>D.3</b></p>	<p><b>Key information on the key risks that are specific to the Notes</b></p>	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme, including:</p> <p>General risks relating to the Notes such as:</p> <ul style="list-style-type: none"> <li>- Investors must independently review and obtain professional advice with respect to the Notes issued under the Programme;</li> <li>- Actual yield on Notes issued under the Programme may be reduced from the stated yield as a result of transaction cost. Indeed, when the Notes issued under the Programme are purchased or sold, costs may significantly reduce or cancel out the potential profit of Notes (such as, but not limited to, transaction fees, commissions, brokerage fees, custody fees);</li> <li>- Potential conflicts of interest may arise between the holders and various parties operating under the Programme such as, but not limited to, discretionary determination and judgments made by an agent appointed for an issue of Notes under the Programme;</li> <li>- The credit ratings of the Notes may not reflect all risks;</li> <li>- An active trading market for Notes issued under the Programme may never develop;</li> <li>- The trading market for Notes issued under the Programme may be volatile and may be adversely affected by various events;</li> <li>- Modification, waivers and substitution of conditions affecting the Notes that are not desired by all holders can be effected by a majority;</li> <li>- Purchases of the Notes may be subject to certain taxes or other costs;</li> <li>- Change of law - No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of the Base Prospectus;</li> <li>- The proposed financial transaction tax: the draft directive on the proposed common financial transaction tax has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.</li> </ul> <p>Risks related to a particular issue of Notes under the Programme:</p> <ul style="list-style-type: none"> <li>- Notes issued under the Programme may not be a suitable investment for all investors;</li> </ul>

- Notes may be subject to optional redemption by SFIL;
- [(*Insert for Fixed Rate Notes*) Fixed Rate Notes may not always maintain the same market value;]
- [(*Insert for Floating Rate Notes*) Floating Rate Notes may be volatile;]
- [(*Insert for Floating Rate Notes*) Holders will not be able to calculate their rate of return on Floating Rate Notes in advance;]
- [(*Insert for Fixed to Floating Rate Notes or Floating to Fixed Rate Notes, as the case may be*) [Fixed to Floating Rate Notes may have a less favourable spread than the prevailing spreads on comparable floating rate securities tied to the same reference rate.] / [Floating to Fixed Rate Notes may have a lower new fixed rate;]]
- [(*Insert for Zero Coupon Notes*) Zero Coupon Notes issued under the Programme are subject to higher price fluctuations than non-discounted debt securities;]
- [(*Insert for Inflation Linked Notes*) Holders may be exposed to risk on Inflation Linked Notes which are dependent upon the performance of an index;
- Inflation Linked Notes with a multiplier or other leverage factor can be particularly volatile investments;
- Additional factors relating to Inflation Linked Notes (such as 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; or the holder of an Inflation Linked Note could lose all or a substantial portion of the principal of such Note);]
- Notes are unsecured obligations;
- The Redemption Amount may be significantly less than the value of an investment in the Notes.
- [(*Insert for Notes linked to a benchmark index*) The regulations and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".]
- [(*Insert for Notes linked to LIBOR*) Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR.]

An investment in the Notes involves certain risks which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Notes may lead to volatility and/or a decrease in the market value of the relevant Tranche of Notes whereby the market value falls short of the expectations (financial or otherwise) of an investor who has made an investment in such Notes.

		<p>However, each prospective investor in Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and conditions, 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 Notes.</p>
<b>D.6</b>	<b>Key information on factors which are material for the purpose of assessing the risks associated with Inflation Linked Notes</b>	<p>Potential investors in Inflation Linked Notes should be aware that such Notes are debt securities where interest amounts and/or principal will be dependent upon the performance 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 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. If, at maturity, the level of the relevant Inflation Index Ratio is less than 1.00, the Notes will be redeemed at par.</p>

<b>Section E – Offer</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	<p>The net proceeds of the issue of each Tranche of Notes will be used by the Issuer for its general corporate purposes unless otherwise specified in the relevant Final Terms.</p> <p><i>Issue specific summary</i></p> <p>[The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes./specify other]</p>
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>Notes may be offered to the public in France. Any such public offer shall be specified in the applicable Final Terms</p> <p>There are certain restrictions regarding the purchase, offer, sale and delivery of the Notes or possession or distribution of the Base Prospectus, any other offering material or any Final Terms.</p> <p>Other than as set out in section A.2 above, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. 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.</p> <p><i>Issue specific summary</i></p> <p>[Not applicable. The Notes are not offered to the public.]/</p> <p>[The Notes are offered to the public in France].</p> <p>Offer Price: [Issue Price/specify]</p> <p>Conditions to which the offer is subject: [Not applicable/give details]</p> <p>Offer Period (including any possible [●])</p>

		<p>amendments):</p> <p>Description of the application [Not applicable/<i>give details</i>] process:</p> <p>Details of the minimum and/or [Not applicable/<i>give details</i>] maximum amount of the application:</p> <p>Manner in and date on which results [Not applicable/<i>give details</i>] of the offer are made public:</p>
<b>E.4</b>	<b>Interests of natural and legal persons involved in the issue of the Notes</b>	<p>The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Notes.</p> <p><i>Issue specific summary</i></p> <p>[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] / [The Dealers will be paid an aggregate commission equal to [●] per cent. of the nominal amount of the Notes. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer].</p>
<b>E.7</b>	<b>Estimated expenses charged to investor by the Issuer or the offeror</b>	<p>The relevant Final Terms will specify as the case may be the estimated expenses applicable to any Tranche of Notes.</p> <p><i>Issue specific summary</i></p> <p>[Not applicable] / [The estimated expenses charged to the investor(s) amount to [●].]</p>

**RÉSUMÉ EN FRANÇAIS DU PROGRAMME  
(FRENCH SUMMARY OF THE PROGRAMME)**

Les résumés contiennent des exigences de publicité appelées " Éléments " dont la communication est requise par l'Annexe XXII du Règlement (CE) n°809/2004 du 29 avril 2004, telle que modifiée. Ces éléments sont numérotés dans les sections A à E (A.1 - E.7). Ce résumé contient tous les Éléments devant être inclus dans un résumé pour ce type de valeurs mobilières et pour SFIL (l' "Émetteur"). La numérotation des Éléments peut ne pas se suivre en raison du fait que certains Éléments n'ont pas à être inclus. Bien qu'un Éléments doive être inclus dans le résumé du fait du type de valeur mobilière et d'Émetteur concerné, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Éléments. Dans ce cas, une brève description de l'Éléments est incluse dans le résumé suivie de la mention " Sans objet ".

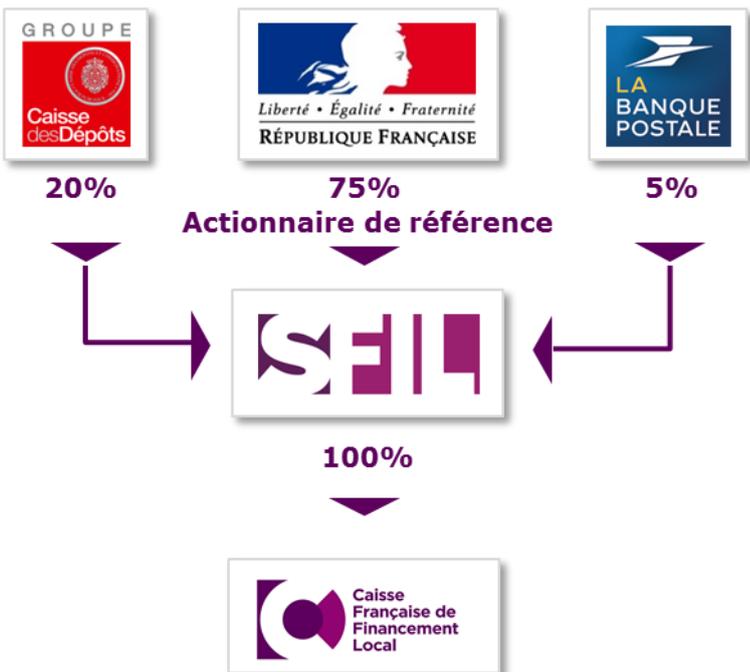
Ce résumé est fourni dans le cadre de l'émission par l'Émetteur de Titres ayant une valeur nominale unitaire inférieure à 100.000 euros qui sont offertes au public ou admises à la négociation sur un marché réglementé de l'Espace Economique Européen (l' "EEE"). Le résumé spécifique à ce type d'émission de Titres figurera en annexe des Conditions Définitives applicables et comprendra (i) les informations relatives au résumé du Prospectus de Base et (ii) les informations contenues dans les rubriques "résumé spécifique à l'émission" figurant ci-dessous.

<b>Section A – Introduction et avertissements</b>		
<b>A.1</b>	<b>Avertissement Général concernant le résumé</b>	<p>Ce résumé doit être lu comme une introduction au Prospectus de Base. Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence et tout supplément qui pourrait être publié à l'avenir. Lorsqu'une action concernant l'information contenue dans le Prospectus de Base est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'État Membre de l'EEE, avoir à supporter les frais de traduction du Prospectus de Base avant le début de la procédure judiciaire. Seule peut être engagée la responsabilité civile des personnes qui ont présenté le résumé ou la traduction de ce dernier, mais seulement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.</p>
<b>A.2</b>	<b>Information relative au consentement de l'Émetteur concernant du l'utilisation du Prospectus</b>	<p>Dans le cadre de toute offre de Titres en France (les "Pays de l'Offre au Public") qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une "Offre au Public"), l'Émetteur consent à l'utilisation du Prospectus de Base et des Conditions Définitives applicables (ensemble, le "Prospectus") dans le cadre d'une Offre au Public de tout Titre durant la période d'offre indiquée dans les Conditions Définitives concernées (la "Période d'Offre") et dans le(s) Pays de l'Offre au Public indiqué(s) dans les Conditions Définitives concernées par :</p> <p>(1) tout intermédiaire financier dûment autorisé et désigné dans ces Conditions Définitives ; ou</p> <p>(2) si cela est indiqué dans les Conditions Définitives concernées, par tout intermédiaire financier qui remplit les conditions suivantes : (a) qui agit conformément à toutes les lois, règles, réglementations et recommandations applicables de toute autorité (les "Règles"), de</p>

		<p>temps à autre, y compris, notamment et dans chacun des cas, les Règles relatives à la fois à l'opportunité ou à l'utilité de tout investissement dans les Titres par toute personne et à la divulgation à tout investisseur potentiel ; (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 ; (c) qui respecte l'évaluation du marché cible réalisée par le producteur ainsi que les canaux de distribution identifiés dans le paragraphe « <i>MiFID II product governance</i> » des Conditions Définitives concernées ; (d) qui s'assure que tous les frais (et toutes les commissions ou avantages de toute nature) reçus ou payés par cet intermédiaire financier en raison de l'offre ou de la cession des Titres sont entièrement et clairement communiqués aux investisseurs ou aux investisseurs potentiels; (e) qui détient tous les permis, autorisations, approbations et accords nécessaires à la sollicitation, ou à l'offre ou la cession des Titres, en application des Règles; (f) qui conserve les dossiers d'identification des investisseurs au moins pendant la période minimum requise par les Règles applicables et doit, sur demande, mettre ces registres à la disposition des Agent(s) Placeur(s) concerné(s) et de l'Emetteur ou les mettre directement à la disposition des autorités compétentes dont l'Emetteur et/ou les Agent(s) Placeur(s) concerné(s) dépendent afin de permettre à l'Emetteur et/ou aux Agent(s) Placeur(s) concerné(s) de respecter les Règles relatives à la lutte contre le blanchiment d'argent, à la lutte contre la corruption et les règles de "connaissance du client " applicables à l'Emetteur et /ou aux Agent(s) Placeur(s) concerné(s); (g) qui n'entraîne pas, directement ou indirectement, la violation d'une Règle par l'Emetteur ou les Agent(s) Placeur(s) concerné(s) ou qui ne soumet pas l'Emetteur ou les Agent(s) Placeur(s) concerné(s) à l'obligation d'effectuer un dépôt, d'obtenir une autorisation ou un accord dans tout pays ; et (h) qui satisfait à tout autre condition spécifiée dans les Conditions Définitives concernées ;</p> <p>(chacun un "<b>Établissement Autorisé</b>").</p> <p>L'Emetteur accepte la responsabilité, dans le[s] Pays de l'Offre au Public désigné[s] dans les Conditions Définitives, du contenu du Prospectus vis-à-vis de toute personne (un "<b>Investisseur</b>") se trouvant dans le Pays de l'Offre au Public concerné à qui une offre de tout Titres est faite par tout Établissement Autorisé et lorsque l'offre est faite pendant la période pour laquelle le consentement est donné. Toutefois, ni l'Emetteur ni aucun Agent Placeur n'est responsable des actes commis par tout Établissement Autorisé, y compris concernant le respect des règles de conduite des affaires applicables à l'Établissement Autorisé ou à d'autres obligations réglementaires locales ou à d'autres obligations légales relatives aux valeurs mobilières en lien avec une telle offre applicables à l'Établissement Autorisé.</p> <p>Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de douze (12) mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p>
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		<p><b>Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par ledit Établissement Autorisé au moment de l'Offre au Public. Ni l'Emetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.</b></p>
		<p><b>Résumé spécifique à l'émission :</b></p> <p>[Dans le cadre de toute offre de Titres en [France] (le[s] "<b>Pays de l'Offre au Public</b>") qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une "<b>Offre au Public</b>"), l'Emetteur consent à l'utilisation du Prospectus dans le cadre d'une Offre au Public de tout Titre de [●] à [●] (la "<b>Période d'Offre</b>") et dans le[s] Pays de l'Offre au Public par [●] / [tout intermédiaire financier] (l'[/les] "<b>Établissement[s] Autorisé[s]</b>"). [L' [/Les] Etablissement[s] autorisé[s] doit [/doivent] remplir les conditions suivantes : [●].</p> <p><b>Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par le dit Établissement Autorisé au moment de l'Offre au Public. Ni l'Emetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information.]/[Sans objet]</b></p>

<b>Section B – Emetteur</b>		
<b>B.1</b>	<b>La raison sociale et le nom commercial de l'Emetteur</b>	SFIL
<b>B.2</b>	<b>Le siège social et la forme juridique de l'Emetteur, la législation qui régit l'activité et le pays d'origine de l'Emetteur</b>	L'Emetteur est un établissement de crédit revêtant la forme d'une société anonyme à Conseil d'Administration immatriculée au Registre du Commerce et des Sociétés de Nanterre sous le numéro 428 782 585 et son siège social est sis 1-3 rue du Passeur de Boulogne – 92130 Issy-les-Moulineaux – France.
<b>B.4b</b>	<b>Description de toutes les tendances connues touchant l'Emetteur ainsi que des industries de son secteur</b>	<p>SFIL intervient sur deux marchés : prêts au secteur public local français et refinancement de grands crédits export bénéficiant d'une garantie publique française.</p> <p>L'environnement économique, réglementaire et financier dans lequel SFIL exerce ces activités a, par définition, des répercussions sur son activité, ses résultats et ses perspectives.</p> <ul style="list-style-type: none"> <li>- La situation financière des collectivités locales françaises pourrait être affectée par les conditions macro-économiques et toute réforme impactant leurs ressources et/ou leur organisation.</li> <li>- Le refinancement des activités de grands crédits export est aussi fortement exposé au contexte général affectant l'économie française et ses industries clés.</li> </ul>

<p><b>B.5</b></p>	<p><b>Description du Groupe de l'Emetteur et de la position de l'Emetteur au sein du Groupe</b></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>  <pre> graph TD     CD[Caisse des Dépôts] -- 20% --&gt; SFIL[SFIL]     RF[Liberté • Égalité • Fraternité RÉPUBLIQUE FRANÇAISE] -- 75% --&gt; SFIL     LB[LA BANQUE POSTALE] -- 5% --&gt; SFIL     SFIL -- 100% --&gt; CFFL[Caisse Française de Financement Local]   </pre>												
<p><b>B.9</b></p>	<p><b>Prévision ou estimation du bénéfice</b></p>	<p>Sans objet, en l'absence de prévision ou estimation du bénéfice concernant l'Emetteur au sein du Prospectus de Base sur lequel porte ce résumé.</p>												
<p><b>B.10</b></p>	<p><b>Réserves contenues dans le rapport des Commissaires aux comptes</b></p>	<p>Sans objet, il n'existe aucune réserve dans le rapport des commissaires aux comptes sur les informations financières historiques contenues dans le Prospectus de Base.</p>												
<p><b>B.12</b></p>	<p><b>Informations financières historiques clés sélectionnées :</b></p>	<p><b>Informations financières historiques clés sélectionnées (consolidés IFRS):</b></p> <p>Données financières annuelles comparées - En millions d'euros</p> <table border="1" data-bbox="555 1668 1410 1926"> <thead> <tr> <th></th> <th>31/12/2017</th> <th>31/12/2016</th> </tr> </thead> <tbody> <tr> <td>Total du Bilan</td> <td>72.432</td> <td>78.937</td> </tr> <tr> <td>Dettes représentées par un Titre</td> <td>56.315</td> <td>57.681</td> </tr> <tr> <td>Capitaux Propres</td> <td>1.469</td> <td>1.388</td> </tr> </tbody> </table>		31/12/2017	31/12/2016	Total du Bilan	72.432	78.937	Dettes représentées par un Titre	56.315	57.681	Capitaux Propres	1.469	1.388
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<b>B.13</b>	<b>Evénement récent présentant un intérêt significatif pour l'évaluation de la solvabilité de l'Emetteur</b>	Sans objet, à la date du Prospectus de Base et à la meilleure connaissance de l'Emetteur, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité de l'Emetteur depuis le 31 décembre 2017.						
<b>B.14</b>	<b>Degré de dépendance de l'Emetteur à l'égard d'autres entités du Groupe</b>	<p>SFIL et sa filiale Caisse Française de Financement Local sont dépendantes l'une de l'autre. En raison de sa taille, la performance de la Caisse Française de Financement Local aura un impact sur les revenus de SFIL.</p> <p>SFIL détient 100% du capital social de Caisse Française de Financement Local. Le rôle de SFIL en tant que « <i>servicer</i> » de Caisse Française de Financement Local depuis 2013 consiste essentiellement en :</p> <ul style="list-style-type: none"> <li>la gestion opérationnelle complète de la société (gestion courante, mais aussi gestion opérationnelle de la désensibilisation des crédits structurés sensibles inscrits au bilan de la Caisse Française de Financement Local) telle que définie par la réglementation applicable aux sociétés de crédit foncier, notamment au sens de l'article L. 513-15 du Code monétaire et financier. SFIL assure également le rôle d'agent de la garantie réhaussée dans le cadre de l'activité de refinancement de crédit export ; et</li> <li>l'apport des financements non privilégiés et des dérivés requis par l'activité de la Caisse Française de Financement Local.</li> </ul>						
<b>B.15</b>	<b>Principales activités de l'Emetteur</b>	<p>L'Emetteur remplit quatre principales activités :</p> <ul style="list-style-type: none"> <li><b>Refinancement des prêts au secteur public local</b>, une mission de politique publique confiée par l'Etat français à l'Emetteur en 2013, dans un cadre strictement défini, initialement octroyés par La Banque Postale aux collectivités et établissements publics de santé éligibles <i>via</i> l'émission par la Caisse Française de Financement Local ("CAFFIL") d'obligations foncières (<i>covered bonds</i>) depuis 2013 ;</li> <li><b>La prestation de services spécialisés</b> auprès de La Banque Postale et la Caisse Française de Financement Local permettant le</li> </ul>						

		<p>fonctionnement du dispositif;</p> <ul style="list-style-type: none"> <li>• <b>Le refinancement de la part assurée de grands contrats de crédit export</b>, une mission de politique publique confiée par l'Etat français à l'Emetteur en 2015. Ces contrats de crédit export initialement arrangés et accordés par des banques commerciales sont refinancés par l'émission d'obligations foncières par la Caisse Française de Financement Local ;</li> <li>• <b>La désensibilisation de certains crédits structurés</b> inscrits au bilan de la Caisse Française de Financement Local, en ligne avec les objectifs définis par l'Etat français en matière de gestion des finances publiques et en respectant les intérêts stratégiques de l'Emetteur.</li> </ul>
<b>B.16</b>	<b>Entité(s) personne(s) détenant contrôlant directement indirectement l'Emetteur</b>	<p>ou</p> <p>ou</p> <p>ou</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"> <li>• 75% par l'Etat français, via l'Agence des Participations de l'Etat, soit 6.964.293 actions ordinaires;</li> <li>• 20% par la Caisse des Dépôts et Consignations, soit 1.857.145 actions de préférence; et</li> <li>• 5% par La Banque Postale, soit 464.287 actions ordinaires.</li> </ul>
<b>B.17</b>	<b>Notation assignée à l'Emetteur ou à ses titres d'emprunt</b>	<p>Les Titres émis en vertu du Programme devraient être notés AA par Standard &amp; Poor's Credit Market Services France SAS ("<b>S&amp;P</b>"), et/ou Aa3 par Moody's Investors Service Ltd ("<b>Moody's</b>") et/ou AA- par Fitch France SAS ("<b>Fitch</b>") et/ou par toute autre agence de notation. S&amp;P, Moody's et Fitch sont établies dans l'Union Européenne et enregistrées conformément au Règlement (CE) N°. 1060/2009 relatif aux agences de notation, tel que modifié (le "<b>Règlement CRA</b>"), et qui apparaissent dans la liste des agences de notation (enregistrées conformément au Règlement CRA) publiée par l'Autorité Européenne des Marchés Financiers (<i>European Securities and Market Authority</i>) sur son site Internet (<a href="http://www.esma.europa.eu/supervision/credit-rating-agencies/risk">www.esma.europa.eu/supervision/credit-rating-agencies/risk</a>) à la date du Prospectus de base.</p> <p>Les notations seront spécifiées (le cas échéant) dans les Conditions Définitives applicables.</p> <p>Une notation ne constitue pas une recommandation d'achat, de vente ou de détention de titres de créances et peut à tout moment être suspendue, abaissée ou faire l'objet d'un retrait par l'agence de notation concernée.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Notation de crédit : [Sans objet/Les Titres qui seront émis devraient être notés ]:</p> <p>[S&amp;P : [●]]</p> <p>[Moody's : [●]]</p>

[Fitch : [●]]

<b>Section C – Valeurs Mobilières</b>		
<b>C.1</b>	<b>Nature, catégorie et numéro d'identification des Titres</b>	<p>Jusqu'à 10.000.000.000 d'euros (ou la contre-valeur de ce montant dans d'autres devises à la date de l'émission) représentant le montant nominal total des Titres en circulation à tout moment dans le cadre du Programme d'Euro Medium Term Notes arrangé par Barclays Bank PLC (le "<b>Programme</b>").</p> <p>Les Titres seront émis sur une base syndiquée ou non syndiquée. Les Titres seront émis par souches (dénommées chacune "<b>Souche</b>") à une même date ou à des dates d'émissions différentes et seront à tous autres égards identiques, les Titres d'une même Souche étant supposés être fongibles entre eux (ou à tous égards à l'exception du premier paiement d'intérêts, de la date d'émission, du prix d'émission et du montant nominal). Chaque Souche pourra être émise par tranches (dénommées chacune "<b>Tranche</b>") aux mêmes dates d'émission ou à des dates d'émission différentes. Les conditions particulières de chaque Tranche (sauf en ce qui concerne la date d'émission, le prix d'émission, le premier paiement d'intérêts et le montant nominal de la Tranche, qui seront identiques aux conditions des autres Tranches de la même Souche) seront indiquées dans les Conditions Définitives (les "<b>Conditions Définitives</b>").</p> <p>Les Titres seront émis sous forme de titres dématérialisés.</p> <p>Les Titres peuvent, au choix de l'Emetteur, soit être émis au porteur, soit être nominatifs et, dans ce dernier cas, au choix du porteur concerné, être au nominatif pur ou au nominatif enregistré. Aucun titre papier ne sera émis.</p> <p>Les Titres ont été admis aux opérations de compensation d'Euroclear France en qualité de dépositaire central.</p> <p>Un numéro d'identification des Titres (ISIN) et un code commun seront indiqués dans les Conditions Définitives applicables.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Souche n°: <input type="checkbox"/></p> <p>Tranche n°: <input type="checkbox"/></p> <p>Montant Nominal Total: <input type="checkbox"/></p> <p>Souche: <input type="checkbox"/></p> <p>Tranche: <input type="checkbox"/></p> <p>Forme des Titres: Les Titres sont des titres dématérialisé [au porteur / au nominatif administré/ au nominatif pur]</p> <p>ISIN: <input type="checkbox"/></p> <p>Code Commun: <input type="checkbox"/></p> <p>Dépositaire Central: Euroclear France</p>
<b>C.2</b>	<b>Devises</b>	<p>Les Titres peuvent être libellés et/ou payables en toute devise qui pourrait être convenue entre l'Emetteur et les Agents Placeurs concernés.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>La devise des Titres est : <input type="checkbox"/></p>
<b>C.5</b>	<b>Description de</b>	<p>Sous réserve de certaines dispositions relatives à l'achat, l'offre, la vente et la</p>

	<b>toute restriction imposée à la libre négociabilité des Titres</b>	livraison de Titres, ou à la possession ou la distribution du Prospectus de Base, de tout autre document d'offre ou de toutes Conditions Définitives, il n'existe pas de restrictions à la libre négociabilité des Titres.
<b>C.8</b>	<b>Description des droits attachés aux Titres</b>	<p><b><u>Arrangeur</u></b></p> <p>L'Arrangeur dans le cadre du Programme (l'"<b>Arrangeur</b>") est: Barclays Bank PLC</p> <p><b><u>Agents Placeurs dans le cadre du Programme</u></b></p> <p>Les agents placeurs dans le cadre du Programme (les "<b>Agents Placeurs</b>") sont :</p> <ul style="list-style-type: none"> <li>- Barclays Bank PLC</li> <li>- BNP Paribas</li> <li>- Citigroup Global Markets Limited</li> <li>- Commerzbank Aktiengesellschaft</li> <li>- Crédit Agricole Corporate and Investment Bank</li> <li>- Deutsche Bank Aktiengesellschaft</li> <li>- HSBC France</li> <li>- J.P. Morgan Securities plc</li> <li>- Natixis</li> <li>- Société Générale</li> <li>- UniCredit Bank AG</li> </ul> <p>L'Emetteur peut, à tout moment, terminer le mandat d'un des agents placeurs du Programme ou nommer des agents placeurs additionnels, soit pour les besoins d'une ou plusieurs Tranches, soit pour les besoins du Programme en sa totalité. Les références dans le Prospectus de Base aux "<b>Agents Placeurs Permanents</b>" renvoient aux personnes nommées ci-dessus en qualité d'Agents Placeurs, ainsi qu'aux personnes additionnelles qui seraient nommées comme agents placeurs pour les besoins du Programme en sa totalité (et dont le mandat n'est pas terminé) et les références aux "<b>Agents Placeurs</b>" couvrent tous les Agents Placeurs Permanents et toutes les personnes nommées en qualité d'agents placeurs pour les besoins d'une ou plusieurs Tranches.</p>
		<p><b><u>Prix d'émission</u></b></p> <p>Les Titres peuvent être émis au pair ou avec une décote ou une prime par rapport à leur valeur nominale.</p> <p><b><u>Valeur(s) nominale(s) unitaire(s)</u></b></p> <p>Les Titres auront la ou les valeur(s) nominale(s) indiquée(s) dans les Conditions Définitives correspondantes.</p> <p>Les Titres auront la ou les valeur(s) nominale(s) convenue(s) entre l'Emetteur et l'Agent Placeur concerné.</p> <p>Les Titres qui ont une échéance inférieure à un (1) an seront considérés comme des dépôts au regard de l'interdiction d'accepter des dépôts prévue par la section 19 du <i>Financial Services and Markets Act 2000</i> (the "<b>FSMA</b>") sauf si ceux-ci sont émis auprès d'un groupe limité d'investisseurs professionnels et ont une dénomination minimale de 100.000 livres sterling ou la contre-valeur de ce montant dans d'autres devises.</p> <p>Les Titres seront émis avec une seule Valeur Nominale Unitaire.</p>

### **Rang des Titres**

Les Titres sont des engagements directs, inconditionnels, non assortis de sûretés et senior préférés au sens de l'article L.613-30-3-I-3° du Code monétaire et financier de l'Emetteur, et viennent et viendront au même rang entre eux et *pari passu* avec tous les autres engagements directs, inconditionnels, non assortis de sûretés et senior préférés de l'Emetteur (sous réserve des exceptions prévues par la loi).

### **Maintien de l'Emprunt à son Rang**

Jusqu'au remboursement effectif des Titres, l'Emetteur n'accordera pas ou ne laissera pas subsister d'hypothèque, de gage, nantissement, privilège ou toute autre sûreté réelle sur la totalité ou une partie de ses actifs ou revenus, présents ou futurs, aux fins de garantir toute Dette Concernée, à moins que les obligations de l'Emetteur découlant des Titres ne bénéficient d'une sûreté équivalente et de même rang.

" **Dette Concernée** " signifie l'endettement de l'Emetteur sous forme de, ou représenté par des obligations, des titres de créance ou toute autre valeur mobilière qui sont, ou sont susceptibles d'être admis aux négociations sur un marché réglementé ou sur tout autre bourse (notamment, mais pas uniquement, tout marché de gré à gré).

### **Cas de défaut**

Les modalités des Titres contiendront des Cas de défaut, qui incluront le défaut de paiement, la non-exécution, le non-respect de l'une quelconque obligation de l'Emetteur en vertu des Titres, un défaut croisé à l'égard des Titres et la dissolution ou fusion de l'Emetteur dans une société avant le remboursement effectif des Titres.

### **Retenue à la source**

Tous les paiements de principal, d'intérêts et d'autres revenus par ou pour le compte de l'Emetteur au titre des Titres seront effectués sans retenue à la source ou déduction au titre de tout impôt, droit, contribution ou charge gouvernementale de toute nature, imposé, prélevé ou collecté par ou pour le compte de la France ou toute autorité de celle-ci ayant le pouvoir de prélever l'impôt, à moins que cette retenue à la source ou déduction est imposée par la loi.

Si la loi française impose que des paiements de principal, d'intérêts ou d'autres revenus au titre de tout Titre soient soumis à une retenue à la source ou à une déduction au titre d'impôts, droits, contributions ou charges gouvernementales de toute nature, l'Emetteur devra, sous réserve de certaines exceptions, dans la mesure où cela lui est permis par la loi, payer les montants additionnels nécessaires afin de permettre aux Porteurs des Titres de recevoir les montants qu'ils auraient reçus en l'absence de cette retenue à la source ou déduction.

### **Droit applicable**

Droit français.

### **Résumé spécifique à l'émission:**

		<p>Prix d'Emission :                    <b>[●]</b> % du Montant Nominal Total [majoré des intérêts courus à compter de <i>[insérer la date]</i> (<i>si applicable</i>)].</p> <p>Valeur[s]                    Nominale[s]                    <b>[●]</b> Unitaire[s] :</p> <p>Rang des Titres:                    Senior Préféré</p> <p>Cas de défaut:                    Les modalités des Titres contiendront des Cas de défaut, qui incluront le défaut de paiement, le défaut d'exécution, le non-respect de l'une quelconque obligation de l'Emetteur en vertu des Titres, un défaut croisé à l'égard des Titres et la dissolution ou fusion de l'Emetteur dans une société avant le remboursement effectif des Titres.</p>
<b>C.9</b>	<b>Intérêts, échéance et modalités de remboursement, rendement et représentation des Porteurs des Titres</b>	<p>Merci de vous reporter également à la section C.8 ci-dessus.</p> <p><b><u>Périodes d'intérêt et taux d'intérêts</u></b></p> <p>Les Conditions Définitives applicables spécifient si les Titres portent intérêt. La durée des périodes d'intérêts et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Souche. Les Titres pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux, étant précisé qu'en aucun cas, le montant d'intérêts concerné ne sera inférieur à zéro. L'utilisation des périodes d'intérêts courus permet de prévoir des taux d'intérêts différents des Titres pour la même période d'intérêts. Ces informations seront prévues dans les Conditions Définitives applicables.</p>
		<p><b><u>Titres à Taux Fixe</u></b></p> <p>Les coupons Fixes seront payables à terme échu ou en avance à chaque Date de Paiement des Intérêts prévues dans les Conditions Définitives applicables.</p> <p><b><u>Titres à Taux Variable</u></b></p> <p>Les Titres à Taux Variable porteront intérêt payable à terme échu ou en avance à chaque Date de Paiement des Intérêts prévue dans les Conditions Définitives applicables.</p> <p>L'intérêt à taux variable est déterminé comme suit :</p> <ul style="list-style-type: none"> <li>i.                    sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt dans la Devise Prévues concernée, conformément à la Convention-Cadre FBF de juin 2013, telle que publiée par la Fédération Bancaire Française ; ou</li> <li>ii.                    sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt dans la Devise Prévues concernée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par la <i>International Swaps and Derivatives Association, Inc.</i> ; ou</li> </ul>

iii. par référence au LIBOR, EURIBOR, EONIA, au Taux CMS ou TEC 10,

tels qu'ajustés, dans chaque cas, aux marges applicables.

Les Titres à Taux Variable peuvent également avoir un taux d'intérêt maximum, un taux d'intérêt minimum ou les deux, étant précisé qu'en aucun cas, le montant d'intérêts concerné ne sera inférieur à zéro.

**Titres à Taux Fixe/Variable**

Les Titres à Taux Fixe/Variable pour lesquels un changement de base d'intérêt est spécifié comme étant applicable peuvent être émis par l'Emetteur, le changement de base d'intérêt pouvant être prévu au gré de l'Emetteur ou automatiquement.

**Titres à Coupon Zéro**

Les Titres à Coupon Zéro seront émis à leur valeur nominale ou avec décote et ne porteront pas intérêt.

**Titres Indexés sur l'Inflation**

L'Emetteur pourra émettre des Titres Indexés sur l'Inflation dont l'intérêt et/ou le principal sera calculé à partir d'un ratio de l'indice d'inflation (à chaque fois, le "**Ratio de l'Indice d'Inflation**"), ce ratio étant lui-même déterminé selon :

- l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'Institut National de la Statistique et des Etudes Economiques ("**INSEE**") (le "**CPI**") (les "**Titres Indexés sur le CPI**") ; ou

- l'indice des prix à la consommation harmonisé (hors tabac) ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat (le "**HICP**") (les "**Titres Indexés sur le HICP**").

**Echéances**

Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance excédant un (1) mois ou toute autre durée d'échéance minimum qui pourrait être requise de temps à autre par l'autorité de régulation compétente. Aucune échéance maximale n'est envisagée et les Titres peuvent être émis sans date d'échéance spécifique à condition, toutefois, que les Titres ne soient émis qu'en conformité avec toutes lois et/ ou réglementations applicables.

**Remboursement**

Les Conditions Définitives concernées définiront les montants de remboursement dus conformément aux Modalités des Titres. A moins qu'il n'ait été préalablement remboursé ou racheté et annulé par l'Emetteur, chaque Titre sera remboursé à la Date d'Echéance tel que spécifié dans les Conditions Définitives applicables à son Montant de Remboursement Final (qui est au minimum son montant nominal).

Sauf si les lois et règlements en vigueur le permettent, les Titres (y compris les Titres libellés en Livres Sterling) ayant une échéance inférieure à

un (1) an à compter de la date d'émission et à l'égard desquels les produits de l'émission seront acceptés par l'Emetteur au Royaume-Unis ou à l'égard desquels l'émission constituerait une contravention à l'article 19 de la FSMA doivent avoir un montant minimum de remboursement de 100.000 Livres Sterling (ou une somme équivalente dans une autre devise).

#### **Remboursement Optionnel**

Les Conditions Définitives préparées à l'occasion de chaque émission de Titres indiqueront si ceux-ci peuvent être remboursés avant la date d'échéance prévue au gré de l'Emetteur (en totalité ou en partie) ou au gré des Porteurs de Titres et, si tel est le cas, les modalités applicables à ce remboursement.

Tout remboursement anticipé de Titres ne peut seulement être effectué que sous certaines conditions.

#### **Remboursement Anticipé**

Sous réserve des stipulations du paragraphe "Remboursement Optionnel" ci-dessus, les Titres seront remboursables par anticipation avant la date d'échéance dans le cas d'illégalité ou, au gré de l'Emetteur, pour des raisons fiscales.

#### **Rendement**

Les Conditions Définitives de chaque émission de Titres à Taux Fixe préciseront le rendement desdits Titres.

#### **Représentation des Porteurs de Titres**

En ce qui concerne la représentation des porteurs de Titres, les paragraphes suivants s'appliqueront :

Les Porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une masse (la "**Masse**"), qui sera régie par les dispositions des articles L.228-46 et s. du Code de Commerce à l'exception des articles L.228-71 (sauf pour les Titres ayant une valeur nominale inférieure à 100.000 euros et émis en France) et R.228-69 du Code de Commerce, telles que complétées par les Modalités des Titres.

La Masse agira en partie par l'intermédiaire d'un représentant (le "**Représentant** ") et en partie par l'intermédiaire de décisions collectives des Porteurs de Titres. Les noms et adresses du Représentant initial et de son suppléant seront précisés dans les Conditions Définitives concernées. Le Représentant désigné dans le cadre de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.

Les décisions collectives sont adoptées soit en assemblée générale, soit par consentement obtenu à l'issue d'une consultation écrite.

Aussi longtemps que les Titres d'une Souche donnée seront détenus par un seul Porteur, et sauf si un Représentant a été désigné au titre de cette Souche, le Porteur concerné exercera l'ensemble des pouvoirs, droits et obligations dévolus à la Masse par les dispositions du Code de Commerce. Le Porteur

		<p>unique tiendra un registre de l'ensemble des décisions prises <i>es qualité</i> et le mettra à disposition, sur demande, de tout Porteur ultérieur.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>Base(s) d'Intérêt: [Taux Fixe [●] %] [Taux Variable [●] +/- [●] %] [Taux Fixe/Variable] [Coupon Zéro] [Intérêt Indexé sur le CPI] [Intérêt Indexé sur le HICP]</p> <p>Date de Commencement des Intérêts: [Préciser/Date d'Emission/Sans objet]</p> <p>Date d'Échéance: [●] [Préciser la date ou (pour les Titres à Taux Variable) la Date de Paiement des Intérêts tombant le ou le plus près du mois et de l'année concernés]</p> <p>Montant de Remboursement Final de chaque Titre: [●] par Titre d'une Valeur Nominale Unitaire de [●] / [détailler s'il s'agit de Titres Indexés sur l'Inflation]</p> <p>Option de Remboursement au gré de l'Emetteur: [Applicable] / [Sans objet]</p> <p>Option de Remboursement au gré des Porteurs: [Applicable] / [Sans objet]</p> <p>Montant de Remboursement Optionnel: [Applicable : [●] par Titre d'une Valeur Nominale Unitaire de [●] / [Sans objet]]</p>
		<p>Montant de Remboursement Anticipé: [Applicable : [●] par Titre d'une Valeur Nominale Unitaire de [●] / [détailler s'il s'agit de Titres Indexés sur l'Inflation] / [Sans objet]]</p> <p>Rendement (des Titres à Taux Fixe): [Applicable] / [Sans objet]</p> <p>Représentation des Porteurs de Titres: [Emission hors de France : [Applicable/Non Applicable]] Nom et adresse du Représentant : [●]</p>
		Nom et adresse du Représentant suppléant : [●]
		[Si les Titres ne sont détenus que par un Porteur, insérer le paragraphe suivant :
		Aussi longtemps que les Titres seront détenus par un seul Porteur, et sauf si un Représentant a été désigné au titre de cette Souche, ce Porteur exercera l'ensemble des pouvoirs, droits et obligations dévolus à la Masse par les dispositions du Code de commerce. Un

		Représentant sera désigné dès que les Titres seront détenus par plusieurs Porteurs.]
<b>C.10</b>	<b>Paiement des intérêts liés à un (des) instrument(s) dérivé(s)</b>	<p>A l'exception des Titres Indexés sur l'Inflation, les Titres émis dans le cadre du Programme ne sont liés à aucun instrument dérivé. Les Titres Indexés sur l'Inflation sont des Titres dont le montant des intérêts et/ou le principal sont liés à la variation:</p> <ul style="list-style-type: none"> <li>– de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE, ("CPI") ; ou</li> <li>– de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat ("HICP").</li> </ul> <p>La valeur de l'investissement dans les Titres Indexés sur l'Inflation peut être affectée par la valeur du CPI ou le l'HICP, selon le cas, tel que décrit à la rubrique C.15 ci-dessous.</p>
<b>C.11</b>	<b>Admission à la négociation</b>	<p>Les Titres d'une quelconque Souche pourront être admis à la négociation sur Euronext Paris ou tel que spécifié autrement dans les Conditions Définitives applicables. Les Conditions Définitives applicables préciseront si les Titres d'une même Souche pourront ou non être admis à la négociation.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[[Une demande a été faite]/[Une demande doit être faite] par l'Emetteur (ou au nom et pour le compte de l'Emetteur) en vue de l'admission des Titres aux négociations sur [[Euronext Paris] / [●]] à compter de [●] / [Sans objet]</p>
<b>C.15</b>	<b>Description de l'impact de la valeur du sous-jacent sur la valeur de l'investissement</b>	<p>Les Titres Indexés sur l'Inflation sont des titres de créance dont le montant d'intérêt n'est pas prédéterminé et/ou dont le montant de remboursement n'est pas prédéterminé. Les montants dus au titre de l'intérêt et/ou du principal seront dépendants de la variation:</p> <ul style="list-style-type: none"> <li>(i) de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE; ou</li> <li>(ii) de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat.</li> </ul> <p>Si à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1,00 les Titres seront remboursés au pair.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>La valeur de l'investissement dans les Titres Indexés sur l'Inflation peut être affectée par le niveau du [CPI/HICP]. En effet, cet indice d'inflation affecte le montant de remboursement et le montant d'intérêt calculés comme indiqué à la section C.9 ci-dessus.</p>
<b>C.16</b>	<b>Titres Indexés sur l'Inflation</b>	<p>Sous réserve du respect de toutes lois, réglementations et directives applicables, toute échéance indiquée dans les Conditions Définitives.</p>

	<b>Echéance</b>	<p><b>Résumé spécifique à l'émission :</b></p> <p>La date d'échéance des Titres Indexés sur l'Inflation est [●].</p>
<b>C.17</b>	<b>Titres Indexés sur l'Inflation – Règlement-livraison</b>	Les Titres Indexés sur l'Inflation feront l'objet d'un règlement en espèces.
<b>C.18</b>	<b>Produit des Titres Indexés sur l'Inflation</b>	<p>Les paiements d'intérêts au titre des Titres Indexés sur l'Inflation dont l'intérêt est indexé sur le CPI ou le HICP applicables de temps à autre pour chaque Période d'Intérêts Courus (tel que spécifié dans les Conditions Définitives concernées) sera égal au taux fixe annuel indiqué dans les Conditions Définitives concernées, multiplié par le Ratio de l'Indice d'Inflation.</p> <p>Le paiement du montant en principal dû au titre des Titres Indexés sur l'Inflation, si ce montant est indexé sur l'inflation, sera déterminé en multipliant le montant nominal de ces Titres en circulation par le Ratio de l'Indice d'Inflation applicable. Toutefois, si, à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1,00, les Titres seront remboursés au pair.</p>
<b>C.19</b>	<b>Titres Indexés sur l'Inflation – Prix d'exercice / Prix de référence final</b>	<p>Le montant de remboursement final pour les Titres Indexés sur l'Inflation sera calculé sur la base du ratio entre l'indice à la Date d'Echéance et la Référence de Base spécifiée dans les Conditions Définitives applicables.</p> <p>Merci de vous reporter également à la section C.9 ci-dessus.</p>
<b>C.20</b>	<b>Titres Indexés sur l'Inflation – Description du sous-jacent</b>	<p>Les Titres Indexés sur l'Inflation sont des Titres dont le montant d'intérêt et/ou le principal sont indexés. Dans le cas de Titres Indexés sur l'Inflation dont l'intérêt est indexé, l'intérêt est déterminé en appliquant la variation annuelle de l'inflation, exprimée en pourcentage, au montant nominal des Titres Indexés sur l'Inflation. Dans le cas de Titres Indexés sur l'Inflation dont le principal est indexé, le principal est indexé sur la variation de l'inflation entre la valeur de l'indice applicable (c'est-à-dire soit le CPI soit le HICP) à la date d'émission et à la date de remboursement.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p><i>[Insérer pour les Titres indexés sur le CPI]</i></p> <p><b>Les Titres Indexés sur le CPI</b></p> <p>Les Titres Indexés sur le CPI sont liés à l'indice des prix à la consommation (hors tabac) des ménages en France calculé et publié mensuellement par l'INSEE : le CPI. Le CPI est l'instrument officiel pour mesurer l'inflation. Il permet de disposer d'une estimation entre deux périodes déterminées des moyennes de fluctuations des prix des biens et des services consommés par les ménages sur le territoire français. C'est un indicateur de mouvements des prix des produits sur une base de qualité constante. Des informations relatives aux CPI peuvent être trouvées à la page Reuters Agence France trésor OATINFLATION01 ou sur Bloomberg FRCPXTOB&lt;GO&gt; et sur le site internet <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a>.</p> <p><i>[Insérer pour les Titres indexés sur le HICP]</i></p> <p><b>Les Titres Indexés sur le HICP</b></p>

		<p>Les Titres Indexés sur le HICP sont liés à l'indice des prix à la consommation harmonisé, hors tabac, de la zone euro calculé et publié mensuellement par Eurostat et les instituts nationaux de la statistique conformément aux méthodes statistiques harmonisées : le HICP. Le HICP est un indicateur économique destiné à mesurer les changements dans le temps des prix des biens à la consommation et des services acquis par les ménages dans la zone euro. Des informations relatives aux HICP peuvent être trouvées à la page Reuters Agence France Trésor OATEI01, sur le site internet <a href="http://www.aft.gouv.fr">www.aft.gouv.fr</a> et sur la page Bloomberg CPTFEMU Index &lt;GO&gt;.</p>
<b>C.21</b>	<b>Marché(s) Négociation</b>	<p><b>de</b></p> <p>Les Titres pourront (ou non) être admis aux négociations sur Euronext Paris ou tout autre marché réglementé, tel que stipulé dans les Conditions Définitives applicables. Le Prospectus de Base sera donc publié à l'intention du ou des marchés réglementés ainsi désignés.</p> <p><b>Résumé spécifique à l'émission :</b></p> <p>[Les Titres seront admis à la négociation sur [le marché réglementé d'Euronext Paris] / [●].] / [Sans objet.]</p>

## Section D –Facteurs de Risque

D.2

**Informations clés sur les principaux risques propres à l’Emetteur ou à son exploitation et son activité**

Certains facteurs peuvent affecter la capacité de l’Emetteur à honorer ses obligations relatives aux Titres émis dans le cadre du Programme. Les principaux facteurs susceptibles d’avoir un impact sur l’Emetteur sont les suivants :

### ***1. Risque de crédit***

Le risque de crédit représente la perte potentielle que l’Emetteur pourrait subir du fait de la détérioration de la solvabilité de ses contreparties. Un défaut d’une de ses contreparties ou clients pourrait avoir un effet sur sa situation financière. Ce risque peut affecter les intermédiaires financiers, les banques et les dépositaires avec lesquels l’Emetteur opère tous les jours ce qui pourrait, par conséquent, nuire à ses revenus, sa rentabilité et sa solvabilité.

L’Emetteur fait face à un risque de crédit sur son portefeuille de prêts et d’obligations, y compris sur son portefeuille de trésorerie. La capacité des emprunteurs du secteur public, notamment des municipalités et des collectivités locales, de remplir leurs obligations de paiement, peut être affectée par leurs niveaux d’endettement, leurs obligations de dépenses sociales, leurs taux d’intérêts, leurs recettes fiscales, ou leurs transferts de subventions des administrations centrales, chacun pouvant être négativement affecté par une détérioration des conditions économiques générales. La détérioration des conditions économiques pourrait donc avoir un effet défavorable important sur la qualité de crédit des actifs de l’Emetteur.

### ***2. Le risque de contrepartie lié aux dérivés***

L’Emetteur conclut des opérations sur instruments dérivés avec un certain nombre de contreparties bancaires dans le cadre de ses opérations de couverture de change et de taux d’intérêt. Ces instruments dérivés sont régis par des contrats cadre qui prévoient l’échange bilatéral de collatéral ou unilatéral en faveur de la Caisse Française de Financement local. Bien que la conclusion d’accords de collatéral et la couverture d’instruments dérivés avec un grand nombre de contreparties ont vocation à limiter les risques, l’Emetteur est néanmoins exposé au risque de défaut de ses contreparties de dérivés.

### ***3. Le risque des contreparties sur les actifs financiers***

Les actifs de l’Emetteur sont investis dans divers types de titres de créances. L’Emetteur est dès lors exposé aux évolutions de la valeur de son portefeuille en cas d’une baisse des prix de ses actifs financiers. Il est également exposé au risque de contreparties liées à ces actifs financiers.

### ***4. Risques relatif à la mise en œuvre des dispositifs en matière d’actifs pondérés de Bâle III***

Bâle III a été mis en œuvre dans le cadre de la législation de l’Union Européenne à travers le "paquet CRD IV" qui se compose de la Directive relative aux exigences de fonds propres n° 2013/36/UE du 26 juin 2013, du règlement relatif aux exigences de fonds propres n°575/2013 du 26 juin 2013 et de leurs règlements délégués et d’exécution. La mise en œuvre de Bâle III et du paquet CRD IV a apporté et continuera d’apporter un certain nombre de

	<p>modifications substantielles aux exigences actuelles en matière de fonds propres, aux systèmes de contrôle prudentiel et aux systèmes de gestion des risques, y compris ceux de l'Emetteur. L'orientation et l'ampleur de l'impact de Bâle III et du paquet CRD IV dépendent de la structure de l'actif spécifique à chaque banque et son impact précis sur l'Emetteur ne peut pas être quantifié avec certitude à la date d'aujourd'hui. L'Emetteur pourrait exploiter son activité de manière moins rentable qu'il ne l'exploite actuellement en se conformant aux nouvelles règles applicables suite à la transposition de CRD IV. De plus, la mise en œuvre de Bâle III et du paquet CRD IV pourrait affecter la pondération du risque des titres à l'égard de certains investisseurs dans la mesure où ces investisseurs sont soumis aux nouvelles règles de transposition du paquet CRD IV. Par conséquent, les destinataires du Prospectus de Base doivent faire appel aux conseils de spécialistes pour connaître les conséquences et les effets que la mise en œuvre du paquet CRD IV peut avoir sur lui.</p> <p><b>5. L'Emetteur pourrait faire face à une baisse de son activité ainsi que de ses marges sur les marchés des collectivités locales et des prêts municipaux ou dans le refinancement des crédits export</b></p> <p>L'Emetteur pourrait faire face à une concurrence accrue sur les marchés des collectivités locales et des prêts municipaux ou dans le refinancement des crédits export. En outre, l'Emetteur pourrait faire face, dans le futur, à des pressions tarifaires dans certains secteurs de son activité, étant donné que ses concurrents cherchent à accroître leur part de marché en réduisant les prix, ou en offrant de nouveaux services à bas prix.</p> <p><b>6. Les risques de marché</b></p> <p>La notion de risque de marché se limite au risque de marché du portefeuille de trading en vue consolidée. SFIL n'effectue pas d'opérations à des fins de trading et n'est dès lors pas exposée aux risques de marché au sens réglementaire du terme. Néanmoins, pour les prêts couverts par l'utilisation d'instruments dérivés et qui deviennent douteux, les instruments dérivés correspondants seront soumis au risque de marché au sens réglementaire du terme si la relation de couverture comptable est rompue. De plus, les positions ou activités du <i>banking book</i> de SFIL qui sont suivies au titre des risques de marché non réglementaire présentent un risque résultant d'une exposition à la volatilité des paramètres de marché. Il existe également d'autres risques de marché non réglementaires comme les variations des ajustements de valeurs comptables sur dérivés. Les risques de marché existent et toute détérioration des marchés de dette pourrait nuire à la situation financière, aux opérations et aux flux de trésorerie de SFIL. En outre, certains dérivés ne sont pas comptabilisés dans une relation de couverture. Cela provient des dérivés couvrant le risque de change lié aux prêts de refinancement de contrats de crédit export libellés dans une devise autre que l'euro et qui sont conclus avant la fin de la phase de tirage des prêts couverts. La couverture du risque de change lié aux actifs monétaires ou aux passifs ne peut pas être documentée, conformément à la norme IAS 39, avant qu'ils ne soient comptabilisés dans le bilan de l'entité.</p> <p><b>7. Le risque de liquidité</b></p> <p>Le risque de liquidité se définit comme le risque que l'Emetteur ne trouve pas les liquidités nécessaires à bonne date et à coût raisonnable pour satisfaire les besoins de financement liés à son activité, et/ou sa capacité à régler ses passifs à leur date d'échéance. Il est possible, et cela constitue un risque, que</p>
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		<p>l'Emetteur ne puisse pas vendre un certain actif financier à sa valeur réelle ou qu'il ne puisse pas du tout le vendre. Par conséquent, l'Emetteur fait face au risque qu'il ne puisse pas honorer ses engagements, tel que le remboursement de ses contreparties ou investisseurs.</p> <p><b>8. Le risque de change</b></p> <p>Le risque de change se définit comme le risque effectif ou potentiel de volatilité du résultat, lié à une évolution du cours des devises face à une devise de référence.</p> <p><b>9. Risques liés aux conditions financières proposées pour les prêts refinançant le crédit export</b></p> <p>Dans le contexte de l'extension de ses activités de refinancement du crédit export, les caractéristiques particulières de ces prêts a conduit SFIL a donner un engagement sur les conditions financières plusieurs mois avant la signature du contrat de prêt. Les conditions financières au moment de l'offre pourraient ne pas être en ligne avec les conditions de refinancement et de couverture au moment et après la date de signature du contrat. Des changements des conditions de marché pourraient en conséquence affecter de manière négative le résultat des opérations, leurs conditions financières et les perspectives d'activité. Afin de réduire le risque de change et d'écart de spread, des opérations de couverture pourraient être conclues dès qu'une offre ferme de refinancement de crédit a été transmise. Dans certains cas, le crédit pourrait ne pas être signé et les opérations de couverture y afférentes pourraient être annulées ce qui pourrait impacter négativement le résultat des opérations de SFIL, ses conditions financières et perspectives d'activité.</p> <p><b>10. Risques Opérationnels</b></p> <p>Les principaux risques opérationnels peuvent être répartis dans les catégories suivantes;</p> <ul style="list-style-type: none"> <li>- risque de fraude interne ou externe: d'un employé ou d'un tiers;</li> <li>- risques liés aux ressources humaines et aux compétences du personnel: cela concerne l'inadéquation des compétences disponibles et des ressources humaines (y compris les hommes-clés et les formations), les erreurs dans le recrutement, l'aménagement des politiques de rémunérations et de gestion de carrières, les relations sociales à l'égard des représentants des employés ou des procédures de négociation;</li> <li>- les risques relatifs aux systèmes d'information, qui comprennent les risques liés à l'aménagement du développement des systèmes, les risques liés à la conception, au développement, à la maintenance et la sécurité des applications, et les risques liés à l'utilisation d'applications et de logiciels.</li> <li>- les risques liés à la mise en œuvre des opérations (en particulier, les risques liés aux marchés de prêts municipaux et des collectivités locales dans l'UE): la fiabilité de l'information, le respect des procédures, la fiabilité des produits livrables, les erreurs humaines et la surveillance insuffisante des activités;</li> <li>- les risques liés à l'organisation opérationnelle: ce risque est lié aux faiblesses de l'Emetteur à l'égard de sa stratégie et de son organisation ainsi qu'aux inefficacités des procédures définies ou à la définition inappropriée des interfaces;</li> </ul>
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		<p>- les risques liés aux retards des indemnisations en lien avec les polices d'assurance, y compris l'assurance de crédit export;</p> <p>- risques de sécurité: ce risque fait référence à la continuité et la reprise des activités (y compris l'élaboration d'un plan de continuité des activités), des biens et des personnes;</p> <p>- les risques commerciaux et de partenariat: les risques concernant le défaut d'un partenaire, le partage des responsabilités, la mise en service, la distribution des produits, la connaissance des besoins et de l'éthique des clients;</p> <p>- les risques liés à l'éthique professionnelle: le risque de non-conformité en matière d'éthique professionnelle dans ses relations avec les clients ainsi que le risque lié à sa réputation en raison de ce non-respect. En particulier, cela pourrait être lié au non-respect des lois régissant les prêts municipaux, des collectivités locales et de l'UE ou le manquement de la Caisse Française de Financement Local aux législations applicables en France relatives aux obligations foncières ou encore le non-respect de la réglementation relative au Crédits-Export; et</p> <p>- les risques liés au non respect des réglementations en matière de lutte contre le blanchiment d'argent.</p> <p>La survenance de tels risques opérationnels mentionnés ci-dessus pourrait affecter les activités de l'Emetteur, ses bénéficiaires et sa situation financière.</p> <p><b>11. Risque de non-conformité</b></p> <p>SFIL est exposé au risque de non-conformité. Le risque de non-conformité est le risque de sanction judiciaire, administrative ou disciplinaire, de perte financière significative ou d'atteinte à la réputation qui naît du non-respect de dispositions propres aux activités bancaires et financières qu'elles soient de nature législative ou réglementaire.</p> <p><b>12. Les risques juridiques</b></p> <p>Le risque qu'un litige soit intenté contre l'Emetteur par une contrepartie en raison d'une ambiguïté, lacune ou d'une insuffisance qui pourrait être imputée à l'Emetteur.</p> <p><b>13. L'Emetteur est exposé à certains litiges liés à des questions fiscales</b></p> <p>Ces litiges pourraient affecter négativement les résultats d'exploitation et la situation financière de l'Emetteur.</p> <p><b>14. L'Emetteur est exposé à certains litiges liés à des prêts structurés qui pourraient nuire à son activité, son état financier et ses résultats d'exploitation</b></p> <p>Dans son portefeuille, l'Emetteur a des prêts structurés considérés comme sensibles, qui avaient été accordés aux emprunteurs français de Dexia Crédit Local. Certaines collectivités locales et municipalités ont intenté des actions en justice à l'encontre de Dexia Crédit Local, l'Emetteur et/ou la Caisse Française de Financement Local. En raison de ces procédures judiciaires, certains prêts pourraient être déclarés nuls ou être annulés, en totalité ou en partie. Dans de tels cas, les flux de trésorerie, les résultats d'exploitation et l'état financier de l'Emetteur pourraient être significativement affectés.</p>
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	<p><b>15. Evolutions dans les réglementations financières applicables régissant les établissements de crédit</b></p> <p>L'Emetteur est un établissement de crédit et est dès lors soumis aux lois et réglementations financières. Les lois et réglementations financières françaises et européennes ont été régulièrement modifiées, et le cadre juridique est en constante évolution. Ces évolutions réglementaires (notamment sur le ratio de levier) pourraient avoir un impact sur son activité économique et ainsi créer des risques légaux et opérationnels à court et moyen termes.</p> <p><b>16. Les modifications apportées aux normes comptables</b></p> <p>A ce jour, l'Emetteur ne peut pas prévoir avec certitude l'impact potentiel d'un changement quelconque dans les normes comptables (ou d'autres potentielles futures modifications à ces normes); cependant toutes modifications significatives apportées aux normes comptables pourraient impacter ses activités et son état financier.</p> <p><b>17. Les risques liés à la directive européenne sur le redressement et la résolution des crises bancaires</b></p> <p>Le 2 juillet 2014, la Directive 2014/59/UE établissant un cadre pour le redressement et la résolution des défaillances d'établissements de crédit et d'entreprises d'investissement est entrée en vigueur. Cette Directive vise à mettre en place une série de mesures pouvant être prises par les autorités de contrôle compétentes pour les établissements de crédit et les entreprises d'investissement considérés comme étant en risque de défaillance. L'exercice de tout pouvoir au titre de cette Directive ou toute suggestion d'un tel exercice pourrait affecter de façon négative les droits des porteurs de Titres et/ou le prix ou la valeur de leur investissement dans les Titres et/ou la capacité de SFIL à remplir ses obligations relatives aux Titres.</p> <p><b>18. La notation de crédit de l'Emetteur pourrait être affectée par la notation de crédit de l'Etat français</b></p> <p>L'actionnariat de l'Emetteur le rend indirectement dépendant de la situation de l'Etat français. La notation de crédit de l'Emetteur est donc étroitement liée à celle de l'Etat français. En cas de baisse de la notation de crédit de l'Etat français, les notations de l'Emetteur et des Titres pourraient être affectées.</p> <p><b>19. Les Porteurs de Titres ont uniquement recours à l'Emetteur</b></p> <p>Les Titres émis sont de la seule responsabilité de l'Emetteur et les Porteurs de Titres auront uniquement recours à l'Emetteur pour les paiements dus.</p> <p><b>20. Risque de concentration et risque lié à l'implantation géographique de l'Emetteur</b></p> <p>L'Emetteur opère principalement sur le marché français. Un affaiblissement de l'économie française pourrait donc engendrer une baisse de l'activité de l'Emetteur. En outre, l'Emetteur détient un nombre important d'actifs représentant des prêts à des emprunteurs situés en Italie et en Suisse. Des conditions financières, économiques et fiscales défavorables dans ces économies ainsi que des faiblesses perçues de la situation financière d'un pays pourraient également avoir un impact défavorable sur la qualité de crédit du portefeuille d'actifs et par conséquent, pourraient avoir un impact négatif sur l'Emetteur.</p>
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		<p><b>21. Risque lié aux missions de politique publique confiées par l'Etat français à SFIL</b></p> <p>Deux des activités principales de SFIL sont des missions de politique publique confiées par l'Etat français : (i) le refinancement des prêts au secteur public local et (ii) le refinancement des crédits acheteurs garantis par l'agence publique française de crédit export sous le contrôle de l'Etat français, pour son compte et en son nom, et ainsi, contribuer à renforcer la compétitivité des grands contrats d'export négociés par des entreprises françaises. Si les missions de politique publique de SFIL venaient à être retirées par l'Etat français, cela pourrait potentiellement impacter l'Emetteur.</p> <p><b>22. Risque lié aux privilèges accordés à d'autres créanciers</b></p> <p>En cas de procédures d'insolvabilité ouvertes à l'encontre de l'Emetteur, les Porteurs de Titres pourraient être affectés défavorablement en raison des privilèges accordés aux autres créanciers.</p> <p><b>23. La sortie du Royaume-Uni de l'Union européenne pourrait affecter négativement la valeur de Titres</b></p> <p>Le 23 Juin 2016, le Royaume-Uni a organisé un référendum sur le maintien de son adhésion au sein de l'Union Européenne. La sortie de l'Union Européenne a été votée à la majorité et le gouvernement du Royaume-Uni a exercé son droit de retrait de l'Union Européenne conformément à l'article 50 du Traité sur l'Union Européenne le 29 mars 2017. Conformément à cet article 50, le Traité sur l'Union Européenne et le Traité sur le fonctionnement de l'Union Européenne cesseront d'être applicables au Royaume-Uni à partir de la date d'entrée en vigueur de l'accord de retrait, ou, à défaut, deux ans après la notification de son intention de se retirer, bien que cette période puisse être étendue dans certaines circonstances. Il existe un certain nombre d'incertitudes quant à l'avenir du Royaume-Uni et de ses relations futures avec l'Union européenne. Les négociations relatives aux modalités de départ du Royaume-Uni sont susceptibles de durer un certain nombre d'années. Jusqu'à ce que les termes et l'échéance de la sortie du Royaume-Uni de l'Union européenne soient plus clairs, il n'est pas possible de déterminer l'impact qu'aura le référendum, le départ du Royaume-Uni de l'Union européenne et/ou toutes autres questions connexes, sur la situation financière de l'Emetteur. Par conséquent, aucune assurance ne peut être donnée que ces événements n'affectent pas la capacité de l'Emetteur d'honorer ses obligations en vertu des Titres ainsi que la valeur et/ou la liquidité des Titres sur le marché secondaire.</p>
D.3	<p><b>Informations clés sur les principaux risques propres aux Titres</b></p>	<p>Il existe certains facteurs susceptibles d'affecter la capacité de l'Emetteur à remplir ses obligations relatives aux Titres émis en vertu du Programme, incluant :</p> <p>Risques généraux relatifs aux Titres tels que:</p> <ul style="list-style-type: none"> <li>- les investisseurs doivent procéder à une revue indépendante et obtenir un conseil professionnel concernant les Titres émis dans le cadre du Programme;</li> <li>- le rendement effectif des Titres émis dans le cadre du Programme peut être réduit par rapport au taux présenté du fait des frais liés à la</li> </ul>

		<p>transaction. En effet, lorsque les Titres émis dans le cadre du Programme sont achetés ou vendus, certains coûts peuvent réduire de façon significative ou annuler le profit potentiel lié à ces Titres (notamment les frais liés à la transaction, les commissions, les frais de courtage ou de garde) ;</p> <ul style="list-style-type: none"> <li>- des conflits d'intérêt potentiels peuvent naître entre les porteurs et les différentes parties impliquées dans le Programme, y compris mais sans caractère limitatif, les choix et décisions discrétionnaires d'un agent désigné pour une émission de Titres dans le cadre du Programme;</li> <li>- la notation des crédits des Titres peut ne pas refléter l'ensemble des risques;</li> <li>- un marché secondaire liquide pour les Titres émis dans le cadre du Programme peut ne pas se développer ;</li> <li>- le marché secondaire pour les Titres émis dans le cadre du Programme peut être volatile et peut être affecté de manière négative par de nombreux événements ;</li> <li>- la modification, renonciation et substitution des conditions des Titres, qui ne sont pas souhaitées par la totalité des Porteurs, peuvent être effectuées par la majorité des Porteurs ;</li> <li>- les achats de Titres peuvent être soumis à certaines taxes ou autres coûts;</li> <li>- changement de loi - Aucune assurance ne peut être donnée quant à l'impact d'une décision de justice ou d'une modification de la législation française ou d'un changement dans l'application ou l'interprétation de la législation française postérieure à la date du Prospectus de Base ;</li> </ul>
		<ul style="list-style-type: none"> <li>- proposition de directive sur la taxe commune sur les transactions financières : la proposition de directive relative à la taxe sur les transactions financières a un champ d'application large et pourrait, si elle était adoptée, s'appliquer à certaines opérations portant sur les Titres (notamment les transactions du marché secondaire) dans certaines circonstances.</li> </ul> <p>Risques relatifs à la structure particulière d'une émission de Titres dans le cadre du Programme tels que :</p> <ul style="list-style-type: none"> <li>- les Titres émis dans le cadre du Programme peuvent ne pas convenir à tous les investisseurs;</li> <li>- les Titres peuvent être assortis d'une option de remboursement anticipé par SFIL ;</li> <li>- [(Insérer pour les Titres à Taux Fixe) la valeur des Titres à Taux Fixe peut varier]</li> <li>- [(Insérer pour les Titres à Taux Variable) les Titres à Taux Variable peuvent être volatiles ;]</li> <li>- [(Insérer pour les Titres à Taux Variable) les Porteurs ne pourront pas calculer par avance le taux de rendement des Titres à Taux</li> </ul>

		<p>Variable ;]</p> <ul style="list-style-type: none"> <li>- [(Insérer pour les Titres à Taux Fixe/Variable ou les Titres à Taux Variable/Fixe, selon le cas) [les Titres à Taux Fixe/Variable peuvent avoir un <i>spread</i> moins favorable que les <i>spreads</i> applicables aux Titres à taux variable comparables et liés au même taux de référence.] / [Les Titres à Taux Variable/Fixe peuvent avoir un nouveau taux fixe inférieur;]]</li> <li>- [(Insérer pour les Titres à Coupon Zéro) les Titres à Coupon Zéro émis dans le cadre du Programme sont sujets à des fluctuations plus importantes que les Titres non décotés;]</li> <li>- [(Insérer pour les Titres Indexés sur l'Inflation) les Porteurs peuvent être exposés au risque relatif aux Titres Indexés sur l'Inflation, qui dépendent de la performance de l'indice;</li> <li>- Les Titres Indexés sur l'Inflation avec un multiplicateur ou autre facteur de levier peuvent constituer des investissements particulièrement volatiles;</li> </ul> <p>Des facteurs additionnels relatifs aux Titres Indexés sur l'Inflation (tels que les indices sur l'inflation peuvent être sujets à des changements significatifs, que ce soit en raison de la composition dudit indice sur l'inflation, ou en raison des fluctuations de la valeur de l'indice sur l'inflation; le taux d'intérêt résultant sera moins élevé (ou plus élevé) que celui payable sur des titres de créance classiques émis par l'Emetteur au même moment ; ou le Porteur de Titres Indexés sur l'Inflation pourrait perdre l'intégralité ou une partie du principal desdits Titres);]</p> <ul style="list-style-type: none"> <li>- les Titres ne sont pas garantis;</li> <li>- le Montant de Remboursement peut être sensiblement inférieur à la valeur de l'investissement dans les Titres.</li> <li>- [(A intégrer pour Titres lié à un indice de référence) Les réglementations et la réforme des "indices de référence" peuvent affecter défavorablement la valeur des Titres indexés ou faisant référence à ces "indices de référence".]</li> <li>- [(Insérer pour les Titres indexés sur le LIBOR) La cessation future du LIBOR peut affecter défavorablement la valeur des Titres à Taux Variable qui font référence au LIBOR.]</li> </ul> <p>Un investissement dans des Titres comporte certains risques qui sont importants dans l'évaluation des risques de marché associés aux Titres émis dans le cadre du Programme. Si tous ces risques constituent des éventualités susceptibles ou non de se produire, les investisseurs potentiels doivent savoir que les risques encourus en matière d'investissement dans des Titres peuvent aboutir à une volatilité et/ou une diminution de la valeur de marché de la Tranche de Titres concernée qui ne correspond plus aux attentes (financières ou autres) d'un investisseur qui a souscrit ces Titres.</p>
		<p>Toutefois, chaque investisseur potentiel de Titres doit déterminer en se fondant sur son propre jugement et en faisant appel aux conseils de spécialistes s'il le juge nécessaire, si son acquisition de Titres correspond parfaitement à ses besoins financiers, ses objectifs et ses conditions, si cette acquisition est conforme et compatible avec toutes les politiques d'investissement, les</p>

		directives et restrictions qui lui sont applicables et s'il s'agit d'un investissement qui lui convient, malgré les risques évidents et importants inhérents à l'investissement et à la détention de Titres.
<b>D.6</b>	<b>Informations clés sur les facteurs significatifs permettant de déterminer les risques associés aux Titres Indexés sur l'Inflation</b>	Les investisseurs potentiels de Titres Indexés sur l'Inflation doivent savoir que ces Titres sont des titres de créance dont le montant d'intérêt et/ou dont le montant du principal dépendent de la performance : (i) de l'indice des prix à la consommation (hors tabac) des ménages en France ou l'indice applicable lui étant substitué calculé et publié mensuellement par l'INSEE, ou (ii) de l'indice des prix à la consommation harmonisé (hors tabac), ou l'indice applicable lui étant substitué, mesurant le taux de l'inflation dans l'Union Monétaire Européenne calculé et publié mensuellement par Eurostat. Si à la date de maturité le niveau du Ratio de l'Indice d'Inflation est inférieur à 1,00 les Titres seront remboursés au pair.

<b>Section E – Offre</b>		
<b>E.2b</b>	<b>Raisons de l'offre et utilisation du produit de l'offre</b>	<p>Le produit net de l'émission de chaque Tranche de Titres sera utilisé par l'Emetteur pour les besoins généraux de l'entreprise sauf indication contraire dans les Conditions Définitives concernées.</p> <p><i>Résumé spécifique à l'émission</i></p> <p>[Le produit net de l'émission des Titres sera utilisé par l'Emetteur pour les besoins généraux de l'entreprise./<i>préciser autre</i>]</p>
<b>E.3</b>	<b>Modalités de l'offre</b>	<p>Les Titres pourront être offerts au public en France. Toute offre au public sera spécifiée dans les Conditions Définitives applicables.</p> <p>Il existe des restrictions concernant l'achat, l'offre, la vente et la livraison des Titres ainsi qu'à la possession ou la distribution du Prospectus de Base ou de tout autre document d'offre ou des Conditions Définitives.</p> <p>A l'exception de la section A.2 ci-dessus, ni l'Emetteur ni aucun des Agents Placeurs n'a autorisé une personne à faire une Offre au Public en aucune circonstance et aucune personne n'est autorisée à utiliser le Prospectus de Base dans le cadre de ses offres de Titres. Ces offres ne sont pas faites au nom de l'Emetteur ni par aucun des Agents Placeurs ou des Etablissements Autorisés et ni l'Emetteur ni aucun des Agents Placeurs ou des Etablissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p> <p><i>Résumé spécifique à l'émission</i></p> <p>[Sans objet. Les Titres ne font pas l'objet d'une offre au public.]</p>
		<p>[Les Titres sont offerts au public en France].</p> <p>Prix d'Offre: [Prix d'Émission / <i>préciser</i>]</p> <p>Conditions auxquelles l'offre est soumise: [Sans objet / <i>détailler</i>]</p> <p>Période d'Offre (y compris les [●] modifications possibles) :</p> <p>Description de la procédure de demande: [Sans objet / <i>détailler</i>]</p>

		<p>Informations sur le montant minimum [Sans objet / <i>détailler</i>] et/ou maximum de souscription:</p> <p>Modalités et date de publication des [Sans objet / <i>détailler</i>] résultats de l'offre:</p>
<b>E.4</b>	<b>Intérêts des personnes morales ou physiques impliquées dans l'émission des Titres</b>	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres.</p> <p><i>Résumé spécifique à l'émission</i></p> <p>[A la connaissance de l'Emetteur, aucune personne participant à l'émission de Titres n'y a d'intérêt significatif.] / [Les Agents Placeurs percevront une commission d'un montant de [●]% du montant en principal de Titres. A la connaissance de l'Emetteur, aucune autre personne participant à l'émission de Titres n'y a d'intérêt significatif.]</p>
<b>E.7</b>	<b>Estimation des Dépenses mises à la charge de l'investisseur par l'Emetteur ou l'offreur</b>	<p>Les Conditions Définitives concernées préciseront le cas échéant les estimations des dépenses pour chaque Tranche de Titres.</p> <p><i>Résumé spécifique à l'émission :</i></p> <p>[Sans objet] / [Les dépenses mises à la charge de l'investisseur sont estimées à [●].]</p>

## RISK FACTORS

*Prior to making an investment decision, prospective investors in the Notes offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all the information of this Base Prospectus and, in particular, the risks factors set forth below. Each of the risks highlighted below could have a material adverse effect on the business, operations, financial conditions or prospects of the Issuer or the Group, which in turn could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment. This section is not intended to be exhaustive and prospective investors should make their own independent evaluation of all risk factors and should read the detailed information set out elsewhere in this Base Prospectus. Words and expressions defined in the section entitled "Terms and Conditions of the Notes" herein shall have the same meanings in this section.*

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

### **I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**

*SFIL believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and SFIL is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with SFIL are also described below.*

*SFIL believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of SFIL to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and SFIL does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The risks described below are not the only risks SFIL faces. Additional risks and uncertainties not currently known to SFIL or that it currently believes to be immaterial could also have a material impact on its business operations. 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 applicable 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 Notes prior to investing in the Notes.*

#### *1. Credit Risk*

Credit risk represents the potential loss that SFIL may incur by reason of the deterioration of its counterparties' solvency. A default by any of its counterparties or clients could have an effect on its financial situation. A solvency default by a counterparty or client could generate significant liquidity problems and cause other institutions to default. The stability of such institutions depends greatly on the trends in the market, notably through credit and other financial flows linking these institutions together. This risk can adversely affect the financial intermediaries, banks and depositories with which SFIL operates daily which may therefore adversely affect its income, returns and solvency.

SFIL faces credit risk on its loans and bonds portfolio, including its treasury portfolio. SFIL's portfolio is principally made up of exposures on public borrowers. The ability of public sector borrowers, including local authorities and municipalities, to meet their payment obligations may be affected by their levels of indebtedness, social spending obligations, interest rates and tax revenue collections, transfers of subsidies from the central governments, each of which could be adversely affected by a deterioration of general economic conditions. Deteriorating economic conditions could therefore have a material adverse effect on the credit quality of the assets of SFIL.

## 2. Counterparty risk on derivatives

SFIL enters into derivative transactions with a number of bank counterparties as part of its currency and interest rate hedging operations. These derivatives are governed by master agreements that provide for the bilateral exchange of collateral or unilateral exchange of collateral in favour of CAFFIL. When a derivative is entered into between SFIL and CAFFIL, SFIL is unilaterally posting collateral to CAFFIL. In this last hypothesis, SFIL benefits for its derivative exposures on CAFFIL from the legal *privilège, pari passu* with the covered bonds (*obligations foncières*) of CAFFIL.

While having collateral agreements and hedging derivatives with a large number of counterparties is designed to mitigate risk, SFIL is nonetheless exposed to the risk of default of its derivative counterparties.

## 3. Counterparty risk on financial assets

The assets of SFIL are invested in various types of debt instruments. SFIL is therefore exposed to the evolutions of the value of its portfolio in case of decrease in the prices of these financial assets and is also exposed to counterparty risks in relation to these financial assets.

## 4. Implementation of Basel III Risk-Weighted Asset Framework

On 16 December 2010 and 13 January 2011, the Basel Committee on Banking Supervision (the "**Basel Committee**") published a revised framework ("**Basel III**"), including new capital and liquidity standards for credit institutions. Those measures were scheduled to be implemented by relevant authorities starting from 1 January 2013 with full implementation on 1 January 2019.

In particular, the changes introduced by Basel III refer to, amongst other things:

a complete review of the capital standards;

the introduction of a leverage ratio; and

the introduction of short-term and longer-term standards for funding liquidity (referred to as the "*Liquidity Coverage Ratio*" and the "*Net Stable Funding Ratio*").

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. 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 n°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 implementation of Basel III and the CRD IV package has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. The direction and 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. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of the CRD IV package.

In addition, the implementation of Basel III and the CRD IV package could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the CRD IV package. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of CRD IV package could have on them.

##### *5. SFIL may face a decrease in its activity and in its margins in the local authority and municipal lending market or in the refinancing of export credit*

SFIL may face increasing competition in the local authority and municipal lending market or in the refinancing of export credit. In France, where it will source its new assets, competition may increase from French universal banks. Certain of SFIL's and La Banque Postale's competitors may be larger and better capitalized than SFIL. Consequently, SFIL 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. There can be no assurance that existing or increased competition in the French municipal banking sector or in the refinancing of export credit will not lead to a reduction of margins for new commitments and ultimately adversely affect SFIL's business, financial condition, cash flows and results of operations.

There can also be no assurance that amounts of loans to the local authorities and municipalities bought from La Banque Postale will remain at their current level.

##### *6. Market Risks*

Market risk is limited to the market risk of the trading portfolio on a consolidated basis. SFIL does not carry out trading operations, and is therefore not subject to market risk in the regulatory sense of the term. Moreover, on a consolidated basis, 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 of SFIL, 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. Therefore, market risks exist and any decline in the debt markets could have an adverse effect on the financial situation, operations and cash flows of SFIL. 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 financing 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.

##### *7. Liquidity Risk*

Liquidity risk can be defined as the risk that SFIL may not be able to find the necessary liquidity to cover the financing needs related to its activity, and/or may not be able to settle its liabilities in due date. There is a risk that SFIL cannot sell a financial asset at its true value or cannot sell it at all. As a consequence, SFIL faces the risk that it cannot meet its obligations, such as being unable to reimburse its counterparties or investors.

The Group's liquidity requirements are mainly of three types: (i) financing of assets, including those on CAFFIL 's balance sheet to cover the covered bonds (*obligations foncières*) that CAFFIL issues, (ii) financing of liquidity needs linked to compliance with regulatory ratios including its subsidiary CAFFIL collateral ratio, (iii) financing of the cash collateral of hedging derivatives intermediated by SFIL between CAFFIL and external bank counterparties. Liquidity needs may increase in case of adverse market conditions.

As SFIL turns to the market for short-, medium- or long-term financing, prolonged disruptions, uncertainty or volatility in the debt markets may limit SFIL's ability to access funding, particularly its ability to issue longer-dated securities in international capital markets. These market conditions may limit SFIL's ability to replace, in a timely manner, maturing liabilities. SFIL may also be forced to delay raising longer term funding, rely on shorter term funding than it would prefer to, or pay higher interest rates, thereby increasing its debt expense, decreasing its profitability and significantly reducing its financial flexibility.

##### *8. Foreign exchange risk*

Foreign exchange risk is the verified or potential risk of volatility of income related to adverse movements in foreign exchange rates. The reference currency of SFIL is the Euro. The foreign exchange risk thus reflects any change in the value of assets and liabilities denominated in a currency other than the Euro by reason of a

fluctuation of this currency vis-à-vis the Euro. Although SFIL's policy is to avoid foreign exchange risk, with the development of export credit activity denominated in US Dollars, the portion of revenues of SFIL denominated in US Dollars and un-hedged may increase in the future.

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

In the context of the extension of its activities to the refinancing of large export credit, the particular features of these loans lead SFIL 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 at the time and after the signing date of the contract. Changes in market conditions could therefore adversely affect its results of operations, financial condition and business prospects.

In order to reduce currency and spread risks, hedging operations may be entered into as soon as a firm offer for a credit refinancing has been delivered. In some cases, the credit may not be signed and related hedging operations may be cancelled, which could adversely affect SFIL's results of operations, financial conditions and business prospects.

#### *10. Operational Risks*

SFIL defines operational risk 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;
- human resources and skills risk: this relates to the inadequacy of the available skills and human resources (including key-men and training), errors in setting hiring, salaries and careers management policies, social relations in relation to employees' representation or negotiation processes;
- the 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; and
- risks relating to failure of anti-money laundering policies.

The occurrence of any such abovementioned operational risks may affect SFIL's business, profits and financial situation.

### *11. 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 be of legislative or regulatory nature. For both its activities (refinancing of loans to the French public sector and refinancing of large export credits), SFIL monitors and controls the risk of non-compliance by mapping risks and developing a control plan. These documents are updated at least once a year. This mapping reviews the legislative, regulatory and professional provisions and those which refer exclusively to the Issuer and are applicable to each line of business or function, and the procedures and controls implemented to ensure compliance with these provisions. It provides a visual indication of the Issuer's exposure to non-compliance risks and outlines the bank's non-compliance risk profile. However, there is no assurance that these procedures are fully efficient. It could lead to a non-compliant situation that may have a negative impact on the reputation of SFIL and adversely affect its business, financial condition, cash flows and results of operations.

### *12. Legal Risk*

The risk of any litigation brought by a counterparty resulting from an ambiguity, loophole, shortfall which could be imputed to the Issuer.

### *13. SFIL is exposed to certain litigations linked to tax matters*

In 2015, French tax authorities investigated the income declared and the tax paid by CAFFIL, subsidiary of SFIL, for the years 2012 and 2013. Following the tax assessment, the tax authorities expressed their disagreement with the tax treatment by SFIL of the following two points: (i) the taxation in Ireland of the income of the Dublin branch of SFIL (formerly Dexia Municipal Agency Dublin branch), which has now been closed, and (ii) the deductibility of the provisions for non-performing loans. Caisse Française de Financement Local recorded a provision for additional income tax amounting to Euro 38 million in its IFRS financial statement. In 2016, discussions with tax authorities did not result in a change in the amount set aside in the IFRS accounts.

Such litigations may negatively impact the results of operations and financial condition of SFIL.

### *14. SFIL is exposed to certain litigation linked to structured loans which could adversely affect its business, financial condition and results of operations*

In its portfolio, SFIL has structured loans considered as sensitive that were granted to French borrowers of Dexia Crédit Local. Certain local authorities and municipalities initiated legal proceedings against Dexia Crédit Local, SFIL and/or Caisse Française de Financement Local. These litigations may lead to certain loans being declared void or voidable in whole or in part. In such cases, it may affect substantially cash flows, results of operations and financial condition of SFIL.

### *15. Evolutions in the applicable financial regulations governing financial institutions*

SFIL is a financial institution and is therefore subject to financial laws and regulations. The regulatory environment to which SFIL is subject gives rise to significant legal and financial compliance costs, which could have an adverse effect on the Issuer's business and financial position. French and European financial laws and regulations have been in constant evolution during the last years, and the legal framework is still being developed. These regulatory evolutions (notably the leverage ratio) could have an impact on its business activity and may create operational and legal risks in the short and medium terms

### *16. Changes to the accounting standards*

SFIL cannot predict with any certainty at this time the potential impact of any changes in the accounting standards (or of other potential future modifications to these standards); however any significant modifications to the accounting standards may adversely impact its operations and financial condition.

## 17. EU Bank Resolution and Recovery Directive

On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force. The BRRD is designed to provide authorities 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 minimising the impact of an institution's failure on the economy and financial system.

The impact of the BRRD and its implementing provisions on credit institutions, including the Issuer, could materially affect the activity and financial condition of the Issuer and the value of any Notes.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers provided to authorities in the BRRD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a firm's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) where a firm's insolvency might raise a concern as to the general public interest, a clear plan to reorganise or wind down the firm in an orderly fashion while preserving its critical functions and as far as possible limiting taxpayers' exposure to losses (which should be used as a last resort).

Under the BRRD, the resolution authority may commence resolution proceedings and exercise resolution tools and powers in respect of an institution when:

- the institution is failing or likely to fail (see above);
- there are no reasonable prospects that a private action would prevent the failure; and
- a resolution action is necessary and in the public interest.

The BRRD contains four resolution tools and powers:

- sale of business: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- bridge institution: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a publicly controlled entity holding such business or part of a business with a view to reselling it);
- asset separation: enables resolution authorities to transfer impaired or problem assets to an asset management vehicles to allow them to be managed and worked out over time; and
- bail-in: gives resolution authorities the power to write down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including the Notes) to equity (the "**general bail-in tool**"), such equity being potentially subject to future cancellation, transfer or dilution by application of the general bail-in tool. When applying bail-in or a statutory write-down (including to zero) and conversion into equity power (including amendment of the terms of the Notes such as a variation of the maturity), the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If the debt bail-in or statutory write-down and conversion power has entered into force and only if this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of creditors holding the rest of eligible liabilities (including senior debt instruments such as the Notes) in accordance with the hierarchy of claims in normal insolvency proceedings.

The BRRD also provides that in exceptional circumstances, where the bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines in a manner that maintains the ability of the institution under resolution to continue key operations, services and transactions; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, in particular as regards eligible deposits held by natural persons and micro, small and medium sized enterprises, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State or of the Union; or (d) the application of the bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in.

Consequently, where a resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities:

(i) the level of write down or conversion applied to other eligible liabilities – as the holders of the Notes – when not excluded, may be increased to take account of such exclusions; and

(ii) if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the resolution financing arrangement may make a contribution to the institution under resolution to (a) cover any losses which have not been absorbed by eligible liabilities and restore the net asset value of the institution under resolution to zero and/or (b) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The last step – if there are losses left – would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

The BRRD applies since 1 January 2015, except for the general bail-in tool which applies since 1 January 2016.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") and to the national resolution authorities. For Member States participating in the Banking Union (which includes France), the Single Resolution Mechanism (the "**SRM**") fully harmonises the range of available tools, but Member States are authorised to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

As from November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision under the SSM of significant credit institutions in Eurozone member states. In addition, an SRM has been set up to ensure that the resolution of banks across the Eurozone is harmonised. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

The Issuer has been designated as a significant supervised entity for the purposes of Article 49(1) of the SSM Regulation and is consequently subject to the direct supervision of the ECB. This means that the Issuer is also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large extent, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The implementation of the BRRD in France was made by several legislative texts. The banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (the "**Banking Law**") had anticipated the implementation of the BRRD and had introduced in the French *Code monétaire et financier* Article L.613-31-16 which allows the ACPR to exercise resolution powers when an institution is subject to a procedure relating to its recovery or resolution.

Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the

"**Ordinance**") published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning implementing Section A of the Annex of the BRRD, (ii) resolution planning implementing Section B of the Annex of the BRRD, and (iii) criteria to assess the resolvability of an institution or group implementing Section C of the Annex of the BRRD, were published on 20 September 2015, mostly to define implementing rules of the BRRD.

The Ordinance has been ratified by law no. 2016-1691 dated 9 December 2016 (*Loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporates provisions which clarify the implementation of the BRRD.

French credit institutions (as the Issuer) must now comply at all times with minimum requirements for own funds and eligible liabilities (the "**MREL**") under Article L.613-44 of the French *Code monétaire et financier*. The MREL is expressed as a percentage of total liabilities and equity of the institution and aims to prevent institutions to structure their commitments in a manner which could limit or prevent the effectiveness of the bail-in tools.

The powers set out in the BRRD as implemented in France will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, holders of Notes may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The BRRD also provides that the relevant resolution authority can modify the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments).

It is not yet possible to assess the full impact of the BRRD as implemented in France on the Issuer and there can be no assurance that it will not adversely affect the rights of holders of Notes, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

#### *18. Credit rating of SFIL will be affected by the credit rating of the French State*

The shareholding of SFIL renders it indirectly dependent on the situation of the French State, the shares of SFIL being currently owned by the French State (75%), Caisse des Dépôts et Consignations (20%) and La Banque Postale (5%). The credit rating of SFIL is therefore closely linked to that of the French State. Moreover, in the context of the extension of its activities to the refinancing of large export credit, SFIL will also grant export credit loans. These loans will be 100% insured by the French public export credit agency under the French State's control, on its behalf and in its name. The export credits will thus be 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 deterioration in general economic conditions. Deteriorating economic conditions could therefore have a material adverse effect on the credit quality of the assets of SFIL.

In the event of a downgrade of the credit rating of the French State, ratings of SFIL and of the Notes may be affected. If the credit rating of the Notes were reduced due to these factors, such downgrade may adversely affect the value of SFIL's outstanding Notes, increase SFIL's cost of borrowing and adversely affect SFIL's ability to issue new Notes.

#### *19. Noteholders have recourse only to SFIL*

The Notes are the liabilities of SFIL only, and Noteholders will therefore only have recourse to SFIL for payments due under the Notes. SFIL is closely linked to the French State, its "reference shareholder" under French law, and therefore the credit rating of SFIL is linked to that of the French State. However, the Notes are not guaranteed by the French State.

Investors must therefore make an informed assessment of the creditworthiness of SFIL before investing in the Notes.

#### *20. SFIL Geographic and Concentration Risk*

SFIL operates primarily within the French market. A weakening of the French economy could therefore bring about a decline in SFIL's activity.

Furthermore, SFIL holds a significant amount of assets representing lending to borrowers in Italy and Switzerland. Adverse financial, economic and fiscal conditions in these economies and perceived weaknesses of a country's financial situation may also have an adverse impact on the credit quality of these assets and consequently potentially adversely affect the Issuer.

#### *21. Risk relating to the public policy missions entrusted by the French State to SFIL*

Two of SFIL's principal activities are public policy missions entrusted by the French State.

When SFIL was created in 2013, it was entrusted by the French State with the mission related to the refinancing of local public sector loans. The Issuer was created as one of the key elements of a system that finds its source in the French State's determination to provide French local authorities and public healthcare facilities with continuous and efficient access to long-term bank financing.

In 2015, the French State entrusted SFIL with a second public policy mission: to refinance buyer credits insured by the French public export credit agency under the French State's control, on its behalf and in its name and thereby to help enhance the competitiveness of the large export contracts negotiated by French firms. The objective is to supply market financing with the volumes and maturities adapted to export credits relying on the financing capacities of SFIL and its subsidiary Caisse Française de Financement Local. This second mission is part of an approval granted by the European Commission on 5 May 2015, to expand the scope of SFIL's activities as a public development bank, in the refinancing of export credits in order to resolve market failure in this sector.

If SFIL's public policy missions were withdrawn by the French State, it could potentially adversely affect the Issuer.

#### *22. Risk linked to the privileges granted to other creditors*

In case of insolvency proceedings opened against SFIL, the Noteholders may be adversely affected by the privileges granted to other creditors.

Notes issued by SFIL do not benefit from any privilege. Some of the moneys borrowed by SFIL from its shareholder Caisse des Dépôts et Consignations under the financing agreement between SFIL and Caisse des Dépôts et Consignations and aiming at financing the over collateralization of Caisse Française de Financement Local ("CAFFIL") are secured by the unprivileged intragroup loans granted by SFIL to Caisse Française de Financement Local. Loans granted by Caisse Française de Financement Local to SFIL for the refinancing of export loans acquired by SFIL from export banks will be securitized by the underlying export loans.

#### *23. The United Kingdom leaving the European Union could adversely affect SFIL*

On 23 June 2016 the United Kingdom held a referendum to decide on its membership within the European Union. The UK vote was to leave the European Union and the UK Government invoked its right to withdraw from the European Union pursuant to article 50 of the Treaty on the European Union on 29 March 2017. Under such article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union will cease to apply in the UK from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the United Kingdom and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. Until the terms and timing of the United Kingdom's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the Issuer's financial condition. As such, no assurance can be given that such matters would not adversely affect

the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

## **II. RISKS RELATING TO THE NOTES**

*The following paragraphs describe some risk factors that are material to the Notes to be offered and/or admitted to trading in order to assess the market risks associated with these Notes.*

### **1. General Risks relating to the Notes**

#### *General*

There are certain factors which are material for the purpose of assessing the risks associated with an investment in Notes issued under the Programme. Such factors will vary depending on the type of Notes issued, in particular in relation to Notes, the interest and/or redemption amount of which is linked to the value of an inflation index (the "**Inflation Linked Notes**").

#### *Assessment of Investment Suitability*

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risk of investing in the Notes and the information contained or incorporated by reference in the Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency.

Some Notes are complex financial instruments. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Some Notes which are complex financial instruments may be redeemable at an amount below par in which case investors may lose the value of part or their entire investment.

#### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult their legal, tax or financial counsel in order to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any Notes.

#### *Legality of Purchase*

Neither the Issuer, the Dealer(s) nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, 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.

*The trading market for debt securities may be volatile and may be adversely impacted by many events.*

The market for debt securities is influenced by the economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other industrialised countries and areas. There can be no assurance

that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

*An active trading market for the Notes may not develop.*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes. It is not possible to predict the price at which Notes will trade in the secondary market. The Issuer may, but is not obliged to, list Notes on a stock exchange. Also, to the extent Notes of a particular issue are redeemed in part, the number of Notes of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Notes of such issue. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes.

*A credit rating reduction may result in a reduction in the trading value of Notes*

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer and the Group. Such perceptions are generally influenced by the ratings accorded to the outstanding Notes of the Issuer by standard statistical rating services, such as Standard & Poor's Credit Market Services France SAS, Moody's Investors Service Ltd, Fitch France SAS or any other rating agency. A reduction in, or a placing on credit watch of the rating, if any, accorded to outstanding debt securities of the Issuer and/or the Group by one of these or other rating agencies could result in a reduction in the trading value of the Notes.

*The credit rating of the Notes may not reflect all risks*

The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. 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. The rating reflects the possibility of default of the Issuer of the Notes as judged by the credit rating agencies. In addition, an investment in the Notes involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer may adversely affect the market value of the relevant Notes.

*Notes are Unsecured Obligations*

Notes are unsecured obligations of the Issuer.

*A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

*No voting rights*

The Notes do not give the Noteholders the right to vote at meetings of the shareholders of the Issuer.

*No legal and tax advice*

Each prospective investor should consult its own advisers as to legal, tax and related aspects investment in the Notes.

### *Modification and waivers*

The Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 11 (Representation of Noteholders), and a General Meeting can be held or Written Decisions can be taken. The Terms and Conditions of the Notes permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting or did not consent to the Written Decision or Noteholders who voted in a manner contrary to the majority. Noteholders may through Collective Decisions deliberate 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 11 (Representation of Noteholders).

### *Change of law*

The Terms and Conditions of the Notes are based on French law in force as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible decision or change to French law or the official application or interpretation of French law after the date of this Base Prospectus.

### *Credit Risk*

An investment in the Notes 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 Notes, and investors may lose all or part of their investment.

### *French Insolvency Law*

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a preservation (*procédure de sauvegarde*), accelerated preservation (*procédure de sauvegarde accélérée*), accelerated financial preservation (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*), draft accelerated preservation plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or draft judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in the form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders expressing a vote). No quorum is required to convoke the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Base Prospectus will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

### *Potential conflicts of interest*

The Calculation Agent may be an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and holders of such Notes, including with respect to certain determinations and judgments that

the Calculation Agent must make. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgement.

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 and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, 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 addition, in the ordinary course of their business activities, 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. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. 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 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 Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. 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.

In addition, potential conflicts may arise between the Noteholders and the calculation agent (including where a Dealer acts as calculation agent) or any agent appointed for a Tranche of Notes, including with respect to certain discretionary determinations and judgments that such agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes. 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 Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

#### *Interest Rate Risk*

Interest rate risk is the risk incurred in the event of a change in interest rates resulting from all balance sheet and off-balance sheet transactions. SFIL distinguishes three types of interest rate risk:

- the fixed interest rate risk reflects the difference in volume and maturity between fixed-rate assets and liabilities for which the interest rate has been fixed;
- the fixing risk reflects, for each index, the gap between the revision dates applied to all the variable-rate balance sheet and off-balance sheet items linked to this index;
- the risk of alteration of the interest rate curve is linked to fluctuations in the differences between short-term and long-term rates. It concerns non-parallel variations in the interest rate curve – sloping, flattening, rotation.

Moreover, changes in interest rates may have an impact on the Notes since fluctuations in interest rates may affect the yields on, and the market value of, the Notes:

- during periods when interest rates are rising, the price of fixed income securities tends to decrease and gains on the sale of such securities are lower or losses greater; and
- if interest rates are low for a long time, investments could be affected in such a way that they would no longer match the liabilities of SFIL.

A risk may arise if insufficient provision is made to meet SFIL's commitments due to wrong assessment of available data, subsequent modification of the risk factors or inappropriate calculation parameters. The occurrence of such risk may affect SFIL's profits and financial situation.

## ***2. Risks relating to the structure of a particular issue of Notes***

*The Notes may be redeemed prior to maturity.*

In the event that the Issuer would be required to pay additional amounts in respect of any Notes due to any withholding as provided in Condition 8 of the Terms and Conditions of the Notes, the Issuer shall, in certain circumstances, redeem all of the Notes then outstanding in accordance with the Terms and Conditions of the Notes.

In the event that one or more Events of Default (as defined at Condition 9 of the Terms and Conditions of the Notes) occur, the Notes may become immediately due and repayable at their Early Redemption Amount together, with interest accrued to the date of repayment.

*Redemption at the option of the Issuer*

If the Issuer exercises its right to redeem any Notes, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

If the Issuer decides to redeem the Notes in part only, such partial redemption shall be effected by reducing the nominal amount of all such Notes in proportion to the aggregate nominal amount redeemed.

Depending on the proportion of the principal amount of all of the Notes so reduced, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. As a consequence of an early redemption, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. The Noteholder may thus not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

*Redemption at the option of the Noteholders*

Exercise of the Put Option in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised. Depending on the number of Notes of the same Series in respect of which the Put Option provided in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

*Change in value of Fixed Rate Notes*

Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes.

*Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes 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 Notes 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 issue Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and *vice versa*).

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts either automatically or at the option of the Issuer from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*Zero Coupon Notes are subject to higher price fluctuations than non-discounted notes.*

Changes in market interest rates generally have a substantially stronger impact on the prices of zero coupon notes than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon notes can suffer higher price losses than other notes having the same maturity and credit rating.

*Inflation Linked Notes can be particularly volatile investments*

Inflation Linked Notes 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.

*Additional factors relating to Inflation Linked Notes*

The Issuer may issue Notes with principal or interest determined by reference to the rate of inflation in a country or in the European Monetary Union ("**Inflation Linked Notes**"), where interest amounts and/or principal are dependent upon the performance of 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**") (the "**CPI**"), 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 (the "**HICP**").

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 Notes.

Inflation Linked Notes 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 Notes. 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 Notes to be issued or in the determination or calculation of the interest payable under such Notes.

None of the Issuer, the Dealer(s) 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 Notes 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 Notes. The issue of Inflation Linked Notes will not create any obligation on the part of any such persons to disclose to the holders of the Notes or any other party such information (whether or not confidential).

Investments in Inflation Linked Notes entail significant risks and may not be appropriate for investors lacking financial expertise. Prospective investors should consult their own financial, tax and legal advisors as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances and ensure that its acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of its incorporation and/or in which it operates, and is a suitable investment for it to

make. The Issuer believes that such Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves, in particular relating to options and derivatives and related transactions, and should be prepared to sustain a total loss of the purchase price of their Notes.

Inflation Linked Notes 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.

An investment in Inflation Linked Notes therefore entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks 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;
- the holder of an Inflation Linked Note could lose all or a substantial portion of the principal of such Note;

it may not be possible for investors to hedge their exposure to these various risks relating to Inflation Linked Notes. In addition, the value of Inflation Linked Notes on the secondary market is subject to greater levels of risk than is the value of other Notes and the market price of such Notes may be very volatile. The secondary market, if any, for Inflation Linked Notes 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 Notes, the amount outstanding of such Notes 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.

*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 29<sup>th</sup> June 2016 and applies from 1<sup>st</sup> 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".

*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.

*The Redemption Amount may be significantly less than the value of an investment in the Notes*

Each Noteholder linked to an inflation index may receive a Redemption Amount in respect of any Inflation Linked Notes. The Redemption Amount may be significantly less than the value of the Noteholder's investment in such Notes.

*Post-issuance information*

Applicable Final Terms may specify that the Issuer will not provide post-issuance information if not otherwise required by all applicable laws and regulations. In such an event, investors will not be entitled to obtain such information from the Issuer.

*Risks relating to Themed Notes*

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply an amount equal to the net proceeds of the issue of those Notes into (i) assets as defined in the green note framework (the "**Green Note Framework**") (such Notes being "**Green Notes**"), (ii) assets as defined in the social note framework (the "**Social Note Framework**") (such Notes being "**Social Notes**") or (iii) assets as defined in the sustainability note framework (the "**Sustainability Note Framework**") (such Notes being "**Sustainability Notes**", and together with Green Notes and Social Notes, the "**Themed Notes**"), such Green Note Framework, Social Note Framework or Sustainability Note Framework being published on the website of the Issuer for an issue of Themed Notes, as specified in the relevant Final Terms and as amended and supplemented from time to time.

Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Themed Notes 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 such proceeds for any asset 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, sustainability or social impact of any

projects or uses related to any asset. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green”, “sustainable” or “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 asset or use(s) the subject of, or related to, any asset will meet any or all investor expectations regarding such “green”, “social” or “sustainable” or other equivalently-labelled performance objectives.

No assurance or representation is given as to the 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 Themed Notes and in particular with any asset, to fulfill any environmental, social, sustainable 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 Themed Notes.

While it is the intention of the Issuer to apply the proceeds of any Themed Notes so specified for the relevant asset, in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant asset or use(s) the subject of, or related to, any asset, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such asset. Nor can there be any assurance that such asset will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Themed Notes.

Any such event or failure to apply the proceeds of any issue of Themed Notes for any asset as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value and marketability of such Themed Notes and also potentially the value of any other Themed Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Themed Notes shall not depend on the performance of the relevant asset.

No Dealer makes any representation as to the suitability of the Themed Notes to fulfil environmental, sustainability or social criteria required by prospective investors. The Dealers have not undertaken, nor are responsible for, any assessment of the eligibility criteria, any verification of whether the Themed Notes meet the eligibility criteria, or the monitoring of the use of proceeds. Investors should refer to the Issuer's website or any third-party opinion.

### **3. Risks related to Taxation**

#### *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and any supplement thereto that may be published from time to time, but to ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.*

Payments of interest on the Notes, or profits realised by the Noteholder upon the disposal or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

*The proposed financial transactions tax ("**FTT**")*

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia withdrew from the enhanced cooperation in March 2016.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States (excluding Estonia). It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or Participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

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

In the context of any offer of Notes in France (the "**Public Offer Jurisdictions**") that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**"), the Issuer consents to the use of the Base Prospectus and the relevant Final Terms (together, the "**Prospectus**") in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the "**Offer Period**") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

- (1) any financial intermediary designated in such 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 Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer; (c) complies with the target market assessment conducted by the manufacturer 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 Notes 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 Notes 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 Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an "**Investor**") in such Public Offer Jurisdiction(s) to whom an offer of any Notes 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) ending no later than the date falling twelve (12) months from the date of the approval of the Base Prospectus by the AMF.

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 [www.sfil.fr](http://www.sfil.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 Public 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 Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. 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 Notes from an Authorised Offeror will do so, and offers and sales of the Notes 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 Public 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 Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

## INFORMATION INCORPORATED BY REFERENCE

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

- the *Rapport financier* 2017 in French language of the Issuer filed with the AMF, which includes the consolidated financial statements of the Issuer for the period ended 31 December 2017 and the related statutory auditors' report (the "**2017 Financial Report**");
- the *Rapport financier* 2016 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 2016 and the related statutory auditors' report (the "**2016 Financial Report**");
- the terms and conditions of the Notes contained in the base prospectus of the Issuer dated 27 September 2016 which received visa no. 16-449 from the *Autorité des marchés financiers* (the "**2016 EMTN Conditions**") and the terms and conditions of the Notes contained in the base prospectus of the Issuer dated 27 September 2017 which received visa no. 17-517 from the *Autorités des marches financiers* (the "**2017 EMTN Conditions**", together with the 2016 EMTN Conditions, the "**EMTN Conditions**"),

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 2017 Financial Report, the 2016 Financial Report and the EMTN Conditions will be available on the websites of the Issuer ([www.sfil.fr](http://www.sfil.fr)) and the AMF ([www.amf-france.org](http://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](http://www.amf-france.org)). This Base Prospectus, the 2017 Financial Report, the 2016 Financial Report and the EMTN Conditions 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 2017 Financial Report and the 2016 Financial Report are available on, and may be obtained without charge from, the website of the Issuer ([www.sfil.fr](http://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:

<b>Annex XI of the European Regulation 809/2004/EC of 29 April 2004</b>	<b>Page / Paragraph</b>
<b>8. PROFIT FORECASTS OR ESTIMATES</b>	
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	N/A

general accuracy of the estimates underlying the forecast.		
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	
<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	<b>Pages of the 2017 Financial Report</b>	<b>Pages of the 2016 Financial Report</b>
<b><u>11.1 Historical Financial Information</u></b>		
Audited historical financial information covering the latest 2 financial years		
(a) the consolidated balance sheet	p.65	p.65
(b) the income statement;	p.66	p.66
(c) Statement of net profit and gains and losses recognised directly in equity capital;	p.66	p.66
(d) Statement of changes in equity capital;	p.67	p.67
(e) Cash Flow statement;	p.68	p.68
(f) Notes to the consolidated financial statements.	p.69 to 101	p.69 to 100
<b><u>11.2 Financial statements</u></b>		
If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	p.65 to 101	p.65 to 100
<b><u>11.3 Auditing of historical annual financial information</u></b>		
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.102 to 104	p.101 and 120
An indication of other information in the registration document which has been audited by the auditors.	p.124 to 125 and 127 to 131	p.62 and 123 to 126
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.	N/A	N/A
<b><u>1.4 Age of latest financial information</u></b>		
The last year of audited financial information may not be older than 18 months from the date of the registration document.	p.65 to 104 of the 2017 Financial Report	
<b><u>1.5 Interim and other financial information</u></b>		
If the issuer has published quarterly or half yearly financial information since the date	N/A	

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.	
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.	N/A
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.	

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

The EMTN Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued under the EMTN Conditions.

<b>Information incorporated by reference</b>	<b>Reference</b>
2016 EMTN Conditions	Pages 79 to 113
2017 EMTN Conditions	Pages 81 to 115

Non-incorporated parts of the base prospectuses of the Issuer dated 27 September 2016 and 27 September 2017 are not relevant for investors.

## SUPPLEMENT TO THE BASE PROSPECTUS

If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting significantly the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall be required to prepare a Supplement to the Base Prospectus pursuant to the provisions of Article 16 of the Prospectus Directive and Article 212-25 of the AMF *Règlement Général* or publish a replacement Base Prospectus for use in connection with any subsequent listing and admission to trading on a regulated market, submit such supplement to the Base Prospectus to the AMF for approval and supply each Dealer, Euronext Paris and the AMF with such number of copies of such supplement to the Base Prospectus as may reasonably be requested.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, investors who have already agreed to purchase or subscribe for Notes before any supplement is published have the right, exercisable within two (2) working days after the publication of this supplement, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the Notes. The 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.

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the Part A of the relevant Final Terms, shall be applicable to the Notes. 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 Part A of the relevant Final Terms. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Part A of the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

An amended and restated agency agreement dated 15 May 2018 has been agreed between SFIL (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, the "Amended and Restated Agency Agreement") in relation to the Notes. The fiscal agent, the paying agent(s), 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 Agent(s)" (which expression shall include the Fiscal Agent), the "Redenomination Agent", the "Consolidation Agent" and the "Calculation Agent(s)". References below to "Conditions" are, unless the context requires otherwise, to the numbered paragraphs below.

Copy of the Amended and Restated Agency Agreement is available for inspection during normal business hours at the specified offices of the Fiscal Agent.

For the purpose of these Terms and Conditions, "Regulated Market" means any regulated market situated in a Member State of the European Economic Area ("EEA") as defined in the Markets in Financial Instruments Directive 2014/65/EU, as amended and "day" or "days" means calendar days unless the context otherwise specifies.

### 1. Form, Denomination(s), Title and Redenomination

- (a) **Form:** Notes will be issued in dematerialised form.

Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 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 Notes.

The Notes are issued, at the option of the Issuer and as specified in the relevant final terms (the "Final Terms"), in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France ("Euroclear France") (acting as central depositary) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder 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 the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "Registration Agent").

The Issuer may require the identification of the holders of the Notes in accordance with Article L.228-2 of the French *Code de commerce*, unless such right is expressly excluded in the relevant Final Terms.

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

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

Notes having a maturity of less than one (1) year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £ 100,000 or its equivalent.

(c) **Title:**

- (i) Title to the Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to the Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below) 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.
- (iii) In these Conditions, "**holder of Notes**" or "**holder of any Note**", or "**Noteholder**" means 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 Notes, in accordance with the applicable laws and regulations and with the applicable rules and procedures of Euroclear France; and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(d) **Redenomination**

- (i) The Issuer may (if so specified in the relevant Final Terms), on any Interest Payment Date, without the consent of the holder of any Note, 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 Notes 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 (the "**EC**"), as amended from time to time (the "**Treaty**")), or events have occurred which have substantially the same effects (in either case, "**EMU**"), redenominate all, but not some only, of the Notes 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 Notes pursuant to Condition 1(d) shall be made by converting the principal amount of each Note 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 resulting 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 Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders 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 Noteholders by the Issuer.

- (iii) Upon redenomination of the Notes, 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 Note, 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 Notes and shall be notified to Noteholders 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 Note or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euro or any currency conversion or rounding effected in connection therewith.
- (e) **Method of Issue:** The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical, the Notes of each Series being intended to be fungible (other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount) with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (except the issue date, issue price, first payment of interest and nominal amount of the Tranche, which will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

## 2. Conversion and Exchanges of Notes

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

Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Notes in bearer dematerialised form (*au porteur*).

Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder 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 Noteholder.

## 3. Status of the Notes

The Notes are direct, unconditional, unsecured (subject to Condition 4) and senior preferred obligations within the meaning of Article L.613-30-3-I-3° of the French *Code monétaire et financier* of the Issuer and rank and will rank *pari passu* and without any preference among themselves and at least *pari passu* with all other direct, unconditional, unsecured and senior preferred obligations of the Issuer (save for statutorily preferred exceptions).

For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to to the date of the Terms and Conditions constitute senior preferred obligations.

## 4. Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other security interest (*sûreté réelle*) upon the whole or any part of its

undertaking, revenues or assets, present or future, in order to secure any Relevant Indebtedness, without at the same time according to the Notes the same, or substantially the same, security interest.

For the purposes of this Condition 4: "**Relevant Indebtedness**" means any indebtedness for borrowed money of the Issuer which is in the form of or represented by any bond (*obligation*) or note or any other security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

## 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. Certain defined terms contained in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules published by the *Fédération Bancaire Française* ("**FBF**") (together the "**FBF Master Agreement**") and in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), have either been used or reproduced in this Condition 5.

"**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 Note for any period of time (from and including the first (1<sup>st</sup>) 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/365 – FBF**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual /365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366;
- (ii) if "**Actual/365**" or "**Actual/Actual – ISDA**" 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);
- (iii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:
  - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation 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 Calculation Period is longer than one Determination Period, the sum of:

the number of days in such Calculation 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

the number of days in such Calculation 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:

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

(iv) 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 (1) 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;

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

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

(vii) 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<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (viii) 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:

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

then:

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

or

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

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.

- (ix) 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:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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<sub>2</sub> will be 30;

- (x) 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<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" 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<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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<sub>2</sub> will be 30.

- (xi) 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 twelve (12) months of thirty (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:

$$\frac{1}{360} \times [(yy_2 - yy_1) \times 360 + (mm_2 - mm_1) \times 30 + \text{Min}(dd_2, 30) - \text{Min}(dd_1, 30)]$$

"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 establishing the European Community, as amended.

"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 may be supplemented or amended as at the Issue Date.

**"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 calculated in accordance with these Terms and Conditions, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount as specified in the relevant Final Terms (a copy of which may be obtained at the registered office of the Issuer during usual business hours), 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 (2) TARGET Business Days prior to the first (1<sup>st</sup>) day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first (1<sup>st</sup>) day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two (2) Business Days in the city specified in the Final Terms for the Specified Currency prior to the first (1<sup>st</sup>) day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

**"Interest Payment Date"** means the date(s) specified 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.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

**"ISDA Definitions"** means 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., as may be supplemented or amended as at the Issue Date.

**"Margin"** means for an Interest Accrual Period, the percentage or figures with respect to the applicable Interest Accrual Period specified in the applicable Final Terms, it being specified that such margin can have a positive or a negative value or be equal to zero.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of the Notes specified in the relevant Final Terms and calculated in accordance with the provisions of these Conditions.

**"Relevant Date"** means, in respect of any Note, 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.

**"Reference Banks"** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent with the approval of the Issuer 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 LIBOR, EURIBOR, EONIA, CMS Rate or TEC10 (or any successor or replacement rate).

"**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 or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

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

(b) **Interest on Fixed Rate Notes:**

Each Fixed Rate Note 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 or in advance as specified in the applicable Final Terms 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 Notes and Inflation Linked Notes**

(i) *General:* The underlying of the Notes may be a FBF Rate, an ISDA Rate, a Reference Rate (being either LIBOR, EURIBOR, EONIA, CMS Rate or TEC10) or an inflation index (being either CPI or the HICP), all as defined below. Information regarding each of these underlyings can be found: (i) with respect to the FBF Rate in Condition 5(c)(iv)(A), (ii) with respect to the ISDA Rate in Condition 5(c)(iv)(B), with respect to LIBOR and EURIBOR in Condition 5(c)(iv)(C), with respect to EONIA in Condition 5(c)(iv)(C)(d), with respect to CMS Rate in Condition 5(c)(iv)(C)(e), with respect to TEC10 in Condition 5(c)(iv)(C)(f), with respect to CPI in Condition 5(c)(v)(A) and with respect to HICP in Condition 5(c)(v)(B).

(ii) *Interest Payment Dates:* Each Floating Rate Note and Inflation Linked Notes 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 or in advance, as specified in the applicable Final Terms on each Interest Payment Date. 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.

(iii) *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.

- (iv) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes 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 Notes**

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 (1<sup>st</sup>) 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*), "Calculation Agent" (*Agent de Calcul*), "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.

(B) **ISDA Determination for Floating Rate Notes**

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 the 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 (1<sup>st</sup>) 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**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

- (C) Screen Rate Determination for Floating Rate Notes
- (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 Notes is specified as being EURIBOR or LIBOR (as the case may be), the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
- (1) the offered quotation; or
  - (2) 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 as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any) 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)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (C)(a)(2) 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, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, 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 if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, 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 Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, 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, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, 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, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro zone inter-bank market, as the case may be, 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 (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 applicable 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 Notes is specified as being EONIA, 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 arithmetic mean of the daily rates of the day-to-day Euro-zone interbank euro money market as reference rate for the calculation of interest) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and will be calculated by the Calculation Agent on the Interest Determination Date as follows, and the resulting will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards:

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

Where:

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

" $d_0$ " for any Interest Accrual Period, is the number of TARGET Business Days in the relevant Interest Accrual Period;

"EONIA<sub>i</sub>", for any day "i" in the relevant Interest Accrual Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page or such other page or service as may replace such page for the purposes of displaying Euro overnight index average rate of leading reference banks for deposits in Euro (the "EONIA Page") in respect of that day provided that, if, for any reason, by 11.00 a.m. (Brussels time) on any such day "i", no rate is published on the EONIA Page, the Calculation Agent will request any four major banks selected by it (but which shall not include the Calculation Agent) in the Euro-zone inter-bank market to provide it with their respective quotations of the rates offered by such banks at approximately 11.00 a.m. (Brussels time) on such day "i" to prime banks in the Euro-zone inter-bank market for Euro overnight index average rate for deposits in Euro in an amount that is, in the reasonable opinion of the Calculation Agent, representative for a single transaction in the relevant market at the relevant time. The applicable reference rate for such day "i" shall be the arithmetic mean (rounded if necessary, to the nearest hundredth of a percentage point, with 0.005 being rounded upwards) of at least two of the rates so quoted, it being provided that if less than two rates are provided to the Calculation Agent, the applicable reference rate shall be determined by the Calculation Agent after consultation of an independent expert;

"n<sub>i</sub>" is the number of calendar days in the relevant Interest Accrual Period on which the rate is EONIA<sub>i</sub>; and

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

- (e) Where Screen Rate Determination is specified in the applicable 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 Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided 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 purposes of this sub-paragraph (e):

**"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 (5) leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five (5) 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 (5) 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 (5) 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 applicable Final Terms.

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

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

**"Relevant Swap Rate"** means:

- (A) 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 (1<sup>st</sup>) 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 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (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;
- (B) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-

annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first (1<sup>st</sup>) 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/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one (1) year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six (6) months or (B) if the Designated Maturity is one (1) year or less, to GBP-LIBOR-BBA with a designated maturity of three (3) months;

- (C) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first (1<sup>st</sup>) 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, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three (3) months; and
- (D) where the Reference Currency is any other currency of if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable 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.

- (f) Where Screen Rate Determination is specified in the applicable 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 Notes is specified as being TEC10, the Rate of Interest for each Interest Accrual Period will, subject as provided 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<sup>1</sup>, calculated by the *Comité de Normalisation Obligataire* ("**CNO**"), 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

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<sup>1</sup> All potential users of the EUR-TEC10-CNO must first enter into a trademark licence agreement available from the CNO.

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 the relevant rate, quoted in each case by five (5) *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 *Comité de Normalisation Obligataire* 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.*

(v) Rate of Interest for Inflation Linked Notes:

(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)(v)(A) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(v)(A) shall apply.

The Rate of Interest in respect of Inflation Linked Notes 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:

- (1) On the fifth (5<sup>th</sup>) 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)(v)(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 applicable 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 (1<sup>st</sup>) day of any given calendar month, the CPI Monthly Reference Index of the third (3<sup>rd</sup>) month preceding such month, and (ii) in relation to a day D (other than the first (1<sup>st</sup>) day) in any given calendar month ("M"), the linear interpolation of the CPI Monthly Reference Index pertaining respectively to the third (3<sup>rd</sup>) calendar month preceding such month ("M – 3") and the second (2<sup>nd</sup>) 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<sub>M</sub>**": 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<sub>M-2</sub>**": the level of the CPI Monthly Reference Index published in relation to month M – 2;

"**CPI Monthly Reference Index<sub>M-3</sub>**": 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](http://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.

- (2) The calculation method described below is based on the recommendation issued by the French Bond Association (*Comité de Normalisation Obligataire* – [www.cnofrance.org](http://www.cnofrance.org)) in its December 2010 Paper entitled "Inflation Indexed Notes" (*Obligations et autres instruments de taux d'intérêt en euro, Normes et usages des marchés de capitaux – Chapitre II: Les obligations indexées sur l'inflation*). 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 Obligatoire*), the calculation method provided by the French Bond Association (*Comité de Normalisation Obligatoire*) shall prevail.

(3)

(i) 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<sub>M</sub> =

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

(ii) 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:

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

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)(v)(B) shall apply. Terms defined herein shall have the meanings set out below only when this Condition 5(c)(v)(B) shall apply.

The Rate of Interest in respect of Inflation Linked Notes indexed to the HICP ("**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 specified in the relevant Final Terms multiplied by the Inflation Index Ratio (as defined below).

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

- (1) On the fifth (5<sup>th</sup>) 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)(v)(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 applicable 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 (1<sup>st</sup>) day of any given calendar month, the HICP Monthly Reference Index of the third (3<sup>rd</sup>) calendar month preceding such month, and (ii) in relation to a day D (other than the first (1<sup>st</sup>) day) in any given month ("M"), the linear interpolation of the HICP Monthly Reference Index pertaining respectively to the third (3<sup>rd</sup>) calendar month preceding such month ("M – 3") and the second (2<sup>nd</sup>) calendar month preceding such month ("M – 2") calculated in accordance with the following formula:

HICP Daily Inflation Reference Index =

$$\text{HICP Monthly Reference Index}_{M-2} + \frac{D-1}{\text{ND}_M} \times (\text{HICP Monthly Reference Index}_{M-2} - \text{HICP Daily Inflation Reference Index}_{M-2})$$

With:

"**ND<sub>M</sub>**": 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<sub>M-2</sub>**": the level of the HICP Monthly Reference Index published in relation to month M – 2;

"**HICP Monthly Reference Index<sub>M-3</sub>**": 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 six 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](http://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.

(2)

(i) 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:

**Substitute HICP Monthly Reference Index<sub>M</sub> =**

$$\text{HICP Monthly Reference Index}_{M-1} \times \frac{\text{HICP Monthly Reference Index}_{i-1}^{\frac{1}{12}}}{\text{HICP Monthly Reference Index}_{M-1}}$$

(ii) 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:

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

Such that:

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

- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon and is repayable prior to the Maturity Date is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(f)(i)).
- (e) **Fixed/Floating Rate Notes:** Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect, upon giving not less than fifteen (15) Business Days prior notice in accordance with Condition 13 (*Notices*), to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate (the "**Optional Change of Interest Date**") 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**").
- (f) **Accrual of interest:** Interest shall cease to accrue on each Note on the due date for redemption unless on such due date, 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.
- (g) **Margin, Maximum/Minimum Rates of Interest Amounts 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 (unless otherwise specified), (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.
- (h) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount. 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.

- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Early Redemption Amounts:** 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 Notes 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 Fiscal Agent, the Paying Agent(s), the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market so require, such Regulated Market 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 Regulated Market of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth (4<sup>th</sup>) 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.
- (j) **Calculation Agent:** The Issuer shall use its best efforts to procure that there shall at all times one or more Calculation Agent(s) if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the Notes, 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 Period or 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 Notes 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 this Condition:

"**outstanding**" means, in relation to the Notes of any Series, all the Notes 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 Notes to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Notes in bearer form and in administered registered form, to the relevant Account Holders on behalf of the Noteholder as provided in Condition 7(a), (ii) in the case of Notes in fully registered form, to the account of the Noteholder as provided in Condition 7(a), (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.

## 6. Redemption, Purchase and Options

(a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each Note 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 case of Zero Coupon Notes) or (ii) an amount determined in accordance with Condition 6(e), if specified as applicable in the relevant Final Terms.

(b) **Redemption for Taxation Reasons**

(i) *Early Redemption of Notes upon the occurrence of a Withholding Tax Event:*

If in respect of the Notes the Issuer would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France or any other authority thereof or therein be required to pay additional amounts as provided in Condition 8 (a "**Withholding Tax Event**"), the Issuer may at its option at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not more than forty-five (45) nor less than fifteen (15) days' notice to the Noteholders (in accordance with Condition 13) which notice shall be irrevocable, redeem all, but not some only, of the Notes at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding or deduction for such taxes.

(ii) *Early Redemption of Notes upon the occurrence of a Gross-Up Event:*

If the Issuer would, on the next due date for payment of any amount in respect of the Notes, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 8 (a "**Gross-Up Event**"), then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and shall, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes) redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount (as defined below) together with interest accrued to the date fixed for redemption, upon giving not less than seven (7) nor more than forty-five (45) days' prior notice to the Noteholders (in accordance with Condition 13), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or, if such date is already past, as soon as practicable thereafter.

(c) **Redemption at the Option of the Issuer and Partial Redemption:**

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives and on giving not less than fifteen (15) nor more than thirty (30) days' irrevocable notice in accordance with Condition 13 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms), redeem all, or, if so provided, some, of the Notes on any Optional Redemption Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount being the nominal amount together with interest accrued to the date fixed for redemption, if any. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the redemption shall be effected by reducing the nominal amount of all such Notes in a Series in proportion to the aggregate nominal amount redeemed.

So long as the Notes are admitted to trading on Euronext Paris, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding.

(d) **Redemption at the Option of the Noteholders**

If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than fifteen (15) nor more than thirty (30) days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount being the nominal amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. The Noteholder shall transfer, or cause to be transferred, the Notes to be redeemed to the account of the Fiscal Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(e) **Redemption of Inflation Linked Notes:** If Condition 6(e) is specified as applicable in the relevant Final Terms, the Final Redemption Amount in respect of Inflation Linked Notes will be determined by the Calculation Agent on the following basis:

Final Redemption Amount = IIR x nominal amount of the Notes

If the Final Redemption Amount calculated as set out above is below par, the Notes will be redeemed at par.

For the purpose of this Condition 6(e) only, "**IIR**" means the ratio determined on the fifth (5<sup>th</sup>) 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)(v)(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)(v)(B)) on the Maturity Date and the Base Reference on the date specified in the relevant Final Terms.

(f) **Early Redemption Amount:**

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note (other than a Note in relation to which Zero Coupon French Inflation or Zero Coupon HICP Inflation is specified as applicable in the relevant Final Terms), upon redemption of such Note pursuant to Condition 6(b), 6(i) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.

(B) Subject to the provisions of sub-paragraph (C) above, the Amortised Nominal Amount of any such Note shall be the scheduled Final Redemption Amount of

such Note 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 Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(b), 6(i) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal Amount becomes due and payable were the Relevant Date. The calculation of the Amortised Nominal 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 Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one (1) year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

- (ii) **Inflation Linked Notes:**

- (A) If the relevant Final Terms provides that Condition 6(f)(ii) shall apply in respect of Inflation Linked Notes, the Early Redemption Amount in respect of such Notes, as the case may be, will be determined by the Calculation Agent on the following basis:

**“Early Redemption Amount”** = IIR x nominal amount of the Notes

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)(v)(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)(v)(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 Notes will be redeemed at par.

- (B) If the Inflation Linked Notes (whether or not Condition 6(f)(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 Notes at a rate per annum on the basis of the provisions of Condition 5(c)(v) 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 Notes:**

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) and (ii) above), upon redemption of such Note pursuant to Condition

6(b), 6(i) or upon it becoming due and payable as provided in Condition 9 shall be the nominal amount of such Note.

(g) **Purchases:**

The Issuer shall have the right at all times to purchase Notes in the open market or otherwise at any price, subject to the applicable laws and/or regulations. All Notes 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(h) below.

(h) **Cancellation:** All Notes purchased and cancelled at the option of the Issuer shall be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France and, if so transferred or surrendered, shall be cancelled together with all rights relating to payment of interest and other amounts relating to such Notes. Any Notes 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 Notes shall be discharged.

(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 the Notes, it will become unlawful for the Issuer to perform or comply with one or more of its obligations under such Notes, the Issuer will, subject to having given not more than forty-five (45) nor less than thirty (30) days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13, redeem all, but not some only, of such Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption.

## 7. **Payments**

(a) **Notes:** Payments of principal and interest in respect of the Notes shall (in the case of Notes in bearer dematerialised 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 Noteholders and, (in the case of Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

"**Bank**" means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

(b) **Payments Subject to Fiscal and other Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8 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 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) **Appointment of Agents:** The Fiscal Agent, the Paying Agent(s), the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent(s), 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 Noteholder. 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 Agents, 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) Paying Agent having specified offices in at least two European cities, so long as the rules of, or applicable to, the relevant Regulated Market so require), (v) in the case of Notes in fully registered form, a Registration Agent and (vi) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

On a redenomination of the Notes of any Series pursuant to Condition 1(d) with a view to consolidating such Notes with one or more other Series of Notes, 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 Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 13.

- (d) **Non-Business Days:** Unless otherwise specified in these Conditions, if any date for payment in respect of any Note is not a business day, the Noteholder shall not be entitled to payment until the next following business day 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) on which Euroclear France is open for business and (B) (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.

## 8. Taxation

- (a) **Withholding Taxes:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes 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 France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **Additional Amounts:** If French laws should require that payments of principal or interest in respect of any Note be subject to withholding or deduction in respect of any taxes, duties, assessments or governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note to, or to a third party on behalf of a Noteholder, who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

## 9. Events of Default

The Representative (as defined under Condition 11), upon request of any Noteholder, may upon giving written notice to the Issuer and the Fiscal Agent cause the Notes held by such Noteholder to become,

immediately due and payable at its Early Redemption Amount, together, if appropriate, with interest accrued to the date of repayment, in any of the following events ("**Events of Default**"):

- (i) the Issuer fails to pay any amount payable in respect of the Notes when due and payable and such default is not remedied within thirty (30) Business Days (as defined in Condition 5(a)) after the relevant due date; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such default is not remedied within ninety (90) Business Days (as defined in Condition 5(a)) after receipt by the Fiscal Agent of written notice (and by the Issuer of a copy) of default given by the Representative upon request of the Noteholder; or
- (iii) any indebtedness of the Issuer in excess of €100,000,000 (or its equivalent in other currencies) shall become due and is not paid on the date which is the later of (i) its stated maturity, and (ii) the expiry of applicable grace periods, unless in each case, the Issuer is contesting in good faith in a court of competent jurisdiction that such indebtedness is due or where such default is due to a technical or settlement failure beyond the control of the Issuer, provided that such default is remedied in seven (7) Business Days; or
- (iv) the Issuer is dissolved or merged into a company prior to the repayment in full of the Notes, unless in such event the obligations of the Issuer pursuant to the Notes are expressly assumed by such company.

#### **10. Prescription**

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within five (5) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

#### **11. Representation of Noteholders**

The Noteholders 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* with the exception of Articles L.228-71 and R.228-69 of the French *Code de commerce* and as supplemented by this Condition 11:

##### **(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 Noteholders (the "**Collective Decisions**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes.

##### **(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 Notes 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 Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

(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 Noteholder to participate in Collective Decisions will be evidenced by the 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 Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 11(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 Notes 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 Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of Notes 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 (2) months after such demand, the Noteholders 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 Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3) majority of votes held by the Noteholders 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 11(viii) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Noteholder 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 Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

(B) **Written Decisions and Electronic Consent**

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 Noteholders holding not less than 90 per cent. in nominal amount of the Notes outstanding, without having to comply with formalities and time limits referred to in Condition 11(iv)(a). Any Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Pursuant to Article L.228-46-1 of the French *Code de commerce*, approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders (the "**Electronic Consent**").

(C) **Exclusion of certain provisions of the French Code de commerce**

The provisions of Article L.228-65 I. 1°, 3°, 4°, L.236-13 and L.236-18 of the French *Code de commerce* and the related provisions of the French *Code de commerce* shall not apply to the Notes, it being however specified for the avoidance of doubt that, the Noteholders 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 Notes.

(vi) **Single *Masse***

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.

(vii) **Sole Noteholder**

If and for so long as the Notes of any Series are held by a sole Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de*

*commerce*. Such sole Noteholder shall hold a register of the decisions it will have taken in this capacity and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series.

(viii) **Notices to Noteholders**

Any notice to be given to Noteholders in accordance with this Condition 11 shall be given in accordance with Condition 13.

(ix) **Full Masse**

For Notes issued with a denomination of less than €100,000 (or its equivalent in any other currency), Condition 11 shall apply to the Notes subject to the following modifications.

(A) Condition 11(iv)(C) shall not apply to the Notes.

(B) Except if the Final Terms specify "Issue outside France" as applicable, Condition 11(v) shall be deleted and replaced by the following:

"11(v) Expenses

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions."

For the avoidance of doubt, in this Condition 11, the term "outstanding" shall not include those Note purchased by the Issuer that are held by it and not cancelled in accordance with applicable laws and regulations as referred to in Condition 6(g).

**12. Further Issues and Consolidation**

(a) **Further Issues:** The Issuer may from time to time, without the consent of the Noteholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further notes 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 notes provide for such assimilation and references in these Conditions to "**Notes**" shall be construed accordingly.

(b) **Consolidation:** The Issuer may, if so specified in the applicable Final Terms, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than thirty (30) days' prior notice to the Noteholders in accordance with Condition 13, without the consent of the Noteholders, consolidate the Notes of one Series with the Notes 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 Notes 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 Notes.

**13. Notices**

(a) Notices to the holders of Notes 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<sup>th</sup>) 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 Notes are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or, (b) in a leading daily newspaper of general

circulation in Europe (which is expected to be the Financial Times) or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and so long as such Notes are admitted to trading on any Regulated Market, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading, if the rules applicable to such Regulated Market so require.

- (b) Notices to the holders Notes in bearer form (*au porteur*) shall be valid if published (a) so long as such Notes are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or, (b) in a daily leading newspaper of general circulation in Europe (which is expected to be the Financial Times) or (c) they are published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading, if the rules applicable to such Regulated Market so require.
- (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.
- (d) Notices required to be given to the holders of Notes (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 Notes 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 (i) so long as such Notes are admitted to trading on any stock exchange(s) and the rules applicable to that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes are admitted to trading.
- (e) Notices relating to Collective Decisions pursuant to Condition 11 and pursuant to Articles R. 228-79 and R. 236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and on the website of the Issuer ([www.sfil.fr](http://www.sfil.fr)). For the avoidance of doubt, Conditions 13(a), (b), (c), (d) shall not apply to such notices.

#### **14. No Hardship (*Imprévision*)**

The provisions of Article 1195 of the French *Code civil* shall not apply to these Conditions.

#### **15. Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes and any 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 Notes shall be brought exclusively before any competent court within the jurisdiction of the registered office of the Issuer.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be applied by the Issuer for general corporate purposes. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## DESCRIPTION OF THE ISSUER

### 1. HISTORY AND DEVELOPMENT OF THE ISSUER

SFIL is a credit institution under the form of a French limited liability company (*société anonyme*) created in 2013, administered by a Board of Directors (*conseil d'administration*) and governed by French law. It has its registered office at 1-3, rue du Passeur de Boulogne, Issy-les-Moulineaux (92130), France (Tel: + 33 (0)1 73 28 90 90). It is registered with the Nanterre trade and companies registry under number 428 782 585 and is registered as an insurance intermediary under registration number 50 200 40.

The duration of SFIL is determined in its articles of association (*statuts*) and is 99 years from the creation of SFIL.

The Issuer was licensed as a bank by the French *Autorité de contrôle prudentiel et de résolution* (**ACPR**) on 16 January 2013.

It is currently governed by the French commercial company regulations, by the laws and regulations applicable to credit institutions currently in force, by the provisions of the *Loi n°83-675 du 26 juillet 1983 relative à la démocratisation du secteur public*, the provisions of the French *Code monétaire et financier*, and its articles of association (*statuts*).

The corporate objects of the Issuer as set out under Article 3 of its articles of association (*statuts*) are essentially to perform on a regular basis:

- (a) any banking transaction within the meaning of Article L.311-1 of the French *Code monétaire et financier*;
- (b) any transaction ancillary to those mentioned under paragraph (a) above that consists in the placement, underwriting, the acquisition, management, custody and sale of securities or other financial products;
- (c) any transaction linked to the receipt of funds from its shareholders and from the *société de crédit foncier* it controls;
- (d) in accordance with Article L.513-15 of the French *Code monétaire et financier*, the management and collection of the exposures and other similar receivables, securities, bond or any other resources described under Article L.513-2 of the French *Code monétaire et financier* of a *société de crédit foncier* duly licensed that it controls; and
- (e) services for the account of third parties in pursuit of banking transactions.

The Issuer was created on 1 February 2013, as one of the key elements of a system that finds its source in the French State's determination to provide French local authorities and public healthcare facilities with continuous and efficient access to long-term bank financing, in addition to the offers proposed by commercial banks and French or European public institutions operating in this segment. This system, which was launched within the framework of the approval of the European Commission on 28 December 2012 (such approval was initially granted for fifteen (15) years and is renewable), makes it possible to refinance La Banque Postale's loans to French local authorities and to accompany these players actively in their efforts to reduce their outstanding sensitive loans.

In 2015, the French State entrusted SFIL with a second public policy mission: to refinance buyer credits insured by the French public export credit agency ("**BPIFRANCE Assurance Export**"). under the French State's control, on its behalf and in its name and thereby to help enhance the competitiveness of the large export contracts negotiated by Companies exporting from France.

The objective is to supply market financing with the volumes and maturities adapted to export credits of significant amounts and under conditions that match those of the best French issuers of covered bond, relying on the capacities of SFIL and its subsidiary Caisse Française de Financement Local. This second mission is part of the approval granted by the European Commission on 5 May 2015 (such approval was initially granted for five (5) years and is renewable). This refinancing is available for all banks that are partners with French exporters for their export credits insured by BPIFRANCE Assurance Export.

In order to mark this expansion of the missions of SFIL, it was decided, upon approval of the ACPR, to change the corporate and legal name of Société de Financement Local to SFIL. This change of corporate name became effective in June 2015. A new logo accompanies this change of name.

## 2. BUSINESS OVERVIEW

SFIL is a credit institution authorised and directly supervised by the European Central Bank and is ranked in the top 10 of the credit institutions in France by assets<sup>2</sup>.

### 2.1 Principal activities

SFIL carries out four missions:

- **refinancing of local public sector loans**, a public policy mission entrusted by the French State to SFIL in 2013, within a strictly defined framework, initially granted by La Banque Postale to eligible local authorities and public healthcare facilities via issuance of covered bonds (*obligations foncières*) benefiting from the *privilège* defined in Article L.513-11 of the French *Code monétaire et financier* by Caisse Française de Financement Local since 2013;
- **providing specialized services** to La Banque Postale and Caisse Française de Financement Local allowing for the proper operation of the scheme;
- **refinancing the insured part of large export credit contracts**, a public policy mission entrusted by the French State to SFIL in 2015. Those export credits initially arranged and granted by commercial banks are refinanced via issuance of covered bonds (*obligations foncières*) benefiting from the *privilège* defined in Article L.513-11 of the French *Code monétaire et financier* by Caisse Française de Financement Local. and
- **reducing the sensitivity of certain structured loans** contained in the assets on the balance sheet of Caisse Française de Financement Local, in line with the objectives defined by the French State in terms of the management of public finances and respecting SFIL's strategic interests.

#### (i) Refinancing of local public sector loans

This activity was launched following the shortage of long term funding for French local authorities. It was decided by the French State that it was necessary to provide a stable access to long dated funding for public investments. This decision was confirmed by the European Commission on 28 December 2012.

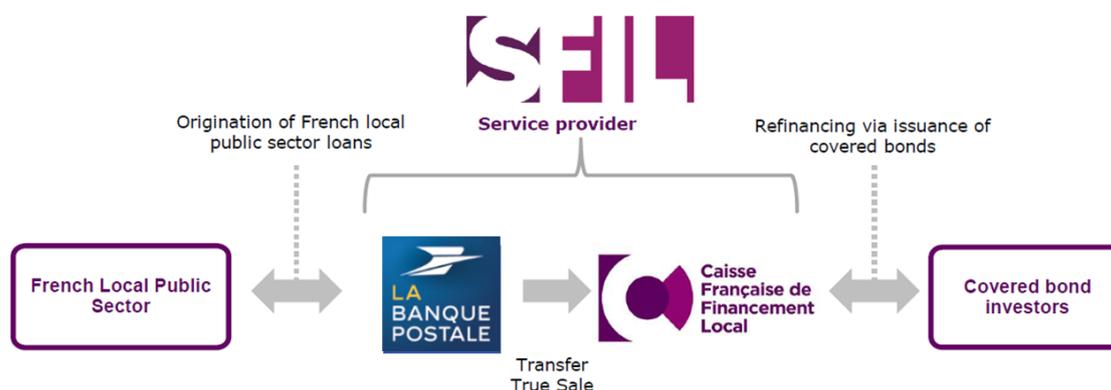
The objective is to enable local authorities and public hospitals to benefit from enhanced financing conditions.

Through its *société de crédit foncier*, Caisse Française de Financement Local, the Issuer refinances medium and long-term loans offered by La Banque Postale to local authorities and public hospitals in France.

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<sup>2</sup> List of significant supervised entities and the list of less significant institutions, European Central Bank, 04.09.2014

Since 2013, Caisse Française de Financement Local has been a regular issuer in the covered bond market with an overall volume issued around 27 billion euros.



Since 2013 SFIL, altogether with La Banque Postale, is a significant lender to the French local public sector with 3.3 billion Euros in 2013, 4.1 billion Euros in 2014, 5 billion Euros in 2015 and 4 billion Euros in 2016. In 2017, SFIL continued to play a major role as lender to the French local public sector with 3.4 billion Euros in new loans.

Since the creation of SFIL in 2013, new loans are granted exclusively to French local public sector borrowers. Through its subsidiary Caisse Française de Financement Local, SFIL also holds loans and bonds to public sector entities that were originated before 2013 with non-French counterparts. As of 31 December 2017, 85% of the assets of SFIL, measured by principal amount, are assets with French counterparts, 9% with Italian and 6% with other counterparts.

## (ii) Partnership with La Banque Postale and servicing and financing provided to Caisse Française de Financement Local

Since 2013, SFIL supplies services for the medium- and long-term financing activity in the local public sector (local authorities and public healthcare facilities) engaged in by La Banque Postale. Within this framework, SFIL provides services at all stages along the chain of loan issue and management (loan offerings, back office management, asset and liability management reporting, management control, accounting, third-party management, etc.).

SFIL also coordinates and directs projects needed by La Banque Postale for its business, in particular by adapting the applications it makes available.

Likewise SFIL and La Banque Postale work together in order to propose to certain customers of La Banque Postale the possibility to reschedule their loans held by Caisse Française de Financement Local. Some of the services are provided to Caisse Française de Financement Local. The role of SFIL as servicer of Caisse Française de Financement Local since 2013 primarily involves the following:

- to ensure the complete operational management of Caisse Française de Financement Local (day-to-day management as well as the operational management of the reduction in the sensitivity of the structured loans on the balance sheet of Caisse Française de Financement Local), as defined by the regulations

applicable to *sociétés de crédit foncier*, in particular Article L.513-15 of the French *Code monétaire et financier*; and

- to provide Caisse Française de Financement Local with the derivatives and non-privileged funding it needs to carry out its activities including the financing of the over collateralization.

### (iii) Export credit refinancing

In 2015, the French State gave SFIL the mission to refinance large export credits in order to bolster the competitiveness of French export offers.

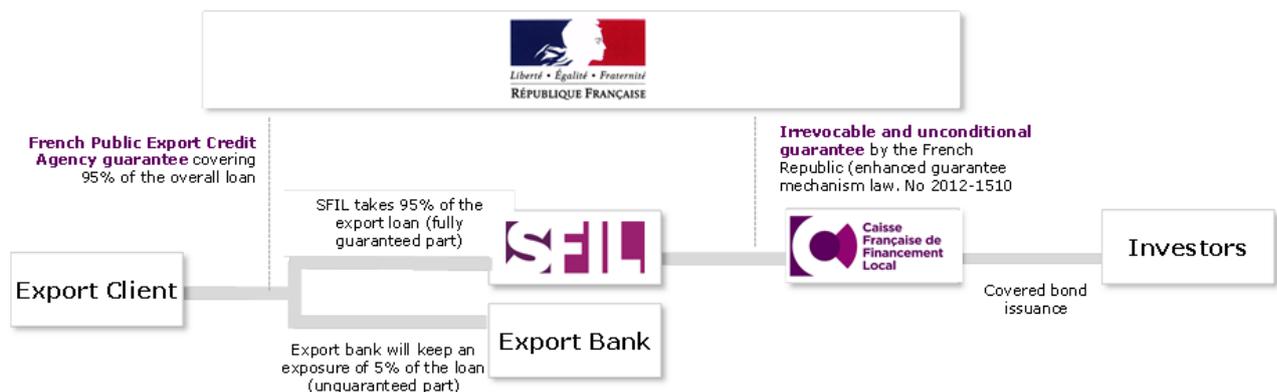
Export credits are a key factor in the financial aspect of exporters' commercial offers. Basically structured in the form of buyer credits, they may take advantage of a credit insurance against the political and commercial risks granted by the French public export credit agency.

The objective of this new set-up designed to support French exports is to improve the financial offer that accompanies export contracts in terms of volume, maturity and cost. The vast majority of countries of the Organisation for Economic Cooperation and Development rely on a public set up for the refinancing of export loans through two different models: (i) direct lender where the public entity takes the place of commercial banks or (ii) refinancing platform where the public entity leaves the structuring, arranging and roles as well as the uninsured part of the credits to the commercial banks.

Following feasibility studies undertaken by SFIL in cooperation with the French public export credit agency and French authorities, the second model was chosen. The European Commission granted on 5 May 2015, its authorisation to expand the scope of SFIL's activities as a public development bank, in the refinancing of export credits in order to resolve market failure in this sector.

Following this decision, the operational launch of this business line was organized, resources were progressively allocated to this activity, and internal management processes and risk control systems were set up.

Presentation of the set up:



- Within the framework of this organization, SFIL offers to take the place of export banks as lender of all or a part (generally up to 95%) of the portion insured by the French public export credit agency, the uninsured portion to be kept by the export bank.

- SFIL becomes lender of the record in the export credit and benefits from a 100% insurance cover on its part.
- The export bank keeps the risk on the uninsured portion and maintains the commercial relationship over the life of the transaction.
- The export loans acquired by SFIL are refinanced through CAFFIL, which benefits from the enhanced guarantee mechanism introduced in the 2012 law of finance.

The structure that has been set up operates with significant interaction between SFIL and BPIFRANCE Assurance Export<sup>3</sup>, on the one hand, and export banks on the other.

In that respect, a standard protocol has been drawn up, governing relations between SFIL and any export bank wishing to make use of this scheme. As of 30 June 2017, twenty institutions, including the most active banks in the French export credit market, had signed this agreement and can use SFIL for their operations.

After the inaugural deal signed in June 2016, SFIL has closed 5 additional deals reaching a total amount of €3.3 billion in export credit refinancing:

- With the two deals signed in 2016, for a total amount of €650 million, SFIL became the first liquidity provider for French export credit.
- Since beginning of 2017, SFIL has signed 4 additional deals for a total amount of €2.6 billion.

The completion of these 6 operations confirm the efficiency of the SFIL set-up to improve the conditions of French export credit

In 2 years, SFIL has contributed to more than €6 billion export credit with €3.3 billion refinancing and has become the 1<sup>st</sup> liquidity provider on the French export credit market.

For the future the objective of the export credit activity will be to finance an annual volume of 1.5 billion Euros to 2.5 billion Euros per year.

Since export credit refinancing is not linked, from the point of view of the economic or the financial cycle, to the local public finance sector, this new business line will make it possible to sustain SFIL's results without modifying its strategic positioning as a development bank that refinances public assets, or its risk profile.

#### **(iv) Sensitivity reduction**

Through its subsidiary Caisse Française de Financement Local, SFIL holds structured loans considered as sensitive that were granted to French customers of Dexia Credit Local. Certain of these customers initiated legal proceedings against Dexia Credit Local, Caisse Française de Financement Local and/or SFIL.

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

Efforts to reduce loan sensitivity were significantly stable in 2016, as EUR 1.6 billion in sensitive structured loans were transformed into fixed rate loans, close to the level that was reached in 2015, with 198 operations (250 in the

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<sup>3</sup> Historically, Coface was the French public export credit agency, delivering insurance policy in the name of and with the guarantee of the French State. Following the amended 2015 finance law, the role of managing public guarantees for foreign trade has been transferred on December 31st, 2016 from Coface to Bpifrance. BPIFRANCE Assurance Export, a 100% subsidiary of Bpifrance is in charge of delivering these guarantees, under the French State's control, on its behalf and in its name.

previous year). One hundred fifty-six additional borrowers reported the complete elimination of their sensitive loans. Operations to reduce loan sensitivity were accompanied by the creation of new loans for a total of EUR 0.5 billion in 2016.

As of 31 December 2017, and as customers took into account the sensitivity reduction operations already initiated and after they subtract the outstanding loans, for which they chose to keep the sensitive loan temporarily while having the possibility of receiving assistance from the fund in the event the structured component of their loan would become active (assistance in paying lower interest rates provided for by the support fund), the total of SFIL's sensitive structured loans will have decreased by at least 86% compared with the amount recorded when SFIL was created, and by more than 91% for local governments alone. The initial inventory of EUR 8.5 billion in sensitive loans will be pushed down to a maximum of EUR 1.2 billion by the end of 2018, and for local governments alone, to a maximum of EUR 0.6 billion, compared with EUR 6.7 billion initially. More than 93% of the borrowers who had loans indexed on EUR/CHF no longer have them.

Lastly, 198 borrowers, including 189 local governments, cancelled their litigation proceedings. At the end of 2017, there were still 25 lawsuits before the courts, versus 39 in 2016 and 131 in 2015.

## 2.2 Principal Markets

SFIL operates in two markets: lending to the French local public sector and refinancing of export loans benefiting from a French public guaranty.

The main characteristics of the local public sector market are the following:

- French local government debt reached a total amount of EUR 200 billion at the end of 2016. This represents 9% of GDP, well below the average of 12.4% for local and regional governments in the European Union (source: Eurostat).
- Over recent years, the overall financial situation has improved with French local authorities posting a consolidated budget surplus of EUR 2.8 billion for the year 2016 following a consolidated deficit of EUR 380 millions for the year 2015 (source: Eurostat).
- Looking ahead, territorial reform in France aims to create bigger local government entities with the potential for cost savings in the long run.

The management of French public guarantees for export contracts in 2017 was characterized by the following key figures<sup>4</sup>:

- Outstanding French public guarantees for export contracts amounted to EUR 65 billion at the end of 2017, a increase by EUR 1 billion in terms of outstanding volume compared to the previous year.
- 2017 was characterized by an increase in the volume of new export credit guarantees (+13%) and an increase in terms of number of transactions (+32%) with a significant increase of this activity for SMEs (+25% in number of transactions).
- A wide range of industries benefited from export guarantees in 2016 reflecting the sector specialization of the French economy around key industries such as transportation and capital goods with significant volume in cruise sector for 2017.

## 2.3 Recent Evolutions

We present below three key figures of SFIL as of 31 December 2017:

- SFIL had 72.4 billion Euros consolidated balance sheet assets;

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<sup>4</sup> Source : <http://www.tresor.economie.gouv.fr/File/433978>

- SFIL had a CET1 Ratio of 23.8% (Basel III phased-in); and
- 405 employees were working for SFIL.

During 2017, SFIL fully accomplished its fundamental missions, which involve (i) refinancing, via its subsidiary Caisse Française de Financement Local, loans granted by La Banque Postale to eligible local authorities and public healthcare facilities, (ii) supplying specialized services to La Banque Postale and Caisse Française de Financement Local, (iii) continuing to implement the policy to reduce the sensitivity of the portfolio of structured loans, and (iv) refinancing major export contracts. SFIL successfully issued in October 2016 a first Euro benchmark transaction for Eur 1.0 billion and in June 2017 a first USD benchmark transaction for USD 1.0 billion. These transactions confirmed the establishment of SFIL as a new issuer in the French agency segment. This positioning was also confirmed in January 2017 with SFIL being added in the list of European agencies that are bought by the European Central Bank for its Public Sector Purchase Program (PSPP).

### 3. ORGANISATIONAL STRUCTURE

The French State is the "reference shareholder" of SFIL under French regulation underlining the commitment of the French State to ensure oversight and to influence strategic decisions, as well as its determination to provide its support to SFIL's on-going financial transactions if so required.

The Banque de France may ask the French State, as reference shareholder, to provide the necessary support to SFIL in accordance with Article L.511-42 of the French *Code monétaire et financier*.

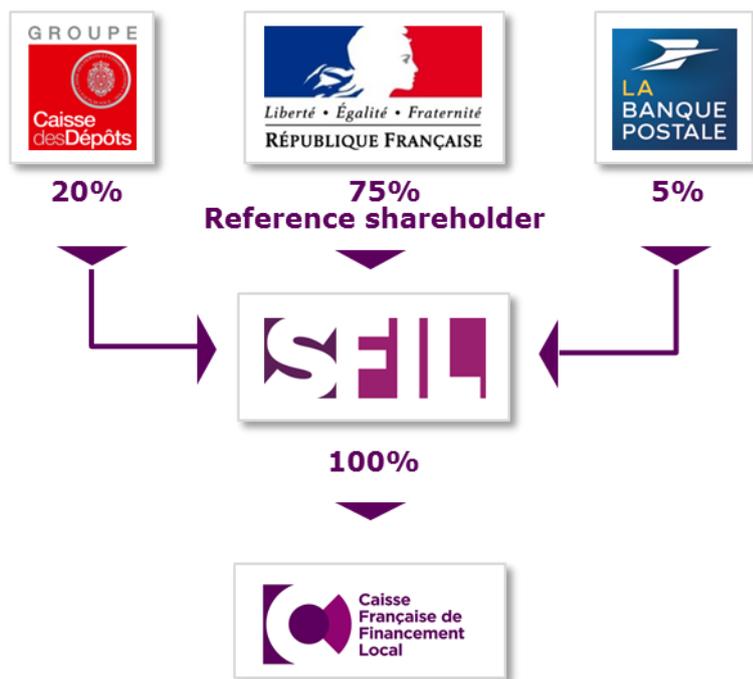
Obligations of the reference shareholder are documented via a letter of comfort to the regulator, clearly defining support and involvement of the French State. The French State has the intention to remain a reference shareholder in the long run. On its side, on 31 January 2013, SFIL signed a declaration of support of Caisse Française de Financement Local.

The share capital of the Issuer is held as follows:

- 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.

CAFFIL is a subsidiary of SFIL. CAFFIL is a *société de crédit foncier* governed by Articles L.515-13 *et seq.* of the French *Code monétaire et financier*.

We present below a chart detailing the shareholder structure of SFIL:



#### 4. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Issuer is organized around a Board of Directors, an Executive Committee, a Governance and Appointments Committee, a Compensation Committee, a Financial Statements Committee and a Risks and Internal Control Committee.

##### Board of Directors

The Board of Directors is composed of 15 members:

- the French State, represented by Schwan Badirou Gafari (representative appointed by order of the Minister of Economy);
- nine members appointed by the Ordinary General Meeting, as follows:
  - . one member proposed by the French State: Gabriel Cumenge;
  - . one member representing Caisse des Dépôts et Consignations: Virginie Fernandes;
  - . one member representing La Banque Postale: Serge Bayard;
  - . six other members: Chantal Lory (Chair of the Board of Directors), Philippe Mills (Chief Executive Officer), Jean-Pierre Balligand, Cathy Kopp, Françoise de Panafieu and Pierre Sorbets;
- five members elected employee representatives: Pascal Cardineaud, Sandrine Chemla, Marion Domalain, Frédéric Guillemin and Thomas Morisse.

The main functions of the board members outside of the Issuer are the following:

Philippe Mills (Chief Executive Officer)	Chairman of the Supervisory Board of Caisse Française de Financement Local (CAFFIL)
Gabriel Cumenge	Deputy Director “International Business Financing” at the General Treasury Division
Schwan Badirou Gafari (French State representative)	Deputy Director of Equity Holdings, Services and Finances, Agence des Participations de l’Etat
Virginie Fernandes	Director of the Group Steering Department of Caisse des Dépôts Finance, Strategy and Investments Unit
Serge Bayard	Director of Business and Territory Development of La Banque Postale

### The management team

The management team is composed of Executive Management and 8 other members in charge of divisions or central functions who make up the Management Committee. This committee meets at least once per week.

The members of the Executive Management are Philippe Mills (Chief Executive Officer) and François Laugier (Deputy Chief Executive Officer).

The members of the Executive Committee are Philippe Mills (Chief Executive Officer, Alternate Expert to the Board of Directors of the European Investment Bank), François Laugier (Deputy Chief Executive Officer), Stéphane Costa de Beauregard (Outstanding loans manager), Nathalie Derue (Risk Manager), Gilles Gallerne (Chairman of the Management Board of Caisse Française de Financement Local), Béatrice Gosserez (Corporate secretary), Sami Gotrane (Financial Markets Manager), Florent Lecinq (Chief Financial and Operating Officer), Pierre-Marie Debreuille (Chief Export credit), and Frédéric Meyer (Human Resources manager).

### Other Committees

- Governance and Appointments Committee and Compensation Committee

The Governance and Appointments Committee is especially in charge of the appointment of new members of the Board of Directors, the approval of the independent character of certain members, the evaluation of the organization and operation of the Board of Directors of SFIL and of the Supervisory Board of CAFFIL.

The Compensation Committee is notably in charge of SFIL compensation policy.

The Governance and Appointments Committee and the Compensation Committee are composed of a maximum of six members, more than a majority of them are independent members of the Board of Directors. Members are chosen on the basis of their skills and their potential contribution to the work of the committee in question. The committees are chaired by an independent member of the Board with recognized skill in human resources. These committees meet at least twice a year.

The members are common to the two committees: Cathy Kopp (Chair of the Committees), Schwan Badirou Gafari, Jean-Pierre Balligand and Françoise de Panafieu.

- Financial Statements Committee and Risks and Internal Control Committee

The Financial Statements Committee examines in particular the financial statements of SFIL and CAFFIL, as well as the corresponding statutory auditors’ reports, the strategy of SFIL and the budget.

The Risks and Internal Control Committee is in charge of studying the procedures employed in internal control activities at SFIL and CAFFIL, the reports on compliance and audit activities, the reports on risk surveillance, etc.

The Financial Statements Committee and the Risks and Internal Control Committee are made up of a maximum of seven members who are Board of Directors members but are not involved in SFIL's executive management. Members are chosen on the basis of their skills and their potential contribution to the work of the committee in question. These committees are chaired by an independent member of the Board with proven skills in finance and accounting. These committees meet at least four times per year.

The members are common to the two committees: Pierre Sorbets (Chairman of the Committee), Schwan Badirou Gafari, Jean-Pierre Balligand, Serge Bayard, Virginie Fernandes and Chantal Lory.

### **Conflicts of interest or declaration of no-conflict of interest**

The Issuer certifies that, to the best of its knowledge, there are no potential conflicts of interest between the duties of its corporate officers towards the Issuer and their private interests and other duties.

## **5. MAJOR SHAREHOLDERS**

Share capital currently stands at Euro 130,000,150.00 represented by 9,285,725 nominative shares.

The shares are divided into two categories:

- 7,428,580 ordinary shares (*actions ordinaires*); and
- 1,857,145 preferred shares (*actions de préférence*).

There are no other securities that grant rights to shares in the capital of Caisse Française de Financement Local.

SFIL is publicly owned. The share capital of SFIL is held as follows:

- 75% by the French State via the Agence des Participations de l'Etat (French government shareholding agency), i.e. 6,964,293 ordinary shares;
- 20% by Caisse des Dépôts et Consignations, i.e. 1,857,145 preferred shares; and
- 5 % by La Banque Postale, i.e. 464,287 ordinary shares.

Since SFIL was created, the French State plays a special role by contributing 75% of SFIL'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.

## **6. LEGAL AND ARBITRATION PROCEEDINGS**

### **Litigation related to structured loans**

Caisse Française de Financement Local 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 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.

In 2017, the outstanding sensitive structured loans and the number of legal proceedings decreased significantly. As of 31 December 2017, 86% of these loans were no longer sensitive.

### **Reduction in outstanding sensitive structured loans**

SFIL's application of its policy to reduce the sensitivity of the structured loans of Caisse Française de Financement Local was effective in 2017, with a volume of EUR 318 million in sensitive loans transformed into fixed rate contracts, representing approximately EUR 5.3 billion since the beginning of 2013.

Since the beginning of 2013, outstanding sensitive loans have been reduced by 86%, from EUR 8.5 billion to EUR 1.19 billion, as the result of the following:

- proactive operations conducted by SFIL to reduce loan sensitivity with the help of the support funds, including the operations already accomplished with a post-closing value date;
- the natural amortization of the loans; and
- the use by certain customers of the derogatory mechanism of the support funds. In point of fact, some customers chose to keep their structured loans temporarily while still having the opportunity to benefit from the assistance of the support fund for local governments in the event that the structured component of their loan would be activated (assistance in paying interest at a degraded rate as anticipated by the rules governing the support fund). On 31 December 2017, the outstanding loans represent EUR 390 million for 74 customers.

At the same time, 668 customers (76%) definitively moved out of the category of sensitive customers. The reduction in sensitivity was even more marked for the customers with the most sensitive exposure; more than 93% of borrowers with loans initially indexed on EUR/CHF no longer have any. On the basis of the operations conducted at the end of 2017 with an effective date after 31 December 2017, and subsequent to the deduction of outstanding loans benefiting from assistance in paying degraded coupons, outstanding sensitive loans will be at most EUR 1.2 billion by the end of 2018 (a decrease of at least EUR 7.14 billion since 31 December 2012, or 86%) for 211 customers.

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

As of 31 December 2017, 189 borrowers who had brought lawsuits signed a financial settlement agreement with SFIL, Caisse Française de Financement Local and Dexia Crédit Local, thereby putting an end to legal litigation. At the same time, the number of borrowers who had brought suit totalled 25, down from 39 as of 31 December 2016 compared with 131 as of 31 December 2015 and 210 as of 31 December 2014. Among these 25 suits, 13 cases have been tried in first instance and 3 were judged in the court of appeal. All of these rulings dismissed all the claims of the borrowers except for one case concerning a vanilla loan which gave rise to the *in solidum* conviction of Dexia Crédit Local and Caisse Française de Financement Local, which appealed the decision.

### **Other litigations**

For the record, in 2015, French tax authorities investigated the income declared and the tax paid for 2012 and 2013. Following the tax assessment, the tax authorities expressed their disagreement with the tax treatment of the following two points: the taxation in Ireland of the income from the Dublin branch of Dexia Municipal Agency, which was closed in 2013, and the deductibility of provisions for non-performing loans.

In order to safeguard its rights to the disputed adjustment, in 2017 the tax authority initiated a verification procedure relating to the consequences of its previous assessment of taxable income for the 2014 to 2016 fiscal years. The two points of disagreement resulting from the 2015 assessment still held following this tax audit. There were no other new developments. In order to take into account the risk of an unfavourable outcome in these proceedings, Caisse Française de Financement Local has recorded a provision for additional income tax in the amount of EUR

38 million in its 2015 IFRS financial statement. However, Caisse Française de Financement Local does not agree with the position of the tax authorities and started an appeal in 2016 within the framework of legal recourse allowed by current tax regulations. Neither the discussions that took place with the tax authorities nor the new tax audit called into question the assumptions used to calculate the amount provisioned in the accounts.

## **7. MATERIAL CONTRACTS**

### **(i) Management agreement between SFIL and CAFFIL**

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.

### **(ii) Loan agreements**

The funds required to finance the activity of Caisse Française de Financement Local (financing of over-collateralization and intermediated derivatives) are lent to SFIL by its shareholders.

- An agreement was signed between SFIL and Caisse des Dépôts et Consignations (CDC), dated 31 January 2013, to cover all the needs linked to operations booked prior to the date of acquisition (31 January 2013) and the new export refinancing activity;
- An agreement was signed between SFIL and La Banque Postale (LBP), dated 8 August 2013, to cover all the needs related to loans to French local governments and public hospitals that LBP originates.

### **(iii) Declaration of support**

On 31 January 2013, SFIL signed a declaration of support of Caisse Française de Financement Local, which is reproduced as follows:

*"Société de Financement Local acquired Caisse Française de Financement Local, previously called Dexia Municipal Agency, a société de crédit foncier, governed by Articles L.515-13 et seq. of the Monetary and Financial Code.*

*Société de Financement Local will hold more than 99% of the capital of Caisse Française de Financement Local on a long-term basis.*

*Société de Financement Local and the French State, its reference shareholder, will ensure that Caisse Française de Financement Local always be able to pursue its activity in an ongoing manner and honor its financial commitments, in compliance with the requirements of banking regulations currently in effect."*

**Original text in French:**

Paris, le 31 Janvier 2013

*La Société de Financement Local acquiert la Caisse Française de Financement Local, précédemment dénommée Dexia Municipal Agency, société de crédit foncier, soumise aux dispositions des Articles L.515-13 et suivants du Code monétaire et financier.*

*La Société de Financement Local détiendra durablement plus de 99% du capital de la Caisse Française de Financement Local.*

*La Société de Financement Local et l'Etat français, son actionnaire de référence, feront en sorte que la Caisse Française de Financement Local soit, à tout moment, en mesure de poursuivre ses activités en continuité d'exploitation et d'honorer ses engagements financiers, dans le respect des obligations imposées par la réglementation bancaire en vigueur.*

*Philippe MILLS  
Président Directeur Général  
Société de Financement Local*

**(iv) Tax consolidation arrangement with CAFFIL**

An agreement was signed 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.

**(v) Hedging Arrangements**

An AFB master agreement was signed between SFIL and Caisse Française de Financement Local, the "Convention-Cadre", dated 31 January 2013, as amended from time to time and as supplemented by an AFB collateral annex "Annexe Remises en garantie", dated 31 January 2013, as amended from time to time. The OTC transactions under this master agreement include interest rate swaps and foreign exchange swaps.

**(vi) Refinancing master agreement with CAFFIL (*Convention-cadre de refinancement SFIL-CAFFIL / Crédit Export*)**

The Issuer and Caisse Française de Financement Local 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.

## TAXATION

*The following is a summary of certain withholding tax considerations relating to the holding of the Notes. This summary is based on the laws in force in France and in the United-States and their interpretation thereof as of the date of this Base Prospectus and is subject to any changes in law and interpretation thereof, possibly with a retroactive effect. It does not aim to be a comprehensive description of all tax considerations that may be relevant for a decision to invest in the Notes. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

### FRANCE

#### ***Withholding taxes on payments made outside France***

*The following is relevant to Noteholders who do not concurrently hold shares of the Issuer.*

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a "**Non-Cooperative State**"). If such payments under the Notes are made outside France in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. A draft law published by the French government on 28 March 2018 would, if adopted in its current form, (i) expand the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include the States and jurisdictions on the list set out in Annex I to the conclusions adopted by the Council of the European Union on 5 December 2017, as updated, (the **EU List**) and, as a consequence, (ii) expand this withholding tax regime to certain States and jurisdictions included in the EU List.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account opened in a financial institution established in such a Non-Cooperative State (the "**Deductibility Exclusion**"). The draft law published by the French government on 28 March 2018 abovementioned would, if adopted in its current form, expand this regime to the States and jurisdictions included in the EU List. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned with the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion (and therefore the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such Deductibility Exclusion) will apply in respect of an issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 no. 550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 no. 70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 no. 10, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than in a Non-Cooperative State. For this

purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities payment and delivery system operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

#### ***Withholding taxes on payments to individuals fiscally domiciled in France***

Where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code général des impôts*, subject to certain exceptions, interest and assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at a global rate of 17.2 per cent. on such interest and assimilated revenues received by individuals fiscally domiciled (*domiciliés fiscalement*) in France.

#### **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including France) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions—Further Issues and Consolidation") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

### Summary of Amended and Restated Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 15 May 2018 (as amended or supplemented from time to time, the "**Amended and Restated Dealer Agreement**") between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes 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 Notes 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 Notes 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 Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the Programme and the Dealers for certain of its activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Amended and Restated Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### Selling Restrictions

#### Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any 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 specify the "Prohibition of Sales to EEA Retail Investors" as "Applicable", and in respect of all Notes with a denomination of at least €100,000 to be admitted to trading on a regulated market, 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 Notes 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 MiFID II; or
  - (ii) a customer within the meaning of IMD, 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 the Prospectus Directive; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any 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 specify "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Member State**"), 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 Notes 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 except that it may make an offer of Notes to the public in that Member State of the EEA:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in a Member State of the EEA (a "**Public Offer**"),

following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State of the EEA or, where appropriate, approved in another Member State of the EEA and notified to the competent authority in that Member State of the EEA, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive in the period beginning and ending on the dates specified in such Prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) 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 3(2) of the Prospectus Directive,

provided that no such offer of Notes 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 Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State of the EEA by any measure implementing the Prospectus Directive in that Member State of the EEA and the expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended.

## **France**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public in France on or after the date of approval of the Base Prospectus relating to those Notes by the *Autorité des marchés financiers* ("**AMF**"), all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is twelve (12) months after the date of the approval of the Base Prospectus; or

(ii) **Private placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes 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 Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

## **United States**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S ("**Regulation S**").

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Amended and Restated Dealer Agreement, it will not offer, sell Notes, (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Fiscal Agent by the relevant Dealer, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until forty (40) days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) 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 Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, 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 U.S. person or to any 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 U.S. person or person within the United States, is prohibited.

### **United Kingdom**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) in relation to any Notes having a maturity of less than one (1) 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 Notes 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 Notes 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 Notes 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 such Notes in, from or otherwise involving the United Kingdom.

### **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 or supplement will be set out in a Supplement to the Base Prospectus.

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes, or possession or distribution of the 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 laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither any of the Issuer nor any other Dealer shall have responsibility thereof.

**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 Base Prospectus dated 15 May 2018 expires on 14 May 2019. The updated Base Prospectus shall be available for viewing free of charge on the website of the AMF "(www.amf-france.org)", on the website of the Issuer "(www.sfil.fr)" and for inspection at the specified offices of the Paying Agent(s).]<sup>5</sup>

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes 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 ("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 (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**" or "**IMD**"), 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 Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>6</sup>

[<sup>7</sup>**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 Notes, 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 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*<sup>8</sup>] 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**

<sup>9</sup>[**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 Notes, 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 Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)] [MiFID II]; **EITHER**<sup>10</sup> [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services]<sup>11</sup> **OR**<sup>12</sup> [(ii) all

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<sup>5</sup> To be included in the case of a public offer which offer period expires after the expiry date of this Base Prospectus.

<sup>6</sup> Legend to be included on front of the Final Terms if either (a) the Notes 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".

<sup>7</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

<sup>8</sup> 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]."

<sup>9</sup> Legend to be included on front of the Final Terms if following the ICMA 2 approach.

<sup>10</sup> Include for bonds that are not ESMA complex.

<sup>11</sup> The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

channels for distribution to eligible counterparties and 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]]<sup>13</sup>. [*Consider any negative target market*<sup>14</sup>] 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]<sup>15</sup>.]

**Final Terms dated [●]**

**SFIL**

**Legal entity identifier (LEI): 549300HFEHJOXGE4ZE63**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the  
€[●] Euro Medium Term Note Programme  
of SFIL**

**SERIES NO: [●]**

**TRANCHE NO: [●]**

[Any person making or intending to make an offer of the Notes may only do so [(i) in those Public Offer Jurisdictions mentioned in paragraph 2 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 Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, 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 Notes in any other circumstances.<sup>16</sup>

The expression "Prospectus Directive" means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in the Relevant Member State.]

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions et forth in the Base Prospectus dated 15 May 2018 which received visa no. 18-175 from the *Autorité des marchés financiers* (the "**AMF**") on 15 May 2018 [and the supplement[s] to the Base Prospectus dated [●] which received visa no. [●]

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<sup>12</sup> 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.

<sup>13</sup> The relevant channels for distribution shall be identified and chosen by the relevant Manufacturer(s).

<sup>14</sup> 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]."

<sup>15</sup> 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.

<sup>16</sup> Do not include if the "Prohibition of Sales to EEA Retail Investors" legend is included (because the notes potentially constitute "packaged" products and no key information document will be prepared) and the related selling restriction is specified to be "Applicable".

from the AMF on [●] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing free of charge on the website of the AMF "(www.amf-france.org)", on the website of the Issuer "(www.sfil.fr)" and for inspection at the specified offices of the Paying Agent(s).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**"), which are the [2016/2017] EMTN Conditions which are incorporated by reference in the Base Prospectus dated 15 May 2018. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 15 May 2018 which received visa n°18-175 from the *Autorité des marchés financiers* (the "**AMF**") on 15 May 2018 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the "**Supplement[s]**")], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the [2016/2017] EMTN Conditions which are incorporated by reference in the Base Prospectus. A summary of the issue of the Notes is annexed to these Final Terms. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2016/2017] EMTN Conditions and the Base Prospectus dated 15 May 2018 [and the Supplement[s]]. The Base Prospectus [and the Supplement(s)] [is] [are] available for viewing free of charge on the website of the AMF "(www.amf-france.org)", on the website of the Issuer "(www.sfil.fr)" and for inspection at the specified offices of the Paying Agent(s).

*[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- |    |  |   |
|----|--|---|
| 1. | Issuer:  | SFIL  |
| 2. | (i) Series Number:                                     | [●]   |
|    | (ii) Tranche Number:                                   | [●] (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)                     |
| 3. | Specified Currency or Currencies <sup>17</sup> :       | [●]   |
| 4. | Aggregate Nominal Amount of Notes admitted to trading: | [●]   |
|    | (i) Series:  | [●]   |
|    | (ii) Tranche:  | [●]   |
| 5. | Issue Price:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
| 6. | Specified Denomination(s):                             | [●] (one denomination only for the Notes) <sup>18</sup>   |

<sup>17</sup> Please note that with respect to any domestic issue settled from an Issuer account situated in France, payments relating to Notes shall be made in euros (according to Article 1343-3 of the French *Code civil*).

7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●] [Specify/Issue Date/Not applicable]
8. Maturity Date: [●] [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
9. Interest Basis/Rate of Interest: [[●] per cent. Fixed Rate]  
[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] [+/- [●] per cent. Floating Rate]  
[Fixed/Floating Rate]  
[Zero Coupon]  
[Inflation Linked Interest]  
(further particulars specified below)
10. Redemption/Payment Basis:  
[Redemption at par]  
[Inflation Linked Redemption]  
  
*(N.B. If the Final Redemption Amount is different from 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest or Redemption/Payment Basis:  
[Applicable/Not applicable]  
[Optional Change of Interest Date / Automatic Change of Interest Date: [●]]  
  
*[Specify the date when any fixed to floating or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not applicable]*
12. Put/Call Options: [Issuer Call/Noteholder Put]/[Not applicable]  
[(further particulars specified below)]
13. (i) Status of the Notes: Senior Preferred
- (ii) Date of corporate authorisations for the issuance of Notes obtained: [●]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [In respect of Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

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<sup>18</sup> Notes (including Notes denominated in sterling) 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 FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

\* Notes (including Notes denominated in Sterling) 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 FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other] in [arrear/advance]]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with] commencing on [●] and ending on [●] / [the Maturity Date]
- (iii) Business Day Convention: [Not applicable] / [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (iv) Fixed Coupon Amount[(s)]: [●] per [●] in Aggregate Nominal Amount
- (v) Broken Amount[(s)]: [Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)]
- (vi) Day Count Fraction (Condition 5(a)): [Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- (vii) Determination Date(s): [●] 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))
15. Floating Rate Note Provisions [In respect of Fixed/Floating Rate Notes: from (and including) [•] to (but excluding) [•]:] [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 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): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [●]
- (ix) Screen Rate Determination:

- Reference Rate: [EURIBOR/LIBOR/EONIA/CMS Rate/TEC10]
  - Interest Determination Date(s): [[●] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
  - Relevant Screen Page: [●]
  - (x) FBF Determination: [●]
  - Floating Rate: [●]
  - Floating Rate Determination Date (Date de Détermination du Taux Variable): [●]
- (N.B. the fall-back provisions applicable to FBF Determination under the Recueil de Taux – Additifs Techniques FBF are reliant upon the provisions by reference banks of offered quotations for LIBOR and/or Euribor which, depending on market circumstances, may not be available at the relevant time)*
- (xi) ISDA Determination:
    - Floating Rate Option: [●]
    - Designated Maturity: [●]
    - Reset Date: [●]

*(N.B. the fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provisions by reference banks of offered quotations for LIBOR and/or 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(g)]/[●] per cent. per annum]<sup>19</sup>
  - (xiv) Maximum Rate of Interest: [Not applicable] [[●] per cent. per annum]
  - (xv) Day Count Fraction: [Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
16. Zero Coupon Note Provisions [Applicable / Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

<sup>19</sup> [In no event shall the amount of interest payable be less than zero.]

- (i) Amortisation Yield (Condition 6(f)(i)): [●] per cent. per annum
- (ii) Day Count Fraction (Condition 5(a)): [Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
17. Inflation Linked Notes: [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): [●]
- (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/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- (ix) Business Centre(s): [●]
- (x) Minimum Rate of Interest: [In accordance with the Condition 5(g)]/[●] per cent. per annum<sup>20</sup>
- (xi) Maximum Rate of Interest: [Not applicable]/[●] per cent. per annum

#### PROVISIONS RELATING TO REDEMPTION

18. Issuer 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 Note: [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part: [●]
- (a) Minimum Redemption Amount: [[●] per Specified Denomination] / [Not applicable]
- (b) Maximum Redemption

<sup>20</sup> [In no event shall the amount of interest payable be less than zero.]



- (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 Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [[●] / Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: [Bearer dematerialised form (*au porteur*)/ [fully/administered] Registered dematerialised form (*au nominatif* [pur/administré])] [Delete as appropriate]
- (i) Registration Agent: [Not applicable/Applicable (if applicable please give name and details)]  
(Note that a Registration Agent must be appointed in relation to Registered Notes only)
23. Financial Centre(s) or other special provisions relating to payments dates: [Not applicable/give details]. (*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(vi) and 17(ix) relate*)
24. (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]/[Other\*] / [As per Condition 7(h)]
25. Redenomination, renominatisation and reconventioning provisions: [Not applicable/The provisions [in Condition 1(d)] apply]
26. Consolidation provisions: [Not applicable/The provisions [in Condition 12(b)] apply]
27. *Masse* (Condition 11): Issue outside France: [Applicable/Not Applicable]  
Name and address of the Representative: [●]  
Name and address of the alternate Representative: [●]  
[The Representative will receive no remuneration]/[The Representative will receive a remuneration of [●]].
- [If the Notes are held by a sole Noteholder, insert the wording below:
- As long as the Notes are held by a sole Noteholder, and unless a Representative has been appointed in relation to such Series, such Noteholder 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 Notes are held by several Noteholders.]

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\* In the market practice, if any date for payment in respect of Fixed Rate Notes 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)).

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [*specify relevant regulated market*] of the Notes described herein] pursuant to the Euro 10,000,000,000 Euro Medium Term Notes Programme of the Issuer.

## **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, and 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

By:

Duly authorised

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\* To be added only where information provided by third parties is added to the Final Terms.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Paris/ other (*specify*)/none]
- (ii) Admission to trading [Application has been made for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [●].] / [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [●].] / [Not applicable.]
- [(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)]*
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Additional publication of Base Prospectus and Final Terms [●] (*See Condition 13 which provides that the Base Prospectus and Final Terms of Notes 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 the Autorité des marchés financiers*)

### 2. TERMS AND CONDITIONS OF THE OFFER

- Offer Price: [Issue Price][specify]
- Conditions to which the offer is subject: [Not applicable/give details]
- Offer Period (including any possible amendments): [specify]
- Description of the application process: [Not applicable/give details]
- Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/give details]
- Details of the minimum and/or maximum amount of application: [Not applicable/give details]
- Details of the method and time limits for paying up and delivering the Notes: [Not applicable/give details]
- Manner in and date on which results of the offer are to be made public: [Not applicable/give details]
- Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable/give details]
- Whether tranche(s) have been reserved for

certain countries: [Not applicable/give details]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/give details]

Consent of the Issuer to use the Prospectus during the Offer Period: [Not applicable / Applicable with respect to any Authorised Offeror specified below]

Authorised Offeror(s) in the various countries where the 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)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Prospectus"]

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 or any condition replacing those set out on pages 76 and 77 of the Base Prospectus or indicate "See conditions set out in the Base Prospectus".]

### 3. RATINGS AND EURO EQUIVALENT

#### Ratings:

[Not applicable] [The Notes to be issued [have been rated] [are expected to be rated] [●] by [[●] ("[●]")] [,and [●] ("[●]")] [and [●] ("[●]")].

Each of [●] [and [●]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). Each of [●] [, /and [●]] [and [●]] is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation.

[[Each of [●] [,/and [●]] [and [●]] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[None of [●] [,/and [●]] [and [●]] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009.]

(The above disclosure should reflect the rating allocated to Notes 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 Notes not denominated in Euro). The aggregate principal amount of Notes issued has been converted into Euro at the rate of [●], producing a sum of:[●]

#### 4. 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 establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with [a] certificate[s] of approval attesting that the Base Prospectus [and the Supplement[s]] [has/have] been drawn up in accordance with the Prospectus Directive.]

#### 5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Need to include a description of any interest, including conflicting ones, 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 ["Subscription and Sale"] in the Base Prospectus [and save for any fees of [insert relevant fee disclosure] payable to the Dealers,] so far as the Issuer is aware, no person involved in the offer of the Notes 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 16 of the Prospectus Directive.)]

#### 6. [FIXED RATE NOTES ONLY]-YIELD

Indication of yield: [●]

#### 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).]

#### 8. [Inflation Linked Notes 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].

#### 9. REASONS FOR THE OFFER, USE OF PROCEEDS, TOTAL NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer and use of

- proceeds: [●] (When different from making profit and/or hedging certain risks / See "Use of Proceeds" in the Base Prospectus)
- (ii) Total net proceeds: [●]
- (iii) Estimated total expenses: [●]

(N.B.: (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

## 10. Distribution

- (i) [Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names, addresses and underwriting commitments: [Not applicable/give names, addresses and underwriting commitments]
- (iii) Date of Subscription Agreement [●]
- (iv) Stabilising Manager(s) if any: [Not applicable/give name and address]
- (v) If non-syndicated, name and address of Dealer: [Not applicable/give name and address]
- (vi) 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]
- (vii) U.S. selling restrictions: [Reg S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
- (viii) Prohibition of Sales to EEA Retail Investors: [Not applicable/Applicable]

*(If the Notes do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes 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)*

- (ix) Public offer: [Not applicable] [An offer of the Notes may be made by the [Managers] [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [France] ("**Public Offer Jurisdictions**") during the period from [specify date] until [specify date] ("**Offer Period**"). See further Paragraph 2 of Part B above.

## 11. **[DERIVATIVES ONLY - OTHER**

Date of underwriting agreement: [●]

Name and address of Calculation Agent: [●]

Other markets on which securities of the same class of the Notes to be admitted to trading are already admitted to trading: [●]

[Information on taxes on the income from the Notes withheld at source in the country where admission to trading (other than in France) is sought: [●]

## 12. **OPERATIONAL INFORMATION**

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) Any clearing system(s) other than Euroclear France and the relevant identification number(s):

[Not applicable/give name(s) and number(s)][and addresses]]

(iv) Delivery: Delivery [against/free of] payment

(v) The Agents appointed in respect of the Notes are: [●]

Principal Paying Agent and Paris Paying Agent [●]

(vi) Names and addresses of initial Paying Agent(s):

(vii) Names and addresses of additional Paying Agent(s) (if any): [●]

(viii) 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]*

**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**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes 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 ("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 (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, "Insurance Mediation Directive" or "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[<sup>21</sup>**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 Notes, 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 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*<sup>22</sup>] 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.]

**Final Terms dated [●]**

**SFIL**

**Legal entity identifier (LEI): 549300HFEHJOXGE4ZE63**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the  
€[●] Euro Medium Term Note Programme  
of SFIL**

**SERIES NO: [●]**

**TRANCHE NO: [●]**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 15 May 2018 which received visa no. 18-175 from the *Autorité des marchés financiers* (the "AMF") on 15 May 2018 [and the supplement[s] to the Base Prospectus dated [●] which received visa no. [●] from the AMF on [●]] which [together] constitute[s] a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with

<sup>21</sup> Legend to be included on front of the Final Terms if following the ICMA 1 "all bands to all professionals" target market approach.

<sup>22</sup> 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]."

such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing free of charge on the website of the AMF "(www. amf-france.org)", on the website of the Issuer "(www.sfil.fr)" and for inspection at the specified offices of the Paying Agent(s).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**"), which are the [2016/2017] EMTN Conditions which are incorporated by reference in the Base Prospectus dated 15 May 2018. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 15 May 2018 which received visa n°18-175 from the *Autorité des marchés financiers* (the "**AMF**") on 15 May 2018 [and the supplement[s] to the Base Prospectus dated [●] which received visa n°[●] from the AMF on [●] (the "**Supplement[s]**")], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, including the Conditions which are the [2016/2017] EMTN Conditions which are incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the [2016/2017] EMTN Conditions and the Base Prospectus dated 15 May 2018 [and the Supplement[s]]. The Base Prospectus [and the supplement to the Base Prospectus] [is] [are] available for viewing free of charge on the website of the AMF "(www. amf-france.org)", on the website of the Issuer "(www.sfil.fr)" and for inspection at the specified offices of the Paying Agent(s).

*[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- |    |  |   |
|----|--|---|
| 1. | Issuer:  | SFIL  |
| 2. | (i) Series Number:                                     | [●]   |
|    | (ii) Tranche Number:                                   | [●] <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)</i>                      |
| 3. | Specified Currency or Currencies <sup>23</sup> :       | [●]   |
| 4. | Aggregate Nominal Amount of Notes admitted to trading: | [●]   |
|    | (i) Series:  | [●]   |
|    | (ii) Tranche:  | [●]   |
| 5. | Issue Price:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] <i>(in the case of fungible issues only, if applicable)</i> ] |
| 6. | Specified Denomination(s):                             | [●] <i>(one denomination only for the Notes)</i> <sup>24</sup>  |
| 7. | (i) Issue Date:  | [●]   |
|    | (ii) Interest Commencement Date:                       | [●] [Specify/Issue Date/Not applicable]   |

<sup>23</sup> Please note that with respect to any domestic issue settled from an Issuer account situated in France, payments relating to Notes shall be made in euros (according to Article 1343-3 of the French *Code civil*).

<sup>24</sup> Notes (including Notes denominated in sterling) 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 FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

8. Maturity Date: [●] [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis/Rate of Interest: [[●] per cent. Fixed Rate]  
[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10] [+/-  
[●] per cent. Floating Rate]  
[Fixed/Floating Rate]  
[Zero Coupon]  
[Inflation Linked Interest]  
(further particulars specified below)
10. Redemption/Payment Basis: \*  
[Redemption at par]  
[Inflation Linked Redemption]  
  
*(N.B. If the Final Redemption Amount is different from 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
11. Change of Interest or Redemption/Payment Basis:  
[Applicable/Not applicable]  
  
[Optional Change of Interest Date / Automatic Change of Interest Date: [●]]  
  
*[Specify the date when any fixed to floating or floating to fixed rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not applicable]*
12. Put/Call Options: [Issuer Call/Noteholder Put]/[Not applicable]  
[(further particulars specified below)]
13. (i) Status of the Notes: Senior Preferred
- (ii) Date of corporate authorisations for the issuance of Notes obtained: [●]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [In respect of Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●]:] [Applicable/Not applicable]  
*(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/other] in [arrear/advance]]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with]

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\* Notes (including Notes denominated in Sterling) 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 FSMA and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" (or another application exemption from section 19 of the FSMA must be available) and (b) provide that no part of any such Notes may be transferred unless the redemption value of that part is not less than £100,000 (or its equivalent in other currencies).

		commencing on [●] and ending on [●] / [the Maturity Date]
(iii)	Fixed Coupon Amount[(s)]:	[●] per [●] in Aggregate Nominal Amount
(iv)	Broken Amount[(s)]:	<i>[Insert particulars of any Initial or Final Broken Amounts of interest which do not correspond with the Fixed Coupon Amount(s)]</i>
(v)	Day Count Fraction (Condition 5(a)):	[Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
(vi)	Determination Date(s):	[●] in each year <i>(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))</i>
(vii)	Business Day Convention:	[Not applicable] / [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
15.	Floating Rate Note Provisions	[In respect of Fixed/Floating Rate Notes: from (and including) [●] to (but excluding) [●].] [Applicable/Not applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Period(s):	[●]
(ii)	Specified Interest Payment Dates:	[●]
(iii)	First Interest Payment Date:	[●]
(iv)	Interest Period Date:	[●] <i>(Not applicable unless different from Interest Payment Dates)</i>
(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):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/FBF Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[●]
(ix)	Screen Rate Determination:	
	– Reference Rate:	[EURIBOR/LIBOR/EONIA/CMS Rate/TEC10]
	– Interest Determination Date(s):	[[●] [TARGET] Business Days in <i>[specify city]</i> for <i>[specify currency]</i> prior to <i>[the first day in each Interest</i>

*Accrual Period/each Interest Payment Date]]*

- Relevant Screen Page: [●]
- (x) FBF Determination: [●]
  - Floating Rate: [●]
  - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]

*(N.B. The fall-back provisions applicable to FBF Determination under the Recueil de taux – Additifs Techniques FBF are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (xi) ISDA Determination:
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]

*(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or 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(g)]/[●] per cent. per annum]<sup>25</sup>
- (xiv) Maximum Rate of Interest: [Not applicable][[●] per cent. per annum]
- (xv) Day Count Fraction: [Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- 16. Zero Coupon Note Provisions [Applicable / Not applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Amortisation Yield (Condition 6(f)(i)): [●] per cent. per annum
  - (ii) Day Count Fraction (Condition 5(a)): [Actual/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]

<sup>25</sup> [In no event shall the amount of interest payable be less than zero.]

17. Inflation Linked Notes: [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): [●]
- (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/365 – FBF / Actual/365 / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 30/360-FBF / 30E/360 / 30E/360 (ISDA) / 30E/360-FBF]
- (ix) Business Centre(s): [●]
- (x) Minimum Rate of Interest: [In accordance with the Condition 5(g)]/[●] per cent. per annum<sup>26</sup>
- (xi) Maximum Rate of Interest: [Not applicable]/[●] per cent. per annum

#### PROVISIONS RELATING TO REDEMPTION

18. Issuer 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 Note: [●] per Note of [●] Specified Denomination
- (iii) If redeemable in part: [●]
- (a) Minimum Redemption Amount: [[●] per Specified Denomination] / [Not applicable]
- (b) Maximum Redemption Amount: [[●] per Specified Denomination] / [Not applicable]
- (iv) Notice period (if other than as set out in the Conditions): [●] / [As per the Conditions]
19. Noteholder Put Option [Applicable/Not applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

<sup>26</sup> [In no event shall the amount of interest payable be less than zero.]

- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount each Note: [●] [●] per Note of [●] Specified Denomination
  - (iii) Notice period: [●]
20. Final Redemption Amount of each Note: [[●] per Note of [[●] Specified Denomination/As provided below for Inflation Linked Notes, *as the case may be*]

Inflation Linked Notes – Provisions relating to the Final Redemption Amount (Condition 6(e)):

[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 Notes: [Condition 6(e) 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 Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
21. Early Redemption Amount
- Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or on event of default: [●] / [As provided below for Inflation Linked Notes, *as the case may be*]

Inflation Linked Notes – 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 Notes: [Condition 6(f)(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 Rate of Interest and/or Interest Amount(s) (if not the Calculation Agent): [[●] / Not Applicable]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: [Bearer dematerialised form (*au porteur*)/ [fully/administered] Registered dematerialised form (*au nominatif* [pur/administré])
- (i) Registration Agent: [Not applicable/Applicable (if applicable please give name and details)]
- (Note that a Registration Agent must be appointed in relation to Registered Notes only)
23. Financial Centre(s) or other special provisions relating to payments dates: [Not applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15(vi) and 17(ix) relate)]
24. (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]/[Other\*] / [As per Condition 7(h)]
25. Redenomination, renominatisation and reconventioning provisions: [Not applicable/The provisions [in Condition 1(d)] apply]
26. Consolidation provisions: [Not applicable/The provisions [in Condition 12(b)] apply]
27. *Masse* (Condition 11):
- Name and address of the Representative: [●]
- Name and address of the alternate Representative: [●]
- [The Representative will receive no remuneration]/[The Representative will receive a remuneration of [●]].
- [If the Notes are held by a sole Noteholder, insert the wording below:*
- As long as the Notes are held by a sole Noteholder, and unless a Representative has been appointed in relation to such Series, such Noteholder 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 Notes are held by several Noteholders.]

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\* In the market practice, if any date for payment in respect of Fixed Rate Notes 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)).

## **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [admission to trading on [*specify relevant regulated market*] of the Notes described herein] pursuant to the Euro 10,000,000,000 Euro Medium Term Notes Programme of the Issuer.

## **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, and 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

By:  
Duly authorised

---

\* To be added only where information provided by third parties is added to the Final Terms.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext Paris/ other (*specify*)/none]
- (ii) Admission to trading [Application has been made for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] / [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] / [Not applicable.]
- [(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [●]
- (iv) Additional publication of Base Prospectus and Final Terms [●] (*See Condition 13 which provides that the Base Prospectus and Final Terms of Notes 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 the Autorité des marchés financiers*)

### 2. RATINGS AND EURO EQUIVALENT

#### Ratings:

[Not applicable] [The Notes to be issued [have been rated] [are expected to be rated] [●] by [[●] ("[●]")] [./and [●] ("[●]")] [and [●] ("[●]")].

Each of [●] [./and [●]] [and [●]] is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). Each of [●] [./and [●]] [and [●]] is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation.

*(The above disclosure should reflect the rating allocated to Notes 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 Notes not denominated in Euro*). The aggregate principal amount of Notes issued has been converted into Euro at the rate of [●], producing a sum of:[●]

### 3. 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 establishment or update of the Programme and the second alternative for subsequent issues] the [*include names of competent authorities of host Member States*] with [a] certificate[s] of approval attesting that the Base Prospectus [and the Supplement[s]]

[has/have] been drawn up in accordance with the Prospectus Directive.]

#### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

*Need to include a description of any interest, including conflicting ones, 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 ["Subscription and Sale"] in the Base Prospectus [and save for the fees of [*insert relevant fee disclosure*] payable to the Dealers,] so far as the Issuer is aware, no person involved in the offer of the Notes 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 16 of the Prospectus Directive.)]*

#### 5. [FIXED RATE NOTES ONLY -YIELD

Indication of yield: [●]

#### 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 Benchmarks 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).]

#### 7. [Inflation Linked Notes 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].

#### 8. <sup>27</sup>[REASONS FOR THE OFFER, USE OF PROCEEDS], TOTAL NET PROCEEDS]<sup>28</sup> AND TOTAL EXPENSES

[(i)] Reasons for the offer and use of proceeds: [●] (*When different from making profit and/or hedging certain risks / See "Use of Proceeds" in the Base Prospectus*)

[[ii)] Total net proceeds: [●]<sup>29</sup>

<sup>27</sup> Item required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. To be also included in connection with issues of Themed Notes. Otherwise not required in connection with issues of Notes with a denomination of at least €100,000.

<sup>28</sup> May be deleted for Themed Bonds as disclosure of total net proceeds is not required in connection with issues of Notes with a denomination of at least €100,000.

<sup>29</sup> May be deleted for Themed Bonds as disclosure of total net proceeds is not required in connection with issues of Notes with a denomination of at least €100,000.

[(iii)] Estimated total expenses: [●]

*(N.B.: (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

## 9. Distribution

- (i) [Method of distribution: [Syndicated/Non-syndicated]
- (ii) [Date of the Subscription Agreement: [●]]\*
- (iii) If syndicated, names of Managers: [Not applicable/give names [and addresses]]\*
- (iv) Stabilising Manager(s) (if any): [Not applicable/give name]
- (v) If non-syndicated, name of Dealer: [Not applicable/give name]
- (vi) U.S. selling restrictions: [Reg S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]

## 10. [DERIVATIVES ONLY - OTHER

Date of underwriting agreement: [●]

Name and address of Calculation Agent: [●]

Other markets on which securities of the same class of the Notes to be admitted to trading are already admitted to trading: [●]

[Information on taxes on the income from the Notes withheld at source in the country where admission to trading (other than in France) is sought: [●]]

## 11. OPERATIONAL INFORMATION

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) Any clearing system(s) other than Euroclear France and the relevant identification number(s):  
[Not applicable/give name(s) and number(s)]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of initial Paying Agent(s): Principal Paying Agent and Paris Paying Agent [●]

(vi) Names and addresses of additional

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

\* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.

Paying Agent(s) (if any): [●]

- (vii) 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]

## GENERAL INFORMATION

### 1. Listing and admission to trading

This Base Prospectus has received visa no 18-175 on 15 May 2018 from the AMF.

Application may be made for the Notes during a period of twelve (12) months from the date of this Base Prospectus to be admitted to trading on Euronext Paris or any other Regulated Market.

### 2. Corporate authorisations

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme.

Under French law, any drawdown of Notes under the Programme, to the extent that such Notes constitute *obligations*, requires the prior authorisation of the Board of Directors (*conseil d'administration*) of the Issuer which may delegate its powers to an authorised officer.

For this purpose, on 29 March 2018 the Board of Directors (*conseil d'administration*) of the Issuer authorised (i) the update of the Programme, (ii) the issue of debt securities including notes and assimilated securities (*obligations et titres assimilés*) up to €3,000,000,000 within a period of one year from 29 March 2018 and (iii) delegated, the power to realise issues of debt securities including notes and assimilated securities (*obligations ou titres assimilés*) up to €3,000,000,000 to (x) Mr. Philippe Mills, *Directeur Général* of the Issuer, to Francois Laugier, *Directeur Général adjoint* of the Issuer, Sami Gotrane, *Directeur des marchés financiers* of the Issuer and Florent Lecinq, *Directeur Finance et opérations* of the Issuer and (y) up to €750,000,000 per issue, to Olivier Eudes, *Directeur des activités de marchés* of the Issuer and Pierre Galland, *Directeur Coordination du Pilotage Financier* of the Issuer, each of them acting separately, within the limits set by the Board of Directors (*conseil d'administration*).

### 3. Clearing

The Notes will be inscribed in the books of Euroclear France (acting as central depository). The Notes which are in registered form (*au nominatif*) will be also inscribed either with the Issuer or with the registration agent.

The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

### 4. Significant change

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 consolidated financial statements).

### 5. Material adverse change

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).

### 6. Litigation

Except as disclosed in this Base Prospectus, neither the Issuer nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

### 7. Documents available

For a period of twelve (12) months following the date of this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted),

for inspection at, or in the case of the documents referred to at (iii) and (iv) below may be obtained from, the office of the Fiscal Agent:

- (i) the Amended and Restated Agency Agreement;
- (ii) the by-laws (*statuts*) of the Issuer;
- (iii) Final Terms for Notes that are listed on Euronext Paris or any other stock exchange;
- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus and any document incorporated by reference in such documents;
- (v) the annual audited consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 2017; and
- (vi) the EMTN Conditions.

This Base Prospectus and Final Terms relating to Notes admitted to trading on any Regulated Market in the EEA are also available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.sfil.fr](http://www.sfil.fr)).

## **8. Auditors**

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 Ernst & Young et Autres (Paris La Défense, 1-2 Place des Saisons, 92400 Courbevoie, 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 2017. The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC).

## **9. Rating**

The long term senior debt of the Issuer has been assigned a rating of AA by Standard & Poor's Credit Market Services France SAS ("**S&P**"), and Aa3 Moody's Investors Service Ltd ("**Moody's**") and AA- by Fitch France SAS ("**Fitch**"). Notes issued under the Programme may be unrated or rated differently from the current ratings of the Issuer or of its long term senior debt. The rating (if any) of Notes to be issued under the Programme will be specified in the applicable Final Terms.

Each of S&P, Moody's and Fitch is established in the European Union and is registered under the CRA Regulation. Each of S&P, Moody's and Fitch is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation as of the date of this Base Prospectus.

## **10. Information concerning the underlying**

In respect of derivatives securities as defined in Article 15.2 of Regulation EC No 809/2004 of 29 April 2004, as amended, the Final Terms will indicate whether or not the Issuer intends to provide post-issuance information concerning the underlying. If the Issuer intends to report such information, the Final Terms will specify what information will be reported and where such information can be obtained.

## **11. Yield**

In relation to any Tranche of Fixed Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes 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 Notes and will not be an indication of future yield.

## 12. **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 Regulation EC No 809/2004 of 29 April 2004, as amended.

## 13. **Stabilising Manager**

In connection with the issue of any Tranche (as defined in "Terms and Conditions of the Notes – Form, Denomination(s), Title and Redenomination"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes 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 final 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 must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

## 14. **Third Party Information**

Certain information contained in this Base Prospectus and/or documents incorporated herein by reference has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

## 15. **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.”

## RESPONSIBILITY STATEMENT

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 Base Prospectus 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  
Mr. Philippe Mills  
*Directeur Général*

Dated 15 May 2018



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 French *Autorité des marchés financiers* ("**AMF**"), in particular Articles 211-1 to 216-1, the AMF has granted to this Base Prospectus the *visa* n°18-175 on 15 May 2018. This Base Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. This document may only be used for the purposes of a financial transaction if completed by Final Terms. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it 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.

**Registered office of the Issuer**

**SFIL**

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

**Arranger**

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**Dealers**

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

**Crédit Agricole Corporate and Investment Bank**

12, place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France

**Deutsche Bank Aktiengesellschaft**

Taunusanlage 12  
60325 Frankfurt  
Germany

**HSBC France**

103, avenue des Champs Elysées  
75008 Paris  
France

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**NATIXIS**

30, avenue Pierre Mendès France  
75013 Paris  
France

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**UniCredit Bank AG**

Arabellastr. 12  
81925 Munich  
Germany

**Fiscal Agent, Principal Paying Agent,  
Redenomination Agent, Consolidation Agent  
and Calculation Agent**

**Banque Internationale à Luxembourg, société anonyme**  
69, route d'Esch  
L-2953 Luxembourg  
Grand-Duchy of Luxembourg

**Auditors to the Issuer**

**For year 2016**

**Mazars**  
Exaltis – 61, rue Henri Regnault  
92075 La Défense  
France

**Deloitte & Associés**  
185, avenue Charles de Gaulle  
92524 Neuilly-sur-Seine  
France

**As from year 2017**

**Ernest & Young et Autres**  
Paris La Défense  
1-2 Place des Saisons  
92400 Courbevoie  
France

**Deloitte & Associés**  
185, avenue Charles de Gaulle  
92524 Neuilly-sur-Seine  
France

**Legal Advisers**

*To the Issuer*

**Allen & Overy LLP**  
52, avenue Hoche  
CS 90005  
75379 Paris Cedex 08  
France

*To the Dealers*

**Linklaters LLP**  
25, rue de Marignan  
75008 Paris  
France