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Par et pour
les collectivités

Agence France Locale Euro Medium Term Note Programme

for €3,000,000,000

Benefiting from a first demand guarantees mechanism granted by Agence France Locale – Société Territoriale and by the members of the Agence France Locale Group

This supplement (the “**Supplement**”) supplements, and should be read and interpreted in conjunction with, the base prospectus dated 15 April 2016 (the “**Base Prospectus**”) granted by the *Autorité des marchés financiers* (the “**AMF**”) under no. 16-140 dated 15 April 2016, prepared by Agence France Locale (“**Agence France Locale**” or the “**Issuer**”) and relating to its issuance programme of notes amounting to €3,000,000,000 (*Euro Medium Term Note Programme*) (the “**Programme**”). The Base Prospectus as modified by this Supplement constitutes a Base Prospectus for the purposes of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 as amended by Directive 2010/73/EC of the European Parliament and the Council of 24 November 2010 (together the “**Prospectus Directive**”).

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made for approval of this Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its General Regulations which implements the Prospectus Directive in France.

The present Supplement was prepared in accordance with Article 212-25 of the General Regulations of the AMF, which transpose into French law Article 16.1 of the Prospectus Directive, following the publication by the Issuer on 5 October 2016 of its non-audited summary French GAAP half-yearly non-consolidated financial statements as of 30 June 2016 and its non-audited IFRS summary intermediate financial statements as of 30 June 2016 and the publication by Agence France Locale – Société Territoriale (the “**ST**”) on 5 October 2016 of its non-audited summary consolidated interim financial statements as of 30 June 2016, and is intended (i) to incorporate, by reference, in the Base Prospectus, the respective financial statements of the Issuer and ST as of 30 June 2016, (ii) to update the information contained in the parts “Presentation of the Issuer”, “Summary of the Programme”, “Risk Factors”, “Glossary”, “Documents incorporated by reference”, “Description of the Issuer”, “Description of the guarantors and the guarantee mechanism”, “Form of Final Terms” and “General Information”, and (iii) to insert a “Recent Development” part, notably to take into account part of the increase in capital of ST which occurred on 28 June 2016, which led to the entry of eighteen (18) new Member Local Authorities and to the adaptation of the procedures for payment, by the Member Local Authorities, of their initial capital contribution (the “**ICC**”) in order to facilitate the membership of new Local Authorities.

To the extent that there is any inconsistency between any statements in this Supplement and any other statement in or incorporated in the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included or incorporated by reference in the Base Prospectus which is likely to have a significant influence on the valuation of Notes that has occurred or has been recorded since the publication of the Base Prospectus.

Copies of this Supplement and the Base Prospectus are available for inspection and copying, free of charge, during normal office business hours, on any day of the week (except Saturdays, Sundays and holidays) in the designated office of the Fiscal Agent or the Paying Agent(s), as indicated at the end of the Base Prospectus, and this Supplement will be published on the website (i) of the AMF (www.amf-france.org) and (ii) of the Issuer (www.agence-france-locale.fr).

In accordance with Article 212-25 of the AMF General Regulations, as amended, investors who have already agreed to purchase or subscribe for Notes before the publication of this Supplement have the right to withdraw their acceptances, this right may be exercised for a period of two trading days after the publication of this Supplement to the Base Prospectus, i.e. until [31] October 2016.

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SUMMARY OF THE PROGRAMME

Element B.4b of the summary entitled "Description of any known trends affecting the Issuer and the markets in which it operates", shown on page 5 of the Base Prospectus, is entirely deleted and replaced as follows:

<p>B.4b</p> <p>A description of any known trends affecting the Issuer and the activities in which it operates</p>	<p>Issuer:</p> <p>The Issuer has identified certain developments likely to have an impact on its business:</p> <ul style="list-style-type: none"> – after having been frozen by value for the period 2012-2017 by the law dated 31 December 2012 on the programming of the public finances for the years 2012 to 2017, state grants to Local Authorities were reduced by €1.5 billion for the 2014 financial year by the 2014 financial law of 29 December 2013. The law dated 29 December 2014 programming the public finances for the years 2014 to 2019 confirms the reduction in state support as part of the contribution of local and regional authorities to the recovery of the public finances by €11 billion between 2015 and 2017 (€3.67 billion for 2015, 2016 and 2017); – various legislative texts forming part of a significant institutional change to the local public sector (law no. 2014-58 dated 27 January 2014 on the <i>modernisation of regional and local public action and the representation of Métropoles (MAPTAM Law)</i>, law no. 2015-991 dated 7 August 2015 <i>reorganising the regions of the Republic, (NOTRe Law)</i>, law on new communes, etc.); – after a decline in the loan market in 2012, 2013 and 2014 (respectively to €17.93 billion, €16.83 billion and €16.3 billion¹), a stabilisation of the use of borrowing by Local Authorities is anticipated by the Issuer, standing at €17.6 billion in 2015.
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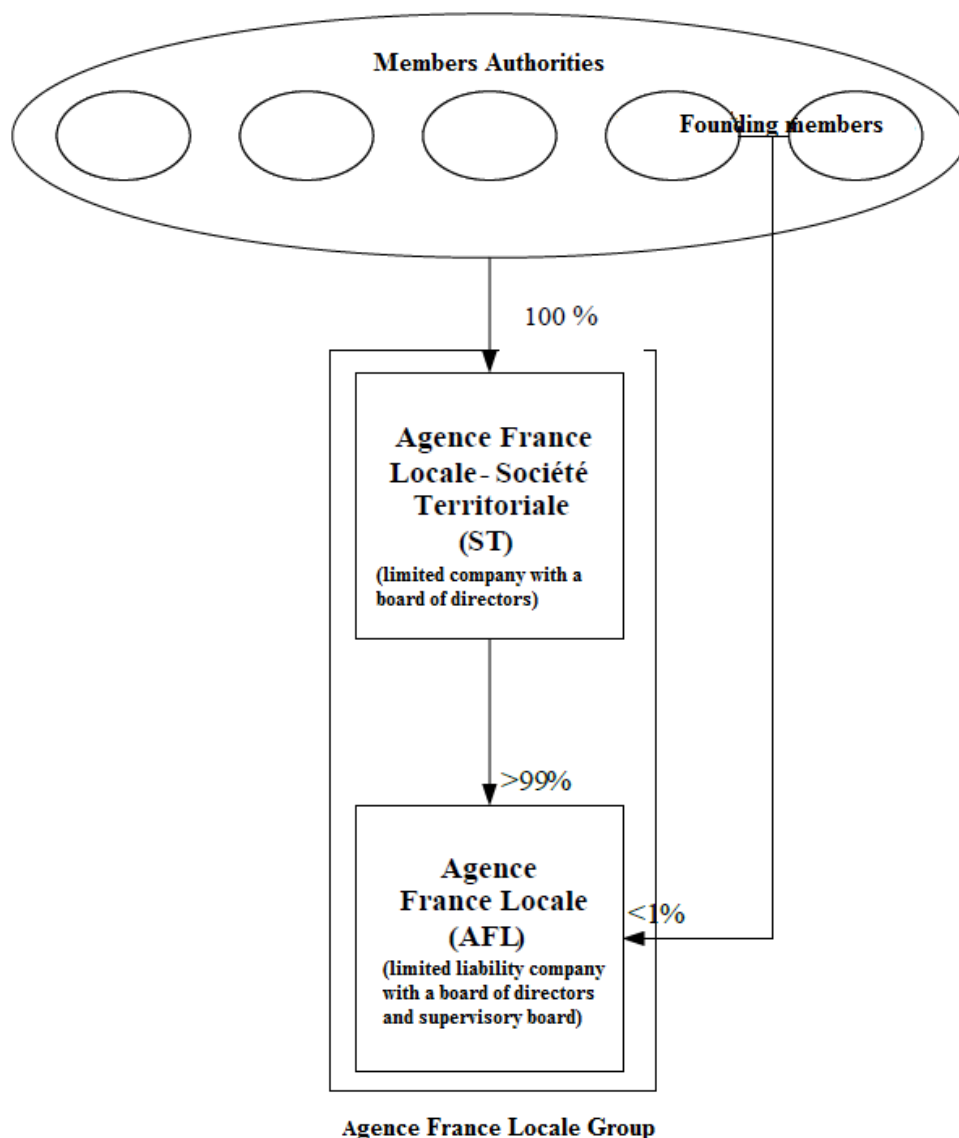
Subsection B.5 of the summary entitled "Description of the Issuer's Group and the Issuer's position within the Group" on page 6 of the Base Prospectus is deleted in its entirety and replaced as follows:

¹ Source: DGCL, "Key figures concerning local authorities", annual report, 2015, pp. 9, 42 and following.

B.5
Description of the Issuer's Group and the Issuer's position within the Group

Issuer:

The structure of the Agence France Locale Group is as follows:



Almost all (99.99%) of the share capital and voting rights of the Issuer are held by ST and the balance (namely ten shares) is divided between the ten Members (as defined below) who initially founded ST, in order to comply with the requirements imposed by Article L. 225-1 of the French Commercial Code, which stated, at the date of incorporation of the Issuer, that the number of shareholders in a public limited company could not be less than seven on the date of incorporation of the company. The first members of the Board of Directors of ST are representatives of ST.

The shareholders of ST are exclusively Local Authorities who have obtained the necessary internal authorisations and whose financial situation allows them to be Members of the Agence France Locale Group.

	<p>Because, in accordance with the provisions of Article L. 1611-3-2 of the French Local Authority Code (the “CGCT”), the Issuer may only grant loans to Members, the number of shareholders of ST is expected to increase as the Agence France Locale Group develops.</p> <p>The operational rules of the Agence France Locale Group were designed in order to ensure continuity of its share ownership. The Members are, under the terms of the Shareholders’ Agreement, in particular obliged to retain their shareholdings until the tenth anniversary of the payment of their ICC and transfers of shares are subject to approval from the Board of Directors of ST.</p> <p>This increase in the number of shareholders will lead to a correlative drop in each Member's relative weighting in ST's share capital; therefore, no controlling shareholders will exist.</p> <p>As of 30 June 2016, the share capital of ST is held by 161 Local Authorities, none of whom hold more than 10% of the share capital, with the exception of two Members. This is the city of Marseille on the one hand and on the other hand the <i>Métropole de Lyon</i>, whose respective interests should eventually go under the threshold of 10% through future accessions of new Members to the Agence France Locale Group.</p> <p>"Member" designates the local and regional authorities, the public institutions for inter-municipal cooperation with the authority to levy taxes and the public institutions mentioned in Article L. 5219-2 of the CGCT (the Local Authorities) whose process of joining the Agence France Locale Group has finished and who have therefore become shareholders in ST.</p>																		
	<p>List of Member Local Authorities at the date of this Base Prospectus</p> <table border="1"> <tr> <td>1</td> <td>Commune de Marseille</td> </tr> <tr> <td>2</td> <td>Métropole de Lyon</td> </tr> <tr> <td>3</td> <td>Métropole Aix Marseille Provence</td> </tr> <tr> <td>4</td> <td>Région Pays de la Loire</td> </tr> <tr> <td>5</td> <td>Département de l’Essonne</td> </tr> <tr> <td>6</td> <td>Métropole Européenne de Lille</td> </tr> <tr> <td>7</td> <td>Nantes Métropole</td> </tr> <tr> <td>8</td> <td>Métropole du Grand Nancy</td> </tr> <tr> <td>9</td> <td>Département de l’Aisne</td> </tr> </table>	1	Commune de Marseille	2	Métropole de Lyon	3	Métropole Aix Marseille Provence	4	Région Pays de la Loire	5	Département de l’Essonne	6	Métropole Européenne de Lille	7	Nantes Métropole	8	Métropole du Grand Nancy	9	Département de l’Aisne
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	10	Bordeaux Métropole
	11	Toulouse Métropole
	12	Eurométropole de Strasbourg
	13	Département de la Savoie
	14	Etablissement public territorial Plaine Commune
	15	Commune de Grenoble
	16	Commune de Nantes
	17	Communauté urbaine Dunkerque Grand Littoral
	18	Commune de Montreuil
	19	Brest Métropole
	20	Commune de Bordeaux
	21	Commune de Clermont-Ferrand
	22	Communauté d'agglomération Amiens Métropole
	23	Communauté d'agglomération Clermont Communauté
	24	Département de la Meuse
	25	Commune d'Amiens
	26	Commune de Saint-Denis
	27	Commune de Créteil
	28	Communauté d'agglomération Chambéry Métropole
	29	Commune d'Evreux
	30	Commune de Brest
	31	Commune de Pau
	32	Commune de Cherbourg-en-Cotentin
	33	Communauté urbaine du Creusot Montceau
	34	Département de l'Ariège
	35	Communauté d'agglomération Valenciennes Métropole
	36	Commune de Mâcon
	37	Communauté d'agglomération Pau Pyrénées
	38	Communauté d'agglomération du Grand Besançon
	39	Commune de Saumur
	40	Métropole Rouen Normandie

41	Commune de Vincennes
42	Commune de Bourgoin-Jallieu
43	Communauté d'agglomération Grand Poitiers
44	Commune de Gonesse
45	Commune de Metz
46	Communauté urbaine d'Arras
47	Commune de Vernon
48	Commune de Saint-Nazaire
49	Etablissement public territorial Est Ensemble
50	Commune de Villeurbanne
51	Commune de Gennevilliers
52	Commune de Roquebrune-sur-Argens
53	Communauté d'agglomération Annemasse-Les-Voirons Agglomération
54	Commune de Lons-le-Saunier
55	Commune de Nogent-sur-Marne
56	Commune de Balaruc-les-Bains
57	Commune de Noyon
58	Communauté d'agglomération du Grand Périgueux
59	Commune de Livry-Gargan
60	Commune de Pertuis
61	Communauté urbaine d'Alençon
62	Commune de Croix
63	Communauté d'agglomération du Bassin de Thau
64	Commune d'Oloron Sainte-Marie
65	Commune de Brunoy
66	Commune de Rezé
67	Commune de Saint-Hilaire-de-Riez
68	Commune du Bouscat
69	Communauté d'agglomération Morlaix Communauté
70	Communauté de communes du Pays Noyonnais
71	Communauté de communes Région de Guebwiller

72	Communauté d'agglomération du Val de Fensch
73	Commune de Lannion
74	Commune de Domérat
75	Commune de La Motte-Servolex
76	Etablissement public territorial Paris-Est-Marne et Bois
77	Communauté d'agglomération de Blois-Agglopolys
78	Commune de Saint-Brice-sous-Forêt
79	Commune de Bourg-Argental
80	Communauté de communes Pévèle Carembault
81	Commune d'Alençon
82	Commune de Vendôme
83	Commune de Waziers
84	Commune d'Ancenis
85	Commune de Wittenheim
86	Commune de Saint-Saulve
87	Commune de Plouzané
88	Communauté de communes du Bassin de Pompey
89	Commune d'Huningue
90	Collectivité territoriale d'Outre-Mer de Saint-Pierre-et-Miquelon
91	Communauté de communes du Pays Mornantais
92	Commune de Longvic
93	Commune de Saint-Jean-Bonnefonds
94	Communauté de communes du Pays de Conches
95	Communauté de communes du Pont du Gard
96	Communauté d'agglomération Val Parisis
97	Commune de Roquefort-sur-Soulzon
98	Commune de Saint-Avé
99	Communauté de communes du Secteur d'Illfurth
100	Commune de Morhange
101	Communauté de communes du Warndt
102	Communauté de communes Rives de l'Ain - Pays du Cerdon

103	Commune de Pont d'Ain
104	Commune de Roquemaure
105	Commune de Guéthary
106	Communauté de communes Ardenne Rives de Meuse
107	Commune d'Anzin
108	Communauté de communes des Coteaux du Girou
109	Communauté de communes de la Vallée du Garon
110	Commune de Pollestres
111	Commune de Beaucouzé
112	Etablissement public territorial Grand-Orly Seine Bièvre
113	Commune de Bourg-Saint-Andéol
114	Communauté de communes du Quercy-Caussadais
115	Commune de La Mulatière
116	Commune d'Aulnoy-lez-Valenciennes
117	Communauté de communes de l'Huisne Sartoise
118	Commune de Cysoing
119	Communauté de communes Amfreville la Campagne
120	Commune d'Aussonne
121	Commune de Saint Martin de Seignanx
122	Commune de Loireauxence
123	Commune de Gidy
124	Communauté de communes du Rhône aux Gorges de l'Ardèche
125	Communauté de communes Vic Montaner
126	Commune d'Usson-en-Forez
127	Commune d'Aubrives
128	Communauté de communes de la Plaine du Nord Loiret
129	Commune d'Attiches
130	Commune de Gonfaron
131	Commune de Plouvorn
132	Commune de Saint-Augustin-des-Bois
133	Commune de Saulzoir

	134	Commune de La Feuillie
	135	Commune de Richardménil
	136	Commune de Flourens
	137	Commune de Vitrac
	138	Commune de Boën-sur-Lignon
	139	Commune du Pont de Beauvoisin
	140	Commune de Saint-Sauveur-en-Rue
	141	Commune de Beynac et Cazenac
	142	Commune de Pujo
	143	Commune de Genech
	144	Commune de Saint-Pierre-du-Bosguérard
	145	Commune de Peyrignac
	146	Commune de Saint-Pierre-des-Fleurs
	147	Commune de Saint-Just-d'Ardèche
	148	Commune de Thil
	149	Commune de Sainte-Euphémie
	150	Communauté de communes du Val de Vêge
	151	Commune de Roquesérière
	152	Commune de Conches-en-Ouche
	153	Commune de Vénéjan
	154	Commune de Bernay-Vilbert
	155	Commune de Teilhède
	156	Commune de Puy-Saint-Gulmier
	157	Commune de Collonges-les-Premières
	158	Commune d'Izier
	159	Commune du Thuit-de-l'Oison
	160	Commune de Cressy-sur-Somme
	161	Commune de Grosbois-en-Montagne

Subsection B.9 of the summary entitled “Profit forecast or estimate” on page 11 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.9 Profit forecast or estimate	<p>Issuer:</p> <p>With regard to the half-yearly results of Agence France Locale as of 30 June 2016 and prospects for the outcome at the end of the year, the forecasts presented in the sensitivity scenario below corresponding to Local Authorities joining the Issuer at a slower rate, resulting in lower ICC and leading to weaker distribution of credit, are the most plausible forecasts on 27 October 2016.</p> <p>The forecasts set out below were established according to IFRS standards.</p> <p>(i) 2016-2017 Balance sheet items (in millions of euros):</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2016</th> <th style="text-align: right;">2017</th> </tr> </thead> <tbody> <tr> <td>Customer loans and receivables</td> <td style="text-align: right;">996</td> <td style="text-align: right;">1,672</td> </tr> <tr> <td>Liquidity reserve</td> <td style="text-align: right;">448</td> <td style="text-align: right;">531</td> </tr> <tr> <td>Other assets</td> <td style="text-align: right;">8</td> <td style="text-align: right;">9</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">1,484</td> <td style="text-align: right;">2,245</td> </tr> <tr> <td>Debts – represented by a security</td> <td style="text-align: right;">1,400</td> <td style="text-align: right;">2,150</td> </tr> <tr> <td>Equity</td> <td style="text-align: right;">84</td> <td style="text-align: right;">95</td> </tr> <tr> <td>Total liabilities and equity</td> <td style="text-align: right;">1,484</td> <td style="text-align: right;">2,245</td> </tr> </tbody> </table> <p>(ii) Items included in 2016-2017 income (in millions of euros):</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2016</th> <th style="text-align: right;">2017</th> </tr> </thead> <tbody> <tr> <td>Net banking income</td> <td style="text-align: right;">7.3</td> <td style="text-align: right;">8.3</td> </tr> <tr> <td>Gross operating profit</td> <td style="text-align: right;">-4.9</td> <td style="text-align: right;">-2.9</td> </tr> </tbody> </table>		2016	2017	Customer loans and receivables	996	1,672	Liquidity reserve	448	531	Other assets	8	9	Total assets	1,484	2,245	Debts – represented by a security	1,400	2,150	Equity	84	95	Total liabilities and equity	1,484	2,245		2016	2017	Net banking income	7.3	8.3	Gross operating profit	-4.9	-2.9
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Subsection B.10 of the summary entitled “Reservations in the auditors’ report” on page 11 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.10 Reservations in the auditors’ report	<p>Issuer:</p> <p>The reports from the Issuer's Auditors on the financial statements relative to the financial years ending on 31 December 2014 and 31 December 2015 contain no reservations.</p> <p>The reports from the Issuer's Auditors on the interim financial statements as of 30 June 2015 and 30 June 2016 contain no reservations.</p>
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Subsection B.12 of the summary entitled “Selected historical key financial information” on page 11 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.12 Selected historical key financial information	Issuer:				
		The information set out below is based on the Issuer's summary interim financial statements restated to reflect IFRS standards. However, only the Issuer's summary half-yearly non-consolidated financial statements according to French standards have legal value. These are set out in the appendix to this Base Prospectus, together with the related Auditors' report.			
		- Balance-sheet items as of 31 December 2014, 31 December 2015 and 30 June 2016 (in thousands of euros):			
			31 December 2014	31 December 2015	30 June 2016 (non-audited)
		Customer loans and receivables ²	-	383,527	590,206
		Other (including financial assets)	46,275	534,063	923,120
		Total assets	46,275	917,590	1,513,326
		Debts – represented by a security ⁴	-	840,536	1,366,818
		Other	16,960	15,008	50,975
		Total liabilities	16,960	855,544	1,417,793
	Equity	29,316	62,046	95,533	
	Total liabilities and equity	46,275	917,590	1,513,326	
		- Items contributing to the result as of 31 December 2014, 31 December 2015, 30 June 2015 and 30 June 2016 (in thousands of euros):			
		31 December 2014	31 December 2015	30 June 2015 (non-audited)	30 June 2016 (non-audited)
	Net banking income	311	361	-677	5,035
	Gross operating profit	-9,726	-10,995	-7,154	-318
	Net income	-6,484	-7,777	-4,770	-275
		The negative net income for the year ended 31 December 2014 is mainly due to the fact that the Issuer (i) had to bear significant general operating expenses to implement the resources needed to start its activity and (ii) having obtained its approval as a			

² In the year ended 31 December 2014 this aggregated data was not present in the Issuer's Annual IFRS Financial Statements as certified by the auditors as it was equal to 0 during the first reporting period, because the Issuer's lending activity had not begun.

	<p>specialised credit institution on 22 December 2014, has not been able to start its lending activity during this financial year.</p> <p>The negative result for the financial year ending on 31 December 2015 is based mainly on two elements: (i) the beginning, by the Issuer, of its loan activities at the start of April, with the inaugural bond issue, with most of this production of loans concentrated on the last quarter, leading to limited creation of income for this financial year; (ii) the continuation of the construction of operational infrastructure enabling Agence France Locale to control its activities in accordance with the regulations in force.</p> <p>The negative net result for the period ending on 30 June 2015 was caused by two elements: firstly, the lack of a start credit portfolio of the Issuer's activities at the beginning of the 2nd quarter 2015, and secondly, the impact of the temporary storage of the resulting liquidity of the inaugural bond issue on very short-term instruments with a negative rate of remuneration.</p> <p>The negative net result for the period ending on 30 June 2016 was explained by a significant increase in net banking income. This increase in net banking income was caused by the increase in income related to loans and the exceptional capital gain coming from the sale of securities initially classified as investment securities and which were reclassified as marketable securities after AFL decided to change the use of its equity in December 2015.</p> <p>At the date of the present Base Prospectus, no significant change in the financial or commercial situation of the Issuer had occurred since 30 June 2016, and there was no significant worsening of the prospects of the Issuer since 31 December 2015.</p>
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Subsection B.5/B.10 of the summary entitled “Reservations in the auditors’ report” on page 17 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.5/B.10 Reservations in the auditors’ report	<p>ST:</p> <p>The reports of ST's Auditors on the consolidated accounts for the financial years ending on 31 December 2014 and 31 December 2015 contain no reservations.</p> <p>ST's Auditors' reports on the consolidated interim financial statements as of 30 June 2015 and 30 June 2016 contain no reservations.</p>
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Subsection B.19/B.12 of the summary entitled “Selected historical key financial information” on page 18 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.19/B.12	ST:
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Selected historical key financial information	The figures in the tables below are taken from the consolidated financial statements of ST.			
	- Balance-sheet items as of 31 December 2014, 31 December 2015, 30 June 2015 and 30 June 2016 (in thousands of euros):			
		31 December 2014	31 December 2015	30 June 2016 (non-audited)
	Customer loans and receivables ³	0	383,527	590,206
	Other (<i>including financial assets</i>)	47,715	537,860	927,870
	Total assets	47,715	921,387	1,518,076
	Debts – represented by a security ⁵	0	840,536	1,366,818
	Other	17,031	15,651	50,823
	Total liabilities	17,031	856,187	1,417,641
	Equity	30,684	65,200	100,435
Total liabilities and equity	47,715	921,387	1,518,076	
- Items contributing to the result as of 31 December 2014, 31 December 2015, 30 June 2015 and 30 June 2016 (in thousands of euros):				
	31 December 2014	31 December 2015	30 June 2015 (non-audited)	30 June 2016 (non-audited)
Net banking income	325	408	-664	5,049
Gross operating profit	-9,904	-10,894	-7,116	-301
It should also be noted that, in addition to ST's financial statements, on 31 December 2014, 31 December 2015 and 30 June 2016, the unpaid amounts of contribution commitments from Member Local Authorities stood respectively at €62.46 million, €40.29 million and €8.5 million.				
At the date of this Base Prospectus, there has been no material change in the financial or commercial situation of ST since 30 June 2016. At the date of this Base Prospectus, there has been no material adverse change in the prospects of ST since 31 December 2015.				

³ In the year ended 31 December 2014 this aggregated data was not present in ST's consolidated IFRS accounts as certified by the auditors as it was equal to 0 during the first reporting period, because the Issuer's lending activity had not begun.

The second paragraph of subsection B.19/B.47 of the summary entitled "Description of Members subscribing a loan with the Issuer", appearing on page 20 of the Base Prospectus, is entirely deleted and replaced as follows:

<p>B.19/B.47 Description of Members subscribing a loan with the Issuer</p>	<p>93 Members subscribed a medium-long term loan as of 30 June 2016 with the Issuer.</p>
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The paragraph "The regions" of subsection B.19/B.47 of the summary entitled "Description of Members subscribing a loan with the Issuer", appearing on page 22 of the Base Prospectus, is entirely deleted and replaced as follows:

<p>B.19/B.47 Description of Members subscribing a loan with the Issuer</p>	<p>– The regions:</p> <p>Since the passing of the decentralisation laws, regions' responsibilities are mainly concentrated in the areas of transport-related expenses, vocational training and economic action. The regions also exercise powers relating to regional development, planning, education, vocational training, culture and the health sector.</p> <p>Furthermore, the NOTRe Law transferred competences to the regions in the fields of mobility, transport and highways. The region also obtained exclusive competence to define "assistance programmes and to decide to grant assistance to companies in the region" and to prepare two major forecasting plans covering two components of economic development: the regional plan for economic development, innovation and internationalisation (SRDEII) and the regional plan for sustainable development and equality of the regions (SRADDET). On 30 June 2016, France had twelve metropolitan and five overseas regions.</p>
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RISK FACTORS

Paragraph (c) entitled "Interest-rate risk" of paragraph 1.1 entitled "Risks relative to the Issuer" of paragraph 1 entitled "Risks presented by the Issuer" of the section entitled "Risk factors" appearing on page 41 of the Base Prospectus is entirely deleted and replaced as follows:

“Interest rate risk covers the risk that the Issuer suffers loss caused by an adverse change in interest rates, due to its balance sheet and off-balance sheet transactions, particularly in cases where there is an imbalance between interest rates generated by its assets and those due under its liabilities. Interest rate risk includes the risk of refinancing an asset at an interest rate higher than the one that was originally taken out, or the risk of switching an asset to a lower interest rate than the one initially used. In the event of a change in interest rates, there may be in both cases a negative impact on the net interest margin which reduces the Issuer’s revenues and might generate an impairment loss.

The financial policy set up by the Issuer aims to protect its balance sheet against interest rate risk by using quasi-systematic micro-hedging of debts and fixed-rate assets through interest rate swaps. However, it should be noted that such hedging is not intended to be perfect. In particular, it will not cover loans that are individually small or certain loans for which the constant repayment is not fixed on the Issuer's standard re-fixing dates. However, these are the subject of macro-hedging for sensitivity when they are aggregated. In case of changes to interest rates, this non-adjustment of hedging might generate a loss of value. Lastly, it should be noted that the hedge accounting that the Issuer will use on these transactions may generate hedge ineffectiveness in case of changes to short-term interest-rate spreads, leading to latent losses likely to have an impact on the Issuer's results.

However, AFL assumes an exposure to interest-rate risk corresponding to the use of its equity as fixed-rate loans, not hedged, granted to Local Authorities. The exposure to interest-rate risk which results from this is governed by the sensitivity of the current net value on the variation of discounted flows from all the assets and liabilities on AFL's balance sheet.”

GLOSSARY

The following definitions are added to the Glossary, appearing on pages 59 to 61 of the Base Prospectus:

Adapted ICC	designates the initial capital contribution of Members who have expressly chosen to benefit from the adapted procedures for calculating the ICC
Projected Adapted ICC	designates the initial capital contribution of Members who have expressly chosen to benefit from the adapted procedures for calculating the ICC, as it is calculated on the date on which the Local Authority joins
Actual Adapted ICC	designates the initial capital contribution of Members who have expressly chosen to benefit from the adapted procedures for calculating the ICC, as it is calculated at the end of the reference calendar year used by the Local Authority to calculate its ICC, and that it actually must pay
Total Reference Debt	designates the total debt borne by the Local Authority that has expressly chosen to benefit from the adapted procedures for calculating the ICC for the calendar year preceding its membership or the total debt that it plans to bear (ii) for the calendar year of the request for membership or (iii) the calendar year following the request for membership
Actual Debt	designates the total debt actually borne by the Local Authority that has expressly chosen to benefit from the adapted procedures for calculating the ICC for the reference calendar year that it has chosen to calculate its ICC
Actual Operating Income	designates the total amount of actual operating income booked to the revenue and expenditure account of the Local Authority that has expressly chosen to benefit from the adapted procedures for calculating the ICC for the reference calendar year that it has chosen to calculate its ICC

PRESENTATION OF THE ISSUER

The section "Presentation of the Issuer" of the Base Prospectus is modified as described below.

1. The sixth paragraph of the section entitled "Characteristics and mandate" of the section entitled "Presentation of the Issuer" on page 62 of the Base Prospectus is deleted in its entirety and replaced as follows:

"Its model is based on the use of market financing through the issue of bonds and *Euro Commercial Paper*, with the aim of granting fixed-rate and simple variable-rate loans to local and regional authorities and EPCI which are members and shareholders in it."

2. The eighth and ninth paragraphs of the paragraph entitled "Characteristics and mandate" of the section entitled "Presentation of the Issuer" appearing on pages 62 and 63 of the Base Prospectus are deleted in their entirety and replaced as follows:

"The main missions of Agence France Locale, a credit institution of which more than 99.99% of the share capital is owned by ST, are the following:

- the daily operational management of financial activities;
- fund-raising in bond markets;
- fund-raising in the money markets; and
- providing loans exclusively to Member Local Authorities.

The Member Local Authorities numbered 161 on the date of the Base Prospectus and they have committed to subscribe to the capital of ST for a total amount of about €124.1 million, of which €115.2 million has actually been paid at the date of the present Base Prospectus, corresponding to a total amount of €110.5 million in paid-up capital at the level of the Issuer, with the Member Local Authorities having the possibility, if they so wish, to pay their ICC in three instalments over three years, in five tranches spread over five years or, under certain conditions, subject to a payment schedule over a longer period (see paragraph 4.2 (b) (ii) "Initial Capital Contribution" in the Base Prospectus)."

3. The fourth to seventh paragraphs of the paragraph entitled "Economic and financial model" of the section entitled "Presentation of the Issuer" appearing on pages 64 and 65 of the Base Prospectus are deleted in their entirety and replaced as follows:

"The financial policies defined and implemented by the Issuer are particularly strict and are largely inspired by the policies of certain supranational institutions or multilateral development banks. The Issuer has set itself the objective of hedging all risks caused by its financial activities (exchange-rate risk, interest-rate risk and liquidity risk), with the exception of the risk which arises from the very nature of its activity of lending to Member Local Authorities, while assuming an exposure to interest-rate risk corresponding to the use of its equity as fixed-rate loans, non-hedged, granted to Local Authorities.

Agence France Locale's balance sheet is intended to be hedged against interest-rate risk and exchange-rate risk by indexing the instruments that are recorded on it, mainly on the 3-month Euribor.

Furthermore, a liquidity reserve has been put in place, the eventual objective of which is to represent an outstanding amount corresponding to 12 months of cash flow from Agence France Locale. This liquidity reserve is invested conservatively, as part of the investment policy, on securities with an excellent credit rating.

In order to assess and better manage the credit risk on Local Authorities, Agence France Locale has established an internal rating system for Member Local Authorities, which aims both to:

- evaluate the financial situation of local and regional authorities, EPCI and regional public institutions upon membership of the Agence France Locale Group by establishing a "financial" rating. On a scale from 1 to 7 (1 being the best rating and 7 the worst) only Local Authorities rated between 1 and 5.99 are allowed to join as members of the Agence France Locale Group. This rating system is automated and is based on economic and financial data published once a year by the Public Finances Directorate General (*Direction Générale des Finances Publiques*) at the French Finance Ministry; and
 - evaluate the financial situation of Member Local Authorities who seek loans from Agence France Locale through a "qualitative" rating as well as the aforementioned "financial" rating. Lastly, the Credit Committee of Agence France Locale decides on the final rating given to the relevant Local Authority."
4. The last paragraph of the paragraph entitled "Economic and financial model" of the section entitled "Presentation of the Issuer" on page 65 of the Base Prospectus is deleted in its entirety and replaced as follows:

"As of 30 June 2016, the prudential ratios of Agence France Locale were as follows:

- a "*Common Equity Tier One*" ratio at 32.63%;
- a leverage ratio at 5.48%;
- an LCR at 4402%; and
- an NSFR at 283%."

DOCUMENTS INCORPORATED BY REFERENCE

The following section, entitled "Documents incorporated by reference", as it appears in the Base Prospectus, is modified as follows:

“DOCUMENTS INCORPORATED BY REFERENCE

The present Base Prospectus must be read and interpreted together with the sections mentioned below included in the following documents, which have been previously published and registered with the AMF. These sections are incorporated in the present Base Prospectus and are deemed to form an integral part of it:

- the sections mentioned in the table below in the annual financial statements of the Issuer as of 31 December 2014 presented according to IFRS standards including the reports from the Issuer's auditors concerning the aforementioned annual financial statements (the **Issuer's Annual IFRS Financial Statements 2014**);
- the sections cited in the table below of the Issuer's annual report as of 31 December 2015 containing the financial statements as of 31 December 2015 presented according to IFRS standards and including the reports from the Issuer's auditors concerning these financial statements (the **Issuer's Annual IFRS Financial Statements 2015**);
- the sections mentioned in the table below of the Issuer's annual financial statements as of 31 December 2014 established according to French accounting principles (*French GAAP*) including the reports from the Issuer's auditors concerning the aforementioned annual financial statements (the **Issuer's Annual French GAAP Financial Statements 2014**);
- the sections mentioned in the table below of the Issuer's annual report dated 31 December 2015 containing the financial statements as of 31 December 2015 established according to French accounting principles (*French GAAP*) including the reports from the Issuer's auditors concerning these financial statements (the **Issuer's Annual French GAAP Financial Statements 2015**);
- the sections mentioned in the table below of ST's consolidated financial statements as of 31 December 2014 and 31 December 2015 including the reports from ST's auditors concerning the aforementioned consolidated financial statements (respectively, the **Consolidated Financial Statements of ST 2014** and the **Consolidated Financial Statements of ST 2015**);
- sections mentioned in the table below of the financial report dated 30 June 2016, notably including the Issuer's non-audited summary interim financial statements as of 30 June 2016 presented according to IFRS standards including the reports from the Issuer's auditors concerning the aforementioned summary interim financial statements (the **Issuer's Summary IFRS Interim Financial Statements as of 30 June 2016**);
- the sections mentioned in the table below of the financial report dated 30 June 2016, notably including the Issuer's non-audited summary half-yearly non-consolidated financial statements as of 30 June 2016 established according to French accounting principles (*French GAAP*) including the reports from the Issuer's auditors concerning the aforementioned summary half-yearly non-consolidated financial statements (the **Issuer's Summary French GAAP half-yearly non-consolidated financial statements as of 30 June 2016**); and
- the sections mentioned in the table below of the non-audited summary consolidated interim financial statements of ST as of 30 June 2016 including the reports from ST's auditors concerning the aforementioned interim financial statements (the **summary consolidated interim financial statements of ST as of 30 June 2016**);
- the terms and conditions of the securities contained on pages 63 to 98 of the base prospectus dated 6 March 2015 approved by the AMF under no. 15-079 dated 6 March 2015 (the 2015 **Terms and Conditions**). The 2015 Terms and Conditions are only incorporated by reference for the requirements of the issue of equivalent securities forming part of the same series as the securities already issued under the 2015 Terms and Conditions.”

Correspondence table

Information incorporated by reference (Appendix IV of Regulation 809/2004/EC)	Reference		
Financial information concerning the Issuer's assets, financial position and results			
	Annual IFRS financial statements of the Issuer 2014	Annual IFRS financial statements of the Issuer 2015	Issuer's Summary IFRS Interim Financial Statements as of 30 June 2016
<u>Historical financial information</u> <u>Financial statements</u>			
Balance sheet	Pages 8 and 7	Page 84	Page 18
Income statement	Page 10	Page 85	Page 19
Cash flow statement	Pages 13 and 14	Page 88	Page 22
Appendices	Pages 15 to 25	Pages 89 to 105	Pages 23 to 36
<u>Verifications of historical annual financial information</u> Auditors' report	Pages 2 and 3	Pages 82 to 83	Pages 37 to 39

	Annual financial statements in accordance with French GAAP of the Issuer 2014	Annual financial statements in accordance with French GAAP of the Issuer 2015	Issuer's Summary French GAAP half-yearly non-consolidated financial statements as of 30 June 2016
<u>Historical financial information</u>			

<u>Financial statements</u>			
Balance sheet	Pages 6 and 7	Page 110	Page 40
Income statement	Page 9	Page 111	Page 41
Cash flow statement	N/A	N/A	N/A
Appendices	Pages 10 to 19	Pages 113 to 125	Pages 43 to 51
<u>Verifications of historical annual financial information</u>			
Auditors' report	Pages 2 and 3	Pages 108 to 109	Pages 52 to 54

Financial information concerning ST's assets, financial position and results			
	Consolidated financial statements of ST 2014	Consolidated financial statements of ST 2015	Summary consolidated interim financial statements of ST as of 30 June 2016
<u>Historical financial information</u>			
<u>Consolidated financial statements</u>			
Consolidated balance sheet	Pages 9 and 10	Page 3	Page 1
Consolidated income statement	Page 11	Page 4	Page 2
Cash flow statement	N/A	Page 7	Page 5
Appendices	Pages 16 to 30	Pages 8 to 27	Pages 6 to 19

<u>Verifications of historical annual financial information</u>			
Auditors' report	Pages 2 to 4	Pages 28 to 31	Pages 20 to 22

Any declaration contained in a document which is deemed to be incorporated by reference hereto shall be deemed to be modified or replaced for the requirements of this Base Prospectus if a declaration contained herein modifies or supplements such a prior declaration. Any declaration thus modified or replaced shall not be deemed to form an integral part of this Base Prospectus unless it has been replaced or modified in accordance with the aforementioned provisions.

Copies of the documents incorporated by reference in this Supplement to the Base Prospectus may be obtained from the Internet sites of (i) the Issuer (www.agence-france-locale.fr) and (ii), concerning only the 2015 Terms and Conditions, the AMF (www.amf-france.org).

DESCRIPTION OF THE ISSUER

The section "Description of the Issuer" of the Base Prospectus is modified as described below.

1. The last paragraph of paragraph (b) "Financial investments" of paragraph 1.2 "Investments" appearing on page 114 of the Base Prospectus is entirely deleted and replaced as follows:

"As of 30 June 2016, all of the financial assets composing the liquidity reserve stood at €846.5 million."

2. Paragraphs (b) "Financial situation of Local Authorities" and (c) "Financing requirements and use of loans by Local Authorities" in paragraph 2.2 "Market" of paragraph 2 "Overview of activities" of the section "Description of the Issuer" appearing on pages 117 to 119 of the Base Prospectus are entirely deleted and replaced as follows:

"(b) Financial situation of Local Authorities

The Local Authorities' risk profile is generally limited as they are required to establish balanced budgets under the supervision of the relevant representative of the State (Préfet) within the *département* and financial courts (regional accounting offices).

In its report on local public financing published in October 2013⁴, the French Court of Auditors (*Cour des comptes*) emphasised that the Local Authorities "[...] represent in practice a quasi-sovereign risk due to the golden rule: they must ensure that they are able to make capital repayments on their loans from their own resources and may only borrow to finance their investment needs. Compliance with this rule is guaranteed by the statutory budgetary audit mechanism involving regional and local Courts of Auditors acting at the behest of the State representative. It notably includes a procedure for rectifying excessive deficits in the accounts." This rule ensuring balanced budgets is codified in Article L. 1612-4 of the CGCT.

The Local Authorities' key budget guidelines are described in paragraph 5.2 of the section "Description of the guarantors and the guarantee mechanism" in this Base Prospectus.

In its themed public report on local public finances of October 2016⁵, the Court of Auditors emphasised that, faced with the drop in grants of €3.67 billion in 2015, financial constraints have not increased in due proportion. Overall, Local Authorities benefited notably from dynamic tax income and were able to slow their operating expenses. This resulted in gross savings which are recovering, after two years of significant drops, and a reduced financing requirement.

It is the commune and inter-commune finances which are recovering in particular. These levels have seen their gross savings and their cash flow improve. Local authorities have nevertheless reduced their investments for the second consecutive year and, simultaneously increasing their use of loans, have strengthened their working capital.

Moreover, Standard & Poor's⁶ noted in its report dated 5 March 2014⁷, that the French local government sector has a solid credit rating and emphasises that the ratings of the French Local Authorities are higher than those of the local public sector of other European States, since they are rated "AA". In spite of the financial constraints confronting Local Authorities, S&P remains

⁴ Source: *Cour des Comptes, Les finances publiques locales* (Court of Auditors, Local government finances), public report, October 2013.

⁵ Source: *Cour des Comptes, Les finances publiques locales* (Court of Auditors, Local government finances), public report, October 2016.

⁶ In 2014, Standard & Poor's rated twenty-eight Local Authorities.

⁷ Source: Standard & Poor's, "*The financing of French local authorities: changes in progress*", 5 March 2014, p. 30.

confident of their ability to absorb the shock of the drop in grants from the state and, ultimately, maintain a satisfactory level of solvency.

This is reflected in the last rating published on 4 October 2016, in which the rating agency states that *"the financial trends of the entire local public sector will be more favourable"*⁸ in 2016 and 2017 than in their previous forecasts.

The table below presents the statement of the debts of Local Authorities in 2015⁹:

	Municipal sector		Departments		Regions		Total	
	Amount in € billion	Change 15/14	Amount in € billion	Change 15/14	Amount in € billion	Change 15/14	Amount in € billion	Change 15/14
Interest rate on the debt	3.8	25.80%	1.1	-6.40%	0.7	15.70%	5.6	17.60%
Debt repayments	8.4	9.90%	3.3	7.90%	2.2	8.70%	13.9	9.10%
New loans	9.4	9.90%	3.9	-3.00%	4.3	18.00%	17.6	8.00%
Debt as of 31/12*	85.9	9.90%	35.9	2.70%	24	9.20%	145.8	2.70%
Debt as of 31/12/operating income	80.80%		52.80%		104.30%		73.90%	
Annual debt payments/operating income	11.50%		6.40%		12.60%		9.90%	

Two types of resources are available to Local Authorities to meet their financing needs:

- "definitive" resources (mostly tax revenues and government grants); and
- "temporary" resources that are to be paid back (loans).

Although the amount of "definitive" resources has remained stable over the last ten years, the reduction in government grants (€-1.5 billion in 2014 and €-3.67 billion applied in 2015, 2016 and 2017, representing a reduction of €11 billion between 2015 and 2017) will put downward pressure on their development.

(c) Local Authorities' financing and borrowing requirements

Local authorities' borrowing requirements stood at €17.6 billion in 2015, against €16.3 billion in 2014¹⁰.

⁸ Source: S&P, 4 October 2016, "Finances of French local authorities: can the recovery be structural?", 7p.

⁹ Source: Observatoire des Finances Locales, "Les finances des collectivités locales en 2016 - État des lieux" (The finances of the local authorities - an in-depth review), July 2016, p. 29: http://www.collectivites-locales.gouv.fr/files/files/ofl_2016.pdf

¹⁰ Source: 2016 Report of Observatoire des Finances Locales, "The finances of local authorities in 2016," Financial statements, p. 58.

3. The second paragraph of paragraph 2.3 "Competitive position of the Issuer" of paragraph 2 "Overview of activities" of the section "Description of the Issuer" appearing on pages 119 and 120 of the Base Prospectus is entirely deleted and replaced as follows:

"In addition, some Local Authorities use disintermediated financing through debt issuances on the capital markets. By way of example, disintermediated financing amounted to €2.187 billion out of the €17.6 billion borrowed by Local Authorities in 2015, representing approximately 12% of this financing. This amount corresponds to the implementation of 71 different issues by 20 issuing Local Authorities."

4. The title of the second paragraph "*Stage 1: quantitative/financial rating*" of paragraph 2.4 "Rating policy" of paragraph 2 "Overview of activities" of the section "Description of the Issuer" appearing on page 121 of the Base Prospectus is entirely deleted and replaced as follows:

Stage 1: financial rating

5. At the end of section 5 "Revenue and earnings forecast" appearing on page 132 of the Base Prospectus, the following paragraph is added:

"With regard to the half-yearly results of Agence France Locale as of 30 June 2016 and prospects for the outcome at the end of the year, the forecasts presented in the sensitivity scenario (a), appearing in paragraph 5.3 "Sensitivity study" on page 135 and following of the Base Prospectus, are the most plausible forecasts on 27 October 2016."

6. Paragraph (b) "Composition of the Supervisory Board" of paragraph 6.1 "Composition of the administrative, management and supervisory bodies" in section 6 "Administrative, management and supervisory bodies" appearing on page 140 of the Base Prospectus is entirely deleted and replaced as follows:

<i>First and last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
Mr Richard Brumm Born on 20 October 1946 in Lyon, France	Chairman of the Supervisory Board Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Co-opted by the Supervisory Board on 20 June 2016 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	Vice-Chairman of ST's Board of Directors	<ul style="list-style-type: none"> – Honorary solicitor – Municipal councillor in charge of finance and public procurement – City of Lyon – Community elected representative – Vice-Chairman in charge of finance – Métropole de Lyon – Municipal elected representative – Municipal councillor in charge of finance and general administration – City of Lyon
Mr Rollon Mouchel-Blaisot Born on 19 June 1959 in Carteret, France	Vice-Chairman of the Supervisory Board Member of the Appointment,	Appointed under the Articles of Incorporation dated 17 December 2013	Chairman of ST's Board of Directors	General manager of services at the Association of Mayors of France

<i>First and last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
	Compensation and Corporate Governance Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016		
Mr Olivier Landel Born on 9 January 1963 in Paramé (Saint-Malo), France	Member of the Supervisory Board Member of the Audit and Risks Committee Member of the Strategic Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed under the Articles of Incorporation dated 17 December 2013 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	Chief Executive Officer of ST	General manager of the research association for the agency for the financing of Local Authorities
Mr Lars Andersson Born on 27 March 1952 in Sweden <i>Independent member</i>	Member of the Supervisory Board Member of the Strategic Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed under the Articles of Incorporation dated 17 December 2013 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	None	Founder and chairman of AB Marten Andersson Productions (AB MA Productions)
Mrs Victoire Aubry-Berrurier Born on 5 June 1966 in La Roche-sur-Yon, France <i>Independent member</i>	Member of the Supervisory Board Member of the Audit and Risks Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed under the Articles of Incorporation dated 17 December 2013 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	None	<ul style="list-style-type: none"> – Member of the executive committee of Icade, in charge of finance, IT and legal – Director of ICADE MANAGEMENT (GIE) (318 607 207 RCS Paris) – Manager of Deux Alpes Loisirs (SA) (064 501 406 RCS Grenoble)
Mr François Drouin Born on 7 August 1951 in Quierschied, Germany <i>Independent member</i>	Member of the Supervisory Board Member of the Audit and Risks Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed under the Articles of Incorporation dated 17 December 2013 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	None	<ul style="list-style-type: none"> – Chairman of the Board of Directors of Société Concessionnaire Française pour la construction et l'exploitation du Tunnel routier sous le Mont Blanc (SA) (582 056 511 RCS Paris) – Chairman of the Board of Directors

<i>First and last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
				<p>of the Société Française du Tunnel Routier du Fréjus (SEM) (962 504 049 RCS Chambéry)</p> <ul style="list-style-type: none"> – Vice-Chairman of the Board of Directors of BPI France (SA) (320 252 489 RCS Créteil)
<p>Mr Nicolas Fourt</p> <p>Born on 22 September 1958 in Nancy, France</p> <p>Independent member</p>	<p>Member of the Supervisory Board</p> <p>Member of the Audit and Risks Committee</p> <p>Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon</p>	<p>Appointed under the Articles of Incorporation dated 17 December 2013</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	<ul style="list-style-type: none"> – Deputy Chief Executive Officer and director of Acofi Gestion (SA) (415 084 433 RCS Paris) – Chief Executive Officer of Alfafinance Analytics And Advisory (SAS) (523 571 218 RCS Paris) – Chairman of Migus & Associés (SAS) (501 228 647 RCS Paris) – Director of Acofi Holding (SAS) (510 571 995 RCS Paris) – Director of Denis Friedman Productions (SA) (409 756 350 RCS Paris) – Manager of Misty (EURL) (484 135 603 RCS Paris) – Manager of Migus Conseil (SARL) (519 192 512 RCS Paris) – Manager of NF Conseil (SARL) (519 411 441 RCS Nanterre) – Director of Alfafinance (SAS) (751 891 748 RCS Paris)
<p>Mr Daniel Lebègue</p> <p>Born on 4 May 1943 in Lyon, France</p>	<p>Member of the Supervisory Board</p> <p>Member of the Appointment, Compensation and</p>	<p>Appointed under the Articles of Incorporation dated 17 December 2013</p>	None	<p>Chairman of the "Observatoire sur la responsabilité sociétale des entreprises" (ORSE)</p>

<i>First and last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties performed within the Group since the Issuer's incorporation</i>	<i>Terms of office and duties performed outside the Group since the Issuer's incorporation</i>
<i>Independent member</i>	Corporate Governance Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016		
Mr Simon Munsch Born on 10 July 1977 in Sarrebourg, France <i>Independent member</i>	Member of the Supervisory Board Member of the Appointment, Compensation and Corporate Governance Committee Member of the Audit and Risks Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed under the Articles of Incorporation dated 17 December 2013 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	None	General manager of services, Languedoc-Roussillon Midi-Pyrénées regional council
Mr Dominique Schmitt Born on 2 June 1948 in Strasbourg, France <i>Independent member</i>	Member of the Supervisory Board Member of the Strategic Committee Tour Oxygène, 10-12 boulevard Vivier Merle, 69003 Lyon	Appointed under the Articles of Incorporation dated 17 December 2013 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	None	<ul style="list-style-type: none"> – Adviser to the chairman of the Department of Alpes Maritimes (06), Mr Eric Ciotti – Municipal councillor of Cagnes-sur-Mer – Member of the Metropolitan Council of Nice Métropole

7. Paragraph 10.1 “Share capital” of section 10 entitled “Additional information” on page 158 of the Base Prospectus is deleted in its entirety and replaced as follows:

“As of 30 June 2016, the Issuer's share capital amounted to €110,500,000, divided into 1,105,000 shares of a par value of €100 each, all of the same class and fully subscribed and paid up.”

8. Paragraph 10.2 “Debts represented by a security” of section 10 entitled “Additional information” on page 158 of the Base Prospectus is deleted in its entirety and replaced as follows:

"As of 30 June 2016, the amount of debt represented by securities of the Issuer, according to the IFRS standard as adopted by the European Union, stood at €1,366,818,000."

9. The following paragraph is added to the end of paragraph (i) "Interest-rate risk" of paragraph 12.1 "Asset-liability management system" of paragraph 12 entitled "Operational management" on page 161 of the Base Prospectus:

"Agence France Locale assumes an exposure to interest-rate risk corresponding to the use of its equity as fixed-rate loans, not hedged, granted to Local Authorities. The exposure to interest-rate risk which results from this is governed by the sensitivity of the current net value on the variation of discounted flows from all the assets and liabilities on Agence France Locale's balance sheet."

10. The first paragraph of paragraph (ii) "Currency risk" of paragraph 12.1 "Asset-liability management system" of paragraph 12 entitled "Operational management" on page 161 of the Base Prospectus is entirely deleted and replaced as follows:

"The currency risk arises from the Issuer's assets and liabilities denominated in foreign currencies. The Issuer is exposed to currency risk concerning bond issues and issues of *Euro Commercial Paper* when they are denominated in foreign currency and for assets denominated in foreign currency that it may buy. The systematic use of micro-hedging currency swaps or cross-currency swaps aims to neutralise the currency risk, subject to the impact on the income statement of the methods used to value hedging instruments and hedged instruments."

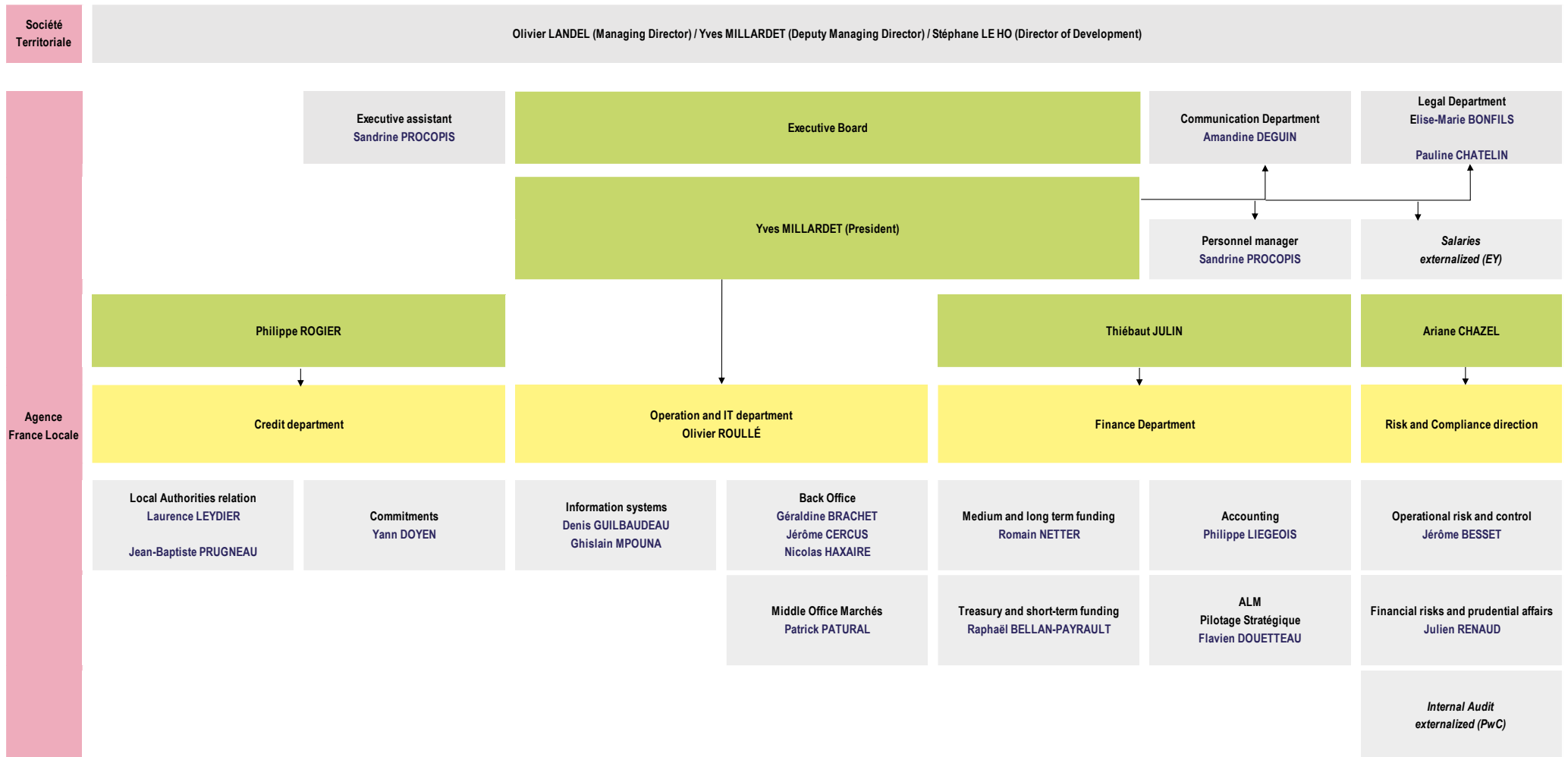
11. The first paragraph of paragraph 12.2 "Cash investment policy" on page 163 of the Base Prospectus is entirely deleted and replaced as follows:

"In accordance with best management practices and its management directives arising from the liquidity policy and regulatory obligations, the Issuer has a liquidity reserve composed of high-quality assets and which correspond to the share of the resources that are not distributed in the form of loans and kept with an objective of providing liquidity to the institution. Also, the Issuer relies on the following guidelines to ensure that its liquid assets are freely negotiable and transferable at all times:

- transferability of assets in the liquidity portfolio;
- credit quality of the investment vehicles; and
- interest-rate hedging."

12. The organisation chart in paragraph 12.4 entitled "Organisational structure" of paragraph 12 entitled "Operational management" on page 166 of the Base Prospectus is entirely deleted and replaced as follows:

Organisation chart – ST & AFL



RECENT DEVELOPMENTS

A "Recent Developments" section is inserted following the "Description of the Issuer" section after page 166 of the Base Prospectus.

"RECENT DEVELOPMENTS

In order to finance the requirements of its members with new cash lines and optimise the financing of its cash, the Issuer set up a programme to issue *Euro Commercial Paper* dated 22 July 2016 with a limit of €1 billion authorised by the Issuer's Supervisory Board on 15 December 2015."

"The footnotes numbered 4, 7, 30, 33 and 83, respectively on pages 15, 50, 167, 173 and 298 of the Base Prospectus, are therefore deleted."

DESCRIPTION OF THE GUARANTORS AND THE GUARANTEE MECHANISM

The section “Description of the guarantors and the guarantee mechanism” of the Base Prospectus is modified as described below.

1. The third paragraph of paragraph (a) “Principle” of paragraph 1.1 “Member Guarantees” of section 1 entitled “Description of the guarantee mechanism” on page 170 of the Base Prospectus is deleted in its entirety and replaced as follows:

“From this principle, it therefore ensues that the total guaranteed amount pursuant to the Member Guarantees is at all times equal to the amount of the medium-long term loans extended by the Issuer to its Members. On 27 October 2016, the amount of outstanding medium-long term loans stood at €720,878,883.”

2. The table presenting the composition of ST's Board of Directors, presented in subparagraph (B) “Board of Directors” of paragraph (c) “Administrative and management bodies” of paragraph 4.1 “Description of the direct majority shareholder: ST” in section 4 entitled “Description of ST” and appearing on pages 215 to 220 of the Base Prospectus is deleted and replaced by the following table:

<i>First and last names Date and place of birth</i>	<i>Duties and any special powers Professional address</i>	<i>Date of first appointment and end of term</i>	<i>Terms of office and duties within the Agence France Locale Group</i>	<i>Terms of office and duties outside the Agence France Locale Group</i>
Mr Rollon Mouchel-Blaisot Born on 19 June 1959 in Carteret, France	Chairman of the Board of Directors and director Member of the Audit and Risks Committee Member of the Appointment, Compensation and Corporate Governance Committee 41 quai d’Orsay – 75007 Paris	Appointed under the Articles of Incorporation Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	Vice-Chairman of the Issuer’s Supervisory Board	General manager of services at the Association of Mayors of France
Mr Richard Brumm Born on 26 October 1946 in Lyon, France	Vice-Chairman of the Board of Directors and director 41 quai d’Orsay – 75007 Paris	Co-opted by the Board of Directors on 20 June 2016 Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016	Chairman and member of the Issuer's Supervisory Board	<ul style="list-style-type: none"> – Honorary solicitor – Municipal councillor in charge of finance and public procurement – City of Lyon – Community elected representative – Vice-Chairman in charge of finance – Métropole de Lyon – Municipal elected representative – Municipal councillor in charge of finance

				and general administration – City of Lyon
<p>French department Aisne (SIREN: 220 200 026)</p> <p>Represented by Mr Pierre-Jean Verzelen</p> <p>Born on 29 August 1983 in Laon, France</p>	<p>Director</p> <p>41 quai d’Orsay – 75007 Paris</p>	<p>Appointed by decision of the Departmental Council of Aisne on 17 June 2015</p> <p>Term to expire at the ordinary general shareholders’ meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	None
<p>Commune de Bordeaux (SIREN: 213 300 635)</p> <p>Represented by Mr Alain Juppé</p> <p>Born on 15 August 1945 in Mont-de-Marsan, France</p>	<p>Director</p> <p>41 quai d’Orsay – 75007 Paris</p>	<p>Appointed under the Articles of Incorporation</p> <p>Term to expire at the ordinary general shareholders’ meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	None
<p>French department Essonne (SIREN: 229 102 280)</p> <p>Represented by Mr Dominique Echaroux</p> <p>Born on 16 June 1946 in Paris, France</p>	<p>Director</p> <p>41 quai d’Orsay – 75007 Paris</p>	<p>Appointed by decision of the Departmental Council of Essonne on 14 December 2015</p> <p>Term to expire at the ordinary general shareholders’ meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	<ul style="list-style-type: none"> - Member of the departmental committee on rental values of professional premises (CDVLLP) - Member of the Board of Directors of the departmental fire and rescue service - Member of the departmental council for civil security (CDSC) - Member of the departmental consultative committee on safety and accessibility (CCDSA) - Member of the departmental subcommittee on safety and accessibility concerning contracting authorities for highways or public spaces, and the district accessibility committee for disabled persons

				<ul style="list-style-type: none"> - Member of the Board of Directors of public secondary schools: <ul style="list-style-type: none"> ▪ Briis-sous-Forges: Collège Jean Monnet (SIREN: 198 512 204) ▪ Dourdan: Collège Condorcet (SIREN: 199 114 919), Collège Emile Auvray (SIREN: 199 119 405) ▪ Etréchy: Collège Le Roussay (SIREN: 199 114 471) ▪ Limours: Collège Michel Vignaud (SIREN: 199 100 413) ▪ Saint-Chéron: Collège Le Pont de-Bois (SIREN: 199 112 566) - Member of the Board of Directors of Collège Jeanne d'Arc at Dourdan (private secondary school under a contract of association) (SIREN: 200 026 433) - Member of the Supervisory Board of the Sud Essonne Hospital at Dourdan-Etampes (SIREN: 200 026 433) - Member of the Board of Directors of the housing establishment for dependent elderly persons (EHPAD) at Ablis (SIREN: 267 802 460) - Member of the departmental committee on commercial development (CDAC) - Member of the departmental committee on inter-commune cooperation - Member of the Board of Directors of Essonne Aménagement (public-private partnership) (969 201 656 RCS Evry)
<p>City of Grenoble (SIREN: 213 801 855)</p> <p>Represented by Mr Hakim Sabri</p> <p>Born on 14 February 1956 in La Mûre, France</p>	<p>Director</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed under the Articles of Incorporation</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year</p>	None	None

		ending 31 December 2016		
<p>Métropole Européenne de Lille (SIREN: 245 900 410)</p> <p>Represented by Mr Alain Bernard</p> <p>Born on 21 August 1947 in Roubaix, France</p>	<p>Director</p> <p>Member of the Audit and Risks Committee</p> <p>Member of the Appointment, Compensation and Corporate Governance Committee</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed under the Articles of Incorporation</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	<p>Senior Vice-Chairman of the Métropole Européenne de Lille and Mayor of Bouvines</p>
<p>City of Lons-le-Saunier (SIREN: 213 803 008)</p> <p>Represented by Mr John Huet</p> <p>Born on 14 November 1976 in Evry, France</p>	<p>Director</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed under the Articles of Incorporation</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	None
<p>Métropole de Lyon (SIREN: 246 900 245)</p> <p>Represented by Mrs Karine Dognin-Sauze</p>	<p>Director</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed under the Articles of Incorporation</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	None
<p>Région Pays de la Loire (SIREN: 234 400 034)</p> <p>Represented by Mr Laurent Dejoie</p> <p>Born on 15 October 1955 in Nantes, France</p>	<p>Director</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed by decision of the permanent committee of the regional council of Pays de la Loire on 29 January 2016</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year</p>	None	None

		ending 31 December 2016		
<p>French department Savoie (SIREN: 227 300 019)</p> <p>Represented by Mr Luc Berthoud</p> <p>Born on 21 December 1962 in Chambéry, France</p>	<p>Director</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed by decision of the Departmental Council of Savoie on 10 April 2015</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	<p>- 3rd Vice-Chairman of Chambéry Métropole (SIREN: 247 300 098)</p> <p>- Chairman of Savoie Technolac, mixed syndicate (SIREN: 257 301 424)</p>
<p>Valenciennes Métropole (SIREN: 245 901 160)</p> <p>Represented by Mr Francis Debacker</p> <p>Born on 26 September 1942 in Annequin, France</p>	<p>Director</p> <p>41 quai d'Orsay – 75007 Paris</p>	<p>Appointed under the Articles of Incorporation</p> <p>Term to expire at the ordinary general shareholders' meeting called to approve the accounts for the financial year ending 31 December 2016</p>	None	None

3. Subparagraph (i) “Share capital” of paragraph (e) “Additional information” of paragraph 4.1 “Description of the direct majority shareholder: ST” in section 4 entitled “Description of ST” and appearing on page 226 of the Base Prospectus is deleted in its entirety and replaced as follows:

“As of 30 June 2016, ST's share capital amounted to €115,240,900, divided into 1,152,409 shares of a par value of €100 each, all of the same class and fully subscribed and paid up.”

4. Subparagraph (ii) “Debts represented by securities” of paragraph (e) “Additional information” of paragraph 4.1 “Description of the direct majority shareholder: ST” in section 4 entitled “Description of ST” and appearing on page 226 of the Base Prospectus is deleted in its entirety and replaced as follows:

“As of 30 June 2016, the amount of debt represented by securities of ST, according to the IFRS standard as adopted by the European Union, stood at €1,366,818,000.”

5. The third paragraph and the table presenting the capital of ST in paragraph (a) “Shareholder structure” of paragraph 4.2 “Description of ST's shareholders” of section 4 entitled “Description of ST” on pages 227 to 231 of the Base Prospectus are entirely deleted and replaced as follows:

“As of the date of this Base Prospectus, ST's share capital is held by 161 Local Authorities, none of which holds more than 10% except for two Members. This is the city of Marseille on the one hand and on the other hand the Métropole de Lyon, whose holding should fall below the 10% threshold in the future due to new Members joining the Agence France Locale Group. These percentage holdings are a result of the

fact that these two significant Members' ICC is greater than that of the majority of other Members and in April 2016 they paid the last third of their ICC. The Métropole de Lyon, in the context of the entry into force of the MAPTAM law, furthermore made a payment of the second third of the additional capital contribution that it must pay."

As of the date of this Base Prospectus, ST's share capital is distributed among the following Member Local Authorities:

1	Commune de Marseille
2	Métropole de Lyon
3	Métropole Aix Marseille Provence
4	Région Pays de la Loire
5	Département de l'Essonne
6	Métropole Européenne de Lille
7	Nantes Métropole
8	Métropole du Grand Nancy
9	Département de l'Aisne
10	Bordeaux Métropole
11	Toulouse Métropole
12	Eurométropole de Strasbourg
13	Département de la Savoie
14	Etablissement public territorial Plaine Commune
15	Commune de Grenoble
16	Commune de Nantes
17	Communauté urbaine Dunkerque Grand Littoral
18	Commune de Montreuil
19	Brest Métropole
20	Commune de Bordeaux
21	Commune de Clermont-Ferrand
22	Communauté d'agglomération Amiens Métropole
23	Communauté d'agglomération Clermont Communauté
24	Département de la Meuse
25	Commune d'Amiens
26	Commune de Saint-Denis

27	Commune de Créteil
28	Communauté d'agglomération Chambéry Métropole
29	Commune d'Evreux
30	Commune de Brest
31	Commune de Pau
32	Commune de Cherbourg-en-Cotentin
33	Communauté urbaine du Creusot Montceau
34	Département de l'Ariège
35	Communauté d'agglomération Valenciennes Métropole
36	Commune de Mâcon
37	Communauté d'agglomération Pau Pyrénées
38	Communauté d'agglomération du Grand Besançon
39	Commune de Saumur
40	Métropole Rouen Normandie
41	Commune de Vincennes
42	Commune de Bourgoin-Jallieu
43	Communauté d'agglomération Grand Poitiers
44	Commune de Gonesse
45	Commune de Metz
46	Communauté urbaine d'Arras
47	Commune de Vernon
48	Commune de Saint-Nazaire
49	Etablissement public territorial Est Ensemble
50	Commune de Villeurbanne
51	Commune de Gennevilliers
52	Commune de Roquebrune-sur-Argens
53	Communauté d'agglomération Annemasse-Les-Voirons Agglomération
54	Commune de Lons-le-Saunier
55	Commune de Nogent-sur-Marne
56	Commune de Balaruc-les-Bains
57	Commune de Noyon

58	Communauté d'agglomération du Grand Périgueux
59	Commune de Livry-Gargan
60	Commune de Pertuis
61	Communauté urbaine d'Alençon
62	Commune de Croix
63	Communauté d'agglomération du Bassin de Thau
64	Commune d'Oloron Sainte-Marie
65	Commune de Brunoy
66	Commune de Rezé
67	Commune de Saint-Hilaire-de-Riez
68	Commune du Bouscat
69	Communauté d'agglomération Morlaix Communauté
70	Communauté de communes du Pays Noyonnais
71	Communauté de communes Région de Guebwiller
72	Communauté d'agglomération du Val de Fensch
73	Commune de Lannion
74	Commune de Domérat
75	Commune de La Motte-Servolet
76	Etablissement public territorial Paris-Est-Marne et Bois
77	Communauté d'agglomération de Blois-Agglopolys
78	Commune de Saint-Brice-sous-Forêt
79	Commune de Bourg-Argental
80	Communauté de communes Pévèle Carembault
81	Commune d'Alençon
82	Commune de Vendôme
83	Commune de Waziers
84	Commune d'Ancenis
85	Commune de Wittenheim
86	Commune de Saint-Saulve
87	Commune de Plouzané
88	Communauté de communes du Bassin de Pompey

89	Commune d'Huningue
90	Collectivité territoriale d'Outre-Mer de Saint-Pierre-et-Miquelon
91	Communauté de communes du Pays Mornantais
92	Commune de Longvic
93	Commune de Saint-Jean-Bonnefonds
94	Communauté de communes du Pays de Conches
95	Communauté de communes du Pont du Gard
96	Communauté d'agglomération Val Parisis
97	Commune de Roquefort-sur-Soulzon
98	Commune de Saint-Avé
99	Communauté de communes du Secteur d'Illfurth
100	Commune de Morhange
101	Communauté de communes du Warndt
102	Communauté de communes Rives de l'Ain - Pays du Cerdon
103	Commune de Pont d'Ain
104	Commune de Roquemaure
105	Commune de Guéthary
106	Communauté de communes Ardenne Rives de Meuse
107	Commune d'Anzin
108	Communauté de communes des Coteaux du Girou
109	Communauté de communes de la Vallée du Garon
110	Commune de Pollestres
111	Commune de Beaucouzé
112	Etablissement public territorial Grand-Orly Seine Bièvre
113	Commune de Bourg-Saint-Andéol
114	Communauté de communes du Quercy-Caussadais
115	Commune de La Mulatière
116	Commune d'Aulnoy-lez-Valenciennes
117	Communauté de communes de l'Huisne Sartoise
118	Commune de Cysoing
119	Communauté de communes Amfreville la Campagne

120	Commune d'Aussonne
121	Commune de Saint Martin de Seignanx
122	Commune de Loireauxence
123	Commune de Gidy
124	Communauté de communes du Rhône aux Gorges de l'Ardèche
125	Communauté de communes Vic Montaner
126	Commune d'Usson-en-Forez
127	Commune d'Aubrives
128	Communauté de communes de la Plaine du Nord Loiret
129	Commune d'Attiches
130	Commune de Gonfaron
131	Commune de Plouvorn
132	Commune de Saint-Augustin-des-Bois
133	Commune de Saulzoir
134	Commune de La Feuillie
135	Commune de Richardménil
136	Commune de Flourens
137	Commune de Vitrac
138	Commune de Boën-sur-Lignon
139	Commune du Pont de Beauvoisin
140	Commune de Saint-Sauveur-en-Rue
141	Commune de Beynac et Cazenac
142	Commune de Pujo
143	Commune de Genech
144	Commune de Saint-Pierre-du-Bosguérard
145	Commune de Peyrignac
146	Commune de Saint-Pierre-des-Fleurs
147	Commune de Saint-Just-d'Ardèche
148	Commune de Thil
149	Commune de Sainte-Euphémie
150	Communauté de communes du Val de Vêge

151	Commune de Roquesérière
152	Commune de Conches-en-Ouche
153	Commune de Vénéjan
154	Commune de Bernay-Vilbert
155	Commune de Teilhède
156	Commune de Puy-Saint-Gulmier
157	Commune de Collonges-les-Premières
158	Commune d'Izier
159	Commune du Thuit-de-l'Oison
160	Commune de Cressy-sur-Somme
161	Commune de Grosbois-en-Montagne

6. Paragraph (ii) "Initial Capital Contribution" of paragraph (b) "Membership of Local Authorities in the Agence France Locale Group" of paragraph 4.2 "Description of the shareholders of ST" of section 4 entitled "Description of ST" appearing on pages 231 to 233 of the Base Prospectus is entirely deleted and replaced as follows:

"(ii) Initial Capital Contribution

Membership is contingent upon payment of the ICC by the Members. The ICC payable at the time of joining is in principle valid for the Member's entire membership with the Agence France Locale Group except in the event of (i) capital increases or contributions made pursuant to legal or regulatory requirements or (ii) changes in the scope of membership (additional budgets, transfer of competences).

In principle, the payment of the ICC may be staggered by the Local Authorities over a maximum period of three (3) calendar years. By exception, from a certain threshold fixed by the Board of Directors, Local Authorities may request payment of the ICC to be staggered within the limit of five (5) calendar years.

The amount of the ICC is calculated as follows:

The amount of the ICC, expressed in euros, will be equal to:

Max ($k_n * 0.80\% * \text{Total Debt}$; $k_n * 0.25\% * \text{Operating Income}$)

Where: **Max (x; y)** is equal to the largest value between x and y;

Total Debt corresponds to the total outstanding loans recognised in the revenue and expenditure account of the Local Authority applying for membership, with respect to the third-to-last year preceding the date on which the decision on the Local Authority's membership becomes enforceable, unless such Local Authority has not closed out a minimum of two financial years as of the date thereof. In this case, and only where the Local Authority was not created as a result of a transfer of competence, the Total Debt presented in the administrative account of the

preceding financial year (if one exists) or in the preliminary budget for the financial year in which the decision became enforceable shall be used.

The Total Debt to be used shall be that communicated by the Public Finances Directorate General (the **DGFIP**) or, where applicable, the Local Authorities Directorate General (the **DGCL**), and if the DGCL and the DGFIP stop communicating the said data, the organisation substituting for them, and if no organisation substitutes for them, the Local Authority concerned under the control of Agence France Locale on the date in question. It is further stipulated that:

- (i) Total Debt shall not include any debt related to project financing of private-public partnerships where the borrowing entity is not a shareholder of the company;
- (ii) Local Authorities requesting membership may decide whether or not to include the debts related to ancillary budgets when defining their Total Debt. In the event where the Local Authorities decide not to include certain budgets in their Total Debt at the time of membership, such budgets shall not receive any funding from Agence France Locale until they have been actually included;
- (iii) the municipalities that belong to a tax-raising inter-communal cooperation public entity (EPCI) may request that the debts they allocated to such public entity are not included in their Total Debt so long as they submit to ST documents proving such allocation.

Operating Income corresponds to the total actual operating income recognised in the revenue and expenditure account of the Local Authority applying for membership, with respect to the third-to-last year preceding the date on which the decision on the Local Authority's membership becomes enforceable unless such Local Authority has not closed out a minimum of two financial years as of the date thereof. In this case, and only where the Local Authority was not created as a result of a transfer of competence, the Operating Income presented in either the administrative account of the preceding financial year (if one exists) or in the preliminary budget for the financial year in which the decision became enforceable shall be used.

The operating income to be used will be that communicated by the DGFIP or, where applicable, the DGCL, and if the DGCL and the DGFIP cease communicating the said data, the organisation substituting for them, and if no organisation substitutes for them, the Local Authority concerned under the control of Agence France Locale on the date in question. It is further stipulated that:

- (i) Local Authorities requesting membership may decide whether or not to include income allocated to ancillary budgets when defining their Operating Income. In the event where the Local Authorities decided not to include certain budgets in their Operating Income at the time of membership, such budgets shall not receive any funding from the Agence France Locale Group until they have been effectively included;
- (ii) tax refunds allocated by the EPCI as allocation of compensation will not be taken into account in the amount of their Operating Income.

k_n and k_n' are coefficients greater than or equal to 1 which will be determined by the Board of Directors of ST upon proposal from the board and the opinion of the Supervisory Board of the Issuer for each of the durations over which the payment of the ICC may be staggered, according to economic and financial criteria that are mainly intended to ensure that the equity of the Agence France Locale Group is appropriate to its mission.

The final amount is rounded to the next highest amount that can avoid the appearance of fractional amounts during the implementation of capital increases by ST enabling the incorporation of capital from the ICCs.

The combined meeting of shareholders of ST, on 30 September 2016, approved the modifications of the Articles of Incorporation creating the possibility, for Local Authorities that expressly request it on their date of joining, of benefiting from adaptation of the terms and conditions of the payment of their ICC, which enables them to pay the amount of their ICC in fractional amounts and over a period that may exceed five years.

The amount of the ICC to be paid by the Local Authorities opting for the benefit of adapted terms and conditions of payment of the ICC, expressed in euros, is determined as follows:

Max ($ka * 0.80\% * \text{Total Debt}$; $ka' * 0.25\% * \text{Operating Income}$)

Where: **Max (x; y)** has the meaning which is given to it above;

Total Debt has the meaning which is given to it above;

Operating Income has the meaning which is given to it above;

ka and ka' are coefficients greater than or equal to 1 which will be determined by the Board of Directors of ST upon proposal from the board and subject to the opinion of the Supervisory Board of AFL according to economic and financial criteria that have the main aim of making sure that the equity of the Agence France Locale Group is appropriate to its mission.

Under these conditions, the candidate Local Authority makes a first payment of one (1) million euros followed by a payment of an annual share of an amount that is greater than or equal to the following amounts:

- i. 3% of the volume of the loan contracted by the Local Authority under medium-long term financing taken out with the issuer during the elapsed year;
- ii. an outright amount of €250,000

The definitive amount is rounded to avoid the appearance of fractional amounts during capital increases by Société Territoriale.

The combined meeting of shareholders of ST, on 30 September 2016, also approved modifications to the Articles of Incorporation enabling Local Authorities who expressly request it on their date of joining to benefit from adaptation of the terms and conditions for calculating their ICC ("**Adapted ICC**"), and thus take the actual amount of the debt into account in calculating their ICC, under certain conditions strictly defined in ST's Articles of Incorporation.

The amount of the Adapted ICC to be paid by Local Authorities who have expressly chosen to benefit from adapted terms and conditions for calculating the ICC is determined as follows:

Any Local Authority wishing to benefit from the Adapted ICC must first determine the amount of the ICC that is due in application of one or the other of the formulas mentioned above by calculating the ICC firstly based on the Total Debt and secondly based on the Operating Income.

If the amount of the ICC calculated based on Operating Income is greater than the amount calculated based on Total Debt, the Local Authority may not adapt the amount of the ICC and must pay the ICC without being able to benefit from the Adapted ICC.

If the Local Authority can adapt the amount of its ICC, it must define the calendar year of reference based on which the total debt ("**Total Reference Debt**") will be established.

A projected ICC will be calculated based on the debt found or anticipated for the reference calendar year chosen in application of one or other of the formulas mentioned above ("**Projected Adapted ICC**").

At the end of the reference calendar year that is chosen, the real amount of the ICC will be calculated under the conditions defined below (the "**Actual Adapted ICC**").

The Total Reference Debt will correspond (i) to the total debt for the calendar year preceding its joining, or (ii) the total debt of the calendar year of the request to join, or (iii) the total debt of the calendar year following the request to join.

On the date of their request to join, the Local Authorities may decide whether or not to include debts relative to ancillary budgets in the definition of their Total Reference Debt. In the event where the Local Authorities decided not to include certain budgets in their Total Reference Debt on the date of the request to join, the corresponding budgets may not be financed by AFL unless the said budgets are actually taken into account.

The municipalities that belong to a tax-raising inter-communal cooperation public entity or a regional public entity mentioned in Article L. 5219-2 of the CGCT may request that the debts that they have assigned to the said public entity not be taken into account in their Total Reference Debt, providing that they communicate the documents demonstrating this assignment to the company.

The amount of the Projected Adapted ICC defined on the date of the request to join may under no circumstances be below 80% of the amount of the ICC as it is calculated in application of either of the above formulas.

At the end of this reference calendar year, the amount of the Actual Adapted ICC is calculated based on the total actual debt ascertained for the reference calendar year (the "**Actual Debt**") and on the basis of the actual operating income ascertained for the reference calendar year (the "**Actual Operating Income**") according to either of the formulas mentioned above.

When the amount of the Actual Adapted ICC calculated based on the Actual Debt is less than that calculated based on the Actual Operating Income, the amount of the Actual Adapted ICC will be established based on the Actual Operating Income.

The actual amount of the Actual Adapted ICC to be paid is determined as follows:

- if the Actual Adapted ICC is greater than the Projected Adapted ICC, the payment of the difference will be implemented, exceptionally, in a single stage during the financial year following the reference calendar year and must be paid by the Local Authority no later than 31 December upon a call from the

Chief Executive Officer of the company. If this difference is not paid, the Local Authority may be qualified as a Sleeping Member;

- if the Actual Adapted ICC is less than the Projected Adapted ICC, the difference will be charged from the financial year following the reference calendar year based on the amount of the Actual Adapted ICC.

The amount of the Adapted ICC is rounded to the next highest amount that can avoid the appearance of fractional amounts during the implementation of capital increases by the company enabling the incorporation of capital from the ICCs."

FORM OF FINAL TERMS

The section “Form of final terms” of the Base Prospectus is modified as described below.

- Appendix 1 “Summary of the issue” appearing on pages 290 to 317 of the Base Prospectus is modified as follows:

Element B.4b of the summary entitled "Description of any known trends affecting the Issuer and the markets in which it operates", shown on page 292 of the Base Prospectus, is entirely deleted and replaced as follows:

<p>B.4b</p> <p>A description of any known trends affecting the Issuer and the activities in which it operates</p>	<p>Issuer:</p> <p>The Issuer has identified certain developments likely to have an impact on its business:</p> <ul style="list-style-type: none"> – after having been frozen by value for the period 2012-2017 by the law dated 31 December 2012 on the programming of the public finances for the years 2012 to 2017, state grants to Local Authorities were reduced by €1.5 billion for the 2014 financial year by the 2014 financial law of 29 December 2013. The law dated 29 December 2014 programming the public finances for the years 2014 to 2019 confirms the reduction in state support as part of the contribution of local and regional authorities to the recovery of the public finances by €11 billion between 2015 and 2017 (€3.67 billion for 2015, 2016 and 2017); – various legislative texts forming part of a significant institutional change to the local public sector (law no. 2014-58 dated 27 January 2014 on the <i>modernisation of regional and local public action and the representation of Métropoles (MAPTAM Law)</i>, law no. 2015-991 dated 7 August 2015 <i>reorganising the regions of the Republic, (NOTRe Law)</i>, law on new communes, etc.); – after a decline in the loan market in 2012, 2013 and 2014 (respectively to €17.93 billion, €16.83 billion and €16.3 billion¹²), a stabilisation of the use of borrowing by Local Authorities is anticipated by the Issuer, standing at €17.6 billion in 2015.
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Subsection B.5 of the summary entitled “Description of the Issuer’s Group and the Issuer’s position within the Group” on pages 292 to 294 of the Base Prospectus is deleted in its entirety and replaced as follows:

¹² Source: DGCL, "Key figures concerning local authorities", annual report, 2015, pp. 9, 42 and following.

<p>B.5</p> <p>Description of the Issuer's Group and the Issuer's position within the Group</p>	<p>Issuer:</p> <p>The structure of the Agence France Locale Group is as follows:</p> <pre> graph TD MA([Members Authorities]) -- 100 % --> ST[Agence France Locale- Société Territoriale (ST) (limited company with a board of directors)] ST -- >99% --> AFL[Agence France Locale (AFL) (limited liability company with a board of directors and supervisory board)] FM((Founding members)) -- <1% --> AFL </pre> <p style="text-align: center;">Agence France Locale Group</p> <p>Almost all (99.99%) of the share capital and voting rights of the Issuer are held by ST and the balance (namely ten shares) is divided between the ten Members (as defined below) who initially founded ST, in order to comply with the requirements imposed by Article L. 225-1 of the French Commercial Code, which stated, at the date of incorporation of the Issuer, that the number of shareholders in a public limited company could not be less than seven on the date of incorporation of the company. The first members of the Board of Directors of ST are representatives of ST.</p>
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	<p>The shareholders of ST are exclusively Local Authorities who have obtained the necessary internal authorisations and whose financial situation allows them to be Members of the Agence France Locale Group.</p> <p>Because, in accordance with the provisions of Article L. 1611-3-2 of the French Local Authority Code (the “CGCT”), the Issuer may only grant loans to Members, the number of shareholders of ST is expected to increase as the Agence France Locale Group develops.</p> <p>The operational rules of the Agence France Locale Group were designed in order to ensure continuity of its share ownership. The Members are, under the terms of the Shareholders’ Agreement, in particular obliged to retain their shareholdings until the tenth anniversary of the payment of their ICC and transfers of shares are subject to approval from the Board of Directors of ST.</p> <p>This increase in the number of shareholders will lead to a correlative drop in each Member's relative weighting in ST's share capital; therefore, no controlling shareholders will exist.</p> <p>As of 30 June 2016, the share capital of ST is held by 161 Local Authorities, none of whom hold more than 10% of the share capital, with the exception of two Members. This is the city of Marseille on the one hand and on the other hand the Métropole de Lyon, whose respective interests should eventually go under the threshold of 10% through future accessions of new Members to the Agence France Locale Group.</p> <p>"Member" designates the local and regional authorities, the public institutions for inter-municipal cooperation with the authority to levy taxes and the public institutions mentioned in Article L. 5219-2 of the CGCT (the Local Authorities) whose process of joining the Agence France Locale Group has finished and who have therefore become shareholders in ST.</p>																
	<p>List of Member Local Authorities at the date of this Base Prospectus</p> <table border="1"> <tr> <td data-bbox="438 1624 534 1675">1</td> <td data-bbox="534 1624 1394 1675">Commune de Marseille</td> </tr> <tr> <td data-bbox="438 1675 534 1727">2</td> <td data-bbox="534 1675 1394 1727">Métropole de Lyon</td> </tr> <tr> <td data-bbox="438 1727 534 1778">3</td> <td data-bbox="534 1727 1394 1778">Métropole Aix Marseille Provence</td> </tr> <tr> <td data-bbox="438 1778 534 1830">4</td> <td data-bbox="534 1778 1394 1830">Région Pays de la Loire</td> </tr> <tr> <td data-bbox="438 1830 534 1881">5</td> <td data-bbox="534 1830 1394 1881">Département de l’Essonne</td> </tr> <tr> <td data-bbox="438 1881 534 1933">6</td> <td data-bbox="534 1881 1394 1933">Métropole Européenne de Lille</td> </tr> <tr> <td data-bbox="438 1933 534 1984">7</td> <td data-bbox="534 1933 1394 1984">Nantes Métropole</td> </tr> <tr> <td data-bbox="438 1984 534 2036">8</td> <td data-bbox="534 1984 1394 2036">Métropole du Grand Nancy</td> </tr> </table>	1	Commune de Marseille	2	Métropole de Lyon	3	Métropole Aix Marseille Provence	4	Région Pays de la Loire	5	Département de l’Essonne	6	Métropole Européenne de Lille	7	Nantes Métropole	8	Métropole du Grand Nancy
1	Commune de Marseille																
2	Métropole de Lyon																
3	Métropole Aix Marseille Provence																
4	Région Pays de la Loire																
5	Département de l’Essonne																
6	Métropole Européenne de Lille																
7	Nantes Métropole																
8	Métropole du Grand Nancy																

9	Département de l' Aisne
10	Bordeaux Métropole
11	Toulouse Métropole
12	Eurométropole de Strasbourg
13	Département de la Savoie
14	Etablissement public territorial Plaine Commune
15	Commune de Grenoble
16	Commune de Nantes
17	Communauté urbaine Dunkerque Grand Littoral
18	Commune de Montreuil
19	Brest Métropole
20	Commune de Bordeaux
21	Commune de Clermont-Ferrand
22	Communauté d'agglomération Amiens Métropole
23	Communauté d'agglomération Clermont Communauté
24	Département de la Meuse
25	Commune d'Amiens
26	Commune de Saint-Denis
27	Commune de Créteil
28	Communauté d'agglomération Chambéry Métropole
29	Commune d'Evreux
30	Commune de Brest
31	Commune de Pau
32	Commune de Cherbourg-en-Cotentin
33	Communauté urbaine du Creusot Montceau
34	Département de l'Ariège
35	Communauté d'agglomération Valenciennes Métropole
36	Commune de Mâcon
37	Communauté d'agglomération Pau Pyrénées
38	Communauté d'agglomération du Grand Besançon
39	Commune de Saumur

40	Métropole Rouen Normandie
41	Commune de Vincennes
42	Commune de Bourgoin-Jallieu
43	Communauté d'agglomération Grand Poitiers
44	Commune de Gonesse
45	Commune de Metz
46	Communauté urbaine d'Arras
47	Commune de Vernon
48	Commune de Saint-Nazaire
49	Etablissement public territorial Est Ensemble
50	Commune de Villeurbanne
51	Commune de Gennevilliers
52	Commune de Roquebrune-sur-Argens
53	Communauté d'agglomération Annemasse-Les-Voirons Agglomération
54	Commune de Lons-le-Saunier
55	Commune de Nogent-sur-Marne
56	Commune de Balaruc-les-Bains
57	Commune de Noyon
58	Communauté d'agglomération du Grand Périgueux
59	Commune de Livry-Gargan
60	Commune de Pertuis
61	Communauté urbaine d'Alençon
62	Commune de Croix
63	Communauté d'agglomération du Bassin de Thau
64	Commune d'Oloron Sainte-Marie
65	Commune de Brunoy
66	Commune de Rezé
67	Commune de Saint-Hilaire-de-Riez
68	Commune du Bouscat
69	Communauté d'agglomération Morlaix Communauté
70	Communauté de communes du Pays Noyonnais

71	Communauté de communes Région de Guebwiller
72	Communauté d'agglomération du Val de Fensch
73	Commune de Lannion
74	Commune de Domérat
75	Commune de La Motte-Servolex
76	Etablissement public territorial Paris-Est-Marne et Bois
77	Communauté d'agglomération de Blois-Agglopolys
78	Commune de Saint-Brice-sous-Forêt
79	Commune de Bourg-Argental
80	Communauté de communes Pévèle Carembault
81	Commune d'Alençon
82	Commune de Vendôme
83	Commune de Waziers
84	Commune d'Ancenis
85	Commune de Wittenheim
86	Commune de Saint-Saulve
87	Commune de Plouzané
88	Communauté de communes du Bassin de Pompey
89	Commune d'Huningue
90	Collectivité territoriale d'Outre-Mer de Saint-Pierre-et-Miquelon
91	Communauté de communes du Pays Mornantais
92	Commune de Longvic
93	Commune de Saint-Jean-Bonnefonds
94	Communauté de communes du Pays de Conches
95	Communauté de communes du Pont du Gard
96	Communauté d'agglomération Val Parisis
97	Commune de Roquefort-sur-Soulzon
98	Commune de Saint-Avé
99	Communauté de communes du Secteur d'Illfurth
100	Commune de Morhange
101	Communauté de communes du Warndt

	102	Communauté de communes Rives de l'Ain - Pays du Cerdon
	103	Commune de Pont d'Ain
	104	Commune de Roquemaure
	105	Commune de Guéthary
	106	Communauté de communes Ardenne Rives de Meuse
	107	Commune d'Anzin
	108	Communauté de communes des Coteaux du Girou
	109	Communauté de communes de la Vallée du Garon
	110	Commune de Pollestres
	111	Commune de Beaucouzé
	112	Etablissement public territorial Grand-Orly Seine Bièvre
	113	Commune de Bourg-Saint-Andéol
	114	Communauté de communes du Quercy-Caussadais
	115	Commune de La Mulatière
	116	Commune d'Aulnoy-lez-Valenciennes
	117	Communauté de communes de l'Huisne Sarthoise
	118	Commune de Cysoing
	119	Communauté de communes Amfreville la Campagne
	120	Commune d'Aussonne
	121	Commune de Saint Martin de Seignanx
	122	Commune de Loireauxence
	123	Commune de Gidy
	124	Communauté de communes du Rhône aux Gorges de l'Ardèche
	125	Communauté de communes Vic Montaner
	126	Commune d'Usson-en-Forez
	127	Commune d'Aubrives
	128	Communauté de communes de la Plaine du Nord Loiret
	129	Commune d'Attiches
	130	Commune de Gonfaron
	131	Commune de Plouvorn
	132	Commune de Saint-Augustin-des-Bois

	133	Commune de Saulzoir
	134	Commune de La Feuillie
	135	Commune de Richardménil
	136	Commune de Flourens
	137	Commune de Vitrac
	138	Commune de Boën-sur-Lignon
	139	Commune du Pont de Beauvoisin
	140	Commune de Saint-Sauveur-en-Rue
	141	Commune de Beynac et Cazenac
	142	Commune de Pujo
	143	Commune de Genech
	144	Commune de Saint-Pierre-du-Bosguérard
	145	Commune de Peyrignac
	146	Commune de Saint-Pierre-des-Fleurs
	147	Commune de Saint-Just-d'Ardèche
	148	Commune de Thil
	149	Commune de Sainte-Euphémie
	150	Communauté de communes du Val de Vêge
	151	Commune de Roquesérière
	152	Commune de Conches-en-Ouche
	153	Commune de Vénéjan
	154	Commune de Bernay-Vilbert
	155	Commune de Teilhède
	156	Commune de Puy-Saint-Gulmier
	157	Commune de Collonges-les-Premières
	158	Commune d'Izier
	159	Commune du Thuit-de-l'Oison
	160	Commune de Cressy-sur-Somme
	161	Commune de Grosbois-en-Montagne

Subsection B.9 of the summary entitled “Profit forecast or estimate” on page 294 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.9 Profit forecast or estimate	Issuer:			
		With regard to the half-yearly results of Agence France Locale as of 30 June 2016 and prospects for the outcome at the end of the year, the forecasts presented in the sensitivity scenario below corresponding to Local Authorities joining the Issuer at a slower rate, resulting in lower ICC and leading to weaker distribution of credit, are the most plausible forecasts on 27 October 2016.		
		The forecasts set out below were established according to IFRS standards.		
		(i) 2016-2017 Balance sheet items (in millions of euros):		
			2016	2017
		Customer loans and receivables	996	1,672
		Liquidity reserve	448	531
		Other assets	8	9
		Total assets	1,484	2,245
		Debts – represented by a security	1,400	2,150
	Equity	84	95	
	Total liabilities and equity	1,484	2,245	
	(ii) Items included in 2016-2017 income (in millions of euros):			
		2016	2017	
	Net banking income	7.3	8.3	
	Gross operating profit	-4.9	-2.9	

Subsection B.10 of the summary entitled “Reservations in the auditors’ report” on page 294 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.10 Reservations in the auditors’ report	Issuer:
	The reports from the Issuer's Auditors on the financial statements relative to the financial years ending on 31 December 2014 and 31 December 2015 contain no reservations.
	The reports from the Issuer's Auditors on the interim financial statements for the periods ending on 30 June 2015 and 30 June 2016 contain no reservations.

Subsection B.12 of the summary entitled “Selected historical key financial information” on page 296 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.12 Selected historical key financial information	Issuer:			
	The information set out below is based on the Issuer's summary interim financial statements restated to reflect IFRS standards. However, only the Issuer's summary half-yearly non-consolidated financial statements according to French standards have legal value. These are set out in the appendix to this Base Prospectus, together with the related Auditors' report.			
	- Balance sheet items as of 31 December 2014, 31 December 2015 and 30 June 2016 (in thousands of euros):			
		31 December 2014	31 December 2015	30 June 2016 (non-audited)
	Customer loans and receivables ¹³	-	383,527	590,206
	-Other (including financial assets)	46,275	534,063	923,120
	Total assets	46,275	917,590	1,513,326
	Debts – represented by a security ⁹	-	840,536	1,366,818
	Other	16,960	15,008	50,975
	Total liabilities	16,960	855,544	1,417,793
Equity	29,316	62,046	95,533	
Total liabilities and equity	46,275	917,590	1,513,326	
- Items contributing to the result as of 31 December 2014, 31 December 2015, 30 June 2015 and 30 June 2016 (in thousands of euros):				
	31 December 2014	31 December 2015	30 June 2015 (non- audited)	30 June 2016 (non- audited)
Net banking income	311	361	-677	5,035
Gross operating profit	-9,726	-10,995	-7,154	-318
Net income	-6,484	-7,777	-4,770	-275
The negative net income for the year ended 31 December 2014 is mainly due to the fact that the Issuer (i) had to bear significant general operating expenses to				

¹³ In the year ended 31 December 2014 this aggregated data was not present in the Issuer's Annual IFRS Financial Statements as certified by the auditors as it was equal to 0 during the first reporting period, because the Issuer's lending activity had not begun.

	<p>implement the resources needed to start its activity and (ii) having obtained its approval as a specialised credit institution on 22 December 2014, has not been able to start its lending activity during this financial year.</p> <p>The negative result for the financial year ending on 31 December 2015 is based mainly on two elements: (i) the beginning, by the Issuer, of its loan activities at the start of April, with the inaugural bond issue, with most of this production of loans concentrated on the last quarter, leading to limited creation of income for this financial year; (ii) the continuation of the construction of operational infrastructure enabling Agence France Locale to control its activities in accordance with the regulations in force.</p> <p>The negative net result for the period ending on 30 June 2015 was caused by two elements: firstly the lack of start credit portfolio of the Issuer's activities at the beginning of the 2nd quarter 2015 and secondly the impact of the temporary storage of the resulting liquidity of the inaugural bond issue on very short-term instruments with a negative rate of remuneration.</p> <p>The negative net result for the period ending on 30 June 2016 was explained by a significant increase in net banking income. This increase in net banking income was caused by the increase in income related to loans and the exceptional capital gain coming from the sale of securities initially classified as investment securities and which were reclassified as marketable securities after AFL decided to change the use of its equity in December 2015.</p> <p>At the date of the present Base Prospectus, no significant change in the financial or commercial situation of the Issuer had occurred since 30 June 2016, and there was no significant worsening of the prospects of the Issuer since 31 December 2015.</p>
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Subsection B.5/B.10 of the summary entitled “Reservations in the auditors’ report” on page 300 of the Base Prospectus is deleted in its entirety and replaced as follows:

<p>B.5/B.10 Reservations in the auditors’ report</p>	<p>ST:</p> <p>The reports of ST's Auditors on the consolidated accounts for the financial years ending on 31 December 2014 and 31 December 2015 contain no reservations.</p> <p>ST's Auditors' reports on the consolidated interim financial statements as of 30 June 2015 and 30 June 2016 contain no reservations.</p>
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Subsection B.19/B.12 of the summary entitled “Selected historical key financial information” on pages 300 and 301 of the Base Prospectus is deleted in its entirety and replaced as follows:

B.19/B.12 Selected historical key financial information	ST:			
	The figures in the tables below are taken from the consolidated financial statements of ST.			
	- Balance sheet items as of 31 December 2014, 31 December 2015, 30 June 2015 and 30 June 2016 (in thousands of euros):			
		31 December 2014	31 December 2015	30 June 2016 (non-audited)
	Customer loans and receivables ¹⁴	0	383,527	590,206
	Other	47,715	537,860	927,870
	Total assets	47,715	921,387	1,518,076
	Debts – represented by a security ⁵	0	840,536	1,366,818
	Other	17,031	15,651	50,823
	Total liabilities	17,031	856,187	1,417,641
Equity	30,684	65,200	100,435	
Total liabilities and equity	47,715	921,387	1,518,076	
- Items contributing to the result as of 31 December 2014, 31 December 2015, 30 June 2015 and 30 June 2016 (in thousands of euros):				
	31 December 2014	31 December 2015	30 June 2015 (non-audited)	30 June 2016 (non-audited)
Net banking income	325	408	-664	5,049
Gross operating profit	-9,904	-10,894	-7,116	-301
It should also be noted that, in addition to ST's financial statements, on 31 December 2014, 31 December 2015 and 30 June 2016, the unpaid amounts of contribution commitments from Member Local Authorities stood respectively at €62.46 million, €40.29 million and €8.5 million.				
At the date of this Base Prospectus, there has been no material change in the financial or commercial situation of ST since 30 June 2016. At the date of this Base				

¹⁴ In the year ended 31 December 2014 this aggregated data was not present in ST's consolidated IFRS accounts as certified by the auditors as it was equal to 0 during the first reporting period, because the Issuer's lending activity had not begun.

	Prospectus, there has been no material adverse change in the prospects of ST since 31 December 2015.
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The second paragraph of subsection B.19/B.47 of the summary entitled "Description of Members subscribing a loan with the Issuer", appearing on page 303 of the Base Prospectus, is entirely deleted and replaced as follows:

B.19/B.47 Description of Members subscribing a loan with the Issuer	93 Members subscribed a medium-long term loan as of 30 June 2016 with the Issuer.
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The paragraph "The regions" of subsection B.19/B.47 of the summary entitled "Description of Members subscribing a loan with the Issuer", appearing on page 22 of the Base Prospectus, is entirely deleted and replaced as follows:

B.19/B.47 Description of Members subscribing a loan with the Issuer	<p>– The regions: Since the passing of the decentralisation laws, regions' responsibilities are mainly concentrated in the areas of transport-related expenses, vocational training and economic action. The regions also exercise powers relating to regional development, planning, education, vocational training, culture and the health sector.</p> <p>Furthermore, the NOTRe Law transferred competences to the regions in the fields of mobility, transport and highways. The region also obtained exclusive competence to define "assistance programmes and to decide to grant assistance to companies in the region" and to prepare two major forecasting plans covering two components of economic development: the regional plan for economic development, innovation and internationalisation (SRDEII) and the regional plan for sustainable development and equality of the regions (SRADDET).</p> <p>On 1 January 2016, France had twelve metropolitan and five overseas regions.</p>
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GENERAL INFORMATION

The section "General Information" of the Base Prospectus is modified as described below.

1. On page 319 of the Base Prospectus, paragraph 3 is deleted in its entirety and replaced as follows:

"3. There has been no significant change to the financial or commercial situation of the Issuer since 30 June 2016. There has been no significant change in the financial or commercial situation of ST since 30 June 2016."

2. On page 319 of the Base Prospectus, paragraph 4 is deleted in its entirety and replaced as follows:

"4. There has been no significant deterioration in the prospects of the Issuer since 31 December 2015. There has been no significant deterioration in the prospects of ST since 31 December 2015."

3. On page 320 of the Base Prospectus, paragraph 9 is deleted in its entirety and replaced as follows:

"9. So long as any Notes issued under this Programme remain outstanding, copies of the following documents shall be available, upon publication, free of charge, during normal office hours, on any weekday (except Saturdays, Sundays and public holidays) at the specified office of the Fiscal Agent and the Paying Agents:

- (a) The Articles of Incorporation of the Issuer and ST;
- (b) the Fiscal Agency Agreement (which includes the form of accounting letter (*lettre comptable*), the Temporary Global Certificates, Physical Notes, Coupons, Receipts and Talons);
- (c) all Final Terms relating to any Notes admitted to trading on Euronext Paris or any other regulated market or offered to the public in a Member State of the EEA;
- (d) a copy of this Base Prospectus and of any supplement to this Base Prospectus or any new base prospectus; and
- (e) all reports, correspondence and other documents, appraisals and statements issued by any expert at the request of the Issuer, any extracts of which, or references to which, are contained in this Base Prospectus relating to any issue of Notes.

During the period of the present Base Prospectus, copies of the following documents shall be available on the Issuer's Internet site (www.agence-france-locale.fr):

- (a) Issuer's Annual IFRS Financial Statements 2014;
- (b) Issuer's Annual IFRS Financial Statements 2015;
- (c) Issuer's Annual French GAAP Financial Statements 2014;
- (d) Issuer's Annual French GAAP Financial Statements 2015;
- (e) Consolidated Financial Statements of ST 2014;
- (f) Consolidated Financial Statements of ST 2015;
- (g) Issuer's Summary IFRS Interim Financial Statements as of 30 June 2016;
- (h) Issuer's Summary French GAAP half-yearly non-consolidated financial statements as of 30 June 2016;
- (i) Summary consolidated interim financial statements of ST as of 30 June 2016.

4. On page 320 of the Base Prospectus, paragraph 12 is deleted in its entirety and replaced as follows:

"(12) KPMG Audit FS I (Immeuble Le Palatin, 3 cours du Triangle, 92939 Paris La Défense Cedex) and Cailliau Dedouit et Associés (19, rue Clément Marot, 75008 Paris) are the auditors of the Issuer and ST for the financial years ending on 31 December 2014 and 31 December 2015 and for the interim periods ending on 30 June 2015 and 30 June 2016. KPMG Audit FS I is a member of the *Compagnie régionale des commissaires aux Comptes de Paris*. KPMG Audit FSI and Cailliau Dedouit et Associés have verified and issued audit reports containing no reservations concerning the financial statements for the years ending on 31 December 2014 and 31 December 2015 for the Issuer and ST. KPMG Audit FSI and Cailliau Dedouit et Associés have verified and issued audit reports containing no reservations concerning the interim financial statements for the periods ending on 30 June 2015 and 30 June 2016 for the Issuer and ST."

RESPONSIBILITY FOR THIS SUPPLEMENT TO THE BASE PROSPECTUS

Person assuming responsibility of this Supplement to the Base Prospectus

On behalf of the Issuer

After taking all reasonable measures for this purpose, I certify that the information contained or incorporated by reference in this Supplement is factual to the best of my knowledge and contains no omission likely to affect its import.

Paris, 27 October 2016

Agence France Locale

Tour Oxygène, 10-12 boulevard Vivier Merle
69003 Lyon
France

Duly represented by:

Yves Millardet, President of the Executive Board of the Company



In accordance with Articles L. 412-1 and L. 621-8 of the French Monetary and Financial Code and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the **AMF**), in particular Articles 212-31 to 212-33, the AMF approved the present Supplement to the Base Prospectus on [27] October 2016 under number 16-[●]. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. This Supplement was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French Monetary and Financial Code, the visa was granted following an examination by the AMF of “whether the document is complete and comprehensible, and whether the information it contains is coherent”. It does not imply an approval by the AMF of the appropriateness of the transactions contemplated hereby nor that the AMF has verified the accounting and financial data set out in it. In accordance with Article 212-32 of the AMF's General Regulations, this visa is subject to the suspensive condition of publication of Final Terms setting out the characteristics of the securities being issued.