

**FIRST SUPPLEMENT DATED 27 SEPTEMBER 2022
TO THE BASE PROSPECTUS DATED 7 JUNE 2022**



SFIL
€15,000,000,000
Euro Medium Term Note Programme

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 7 June 2022 which was approved by the *Autorité des marchés financiers* (the “**AMF**”) under number No. 22-198 on 7 June 2022 (the “**Base Prospectus**”), as prepared in relation to the €15,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of SFIL (the “**Issuer**” or “**SFIL**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the “**Prospectus Regulation**”).

Application has been made for approval of the First Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation. This First Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the following purposes:

- i. incorporating by reference the information contained in the *Rapport financier semestriel 2022* in French language of the Issuer filed with the AMF (the “**2022 Half-Year Report**”);
- ii. updating the section entitled “Risk Factors” of the Base Prospectus;
- iii. updating the section entitled “Documents incorporated by reference” of the Base Prospectus;
- iv. updating the section entitled “Description of the Issuer” of the Base Prospectus;
- v. updating the section entitled “Recent Developments” of the Base Prospectus; and
- vi. updating the section entitled “General Information” of the Base Prospectus.

Save as disclosed in this First Supplement, no significant new factor, material mistake or material inaccuracy has arisen or has been noted which may affect the assessment of the Notes since the approval of the Base Prospectus.

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

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

In accordance with Article 23.2 (bis) of the Prospectus Regulation and to the extent applicable, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this First Supplement is published have the right to withdraw their acceptances within a time limit of minimum three (3) working days after publication of this First Supplement. This right to withdraw shall expire by close of business on 30 September 2022, provided that the Notes had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted. Investors may notify the Issuer should they wish to exercise the right of withdrawal.

Copies of this First Supplement (a) may be obtained, free of charge, at the registered office of the Issuer (1-3, rue du Passeur de Boulogne 92130 Issy-les-Moulineaux, France) during normal business hours and (b) will be available on the website of the AMF (www.amf-france.org) and of the Issuer (www.sfil.fr).

TABLE OF CONTENTS

RISK FACTORS	3
DOCUMENTS INCORPORATED BY REFERENCE	6
DESCRIPTION OF THE ISSUER.....	10
RECENT DEVELOPMENTS.....	19
GENERAL INFORMATION	20
PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST SUPPLEMENT	21

RISK FACTORS

The section entitled “**Risk factors**” on pages 17 to 35 of the Base Prospectus is amended as follows:

- The first paragraph of the risk factor entitled “**1.1 Risks arising from implementation of Basel III Risk-Weighted Asset Framework**” of the section entitled “**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**” on page 18 of the Base Prospectus is deleted and replaced as follows:

“SFIL is subject to prudential regulations applicable to credit institutions and has to comply with the current Capital Requirements Regulation and Capital Requirement Directive as described below. As of 30 June 2022, SFIL's capital level is high (CET1 capital ratio: 36.4%; total capital ratio: 36.4%) given its solvency minimum requirements set by the European Central Bank as per the Supervisory Review and Evaluation Process exercise (CET1 capital: 7.75%; total capital: 11.25%). As of 30 June 2022, SFIL's leverage ratio is 10.2% and exceeds the minimum 3% requirement.”

- The last sentence of the fourth paragraph of the risk factor entitled “**1.2. Risk arising from European and French laws and regulations and harmonization of the existing rules on covered bonds throughout the European Union**” of the section entitled “**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**” on page 20 of the Base Prospectus is deleted and replaced as follows:

“On September 6, 2022, Caisse Française de Financement Local (CAFFIL) received authorization to use the "European Covered Bond Premium" label for its future issues. ACPR, the competent French authority for the supervision of covered bonds, granted this authorization for both French law and German law (registered covered bond) issues. Despite they do not benefit from this label, securities issued prior to July 8, 2022 will continue to benefit from favorable and preferential prudential treatment, equivalent to the one applicable to newly labeled securities.

To obtain this label, Caisse Française de Financement Local excluded from the cover pool some assets and derivatives (which represented less than 1% of the cover pool) and adapted its processes for steering regulatory ratios overcollateralisation and liquidity. The accounting impacts associated with these transactions as of June 30, 2022 can be considered negligible.

The eligibility criteria for some assets and derivatives in the cover pool is in particular subject to changes in ratings granted by rating agencies. This could lead to exclude other assets and derivatives from the cover pool in case of downgrade of these counterparties. This could adversely affect Caisse Française de Financement Local's business, financial condition, cash flows and results of operations.

In addition, no representation is made or assurance given that any *Obligations Foncières* to be issued under the Programme will actually remain allowed to use the "European Covered Bond (Premium)" label until their maturity.”

- The last sentence of the third paragraph of the risk “**1.3 Risks relating to any litigation with a counterparty/borrower or tax authority**” of the section entitled “**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**” on page 20 of the Base Prospectus is deleted and replaced as follows:

“As an illustration, the amount of tax liabilities and provisions for pending legal issues is EUR 10 million as of 30 June 2022.”

- The seventh paragraph and its sub-paragraphs of the risk factor entitled “**2.1 Risk of default**” of the section entitled “**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**” on pages 21 to 22 of the Base Prospectus are deleted and replaced as follows:

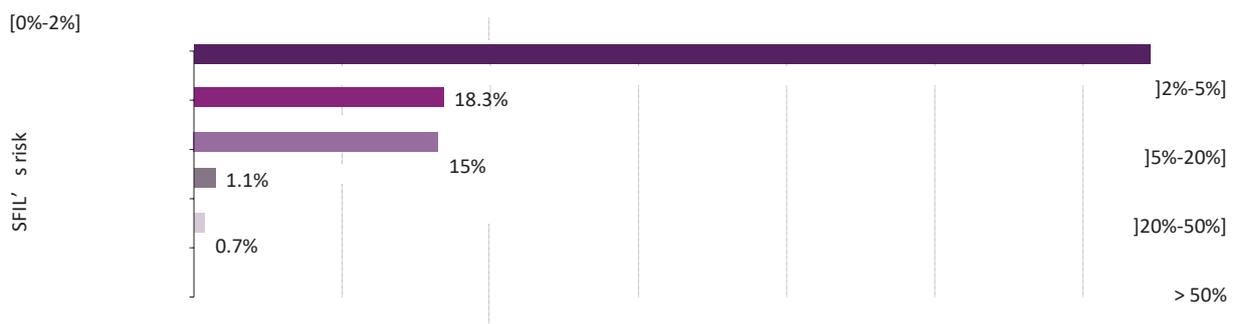
“As an illustration, exposures to credit risk, which is measured using the "Exposure at Default" (EAD) metric, amounted to EUR 70,4 billion as of 30 June 2022 (excluding non-current assets and accruals and other liabilities):

- nearly 60% of this exposure is concentrated in French local public authorities (regions, departments and communities and groups of communities, etc.);
- 22% of this exposure is included in “Sovereign” items including 70% as a result of the export credit activity;
- almost 10% of this exposure comes from public sector entities, including 91% from public stakeholders in the hospital sector.

The high quality of SFIL’s and CAFFIL’s portfolio can also be seen in the Risk-weighted asset (RWA) weightings assigned to their assets to calculate the Group’s solvency ratio.

The Group has chosen the advanced method to calculate regulatory equity requirements for its main core business outstanding: the exposures on French local public administrations (regions, departments, municipalities, own tax groups and equivalent) are processed according to the A-IRB¹ method.

The breakdown of the SFIL Group’s exposures by risk weighting as of June 30, 2022 is as follows:



The average weighting on credit risk exposures stands at 4.8% with only 1.8% of the portfolio having a risk weighting exceeding 20%, this testifies to the very low level of credit risk of SFIL and CAFFIL’s portfolio.

The foreseeable impacts to date related to the war situation in Ukraine are very limited for the SFIL Group: the Group has only one exposure in Ukraine which as of June 30, 2022 represented balance sheet outstanding of EUR 50 million and an off-balance sheet financing

¹ A-IRB: Weightings calculated based on the probability of counterparty default and the loss incurred in the event of default.

commitment of EUR 14 million as part of its export credit activity. As this exposure is 100% guaranteed by the French Republic, SFIL is not directly exposed to credit risk on this issue."

- The last sentence of the risk factor entitled "**3.2 Risk of a liquidity shortfall that may affect the Issuer's ability to settle its debt commitments in a timely fashion**" of the section entitled "**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**" on page 23 of the Base Prospectus is deleted and replaced as follows:

"As an illustration, as of 30 June 2022, LCR ratio reached 475% on a consolidated basis and as of 31 December 2021 the amount of liquidity reserves amounted to EUR 34.2 billion."

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “**Documents Incorporated by reference**” on pages 38 to 40 of the Base Prospectus is deleted and replaced for the purposes of adding the 2022 Half-Year Report of the Issuer:

“This Base Prospectus shall be read and construed in conjunction with the sections set out in the cross-reference tables below included in the following documents which have been previously or simultaneously filed with the *Autorité des marchés financiers* (the “**AMF**”) and shall be incorporated in, and form part of, this Base Prospectus:

- the *Rapport financier semestriel* 2022 in the French language of the Issuer for the period ended 30 June 2022 (the “**2022 Half-Year Report**”; <https://sfil.fr/wp-content/uploads/2022/09/SFIL-Rapport-financier-semestriel-juin-2022.pdf>);
- the *Rapport financier* 2021 in the French language of the Issuer filed with the AMF, which includes the audited consolidated and non-consolidated annual financial statements of the Issuer for the year ended 31 December 2021 and the related statutory auditors' report (the “**2021 Financial Report**”; https://sfil.fr/wp-content/uploads/2022/03/SFIL_Rapport_financier_annuel-2021v.pdf);
- the *Rapport financier* 2020 in the French language of the Issuer filed with the AMF, which includes the audited consolidated and non-consolidated annual financial statements of the Issuer for the year ended 31 December 2020 and the related statutory auditors' report (the “**2020 Financial Report**”; https://sfil.fr/wp-content/uploads/2021/03/SFIL_RFA_FR_2020-PDF.pdf);
- the terms and conditions of the Notes contained in pages 79 to 113 of the base prospectus of the Issuer dated 27 September 2016 which received visa no. 16-449 from the AMF (the “**2016 EMTN Conditions**”; <https://sfil.fr/wp-content/uploads/2014/03/20160927-SFIL-Base-Prospectus.pdf>), the terms and conditions of the Notes contained in pages 81 to 115 of the base prospectus of the Issuer dated 27 September 2017 which received visa no. 17-517 from the AMF (the “**2017 EMTN Conditions**”; <https://sfil.fr/wp-content/uploads/2019/03/BP-VISA.pdf>), the terms and conditions of the Notes contained in pages 82 to 113 of the base prospectus of the Issuer dated 15 May 2018 which received visa no. 18-175 from the AMF (the “**2018 EMTN Conditions**”; <https://sfil.fr/wp-content/uploads/2019/03/BP-EMTN-SFIL-2018-1.pdf>), the terms and conditions of the Notes contained in pages 87 to 122 of the base prospectus of the Issuer dated 16 May 2019 which received visa no. 19-210 from the AMF (the “**2019 EMTN Conditions**”; <https://sfil.fr/wp-content/uploads/2019/05/BASE-PROSPECTUS-SFIL-16-05-2019-19-210.pdf>), the terms and conditions of the Notes contained in pages 39 to 88 of the base prospectus of the Issuer dated 19 May 2020 which received approval number no. 20-203 from the AMF (the “**2020 EMTN Conditions**”; <https://sfil.fr/wp-content/uploads/2020/05/BASE-PROSPECTUS-SFIL-19-05-2020-20-203.pdf>) and the terms and conditions of the Notes contained in pages 43 to 91 of the base prospectus of the Issuer dated 21 May 2021 which received approval number no. 21-169 from the AMF (the “**2021 EMTN Conditions**”; https://sfil.fr/wp-content/uploads/2021/05/SFIL-2021_BASE-PROSPECTUS.pdf, together with the 2016 EMTN Conditions, the 2017 EMTN Conditions, the 2018 EMTN Conditions, the 2019 EMTN Conditions and the 2020 EMTN Conditions, the “**EMTN Conditions**”).

Such information shall be deemed to be incorporated in, and form part of this Base Prospectus, save that any statement contained in the information which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

The free English translations of the 2021 Financial Report and the 2020 Financial Report are available without charge on the website of the Issuer (www.sfil.fr).

All documents incorporated by reference in this Base Prospectus may be obtained, without charge upon request, during usual business hours on any weekday, at the registered office of the Issuer (1-3 rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France) so long as any of the Notes are outstanding. Such documents will be published on the website of the Issuer (www.sfil.fr).

The EMTN Conditions are incorporated by reference in this Base Prospectus for the purposes only of further issues of Notes to be assimilated (*assimilées* for the purpose of French law) and form a single Series with Notes already issued under the relevant EMTN Conditions. To the extent that only the EMTN Conditions are specified to be incorporated by reference therein, the non-incorporated parts of the base prospectuses of the Issuer dated 27 September 2016, 27 September 2017, 15 May 2018, 16 May 2019, 19 May 2020 and 21 May 2021 are not relevant for investors or are covered elsewhere in the Base Prospectus.

For the purposes of the Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**"), the documents incorporated by reference in this Base Prospectus shall be read in connection with the following cross-reference tables below. For the avoidance of doubt, any information not listed in the cross-reference list below but included in the documents incorporated by reference is either contained in the relevant sections of this Base Prospectus or is not relevant to the Issuer. Furthermore, "N/A" in the cross-reference table below means that the information is not relevant for the purposes of Annex 6 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended supplementing the Prospectus Regulation (the "**Commission Delegated Regulation**").

DOCUMENTS INCORPORATED BY REFERENCE (ANNEX 6 OF THE COMMISSION DELEGATED REGULATION)	Pages of the 2020 Financial Report	Pages of the 2021 Financial Report	Pages of the 2022 Half Year Report
<u>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</u>			
<u>11.1. Historical Financial Information</u>			
11.1.1. Audited historical financial information covering the latest two financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year			
Audited historical financial information for the latest two financial years	p.113 to p.163	p.113 to p.167	N/A
Audit reports for the latest two financial years	p.164 to p.168	p.168 to p.172	N/A
11.1.3. Accounting standards	p.119	p.119	N/A

11.1.5. Audited financial information prepared according to national accounting standards			
– Balance sheet	p.172	p.176	N/A
– Income statement	p.174	p.178	N/A
– Cash flow statement	N/A	N/A	N/A
– Statement of changes in consolidated equity	p.175	p.179	N/A
– Accounting policies and explanatory notes	p.176 to p.195	p.180 to p.199	N/A
11.1.6. Consolidated financial statements			
If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	p.113 to p.163	p. 113 to p.167	N/A
11.1.7. Age of financial information			
The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document.	p.113 to p.163	p.113 to p.167	N/A
<u>11.2. Interim and other financial information</u>	N/A	N/A	p. 30 to 80
<u>11.3. Auditing of historical annual financial information</u>			
11.3.1. The historical financial information must be independently audited	IFRS Auditors' report p.164 to p.168 French GAAP Auditors' report p.196 to p.199	IFRS Auditors' report p.168 to p.172 French GAAP Auditors' report p.200 to p.203	IFRS Auditors' report (limited review) p. 81
11.3.2. Indication of other information in the registration document which has been audited by the auditors	N/A	N/A	N/A
11.3.3 Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited	N/A	N/A	N/A

Cross-reference list in respect of EMTN Conditions

EMTN Conditions	Information from previous base prospectuses incorporated by reference
2016 EMTN Conditions	Pages 79 to 113
2017 EMTN Conditions	Pages 81 to 115
2018 EMTN Conditions	Pages 82 to 113
2019 EMTN Conditions	Pages 87 to 122
2020 EMTN Conditions	Pages 39 to 88
2021 EMTN Conditions	Pages 43 to 91

DESCRIPTION OF THE ISSUER

The section entitled “**Description of the Issuer**” on pages 95 to 112 of the Base Prospectus is amended as follows:

- the twelfth paragraph and its sub-paragraphs of the section entitled “**1. HISTORY AND DEVELOPMENT OF THE ISSUER**” on page 96 of the Base Prospectus is deleted and replaced as follows:

“As of 30 June 2022, the sources of financing used, other than the entity's equity, were as follows:

- privileged debt, *i.e. obligations foncières* issued by CAFFIL (EUR 51.9 billion) and the cash collateral it receives, and
- negotiable debt securities (EUR 1.4 billion) as well as EMTN issues by SFIL (EUR 9,2 billion).

In addition, the SFIL Group has a large number of securities and loans held by CAFFIL or SFIL that are eligible for central bank refinancing. These assets can be assigned through European Central Bank refinancing transactions through the Banque de France.

To control their liquidity risk, SFIL and CAFFIL mainly rely on static, dynamic and stressed liquidity projections to ensure that the liquidity reserves they have in the short and long term will enable them to meet their commitments.

Dynamic liquidity forecasts take into account business assumptions (new assets and new financing), under normal and stressed conditions:

- under normal conditions, these projections are intended to define the amounts and maturities of the various sources of financing that can be raised by each entity (issuance of *obligations foncières* for CAFFIL, issuance of negotiable debt securities (TCN), EMTNs or drawdowns on available liquidity lines for SFIL);
- under stressed conditions, these forecasts aim to assess the Group's capacity to withstand a liquidity shock and to determine its survival horizon, which, in line with its risk appetite, must remain longer than one year.

The Group's liquidity risk is also subject to compliance with regulatory liquidity ratios supplemented by internal liquidity indicators.

In addition, CAFFIL, as a *société de crédit foncier* (SCF), must also comply with the following specific regulatory indicators:

- the regulatory over-collateralization: this represents the ratio between assets and liabilities benefiting from the legal privilege under the law on SCFs, and must be at least 105%;
- the 180-day cash needs forecast: CAFFIL ensures that, at all times, its cash needs over 180 days are covered by replacement assets and ECB-eligible assets.

SFIL and CAFFIL must also comply with the regulatory liquidity indicators applicable to banks in application of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013, regarding:

- the LCR ratio (Liquidity Coverage Ratio): at June 30, 2022, the LCR amounted to 475% for SFIL on a consolidated basis;
- the net stable funding ratio (NSFR), a transformation ratio that measures stable resources over a one-year horizon and relates them to stable financing requirements. The level of the

NSFR stands at 118% for SFIL on a consolidated basis.

With regard more specifically to the LCR, an amendment to Delegated Act 2015/61 relating to its calculation was published by the European Commission, which has the effect of capping in all circumstances CAFFIL's LCR at the level of 100%, with the vehicle's assets only being considered unencumbered up to the level of the net disbursements recorded in the denominator of the ratio. These provisions come into force on July 8, 2022. CAFFIL has adapted its processes for managing regulatory overcollateralization and liquidity ratios to comply with these provisions."

- The paragraph entitled "**The Covid-19 pandemic**" on pages 98 to 99 of the Base Prospectus is deleted and replaced as follows:

"The Covid-19 pandemic and the war in Ukraine:

During the first half of the year, the international macroeconomic context was strongly impacted by the Covid-19 health crisis, particularly in China, as well as by the war in Ukraine since the end of February 2022. These two events had the effect of amplifying the rise in the consumer price index, mainly *via* energy and commodity prices in the United States and Europe. To respond to this threat, central banks have begun to increase their key rates. In this context, the financial markets remained volatile throughout the first half of the year. At the same time, equity market valuations fell sharply and a significant increase in money market and long-term rates was observed.

Faced with these changes, SFIL has fully carried out all of its missions in accordance with its strategic objectives by continuing to demonstrate the solidity and relevance of its public development bank model. Thus, the SFIL Group refinanced itself on the international financial markets under good conditions. The local public sector financing activity remained strong with a production volume slightly higher than in the first half of 2021. With regard to the export credit refinancing activity, many files are being examined and a signature took place during the first half-year 2022. From an operational standpoint, SFIL, which had adapted its organization and information systems during the health crisis to operate almost entirely remotely, has since set up a hybrid mode of operation enabling it to carry out all of its activities in an efficient and stable manner.

With regard in particular to the impacts of the war situation in Ukraine, it should be noted that these remain very limited for the SFIL Group, which has no exposure in Russia or Belarus. SFIL has only one exposure in Ukraine, which at June 30, 2022 represented balance sheet outstanding of EUR 50 million and an off-balance sheet financing commitment of EUR 14 million. This exposure was granted as part of the export credit activity and is 100% guaranteed by the French Republic. SFIL is not, therefore, directly exposed to credit risk on this file.

Lastly, at this stage, the effects related to the increase in inflation, in particular on the SFIL Group's general operating expenses, are not considered significant.

- The paragraph entitled "**Outlook**" on pages 99 to 100 of the Base Prospectus is deleted and replaced as follows:

"Outlook

2022 is the first year of SFIL's new "Objectif 2026" strategic plan, which aims to continue and accentuate its growth along three key areas:

- fully exploiting the strengths of its public development bank model,
- broadening its intervention horizons in response to the challenges of the recovery plans and

the climate transition, and

- engaging in a new phase of internal transformation with, in particular, the adaptation of its operating methods to hybrid mode, by relying on the strengths of a powerful group, the Caisse des Dépôts.

With regard to the financing of loans to the French local public sector (local authorities and public hospitals), activity should increase from 2022 thanks to the dynamism of the partnership formed with La Banque Postale (LBP) and the operational implementation of the new partnership with Banque des Territoires (Caisse des Dépôts) to refinance a fixed-rate offer complementary to that of LBP.

SFIL and its partners will support the post-Covid economic recovery as part of the government recovery plan for investments in local authorities and the “*Ségur de la Santé*” plan for investments in public health institutions. In particular, they will encourage the development of financing for the environmental transition thanks, in particular, to the current range of green loans (local authorities) as well as the new loan offer carried out in partnership with the Banque des Territoires. The SFIL Group will also actively support its customers’ social projects *via* the range of social loans dedicated to hospitals in France and the development of a new range of social loans for local authorities. In the second half of the year, the SFIL/LBP scheme will launch the new financing offer dedicated to social projects in the following areas:

- fire and rescue services,
- health, social and family actions,
- education, professional training,
- sport, culture and community life,
- regional development and cohesion.

The deployment of this new range of loans, alongside the existing thematic loan ranges, will be accompanied by a broad awareness-raising among borrowers in order to ensure that it is fully in line with the actions carried out by local authorities and their groups in social and environmental areas.

The level of production should therefore be sustained in 2022, but will nevertheless be conditioned by the speed of familiarization of local authorities with this type of financing as well as by changes in interest rates. Given the central role of local authorities in the recovery plan and the environmental transition, the prospects in terms of green financing needs for the coming years are very important, with annual amounts of “climate investment” that should be multiplied by 2 to 5 depending on the sector.

At the same time, the regulatory corpus of the new European taxonomy will continue to be enriched during the second half of 2022 with the upcoming publication of two new delegated regulations, one covering the other four environmental objectives of the Taxonomy (protection of aquatic resources, circular economy, pollution prevention and restoration of diversity) and the other on non-financial information to be published. The overhaul of the range of thematic loans for local authorities will thus integrate the sustainability criteria resulting from this new classification into the green loan offer.

With regard to the refinancing of large export credits to support French companies, the outlook for the coming years is positive. The historically present challenges of security, sovereignty and sustainable development have taken on a new dimension with the war in Ukraine and will probably lead to an increase in investments in the defense and energy sectors, part of which could be financed through export credits to which SFIL would contribute. In addition, SFIL continues

to support all sectors that use export credit, in particular major transport infrastructures, cruise ships, whose activity has resumed since the end of 2021, the space industry and telecommunications and, potentially, aviation. Lastly, as part of its strategic plan, the SFIL Group wishes to broaden the type of refinancing offered for sustainable projects in which there is a French interest and which call upon sources of financing covered by a European or multilateral public guarantee. The objective is to increase SFIL's impact in terms of sustainable development. The SFIL Group also wishes to be able to intervene in the mechanism for refinancing loans covered by the new guarantee for projects of strategic interest to the French economy abroad. The implementation of these projects is subject to obtaining the necessary authorizations from the European Commission.

The financing needs of the two growing business lines will be covered by SFIL and its subsidiary CAFFIL. 2022 will be marked by the expansion of the SFIL Group's bond offering with a new type of "sustainable" thematic bonds intended to finance a new range of social loans to local authorities marketed *via* La Banque Postale. The Group's issuance program in 2022 remains relatively modest, since it voluntarily anticipated in 2021 the covering of its needs due to excellent market conditions and in order to have a certain leeway to manage any increase in volatility. Thus, the SFIL Group plans to use the financial markets in 2022 for volumes between EUR 5 and 8 billion.

The SFIL Group will closely monitor the international situation and macroeconomic developments, in particular:

- the degree of market volatility in a context influenced by the evolution of the pandemic, the inflationary surge, the geopolitical environment and more particularly the conflict in Ukraine, whose foreseeable impacts for SFIL remain limited to date, as well as the monetary policy of the European Central Bank in response to the aforementioned events;
- the pace and methods of combating global warming by its borrowers and partners, taking into account European taxonomy;
- changes in the regulatory environment and, more specifically, the finalization of Basel 3 and the calibration of the criteria that will be applicable to SFIL.

In terms of resources, SFIL will strengthen its workforce and its IT investments in order to support its development ambitions, particularly in CSR, to face the increase in regulatory requirements and to continue strengthening its defenses against cyber risk.

A new phase of internal transformation will be put in place over the coming months with, in particular, the continued evolution of working methods and the provision to the teams of a modernized framework with a move planned in 2023 (Biome Paris 15 building), adapted to new hybrid working methods. These new premises, shared with LBP, will constitute a framework conducive to the intensification of the strategic partnership between the teams of the two entities in the financing of the local public sector."

- The section entitled "**2. BUSINESS OVERVIEW**" on pages 100 to 106 of the Base Prospectus is amended as follows:
 - The following sub-paragraphs are added at the end of the paragraph entitled "**(i) Financing of local public sector loans**" on page 102 of the Base Prospectus:

"In the first half of 2022, the latter acquired EUR 3.3 billion in loans from La Banque Postale in two acquisitions, *i.e.* slightly more than the volume acquired from La Banque

Postale in the first half of 2021 (EUR 3.1 billion). As of June 30, 2022, the total volume acquired since SFIL's creation came to EUR 32.2 billion.

In the first half of 2022, the SFIL/La Banque Postale system granted EUR 1,104 million in loans to local authorities (stable compared to the first half-year 2021), of which EUR 298 million in green loans, *i.e.* 27% of local authorities loans production, and EUR 279 million to Public Healthcare institutions, up 11% compared to the first half-year 2021.

In the context of the rapid rise in interest rates observed since the beginning of the year, production was slowed down due to the definition of the wear rate threshold, as was the case for all marketplace banks. During the second quarter, there was a marked de-correlation between the wear rate and the instantaneous position of the financial markets which severely penalized the supply of fixed-rate loans. As a reminder, over the last two financial years, the scheme has produced exclusively at a fixed rate.

In the first half of the year, the SFIL Group continued to support the digitization of its relations with the local public sector with its DIGISFIL platform, which enables borrowers to securely update their information, make transaction requests or consult their due date notices online. At June 30, 2022, DIGISFIL has more than 1,323 authorized borrowers, representing 55% of CAFFIL's outstanding loans.

Work on the operational implementation of the new partnership with Banque des Territoires (Caisse des Dépôts) to refinance an offer complementary to that of La Banque Postale, consisting of long-term and very long-term fixed-rate loans for local authorities in France, were initiated during the first half of 2022 to allow the subsequent start-up of this new activity under the best possible conditions. On this occasion, regular collaboration in project mode between SFIL and Banque des Territoires was implemented.”

- The following sub-paragraphs are added at the end of the paragraph entitled “**(ii) Partnership with La Banque Postale and servicing and financing provided to CAFFIL**” on page 103 of the Base Prospectus:

“The performance indicators in place to measure the quality of the services that SFIL provided for the first half of 2022 were satisfied at 95%.

SFIL also coordinates and implements projects needed by La Banque Postale for this activity, in particular by adapting the applications it makes available to La Banque Postale.”

- The paragraph “**2.3 Recent Evolutions**” on pages 105 to 106 of the Base Prospectus is deleted and replaced as follows:

“**2.3 Recent Evolutions**

We present below three key figures of SFIL:

- SFIL had EUR 69.1 billion consolidated balance sheet assets as of 30 June 2022;
- SFIL had a CET1 Ratio of 36.4% as of 30 June 2022; and
- 335 employees were working for SFIL as of 31 December 2021.

The European Central Bank notified the level of additional requirement in respect of P2R (Pillar 2 Requirement) for SFIL's Group, which will apply from 1st January 2021. Last year's requirement is maintained and stands at 0.75% for SFIL. Taking into account the regulatory buffers, the minimum requirements applicable to SFIL on a consolidated basis are respectively 7.75% for the CET1 ratio, 9.25% for the Tier 1 ratio and 11.25% for the total capital ratio.

The Capital Requirements Regulation No. 575/2013 dated 26 June 2013 has introduced a

leverage ratio, which corresponds to the amount of Tier 1 capital as a proportion of the total exposure of the entity concerned. Data collection in accordance with the regulatory format began in 2014 and entities have published their leverage ratio since the fiscal year starting 1 January 2015, without this ratio being subject to a specific quantitative requirement.

Based on the methodological principles of currently applicable regulations, the SFIL Group's leverage ratio was 10.2% as of 30 June 2022.

However, these regulations were recently amended by Regulation No. 876/2019 of 20 May 2019. The amendments in question, applicable as from end-June 2021, provide for the introduction of a minimum leverage ratio requirement of 3%, as well as measures designed to exclude development loans and the Export Credit business when calculating the total exposure. When these amendments come into force, the SFIL Group will therefore benefit from specific, tailored leverage ratio calculation rules.

Calculated using the methodological principles of the amended regulations, the SFIL Group's leverage ratio is 10.2% and thus comfortably exceeds this minimum 3% requirement.

On February 22, 2021, the ACPR Resolution College notified SFIL of its decision to implement the Single Resolution Board's September 23, 2020 decision setting the Minimum Requirement for Equity and Eligible Liabilities (MREL) for SFIL.

As Ordinary Insolvency Processing has now been selected as SFIL's preferential resolution strategy, the MREL requirement is therefore limited to SFIL's Loss Absorption Amount (LAA). This MREL requirement also applies solely to SFIL's consolidation scope."

- The section entitled "**4. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**" on pages 107 to 109 of the Base Prospectus is deleted and replaced as follows:

"Board of Directors

The Board of Directors is composed of 15 members:

- Pierre Sorbets (Chairman of the Board of Directors)
- Philippe Mills (Chief Executive Officer)
- Caisse des Dépôts et Consignations represented by Alexandre Thorel
- Serge Bayard
- Virginie Chapron du Jeu
- Brigitte Daurelle
- Laetitia Dordain
- Eckhard Forst
- Cathy Kopp
- Pierre Laurent
- Fabienne Moreau
- Quentin de Nantes
- three members elected employee representatives: Sandrine Barbosa, Frédéric Guillemin and Cécile Latil-Bouculat.
Non voting member: Paul Teboul
Representative of the social and economic committee: Thomas Perdriau

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

Pierre Sorbets (Chairman of the Board of Directors of SFIL)	Chairman of Magnard Finance Conseil
Philippe Mills (Chief Executive Officer)	Chairman of the Supervisory Board of CAFFIL; Member of the Board of Directors of EAPB
Alexandre Thorel (CDC representative)	Strategic Holdings Manager Caisse des Dépôts et Consignations – Strategic Investments
Serge Bayard	Deputy Chief Executive Officer and Head of Customer Development in the Corporate and Investment Banking division of La Banque Postale
Virginie Chapron du Jeu	Director of CDC Group Finance, member of the Group Executive Committee Caisse des Dépôts et Consignations
Brigitte Daurelle	Chief Executive Officer of MFEX Groupe Head of the Integration Management Program for MFEX by Euroclear
Laetitia Dordain	Director of the Consignments and Specialized Deposits Department, Caisse des Dépôts et Consignations
Eckhard Forst	Chairman of the Managing Board of NRW Bank
Cathy Kopp	Independent member of the Board of Directors, SFIL
Pierre Laurent	Director of the Development Department "Banque des territoires" Caisse des Dépôts et Consignations
Fabienne Moreau	Director of the Accounting and Regulatory Department Caisse des Dépôts et Consignations
Quentin de Nantes	In charge of participations within the financial institutions and capital investment division of the Strategic Investments Management Department Caisse des Dépôts et Consignations

Their business addresses are c/o SFIL, 1-3 rue du Passeur de Boulogne, 92130 Issy-les-Moulineaux, France.

The management team

The management team is composed of Executive Management and 7 other members in charge of divisions or central functions who make up the Management Committee. This committee meets at least once per week.

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

The members of the Executive Committee are Philippe Mills (Chief Executive Officer, Chairman of the Board of Directors of EAPB), François Laugier (Deputy Chief Executive Officer), Stéphane Costa de Beauregard (Local Public Sector, CSR and Operating Officer), Nathalie Derue (Chief Risk Officer), Gilles Gallerne (Chairman of the Management Board of CAFFIL), Béatrice Gosserez (Corporate secretary and Chief Compliance Officer), Florent Lecinq (Chief Financial and Financial Markets

Officer), Pierre-Marie Debreuille (Export Credit Officer), and Frédéric Meyer (Human Resources Officer).

Financial Statements Committee and Risks and Internal Control Committee

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

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

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

The members of the Financial Statements Committee are: Brigitte Daurelle (Chair of the Committee) , Eckhard Forst, Frédéric Guillemin, Fabienne Moreau, Quentin de Nantes, Pierre Sorbets and Alexandre Thorel.

The members of the Risks and Internal Control Committee are: Eckhard Forst (Chairman of the Committee), Brigitte Daurelle, Cécile Latil-Bouculat, Pierre Laurent, Quentin de Nantes, Pierre Sorbets and Alexandre Thorel.

Conflicts of interest or declaration of no-conflict of interest

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

- The section entitled “**5. MAJOR SHAREHOLDERS**” on page 109 of the Base Prospectus is deleted and replaced as follows:

"At the date of the Base Prospectus, share capital stands at EUR 130,000,150 represented by 9,285,725 nominative shares.

The shares were divided into two categories (preferred shares (*actions de préférence*) and ordinary shares (*actions ordinaires*)). On 25 May 2022, the combined general meeting of shareholders decided the conversion of preferred shares (*actions de préférence*) into ordinary shares (*actions ordinaires*).

There are no securities that grant rights to shares in the capital of SFIL.

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

- 99.999999% by the CDC, i.e. 9,285,724 shares;
- 0.00001% by the French State via the Agence des Participations de l'Etat, which is a French government shareholding agency (i.e 1 share)."

- The section entitled “**6. LEGAL AND ARBITRATION PROCEEDINGS**” on pages 109 and 110 of the Base Prospectus is deleted and replaced as follows:

Litigation related to structured loans

CAFFIL has, in its portfolio, some structured loans considered as sensitive which had been granted to French clients by Dexia Crédit Local before the acquisition of CAFFIL by SFIL. Certain of these customers initiated legal proceedings against Dexia Crédit Local, CAFFIL and/or SFIL.

As of June 30, 2022, the number of borrowers in lawsuits for sensitive structured loans was 2, compared with 3 as of December 31, 2021 and 7 as of June 30, 2021, this number having fallen continuously since 2014 (210 as of December 31, 2014). Since SFIL's creation, 221 borrowers have ended lawsuits they had brought.

As of June 30, 2022, there were no other significant disputes between SFIL or Caisse Française de Financement Local and their borrowers. The processing of the most sensitive structured loans can be considered as completed.

Significant decrease in the number of lawsuits

As of June 30, 2022, the number of borrowers in lawsuits for sensitive structured loans was 2, compared with 3 as of December 31, 2021 and 7 as of June 30, 2021, this number having fallen continuously since 2014 (210 as of December 31, 2014). Since SFIL's creation, 221 borrowers have ended lawsuits they had brought.

Since the entry into force on 30 July 2014 of the law on the securitization of structured loan contracts taken out by public legal entities and in accordance with a now established case law of the *Cour de cassation* (cf. judgments rendered on 28 March 2018, 26 June 2019, 20 May 2020 and 12 November 2020), more than 60 judicial decisions have dismissed claims by borrowers to invalidate the structured loans recorded on CAFFIL's balance sheet.

However, two partially unfavorable rulings were issued by the *Cour de cassation* during the year 2021. Insofar as these rulings sanctioned insufficient substantiation of the appeal rulings, they do not prejudge the outcome of the proceedings in question, which have been transferred back to the *Cour d'appel*.

Other litigations

There was no change during the first half of 2022 concerning the case related to the treatment of the taxation in Ireland of the results of the former branch of Dexia Municipal Agency (former name of CAFFIL) in Dublin, which was closed down in 2013, and which resulted in an adjustment by the French tax authorities. The French and Irish administrations that met in 2021 should continue their discussions in the second half of 2022. As a reminder, Caisse Française de Financement Local has settled all of the duties assessed.”

RECENT DEVELOPMENTS

The section entitled “**Recent Developments**” on page 113 of the Base Prospectus is deleted and replaced as follows:

“During the first half of the year, the international macroeconomic context was strongly impacted by the Covid-19 health crisis, particularly in China, as well as by the war in Ukraine since the end of February 2022. These two events had the effect of amplifying the rise in the consumer price index, mainly via energy and commodity prices in the United States and Europe. To respond to this threat, central banks have begun to increase their key rates. In this context, the financial markets remained volatile throughout the first half of the year. At the same time, equity market valuations fell sharply and a significant increase in money market and long-term rates was observed.

Faced with these changes, SFIL has fully carried out all of its missions in accordance with its strategic objectives by continuing to demonstrate the solidity and relevance of its public development bank model. Thus, the SFIL Group refinanced itself on the international financial markets under good conditions. The local public sector financing activity remained strong with a production volume slightly higher than in the first half of 2021. With regard to the export credit refinancing activity, many files are being examined and a signature took place during the first half-year 2022. From an operational standpoint, SFIL, which had adapted its organization and information systems during the health crisis to operate almost entirely remotely, has since set up a hybrid mode of operation enabling it to carry out all of its activities in an efficient and stable manner.

With regard in particular to the impacts of the war situation in Ukraine, it should be noted that these remain very limited for the SFIL Group, which has no exposure in Russia or Belarus. SFIL has only one exposure in Ukraine, which at June 30, 2022 represented balance sheet outstanding of EUR 50 million and an off-balance sheet financing commitment of EUR 14 million. This exposure was granted as part of the export credit activity and is 100% guaranteed by the French Republic. SFIL is not, therefore, directly exposed to credit risk on this file.

Lastly, at this stage, the effects related to the increase in inflation, in particular on the SFIL Group’s general operating expenses, are not considered significant.

Debt securities amount

The amount of the debt securities issued by SFIL under its Programme increased by an amount of EUR 92 million between 30 June 2022 and 15 September 2022.

The amount of the debt securities issued by CAFFIL including the *Obligations Foncières* and the registered covered bonds issue decreased by an amount of EUR 923 million between 30 June 2022 and 15 September 2022.

The amount of SFIL Group's debt securities (including (i) the debt securities issued by SFIL under its Programme and (ii) the *Obligations Foncières* and the registered covered bonds issued by CAFFIL) decreased by an amount of EUR 832 million between 30 June 2022 and 15 September 2022.”

GENERAL INFORMATION

The section “**General Information**” on pages 158 to 161 of the Base Prospectus is amended as follows:

- The paragraph entitled “**2. Corporate authorisations**” on page 158 of the Base Prospectus is deleted and replaced as follows:

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

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

For this purpose, on 9 September 2022, the Board of Directors (*Conseil d'administration*) of the Issuer (i) authorised the issue of notes and assimilated debt securities (*obligations et titres assimilés*) up to €3,000,000,000 for a period of one year from 9 September 2022 and (ii) delegated, the power to issue such notes and assimilated debt securities (*obligations et titres assimilés*) (x) to Mr. Philippe Mills, *Directeur Général* of the Issuer, to Mr. Francois Laugier, *Directeur Général Adjoint* of the Issuer and to Mr. Florent Lecinq, *Directeur finance et marchés financiers* of the Issuer and (y) up to €1,000,000,000 per issue and to Mr. Olivier Eudes, *Directeur ALM et marchés financiers* of the Issuer, each with the capacity to act separately.”

- The paragraph entitled “**5. Significant change in the Issuer's financial position or financial performance**” on page 159 of the Base Prospectus is deleted and replaced as follows:

“There has been no significant change in the financial position or financial performance of the Issuer since 30 June 2022 (being the date of its last financial period for which financial information has been published).”

- The paragraph entitled “**11. Auditors**” on page 160 of the Base Prospectus is deleted and replaced as follows:

“KPMG S.A. (Tour Egho, 2, avenue Gambetta, 92066 Paris-La-Défense Cedex, France) and PricewaterhouseCoopers Audit (63, rue de Villiers, 92200 Neuilly sur Seine, France) have audited and rendered unqualified audit opinions in their reports on the annual financial statements of the Issuer for the financial years ended 31 December 2020 and 31 December 2021 and issued a limited review report on the interim financial information of the Issuer for the period ended 30 June 2022.

The French auditors carry out their duties in accordance with the principles of Compagnie Nationale des Commissaires aux Comptes (CNCC) and issued a limited review report on the interim financial information of the Issuer for the period ended 30 June 2022.”

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST SUPPLEMENT

I declare, to the best of my knowledge, that the information contained in this First Supplement is in accordance with the facts and that this First Supplement makes no omission likely to affect its import.

SFIL

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

Duly represented by:

Florent Lecinq

Directeur Finance et marchés financiers

Duly authorised

on 27 September 2022



This First Supplement has been approved on 27 September 2022 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this First Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favorable opinion on the Issuer described in the First Supplement.

This First Supplement obtained the following approval number: n°22-394.