

SECOND SUPPLEMENT DATED 14 APRIL 2022
TO THE BASE PROSPECTUS DATED 21 MAY 2021



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

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 21 May 2021 which was approved by the *Autorité des marchés financiers* (the "**AMF**") under number No. 21-169 on 21 May 2021, as supplemented by the first supplement to the Base Prospectus dated 18 November 2021 which was approved by the AMF under number No. 21-493 on 18 November 2021 (the "**First Supplement**" and, together 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 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 Second Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation. This Second Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for incorporating by reference the audited consolidated and non consolidated annual financial statement for the period ended 31 December 2021 and the related statutory auditors' report in French language of the Issuer (the "**2021 Financial Report**") and the information therein.

With this respect, the following sections of the Base Prospectus shall be updated and amended:

- i. the section entitled "Risk Factors";
- ii. the section entitled "Documents incorporated by reference";
- iii. the section entitled "Description of the Issuer";
- iv. the section entitled "Recent Developments"; and
- v. the section entitled "General Information".

Save as disclosed in this Second 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 Second Supplement.

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

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 Second Supplement is published have the right to withdraw their acceptances within a time limit of minimum three (3) working days after publication of this Second Supplement. This right to withdraw shall expire by close of business on 20 April 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 Second 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) so long as any of the Notes are outstanding.

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RISK FACTORS

The section entitled "**Risk Factors**" on pages 16 to 36 of the Base Prospectus, as amended by the First Supplement, is amended as follows:

- The second and third sentences of 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 17 are deleted and replaced as follows:

"As of 31 December 2021, SFIL's capital level is high (CET1 capital ratio: 34.6%; total capital ratio: 35.3%) 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 31 December 2021, SFIL's leverage ratio is 9% and exceeds the minimum 3% requirement."

- The last sentence of the third paragraph of the risk factor entitled "**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 19 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 3 million as of 31 December 2021".

- The risk factor entitled "**2.1 Risk of default**" of the section entitled "**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**" on pages 19 to 22 of the Base Prospectus is deleted and replaced as follows:

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

SFIL faces credit risk on its loans and bonds portfolio, including its treasury portfolio. SFIL's portfolio is principally made up of exposures on public borrowers. The ability of public sector borrowers, including local authorities and municipalities, to meet their payment obligations may be affected by their levels of indebtedness, social spending obligations, interest rates and tax revenue collections, transfers of subsidies from the central governments, each of which could be adversely affected by a deterioration of general economic conditions, such as economic and financial impact of the Covid-19 crisis or such as impacts related to climate change. Deteriorating economic conditions could therefore have an adverse effect on the credit quality of the assets of SFIL.

SFIL also refinances export credits. Since the launch of this activity in 2015, total production reached EUR 10.5 billion at the end of 2021. These loans benefit from a 100% guarantee provided by the French State through Bpifrance Assurance Export. These loans are thus considered as exposures to the French State. The French State's ability to meet its payment obligations may be affected by its levels of indebtedness, social spending obligations, interest rates and tax revenue collections, each of which could be adversely affected by a deterioration in general economic conditions. In case an export credit borrower defaults, deteriorating economic conditions could therefore have an adverse effect on the recovery of these assets.

The impact of the Covid-19 crisis on credit risk was very limited at this stage for local public administration and the French public sector entities. As a public development and the leading financier of public hospitals in partnership with La Banque Postale, SFIL supported all health institutions in 2020 as part of the national effort to fight against the global pandemic. SFIL

proposed delayed payment of 6 months without late payment interest and penalties, for their loan maturities between 12 March 2020 and 30 June 2020.

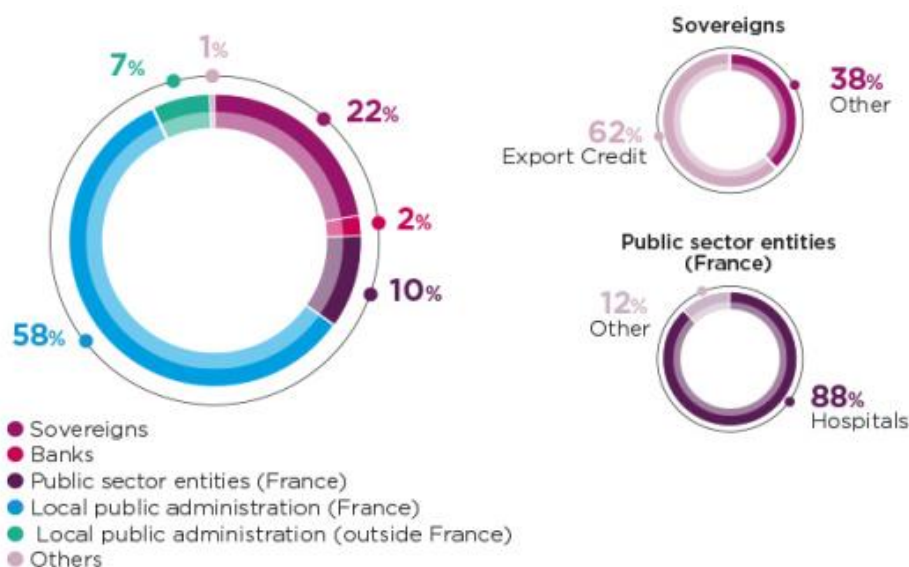
The only significant impact on credit risk concerns the cruise sector, whose debt is fully guaranteed by Bpifrance Assurance Export in the name and on behalf of the French State in principal and interest.

With regard to liquidity, the Covid-19 crisis did not affect the SFIL Group's issuance program overall during the year 2021. This amounted to EUR 8.2 billion in 2021, *i.e.* EUR 1 billion more than in 2020. The recovery of the economy and the continued support of central banks enabled the SFIL Group, as in 2020, to carry out the entire annual financing plan scheduled from the end of November, under better financing conditions than budgeted.

As an illustration, exposures to credit risk, which is measured using the "Exposure at Default" (EAD) metric, amounted to EUR 74.6 billion as of 31 December 2021:

- nearly 60% of this exposure originates from French local public administrations (regions, departments and municipalities);
- 22% of this exposure originates from central government entities, of which 62% from the export credit business;
- 10% of the exposure originates from French public sector entities, of which 88% from public stakeholders in the hospital sector.

Please see below "Exposure at Default" (EAD) figures crossing sector entities:



For this exposure, arrears, non-performing loans and provisions are as following:

- arrears as of 31 December 2021: EUR 13 million (0.02% of CAFFIL's cover pool);
- doubtful and litigious loans (French accounting standards) at the CAFFIL level: EUR 155 million (of which loans with no arrears EUR 129 million);
- net amount of financial assets and financing commitments classified under stage 3: EUR 377 million (of which loans with no arrears amounted to EUR 364 million);
- non-performing exposures: EUR 442 million (of which loans with no arrears amounted to EUR 416 million)."
- The last sentence of the first paragraph of the risk factor entitled "**2.3 Risk of default of bank counterparties**" 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, exposure to credit risk for financial institution, which is measured using the "Exposure at Default" (EAD) metric, amounted to EUR 2 billion (2% of total EAD amount) as

of 31 December 2021."

- The fourth paragraph of the risk factor entitled "**3.1 Credit Rating of SFIL will be affected by the credit rating of the French State**" 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 of 31 December 2021, the French State has been assigned a rating of Aa2 with a stable outlook by Moody's France SAS ("**Moody's**"), AA with a stable outlook by S&P and AA (high) with a stable outlook by DBRS. CDC has been assigned a rating of Aa2 with a stable outlook by Moody's and AA with a stable outlook by S&P. SFIL's long term senior debt has been assigned a rating of Aa3 with a stable outlook by Moody's, AA with a stable outlook by S&P and AA (high) with a stable outlook by DBRS."

- The last sentence of the last paragraph 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 24 of the Base Prospectus is deleted and replaced as follows:

"As an illustration, as of 31 December 2021, LCR ratio reached 949% on a consolidated basis and the amount of liquidity reserves amounted to EUR 34.2 billion."

- The last paragraph of the risk factor entitled "**3.3 SFIL may be exposed to risks linked to its hedging operations**" of the section entitled "**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**" on page 24 of the Base Prospectus is deleted and replaced as follows:

"As an illustration, based on a dynamic vision of the balance sheet and taking into account the renewal of operations on the basis of the outstandings recorded as of the closing date (projected at constant outstandings), as of 31 December 2021, the net interest rate margin sensitivity over 12 months is:

- for a parallel increase in rates of 200 bps: a decrease of EUR -9 million; and
- for a parallel decrease in rates of 200 bps: an increase of EUR +7 million."

- The second sentence of the first paragraph of the risk factor entitled "**4.2 Operational Risks**" of the section entitled "**I. RISKS RELATING TO THE ISSUER AND ITS OPERATIONS**" on page 25 of the Base Prospectus is deleted and replaced as follows:

"As of 31 December 2021, Risks Weighted Assets (RWA) affected to operational risk (reported in the Pillar III report and calculated on standard approach) amounted to EUR 363 million (8.7% of total RWA)."

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "**Documents incorporated by reference**" on pages 39 to 41 of the Base Prospectus is deleted and replaced for the purposes of adding the 2021 Financial 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* 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>) and 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>, together with the 2016 EMTN Conditions, the 2017 EMTN Conditions, the 2018 EMTN Conditions and the 2019 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 and 19 May 2020 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 supplementing the Prospectus Regulation, as amended (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
<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
Audit reports for the latest two financial years	p.164 to p.168	p. 168 to p.172
11.1.3. Accounting standards	p.119	p. 119
11.1.5. Audited financial information prepared according to national accounting standards		
– Balance sheet	p.114 and p.172	p. 114 and p.176
– Income statement	p.115 and p.174	p. 115 and p.178
– Cash flow statement	p.117	p. 117
– Statement of changes in consolidated equity	p.116 and p.175	p. 116 and p. 179

– Accounting policies and explanatory notes	p.118 to p.163 and p.176 to p.195	p.118 to p.167 and p.180 to p.199
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
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
<u>11.2. Interim and other financial information</u>	N/A	N/A
<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
11.3.2. Indication of other information in the registration document which has been audited by the auditors	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

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

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DESCRIPTION OF THE ISSUER

The section entitled "**Description of the Issuer**" on pages 93 to 108 of the Base Prospectus is amended as follows:

- the tenth paragraph and subsequent paragraphs of the section entitled "**1. HISTORY AND DEVELOPMENT OF THE ISSUER**" on pages 93 to 95 of the Base Prospectus are deleted and replaced as follows:

"Furthermore, in the frame of the climate transition and sustainable development goals, SFIL is considering the possibility to increase its action abroad with a support to sustainable projects for French industry, by expanding its intervention to loans covered by other European export credit agencies, or sovereign guarantees or covered by multilaterals agencies.

As of 31 December 2021, the sources of financing used, other than the entity's equity, were as follows:

- debt benefitting from the privileged debt, *i.e.* the *obligations foncières* issued by CAFFIL and the cash collateral it receives;
- the negotiable debt securities issued by SFIL;
- the financing provided by shareholders Caisse des Dépôts ("**CDC**") and La Banque Postale ("**LBP**") under the credit agreements implemented between SFIL and its shareholders.

The main sources of financing of the SFIL Group are described below:

- Issues of covered bond via CAFFIL: still dominated by the health crisis linked to the Covid-19 pandemic, 2021 was nevertheless marked by a considerable improvement in the economic situation. This context has prompted the main central banks to maintain their support for the economy, with Eurosystem support via its bond asset purchase programs (Asset Purchase Programme ("**APP**") and Pandemic Emergency Purchase Programme ("**PEPP**")) and the provision of liquidity to the banking sector (Targeted Longer-Term Refinancing Operations ("**TLTRO**")), while considering the next steps (exit from Quantitative Easing, rate hikes, etc.). due to lower intrinsic refinancing needs (decline in lending activity) and above all due to significant recourse by European banks to the advantageous refinancing mechanisms set up by the Eurosystem (TLTRO).

The euro covered bonds segment continued to show resilience with issues of EUR 101 billion, an increase of 5% compared to 2020 (EUR 96 billion). However, the volume for 2021 remains lower compared to the "pre-Covid" figures.

In terms of activity by jurisdiction, as in 2020, French and German issuers were the most active (respectively 23% and 19% of the offering), ahead of the Canadians (12%), the Norwegians (8%) and the Dutch (7%). The share of issuers from peripheral jurisdictions (Spain, Italy this year) decreased again in 2021 to 4% after reaching 5% in 2020 and even 10% in 2019, with the latter preferring to request TLTRO drawdowns on favourable terms. Issuers not eligible for the European Central Bank's repurchase program (covered bond purchase program ("**CBPP3**")) are significantly more present, increasing from 26% (EUR 24.6 billion in 2020) to 38% (EUR 38.9 billion) of the euro covered bonds offer, supported by Canada and Norway (more than half of the volume). This volume of activity was very well absorbed by investors, whose aggregate demand (EUR 207 billion) was twice as high as the volume of primary supply. In terms of spread, the covered bond segment overall ended below (-2/-3 bps) the levels of the beginning of 2021 after experiencing a low point at the end of May 2021 due to the relative value between the different market segments, leading during the summer to an increase of 3-4 bps on average of covered bond spreads.

Still present, the European Central Bank has continued to support the covered bond segment but with a decrease compared to 2020:

- i. an increase in the outstanding of the CBPP3 to EUR 298 billion as of 31 December 2021 (*i.e.* EUR 11 billion more than at the end of 2020 (EUR 287 billion) but half as much as the change in 2019/2020 (EUR 24 billion));
- ii. additional purchases under the PEPP in which the covered bonds asset class represented EUR 6 billion in assets at the end of November 2021 (vs EUR 3 billion at the end of 2020) out of a total volume of EUR 1.580 billion.

The covered bonds asset class, in addition to benefiting from a regulatory treatment that remains attractive to investors in 2022, will be able to continue to rely on a technical factor with still significant volumes reaching EUR 136 billion (EUR 134 billion in 2021). The CBPP3 (end of the PEPP in March 2022), which should at least renew EUR 40 billion in instalments in 2022 potentially supplemented by additional purchases (temporary increase in the APP of which CBPP3 is part in the second and the third semester of 2022) is another support factor.

In this context, CAFFIL raised a total of EUR 5.85 billion in 2021 through the issuance of debt benefiting from the legal privilege via its *obligations foncières*. CAFFIL solicited the public primary market five times for a total amount of EUR 5.25 billion by enriching its benchmark curve on maturities of eight years twice (EUR 1.5 billion), ten years twice (EUR 2.5 billion), fifteen years (EUR 750 million) and, for the first time, twenty-five years (EUR 500 million). At the same time, in 2021, CAFFIL raised additional liquidity on several of its reference issues via three tap transactions for a total of EUR 550 million.

In addition to these public transactions, CAFFIL remained present in the private placements segment in the EMTN format, thereby enabling it to respond to specific requests from investors. This activity raised EUR 50 million in 2021.

Outstanding CAFFIL *obligations foncières* stood at EUR 52.3 billion as at 31 December 2021.

- SFIL's bond issues: as indicated previously, 2021 remained marked by the Covid-19 health crisis. The major global central banks thus maintained their actions undertaken in 2020. In Europe, the European Central Bank left its rates unchanged while working to anticipate the end of the crisis in an economy where the outlook is improving. In 2021, the APP/PEPP and TLTRO tools continued to play their role as stabilizers of spreads in particular for the "*Souverains, Supra et Agences*" (SSA) segment, for which issuers' volumes also remained dense in France (AFD at EUR 7.5 billion, Unedic at EUR 12.5 billion) or even higher than in 2020 (former-CADES at EUR 40 billion vs EUR 24 billion last year). For 2022, the European Central Bank has already announced its trajectory: halting new purchases of the PEPP (*i.e.* renewal of instalments only) from the end of March 2022 combined with a one-off increase in APP to ensure a certain stability of spreads.

In the euro market, issue premiums confirming the attractiveness of the segment are down sharply from an average of 5 bps in 2020 to less than 2 bps in 2021. The trend towards the use of the ESG format observed last year is confirmed, representing 85% of the French primary offering, of which 56% are social programs, 20% are green programs and 10% are sustainable programs. At the European level, in the wake of the SURE program completed in June, the European Union had an excellent reception for its new program, Next Gen EU (backed by the recovery plan of the same name of EUR 750 billion), for which the amounts issued in 2021 were EUR 71 billion (maximum EUR 140 billion announced for 2022). On the secondary side, spreads compared to OATs in the segment in 2021 in the French agencies are generally lower by a few basis points despite the context of abundant supply in euros; against swaps, the premiums offered fell sharply at the end of the year, becoming significantly negative in the five-to-seven year zone in the wake of the French sovereign's performance.

The US dollar market again enjoyed strong momentum in 2021 with French issuers posting a volume increase of 46% to USD 24 billion, using this currency opportunistically to take advantage of a favourable arbitrage against the euro and/or for diversification. Like the

supranational players, the French also solicited the investor base for longer maturities targeting the five year or even ten year zone for some.

In this context, in 2021, SFIL strengthened its presence in the French agencies market segment by carrying out a double curve extension with its first issue in euros at ten years and a first transaction at five years on the dollar market. SFIL solicited the public primary market three times for a total amount of EUR 2.3 billion with an issue for an amount of USD 1 billion and a maturity of five years in February 2021, an issue for an amount of EUR 1 billion and a maturity of eight years in June 2021 and a "Green" thematic format issue for an amount of EUR 500 million and a maturity of ten years in November 2021. These three successful transactions have made it possible to strengthen SFIL's reputation within the French agencies and to continue to diversify the SFIL Group's investor base, in particular with specialist "green" investors. SFIL's total ETMN bond outstanding came to EUR 9.3 billion as of 31 December 2021.

- Thematic issues: 2021 was marked by the continued deployment of the SFIL Group's social and environmental policy with two successful launches:
 - i. CAFFIL's third "Social" thematic program, which aims to provide funding to French public hospitals;
 - ii. SFIL Group's third "Green" thematic program, launched for a second time by SFIL as an issuer.

These formats with increasing volumes, and whose audience with ESG specialist investors continues to expand, allow the Group to further diversify its sources of financing. Thus, in 2021, the SFIL Group raised EUR 8.2 billion on the bond markets, of which more than 15% (EUR 1.25 billion) in the form of a "Social" and "Green" themed bond issues. The renewed success of its "Social" and "Green" themed programs confirms the SFIL Group's strategy to increase the use of these formats in its future issue programs.

As in 2020, the SFIL Group's social issues program was rewarded twice by the financial press in 2021:

- Environmental Finance Bond Awards – Best social bond – asset based and covered bonds;
- IFR Awards - Best Covered Bond.

Overall, the SFIL Group's investor base continued to grow in 2021 (630 vs 588 at the end of 2020).

- SFIL's short-term debt issues: during the year 2021, SFIL continued to use its debt securities issuance program of less than one year (NeuCP issuance program), which gives it additional flexibility in the management of its debt treasury. At 31 December 2021, SFIL's total outstanding certificates of deposit amounted to EUR 798 million, *i.e.* EUR 773 million less than on 31 December 2020.
- In addition, these resources may be supplemented by financing, under credit agreements with its parent company, CDC, and its partner LBP. At 31 December 2021, the outstanding amount of these financings was zero, as at the end of 2020.
- A sub-paragraph entitled "**The Covid-19 pandemic**" is added before the sub-paragraph entitled "Outlook" in the section entitled "**1. HISTORY AND DEVELOPMENT OF THE ISSUER**" on page 95 of the Base Prospectus as follows:

"The Covid-19 pandemic

SFIL, as a public development bank, has continued to demonstrate its strength and resilience during this crisis, particularly in terms of solvency and liquidity.

From an operational standpoint, during the first half of the year, the bank operated in a hybrid mode, *i.e.* working remotely, while organizing a gradual return to work based on one day per week from February then two days from June. The mandatory remote working system was reactivated

in early December 2021 for three days per week given the resumption of the epidemic, and then once again adapted in early 2022 according to the evolution of the pandemic. All health measures (social distancing, supply of masks, hydroalcoholic gel, etc.) to ensure the safety of its employees were maintained throughout the year.

Discussions and projects were launched in 2020 on the organization of work. Based on the experience gained and the lessons learned in recent months, the Demain@SFIL projects have progressed, one of the key elements of which is the signing of a new remote working agreement which was rolled out during the second half of 2021. Remote working will be more widespread and with more days than before the crisis. This agreement was complemented by the promotion of new working methods and team leadership in a hybrid environment. The organization of office premises and technical resources will be adapted during 2022 to best meet new needs.

The French local public sector financing activity had a strong year despite the ongoing crisis. The EUR 4.9 billion production remained very significant although it was down by -11% compared to that of 2020, which was a record year.

The impact of the health crisis on the financial position of local authorities proved to be very limited, given the support measures put in place by the State: suspension of the system for controlling the actual operating expenses of local authorities provided for by the Cahors Pact, measures to support local authorities with cash flow difficulties, partial consideration of exceptional expenses related to the health crisis, guarantee of maintained tax and state-owned revenues, repayable advances on transfer taxes, support mechanisms for authorities organizing mobility.

These measures have helped to mitigate the negative effects of the health crisis (both at the level of expenditure related to the health crisis and the reduction in revenue) and the self-financing capacity of local authorities in 2021 should be at a level close to that of 2019. In 2022, the operating allocations paid by the State to local authorities will be stable for the fifth consecutive year.

With regard to export credit, while 2020 was marked by a sharp slowdown, 2021 was characterized by a strong recovery in the use of this type of refinancing.

With regard to liquidity, the continued health crisis did not in any way affect the SFIL Group's issuance program in 2021.

This reached a record amount of EUR 8.2 billion in 2021, *i.e.* EUR 1 billion more than the amount issued in 2020. The recovery of the economy and the continued support of central banks enabled the SFIL Group, as in 2020, to carry out the entire annual financing plan scheduled from the end of November, under better financing conditions than budgeted.

The credit risk of local authorities, therefore, remained very low during the crisis, even though occasional, more difficult, situations may have arisen for some authorities.

Liquidity risk was closely monitored throughout the year and liquidity stress tests were carried out regularly to check the Group's ability to withstand prolonged market closures.

Other risks particularly monitored include operational risks for the Group, cyber risk and the risk of fraud with the continuous strengthening of protection systems.

All of these risks were subject to specific monitoring and regular reporting to the European banking supervisor.

The main regulatory ratios remained at very high levels, with little fluctuation. The Group's CET1 solvency ratio stood at its highest level since the creation of SFIL with 34.6% at 31 December 2021, confirming its great financial strength. The LCR liquidity ratio stands at 949%, for SFIL on a consolidated basis.

As a reminder, the impact of the health crisis on SFIL's financial results was limited as of 31 December 2020 and can be considered as zero as of 31 December 2021. The Group's accounting income at the end of December 2021 amounted to EUR +76 million, close to the net recurring income (which notably adjusts the impact of changes in the valuation of financial assets at fair value through profit or loss as well as derivatives) which amounted to EUR +79 million. It was up

sharply compared to 2020 (+73%) and was significantly higher than budget forecasts. On the same date, the operating ratio was 52% while the return on equity was 4.7%.

Overall, the management of the health crisis both in 2021 and 2020 was a triple success for SFIL from the point of view of protecting the health of its employees, maintaining operational capacity and demonstrating the resilience of its business model. As a public development bank, SFIL will be able to provide all its support to the public policies required for economic recovery, whether for financing the local public sector and French hospitals or for financing exports."

- The sub-paragraph entitled "**Outlook**" in the section entitled "**1. HISTORY AND DEVELOPMENT OF THE ISSUER**" on pages 95 to 97 of the Base Prospectus is deleted and replaced as follows:

"After a year 2020 marked by a global health crisis of unprecedented magnitude, 2021 was characterized by the return of economic growth which took place in an uneven manner in the various regions of the world. France returned to a level of economic activity close to that of the end of 2019 more quickly than expected in 2021.

For SFIL, 2021 was a record year for its bond issues (EUR 8.2 billion). Total LBP/SFIL production was in line with the budget (EUR 4.9 billion) and was the best year for export credit in terms of number of contracts. 2022 will be the first year of SFIL's new #Objectif2026 strategic plan.

With regard to its refinancing, the 2022 issuance program will be relatively modest, as SFIL had voluntarily taken the lead in 2021 due to excellent market conditions and in order to have some leeway to manage a possible increase in volatility. 2022 will be marked by the evolution of SFIL's offering to complete its range of thematic bonds and to propose, *via* the LBP/SFIL system, social loans refinanced by social bonds.

Local public sector production is expected to increase due to the dynamism of the LBP/SFIL partnership and the establishment of a new partnership with Banque des Territoires, which will be part of the desire to develop Green and Social financing for local authorities and public health institutions. The level of production will nevertheless be linked to the attractiveness of this type of financing for local authorities.

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. However, it is beyond 2022 that the effects of climate investments in the local public sector should be the most significant.

SFIL is also working to deploy a new range of loans, which will be accompanied by a broad awareness-raising campaign among borrowers in order to gain their full support, with actions carried out by local authorities and their groups in the social and environmental fields, and to introduce the notion of alignment of the European taxonomy with the local public sector.

The new hospital plan provides for EUR 19 billion in the health system over ten years. The self-financing and investment support budgets would start to be paid in 2022. The impact on investment will, therefore, occur mainly from 2022 with an increase in the corresponding financing requirements.

The outlook for export credit is very open for 2022, with several sectors potentially requesting refinancing, particularly in the areas of transport, road and rail infrastructure and the cruise sector, whose activity has resumed since the end of 2021, defense and potentially aviation and energy.

In addition, as part of its strategic plan, SFIL is studying the possibility of broadening 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.

From a macroeconomic point of view, three important contextual elements will be closely monitored in 2022:

- 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 ECB in response to the aforementioned events;

- the climate transition, taking into account the 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 increase its headcount and its IT investments in order to support its development ambitions, particularly in terms of corporate social responsibility and to cope with the increase in regulatory requirements.

SFIL's 2026 strategic plan will see the deployment of a new phase of internal transformation with, in particular, the evolution of its working methods and use of its premises, and the setting up of a modernized framework of premises, tools and collaboration, adapted to the new hybrid working environment.

SFIL will contribute to Group Vision projects with the intensification of best practices such as the networking of sectors, with cooperations to integrate SFIL's thematic offers into the Group's responses to local authorities and with the development of SFIL's attractiveness.

Lastly, SFIL will serve the CDC group's public interest strategy by developing specific skills in quantifying the impacts of climate risk on the local public sector."

- The section entitled "**2. BUSINESS OVERVIEW**" on pages 97 to 102 of the Base Prospectus is amended as follows:
 - The fourth and fifth paragraphs of the subparagraph entitled "**(i) Financing of local public sector loans**" of the sub-section entitled "**2.1 Principal Activities**" on page 97 of the Base Prospectus are deleted and replaced as follows:

"Since 2013, SFIL, together with LBP, is a significant lender to the French local public sector with EUR 3.3 billion in 2013, EUR 4.1 billion in 2014, EUR 5 billion in 2015, EUR 4 billion in 2016, EUR 3.4 billion in 2017 and EUR 3.6 billion in 2018. In 2019, 2020 and 2021, SFIL continued to play a major role as lender to the French local public sector with EUR 5.7 billion in new loans in 2019, EUR 5.6 billion in new loans in 2020 and EUR 4.9 billion in new loans in 2021. The French local public sector financing activity had a strong year despite the ongoing crisis. The EUR 4.9 billion production remained very significant although it was down by -11% compared to that of 2020, which was a record year.

Since the creation of SFIL in 2013, new loans are granted exclusively to French local public sector borrowers. Through its subsidiary CAFFIL, SFIL also holds loans and bonds to public sector entities that were acquired before 2013 with non-French counterparts. As of 31 December 2021, 89.4% of the assets of SFIL, measured by principal amount, are assets with French counterparts, 7.7% with Italian counterparts and 2.9% with other counterparts. The outstanding loans and securities (*equivalent value after currency swaps*) on the SFIL Group's balance sheet totaled EUR 58.2 billion, of which EUR 56.5 billion to public sector. The majority of outstanding loans and securities in 2021 was with the French public sector, which accounted for 90% of the total. New loans are now exclusively acquired with the French local public sector. Outstanding loans in respect of the export credit activity accounted for EUR 5 billion on the balance sheet as of 31 December 2021. Excluding France, the two largest exposures concerned local authorities in Italy and central government entities in Italy (7%) and Switzerland (0.6%). Loans and securities with counterparties outside France corresponded to granular and geographically diverse exposures to public sector entities. These exposures, excluding cash investments, were acquired in the past and are now in run-off."

- The paragraph entitled "**Operational flow diagram of the system**" in the subparagraph entitled "**(i) Financing of local public sector loans**" of the sub-section entitled "**2.1 Principal Activities**" on page 98 of the Base Prospectus is deleted and replaced as follows:

"In 2021, the financing of local authorities and public health was very dynamic with EUR 4.9 billion of financing granted by the SFIL/LBP system during the year.

At the same time, CAFFIL acquired EUR 4.4 billion in loans initiated by LBP. Since the partnership began, the total volume of loans acquired stands at EUR 28.9 billion.

With regard to local authorities, and despite its dynamism, the year was marked by the wait-and-see attitude of the major players, with a reduction in the number of loan consultations for the departments and regions. Conversely, production in the Public Health sector was up by 9% in 2021 compared to 2020 with EUR 658 million in loans granted. This is the largest amount of funding granted by SFIL to public health institutions since the launch of the scheme.

In May 2021, the last two borrowers in dispute with populations of less than 10,000 inhabitants holding loans indexed to the EUR/CHF exchange rate reached an agreement with SFIL to secure their outstanding loans by converting them to fixed rates, which ended their litigation with SFIL. In addition, the sensitivity reduction operation concluded in July 2021 with a local authority made it possible to reduce the sensitivity of EUR 23 million of sensitive loans, thus settling the last "major" local authority litigation.

In early 2021, SFIL, via a specialized firm, conducted a satisfaction survey among its borrowers, local authorities and public health institutions, the results of which were used to identify areas for improvement, particularly in terms of reputation development.

During the year, the SFIL Group also continued to support the digitization of its relations with the local public sector with the continued roll-out of DigiSFIL. This platform enables borrowers to securely update their information, make transaction requests or consult their due date notices online.

At the end of 2021, 44% of outstanding were monitored by DigiSFIL, and 65% of the top 100 borrowers were present on the platform.

Throughout the year, the SFIL Group continued to finance the environmental investments of regional authorities and their groups, via the range of green loans designed and distributed in partnership with LBP.

The projects financed by the SFIL Group concern the fields of renewable energies, sustainable management of water and sanitation, waste management and recovery, sustainable mobility and clean transport, and energy efficiency in construction and urban planning. In 2021, EUR 680 million of green loans were produced by the SFIL-LBP scheme, *i.e.* 17% of the production sold to local authorities, up sharply compared to the previous year (9%).

This change is due in particular to the National Recovery Plan, and more specifically the section on the Environmental and Energy transition, in which SFIL's green loan offer fully conforms.

In addition, SFIL continued its work to take into account Regulation (EU) 2020/852 of the European Parliament and of the Council dated 18 June 2020 on the establishment of a framework to facilitate sustainable investment (as amended) and the first two delegated acts, establishing a harmonized system for classifying sustainable economic activities."

- The last paragraph of the sub-paragraph entitled "**(ii) Partnership with La Banque Postale and servicing and financing provided to CAFFIL**" of the sub-section entitled "**2.1 Principal Activities**" on page 99 of the Base Prospectus is deleted and replaced as follows:

"During the lockdown period and generalized teleworking related to the Covid-19 crisis, thanks to the rapid implementation of a remote working system for all of its staff, SFIL maintained the operational continuity of this service and carried out a number of operational

adaptations, due to widespread remote work, in agreement with LBP. The level of service remained unchanged from normal

SFIL provides services for the medium and long-term financing activity in the local public sector (French local government entities and public hospitals) carried out by LBP and the "La Banque Postale Collectivités Locales". Within this framework, it provides services at all stages of the medium and long-term loan issuance and management process (loan offerings, middle and back office, management, ALM reporting, management control, accounting, third-party management, etc.).

SFIL also coordinates and implements projects needed by LBP for its business activity, in particular by adapting the applications it makes available to LBP.

In 2021, in accordance with their periodic review commitment, SFIL and LBP adapted the contractual framework for the provision of services in order to bring it into line with the new guidelines of the European Banking Authority (EBA) relating to critical or significant services (PCI). The indicators in place to measure the quality of the services that SFIL provided in 2021 were satisfied at 98%.

SFIL Group, via its subsidiary CAFFIL, finances loans granted by LBP to French local authorities and public hospitals. The scheme was renewed until 2026 when SFIL changed its shareholding structure on 30 September 2020. The SFIL/LBP system demonstrated its performance by maintaining this year its position as leader in the financing of the French local public sector, which it has held since 2015. In fact, during the year 2021, this system proved its resilience by the production of an amount of EUR 4.9 billion of loans, which is EUR 900 million higher than the average production of previous years, excluding the years 2019 and 2020, due to the electoral context, with a market share of around 20%. Production in 2021 remains marked by significant activity with the regions (with EUR 370 million). As for production in the public health sector, it has never been at such a high level since the start of the system, while the effects of the Ségur plan are only beginning, with EUR 658 million in 2021, *i.e.* EUR 8 million more than 2019, which was the highest so far. 2021 was also characterized by a sharp increase in the number of customers (1,618 vs 1,284 in 2020) and the sustainable nature of our contracts: the rate of green production is now 17% (in relation to local authority production) or EUR 680 million. At the same time, CAFFIL acquired EUR 4.4 billion in loans initiated by LBP. Since the partnership began, the total volume of loans acquired stands at EUR 28.9 billion.

In respect of 2021, SFIL was awarded the Provisis Responsible Supplier Gold Medal in respect of the provision of services it provides to LBP. This certifies that SFIL owns and supplies legal documentation assessed as compliant in response to the duty of care and that it is committed to a Responsible Purchaser approach to monitoring its suppliers and subcontractors."

- The eleventh, twelfth and thirteenth paragraphs of the sub paragraph entitled "**(iii) Export credit refinancing**" of the sub-section entitled "**2.1 Principal activities**" on pages 100 and 101 of the Base Prospectus are deleted and replaced as follows:

"Since its inaugural deal signed in June 2016 and as of 31 December 2021, SFIL has closed 20 deals reaching a total amount of EUR 10.5 billion in export credit refinancing:

- 2 deals in 2016, with 5 banks for EUR 650 million;
- 4 deals in 2017 with 8 banks for EUR 2.6 billion;
- 4 deals in 2018 with 13 banks for EUR 3.8 billion;
- 4 deals in 2019 with 7 banks for EUR 1.0 billion;
- 1 deal in 2020 with 2 banks for EUR 211 million; and

- 5 deals in 2021 with 10 banks for EUR 2.2 billion¹.

Since 2016, SFIL has become the first liquidity provider on the French export credit market with a market share above 40%. In total as of 31 December 2021, SFIL has enabled the successful closing partnership with the commercial banks of EUR 19.6 billion of export credits for 10 exporters in 7 sectors: Cruise, Defence, Power, Infrastructure, Oil&Gas, Aeronautics and Space.

For the future, the export credit activity targets an annual volume of EUR 2.5 billion to EUR 3 billion in average per year."

- The last paragraph of the sub-paragraph entitled "**(iv) Sensitivity Reduction**" of the sub-section entitled "**2.1 Principal activities**" on page 101 of the Base Prospectus is deleted and replaced as follows:

"Efforts to reduce loan sensitivity remained significant in 2021, as EUR 82 million in sensitive structured loans were transformed into fixed rate loans, with 20 operations (19 in the previous year). Lastly, 221 borrowers, including 209 local governments, cancelled their litigation proceedings. At the end of 2021, there were still 4 lawsuits before the courts, versus 10 in 2020, 15 in 2019, 18 in 2018 and 25 in 2017."

- A sentence is added at the end of the sub-paragraph entitled "**2.2 Principal markets**" on page 101 of the Base Prospectus:

"2021 marks a significant rebound with nearly EUR 6 billion large export credit insured by BPIAE concluded."

- The first, fourth and sixth paragraphs of the sub-paragraph entitled "**2.3 Recent evolutions**" on pages 101 to 102 of the Base Prospectus are deleted and replaced as follows:

"We present below three key figures of SFIL as of 31 December 2021:

- SFIL had EUR 75 billion consolidated balance sheet assets;
- SFIL had a CET1 Ratio of 34.6%; and
- 335 employees were working for SFIL.

[...]

Based on the methodological principles of currently applicable regulations, the SFIL Group's leverage ratio was 9% as of 31 December 2021.

[...]

Calculated using the methodological principles of the amended regulations, the SFIL Group's leverage ratio is 9% and thus comfortably exceeds this minimum 3% requirement."

- In the section entitled "**3. ORGANISATIONAL STRUCTURE**" on page 102 of the Base Prospectus, the following paragraphs are added after the third paragraph as follows:

"During 2021, SFIL took part in the process initiated by the CDC Group aiming at developing cooperation between the Group's various entities and coordinating the operation of the business lines.

This approach aims in particular to:

- enable employees to participate in shared values and objectives with the expression of a Group purpose;
- generalize a networked mode of operation within each sector;
- develop new intragroup business partnerships;

¹ Source SFIL

iv. develop the attractiveness of human resources and employment pools within the Group.

The Group Vision project launched in the spring of 2021 within the CDC Group gave rise to a broad consultation to define its purpose unveiled in early 2022: "The Caisse des Dépôts Group, an unique alliance of public and private economic players, is committed, in the heart of the regions, to accelerating the environmental transformation and to contributing to offering a better life for all". This purpose, which defines the shared culture serving the Group's missions for an effective and operational cooperation of the respective business lines within it, fully echoes SFIL's purpose: "To finance a sustainable future by effectively and responsibly supporting local development and the international activity of large companies".

SFIL is tangibly committed to achieving cooperation projects that are an integral part of its #Objectif2026 strategic plan with, in particular, the launch from the beginning of 2022 of its partnership with Banque des Territoires for the refinancing of long-term loans at fixed rates."

- The sub-paragraphs entitled "**Board of Directors**" and "**The management team**" of the section entitled "**4. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**" on pages 103 and 104 of the Base Prospectus are 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 Olivier Fabas
- 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; Chairman of the Board of Directors of EAPB
Olivier Fabas (CDC representative)	Head of the Financial Institutions and Private Equity division – Managing Director 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)."

- The section entitled "**6. LEGAL AND ARBITRATION PROCEEDINGS**" on pages 105 and 106 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.

In 2021, the outstanding sensitive structured loans and the number of legal proceedings decreased significantly. As of 31 December 2021, 94% of these loans were no longer sensitive.

Reduction in outstanding sensitive structured loans

SFIL's application of its policy to reduce the sensitivity of the structured loans of CAFFIL was effective in 2021, with a volume of EUR 82 million in sensitive loans transformed into fixed rate contracts, representing approximately EUR 5.8 billion since the beginning of 2013.

SFIL Group's total sensitive structured loan outstanding will have decreased by at least 95% compared with the amount recorded when SFIL was created (EUR 8.5 billion) and will therefore be reduced to less than EUR 478 million by the end of 2022, as the result of the following:

- proactive operations conducted by SFIL to reduce loan sensitivity with the help of the support funds, including the operations already accomplished with a post-closing value date;
- the natural amortization of the loans; and
- the use by certain customers of the derogatory mechanism of the support funds. In point of fact, some customers chose to keep their structured loans temporarily while still having the opportunity to benefit from the assistance of the support fund for local governments in the event that the structured component of their loan would be activated (assistance in paying interest at a degraded rate as anticipated by the rules governing the support fund). On 31 December 2021, the outstanding loans represent EUR 209 million for 38 customers.

At the same time, 749 customers (85%) definitively moved out of the category of sensitive customers. The reduction in sensitivity was even more marked for the customers with the most sensitive exposure; more than 97% of borrowers with loans initially indexed on EUR/CHF no longer have any. On the basis of the operations conducted at the end of 2021 with an effective date after 31 December 2021, and subsequent to the deduction of outstanding loans benefiting from assistance in paying degraded coupons, outstanding sensitive loans will be at most EUR 478 million by the end of 2022 (a decrease of at least EUR 95 % since 31 December 2012) for 122 customers.

Significant decrease in the number of lawsuits

As regards litigation, there were 3 borrowers with disputed structured loans as of 31 December 2021, compared with 10 as of 31 December 2020, 15 as of 31 December 2019, 18 as of 31 December 2018, 25 as of 31 December 2017, 39 as of 31 December 2016 and 131 as of 31 December 2015. Since SFIL's creation and as of 31 December 2021, 220 borrowers have dropped their claims against the Group.

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 prejudice the outcome of the proceedings in question, which have been transferred back to the *Cour d'appel*.

Other litigations

There was no change over the year of 2021 in the case concerning the tax treatment in Ireland of the income of the former Dexia Municipal Agency branch (former name of CAFFIL) in Dublin, which was closed in 2013, and, which was subject to an audit by the French tax authorities. CAFFIL paid the rights assessed. In addition, the audit procedure initiated in 2019 by the tax authorities for the 2016 to 2018 SFIL financial years and finalized in 2020 gave rise to insignificant technical adjustments which mainly correspond to a delay in the financial year for the allocation

of payroll expenses. This adjustment only results in deferred tax, which SFIL had taken into consideration when closing its 2019 financial statements."

RECENT DEVELOPMENTS

The section entitled "**Recent Developments**" on pages 109 and 110 of the Base Prospectus is deleted and replaced as follows:

"No events impacting SFIL's financial situation occurred between the closing date and the management report date. The foreseeable impacts to date related to the war situation in Ukraine are limited for SFIL. SFIL does not have any exposure in Russia or Belarus. SFIL, has only one exposure in Ukraine, which as at 31 December 2021 represented an outstanding on the balance sheet of EUR 51.1 million and an off-balance sheet financing commitment of EUR 17.4 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. This contract was the subject of a refinancing contract granted by CAFFIL which, in addition to the 100% credit insurance, benefits from the 100% guarantee granted by the French Republic known as the enhanced guarantee.

Debt securities amount

The amount of the debt securities issued by SFIL under its Programme increased by an amount of EUR 130 million between 1 January 2022 and 7 April 2022.

The amount of the debt securities issued by CAFFIL including the *Obligations Foncières* and the registered covered bonds issued decreased by an amount of EUR 601 million between 1 January 2022 and 7 April 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 471 million between 1 January 2022 and 7 April 2022."

GENERAL INFORMATION

The section "**General Information**" on pages 153 to 157 of the Base Prospectus is amended as follows:

- The paragraph entitled "**2. Corporate authorisations**" on page 153 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 18 March 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 18 March 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, 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 154 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 31 December 2021 (being the date of its last financial period for which financial information has been published)."

- The paragraph entitled "**6. No material adverse change**" on page 154 of the Base Prospectus is deleted and replaced as follows:

"There has been no material adverse change in the prospects of the Issuer since 31 December 2021 (being the date of its last financial period for which financial information has been published and audited)."

- The paragraph entitled "**11. Auditors**" on page 155 of the Base Prospectus is deleted and replaced as follows:

"KPMG SA (Tour Eqho, 2, avenue Gambetta, 92066 Paris-La-Défense Cedex, France) and PricewaterhouseCoopers Audit (63, rue de Villiers, 92200 Neuilly sur Seine, France) are statutory auditors to the Issuer since 30 September 2020. They 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.

The French auditors carry out their duties in accordance with the principles of *Compagnie Nationale des Commissaires aux Comptes* (CNCC)."

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

I declare, to the best of my knowledge, that the information contained in this Second Supplement is in accordance with the facts and that this Second 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 14 April 2022



This Second Supplement has been approved on 14 April 2022 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Second 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 Second Supplement.

This Second Supplement obtained the following approval number: n°22-111.