

**FIRST SUPPLEMENT DATED 18 NOVEMBER 2021
TO THE BASE PROSPECTUS DATED 21 MAY 2021**



**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 21 May 2021 which was approved by the *Autorité des marchés financiers* (the “**AMF**”) under number No. 21-169 on 21 May 2021 (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 2021* in French language of the Issuer filed with the AMF (the “**2021 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 23 November 2021, 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) 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 is amended as follows:

- The line entitled “*1.1 Risks arising from implementation of Basel III Risk-Weighted Asset Framework*” of the table indicating, for each risk factor, the likelihood of their occurrence and their negative impact on the Issuer and the Group of the section entitled “**I. RISK FACTOR RELATING TO THE ISSUER AND ITS OPERATIONS**” on page 16 of the Base Prospectus is deleted and replaced as follows:

	Likelihood	Impact
<i>1.1 Risks arising from implementation of Basel III Risk-Weighted Asset Framework</i>	<i>Likely</i>	<i>Moderate</i>

- The risk factor entitled “**1.1 Risks arising from implementation of Basel III Risk-Weighted Asset Framework**” of the section entitled “**I. RISK FACTOR RELATING TO THE ISSUER AND ITS OPERATIONS**” on pages 17 and 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, prudential oversight and risk-management systems. As of 30 June 2021, SFIL's capital level is high (CET1 capital ratio: 33.2%; total capital ratio: 33.8%) given its solvency ratios (CET1 capital: 7.75%; total capital: 11.25%). As of 30 June 2021, SFIL's leverage ratio is 9.9% and exceeds the minimum 3% requirement.

The revised framework published by the Basel Committee on Banking Supervision (the “**Basel Committee**”) (“**Basel III**”) was implemented under EU legislation through the “**CRD IV package**” which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013, the Capital Requirements Regulation (EU) No 575/2013 dated 26 June 2013 and the relevant subsequent Delegated Regulations. A number of new requirements arising from the CRD IV package was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of the CRD IV package at the legislative level was finalized under French law by Ordinance n°2014-158 dated 20 February 2014 and subsequent implementing decrees and “*arrêtés*”.

The CRD IV package has been amended by Directive (EU) 2019/878 of the European Parliament and of the Council dated 20 May 2019 (the “**CRD V Directive**”) and Regulation (EU) 2019/876 of the European Parliament and of the Council dated 20 May 2019 (the “**CRR II Regulation**” and, together with the CRD V Directive, the “**CRD V package**”), which were published in the European Union's Official Journal on 7 June 2019.

They notably provide for:

- leverage ratio calculation rules tailored to the specific nature of public development banks;
- a weighting of the Net Stable Funding Ratio tailored to encumbered assets included in the covered bond issuer's cover pool.

The CRD V package came into force on 27 June 2019. The CRD V Directive has been implemented under French law by an ordinance n°2020-1635 dated 21 December 2020 and a decree n°2020-1637 dated 22 December 2020. Certain portions of the CRR II Regulation apply since 27 June 2019 (including those applicable to the new requirements for own funds and eligible liabilities) while others shall apply several years after the date of its entry into force.

In order to finalise Basel III reforms, the Basel Committee decided in December 2017 to introduce new revisions seeking to restore credibility in the calculation of risk-weighted assets ("**RWAs**") and improve the comparability of banks' capital ratios by:

- enhancing the robustness and risk sensitivity of the standardised approaches for credit risk, credit valuation adjustment ("**CVA**") risk and operational risk;
- constraining the use of the internal model approaches, by placing floors on certain inputs used to calculate capital requirements under the internal ratings-based approach ("**IRBA**") for credit risk and by removing the use of the internal model approaches for CVA risk and for operational risk: for instance, the input loss given default ("**LGD**") for "institutions" - including regional governments and local authorities ("**RGLA**") - was set at 45%; and
- introducing a progressive output floor on RWAs based on the Committee's revised Basel III standardised approaches.

Implementation dates and transitional arrangements related to the standards described above were supposed to occur in January 2023.

In order to implement at the European level the December 2017 Basel Committee decisions, on 27 October 2021 the European Commission published a proposal for a regulation amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor. This proposal provides for the creation of a specific IRBA category for exposures to RGLA and public sector entities ("**PSE**"), henceforth distinct from that dedicated to "institutions". It also provides for a minimum LGD level of 25% for this category, identical to that applicable to corporate exposures, but reduced compared to the December 2017 Basel Committee decision, which had set it at 45%. However, this proposal from the European Commission could potentially affect the current capital requirements of the Issuer.

This proposal must be discussed in the triilogue with the European Parliament and Council, and will in any case not apply before 1st January 2025.

The magnitude of the impact of Basel III will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time: a number of elements will have to be discussed in this context, in particular the level of LGD finally applicable as well as the possibility of exempting development loans from the calculation of the output floor. The moderate qualification of the risk impact related to this future regulation is also linked to the possibility of treating SFIL Group's RGLA/PSE exposures according to the standard method.

In addition, the implementation of Basel III, the CRD V package, and any of their expected amendments could affect the risk weighting of the covered bonds in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the CRD V package.”

- The fifth 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. RISK FACTOR RELATING TO THE ISSUER AND ITS OPERATIONS**” on page 19 of the Base Prospectus is deleted and replaced as follows:
 “The Covered Bond Directive had to be implemented by each of the Member States of the European Union by 8 July 2021 and the Member States must apply those measures at the latest from 8 July 2022. The French ordinance has been published on 30 June 2021 (*Ordonnance n° 2021-858 portant transposition de la directive (UE) 2019/2162*) and the relating application decree has been published on 6 July 2021 (*Décret n° 2021-898 portant transposition de la directive (UE) 2019/2162*). The final outcome is not yet known and could adversely affect SFIL's subsidiary CAFFIL's business, financial condition, cash flows and results of operations.”
- 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. RISK FACTOR RELATING TO THE ISSUER AND ITS OPERATIONS**” on pages 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 2 million as of 30 June 2021.”
- The seventh paragraphs, its sub-paragraphs and the twelfth to last paragraphs of the risk factor entitled “**2.1 Risk of default**” of the section entitled “**I. RISK FACTOR RELATING TO THE ISSUER AND ITS OPERATIONS**” on pages 20 to 22 of the Base Prospectus are deleted and replaced as follows:
 “As an illustration, exposure to credit risk, measured with the "Exposure at Default" (EAD) metric amounted to EUR 72.7 billion as of 30 June 2021 (excluding fixed assets and accruals and other liabilities):
 - nearly 62% of this exposure is concentrated in French local public authorities (regions, departments and communities and groups of communities, etc);
 - 17.6% of this exposure is included in “Sovereign” items including 68% as a result of the export credit activity;
 - 11% of this exposure comes from public sector entities, including 85% from public stakeholders in the hospital sector.

[...]

As of 30 June 2021, Covid-19-related impacts are very limited for local public administrations and French public sector entities.

As a public development bank and the leading financier of public hospitals in partnership with La Banque Postale ("**LBP**"), SFIL supported all health institutions as part of the national effort to fight against the global pandemic. SFIL proposed payment extensions of 6 months without late payment interest and penalties, for their loan maturities between 12 March 2020 and 30 June 2020. All payments have been made.

Requests for payment extensions related to Covid-19 have also been received since 2020 from certain local authorities or French public sector entities.

The table below shows the breakdown by residual maturity of the payment extensions granted to these entities since the start of the pandemic and which constituted a Forbearance (in EUR):

	Gross carrying amount						
	Performing loans				Non-performing loans		
		of which exposures with forbearance measures	of which instruments with significant increase in credit risk since initial recognition, but no doubtful (Stage 2)		of which exposures with forbearance measures	of which unlikely to pay that are not past due or past due <= 90 days	
Loans subjects to payment delay outstanding as of 6/30/2021	3 439 341.51	17 146.77	17 146.77	17 146.77	3 422 194.74	3 422 194.74	-

	Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
	Performing loans				Non-performing loans			Inflows to non-performing exposures
		of which exposures with forbearance measures	of which instruments with significant increase in credit risk since initial recognition, but no doubtful (Stage 2)		of which exposures with forbearance measures	of which unlikely to pay that are not past due or past due <= 90 days		
Loans subjects to payment delay outstanding as of 6/30/2021	-119 394.72	-10.85	-10.85	-10.85	-119 383.87	-119 383.87	-	-

	Number of obligors	Gross carrying amount								
		Of which legislative moratoria	Of which expired	Maturité résiduelle des délais de paiement						
				<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 12 months <= 18 months	> 18 months	
Loans for which payment delays have been offered	35	88 667 835.42								
Loans for which payment delays have been granted	34	87 561 858.03	84 122 516.52	1 534 048.17	1 905 293.34	-	-	-	-	-

As of 30 June 2021 the residual exposure was EUR 3.4 million compared to a total granted of EUR 87.6 million.

The COVID-19 epidemic had a more significant impact on the export credit portfolio, and specifically on the financing of cruise ships built by the Chantiers de l'Atlantique, due to the interruption of cruise operations. The entire portfolio was placed on the watchlist. It is worth noting that the entire export credit portfolio is 100% guaranteed by the French Republic via Bpifrance Assurance Export credit insurance policies. In the area of export credit, SFIL has maintained and extended the liquidity support on export credits for cruise lines, introduced in the spring of 2020 as part of the approach developed jointly by the European credit insurance agencies

and the lending banks.

- 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. RISK RELATING TO THE ISSUER**” on page 24 of the Base Prospectus is deleted and replaced as follows:

“As an illustration, as of 31 December 2020, the amount of liquidity reserves amounted to EUR 34.4 billion and, as of 30 June 2021, LCR ratio reached 1,119% on a consolidated basis.

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

“As of 30 June 2021, Risks Weighted Assets (RWA) affected to operational risk (reported in the Pillar III report and calculated on standard approach) amounted to EUR 332 million (7 % of total RWA).”

- The first to fourth paragraphs of the risk factor entitled “**French and European rules relating to insolvency and bank recovery and resolution**” of the section entitled “**II. RISKS RELATING TO THE NOTES**” on page 33 of the Base Prospectus are deleted and replaced as follows:

“The Issuer having its registered office in France, French insolvency laws apply to the Issuer. Under French insolvency law, in the context of the opening in France of a safeguard (*procédure de sauvegarde*), an accelerated safeguard (*procédure de sauvegarde accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) with respect to the Issuer, the affected parties (*parties affectées*) (*i.e.* creditors, including the Noteholders) are grouped into distinct classes in order to adopt a restructuring plan. The administrator (*administrateur judiciaire*) splits, on the basis of verifiable objective criteria, the affected parties between classes comprising claims or interests with rights that reflect a sufficient commonality of interest, following certain conditions. As a minimum, the secured and unsecured receivables must be treated in distinct classes in order to adopt a restructuring plan.

The decision of each class is taken by a two-third (2/3rd) majority of the voting rights of the participating members, no quorum being required.

If the restructuring plan is not approved by all classes of affected parties, it can still be ratified by the court at the request of the Issuer or the receiver with the Issuer's consent and be imposed on dissenting classes through a cross-class cram down, under certain conditions.”

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 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* 2021 in the French language of the Issuer for the period ended 30 June 2021 (the “**2021 Half-Year Report**”; <https://sfil.fr/wp-content/uploads/2021/09/SFIL-Rapport-financier-semestriel-juin-2021-1.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 *Rapport financier* 2019 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 2019 and the related statutory auditors' report (the “**2019 Financial Report**”; <https://sfil.fr/wp-content/uploads/2020/03/Rapport-financier-annuel-2019.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 2020 Financial Report and the 2019 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 (the "**Commission Delegated Regulation**").

DOCUMENTS INCORPORATED BY REFERENCE (ANNEX 6 OF THE COMMISSION DELEGATED REGULATION)	Pages of the 2019 Financial Report		Pages of the 2021 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.95 to p.141	p.113 to p.163	N/A
Audit reports for the latest two financial years	p.142 to p.146	p.164 to p.168	N/A
11.1.3. Accounting standards	p.101	p.119	N/A
11.1.5. Audited financial information prepared according to national accounting standards			
– Balance sheet	p.96 and 148	p.114 and 172	N/A
– Income statement	p.97 and 150	p.115 and 174	N/A

– Cash flow statement	p.99	p.117	N/A
– Statement of changes in consolidated equity	p.98 and 151	p.116 and 175	N/A
– Accounting policies and explanatory notes	p.100 to p.141 and p.152 to p.170	p.118 to p.163 and p.176 to p.195	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.95 to p.141	p.113 to p.163	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.	N/A	p.113 to p.163	N/A
<u>11.2. Interim and other financial information</u>	N/A	N/A	p.28 to 79
<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.142 to p.146 French GAAP Auditors' report p.171 to p.173	IFRS Auditors' report p.164 to p.168 French GAAP Auditors' report p.196 to p.199	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

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 its sub-paragraphs of the section entitled “**1. HISTORY AND DEVELOPMENT OF THE ISSUER**” on pages 93 to 95 of the Base Prospectus is deleted and replaced as follows:

“To ensure the financing for these missions, SFIL Group benefits from four financing sources as described below:

- Issue of covered bond via CAFFIL: during the first half of 2021, CAFFIL was very active in the public issuance market by adding three new issues along its benchmark curve and by completing its third "Social"-themed issue:
 - In January, taking advantage of the favorable market environment at the beginning of the year for EUR 1.5 billion with a ten-year maturity, it raised a significant amount of its financing program at the beginning of the year at good spread conditions;
 - In February, taking advantage of very good market conditions to issue EUR 750 million with a 15-year maturity;
 - In April, making the most of its "Social"-themed issuance capacity by launching a third issue dedicated to refinancing French public hospitals for EUR 750 million with an eight-year maturity. This transaction found significant demand from ESG investors representing 51% of the placement;
 - Lastly, in June, by launching a new ten-year issue, for EUR 1 billion.

In parallel with these public transactions, EUR 38 million of private placements were completed.

Over the first half of the year, the average maturity of the financing raised by CAFFIL was 11.2 years.

The high quality of the SFIL Group's issuance activity was once again recognized by four new awards in 2021:

- CMD Portal Awards recognized CAFFIL with the "Best Covered Bond Issuer" award;
 - IFR-International Financing Review awarded CAFFIL the "Best Covered Bond 2020 award" for its "Covid-19" issue of 28 April 2020. This transaction was the first "Covid-19" covered bond aimed at providing new financing directly or indirectly to the sectors affected by the pandemic;
 - Environmental Finance recognized CAFFIL with the "Best Social Bond-Asset Based & Covered Bonds" award for the same "Covid 19" issue;
 - Lastly, The Covered Bond Report awarded CAFFIL the "Best Euro Issuer" award at the Covered Bond Report Awards of Excellence. This award is the fourth award for the Group's issuance programs this year. This is also the fourth time since 2016 that the SFIL Group has received a "Best Euro Issuer" award for CAFFIL's covered bond issuance program.
- SFIL bond issues: In the first half of 2021, SFIL continued to develop its franchise as a bond issuer in the French agency segment by being active in the public issue market in both euros and dollars. Over the period, SFIL raised the equivalent of EUR 1.831 billion via an issue in:
 - five-year dollars launched in February for an amount of USD 1 billion;
 - eight-year euros launched in May for an amount of EUR 1 billion;

With these transactions at 30 June 2021, SFIL posted a benchmark curve in euros (six maturities) and another in dollars (three maturities) for a total bond outstandings of EUR 8.8 billion.

- **ESG Financing:** SFIL's ESG financing policy was marked by the continued development of the SFIL Group's social and environmental policy and its implementation in its financing policy to further diversify its sources of financing and its investor base through regular "Social" and "Green"-themed issues. This strategy resulted in the successful launch in April of the SFIL Group's third "Social"-themed bond issue, issued as a covered bond by CAFFIL and intended to provide new funding to the French public hospital sector. This transaction brings the total outstanding of the SFIL Group's "Social" and "Green"-themed issues to EUR 4 billion (5 transactions).

As previously mentioned, the EUR 1 billion social bond issued by CAFFIL in April 2020 received two awards: in February 2021, the "Best Covered Bond 2020" award from the IFR publication and in March 2021, the award for the best transaction in the category "asset-backed/asset-based/covered social bond of the year" by the publication Environmental Finance.

- SFIL's short-term debt issues: via its specific program for issuing debt securities of less than one year (NeuCP issuance programme), whose total outstanding amount at 30 June 2021 stood at EUR 0.8 billion.
- The paragraph entitled “**Outlook**” on pages 95 to 97 of the Base Prospectus is deleted and replaced as follows.

“In the first half of 2021, the financing platform provided by SFIL to the Groupe Caisse des Dépôts, continued markets for slightly higher volumes than in 2020, in a low-rate environment that is favorable to it given its financing structure.

As regards the local public sector market, while the first half of 2021 was marked by a certain wait-and-see attitude on the part of borrowers for both the municipalities, groups of municipalities and public hospitals, this trend will undoubtedly be mitigated in the second half of the year due to the effects of the French Stimulus Plan and the finalized contracts with the Regional Health Agencies, which should be completed in October 2021 as part of the "Ségur de la Santé" plan. Work is being carried out with the Banque des Territoires to use CAFFIL's financing capacities for structuring projects in the Local Public Sector. Following the satisfaction survey conducted among borrowers in the first half of the year, SFIL will implement an action plan, based on the lessons learned, to improve borrowers' knowledge of the SFIL-LBP system.

With regard to export credit, the increase in activity observed in the first half of 2021 compared to the same half of the previous year should continue through the end of 2021. Activity should therefore be sustained given the number of projects under review and their level of progress. This can be explained by the fact that the use of export credit has a tendency to increase in the exit from a crisis where access to financing is made more difficult for some borrowers. The opportunities provided by the recovery plans, particularly in the context of the ecological transition, will probably fuel growth in the volume of projects to be financed in the medium term for both the local public sector and export credits.

SFIL will provide the expected support for the economic recovery in line with the credit guarantee policy for the major contracts steered by the French Republic. The financing may be intended either for export contracts in the traditional sense or for projects covered by the Strategic Projects Guarantee, provided that the discussions concerning authorization by the European Commission are completed rapidly.

In the context of the new European taxonomy, SFIL will continue and intensify its work with the launch of a project, including all the company's divisions concerned, aimed at integrating the impacts of the new regulation into its activities. SFIL plans to implement, by the end of 2021, an e-learning module dedicated to CSR and sustainable development issues for all its employees.

In terms of climate risk, analyses will be continued in order to be finalized as regards the physical risks in the local public sector.

From the point of view of its internal operations, SFIL will implement the new remote working agreement and adapt the organization of the premises and material resources made available.

Lastly, the #Objective 2026 strategic plan, taking into account the entire context in which SFIL operates, is being prepared for presentation to the Board of Directors in the autumn. This is the second strategic plan for SFIL, following the "Horizon 2021" plan, which saw the affirmation of the public development bank model and enabled commercial and economic results to be achieved that were largely above forecasts.”

- The section entitled “**2. BUSINESS OVERVIEW**” on pages 97 to 102 of the Base Prospectus is amended as follows:

- The following sub-paragraphs are added at the end of the subparagraph entitled “**(i) Financing of local public sector loans**” of the paragraph “**2.1 Principal Activities**” on page 98 of the Base Prospectus as follows:

“In the first half of 2021, the latter acquired EUR 3.1 billion of loans from La Banque Postale in two acquisitions, *i.e.* more than the volume acquired from La Banque Postale in the first half of 2020 (EUR 2.9 billion). As of 30 June 2021, the total volume acquired since SFIL's creation came to EUR 27.6 billion.

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.

In the first half of the year, the SFIL Group continued to support the digitization of its relations with the local public sector with the continued roll-out of DigiSFIL, which enables borrowers to securely update their information, make transaction requests or consult their due date notices online. The number of accreditations was partly boosted by remote working in the context of the health crisis.

In May, 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 by converting them to fixed rates, which ended their litigation with SFIL. Of the 66 municipalities with fewer than 10,000 inhabitants that held this type of loan at the time of SFIL's creation, only one remains, and this one has been dismissed by the court of cassation.

In the first half of 2021, EUR 185 million of green loans were produced by SFIL-LBP, *i.e.* 20% of the local authorities loans production transferable to CAFFIL, it being understood that most of the departments and regions have not yet issued their calls for tender due to the recent elections.

In addition, SFIL is carrying out work to take into account Regulation EU 2020/852, published on 18 June 2020, and the first two delegated acts aimed at establishing a harmonized system for classifying sustainable economic activities (the "European Taxonomy of Sustainable Activities").”

- The following sub-paragraph is added at the end of the paragraph entitled “**(ii) Partnership with La Banque Postale and servicing and financing provided to CAFFIL**” of the paragraph “**2.1 Principal Activities**” on page 99 of the Base Prospectus as follows:

“The performance indicators in place to measure the quality of the services that SFIL provided for the first half of 2021 were satisfied, as in 2020, at 99%.

In the first half of 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 paragraph “**2.3 Recent Evolutions**” on pages 101 to 102 of the Base Prospectus is deleted and replaced as follows:

“**2.3 Recent Evolutions**

We present below three key figures of SFIL as of 30 December 2020 and 30 June 2021:

- As of 30 June 2021, SFIL had EUR 74.5 billion consolidated balance sheet assets;
- As of 30 June 2021, SFIL had a CET1 Ratio of 33.2%; and
- As of 31 December 2020, 344 employees were working for SFIL.

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 9.9% as of 30 June 2021.

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 9.9% and thus comfortably exceeds this minimum 3% requirement.

On 22 February 2021, the ACPR Resolution College notified SFIL of its decision to implement the Single Resolution Board decision dated 23 September 2020, setting the minimum requirement for own funds and eligible liabilities (MREL) for SFIL.

In its regard, as the Ordinary Insolvency Processing is now retained as SFIL's preferential resolution strategy, the MREL requirement will therefore be limited to only "Loss Absorption Amount" (LAA) of SFIL. Furthermore, MREL will only apply to SFIL's social

scope, which will largely respect it.

- The paragraphs “**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	Director of Business and Territory Development 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).”

RECENT DEVELOPMENTS

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

“**The management of Covid-19 pandemic crisis**”

SFIL's strategy, which is based on its public development bank model, 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 on a voluntary basis, one day a week from February onwards, and then two days starting in June, for its employees at its Issy-les-Moulineaux and Lyon sites.

All measures (social distancing, supply of masks, hand sanitizing gel, etc.) to ensure the safety of its employees have been maintained. Discussions and projects were launched in 2020 on the organization of work. Based on the experience gained and the lessons learned over the last few months, the Demain@SFIL project has made progress, one of the key elements of which is the signing of a new remote working agreement. Remote working will be more widespread and with more days than before the crisis. Reflection workshops are underway to define the terms and conditions that will apply as of 20 September 2021. This is complemented by the promotion of new working methods and team leadership in a hybrid environment. The organization of the office premises and the technical resources must also be rethought or adapted to best meet new needs.

During the first half of the year, SFIL confirmed its excellent access to financial markets and continued very low risk profile and very solid financial results. Financing activity in the French local public sector was less buoyant in the first half of the year than in the first half of 2020, particularly in the health sector, which should, however, change positively from the second half of the year onwards with the deployment of the Ségur healthcare plan. In the area of export credit, SFIL has maintained and extended the liquidity support on export credits for cruise lines, introduced in the spring of 2020 as part of the approach developed jointly by the European credit insurance agencies and the lending banks. Since the beginning of March 2020, with regard to risk management, attention has been paid to the credit risks and the impacts of sector-specific shocks, particularly on the cruise sector, on the liquidity risks, on the operational risks for the Group, on cyber risk and the risk of fraud during such a period.

All of these risks were subject to specific monitoring and regular reporting to the supervisor. The crisis unit set up in March 2020 continued its work to ensure operational continuity and risk monitoring. As a reminder, in 2020, the health crisis had a very limited impact and was mainly limited to an increase in provisions relating to the export credit portfolio dedicated to refinancing the cruise sector. As of 30 June 2021, the same trend was observed and SFIL's financial statements were not impacted by the health crisis. As a result, as of 30 June 2021 SFIL's consolidated net income stood at EUR +28 million, while recurring net income was EUR +33 million.

Overall, the management of the health crisis during the first half of 2021 confirmed the triple success for SFIL in terms of protecting the health of its employees, maintaining its operational continuity ability 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.

Debt securities amount

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) increased by an amount of EUR 3.087 billion between 1 January 2021 and 21 October 2021.

2021 Stress Test exercises

SFIL participated in the 2021 European stress tests conducted by the Single Supervisory Mechanism (SSM). This exercise does not refer to a minimum capital threshold that must be reached, but is used by the supervisor as part of its institution evaluation process (“**SREP**”). The severe stress scenario was developed by the European Central Bank and covers a three-year time horizon (2021-2023). In the most severe stress scenario, the CET1 ratio would remain very high at 19.1% in 2023 and would be more than twice the regulatory requirement set by the regulator under the SREP.”

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 10 September 2021 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 10 September 2021 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 financier et des 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 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 30 June 2021 (being the date of its last financial period for which financial information has been published).”

- The fourth sentence of 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 year ended 31 December 2020 and issued a limited review report on the interim financial information of the Issuer for the period ended 30 June 2021.”

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 Financier
Duly authorised
on 18 November 2021



This First Supplement has been approved on 18 November 2021 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°21-493.