SECOND SUPPLEMENT DATED 23 FEBRUARY 2024
TO THE BASE PROSPECTUS DATED 12 JUNE 2023

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 12 June 2023 which was approved by the *Autorité des marchés financiers* (the "**AMF**") under number No. 23-211 on 12 June 2023 (the "**Base Prospectus**"), as supplemented by the first supplement dated 19 September 2023 which was approved by the AMF under number No. 23-401 on 19 September 2023 (the "**Previous Supplement**"), 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 by the Previous Supplement and this Second Supplement 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 this 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 the purpose of updating the Base Prospectus, as supplemented by the Previous Supplement, following the publication of the press release dated 20 February 2024 relating to the financial performance of Sfil.

With this respect, the following sections of the Base Prospectus, as supplemented by the Previous Supplement, shall be updated and amended:

i. the section entitled "Recent Developments"; and

ii. 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, as supplemented by the Previous Supplement.

Unless the context otherwise requires, terms defined in the Base Prospectus, as supplemented by the Previous Supplement, 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 or any statement incorporated by reference in the Base Prospectus, as supplemented by this Previous Supplement, by this Second Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, as supplemented by the Previous Supplement, the statements in (a) above will prevail.

In accordance with Article 23.2 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 two (2) working days after publication of this Second Supplement. This right to withdraw shall expire by close of business on 27 February 2024, 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 shall be (a) published on the websites of the AMF (www.amf-france.org) and of the Issuer (www.sfil.fr) and (b) available for inspection and obtainable, upon request and free of charge, during usual business hours, on any weekday at the registered office of the Issuer (112-114 avenue Emile Zola, 75015 Paris, France).

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RECENT DEVELOPMENTS

The section entitled "**Recent Developments**" on page 115 of the Base Prospectus, as supplemented by the Previous Supplement, is amended as follows:

- The paragraph entitled "**Debt securities amount**" on page 115 of the Base Prospectus, as supplemented by the Previous Supplement, is deleted and replaced as follows:

  "**Debt securities amount**

  The amount of the debt securities issued by Sfil under its Programme increased by an amount of EUR 1.971 million between 30 June 2023 and 20 February 2024.

  The amount of the debt securities (including the *Obligations Foncières* and the registered covered bonds) issued by CAFFIL increased by an amount of EUR 1.456 million between 30 June 2023 and 20 February 2024.

  The amount of the 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 3.428 million between 30 June 2023 and 20 February 2024."

- The following press release is included after the paragraph entitled "**Debt securities amount**" on page 115 of the Base Prospectus, as supplemented by the Previous Supplement:

"**Press release**

Paris, 20 February 2024

VERY SOLID 2023 RESULTS DRIVEN BY A RECORD LEVEL OF LENDING ACTIVITY

Higher recurring net income despite a disrupted economic environment

- **Recurring net banking income moderately down at EUR 198 million** (-6% vs 2022) despite a disrupted economic environment and the full-year impact of 2022 loan volumes constrained by the usury rate for the local public sector
- **Operating expenses at EUR 118 million** (-5.6% vs 2022), reflecting a tight control of general and administrative costs (+1% vs 2022) in a context of continued inflationary pressures in 2023
- **Reversal in cost of risk** (-2 basis points) and **non-performing exposures at an all-time low of 0.2% of assets**, reflecting the **excellent credit quality** of asset portfolio
- **Recurring net income of EUR 65 million (+4.8% vs 2022)** illustrating the performance of public development bank model

Record level of activity for export credit refinancing

- **Best performance since the activity started in 2016** with the conclusion of **6 operations** involving **10 exporters** for a total amount of **EUR 5 billion** (vs EUR 0.7 billion in 2022)
- **Direct contribution to SDGs 7, 9 et 11** for 4 of the 6 transactions concluded in the period
- Refinancing of the **"Abidjan Metro Line 1" project** awarded **« Deal of the year Africa »** at the TXF Global export forum in June 2023

Public sector lending activity in the higher range of the period, with a strong growth in thematic loans

- **Loan origination of EUR 4.3 billion (+4,9% vs 2022)**, with activity levels contrasting between local authorities (+15% vs 2022) and public hospitals (-48% vs 2022)
- Launch of the new **partnership with Banque des Territoires** with **EUR 0.2 billion** of loans granted
- **Accelerated growth in green and social thematic loans to 43% of loan origination** (vs 37% in 2022), in particular **social loans to local authorities (14% in 2023)**

Highly positive 2024 outlook and ambitious decarbonization targets

- **Highly optimistic business outlook** underpinned by a particularly high number and volume of deals under assessment, **176 for EUR 62 billion**
- **Expected growth in local and hospital investments in 2024,** in light of public initiatives to accelerate climate investments by local authorities
- **Ambitious targets for financed emission reduction** published in 2023 for our local public sector loans and export credit portfolio; nearly **EUR 30 billion of green and social loans over the 2024-2030 period**

Following the Board meeting on 16 February 2024, **Philippe Mills, Chief Executive Officer of Sfil**, stated « I*n this year which marked our 10th anniversary, we achieved an unprecedented level of activity of EUR 9.3 billion, 50% more than the average recorded over the last 7 years. Since 2013, we have granted more than EUR 64 billion of financing, including EUR 6.6 billion of green and social loans. Relying on our dynamic activities and talented people, we have all the required assets to confirm in 2024 the excellent 2023 performance.*"

Higher recurring net income despite a disrupted economic environment

Recurring net banking income[1] was EUR 198 million in 2023 (-6% vs 2022), despite increased financing costs in a context of significant volatility in financial markets and the effect of the usury rate on 2022 volume of loans to local public sector.

Operating expenses came down to EUR 118 million (-5.6% vs 2022). The decrease in the contribution to the Single Resolution Fund (-38% vs 2022) more than offset the slight increase in general and administrative costs that remained under control (+1% vs 2022) despite higher inflation levels throughout 2023.

Cost of risk was a reversal of EUR 11 million (-2 basis points) down from 2022 (EUR 0 million). This trend reflects the financial soundness of Sfil's borrowers.

	Recurring		Reported	
EUR million	**2022**	**2023**	**2022**	**2023**
Net banking income	211	**198**	243	**178**
Operating expenses	(125)	(118)	(125)	(118)
Gross operating income	**86**	**80**	**118**	**60**
Cost of risk	0	11	0	11
Income before tax	**87**	**91**	**119**	**70**
Income tax	(25)	(25)	(33)	**(14)**
Net income	**62**	**65**	**86**	**56**

Recurring net income[1] was EUR 65 million, +4.8% up from 2022. This performance is in line with the objectives of our model of public development bank and reflects the strength of such positioning in a less favorable macro-economic context.

Under the applicable IFRS standards, net banking income came down to EUR 178 million (-27% vs 2022). It reflects the valuation impact of financial assets recognized at fair value through profit and loss, which was +EUR 14 million in 2022 and became negative to EUR 20 million in 2023 as well as a one-off profit in 2022 after an early repayment of a run-off asset.

Reported net income was EUR 56 million compared with EUR 86 million in 2022.

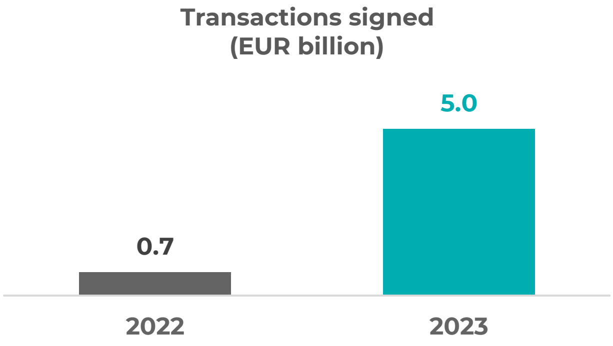
Credit risk metrics (past dues, stage 3 assets and non-performing exposures) were again at an all-time low since the creation of Sfil, demonstrating the excellent credit quality of the portfolio. In particular, non performing exposures represented 0.2% (vs 0.3% in 2022) of assets or EUR 168 million (-28% vs 2022).

1 *Reported financial information restated for fair value adjustments of hedges or related to the credit spread of financial assets at fair value through profit and loss, and an exceptional tax income in 2023.*

Record levels of activity for export finance

In 2023, we concluded 6 transactions for a total amount of EUR 5 billion resulting in EUR 7.3 billion in export contracts involving 10 exporters, 5 of which benefited from the Sfil's refinancing scheme for the first time.

It marked the best performance for the export finance activity since its launch, in terms of committed amount, signed transactions or supported exporters.



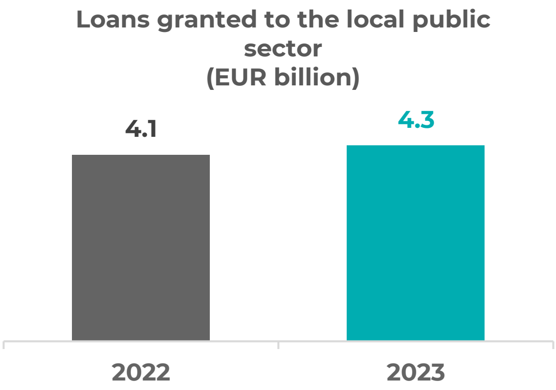
For the first time since its launch, export credit activity exceeded public sector lending activity in terms of volume. We achieved this record performance in a context of geopolitical tensions, contracts price inflation and tighter overall financing conditions, all of which reinforce the attractiveness of the refinancing scheme we offer.

Transactions concluded in 2023 also demonstrated our commitment to sustainability. 4 of the 6 projects financed contributed to SDG 7 (Affordable and clean energy), SDG 9 (Industry, innovation, infrastructure) and SDG 11 (Sustainable cities and communities) in destination countries. In particular, the "Abidjan Metro Line 1" project received the *"Deal of the year Africa"* award at the TXF Global export forum in June 2023.

Public sector lending activity in the higher range of the period, with a strong growth in thematic loans

Loan origination amounted to EUR 4.3 billion in 2023 (+4.9% vs 2022), with underlying contrasted situations according to the type of borrowers.

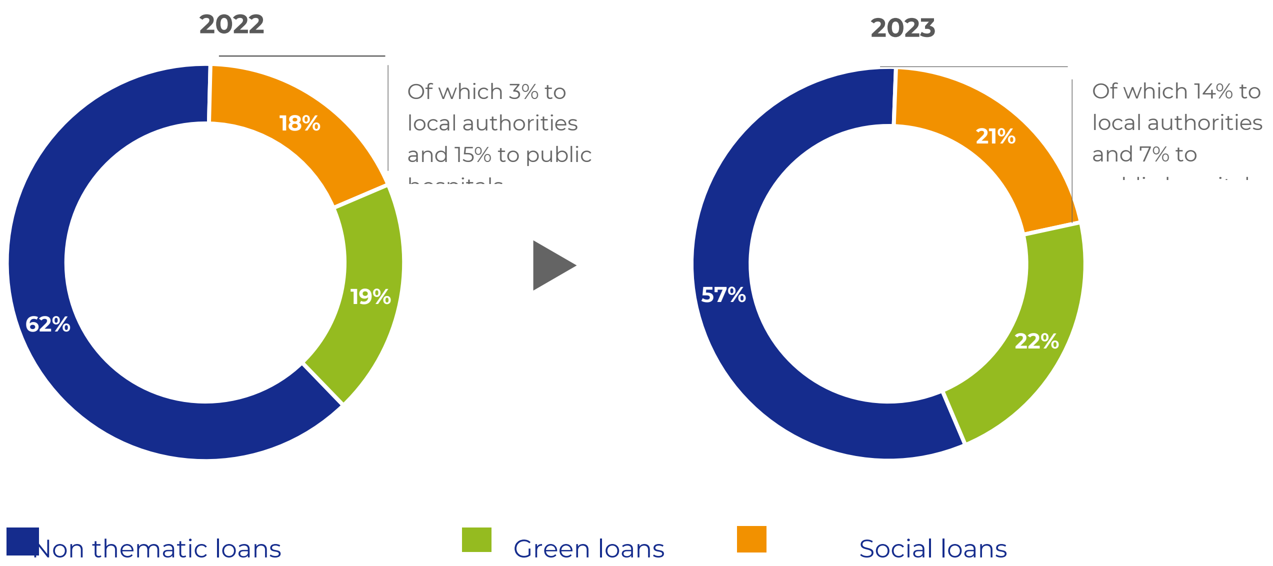
Loan to local authorities rose by 15% to EUR 4 billion, despite an economic context (rising inflation and interest rates) that slowed down investment decisions.



By contrast, loans to public hospitals fell by 48% to EUR 322 million, mainly due to delays in major projects following a sharp rise in construction costs which made necessary to reschedule planned expenditures.

In this context, the new partnership with Banque des Territoires launched at the end of 2022 started gradually in 2023 with EUR 0.2 billion of loans granted. This loan offer, with a target of EUR 0.5 billion originated over time, aims to support local authorities and public hospitals in financing sustainable environmental and social investments with maturities between 25 and 40 years.

2023 emphasized the investment efforts that local public sector has undertaken in order to support ecological and energy transition and regional cohesion in France. Green and social loans accounted for 43% of production (vs 37% in 2022). In particular, social loans to local authorities, EUR 0.6 billion or 14% of production in 2023, confirmed the strong demand from local authorities, noted at the launch of the offer at the end of 2022. This loan offer is designed to finance thematic such as health, sport, culture, development and territorial cohesion.

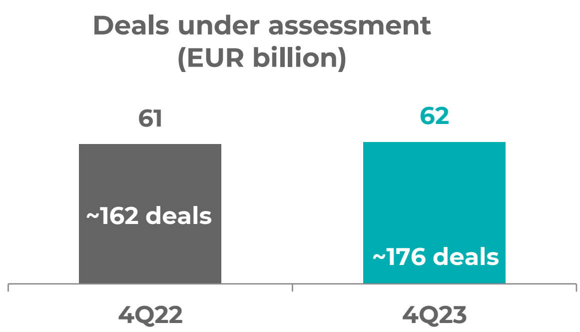


We acquired EUR 3.4 billion in loans to local public sector from its partners compared with EUR 4.8 billion in 2022. This decline mainly reflected the 2022 loan volume (mainly acquired in 2023) which had been strongly constrained by the rate setting mechanism for the usury rate.

Highly positive 2024 outlook and ambitious decarbonization targets

In 2024, we will carry on with the implementation of its strategic plan, with the priority to maintain its leadership in its 2 activities.

The outlook for credit export is highly optimistic for 2024. Indeed, the volume of deals under review reached a record high at the end of 2023, with around 176 operations under assessment for a total amount of approximately EUR 62 billion.



Lending to the local public sector is expected to increase in 2024, under the combined effect of more favorable financial conditions and a rise in local and hospital investments. In particular, the volume of thematic loans is expected to increase in line with public initiatives to mitigate the impacts of climate change (budget increase for the French green fund "*Fonds vert*", a revised version of the French Low-Carbon Strategy or the introduction of a "green budget" for local authorities) and an acceleration in the partnership with Banque des Territoires.

Moreover, and in order to actively participate in the ecological and energy transition, we set at year-end 2023 our targets for reducing financed emissions by 2030[2].

To this end, for the local public sector in France, we aim to reduce by 40% the monetary intensity of financing to 92 gCO_2e/€ for scopes 1, 2 and 3 (upstream and downstream), with reference to France's National Low Carbon Strategy.

With regard to export credit, we will not finance any new projects related to the oil, gas and coal sectors (exploration, production, transport, storage, refining or distribution).

In the power generation sector, we will only provide financing to transactions involving low-carbon renewable or nuclear energy projects and more selectively on gas-fired plants if they contribute to improving the carbon intensity of the electricity mix in destination countries.

Finally, for shipping, we will start the process to become a signatory of the Poseidon Principles. In that stance, we aim to reach a negative-or-zero climate alignment score of our portfolio by 2030 accordingly with the current trajectory adopted by the Poseidon Principles.

To achieve these objectives, we will mobilize EUR 17.5 billion in green loans over the period 2024-2030, *via* its 2 activities. In addition, in order to support them in the social challenges they face, we will dedicate EUR 12 billion to financing public hospitals and social investments by French local authorities.

A sound financial structure

Funding and liquidity position

Sfil and Caffil issued EUR 3 billion and EUR 3.6 billion respectively on global financial markets. In total, the Group issued EUR 6.6 billion in long-term debt with an average maturity of 7 years.

Although higher than in 2022, financing costs remained under control given market conditions marked by high volatility, inflationary pressures and the monetary tightening policy of central banks. Our excellent credit rating gives us the ability to offer the French local authorities and exporters competitively priced financing on long maturities, regardless of the interest-rate environment.

We have a robust liquidity structure, with LCR and NSFR ratios of 301% and 122% respectively, above the minimum requirement of 100%.

Capital adequacy

[2] *See press release dated December 19, 2023*

CET1 ratio was 37.5% at the end of December 2023. This is well above the minimum requirement of 7.92% set by the European supervisor as part of the Supervisory Review and Evaluation Process (SREP).

Credit ratings

Our robust position is confirmed by its credit ratings which were confirmed during 2023.

	Moody's	**DBRS**	**Standard & Poor's**
Long-term	Aa2	AA (high)	AA
Outlook	Stable	Stable	Negative
Short-term	P-1	R-1 (high)	A-1+
Last update	27 December 2023	26 May 2023	5 June 2023

These excellent credit ratings, all aligned with the sovereign ratings, reflect the strategic relevance of its public-service mission and its proximity to the French Government.

Contacts

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Appendix 1 : Consolidated financial statements prepared under IFRS as adopted by the European Union[3]

Assets

EUR millions	12/31/2022	12/31/2023
Central banks	1,969	2,980
Financial Assets at fair value throught profit or loss	2,743	2,251
Hedging derivatives	2,396	2,189
Financial Assets at fair value through equity	243	80
Financial Assets at amortized cost	-	-
Loans and advances to banks at amortized cost	87	67
Loans and advances to customers at amortized cost	49,956	51,393
Securities at amortized cost	6,209	7,985
Fair value revaluation of portfolio hedge	170	405
Current tax assets	15	13
Deferred tax assets	64	67
Tangible assets	7	32
Intangible assets	21	21
Accruals and other assets	2,728	2,165
TOTAL ASSET	**66,608**	**69,648**

[3] *The Sfil's Board of Directors approved the consolidated financial statements on 16 February 2024. The audit procedures carried out by the Statutory Auditors are in progress.*

Liabilities

EUR millions	12/31/2022	12/31/2023
Central banks	-	-
Financial liabilities at fair value through profit or loss	359	431
Hedging derivatives	5,134	4,318
Financial liabilities at amortized cost	-	-
Due to banks at amortized cost	-	-
Customer borrowings and deposits at amortized cost	-	-
Debt securities at amortized cost	59,090	62,894
Fair value revaluation of portfolio hedge	66	53
Current tax liabilities	2	2
Deferred tax liabilities	-	-
Accruals and other liabilities	219	227
Provisions	19	13
Subordinated debt	-	-
EQUITY	**1,720**	**1,709**
Capital	1,445	1,445
Reserves and retained earnings	234	256
Net result through equity	(45)	(49)
Net income	86	56
TOTAL LIABILITIES	**66,608**	**69,648**

Income Statement

EUR millions	2022	2023
Interest income	2,321	4,740
Interest expense	(2,150)	(4,576)
Fee and commission income	5	8
Fee and commission expense	(4)	(4)
Net result of financial instruments at fair value though profit or loss	33	1
Net result of financial instruments at fair value though equity	1	-
Gains or losses resulting from derecognition of financial instruments at amortized cost	37	9
Gains or losses resulting from reclassification of financial assets at amortized cost to fair value through profit or loss	-	-
Gains or losses resulting from reclassification of financial assets at fair value through equity to fair value through profit or loss	-	-
Other income	-	0
Other expense	(0)	(0)
NET BANKING INCOME	**243**	**178**
Operating expenses	(107)	(103)
Depreciation and amortization of property and equipment and intangible assets	(18)	(16)
GROS OPERATING INCOME	**118**	**60**
Cost of risk	0	11
OPERATING INCOME	**119**	**70**
Net gains (losses) on other assets	-	(0)
INCOME BEFORE TAX	**119**	**70**
Income tax	(33)	(14)
NET INCOME	**86**	**56**
EARNINGS PER SHARE (in EUR)	**-**	**-**
- Basic	9.21	6.08
- Diluted	9.21	6.08 "

- The following paragraph is included after the press release dated 20 February 2024:

  "Figures and financial information provided in the Second Supplement are based on the consolidated financial statements of Sfil prepared under IFRS (as adopted by the European Union) for the fiscal year ended on 31 December 2023 and approved by Sfil's Board of Directors on 16 February 2024. Such figures and financial information are both (a) comparable with the historical financial information of the Issuer included in the Base Prospectus, as supplemented by the Previous Supplement, and (b) consistent with the Issuer's accounting policies."

GENERAL INFORMATION

The paragraph entitled "**5. Significant change in the Issuer's financial position or financial performance**" of the section "**General Information**" on page 164 of the Base Prospectus, as supplemented by the Previous Supplement, 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 2023 (being the date of its last financial period for which selected financial information has been published through the press release dated 20 February 2024 included in the Second Supplement)."

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
112-114, avenue Emile Zola
75015 Paris
France

Duly represented by:
Philippe Mills
Directeur Général
Duly authorised
on 23 February 2024

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This Second Supplement to the Base Prospectus, as supplemented by the Previous Supplement, has been approved on 23 February 2024 by the *Autorité des marchés financiers* (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 in the Base Prospectus, as supplemented by the Previous Supplement and this Second Supplement, is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the Issuer and on the quality of the Notes described in this Second Supplement. Investors should make their own assessment of the opportunity to invest in such Notes.

This Second Supplement to the Base Prospectus, as supplemented by the Previous Supplement, obtained the following approval number: n°24-045.