

**SUPPLEMENT DATED 19 MAY 2021  
TO THE BASE PROSPECTUS DATED 29 JUNE 2020**



**€ 3,000,000,000**

## **Euro Medium Term Note Programme**

This supplement (the "**Supplement**") constitutes a supplement to and must be read in conjunction with the base prospectus dated 29 June 2020 (the "**Base Prospectus**") granted approval no. 20-288 on 29 June 2020 by the *Autorité des marchés financiers* (the "**AMF**") prepared by Carrefour Banque (the "**Issuer**") with respect to its outstanding Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made to the AMF for approval of this Supplement in its capacity as competent authority under the Prospectus Regulation. This Supplement constitutes a supplement to the Base Prospectus and has been prepared for the purposes of Article 23 of the Prospectus Regulation. The Base Prospectus, as supplemented, constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

This Supplement has been prepared for the purposes of (i) reflecting a new rating given by S&P Global Ratings Europe ("**S&P**") to the long-term indebtedness of the Issuer, (ii) making various changes to the Base Prospectus related to Brexit, (iii) updating the "Risk Factors" section of the Base Prospectus following the publication of the 2020 Annual Report (as defined below), (iv) updating the "Documents Incorporated by Reference" section of the Base Prospectus by incorporating by reference the French language annual report of the Issuer for the year ended 31 December 2020, together with the related French language audit report (the "**2020 Annual Report**"), (v) updating the "Description of the Issuer" section of the Base Prospectus following changes to the composition of the board of directors (*Conseil d'administration*) of the Issuer, (vi) creating and completing a "Recent Developments" section of the Base Prospectus and (vii) amending the "General Information" section of the Base Prospectus.

Copies of this Supplement may be obtained, free of charge, (i) at the office of the Fiscal Agent and the Paying Agent during normal business hours, (ii) at the registered office of the Issuer during normal business hours and (iii) on the website of the Issuer ([www.carrefour-banque.fr/societe](http://www.carrefour-banque.fr/societe)). A copy of this Supplement will also be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

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

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes to be issued under the Programme since the publication of the Base Prospectus.

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### **MODIFICATION OF THE ISSUER'S RATING CREDIT**

All references in the Base Prospectus to the Issuer's long-term rating by S&P Global Ratings Europe ("**S&P**") being "BBB+ (negative outlook)" shall be deleted and replaced by "BBB (negative outlook)".

## CHANGES RELATED TO BREXIT

On 1 January 2021, the transition period came to an end and the United Kingdom officially withdrew from the European Union. Various changes, set out below, need to be made to the Base Prospectus as a result.

The following section on page iii of the Base Prospectus shall be deleted and replaced with the following paragraph, with the UK CRA Regulation (as defined below) taken into account:

"As at the date of this Base Prospectus, the Issuer has been assigned a long-term credit rating of "BBB (negative outlook)" and a short-term credit rating of "A-2" and the Programme has been rated "BBB+" in respect of the Unsubordinated Notes (as defined below) with a maturity of one year "BBB-" in respect of Subordinated Notes (as defined below) by S&P Global Ratings Europe ("**S&P**"). Notes issued under the Programme may, or may not, be rated. The rating (if any) may be specified in the relevant Final Terms. The relevant Final Terms will specify whether or not such credit ratings (if any) will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies ("**EU CRA Regulation**") and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") or certified under the UK CRA Regulation. If such credit rating agency is registered under the EU CRA Regulation, the Final Terms shall specify that such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). As of the date of this Base Prospectus, S&P appears on the list of registered and certified rating agencies published by ESMA. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency."

The paragraphs on the PRIIPs Regulation and MiFID II Product Governance on page v of the Base Prospectus shall be deleted and replaced with the following paragraphs, with the UK PRIIPs Regulation (as defined below) and the UK Product Governance rules taken into account:

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to retail investors in the EEA may be unlawful under the EU PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA on 5 February 2018, and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration such determination; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made by all relevant Dealers in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "*Brexit our approach to EU non-legislative materials*"), and which channels for distribution of the Notes are appropriate. Any distributor (as defined above) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules."

On page 6 of the Base Prospectus, the below paragraph on ratings in the 'General Description of the Programme' section shall be deleted and replaced with the following, with the UK CRA Regulation taken into account:

"The relevant Final Terms will specify whether or not such credit ratings will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies ("**EU CRA Regulation**") and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") or certified under the UK CRA Regulation. If such credit rating agency is registered under the EU CRA Regulation, the Final Terms shall specify that such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the EU CRA Regulation (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>). As of the date of this Base Prospectus, S&P appears on the list of registered and certified rating agencies published by ESMA."

On page 7 of the Base Prospectus, the reference to the United Kingdom in the first paragraph of Selling Restrictions in the 'General Description of the Programme' section shall be deemed to have been deleted.

On page 70 of the Base Prospectus, the legends in relation to the PRIIPs Regulation and MiFID II Product Governance in the "Form of the Final Terms" section shall be deleted and replaced by the following paragraphs, in line with the changes referred to above:

"PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these

purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to retail investors in the EEA may be unlawful under the EU PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes are eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

**UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET ASSESSMENT** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 (in accordance with the FCA's policy statement entitled "Brexit our approach to EU non-legislative materials"), has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); and (ii) all channels for distribution to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels."

On page 79 page of the Base Prospectus, Part B, item 2 of the "Form of Final Terms" section shall be deleted and replaced with the following section, with the UK CRA Regulation (as defined below) taken into account:

<p>"2. <b>RATINGS</b> Ratings<sup>1</sup>:</p>	<p>[Not Applicable]</p> <p>[The Notes to be issued [are expected to be/have been] rated:</p> <p>[S &amp; P: [●]]</p> <p>[[Other]: [●]]</p> <p>Insert one (or more) of the following options, as applicable:</p> <p>[[<i>Insert credit rating agency/ies</i>] [is/are] established in the European Union and [has/have each] applied for registration under Regulation (EC) No 1060/2009 as amended by Regulation (EC) No 513/2011 (the "<b>EU CRA Regulation</b>"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]<sup>2</sup></p> <p>[[<i>Insert credit rating agency/ies</i>] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 as amended by Regulation (EC) No 513/2011 (the "<b>EU CRA Regulation</b>"). As such [●] [is/are] included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]</p> <p>[[<i>Insert credit rating agency/ies</i>] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009 as amended by Regulation (EC) No 513/2011 (the "<b>EU CRA Regulation</b>").]</p> <p>[[<i>Insert credit rating agency/ies</i>] [is/are] established in the UK and registered under Regulation (EU) No1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "<b>UK CRA Regulation</b>").]</p> <p>[[<i>Insert credit rating agency/ies</i>] has been certified under Regulation (EU) No 1060/2009 (as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 20218 (the "<b>UK CRA Regulation</b>").]</p> <p>[[<i>Insert credit rating agency/ies</i>] has not been certified under (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "<b>UK CRA Regulation</b>") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]"</p>
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<sup>1</sup> This disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, this rating.

<sup>2</sup> It is important to liaise with the Issuer and/or the relevant credit rating agencies to determine (i) the specific legal entity which will issue the credit ratings and (ii) the status of any application which has been made to the relevant competent authority by that entity. It is recommended that these enquiries are made at an early stage to allow sufficient time for the information to be determined.

On page 82 of the Base Prospectus, the selling restriction in relation to the prohibition of sales to the EEA and United Kingdom retail investors should be deleted and replaced by the following and the heading of the current United Kingdom selling restriction should be re-named 'Additional United Kingdom restrictions'

**"Prohibition of Sales to EEA Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

**Prohibition of Sales to United Kingdom Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA."



## RISK FACTORS

The following risk factors "1. Structural and business risks", "2. Credit risk", sub-paragraphs "Liquidity risks" and "Interest rate risk" of the risk factor "3. Funding and liquidity risks" and sub-paragraph "Carrefour Banque's business is subject to banking supervisory regulations" of the risk factor "5. Legal and regulatory risks" within the section "Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme" will be deleted and replaced by the following risk factors:

### **"1. Structural and business risks**

*Competition could materially adversely affect Carrefour Banque's revenues and profitability*

Carrefour Banque's principal activities are retail banking and insurance broking, which together constitute nearly all of Carrefour Banque's activities. Therefore its principal competitors are commercial banks, consumer finance and insurance companies as well as other banks forming part of competitor supermarket chains. Carrefour Banque's market share for its credit activity as at 31 December 2020 was 2.8% of the total credit activity of all members of the French *Association Française des Sociétés Financières*. Some of Carrefour Banque's competitors may be able to offer lower rates if they have lower borrowing costs due to their greater size and profitability and others may offer lower rates to attract new customers as part of a commercial strategy. The high number of competitors means that this risk is particularly relevant to Carrefour Banque. If Carrefour Banque is unable to respond to the competitive environment in retail banking and insurance broking with attractive and profitable products and services in a timely manner, Carrefour Banque may lose its existing market share in such sectors. The loss of existing customers to competitors and/or the failure to attract new customers, particularly in the retail banking and insurance broking sectors, could have a significant impact on the results, financial situation and prospects of Carrefour Banque, and could ultimately have an impact on Carrefour Banque's ability to respect its payment obligations to Noteholders, the significance of which would depend on how much market share was lost.

*Carrefour Banque relies on Carrefour hypermarkets to distribute its products*

Although it does have a network for distribution via telephone sales and via its website, Carrefour Banque distributes the vast majority of its products (consumer loans, insurance and savings products) to its customers through Carrefour hypermarkets (specifically at its 220 financial services stands in each Carrefour hypermarket in France) and so relies on Carrefour's hypermarket chain for distribution. Therefore, if there is a decrease in Carrefour hypermarket customers, permanently or temporarily (see "Risks relating to COVID-19" below), this could lead to a decrease in the number of new customers and/or in the sale of further Carrefour Banque products to existing customers. The recent COVID-19 pandemic is evidence that the closing of Carrefour hypermarkets or significant decreases in footfall therein due to governmental measures constitute real and significant risks. Should Carrefour Banque fail to attract new customers, it may see its market share decreased, and this and/or its failure to sell new (or renew the subscription of) Carrefour Banque products to existing customers, could have a direct and immediate impact on its revenues and profitability and ultimately its ability to respect its payment obligations to Noteholders.

*Carrefour Banque's products are primarily limited to the French market*

Carrefour Banque operates primarily within the French market, with the French net banking income representing 88% of Carrefour Banque's consolidated net banking income and 99.8% of Carrefour Banque's balance sheet as at 31 December 2020. A weakening of the French economy could therefore bring about a decline in Carrefour Banque activity, in particular if an economic downturn (such as the current economic downturn stemming from COVID-19) led to significant changes in European or French economic policy, in interest rate changes and in reduced consumer spending and borrowing which would have an immediate and direct impact on Carrefour Banque's activity. The significance of the impact would depend upon the nature of the interest rate changes, but a significant impact could affect Carrefour Banque's ability to respect its payment obligations to Noteholders. Carrefour Banque is looking to expand into other regions such as Belgium and Spain, but similar risks also exist in such regions, particularly as they are also impacted by European economic policy.

*Risks relating to COVID-19*

The COVID-19 pandemic is still an ongoing event, the duration of which is uncertain, and measures adopted in reaction to it by public authorities (on a national or local scale) are in constant evolution. The pandemic is expected to have a significant negative impact on the global economy and it is leading to supply and demand crises. As a result, there has been a significant slowdown in activity due to the impact of confinement measures on consumption, as well as an increase in unemployment, and a global slowdown of the economy. These consequences are expected to have an adverse effect on customers' purchasing behaviour (including potential decreases in the frequency of customers' visits to Carrefour hypermarkets and the use of MasterCards by Pass card holders), demand for new personal loans and savings products from Carrefour Banque and on the capacity of Carrefour Banque's customers to meet their payment obligations. At the end of February 2021, the rate of non-performing loans on the books of Carrefour Banque was around 18%. In turn, the demand for Carrefour Banque's services and products may decrease and its exposure to the customer credit risk described in the "Credit risk" category below, may increase significantly. Depending on the implementation of local measures, the evolution and the duration of the epidemic and mortality rates, COVID-19 could have a material adverse effect on the business, operations and results of the Issuer which may impact its ability to respect its payment obligations under the Notes and lead to a loss of all or part of the Noteholders' investment.

*Investors have recourse only to the Issuer*

The Notes are the liabilities of the Issuer only, and investors will therefore only have recourse to the Issuer for payments due under the Notes. There are no guarantees provided by the shareholders of Carrefour Banque (despite the reliance of Carrefour Banque on its shareholders (Carrefour (which holds a 60% shareholding) and BNP Paribas Personal Finance S.A. (which holds a 40% shareholding)) for its funding requirements) or any other persons in relation to the Notes, and the Notes do not benefit from any security. Investors must therefore make an informed assessment of the creditworthiness of the Issuer as a significant deterioration in the financial situation of Carrefour Banque may impact its ability to respect its payment obligations under the Notes and have a direct impact on the Noteholders' investment.

## **2. Credit risk**

*Carrefour Banque is exposed to credit risk from its customers and recovery risk*

Carrefour Banque is exposed to credit risk from individual customers who have credit cards or loans with Carrefour Banque, particularly in relation to two of its credit solutions: (i) revolving credit which as at 31 December 2020 constituted 40% of its total credit portfolio and (ii) personal loans which as at 31 December 2020 constituted 34% of its total credit portfolio, but also in relation to its specific purchase loans, which as at 31 December 2020 constituted 3% of its total credit portfolio. There is a risk of loss arising from the failure of such customers to respect the payment or other terms of their loan(s) or credit card debt. As at 31 December 2020, Carrefour Banque had €1,709 million of total credit granted and outstanding, of which 7% were classified by Carrefour Banque as doubtful loans as at 31 December 2020. Carrefour Banque's recovery of its customers' debts has an impact on its cash flow which is relevant to its ability to respect coupon payments and, in particular, payments of principal in relation to the Notes. Carrefour Banque has procedures in place to evaluate the credit profile of individual customers and specific committees that meet regularly to assess the credit risk of its loan portfolio (see "*Description of the Issuer - Risk Management*"), but the risk of customer default cannot be excluded as Carrefour Banque's credit risk is heavily dependent upon economic factors, including unemployment, personal income growth and disposable household incomes. Carrefour Banque has no corporate banking activities and is reliant on its retail banking activities to generate revenues. Although lending to retail customers helps to ensure that Carrefour Banque's lending concentrations and single-party exposure remain low, it may also increase the overall credit risk in the loan portfolio since retail customers typically have less financial strength than corporate borrowers, and negative developments in the French economy (see "*Carrefour Banque's products are primarily limited to the French market*") could affect such borrowers more significantly than large corporate borrowers.

As at 31 December 2020, Carrefour Banque's total cost of risk amounted to -€78.06 million.

*The Issuer engages in insurance broking activities*

Carrefour Banque is exposed to underwriting risk, liquidity risk and credit risk through its insurance broking activities. As at 31 December 2020, Carrefour Banque's total cost of risk stands at €78.06 million compared to net banking income of €262 million. Carrefour Banque's revenues generated through Carrefour Banque's insurance broking activities are not taken into account in its cost of risk. Carrefour Banque is exposed to

the risk of financial loss caused by a sudden, unexpected increase in insurance claims. This underwriting risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or disasters.

Carrefour Banque is also exposed to liquidity risk relating to its ability to fulfil current or future foreseen or unforeseen cash requirements coming from insurance commitments to policyholders. Carrefour Banque actively monitors its liquidity situation, using assessments based on internal standards, early warning indicators and regulatory ratios. Finally, Carrefour Banque is exposed to credit risk relating to its finance insurance policies. There is a risk of loss and cash flow problems arising from the failure of a customer to meet the payment or other terms of its insured contract. Carrefour Banque has procedures in place to evaluate the credit profile of individual customers and specific committees that meet regularly to assess the risk of default by borrowers.

If Carrefour Banque's risk management policies were to provide inadequate or there was a substantial increase in insurance claims and Carrefour Banque incurred significant financial loss and/or experienced cash flow problems as a result, this could have an impact on Carrefour Banque's ability to respect its payment obligations under the Notes and lead to a loss of all or part of the Noteholder's investment.

### **3. Funding and liquidity risks**

#### *Liquidity risks*

Carrefour Banque finances its activities principally the raising of finance through bank lending and in particular the capital markets. Carrefour Banque is subject to the risk that it will have insufficient liquidity to (i) repay its debts when they fall due (in particular payments under any savings contracts, see "*The Issuer engages in insurance broking activities*" above) and (ii) fund its existing or new consumer loans. Such risk is exacerbated by the recovery risk mentioned in "*Carrefour Banque is exposed to credit risk from its customers and recovery risk*" above and by the risk that its financing requirements could increase (for example, due to an unexpected increase in insurance claims, see "*The Issuer engages in insurance broking activities*" above) or that its access to funds could be affected by factors outside of its control (for example, due to a deterioration in the French economy, see "*Carrefour Banque's products are primarily limited to the French market*").

Carrefour Banque controls this risk by strict management rules which are subject to a monthly evaluation. The financial management of the Issuer aims to give a refinancing certainty of at least 12 months. The outstanding amount of short term indebtedness cannot exceed the back-up liquidity constituted by confirmed letters of credit. In addition, the Issuer endeavours to diversify as much as possible the sources of its funding, such as syndicated loans, ECB-eligible securitisation, Neu CPs and Neu MTNs, savings products, fixed term deposits and bilateral loan facilities, in order to attract classes of short and medium-term investors.

As at 31 December 2020, Carrefour Banque's liquidity coverage ratio stood at 223.87%, well above the regulatory requirement of 100%. In addition, although Carrefour Banque's benefitted from total funding commitments of EUR 4,887 million as at 31 December 2020, only EUR 3,188 million had been used as at 31 December 2020. It would take quite a significant restriction to Carrefour Banque's access to the capital markets, for example due to severely adverse market conditions, for there to be an impact on Carrefour Banque's ability to respect its payment obligations to creditors, including the Noteholders, in particular because Carrefour Banque has undrawn credit lines in place (see "*Description of the Issuer – Funding and Liquidity*") which could be drawn as an alternative source of funding.

#### *Interest rate risk*

Interest rate risk is the risk that changes in market interest rates and prices will negatively affect Carrefour Banque's income and capital and increase its borrowing costs. Carrefour Banque's customer loans are issued at fixed interest rates, for durations of between 12 to 84 months for personal loans (which as at 31 December 2020 constituted 34% of its total credit portfolio) and 36 to 60 months for revolving credit (according to the amount of the authorised overdraft) which as at 31 December 2020 constituted 40% of its total credit portfolio. However, the financial management of the Issuer aims to protect and optimize its financial margin. It is based on an apprehension of its loan portfolio by categories of identical characteristics (e.g. same type of interest rate, same principle of pricing revision, same type of depreciation) in order to obtain the adequate hedging of such interest rate risk. As a sudden change in market interest rates could have a significant impact on the financial margin of Carrefour Banque and therefore its financial prospects, the

interest rate risk is measured on a monthly basis for each category of assets, by applying the interest rate limit methodology subject to a stress rate of 2 per cent., in accordance with which the result is framed within an authorised range instead of being a percentage of the result, and as a percentage of equity."

*"Carrefour Banque's business is subject to banking supervisory regulations*

Carrefour Banque has to bear costs of complying with banking supervisory regulations such as Basel III. An increase in regulation and capital requirements, in particular, in Europe and in France, could make certain parts of the business of Carrefour Banque more costly to operate and less competitive and could impact the financial situation of Carrefour Banque to such an extent that its ability to respect its payment obligations to the Noteholders would be impaired.

The financial measures that have been adopted notably by Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD IV**", as amended or replaced from time to time, including by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 ("**CRD V**") and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**", as amended or replaced from time to time, including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 ("**CRR 2**")), or that may be adopted, include more stringent capital and liquidity requirements and the creation of new and strengthened regulatory bodies. In many countries, the majority of these topics are subject to revision and need adapting to each country's framework by national regulators. Although CRR2 shall as a general rule apply as from 28 June 2021, a number of provisions of CRR2 are already in force since 27 June 2019, including certain provisions related to own funds and the provisions on the introduction of the new requirements for own funds and eligible liabilities. It must be noted that CRR and CRR2 have been amended by Regulation No. 2020/873 of 24 June 2020 setting out certain adjustments in response to the COVID-19 pandemic (notably through a number of temporary prudential rules), aimed at mitigating the economic shock caused thereby. These new provisions generally apply as from 27 June 2020.

On 23 November 2016, the European Commission issued legislative proposals for amending notably CRD IV/CRR, Directive 2014/59/EU of the Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms ("**BRRD**") and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund ("**SRMR**"), which were adopted on 20 May 2019.

Such amended directives and regulations are now being referred to as CRD V/CRR 2, BRRD 2 and SRMR 2 and shall be implemented by each Member State into local law by 28 December 2020. Following the entry into force of CRD V/CRR 2, Carrefour Banque will be subject to, among other things, a binding leverage ratio (LR) as well as an harmonised net stable funding ratio (NSFR).

There are still uncertainty as to the full impact of such amended legislations on the business of French credit institutions such as Carrefour Banque further to the full implementation of those rules under French law."

## DOCUMENTS INCORPORATED BY REFERENCE

- Paragraph (b) in the section "*Documents Incorporated by Reference*" appearing on page 20 of the Base Prospectus shall be deleted and replaced by the following paragraph:

"(b) the French language annual [report](#) of the Issuer for the financial year ended 31 December 2020 (the "**2020 Annual Report**"), including the audited consolidated financial statements of the Issuer as of, and for the year ended, 31 December 2020 prepared in accordance with IFRS and the audit report thereon and the audited non-consolidated financial statements of the Issuer as of, and for the year ended, 31 December 2020 prepared in accordance with French GAAP and the audit report thereon,"

- In addition, the following paragraphs shall be included on page 20 of the Base Prospectus in place of the current paragraphs on the same subject:

"For as long as any Notes are outstanding, this Base Prospectus, any supplement to the Base Prospectus and the documents incorporated by reference above may be obtained, (i) at the registered office of the Issuer during normal business hours, (ii) on the website of the Issuer ([www.carrefour-banque.fr/societe](http://www.carrefour-banque.fr/societe)) and (iii) except in relation to the 2020 Annual Report and 2019 Annual Financial Report, on the website of the AMF ([www.amffrance.org](http://www.amffrance.org)). Provision of such documents does not constitute a representation that such documents have not been modified or superseded in whole or in part as specified above. Written or oral requests for such documents should be directed to the Issuer at its registered office set out at the end of this Base Prospectus.

For the avoidance of doubt, the English versions of the 2020 Annual Report and 2019 Annual Financial Report available on the website of the Issuer are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions."

- The cross-reference list for Section 11 of Annex 7 of the Prospectus Regulation appearing in the table on page 22 of the Base Prospectus is deleted and replaced with the following:

Cross-reference list in respect of information incorporated by reference		
Annex 7 of the Commission Delegated Regulation (EU) 2019/980		
11. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses		
	2019 Annual Financial Report	2020 Annual Report
11.1 Historical Financial Information	Pages 12-66	Pages 7-65
(a) the balance sheet	Pages 12-13 Page 32	Page 8-9 Pages 29
(b) the income statement	Page 14 Page 33	Page 10-11 Page 30
(c) cash flow statement	Page 35	Page 31
(d) the accounting policies and explanatory notes	Pages 16-27 Pages 36-63	Pages 12-15 Pages 33-43
Auditors' report relating to the annual consolidated financial statements	Page 28-30 Page 64-66	Page 25-27 Page 63-65

## DESCRIPTION OF THE ISSUER

The following section of the Base Prospectus on pages 67-68 will be deleted and replaced by the following:

### *"Board of directors*

<b>Individual</b>	<b>Role(s) at Carrefour Banque</b>	<b>External Function(s)</b>
Benjamin DUBERTRET	<p>Chairman of the Board of Directors and Director</p> <p>Member of the Risk Committee</p> <p>Member and Chairman of the Audit Committee</p> <p>Member of the Remuneration Committee</p> <p>Member and Chairman of the Nominating Committee</p>	<p>Chairman of the Board of Directors and Director at Carma S.A.</p> <p>Chairman of the Board of Directors and Director at Carmavie S.A.</p> <p>Member and Chairman of the Risk, Audit and Compliance Committee at Groupe Carma (Carma/Carmavie)</p> <p>Member and Chairman of the Remuneration Committee at Carma S.A.</p> <p>Chairman of the Board of Directors and Director at Fimaser (Belgium)</p> <p>Director at Banco CSF S.A. (Brasil)</p>
Marie CHEVAL	<p>Director</p> <p>Member of the Risk Committee</p> <p>Member and Chairman of the Remuneration Committee</p> <p>Member of the Nominating Committee</p>	<p><i>Président</i> at Carrefour Hypermarchés S.A.S.</p> <p><i>Président</i> at <i>Société des Nouveaux Hypermarchés</i> - SDNH S.A.S.</p> <p>Permanent representative of <i>Carrefour hypermarchés</i> on the Board of Directors at Lalaudis S.A.</p> <p>Permanent representative of Carrefour France on the Board of Directors at PROVENCIA S.A.S.</p> <p><i>Président</i> at Digital Media Shopper S.A.S.</p> <p>Director at Carmila S.A.</p> <p>Member of the Strategy and Investment Committee at Carmila S.A.</p> <p><i>Président</i> and Chief Executive Officer at Carmila S.A.</p> <p>Managing Director and member of the Management Committee at <i>Société des Hypermarchés de la Vézère S.A.S.</i></p>

		<p>Managing Director at Vézère Distribution S.A.S.</p> <p>Director at Market Pay S.A.S.</p> <p>Member of the Supervisory Board and member of the Remuneration Committee at M6 (<i>Metropole Televisions</i>)</p> <p>Member of the Supervisory Board and member of the Audit Committee at Laurent Perrier .S.A.</p>
Elodie PERTHUISOT	<p>Director</p> <p>Member of the Audit Committee</p>	<p><i>Président</i> at <i>Carrefour Régie Publicitaire</i> S.A.S.</p> <p><i>Président</i> at <i>Carrefour Services Clients</i> S.A.S.</p> <p>Manager at Carrefour Drive S.N.C</p>
Serge LE BOLES	Director	Director at UNITED PARTNERSHIP
Michel FALVERT	Director	<p>Director at <i>AXA Banque Financement</i></p> <p>Director at Domofinance</p> <p><i>Président</i> at Leval 20</p> <p>Director at Opel Bank</p> <p>Member of the Remuneration Committee at Opel Bank</p> <p>Member and Chairman of the Audit Committee at Opel Bank</p> <p>Member of the Nomination Committee at Opel Bank</p> <p>Member of the Risk Committee at Opel Bank</p> <p>Member of the Supervisory Board at Effico</p> <p>Director at Cetelem Bank LLC (Russia)</p> <p>Director at UCI S.A. (Spain)</p> <p>Director at UNION DE CREDITOS IMMOBILIARIOS - UCI EFC S.A. (Spain)</p> <p>Director at <i>Servicios Financieros Carrefour, E.F.C., S.A.</i> (Spain)</p> <p>Member of the Supervisory Board at BNP PARIBAS BANK POLSKA S.A (formerly Bank BGZ BNP Paribas) (Poland)</p>

BNP Paribas Personal Finance S.A. represented by	Permanent Representative of BNP Paribas Personal Finance Member and Chairman of the Risk Committee Member of the Audit Committee Member of the Nominations Committee Member of the Remuneration Committee	Director at Cetelem Algérie Director at Genius Director at SOLFINEA Member at <i>GIE Neuilly Contentieux</i> <i>Président</i> at Tilia
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***Executive Committee***

Orli Hazan	CEO of Carrefour Banque and Insurance
Antoine DELAUTRE	Deputy CEO, Head of Administration and Finance
Franck OURADOU	Deputy CEO, Head of Risk and Internal Control Coordination
Gaëlle YON	Head of Human Resources
Marcus SCHOMAKERS	Head of Information Systems
Sophie BOSSONG	Head of Sales and Marketing

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## RECENT DEVELOPMENTS

A "Recent Developments" section will be created on page 70 of the Base Prospectus, after the section entitled "Description of the Issuer" and before the section entitled "Form of Final Terms". The "Recent Developments" section will be completed with the following information:

### **Significant decrease in loan granted due to the Covid-19 crisis**

As at the end of December 2020, the consolidated results were negative at EUR (47.5) million compared to EUR (66) million at the end of December 2019 due to a significant decrease in the loans granted due to the health crisis. As at the end on December, there was a 20% decrease in the total credit outstanding (EUR 1,709 million at the end of 2020 compared to EUR 2,053 million at the end of 2019) and in the granting of loans (EUR 583 million at the end of 2020 compared to EUR 951 million at the end of 2019).

### **Finalisation of the reorganisation of the commercial network: integration of Financial Services into the Services Division**

Carrefour Banque financial services which include loans, savings, payment cards and a range of debt consolidation products have been integrated into the Carrefour shopping centers' services division. The aim is to capture business potential through better visibility with two new types of branches implementation:

- Single services division implementation for 138 branches: transfer of 298 employees from branches to Carrefour including 296 people more 2 employee representative bodies; and
- Double implementation for 37 branches to reinforce the existing commercial dynamics of the branches and to optimise the synergy with the Carrefour Hypermarket Services division. In this organisation, the Issuer's employees are present in part in physical branches and, in part in the Carrefour service division.

### **Cessation of C-zam activity in July 2020**

The Issuer sold in July 2020 C-zam, a current account launched by the Issuer on 18 April 2017.

### **S&P credit rating**

Interim reviews of S&P have been held in September 2020, December 2020 and at the end of April 2021. On 14 May 2021, S&P lowered the long-term credit rating it has assigned to the Issuer to "BBB" from "BBB+". At the same time, S&P reaffirmed its short-term credit rating on the bank "A-2". The outlook remains negative.

### **Renewal for two years of Carrefour Banque's shareholders credit lines for 400 million euros each versus 500 million euros previously**

On 12 December 2020, Carrefour Banque renewed its credit lines with its shareholders, Carrefour and BNP Paribas Personal Finance S.A.

Carrefour Banque has the following credits lines with its shareholders :

- EUR 400 million in the form of credit lines maturing in December 2023 available from BNP Paribas Personal Finance S.A., and
- EUR 400 million in the form of credit lines maturing in December 2023 from Carrefour.

### **Relocation of Carrefour Banque**

Since July 2020, the Issuer has moved to 9-13 avenue du Lac - 91 080 Courcouronnes Cedex.

## GENERAL INFORMATION

Paragraph 2 entitled "Consents, approvals and authorisations" on page 84 of the Base Prospectus will be replaced by the following paragraphs:

"2. Consents, approvals and authorisations

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

Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires the prior authorisation of the board of directors (*conseil d'administration*) of the Issuer, which may delegate its power to issue *obligations* under the Programme to any person of its choice.

For this purpose, the board of directors of the Issuer has delegated by a resolution passed on 1<sup>st</sup> April 2021 to the Managing Director (*Directrice Générale*) and the Deputy Managing Directors (*Directeurs généraux délégués*), each being able to act separately, all powers to issue *obligations* in accordance with the characteristics specified in this resolution and to determine their terms and conditions, up to a maximum aggregate amount of Euro 400,000,000."

Paragraph 4 entitled "No significant change and no material adverse change" on page 84 of the Base Prospectus will be replaced by the following paragraph:

"4 No significant change and no material adverse change

Save as disclosed in this Base Prospectus, there has been no significant change in the financial position or financial performance of the Issuer or of the Group since 31 December 2020, and no material adverse change in the prospects of the Issuer since 31 December 2020."

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SUPPLEMENT

To the best knowledge of the Issuer, the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect the import of such information.

**Carrefour Banque**  
9 Avenue du lac,  
CS 30671,  
91051 EVRY CEDEX  
France

Duly represented by:

Dominique Molliet, *Directeur Trésorerie*  
Dated 19 May 2021



This Supplement to the Base Prospectus has been approved on 19 May 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The AMF approves this document after having verified that the information contained in the Base Prospectus is complete, coherent and comprehensible within the meaning of the Prospectus Regulation.

This approval should not be considered to be a favourable opinion on the Issuer and on the quality of the Notes described in this Supplement.

This Supplement to the Base Prospectus has the following approval number: 21-163.