



## AGENCE FRANÇAISE DE DÉVELOPPEMENT

### Euro 50,000,000,000 Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (the "**Base Prospectus**"), Agence Française de Développement ("**AFD**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate principal amount of Notes outstanding will not at any time exceed Euro 50,000,000,000 (or the equivalent in other currencies at the date of issue of any Notes).

This Base Prospectus supersedes and replaces the base prospectus dated 17 May 2019 and all supplements thereto.

The Notes may be either senior Notes ("**Senior Notes**") or subordinated Notes ("**Subordinated Notes**"), in each case as specified in the relevant Final Terms. It is the intention of the Issuer that the Subordinated Notes shall, for regulatory purposes, be treated as Tier 2 Capital (as defined below).

This Base Prospectus (together with any supplements thereto) constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 as may be amended from time to time (the "**Prospectus Regulation**"), in respect of, and for the purposes of giving information with regard to the Issuer and to the Issuer and its subsidiaries taken as a whole (the "**Group**") and the Notes which is material to any investor for making an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the rights attached to the Notes and the reasons for the issuance and its impact on the Issuer.

The Base Prospectus, as may be supplemented from time to time, received the approval number 20-252 on 12 June 2020 from the *Autorité des marchés financiers* (the "**AMF**") and shall be valid for admission to trading of Notes on a Regulated Market for twelve (12) months after its approval by the AMF until 11 June 2021, provided that it shall be completed by any supplement pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including information incorporated by reference) in this Base Prospectus which may affect the assessment of the Notes. After such date, the Base Prospectus will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

This Base Prospectus has been approved by the AMF in France in its capacity as competent authority under the Prospectus Regulation and pursuant to the French *Code monétaire et financier*. The AMF has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Notes will be issued in one or more series (each a "**Series**"). Each Series of Notes may be issued in one or more tranches (each a "**Tranche**") on different issue dates and on terms otherwise identical (except in relation to the interest commencement dates and matters related thereto).

Application may be made (i) to Euronext Paris S.A. ("**Euronext Paris**") for Notes issued under the Programme during a period of twelve (12) months from the date of approval by the AMF of this Base Prospectus to be listed and admitted to trading on Euronext Paris and/or (ii) to any other Regulated Market (as defined below) situated in a Member State of the European Economic Area (the "**EEA**") or the United Kingdom (the "**UK**") for Notes issued under the Programme to be listed and admitted to trading on such Regulated Market. Euronext Paris is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended, ("**MiFID II**") appearing on the list of regulated markets issued by the European Securities Markets Authority (a "**Regulated Market**"). However, Notes may be issued pursuant to the Programme which are not listed and admitted to trading on a Regulated Market. The relevant final terms (the "**Final Terms**") (forms of which are contained herein) in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and, if so, the relevant Regulated Market in the EEA or the UK.

The minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or its equivalent in any other currency at the issue date), or such higher amount as may be allowed or required from time to time by the relevant monetary or financial authority or any laws or regulations applicable to the relevant Specified Currency.

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may be issued, at the option of the Issuer, in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "*Terms and Conditions of the Notes – Form, Denomination and Title*") including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking SA ("**Clearstream**") or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the fortieth (40<sup>th</sup>) calendar day after the issue date of the Notes (subject to postponement as described in "*Temporary Global Certificates issued in respect of Materialised Notes*" below) upon certification as to non U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

As of the date of this Base Prospectus, the long-term Issuer Default Rating of the Issuer assigned by Fitch Ratings Ireland Limited, French Subsidiary ("**Fitch Ratings**") is AA and the long-term corporate rating of the Issuer assigned by S&P Global Ratings Europe Limited ("**S&P**") is AA. Fitch Ratings has assigned the Programme an unsecured long-term rating at AA and the Programme has been rated AA by S&P. Credit ratings included or referred to in this Base Prospectus have been issued by Fitch Ratings and S&P, each of which is established in the European Union or the UK and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") and included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the European Securities and Markets Authority's website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) as of the date of the Base Prospectus. As of the date of this Base Prospectus, Fitch Ratings and S&P are credit rating agencies established in the European Union or the UK and registered in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. The rating of Notes (if any) will be specified in the relevant Final Terms. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. 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.

This Base Prospectus, any supplement to this Base Prospectus and any documents incorporated by reference in the Base Prospectus will be published on the websites of (a) the Issuer (<http://www.afd.fr/home/AFD/finances>) and (b), provided they constitute documents on which the AMF has granted an approval, filing or visa number, the AMF ([www.amf-france.org](http://www.amf-france.org)) and copies of such documents may be obtained free of charge during usual business hours at the registered office of the Issuer and at the specified offices of the Fiscal Agent and each of the Paying Agents. The Final Terms relating to Notes admitted on any Regulated Market in accordance with the Prospectus Regulation will be published, so long as such Notes are admitted to trading on such Regulated Market, on the websites of (a) the Issuer (<http://www.afd.fr/home/AFD/finances>) and (b) the AMF ([www.amf-france.org](http://www.amf-france.org)).

Prospective investors should have regard to the risk factors described under the section headed "Risk Factors" in this Base Prospectus.

*Arranger*  
**BNP Paribas**  
*Dealers*

**Barclays**  
**BNP Paribas**  
**Commerzbank**  
**Deutsche Bank**  
**HSBC**  
**Morgan Stanley**

**BofA Securities**  
**Citigroup**  
**Crédit Agricole CIB**  
**Goldman Sachs Bank Europe SE**  
**J.P. Morgan**  
**Natixis**

**Société Générale Corporate & Investment Banking**

*This Base Prospectus should be read and construed together with any supplement hereto and with any other documents incorporated by reference herein or therein (see section "Documents Incorporated by Reference" below), each of which shall be incorporated and form part of this Base Prospectus and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms.*

*Other than in relation to the documents which are deemed to be incorporated by reference (see section "Documents Incorporated by Reference"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinized or approved by the AMF.*

*No person has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in section headed "Subscription and Sale" below). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*The distribution of this Base Prospectus, any Final Terms, any offering materials under the Programme and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and the Notes include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.*

*This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealers to subscribe for, or purchase, any Notes.*

*For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see section headed "Subscription and Sale" below.*

**PROHIBITION OF SALES TO EEA AND 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 EEA or the UK. 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 on markets in financial instruments, as amended ("MiFID II"); or (ii) a customer within the meaning of the Directive (EU) 2016/97 on insurance distribution (as amended), 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 "PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the 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 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 in relation to each issue about whether, for the purpose of the MiFID II product governance rules under EU Delegated Directive 2017/593 (the "MiFID II Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not a MiFID II regulated entity and does not qualify as a distributor or a manufacturer under the MiFID II Product Governance Rules.*

*None of the Dealers or the Arranger accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes when such statement is made in reliance upon the Base Prospectus and other information provided and/or made available by the Issuer. Each of the Arranger and the Dealers accordingly disclaims all and any liability (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements or information supplied in connection with the Programme (including any information incorporated by reference) are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The contents of this Base Prospectus or any Final Terms are not to be construed as legal, business or tax advice. Each prospective investor should determine for itself and/or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.*

#### *Independent review and advice*

*The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.*

*A prospective investor may not rely on the Issuer or the Dealer(s) or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.*

#### *The Notes may not be a suitable investment for all investors*

*Each potential purchaser in any Notes must determine the suitability of that purchase in light of its own circumstances. In particular, each potential purchaser should:*

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of purchasing the Notes and the information contained or incorporated by reference in this Base Prospectus or in any applicable supplement;*
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact of the purchase of the Notes will have on its overall investment portfolio;*
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for the principal or interest payments is different from the potential purchaser's currency;*

- (d) *understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and*
- (e) *be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

*A potential investor should not invest in Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.*

*Subordinated Notes are complex financial instruments and may not be a suitable investment for all investors. Each potential investor in the Subordinated Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Subordinated Notes, including the possibility that the entire principal amount of the Subordinated Notes could be lost. A potential investor should not invest in the Subordinated Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Subordinated Notes will perform under changing conditions, the resulting effects on the market value of the Subordinated Notes, and the impact of this investment on the potential investor's overall investment portfolio.*

*Credit ratings may not reflect all risks*

*One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, as the Issuer is currently wholly-owned and controlled by the French State, a rating downgrade of the Republic of France may lead to a rating downgrade of the Issuer and/or the Programme.*

#### *Taxation*

*Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.*

*Potential investors should be aware that the provisions of the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market, amended by the Council Directive (EU) 2017/952 of 29 May 2017, may impact the tax treatment of the Issuer or the investors. Potential investors should consult their own professional advisor and obtain confirmation of the relevant tax treatment under such provisions.*

*In certain circumstances the Notes may be subject to U.S. withholding tax under FATCA*

*Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "FATCA", a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions, including France, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the*

*application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.*

#### *Potential conflicts of interest*

*All or some of the Dealers, the Calculation Agent or their respective affiliates have and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.*

*Certain of the Dealers, the Calculation Agent or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers, Calculation Agent and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers, the Calculation Agent and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term "affiliate(s)" also includes parent companies.*

*In addition, the Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of the Issuer's business, in a wide range of banking activities out of which conflicting interests may arise. Whilst they will, where relevant, have information barriers and procedures in place to manage conflicts of interest, they may in their other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.*

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## GENERAL DESCRIPTION OF THE PROGRAMME

*This general description must be read as an introduction to this Base Prospectus and is qualified in its entirety by the remainder of this Base Prospectus. The Notes will be issued on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and will be subject to the Terms and Conditions of the Notes set forth in this Base Prospectus as completed by the applicable Final Terms. This chapter is subject to the other information provided in this Base Prospectus and is to be read as such. This general description constitutes a general description of the Programme for the purpose of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019. It does not, and is not intended to, constitute a summary of this Base Prospectus within the meaning of Article 7 of the Prospectus Regulation or any implementing regulation thereof.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meaning in this summary.*

<b>Issuer:</b>	Agence Française de Développement (the " <b>Issuer</b> ")
<b>Description:</b>	Euro Medium Term Note Programme (the " <b>Programme</b> ")
<b>Size:</b>	Up to Euro 50,000,000,000 (or its equivalent in other currencies) outstanding at any time. The amount of the Programme may be increased in accordance with the terms of the Dealer Agreement.
<b>Arranger:</b>	BNP Paribas
<b>Dealers:</b>	Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC France, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc, Natixis and Société Générale.
<b>Fiscal Agent:</b>	BNP Paribas Securities Services
<b>Method of Issue:</b>	Notes may be distributed on a syndicated or non-syndicated basis.  The Notes will be issued in series (each a " <b>Series</b> "). Each Series may comprise one or more tranches (each a " <b>Tranche</b> ") issued on different issue dates (each an " <b>Issue Date</b> "). The Notes of each Series will all be subject to identical terms, except that the principal amount thereof, the issue price, the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
<b>Listing and Trading:</b>	Application may be made for the Notes issued under the Programme to be admitted to trading on Euronext Paris. The Notes may also be listed and admitted to trading on such other or further stock exchange(s) as may be agreed between the Issuer, and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The Final Terms relating to each Tranche of Notes will state whether or not and, if so, on which stock exchange(s) the Notes are to be listed and admitted to trading.
<b>Clearing Systems:</b>	Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

**Forms of Notes:** Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*) form. No physical documents of title will be issued in respect of Dematerialised Notes. See Condition 1 (*Form, Denomination and Title*).

Materialised Notes will be in bearer materialised form only. A temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France. See Condition 1 (*Form, Denomination and Title*).

**Currencies:** Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

**Status of the Notes:** The Notes may either be senior Notes ("**Senior Notes**") or subordinated Notes ("**Subordinated Notes**"), in each case as specified in the relevant Final Terms.

***(1) Senior Notes***

The Senior Notes to be issued under the Programme shall constitute direct, unconditional, senior, unsecured (subject to Condition 4 (*Negative Pledge*)) and unsubordinated obligations of the Issuer and rank at all times (i) *pari passu* and rateably without any preference among themselves and equally with Senior Obligations and (ii) senior to the Subordinated Notes, in each case subject to such exceptions as are from time to time mandatory under French law.

***(2) Subordinated Notes***

The Subordinated Notes to be issued under the Programme shall constitute direct, unconditional, unsecured and subordinated obligations of the Issuer ranking (i) junior to all Senior Obligations of the Issuer, (ii) *pari passu* and rateably without any preference among themselves, (iii) *pari passu* with any Ordinarily Subordinated Obligations of the Issuer and (iv) senior to any present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and deeply subordinated obligations (*obligations dites "super subordonnées", i.e. engagements subordonnés de dernier rang*) of the Issuer.

In the event of incomplete payment of Senior Obligations, the obligations of the Issuer in connection with the Subordinated Notes will be terminated.

The holders of the Subordinated Notes shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings in relation to any claims they may have against the Issuer.

It is the intention of the Issuer that the Subordinated Notes, for

regulatory purposes, be treated as Tier 2 Capital.

**Negative Pledge:**

**(1) Senior Notes**

The Senior Notes will contain a negative pledge as further described in Condition 4 (*Negative Pledge*).

**(2) Subordinated Notes**

There is no negative pledge in respect of the Subordinated Notes.

**Events of Default and Enforcement:**

**(1) Senior Notes**

There will be events of default in respect of the Senior Notes as further described in Condition 10 (*Events of Default and Enforcement*).

**(2) Subordinated Notes**

There will be no events of default in relation to the Subordinated Notes. However, each Subordinated Note shall immediately become due and repayable at its principal amount together with interest accrued to the date of repayment, if any, on a Repayment Event.

**Issue Price:**

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

**Maturities:**

Subject to compliance with all relevant laws, regulations and directives, any maturity as agreed between the Issuer and the relevant Dealer(s), as set out in the relevant Final Terms (the "**Maturity Date**"). In the case of Subordinated Notes, the Maturity Date shall be at least five years after the Issue Date of the relevant Tranche).

**Redemption and Purchase:**

**(1) Senior Notes**

The relevant Final Terms will indicate either that the Senior Notes cannot be redeemed prior to their stated maturity (other than following a Withholding Tax Event, a Gross-Up Event or an Event of Default) or that the Senior Notes will be redeemable before their maturity following the exercise of a Call Option or a Put Option. The Issuer may also purchase and cancel Senior Notes.

**(2) Subordinated Notes**

The Subordinated Notes may be redeemed prior to maturity (subject to certain conditions including in particular the prior approval of the Relevant Regulator) at the option of the Issuer (i) if a Call Option is exercised or (ii) in the case of (a) a Withholding Tax Event, (b) a Gross-Up Event, (c) a Tax Deductibility Event or (d) a Capital Event.

**Interest:**

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate.

**Fixed Rate Notes:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:

- (a) on the same basis as the floating rate specified in the relevant Final Terms applicable to a notional interest rate swap transaction in the relevant Specified Currency governed by the FBF Definitions (as defined in section "*Terms and Conditions of the Notes*"); or
- (b) on the same basis as the floating rate specified in the relevant Final Terms applicable to a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions (as defined in section "*Terms and Conditions of the Notes*"); or
- (c) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service,

in each case adjusted by reference to any applicable margin.

**Fixed to Floating Rate Notes:** Fixed to Floating Rate Notes may bear interest at a rate that will automatically, or that the Issuer may elect to, convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate.

**Zero Coupon Notes:** Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

**Benchmark Discontinuation:** In the event that a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the relevant Final Terms, then the Issuer shall use its reasonable endeavours to appoint an independent adviser to determine a successor or an alternative benchmark and/or screen rate (with consequent amendment to the terms of such Series of Notes and the application of an adjustment spread). See Condition 5(b)(iii)(D) (*Benchmark Discontinuation*) for further information.

**Denominations:** Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms, save that the Notes admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Regulation shall have a minimum specified denomination of €100,000 (or its equivalent in any other currency), or such higher amount as may be allowed or required from time to time by the relevant monetary or financial authority or any laws or regulations applicable to the relevant Specified Currency.

Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one (1) year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Dematerialised Notes will be issued in one denomination only.

- Taxation:** All payments of principal and interest by or on behalf of the Issuer in respect of Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- Rating:** As of the date of this Base Prospectus, the long-term Issuer Default Rating of the Issuer assigned by Fitch Ratings Ireland Limited, French Subsidiary ("**Fitch Ratings**") is AA and the long-term corporate rating of the Issuer assigned by S&P Global Ratings Europe Limited ("**S&P**") is AA. Fitch Ratings has assigned the Programme an unsecured long-term rating at AA and the Programme has been rated AA by S&P. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms.
- Governing Law:** The Notes are governed by, and shall be construed in accordance with, French law.
- Method of Publication:** This Base Prospectus, any supplement to this Base Prospectus and any documents incorporated by reference in the Base Prospectus will be published on the websites of (a) the Issuer ([www.afd.fr](http://www.afd.fr)) and (b), provided they constitute documents on which the AMF has granted an approval, filing or visa number, the AMF ([www.amf-france.org](http://www.amf-france.org)) and copies of such documents may be obtained free of charge during usual business hours at the registered office of the Issuer and at the specified offices of the Fiscal Agent and the Paying Agents. The Final Terms relating to Notes admitted on any Regulated Market in accordance with the Prospectus Regulation will be published, so long as such Notes are admitted to trading on such Regulated Market, on the websites of (a) the Issuer ([www.afd.fr](http://www.afd.fr)) and (b) the AMF ([www.amf-france.org](http://www.amf-france.org)).
- Selling Restrictions:** Restrictions may apply to the offer, sale or delivery of Notes and on the distribution of offering material in various jurisdictions. See section "*Subscription and Sale*" below.
- The Notes constitute Category 2 securities for the purposes of Regulation S under the Securities Act.
- Representation of Noteholders** of Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the "**Masse**").
- The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through Collective Decisions of the Noteholders.

## RISK FACTORS

*In section 1 below, the Issuer presents the significant risk factors to which it believes it is exposed as at the date of this Base Prospectus. The risk factors considered to be the most important, based on the probability of their occurrence and the expected magnitude of their negative impact and after consideration of the effects of the measures implemented by the Issuer in order to manage these risk factors, are mentioned first in their respective category.*

*In section 2 below, the Issuer presents the risk factors which it believes are specific to the Notes and material for an informed investment decision with respect to investing in the Notes issued under the Programme. In each category, the Issuer sets out the material risks in descending order of importance, taking into account the negative impact of such risks and the probability of their occurrence.*

*Investors are invited to read carefully the information provided in the risk factors before investing in the Notes. Investors' attention is drawn to the fact that other risks, not identified as at the date of this Base Prospectus or whose realisation is not considered likely to have, as at this same date, a significant negative impact on the Issuer's business, financial situation and results, its perspectives, its development and/or on the Notes, may exist or occur. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. In particular, investors should consult their own financial and legal advisers about risks associated with the investment in a particular series of Notes and the suitability of investing in the Notes in light of their particular circumstances.*

*Words and expressions defined in the other sections of this Base Prospectus shall have the same meaning in this section.*

### 1. RISK FACTORS RELATING TO THE ISSUER

AFD's activities focus mainly on the financing of development projects in foreign countries and in the French Overseas Territories. The various risks associated with this financial activity and with the countries of operation must be strictly monitored.

These various risk factors are therefore monitored and managed according to the nature of the risk and according to the geographical region concerned. Please note that, although monitored and managed, the risks described below and those corresponding to the classification provided for by the Ministerial Order (*Arrêté*) dated 3 November 2014 cannot be totally eliminated.

#### **Financial risks**

##### **Credit risk**

Credit risk is defined as the risk of a borrower failing to repay all or some of their loan within the schedule stipulated in the agreement signed with the AFD Group. The level of credit risk (rating) reflects the likelihood of the borrower defaulting on their obligations.

AFD financing is divided between Non-sovereign financing and Sovereign financing. As at 31/12/2019, Non-sovereign financing represents 34% of AFD Group total financing while Sovereign financing represents 58% of AFD Group total financing.

Moreover, AFD Group loans are categorised in three categories depending on their level of risk: stage 1 are considered as "Healthy risk", stage 2 are considered as "Sensitive risk" and stage 3 are considered as "Doubtful risk". Outstandings in risks categorised as doubtful (stage 3) are limited to 3.8% of total group outstandings at 31/12/2019, with provisioning at 56% on average.

Owing to its remit and the nature and location of its borrowers in emerging or developing countries, the AFD Group is particularly exposed to macroeconomic fluctuations and geopolitical and regional financial events that may have a significant impact on its activities and financial solvency of borrowers, thus potentially engendering a higher risk that is, by nature, more volatile. As an example, the AFD portfolio was successively impacted by the crises in Turkey in 2018, and in Argentina and Lebanon in 2019, which led to most counterparties in the portfolio being downgraded as doubtful outstandings - primarily those linked to the banking sector which was most affected - and an increase in the associated provision rate.

However, the group's credit risk is naturally mitigated owing to:

The global geographical diversity of the portfolio (operations in 121 countries) as presented below, within the framework of the Group's limit system. The breakdown of AFD Group loans by geographic areas is as follows:

<i>In millions of euros</i>	Africa Central and Southern Africa	Latin America, Central America and Caribbean	Asia- Pacific	Middle East and North Africa	Europe	Multi- country foreign	French Overseas Departments	<b>Total</b>
AFD Sovereign	9,397	4,765	7,688	5,107	941	0	0	27,898
AFD non-sovereign	2,839	2,120	886	1,690	908	1,934	6,158	16,536
Proparco	1,081	1,163	477	322	451	330	22	3,848
<b>Group total</b>	<b>13,317</b>	<b>8,048</b>	<b>9,052</b>	<b>7,120</b>	<b>2,300</b>	<b>2,265</b>	<b>6,180</b>	<b>48,282</b>

The diversity of the portfolio by counterparty type. As at 31/12/2019, more than half of AFD Group loans' counterparties are public institutions.

The proportion of the Group's activity in French Overseas Departments and Collectivities for which the associated credit risk is significantly reduced owing to the implicit support of the French state for most of the counterparties in question (local authorities in particular). Risk exposure in French Overseas Departments and Collectivities accounted for 37% of the Group's non-sovereign risk as of end-2019.

That the sovereign loans are part of bilateral policies with States; they benefit, in this respect, from the reserve account to which the State contributes (€805m as at 31/12/2019) in the event of unpaid debts and Paris Club processing in the event of restructuring or default.

The residual risk, therefore, is significantly carried by non-sovereign financing in Foreign States and financing of the private sector in the French Overseas Departments and Collectivities. These two groups represent €10.3 billion and €820 million in outstandings respectively. A massive deterioration of the creditworthiness of these two groups may have a significant impact on the income statement due to the resulting increase in provisions.

#### ***The impact of climate risks on credit risk***

Owing to its operations in a significant number of countries that are potentially subject to climate risks, AFD is exposed to the impact of climate risk in respect of some of its borrowers which may increase the associated credit risk. As the biggest category of risk associated with climate change, physical risks may have consequences that could affect the real economy and financial institutions. As such, AFD's regulator (the French Prudential Supervisory and Resolution Authority – the ACPR) has asked banking and insurance providers to include this aspect in their risk analysis. As a response, as part of its climate strategy, AFD has taken a proactive approach in order to better factor in these risks in its banking practices. As such, as recommended by the regulator, the exposure of the AFD Group's portfolio to physical climate risks was mapped in 2018.

The sample analysed accounts for 80% of the portfolio of AFD Group loans at 31/12/2017, 60% of the total balance sheet and 20% of borrowers, i.e. 200 borrowers analysed. Each borrower was scored on exposure to physical risks. The score itself<sup>1</sup> comprises 5 climate indicators (extreme heat, extreme precipitation, rising sea levels, cyclones, drought). In total, 63% of borrowers in the sample were assigned at least one point where attention was required, which means that these borrowers have a climate exposure score higher than or equal to the 90<sup>th</sup> percentile of the AFD sample. 23% of counterparties (17% of outstandings) had 2 points requiring attention and only 6 counterparties (4% of counterparties and 2% of outstandings) had three points requiring attention. At this stage, this relative and theoretical climate exposure of the portfolio – not factored into the credit rating for methodological reasons essentially linked to the time horizon - has never resulted in an impact on the risk profile of a counterparty. AFD has developed a methodology and ad hoc operational tools to assess and monitor exposure in the portfolio or new operations. In particular, the purpose of the tools developed is to systematically enter into dialogue with our counterparties to provide them with support in putting in place strategies to adapt to physical risks.

Today, although the probability of concurrent occurrence is low, the portfolio identified as having a climate risk amounts to €176m. The climate risk, although relatively low at the date hereof, cannot be eliminated given that this topic is rapidly evolving and it has taken on major importance within economic, financial, political and societal spheres. In parallel, in 2020, AFD will continue its methodological work on assessing transitional risk, the second type of climate risk, to which it is by design less exposed due to the high proportion of sovereign borrowers in its portfolio and its remit according to which its financing is fully compliant with the provisions of the Paris Climate Agreement.

### Geopolitical and macroeconomic risk

Owing to the scope of its operations, AFD is exposed to the emergence of crises of political or geopolitical origin. This risk may take the form of any national or international political or administrative risks which could result in economic, commercial or financial losses for importers or exporters or businesses with investments overseas. As an illustration, the effects of contagion linked to regional conflicts (Middle East or the Sahel) or the rise of protectionist trading policies (United States and China or Brexit) fall into this category.

Although this type of risk is, by nature, largely exogenous, in making operational decisions, AFD limits its operations in a given region based on the risk appetite framework relating to the risk of concentration<sup>2</sup>. However, here is a presentation of the outstandings by "economic or geopolitical region" that may be subject to a massive impact.

	<b>Outstandings<sup>3</sup> %</b>	<b>Risks %</b>	<b>AFD's operating regions</b>
Middle East	1,483 9.0%	1,813 8.9%	Egypt, Jordan, Lebanon, Turkey, Yemen
Mercosur	672 4.1%	801 3.9%	Argentina, Bolivia, Brazil, Paraguay, Uruguay
ASEAN	398 2.4%	543 2.7%	Myanmar, Cambodia, Indonesia, Laos, Philippines, Thailand, Vietnam
OPEC	322 1.9%	572 2.8%	Algeria, Angola, Indonesia, Gabon, Iraq, Nigeria
Sahel	238 1.4%	255 1.3%	Burkina Faso, Mali, Mauritania, Niger, Chad

However, the Group inevitably remains exposed to an exceptional situation that cannot be modelled that could involve the simultaneous emergence of a large number of high-intensity geopolitical crises in regions with significant activity.

<sup>1</sup> The score measures change between a benchmark period (1975-2005) and a projected period (2030-2040).

<sup>2</sup> Portfolio risk of a bank arising from its concentration on a single counterparty, sector or country.

<sup>3</sup> Non-sovereign at end-2019

**Refinancing risk**

The AFD Group, including its Proparco subsidiary, does not receive deposits or repayable funds from the public. As its funding model is essentially based on medium and long-term market borrowings, liquidity is a priority in terms of the Group's performance target, which involves keeping the cost of resources under control and minimising the carrying cost<sup>4</sup>.

Changes to AFD's condensed balance sheet are presented below. Most of AFD's funding is from market borrowings.

<i>In millions of euros</i>	Acct 31/12/2017	Acct 31/12/2018	Acct 31/03/2019	Acct 30/06/2019	Acct 30/09/2019	31/12/2019	Change sheet yr	Change Balance sheet from 1 Sept. to Dec.
Total assets	<b>40,922</b>	44,958	45,817	46,326	47,663	47,850	2,893	188
Gross outstandings	32,241	35,736	36,301	36,169	37,099	38,328	2,592	1,229
<i>(-) individual impairments</i>	<i>-446</i>	<i>-471</i>	<i>-485</i>	<i>-526</i>	<i>-528</i>	<i>-539</i>	<i>-68</i>	<i>-11</i>
<i>(+) accrued interest</i>	<i>151</i>	<i>168</i>	<i>273</i>	<i>174</i>	<i>277</i>	<i>174</i>	<i>6</i>	<i>-103</i>
Investment portfolio	778	764	784	750	754	713	-52	-41
Short-term cash assets	4,825	5,314	6,258	6,761	6,791	6,004	691	-787
Equity investments at cost								
and equity method	749	759	759	865	865	873	114	8
Fixed assets	224	232	230	235	234	227	-6	-7
Accruals, and other assets	925	968	909	1,148	1,387	1,313	345	-74
IMF-PRGF transactions	1,475	1,487	788	749	785	758	-729	-27
Total liabilities	<b>40,922</b>	44,958	45,817	46,326	47,663	47,850	2,893	188
Borrowings from French Treasury	1,375	1,703	1,703	1,703	1,943	1,943	240	0
Market borrowings	29,052	32,378	33,982	34,218	34,721	35,156	2,778	435

<sup>4</sup> The carrying cost of a resource is the difference between the cost of financing and interest from investing the resource.

Current accounts	454	394	383	351	332	470	75	138
Managed funds and government advances	76	826	843	880	1,104	904	78	-200
Accruals and other liabilities	2,041	1,488	1,358	1,621	1,877	1,685	197	-192
Provisions	1,195	<b>1,204</b>	<b>1,238</b>	<b>1,250</b>	<b>1,291</b>	<b>1,327</b>	<b>122</b>	<b>36</b>
Provision retained earnings	5,040	5,331	5,331	5,448	5,448	5,448	116	0
Income FY	215	145	190	106	162	160	15	-1
IMF-PRGF transactions	1,475	<b>1,487</b>	<b>788</b>	<b>748</b>	<b>784</b>	<b>758</b>	<b>-729</b>	<b>-26</b>

As such, the AFD Group's liquidity risk takes the form of:

- its inability to fund the development of its assets and to repay commitments made at a time when financing or repayments appear;
- its temporary inability to raise capital at a reasonable cost.

A significant change in the liquidity cost for AFD would have a temporary impact on net banking income as it would only be gradually passed on over subsequent financial years through rebilling to customers.

The stress tests conducted in the development of ICAAP demonstrate that the pass through mechanisms are efficient, which contributes to limit the impact of this risk. However, such events should be considered as likely to occur given they have occurred on three occasions in the last twelve (12) years (namely in 2008, 2011 and 2020).

### Interest rate risk

The Group does not have a trading book or speculative operations portfolio. As such its interest rate risk is only linked to its credit activity and is part of its "banking book".

Interest rate risk in the banking book refers to current or future risk to which the AFD Group's equity or profits are exposed owing to adverse fluctuations in interest rates which influence the positions of the institution's banking book

For information, measuring the sensitivity of the economic value of the AFD Group's equity based on six scenarios ("increase in parallel rates", "reduction in parallel rates", "increase in short-term rates", "reduction in short-term rates", "steeping of the curve", "flattening of the curve") compared to the central scenario indicates that, as of 31 December 2019, the "increase in parallel rates of 200 bp" is the most adverse scenario with a loss of equity value of around €832 million.

## **Non-financial risks**

### **Reputational risk and accountability**

The reputational risk results from a negative perception (whether well-founded or not) by AFD's counterparties, the French State, stakeholders, investors or regulator which could negatively affect its revenues, activities and its capacity to maintain or engage in business relationships, the continued access to financing resources or cause disputes or other costly legal proceedings.

This reputational risk mirrors the accountability expected from AFD in its financing activities from its stakeholders (clients, the French State, the citizens) given that AFD performs a public policy role: the France's development aid. It is incumbent on AFD to assure its stakeholders that the debt and grant financing it provides is in line with the objectives and the purposes assigned to it. If AFD fails to do so, it runs a reputational risk.

For the AFD Group, as for all players in the development sector, reputational risk is among the major risks that could have a significant impact on activities and the economic and financial model. Reputational risk is particularly high for three reasons: first, the purpose of our financing is often to respond to environmental and social challenges in the countries where we operate. These sectors, which affect the most vulnerable populations and areas, are closely monitored by civil society organisations. Finally, the geographical scope of the Group's operations exposes it to certain countries where the business environment is impaired, particularly in terms of corruption and financial security (see below). Finally, owing to its public interest remit as set out in its bylaws and agreements with institutions signed in countries where it operates, the AFD Group has a duty of accountability and to lead by example in implementing the best practices in financing development assistance.

Therefore, the following events are likely to cause a reputational risk for AFD:

- the failure to ensure that its clients respect (or for AFD itself not to respect) the environmental and social commitments that condition the aid that AFD grants, a particular focus of attention for civil society with whom AFD has established a strategic dialogue;
- the financial aid being misused for personal gain within the client (fraud, corruption or money laundering) or simply diverted from its contractual allocation (breach of the financing purpose) or that the financial aid ends up benefitting terrorists, given the regions in which AFD operates;
- the failure to comply with the accountability undertakings towards AFD's stakeholders and the exemplary measures which drives its actions.

A reputational attack on its activities could have a major impact and therefore tarnish the credibility of the AFD Group as an operator, reduce the level of finance awarded and reduce demand on the part of our partners and clients due to the resulting loss of confidence.

### **Risk of misuse of loans, risk of fraud/corruption, money-laundering and financing terrorism, non-compliance with economic and financial sanctions**

As a key player in French public policies in terms of development and international solidarity, the AFD Group is particularly attentive to the proper allocation of its funds and does its utmost to ensure that they serve their intended purpose. This concern is intrinsically linked to its remit as set out in its bylaws<sup>5</sup> and strategic orientations under which its fundamental mission is to combat poverty and promote growth in the countries in which it operates. Corruption, fraud and any form of misuse of public and private assistance would have a significant impact on such missions. The same is true of any financing that would result in the Group inadvertently supporting money-laundering or the financing of terrorism.

<sup>5</sup> According to AFD's bylaws (Article R. 515-6 of the French *Code monétaire et financier*): AFD is an industrial and commercial public institution (*établissement public à caractère industriel et commercial*) whose mission and organisation are set out in this section. Its mission is to achieve all kinds of financial operations with the objective of a) contributing to the implementation of the foreign development assistance policy of the State ; b) contributing to the development of French departments, overseas territories and New Caledonia. For this purpose, it finances development operations, with respect for the environment; it can pursue other activities and services relating to its mission. In particular, AFD is responsible for ensuring, directly or indirectly, the provision of technical expertise intended for the beneficiaries of its assistance. AFD is subject to, for the activities which are governed by it, the provisions of this code.

The AFD Group operates in a very specific environment: in particular it supports countries that are in crisis, are vulnerable, have limited capacity and/or are stigmatised in the corruption perception index produced by civil society<sup>6</sup>. It often supports weak public projects, in areas of public finances where the regulatory environment is weak or, in a number of countries, operates in sectors, particularly banking and finance, that are weak or lack maturity in terms of regulation and control. The group also grants funding in countries that are subject to international, EU or domestic economic and financial sanctions.

The AFD Group is particularly aware of the specific features of this operational context.

Despite this robust risk management system, the Group may be faced with the predation of its funding or could inadvertently support money laundering or the financing of terrorism. This situation could result in a significant legal and financial risk for the Group and adversely affect its image and reputation for which the expected impact is described above. To date, the AFD Group is not facing any litigation in France or overseas for non-compliance with financial security, corruption or non-compliance with sanctions.

### **IT and cyber risk**

As is the case of all financial institutions, AFD's exposure to the risk of data breaches, cybercrimes or IT failures has increased in recent years due to a combination of a number of factors: the mass outsourcing of IT solutions and services; the increase in the number of cyberattacks, the modus operandi of which are increasingly elaborate; and finally the ambition of the AFD Group to become a "digital donor" by 2022. The digital transition has indeed been identified as one of the six major transitions introduced as part of the Strategic Orientation Plan for 2018-2022 and changes made since, particularly the mass introduction of paperless documents and processes, have increased the Group's reliance on IT resources.

The Group cannot completely eliminate risks of the malfunction or outage of its systems, failure of its IT providers or malicious acts on the part of its own employees or third parties (particularly the risk of leaks of confidential data in the event of piracy and the risk of destruction of data centre software). Although, to date, AFD has never been the victim of a cyber-attack on this scale, were these risks to materialise, they would have significant impacts on the Group's activity, its reputation (in the case of a leak of confidential or personal data for example), on its ability to respond to certain regulatory requirements and engender non-negligible financial losses (in the event of a misuse of AFD funds for example, or an IT risk exposing AFD to a fine).

In addition to the consequences of the risk of a cyber-attack, the AFD Group is beginning to overhaul the part of its IT system linked to the Finance and Risk functions, with a dual objective of making efficiency savings and developing functionality tailored to future regulatory requirements and expansion. Diagnostics, encryption, phasing and allotment for this project were carried out in 2019. The roll-out began in 2020 and is expected to take 5 years. Completion by project cluster will be in progressive stages to allow the delivery of new tools and/or the upgrading of existing tools from 2020. As with any other transformation, it carries a risk, particularly in terms of staying on budget and meeting deadlines. Specific governance involving the COMEX and a dedicated programme team reporting to Senior Management and the loan of full-time teams attest to the strengthened management to meet these challenges. However, as for all transformation projects, we are exposed to the risk of delays in implementation, which could lead to an increase in operational risks, as well as a risk of excess financial costs and budgetary overruns which would affect our income statement.

### **Regulatory risk**

Changes to the regulatory and legislative environment may have a significant impact on the AFD Group's operations.

Changes to European or French financial regulation legislation resulting in a significant increase in the capital required for AFD's banking activities could have significant impacts for the AFD Group. Firstly, a strategic impact on the programme of activities with the withdrawal of, or significant reduction in, certain types of products, combined with an impact on the model linked to the reallocation of human resources towards other activities/products. Nor should the risk of an impact on profitability be ruled out. Profitability may be affected by increased expenditure, particularly following new capital expenditure and new resources put in place to limit operational risk linked to the introduction of new standards which

<sup>6</sup> Countries of the MINKA zone: Sahel countries, countries of Lake Chad Basin, Central African Republic and Middle-East

could not be implemented on a like-for-like basis. The roll-out of the Basel III principles in the European prudential environment may have a significant impact on the development of activities as it modifies the equity consumption by product typology. For example, the entry into force of CRR 2 would have the effect from June 2021 of introducing a risk-adjusted punitive treatment for the mutual funds under certain conditions or excluding class 2 equity from the large exposure calculation.

### **Health and safety risks**

#### **Risks related to the spread of a global epidemic**

The current health crisis linked to covid-19 is an example of this type of risk. Although, as of the date of this document, changes remain uncertain, the expected impact could be three-fold:

- **a potential impact on the completion of the AFD Group's annual business programme**, resulting from prolonged restrictions on travel and the confinement measures associated with this type of health crisis, which may slow down analysis missions; this may also lead to a lower capacity of our counterparties to work jointly with AFD in analysis work and in the implementation of projects and financing. This negative impact on the initially planned business plan may, however, be mitigated by the responses that AFD is working on to deal with the health crisis in its areas of operation: the extent (zones affected) and above all the duration of the crisis are the two factors that will determine the final impact.

- **the weakening of certain portfolio counterparties** following the spread of the health crisis in the global economy, but above all in emerging and developing economies. The potential impact of this health crisis on the counterparties of the AFD Group will depend on the duration, extent but also budgetary and monetary measures taken by governments and international organisations to support SMEs, multinational companies and financial institutions; depending on the regulatory and accounting measures that could be implemented as part of the COVID 19 crisis, this weakening may lead to a more or less significant increase in the cost of risk.

- **the health risks for agents and their families**. The AFD Group ensures strict and immediate compliance with the recommendations of governments and public health agencies. Overseas, the situation is managed on a case-by case basis, particularly on the basis of the recommendations of the French Ministry of Europe and Foreign Affairs and the recommendations of the local authorities. A crisis unit was set up when French authorities moved to stage 2 and the recommendations were circulated and applied in real time. On 16 March 2020, AFD launched its Business Continuity Plan (BCP) for its sites in mainland France.

In terms of the impact on AFD's countries of operation, we can notably expect significant economic consequences, which should be amplified:

- emerging and developing countries may experience rapid capital outflows. These capital repatriations would lead to a sharp correction of major currencies in flexible exchange rate regimes, such as stock market indices, and access to international financial markets in emerging countries could come under pressure;

- the deterioration in the health status of the workforce and measures to prevent the spread of the virus (confinement, quarantine) could slow down or stop production systems, with significant consequences on the economic fabric of companies, particularly SMEs and the informal sector – and, therefore, on employment and public finances through decreased tax revenues;

- the crisis could be just as significant for countries that export raw materials, and primarily oil-exporting countries exposed to the dual crisis of demand and supply which has sustainably reduced oil prices to under \$30 (the AFD Group has a sovereign outstanding of €850m on the oil-exporting countries of Algeria, Congo, Ecuador, Gabon, Nigeria). The crisis could also be significant for countries that strongly depend on tourism income (the sovereign outstanding in countries where tourism represents over 20% of export income, i.e. Egypt, Ethiopia, Jordan, Lebanon, Morocco, Mauritius and Sri Lanka, amounts to €2,560m). In terms of non-sovereign outstandings, the crisis could be significant in the tourism sector (the Group's outstanding in this sector amounts to around €70m), international transport (the Group's outstanding in this sector amounts to €490m) and the financial sector (Group outstanding of €5,963m including €417m in the French Overseas Departments and Collectivities and €5,546m in Foreign States).

#### **Risks linked to employee security**

Owing to the geographical scope of its operations and locations, AFD is particularly vigilant to risks faced by employees on the ground. In addition to staff recruited locally, AFD sends employees overseas either as expatriates or on assignment, for the purposes of local representation and to monitor financing projects. Employees working in the network (staff recruited locally and expatriated) account for around a third of AFD's total workforce. AFD operates in 115 countries. This means it is liable as an employer irrespective of the extent of existing risks on the ground.

These risks vary in nature according to the country: climate risks, seismic or volcanic risks, risks of accidents (traffic accidents in particular) risks linked to inadequate public health and safety infrastructure. But the biggest risks remain the risk of political instability and terrorism (attacks, kidnapping, uprisings etc.). Indeed, AFD is present in certain regions that are particularly exposed (Sahel, Iraq, Palestinian Autonomous Territories, Pakistan etc.), in which the risk of danger to its employees is deemed to be very high, despite operational security measures being in place and continuously adapted to changing contexts of vulnerability or crisis. Certain events could lead AFD to reduce its activities in certain countries, to rely on degraded systems (as in the case of China - early 2020 - where the Beijing local office had to introduce remote working methods faced with the confinement of Chinese employees imposed by local authorities as a response to the coronavirus epidemic), or even to close certain local representations (as was the case briefly in Haiti - at the end of 2019 - where, as a response to a deteriorating security context, AFD decided to close its local office in Port-au-Prince so as not to expose its staff).

## **2. RISK FACTORS RELATING TO THE NOTES**

### **A. Risks relating to all Series of Notes**

#### ***Credit risk***

An investment in the Notes involves a credit risk on the Issuer. The Notes may be either Subordinated Notes or Senior Notes benefiting from no direct recourse to any assets or guarantees. Therefore the Noteholders can only rely on the ability of the Issuer to pay any amount due under the Notes. The value of the Notes will depend on the creditworthiness of the Issuer (as may be impacted by the risks related to the Issuer as described above). If the creditworthiness of the Issuer deteriorates, the potential impact on the Noteholders could be significant: a deterioration in creditworthiness could give rise to negative repercussions on the Noteholders because (i) the Issuer may not be able to fulfil all or part of its payment obligations under the Notes, (ii) the market value of the Notes may decrease and (iii) investors may lose all or part of their investment.

#### ***Change of law may occur in the future that will impact the conditions of the Notes***

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French law or the official application or interpretation of French law after the date of this Base Prospectus. Any such decision or change could be unfavourable to creditors' rights, including those of the Noteholders. If any change in law were unfavourable to the Issuer or the Noteholders, it could have an adverse or a significant adverse effect on the market value of the Notes (depending on the nature of the change) and could have potentially serious negative repercussions on the Noteholders' investment in the Notes. The risk of changes in law is higher for Notes with longer maturities.

#### ***Modification of the Terms and Conditions of the Notes***

Condition 11(d) (*Collective Decisions*) of the Terms and Conditions of the Notes contain provisions for calling meetings or decisions of Noteholders to consider matters affecting their interests generally including without limitation the modification of the Terms and Conditions of the Notes (subject to the limitations provided by French law).

These provisions permit, in certain cases, defined majorities to bind all Noteholders including Noteholders who did not attend (or were not represented) and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority, and Noteholders who did not respond to or rejected the relevant Written Decision (each as defined in Condition 11 (*Representation of Noteholders*) of the Terms and Conditions of the Notes).

Noteholders may through Collective Decisions deliberate on proposals relating to the modification of the Terms and Conditions of the Notes subject to the limitations provided by French law. If a proposal is duly

adopted through such a Collective Decision and such modification were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes.

## **B. Risks related to the structure and the characteristics of a particular issue of Notes**

The Terms and Conditions of the Notes allows for the issuance of a wide range of Notes with varying structures and features. Accordingly, each Tranche of Notes may carry varying risks for Noteholders, depending on the specific structures and features of such Notes. A description of the most material risks associated with such structures and features is set out below:

### **Interest rate risks**

#### ***Risks related to Fixed Rate Notes***

Condition 5(a) (*Rate of Interest on Fixed Rate Notes*) allows for the issuance of Notes that pay a fixed rate of interest to Noteholders. Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the market value of the relevant Notes and potentially decrease the yield. As a consequence, the value on transfer of the Notes would be less than it would otherwise have been. The degree to which the market interest rate may vary presents a significant risk to the market value of the Notes if a Noteholder were to dispose of the Notes.

#### ***Risks related to Floating Rate Notes***

Condition 5(b) (*Rate of Interest on Floating Rate Notes*) allows for the issuance of Notes that pay a floating rate of interest to Noteholders. Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three (3) months or six (6) months) which itself will change in accordance with general market conditions. Accordingly, the market value of Floating Rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. Therefore, the amount of interest payable by the Issuer may vary and Noteholders may receive no interest. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate, consisting of the reference rate and the relevant margin, being lower than the relevant margin, provided that in no event will the relevant interest amount be less than zero. The interest amount payable on any Interest Payment Date may be different from the amount payable on the initial or previous Interest Payment Date and may negatively impact the return under the Notes and result in a reduced market value of the Notes if a Noteholder were to dispose of its Notes.

In addition, a key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Note cannot be anticipated. Due to varying interest income, investors are not able to determine a definitive yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

#### ***Risks related to Fixed to Floating Rate Notes***

Condition 5(d) (*Fixed/Floating Rate Notes*) allows the Issuer to issue Notes with a fixed rate of interest that is later converted to a floating rate of interest and vice versa. Fixed to floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed to floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes. Any such volatility may have a significant adverse effect on the value of the Notes.

### ***Risks related to Zero Coupon Notes***

Condition 5(c) (*Zero Coupon Notes*) allows the Issuer to issue Zero Coupon Notes. Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds. Changes in market rates of interest have a substantially stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are substantially below par. If market rates of interest increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk. Therefore, in similar market conditions the holders of Zero Coupon Notes could be subject to higher losses on their investments than the holders of other instruments such as Fixed Rate Notes or Floating Rate Notes. Any such volatility may have a significant adverse effect on the value of the Notes.

### ***Risks relating to the regulation and reform of "benchmarks"***

Where, pursuant to Condition 5(b)(iii)(C), the applicable Final Terms for a Series of Floating Rate Notes specify that the Rate of Interest for such Notes will be determined by reference to the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks", investors should be aware that such "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to change their methodology or other terms, to disappear entirely or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes (including the value and/or liquidity thereof and/or the return thereon) referencing such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the European Union (which, for these purposes, includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Notwithstanding the provisions of Condition 5(b)(iii)(D) (*Benchmark discontinuation*) which seek to offset any adverse effects for the Noteholders, the Benchmarks Regulation could have a material impact on the market value and return of any Notes referencing a "benchmark", in particular if the methodology or other terms of the relevant "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing the rate or level or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Floating Rate Notes linked to or referencing a "benchmark".

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which are linked to or which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Floating Rate Notes (please refer to the risk factor entitled "*Occurrence of a Benchmark Event*" below). Depending on the manner in which a benchmark is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies, be relying upon the provision by reference banks of offered quotations for the relevant benchmark which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied for the immediately preceding Interest Period for which the

benchmark was available. Any of the foregoing could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Notes linked to or referencing a "benchmark".

***The occurrence of a Benchmark Event could have a material adverse effect on the value and of the return on any Floating Rate Notes linked to or referencing such "benchmark"***

Where Screen Rate Determination is specified in the applicable Final Terms, as the manner in which the Rate of Interest is to be determined, Condition 5(b)(iii)(C) provides for certain fallback arrangements set out in Condition 5(b)(iii)(D) in the event that Screen Rate Determination is specified to be "Applicable" in the applicable Final Terms and a Benchmark Event occurs, including if an inter-bank offered rate (such as LIBOR or EURIBOR) or other relevant reference rate, and/or any page on which such benchmark may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the applicable Final Terms) are no longer permitted lawfully to calculate interest on any Floating Rate Notes by reference to such benchmark under the Benchmarks Regulation or otherwise.

Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in Condition 5(b)(iii)(D)), with or without the application of an adjustment spread (which, if applied, could be positive or negative, and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark), and may include amendments to the Terms and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser (as defined in Condition 5(b)(iii)(D)).

No consent of the Noteholders shall be required in connection with effecting any Successor Rate or an Alternative Rate. In addition, no consent of the Noteholders shall be required in connection with any other related adjustments and/or amendments to the Terms and Conditions of such Notes which are made in order to give effect to any Successor Rate or an Alternative Rate.

In certain circumstances, as specified in Condition 5(b)(iii)(D), including (i) where no Successor Rate or Alternative Rate (as applicable) is determined, (ii) due to uncertainty relating to the availability of a Successor Rate or Alternative Rate (as the case may be), or (iii) if the Issuer is unable to appoint an Independent Adviser or, if an Independent Adviser is appointed, such Independent Adviser is unable to act, the fallback rules may not apply as expected at the relevant time. In such a scenario, alternative fallback rules may be applied, resulting in the rate of interest for such Interest Period being based on the rate which applied for the immediately preceding Interest Period (as indicated in the relevant Final Terms), as set out in the risk factor entitled "*Risks related to the regulation and reform of "benchmarks"*" above.

It is possible that, if a Benchmark Event occurs, it will take some time before a clear successor or alternative reference rate is established in the market. Accordingly, Condition 5(b)(iii)(D)(6) provides as a further fallback that, following the designation of a Successor Rate or Alternative Rate, if the Independent Adviser determines that the Successor Rate or Alternative Rate is no longer substantially comparable to the Original Reference Rate or does not constitute an industry accepted successor reference rate, the Issuer shall appoint or re-appoint an Independent Adviser for the purpose of confirming the Successor Rate or Alternative Rate or determining a substitute Successor Rate or Alternative Rate in accordance with Condition 5(b)(iii)(D). If the Independent Adviser is unable to or otherwise does not determine a substitute Successor Rate or Alternative Rate, then the Successor Rate or Alternative Rate will remain unchanged despite the fact that it may no longer be substantially comparable to the Original Reference Rate or that it may no longer constitute an industry accepted rate, which may have a negative effect on the market value and yield of the Notes.

The Successor Rate or Alternative Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the replacement rate may perform differently from the discontinued benchmark. This could significantly affect the performance of an alternative rate compared to the historical and expected performance of the relevant benchmark. There can be no assurance that any adjustment factor applied to any Series of Notes will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the affected Notes. Moreover, any holders of such Notes that enter into hedging instruments based on the Relevant Screen Page may find their hedges to be

ineffective, and they may incur costs replacing such hedges with instruments tied to the Successor Rate or Alternative Rate.

In addition, in the case where the application of Condition 5(b)(iii)(D) would result in a Capital Event, as defined in Condition 6(d), Condition 5(b)(iii)(D) will not apply and the fallback provisions included in Conditions 5(b)(iii)(A), (B) and (C) will apply.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes linked to or referencing a "benchmark" or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes linked to or referencing a "benchmark". Investors should note that, the Independent Adviser will have discretion to adjust the relevant Successor Rate or Alternative Rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

Any such consequences could have a negative effect on the liquidity and value of, and yield on, any such Floating Rate Notes or have other significant adverse effects or unforeseen consequences.

Investors should consider all of these matters when making their investment decision with respect to the relevant Floating Rate Notes linked to or referencing such "benchmarks" because the occurrence of a Benchmark Event could result in a loss of a portion of the principal amount invested in the relevant Floating Rate Notes.

#### **Risks related to Subordinated Notes**

##### ***The Subordinated Notes are subordinated obligations and are junior to certain obligations***

Pursuant to Condition 3(b) of the Terms and Conditions of the Notes, the Issuer may issue Subordinated Notes. It is the intention of the Issuer that the Subordinated Notes shall, for regulatory purposes, be treated as Tier 2 Capital. The Issuer's obligations under the Subordinated Notes are unsecured and subordinated and will rank junior to unsubordinated creditors of the Issuer and creditors in respect of all other obligations expressed to rank senior to the Subordinated Notes, as more fully described in Condition 3 (*Status*).

In the event of the dissolution of the Issuer, the rights of payment of the holders of the Subordinated Notes will be subordinated to the payment in full of unsubordinated creditors and any other creditors that are senior to the holders of the Subordinated Notes. In the event of incomplete payment of unsubordinated creditors and any other creditors that are senior to the holders of Subordinated Notes upon the dissolution of the Issuer, the obligations of the Issuer in connection with the Subordinated Notes will be terminated by operation of law.

Although the Subordinated Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a higher risk that investors in the Subordinated Notes will lose all or a significant part of their investment should the Issuer be dissolved.

##### ***Absence of negative pledge in respect of the Subordinated Notes***

There is no negative pledge in respect of Subordinated Notes and the Terms and Conditions of the Notes place no restrictions on the incurrence by the Issuer of additional obligations that rank *pari passu* with, or senior to, the Notes. The Issuer may pledge assets to secure other notes or debt instruments without granting an equivalent pledge or security interest and status to the Subordinated Notes. Such pledge or security interest will not be granted to the holders of such Notes and such Noteholders will not benefit from protection that would secure the ranking of the Notes. As a consequence, the Issuer's ability to service its debt obligations, including those of the Subordinated Notes, might be affected and this could have a negative impact of the holders of such Notes. As a result, such Noteholders could lose part of their investment in the Notes.

##### ***Absence of events of default in respect of the Subordinated Notes***

Pursuant to Condition 10(b) (*Events of Default and Enforcement*) of the Terms and Conditions of the Notes, there are no events of default in respect of the Subordinated Notes. In no event will holders of

Subordinated Notes be able to accelerate the maturity of their Subordinated Notes. Accordingly, in the event that any payment on the Subordinated Notes is not made when due, the holders will have claims only for amounts then due and payable on their Subordinated Notes.

Upon a payment default, the sole remedy available to holders of Subordinated Notes for recovery of amounts owing in respect of any payment of principal or interest will be the institution of proceedings to enforce such payment, which could be time-consuming and costly. This could result in significant delays in the payment of interest or principal and could have an adverse impact on the Noteholders seeking repayment. As a result, holders of Subordinated Notes could lose all or part of their investment in the Subordinated Notes. However, in the case of dissolution of the Issuer, the Subordinated Notes would become immediately due and payable.

The Issuer is subject to specific rules applicable to EPICs, which are legal entities governed by public law. In particular, EPICs' assets may not be seized (as the *Cour de cassation* clearly stated it in a decision dated 21 December 1987). As a result, the Issuer is not subject to ordinary enforcement procedures. It is subject to Law n°80-539 of 16 July 1980 on the penalties imposed in administrative matters and on the execution of judgments by legal entities governed by public law. Article 1, paragraph 2 of such law provides that when EPICs are ordered to pay a sum of money by a final court decision, they must register this sum in their budget or authorise its payment within two months from the notification of the court's decision. If an EPIC fails to do so, the French Government must substitute itself for the EPIC in order (i) to register automatically the debts in the budget of the EPIC or (ii) to plan new resources to pay the debts (in the budget of the EPIC, in principle).

#### ***Early redemption risks in relation to the Subordinated Notes***

Subject to the satisfaction of Condition 6(i) (*Additional conditions to redemption and purchase of Subordinated Notes*), the Issuer may redeem the Subordinated Notes, on any applicable call date specified in the applicable Final Terms.

The Issuer may also, at its option and subject to the satisfaction of Condition 6(i) (*Additional conditions to redemption and purchase of Subordinated Notes*), redeem the Subordinated Notes in whole but not in part upon the occurrence of certain events, including a Withholding Tax Event, a Gross-Up Event, a Tax Deductibility Event or a Capital Event, all as further described in Condition 6 (*Redemption, Purchase, Options*) of the Conditions. Such redemption options will be exercised at the principal amount of such Subordinated Notes together with interest accrued to the date of redemption (including, for the avoidance of doubt, any interest accrued thereon at such date).

The optional redemption feature of the Subordinated Notes may affect the market value of the Subordinated Notes. During any period when the Issuer may elect to redeem the Subordinated Notes, the market value of the Subordinated Notes generally will not rise substantially above the price at which they can be redeemed. If the Issuer elects to redeem the Subordinated Notes, Noteholders may not be able to reinvest the redemption proceeds in securities offering a comparable yield.

#### ***The Subordinated Notes may be undated securities with no specified maturity date***

The Subordinated Notes may be undated securities with no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Undated Subordinated Notes, as defined in Condition 3(b) (*Subordinated Notes*), at any time. The Noteholders will have no right to require the redemption of the Undated Subordinated Notes except if the Issuer is liquidated. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Undated Subordinated Notes for an indefinite period, and consequently that they may lose part of or their entire investment.

#### **Early redemption risks**

##### *The Notes may be redeemed for tax reasons prior to maturity*

In the event that, pursuant to Condition 6(c) (*Redemption for Taxation Reasons*), the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the jurisdiction of the Issuer or

a political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with this Condition. Should the Notes at such time be trading well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant. In addition, if the Issuer does not redeem the Notes, holders of Notes may receive less than the full amount due, and the market value of such Notes will be adversely affected. As a consequence, Noteholders could lose part of their investment in the Notes.

*Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield actually received by Noteholders to be considerably less than anticipated*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer, pursuant to Condition 6(e) (*Redemption at the Option of the Issuer*). Such right of termination is often provided for bonds or notes in periods of high rates of interest. If the market rates of interest decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder (specified as the "Issue Price" in the applicable Final Terms). As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Such right of early redemption, if provided in the relevant Final Terms relating to a particular issue of Notes, could cause the expected yield in respect of the Notes to be considerably less than anticipated. See "*Partial redemption of Notes at the option of the Issuer or at the option of the Noteholders may make the market illiquid*" for risks relating to partial redemption.

*A partial redemption at the option of the Issuer or a redemption at the option of the Noteholders may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised*

The Final Terms for a particular issue may provide for early redemption at the option of the Issuer or at the option of the Noteholders. Depending on the number of Notes of the same Series in respect of which a partial redemption of the Notes at the option of the Noteholders, pursuant to Condition 6(f) (*Redemption at the Option of Noteholders*) or at the option of the Issuer, pursuant to Condition 6(e) (*Redemption at the Option of the Issuer*) is made, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid, which, depending on the extent of the illiquidity, may have a direct and significant impact on any remaining Noteholders seeking to dispose of their Notes. In such circumstances, the market value of the Notes in respect of which such option is not exercised may be negatively affected and Noteholders may lose part of their investment.

### **Risks relating to specific use of proceeds**

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply an amount equal to the net proceeds of the issue of those Notes to certain climate projects as further described in the AFD Climate Bond Framework (as amended and supplemented from time to time) (the "**Climate Bond Framework**") available on the website of the Issuer (<https://www.afd.fr/sites/afd/files/2017-10/afd-climate-bond-framework.pdf>) to finance or refinance, in part or in full new and existing eligible climate projects.

No assurance is given by the Issuer that the use of such proceeds for any climate projects (as indicated in the "Use of proceeds" paragraph in the relevant Final Terms and as more fully described in the Climate Bond Framework) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any climate projects. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any climate projects will meet any or all

investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any climate projects.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable laws or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any climate projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for climate projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any climate projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such climate projects. Nor can there be any assurance that such climate projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes to climate projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance climate projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

### **C. Risks related to the traded market of the Notes**

#### ***Market value of the Notes***

Application may be made to list and admit any Series of Notes issued hereunder to trading on Euronext Paris and/or on any other Regulated Market or any other stock exchanges. Therefore, the market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of any inflation linked index, including, but not limited to, the volatility of such index, or market interest and yield rates and the time remaining to the maturity date. If the financial situation of the Issuer deteriorates, it may not be able to fulfil all or part of its payment obligations under the Notes, and investors may lose all or part of their investment.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, and factors affecting capital markets in general Euronext Paris and/or any other Regulated Market or the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder. The historical level of the inflation linked index should not be taken as an indication of such index's future performance during the term of any Note.

#### ***Liquidity risks/trading market for the Notes***

The Programme allows for Notes to be listed and admitted to trading on Euronext Paris and/or any other Regulated Market or any other stock exchanges. Nevertheless, there can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active

trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. This may have a negative impact on the liquidity of the Notes and result in low trading volumes. The degree of liquidity of the Notes may negatively impact the price at which an investor can dispose of the Notes where the investor is seeking to achieve a sale within a short timeframe. In such circumstances, the impact of this risk on the Noteholder would be high because Notes would likely have to be resold at a discount to the nominal value of the Notes.

The market for debt securities issued by issuers is influenced by a number of factors such as general economic and market conditions and, to varying degrees, rates of interest, currency exchange rates and inflation rates in other European and other industrialised countries. Events in France, Europe or elsewhere could cause market volatility which may adversely affect the price of Notes.

The Issuer is entitled to buy the Notes, as described in Condition 6(g) (*Purchases*), and the Issuer may issue further notes, as described in Condition 13 (*Further Issues*). Such transactions may adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

#### ***Exchange rate risks and exchange controls***

The Programme allows for Notes to be issued in a range of currencies (each a "**Specified Currency**" which will be specified in the relevant Final Terms). The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Furthermore, government and monetary or financial authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate, as well as the availability of Specified Currency in which a Note is payable at the time of payment of interest and/or principal in respect of such Note. As a result, Noteholders whose financial activities are carried out or dependent principally in a currency or currency unit other than the relevant Specified Currency could be very negatively impacted as they may receive less interest or principal than expected, or no interest or principal. This may result in a significant loss on any capital invested from the perspective of a Noteholder whose domestic currency is not the Specified Currency.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the information contained in the sections of the documents mentioned below which is incorporated in, and shall be deemed to form part of, this Base Prospectus. Only the sections referred to below shall be deemed as incorporated by reference in, and form part of, this Base Prospectus. The non-incorporated parts of the documents mentioned below are either not relevant for the investors or covered elsewhere in this Base Prospectus.

- (a) the sections referred to in the table below included in the Document d'Enregistrement Universel in the French language relating to the Issuer filed with the AMF on 21 April 2020 under no. D.20-0328 (the "2019 **Universal** Registration Document"), which contains the audited consolidated financial statements of the Issuer as at, and for the year ending, 31 December 2019 (<https://www.afd.fr/fr/ressources/document-denregistrement-universel-2019>);
- (b) the sections referred to in the table below included in the Document de Référence in the French language relating to the Issuer filed with the AMF on 25 April 2019 under no. D.19-0388 (the "2018 Registration Document"), which contains the audited consolidated financial statements of the Issuer as at, and for the year ending, 31 December 2018 (<https://www.afd.fr/fr/ressources/document-de-reference-2018>);
- (c) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 15 June 2016 which received the visa no. 16-0252 on 15 June 2016 from the AMF (the "**2016 Base Prospectus**") (<https://www.afd.fr/sites/afd/files/2017-07/AFD-Base-Prospectus-2016.pdf>);
- (d) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 9 June 2017 which received the visa no. 17-0265 on 9 June 2017 from the AMF (the "**2017 Base Prospectus**") (<https://www.afd.fr/sites/afd/files/2017-07/AFD-Base-Prospectus-2017.pdf>);
- (e) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 22 May 2018 which received the visa no. 18-192 on 22 May 2018 from the AMF (the "**2018 Base Prospectus**") (<https://www.afd.fr/sites/afd/files/2018-05-04-55-51/AFD-EMTN-programme-2018-base-prospectus.pdf>); and
- (f) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 17 May 2019 which received the visa no. 19-212 on 17 May 2019 from the AMF (the "**2019 Base Prospectus**") (<https://www.afd.fr/sites/afd/files/2019-06-04-05-52/communication-financiere-afd-programme-emtn.pdf>).

The 2019 Universal Registration Document and the 2018 Registration Document have been previously published and have been filed with the AMF for the purpose of the Prospectus Regulation. The 2019 Universal Registration Document and the 2018 Registration Document shall be incorporated in and form part of this Base Prospectus, save that:

- (a) the non-incorporated parts of the 2019 Universal Registration Document and the 2018 Registration Document are either not relevant for investors or are covered elsewhere in the Base Prospectus;
- (b) any statement contained in the 2019 Universal Registration Document and the 2018 Registration Document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that (i) a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise) or (ii) it is modified or incorporated by way of a supplement prepared in accordance with Article 23 of the Prospectus Regulation. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus; and
- (c) The sections entitled "Terms and Conditions of the Notes" set forth in the 2016 Base Prospectus, the 2017 Base Prospectus, the 2018 Base Prospectus and the 2019 Base Prospectus are incorporated by reference in this Base Prospectus for the purpose of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued under the 2016 Base Prospectus, the 2017 Base Prospectus, the 2018 Base Prospectus and the 2019 Base Prospectus only.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the documents incorporated by reference) refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

For so long as Notes may be issued pursuant to this Base Prospectus, the 2019 Universal Registration Document and the 2018 Registration Document will be available free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and for collection at the office of the Fiscal Agent and the Paying Agents and on the website of the Issuer (<http://www.afd.fr/home/AFD/finances>). For so long as Notes may be issued pursuant to this Base Prospectus, the 2019 Universal Registration Document and the 2018 Registration Document will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

The Final Terms related to the Notes admitted to trading on Euronext Paris will be published on the websites of (x) the AMF ([www.amf-france.org](http://www.amf-france.org)) and (y) the Issuer (<http://www.afd.fr/home/AFD/finances>). If the Notes are admitted to trading on a Regulated Market other than Euronext Paris, the relevant Final Terms will provide whether additional methods of publication are required and what they consist of.

The relevant documents and page references for the information incorporated by reference herein in response to the specific requirements of Annex 7 of Commission Delegated Regulation 2019/980 are as follows:

**Information incorporated by reference**

<b>Rule</b>	<b>Information</b>	<b>Page in 2019 Universal Registration Document</b>	<b>Page in 2018 Registration Document</b>
<b>3</b>	<b>RISK FACTORS</b>		
3.1	<p>A description of the material risks that are specific to the issuer and that may affect the issuer’s ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed ‘Risk Factors’.</p> <p>In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.</p>		
<b>4</b>	<b>INFORMATION ABOUT THE ISSUER</b>		
4.1	History and development of the Issuer		
4.1.1	The legal and commercial name of the Issuer	Page 10	
4.1.2	The place of registration of the Issuer, its registration number and legal entity identifier ('LEI').	Page 10	

<b>Rule</b>	<b>Information</b>	<b>Page in 2019 Universal Registration Document</b>	<b>Page in 2018 Registration Document</b>
4.1.3	The date of incorporation and the length of life of the Issuer, except where the period is indefinite.	Page 10	
4.1.4	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus.	Page 10	
4.1.5	Any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency.	Pages 102 to 103	
<b>5</b>	<b>BUSINESS OVERVIEW</b>		
5.1	Principal activities		
5.1.1	A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed.	Pages 12 to 14	
5.1.2	The basis for any statements made by the Issuer regarding its competitive position.	N/A	
<b>6</b>	<b>ORGANISATIONAL STRUCTURE</b>		
6.1	If the Issuer is part of a group, a brief description of the group and the Issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organizational structure if this helps to clarify the structure.	Pages 17 to 20	
<b>9</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>		
9.1	Names, business addresses and functions within the Issuer of the following persons and an indication of the principal activities performed by	Pages 64 to 69	

<b>Rule</b>	<b>Information</b>	<b>Page in 2019 Universal Registration Document</b>	<b>Page in 2018 Registration Document</b>
	<p>them outside of that Issuer where these are significant with respect to that Issuer:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>		
9.2	<p>Administrative, management, and supervisory bodies conflicts of interests.</p> <p>Potential conflicts of interests between any duties to the Issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p>	Page 70	
<b>10</b>	<b>MAJOR SHAREHOLDERS</b>		
10.1	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	Page 10	
<b>11</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>		
11.1	Historical financial information		
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the Issuer has been in operation and the audit report in respect of each year.	Pages 103 to 202	Pages 92 to 206
11.1.3	Accounting standards	Pages 117 to 118	Pages 106-108
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:		

<b>Rule</b>	<b>Information</b>	<b>Page in 2019 Universal Registration Document</b>	<b>Page in 2018 Registration Document</b>
	(a) the balance sheet;	Pages 110 to 111	Pages 100 to 101
	(b) the income statement;	Page 112	Page 102
	(c) the accounting policies and explanatory notes.	Pages 116 to 161	Pages 106 to 166
11.1.5	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.	Pages 110 to 116	Page 100 to 106
11.1.6	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	Page 110	Page 100
11.2	Auditing of historical financial information		
11.2.1	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014.	Pages 162 to 166	Pages 167 to 171
11.3	Legal and arbitration proceedings		
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Page 98	

<b>Terms and Conditions incorporated by reference</b>	<b>Page reference</b>
Base Prospectus dated 17 May 2019	Pages 20 to 47
Base Prospectus dated 22 May 2018	Pages 17 to 40
Base Prospectus dated 9 June 2017	Pages 22 to 46

Base Prospectus – 12 June 2020

Base Prospectus dated 15 June 2016

Pages 54 to 78

### **SUPPLEMENT TO THE BASE PROSPECTUS**

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the AMF in accordance with Article 23 of the Prospectus Regulation and Article 18 of the Commission Delegated Regulation (EU) 2019/979.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare and make available a supplement to this Base Prospectus for use in connection with any subsequent issue of Notes. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

This Base Prospectus, as supplemented (as the case may be), will expire on 12 June 2021 and the obligation to supplement the Base Prospectus in the event of any significant new factor, material mistake or material inaccuracy will no longer apply .

Any supplement to the Base Prospectus shall be (a) published on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the Issuer ([www.afd.fr](http://www.afd.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.

## USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will (as specified in the applicable Final Terms) be applied by the Issuer to:

- (i) finance its general corporate activities; or
- (ii) finance investments in climate projects as further described in the AFD Climate Bond Framework as of 13 November 2017 (as amended or supplemented from time to time) available on the website of the Issuer (<https://www.afd.fr/sites/afd/files/2017-10/afd-climate-bond-framework.pdf>) (the "**Climate Bond Framework**"); or
- (iii) to finance any other particular identified use of proceeds as stated in the applicable Final Terms.

In respect of (ii) above, the Climate Bond Framework describes the eligible climate projects to which the net proceeds of a Tranche of Notes may be allocated. The Climate Bond Framework is fully compliant with the following four components of the Green Bond Principles published by the International Capital Markets Association (as they may be further updated): (1) the use of proceeds, (2) the process for project evaluation and selection, (3) the management of proceeds and (4) reporting obligations. The Issuer also applies the recommendation to use the services of an external second opinion provider and commits to an annual certification by its external auditors. The reporting on the allocation of the net proceeds will be available on the website of the Issuer (<https://www.afd.fr/fr/ressources/reporting-climate-bond-afd-2018>).

Prior to any investment in Notes in which the net proceeds are to be used to finance investments in climate projects, as further specified in the applicable Final Terms, investors are advised to consult the Climate Bond Framework for further information.

## GENERAL INFORMATION ON THE ISSUER

The general information on the Issuer is set out in the 2019 Universal Registration Document incorporated by reference herein (see the "*Documents Incorporated by Reference*" section above).

### The Issuer's status as an EPIC

The Issuer is subject to specific rules applicable to EPICs, which are legal entities governed by public law. In particular, EPICs' assets may not be seized (as the *Cour de cassation* clearly stated it in a decision dated 21 December 1987). As a result, the Issuer is not subject to ordinary enforcement procedures. It is subject to Law n°80-539 of 16 July 1980 on the penalties imposed in administrative matters and on the execution of judgments by legal entities governed by public law. Article 1, paragraph 2 of such law provides that when EPICs are ordered to pay a sum of money by a final court decision, they must register this sum in their budget or authorise its payment within two months from the notification of the court's decision. If an EPIC fails to do so, the French Government must substitute itself for the EPIC in order (i) to register automatically the debts in the budget of the EPIC or (ii) to plan new resources to pay the debts (in the budget of the EPIC, in principle).

Moreover, court-ordered reorganisation and liquidation proceedings do not apply to EPICs. Articles L.631-2 and L.640-2 of the French *Code de commerce* relating to court-ordered reorganisation and liquidation of businesses provide that court-ordered reorganisation may be imposed on any tradesperson, artisan or legal entity governed by private law. Since EPICs are public law entities, they do not fall within the scope of application of those articles. As the Issuer was created by law, it may only be dissolved by an amending law, which may transfer its rights and obligations to another public entity.

### Certain aspects of governmental supervision and regulation of the Issuer in France

#### **The French supervisory and resolution authority**

The Issuer is licensed in France as a financing company (*société de financement*), governed by the French *code monétaire et financier* (the "**Financial Code**"). As such, the Issuer is subject to the supervision of the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**"), which was created in 2013 to supervise financial institutions and insurance firms and to be in charge of ensuring the protection of consumers and the stability of the financial system.

In addition, the ACPR is in charge of implementing measures for the prevention and resolution of financing companies when they are subject to the resolution regime set out in the Financial Code, in accordance with article L. 613-34-II of the such code.

#### **Financial regulations**

The Issuer must comply with certain standards set out in the Ministerial Order of 23 December 2013 (the "**Prudential Order**"), the purpose of which is to ensure the creditworthiness and liquidity of French financing companies. This prudential regime is mainly similar to the one applicable to French credit institutions, although some adjustments have been made to take into account specific features of financing companies.

Financing companies, such as the Issuer, are subject to the French provisions implementing Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 ("**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) No. 2019/876 of the European Parliament and of the Council 20 May 2019 ("**CRR II**")), to the exception of the provisions related to liquidity and leverage set out in CRR as financing companies as subject to French rules in this respect.

The Issuer must comply with minimum capital ratio requirements. In addition to these requirements, the principal regulations applicable to financing companies such as the Issuer concern risk diversification and liquidity, restrictions on equity investments and reporting requirements. As of the date hereof, the Issuer

complies with the specific regulatory ratio requirements in accordance with procedures established by the ACPR.

As at 31 December 2018, the solvency ratio of the Issuer was 18.37 per cent. and as at 31 December 2019, the solvency ratio of the Issuer was 16.75 per cent.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion by the relevant Final Terms, shall be applicable to the Notes.*

*In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms.*

*In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms.*

*References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued by Agence Française de Développement (the "**Issuer**") in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the Final Terms to this Base Prospectus (the "**Final Terms**").

The Notes are issued with the benefit of an amended and restated agency agreement dated 12 June 2020 between the Issuer, BNP Paribas Securities Services, as fiscal agent and the other agents named in it (as amended or supplemented from time to time, the "**Agency Agreement**"). The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent) and the "**Calculation Agent(s)**".

References below to "**Conditions**" are, unless the context requires otherwise, to the numbered paragraphs below. For the purpose of these Conditions, "**Regulated Market**" means any regulated market as defined in Directive 2014/65/EU on markets in financial instruments, as amended, situated in a Member State of the European Economic Area ("**EEA**") or in the United Kingdom.

### 1. **Form, Denomination and Title**

- (a) **Form:** Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**"), as specified in the relevant Final Terms.
  - (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 et seq. and R.211-1 et seq. of the French *Code monétaire et financier* (the "**Code**") by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the Code) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**", acting as central depository) which shall credit the accounts of Account Holders (as defined below), or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

Unless this option is expressly excluded in the relevant Final Terms in accordance with the provisions of Article L.228-2 of the French *Code de*

*commerce*, the Issuer may at any time request from the central depository the following identification information of the holders of Dematerialised Notes in bearer form (*au porteur*): the name or the company name, nationality, date of birth or year of incorporation and mail address or, as the case may be, e-mail address as well as the quantity of Notes held by each of them and any restrictions applicable to the Notes.

For the purpose of these Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled, either directly or indirectly, to hold accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV, as operator of the Euroclear System ("**Euroclear**") and the depository bank for Clearstream Banking SA ("**Clearstream**").

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes are serially numbered and are issued with coupons (the "**Coupons**") (and, where appropriate, a talon (the "**Talon**")) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the Code, securities (such as Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination:** Notes shall be issued in the specified denomination as set out in the relevant Final Terms (the "**Specified Denomination**") save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a Base Prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such other currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant monetary or financial authority or any laws or regulations applicable to the relevant Specified Currency (as defined below). Dematerialised Notes shall be issued in one Specified Denomination only.

- (c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Notes**"), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, "**Noteholder**" means (i) in the case of Dematerialised Notes, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (ii) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons, or Talon relating to it, and

capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2. Conversion and Exchanges of Notes

### (a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the Code. Any such conversion shall be effected at the cost of such Noteholder.

### (b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

## 3. Status of Notes

The Notes may be either senior Notes ("**Senior Notes**") or subordinated Notes ("**Subordinated Notes**"), in each case as specified in the relevant Final Terms.

### (a) Senior Notes

The Senior Notes (and the Coupons relating to them) constitute direct, unconditional, senior, unsecured (subject to Condition 4 (*Negative Pledge*) and unsubordinated obligations of the Issuer and rank at all times (i) *pari passu* and rateably without any preference among themselves and equally with all other Senior Obligations and (ii) senior to the Subordinated Notes, in each case subject to such exceptions as are from time to time mandatory under French law.

"**Senior Obligations**" means all present or future unsecured and unsubordinated obligations of the Issuer expressed to rank senior to the Subordinated Notes, as provided by their terms or by law.

### (b) Subordinated Notes

Principal and interest on the Subordinated Notes (and the Coupons relating to them) constitute direct, unconditional, unsecured and subordinated obligations of the Issuer ranking:

- (i) junior to all Senior Obligations of the Issuer;
- (ii) *pari passu* without any preference among themselves;
- (iii) *pari passu* with any Ordinarily Subordinated Obligations of the Issuer; and
- (iv) senior to any present and future *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and deeply subordinated obligations (*obligations dites "super subordonnées", i.e. engagements subordonnés de dernier rang*) of the Issuer.

**"Ordinarily Subordinated Obligations"** means any subordinated obligations or other instruments issued by the Issuer which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer but rank in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and deeply subordinated obligations (*obligations dites "super subordonnées", i.e. engagements subordonnés de dernier rang*) of the Issuer.

Subject to applicable law, if the Issuer is dissolved, the rights of payment of the holders of the Subordinated Notes shall be subordinated to the payment in full of creditors in respect of Senior Obligations and, subject to such payment in full, the holders of the Subordinated Notes shall be paid in priority to any *prêts participatifs* granted to the Issuer, any *titres participatifs* issued by it and any deeply subordinated obligations (*obligations dites "super subordonnées", i.e. engagements subordonnés de dernier rang*) of the Issuer.

The Subordinated Notes may have no fixed maturity ("**Undated Subordinated Notes**").

In the event of incomplete payment of Senior Obligations, the obligations of the Issuer in connection with the Subordinated Notes will be terminated.

The holders of the Subordinated Notes shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings they may have against the Issuer.

It is the intention of the Issuer that the Subordinated Notes shall, for regulatory purposes, be treated as Tier 2 Capital, but that the obligations of the Issuer and the rights of the Noteholders under the Subordinated Notes shall not be affected if the Subordinated Notes no longer qualify as Tier 2 Capital. However, the Issuer may redeem the Subordinated Notes in accordance with Condition 6(d) (*Redemption of Subordinated Notes upon the occurrence of a Capital Event*).

#### 4. **Negative Pledge**

##### (a) **Senior Notes**

So long as any of the Senior Notes (or the Coupons relating to them) remain outstanding, the Issuer will not create any security interest (which includes any mortgage, pledge, lien or other encumbrance) over the whole or any part of its present or future assets or revenues to secure any indebtedness represented by bonds, notes, debentures or other debt securities (*obligations or titres de créance négociables*) issued by the Issuer or any guarantee of any such indebtedness of any of the Issuer's subsidiaries and affiliates, without at the same time according to the outstanding Senior Notes (and the Coupons relating to them) the same security interest on a *pari passu* basis. For the avoidance of doubt, such indebtedness does not include indebtedness for borrowed monies arising under loan agreements or credit facility agreements.

##### (b) **Subordinated Notes**

There is no negative pledge in respect of the Subordinated Notes.

#### 5. **Interest and other Calculations**

##### (a) **Rate of Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest, in accordance with Condition 5(g) (*Calculations*), on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the

Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Final Terms.

(b) **Rate of Interest on Floating Rate Notes**

(i) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g) (*Calculations*). Such Interest Payment Date(s) is/are either shown in the Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and the provisions below relating to either ISDA Determination, FBF Determination or Screen Rate Determination shall apply, depending upon which is specified in the Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the Final Terms
- (2) the Designated Maturity is a period specified in the Final Terms and

- (3) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate. For the purposes of this sub-paragraph (B), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (1) the Floating Rate is as specified in the relevant Final Terms; and
- (2) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Determination Date** (*Date de Détermination du Taux Variable*)", "**Designated Maturity**", "**Reset Date**" and "**Transaction**" have the meanings given to those terms in the FBF Definitions, provided that "**Euribor**" means the rate calculated for deposits in Euro which appears on the Reuters screen page EURIBOR01.

(C) Screen Rate Determination for Floating Rate Notes

- (1) Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either (as specified in the Final Terms):

(x) the offered quotation; or

(y) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (2) if the Relevant Screen Page is not available or, if sub-paragraph (C)(1)(x) applies and no such offered quotation appears on the Relevant Screen Page or, if

sub-paragraph (C)(1)(y) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (3) if paragraph (C)(2) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(4) *Alternative fallback provisions:* If so specified in the relevant Final Terms, the fallback provisions set out in (x) and (y) below shall be applicable and in each case, the provisions of paragraphs (2) and (3) of Condition 5(b)(iii)(C) above shall not apply:

(x) If the Relevant Screen Page is not available or, if sub-paragraph (C)(1)(x) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (C)(1)(y) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the Calculation Agent shall determine the relevant Reference Rate for that date in its sole discretion, taking into consideration all available information that it in good faith deems appropriate; or

(y) If the Relevant Screen Page is not available or, if sub-paragraph (C)(1)(x) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (C)(1)(y) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, the Calculation Agent will request the principal office of five major banks who will provide quotations for such rate using such rate as may be specified in the relevant Final Terms or selected by the Calculation Agent. If five quotations are provided, the rate will be calculated by eliminating the highest (or, in the event of equality, one of the highest) and lowest (or, in the event of equality, one of the lowest) quotations and taking the arithmetic mean of the remaining quotations. If at least three, but fewer than five, quotations are provided, the rate will be the arithmetic mean of the quotations obtained. If fewer than three quotations are provided as requested, the rate will be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

For the avoidance of doubt, the Calculation Agent mentioned in sub-paragraphs (2), (3) and (4) above shall be independent from the Issuer.

(D) Benchmark Discontinuation

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, if a Benchmark Event occurs, then the provisions over other fallbacks specified in Condition 5(b)(iii)(C) shall apply and prevail.

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when the Terms and Conditions of any Notes provide for any rate of interest (or any component part thereof) to be determined by reference to such Original Reference Rate, and Screen Rate Determination applies, then the following provisions shall apply and prevail over other fallbacks specified in Condition 5(b).

(1) Independent Adviser

The Issuer shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate (acting in good faith and in a commercially reasonable manner and

after consultation with the Issuer), failing which an Alternative Rate (in accordance with Condition 5(b)(iii)(D)(2) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(b)(iii)(D)(3)) and any Benchmark Amendments, if any (in accordance with Condition 5(b)(iii)(D)(4)) no later than the Interest Determination Date for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 5(b)(iii)(D) during any other future Interest Period(s)

(2) Successor Rate or Alternative Rate

If the Independent Adviser determines (acting in good faith and in a commercially reasonable manner) that:

- (a) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(b)(iii)(D)(4)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of this Condition 5(b)(iii)(D)); or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(b)(iii)(D)(4)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the subsequent operation of this Condition 5(b)(iii)(D)).

(3) Adjustment Spread

If the Independent Adviser (acting in good faith and in a commercially reasonable manner) determines, acting in good faith and in a commercially reasonable manner (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate(s) of Interest (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(4) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(b)(iii)(D) and the Independent Adviser determines (acting in good faith and in a commercially reasonable manner and after consultation with the Issuer) (x) that amendments to the Terms and Conditions of the Notes (including, without limitation, amendments to the definitions of Day Count Fraction, Business Days or Relevant Screen Page) are strictly necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (y) the relevant terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(b)(iii)(D)(5), without any requirement for the consent or approval of Noteholders, vary the Terms and Conditions of the Notes to give effect to such Benchmark

Amendments with effect from the date specified in such notice. Such changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 5(b)(iii)(D)).

In connection with any such variation in accordance with this Condition 5(b)(iii)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(5) Notices, etc.

The Issuer shall, after receiving such information from the Independent Adviser, notify the Fiscal Agent, the Calculation Agent, the Paying Agents, the Representative (if any) and, in accordance with Condition 14 the Noteholders, promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(b)(iii)(D). Such notice shall be irrevocable and binding and shall specify the effective date of the Benchmark Amendments, if any.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the party responsible for determining the Rate of Interest, the Paying Agents and the Noteholders.

(6) Survival of Original Reference Rate

Without prejudice to the Issuer's obligations under the provision of this Condition 5(b)(iii)(D), the Original Reference Rate and the fallback provisions for in Condition 5(b)(iii)(C) will continue to apply unless and until the party responsible for determining the Rate of Interest has been notified of the Successor Rate or the Alternative Rate (as the case may be), and of any Adjustment Spread and/or Benchmark Amendments.

(7) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest on the immediately following Interest Determination Date, (i) no Independent Adviser has been appointed; or (ii) no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this provision or (iii) the Issuer determines, on the basis of objective criteria, that the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (and, if applicable, any associated Adjustment Spread and/or Benchmark Amendments) would, in the case of the Subordinated Notes, result in a Capital Event, the Original Reference Rate will continue to apply for the purposes of determining such Rate of Interest on such Interest Determination Date, with the effect that the fallback provisions provided elsewhere in these Terms and Conditions of the Notes will continue to apply to such determination, provided that such fallbacks may in certain circumstances, lead to apply the Rate of Interest determined as at the last preceding Interest Determination Date.

In such circumstances, the Issuer will be entitled (but not obliged), at any time thereafter, to elect to re-apply the provisions of this Condition 5(b)(iii)(D), mutatis mutandis, on one or more occasions until a Successor Rate or Alternative Rate (and, if applicable, any associated

Adjustment Spread and/or Benchmark Amendments) has been determined and notified in accordance with this Condition 5(b)(iii)(D) (and, until such determination and notification (if any), the fallback provisions provided elsewhere in these Terms and Conditions including, for the avoidance of doubt, the fallbacks specified in Condition 5(b)(iii)(C), will continue to apply in accordance with their terms). This may result in the Rate of Interest determined as at the last preceding Interest Determination Date being the Rate of Interest for the Interest Period in question.

(8) Definitions

In this Condition 5(b)(iii)(D):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Successor Rate or the Alternative Rate and which is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (b) in the case of an Alternative Rate (or in the case of a Successor Rate where (a) above does not apply), is in customary market usage in the international debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Alternative Rate (or, as the case may be, the Successor Rate); or
- (c) if no such recommendation or option has been made (or made available), or the Independent Adviser determines there is no such spread, formula or methodology in customary market usage, the Independent Adviser determines to be appropriate.

**"Alternative Rate"** means, in the absence of Successor Rate, an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 5(b)(iii)(D) and which is customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes.

**"Benchmark Event"** means, with respect to an Original Reference Rate:

- (a) the Original Reference Rate ceasing to exist or be published;
- (b) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no

- successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six (6) months prior to the specified date referred to in (b)(i) on which the administrator of the Original Reference Rate will cease to publish the Original Reference Rate permanently or indefinitely;
- (c) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;
  - (d) the later of (i) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six (6) months prior to the specified date referred to in (d)(i) on which the Original Reference Rate will be permanently or indefinitely discontinued;
  - (e) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months;
  - (f) it has or will prior to the next Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Rate of Interest (being the Calculation Agent or such other party specified in the applicable Final Terms, as applicable), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Original Reference Rate (including, without limitation, under the Benchmarks Regulation, if applicable); or
  - (g) that a decision to withdraw the authorisation or registration pursuant to article 35 of the Benchmarks Regulation of any benchmark administrator previously authorised to publish such Original Reference Rate has been adopted.

**"Benchmarks Regulation"** means Regulation (EU) 2016/1011 of 8 June 2016, as amended or supplemented.

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise, at all times acting in good faith and in a commercially reasonable manner, appointed by the Issuer at its own expense under Condition 5(b)(iii)(D)(1).

**"Original Reference Rate"** means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest (or any relevant component part(s) thereof) on the Notes.

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the

administrator of the benchmark or screen rate (as applicable);  
or

- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. If, following a Benchmark Event, more than one successor or replacement rates are recommended by any Relevant Nominating Body, the Independent Adviser will determine, among those successor or replacement rates, those one which is the most appropriate, taking into consideration, without limitation, the particular features of the relevant Notes and the nature of the Issuer.

(c) **Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)(B)).

(d) **Fixed/Floating Rate Notes**

Fixed/Floating Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate at the date set out in the Final Terms.

(e) **Accrual of Interest**

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, on such due date or (ii) in the case of Materialised Notes, upon due presentation, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 (*Interest and other Calculations*) to the Relevant Date (as defined in Condition 8 (*Taxation*)).

(f) **Margin, Maximum/Minimum Rates of Interest, and Redemption Amounts and Rounding**

- (i) If any Margin is specified in the Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b)(iii) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, or Redemption Amount is specified in the Final Terms, then any Rate of Interest, or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) The Minimum Rate of Interest with respect to Floating Rate Notes shall be deemed to be zero.
- (iv) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (0.00001) (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

(g) **Calculations**

The amount of interest payable per Specified Denomination (as specified in the Final Terms) in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Specified Denomination specified in the Final Terms and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount is applicable to such Interest Accrual Period in the relevant Final Terms, in which case the amount of interest payable per Specified Denomination in respect of such Note for such Interest Accrual Period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the Interest Amounts payable per Specified Denomination in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts**

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules applicable to such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quote and the making of each determination or calculation by the

Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Business Day"** means:

- (i) in the case of a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (ii) in the case of Euro, a day on which the TARGET System is operating (a **"TARGET Business Day"**) and/or
- (iii) in the case of a Specified Currency and/or one or more business centres specified in the Final Terms (the **"Business Centres"**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in the Business Centre(s) or, if no currency is specified, generally in each of the Business Centres so specified.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual"** or **"Actual/Actual – ISDA"** is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **"Actual/365 – FBF"** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during the Calculation Period and whose denominator is 365. If part of that Calculation Period falls in a leap year, Actual/365 – FBF shall mean the sum of (i) the fraction whose numerator is the actual number of days elapsed during the non-leap year and whose denominator is 365 and (ii) the fraction whose numerator is the number of actual days elapsed during the leap year and whose denominator is 366
- (iii) if **"Actual/Actual – FBF"** is specified in the relevant Final Terms in respect of each calculation, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period)
- (iv) if **"Actual/365 (Fixed)"** is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365
- (v) if **"Actual/360"** is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360
- (vi) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + 30 \times (M_2 - M_1) + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D-1 will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D-i is greater than 29, in which case D<sub>2</sub> will be 30.

- (vii) if "**30E/360**" or "**Eurobond Basis**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + 30 \times (M_2 - M_1) + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

- (viii) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + 30 \times (M_2 - M_1) + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

- (ix) if "**Actual/Actual-ICMA**" is specified in the Final Terms.
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date, and

"**Determination Date**" means the date specified as such in the Final Terms or, if none is so specified, the Interest Payment Date.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

"**FBF Definitions**" means the definitions set out in the 2013 FBF Master Agreement relating to transactions on forward financial instruments as published by the *Fédération Bancaire Française* ("**FBF**") and supplemented by the FBF technical schedules published by the FBF, as the case may be (together the "**FBF Master Agreement**"), as amended or supplemented as at the Issue Date.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Specified Denomination for that Interest Accrual Period and which, in the case of Fixed Rate Notes shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Specified Denomination for that period.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified in the Final Terms.

**"Interest Determination Date"** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

**"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the Final Terms.

**"ISDA Definitions"** means the 2006 ISDA Definitions, as amended or supplemented as at the Issue Date, as published by the International Swaps and Derivatives Association, Inc. and available at the office of the Paying Agents during usual business hours on any weekday (Saturdays and public holidays excepted).

**"Rate of Interest"** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the Final Terms.

**"Reference Banks"** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

**"Reference Rate"** means the rate specified as such in the Final Terms which shall be either LIBOR or EURIBOR, subject as provided in Condition 5(b)(iii)(D) (*Benchmark Discontinuation*).

**"Relevant Screen Page"** means such page, section, caption, column or other part of a particular information service as may be specified in the Final Terms.

**"Specified Currency"** means the currency specified as such in the Final Terms or, if none is specified, the currency in which the Notes are denominated.

**"TARGET System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

(j) **Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over the counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. **Redemption, Purchase and Options**

(a) **Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the maturity date specified in the Final Terms (the "**Maturity Date**") (which in the case of Subordinated Notes, shall be at least five years after the Issue Date of the relevant Tranche, and except for Undated Subordinated Notes) at its Final Redemption Amount (which, unless otherwise provided, is its principal amount). The Undated Subordinated Notes are undated obligations in respect of which there is no fixed redemption date.

(b) **Early Redemption**

(i) **Zero Coupon Notes**

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default and Enforcement*) shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default and Enforcement*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due

and payable shall be the scheduled Final Redemption Amount of such Note together with any interest that may accrue in accordance with Condition 5(e) (*Accrual of Interest*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Final Terms.

- (ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) (*Redemption for Taxation Reasons*) or upon it becoming due and payable as provided in Condition 10 (*Events of Default and Enforcement*), shall be the Final Redemption Amount.

(c) **Redemption for Taxation Reasons**

- (i) *Redemption of Notes upon the occurrence of a Withholding Tax Event*

If, by reason of any change in, or any change in the official application or interpretation of, French law, becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 8 (*Taxation*) (a "**Withholding Tax Event**"), the Issuer may, at its option (but subject, in the case of Subordinated Notes, to the provisions Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*)), on any Interest Payment Date (if this Note is a Floating Rate Note) or, at any time (if this Note is not a Floating Rate Note), subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 14 (*Notices*) redeem all, but not some only, of the Notes at their Early Redemption Amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.

- (ii) *Redemption of Notes upon the occurrence of a Gross-Up Event*

If the Issuer would on the next payment of principal or interest in respect of the Notes be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 (*Taxation*) (a "**Gross-Up Event**"), then the Issuer shall (but subject, in the case of Subordinated Notes, to the provisions of Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*)) forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 14 (*Notices*), redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(iii) *Redemption of Subordinated Notes upon the occurrence of a Tax Deductibility Event*

For Subordinated Notes, if, by reason of any change in, or any change in the official application or interpretation of, French law, becoming effective on or after the Issue Date, the tax regime of any payments under such Subordinated Notes is modified and such modification results in the part of the interest payable by the Issuer under such Subordinated Notes that is tax deductible being reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option (but subject to the provisions of Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*)), on any Interest Payment Date or at any time, subject to having given not more than 45 nor less than 30 days' prior notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 14 (*Notices*), redeem all, but not some only, of such outstanding Subordinated Notes at their Early Redemption Amount together with accrued interest (if any) thereon, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable not being impacted by the reduction in tax deductibility giving rise to the Tax Deductibility Event.

If the Notes are Subordinated Notes, the Issuer will not give notice under this Clause 6(c) unless it has demonstrated to the satisfaction of the Relevant Regulator that the change referred to in paragraphs (i), (ii) and (iii) above is material and was not reasonably foreseeable at the Issue Date of such Subordinated Notes.

(d) **Redemption of Subordinated Notes upon the occurrence of a Capital Event**

If the Notes are Subordinated Notes, upon the occurrence of a Capital Event, the Issuer may, at its option (but subject to the provisions of Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*)) at any time and having given not more than 45 nor less than 30 days' notices to the holders of the Subordinated Notes in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Subordinated Notes at their Early Redemption Amount, together with accrued interest (if any) thereon.

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in France including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of, and as applied by, the Relevant Regulator;

"**Capital Event**" means a change in the regulatory classification of the Subordinated Notes, that was not reasonably foreseeable at the Issue Date, as a result of which the Subordinated Notes would be fully excluded from Tier 2 Capital;

"**Relevant Regulator**" means the *Autorité de contrôle prudentiel et de résolution* and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer; and

"**Tier 2 Capital**" means capital which is treated by the Relevant Regulator as a constituent of tier 2 under Applicable Banking Regulations from time to time for the purposes of the Issuer.

(e) **Redemption at the Option of the Issuer**

If so provided in the relevant Final Terms, the Issuer may (but subject, in the case of Subordinated Notes, to the provisions Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*)), on giving irrevocable notice to the Noteholders falling within the Call Option Notice Period, redeem all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on any

Optional Redemption Date ("**Call Option**"). Any such redemption of Notes shall be at their Optional Redemption Amount together with any interest accrued to the date fixed for redemption. Any such redemption must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, on the date specified in such notice in accordance with this Condition.

If only some of the Notes of a Series are to be redeemed, on such date (i) in the case of Materialised Notes, the Fiscal Agent shall make the drawing that is required in accordance with the Conditions and, where applicable, the Issuer shall be entitled to send representatives to attend such drawing and (ii) in the case of Dematerialised Notes, the redemption shall be effected, by reducing the nominal amount of all such Dematerialised Notes in proportion to the aggregate nominal amount redeemed, in each case subject to compliance with any other applicable laws and requirements of the Regulated Market on which the Notes are listed and/or admitted to trading.

In the case of Subordinated Notes, no redemption at the option of the Issuer will be permitted prior to five years from the Issue Date of the Subordinated Notes, except in the case of a Capital Event or a Tax Event, and subject to the provisions Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*).

(f) **Redemption at the Option of Noteholders**

In the case of Subordinated Notes, no redemption at the option of the Noteholders is permitted. If so provided in the relevant Final Terms and provided that the Notes are not Subordinated Notes, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with any interest accrued to the date fixed for redemption ("**Put Option**").

To exercise such option the Noteholder must deposit with any Paying Agent at its specified office during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during usual business hours from any Paying Agent, within the notice period. Such notice shall, in the case of Materialised Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Principal Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) **Purchases**

(i) *Senior Notes*

In the case of Senior Notes, the Issuer may, subject to compliance by the Issuer with all relevant laws, regulations and directives, at any time purchase Senior Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price subject to the applicable laws and/or regulations. Unless the possibility of holding and reselling is expressly excluded in the relevant Final Terms, all Senior Notes so purchased by the Issuer may be held and resold for the purpose of enhancing the liquidity of the Senior Notes in accordance with applicable laws and regulations or cancelled in accordance with Condition 6(h) (*Cancellation*).

(ii) *Subordinated Notes*

In the case of Subordinated Notes, the Issuer may, at all times on or after the fifth (5<sup>th</sup>) anniversary of the Issue Date (but subject to the provisions of Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*)) purchase Subordinated Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto and surrendered therewith) in the open market or otherwise at any price subject to the applicable law and/or regulations.

Notwithstanding the above, the Issuer or any agent on its behalf may, at all times, purchase the Subordinated Notes for market purposes provided that: (a) the prior written approval of the Relevant Regulator shall be obtained; and (b) the total principal amount of the Subordinated Notes in any given Series so purchased does not exceed the lower of (x) 10% of the initial aggregate principal amount of the Subordinated Notes of such Series and any further Subordinated Notes issued under Condition 13 (*Further Issues*) or (y) 3% of the Tier 2 Capital of the Issuer from time to time outstanding. Unless the possibility of holding and reselling is expressly excluded in the relevant Final Terms, all Subordinated Notes so purchased by or on behalf of the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Subordinated Notes in accordance with applicable laws and regulations or cancelled in accordance with Condition 6(h) (*Cancellation*).

(h) **Cancellation**

All Notes redeemed or purchased by or on behalf of the Issuer may, at its sole option, be held or (but subject, in the case of Subordinated Notes, to the provisions of Condition 6(i) (*Additional Conditions to redemption and purchase of Subordinated Notes*)) cancelled in accordance with applicable laws and regulations. Notes will be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering the Temporary Global Certificate and the Definitive Materialised Notes in question together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. To the extent that the Notes are admitted to trading on Euronext Paris, the Issuer will inform Euronext Paris about such cancellation.

(i) **Additional conditions to redemption and purchase of Subordinated Notes**

The Subordinated Notes may only be redeemed, purchased or cancelled (as applicable) pursuant to Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption of Subordinated Notes upon the occurrence of a Capital Event*), Condition 6(e) (*Redemption at the Option of the Issuer*) or Condition 6 (g) (*Purchases*) (subject to the provisions set out in the second paragraph of the section relating to Subordinated Notes of Condition 6(g) (*Purchases*)), as the case may be, if the following conditions are satisfied:

- (i) the Relevant Regulator has given its prior written approval to such redemption, purchase or cancellation (as applicable); in this respect, Article 78 of the CRR provides that the Relevant Regulator shall grant permission for a redemption or repurchase of Subordinated Notes provided that either of the following conditions is met, as applicable to the Subordinated Notes:
  - (a) on or before such redemption or repurchase of the Subordinated Notes, the Issuer replaces the Subordinated Notes with instruments

qualifying as Tier 2 Capital of an equal or higher quality on terms that are sustainable for the Issuer's income capacity; or

- (b) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the tier 1 capital and the Tier 2 Capital of the Issuer would, following such redemption or repurchase, exceed the requirements laid down in CRR and CRD IV by a margin that the Relevant Regulator may consider necessary on the basis set out in CRR and CRD IV for it to determine the appropriate level of capital of an institution; and
- (ii) in the case of a redemption as a result of a Special Event, the Issuer has delivered a certificate to the Fiscal Agent (with copies) thereof being available at the Fiscal Agent's specified office during its normal business hours) not less than five Business Days prior to the date set for redemption that such Special Event has occurred or will occur not more than 90 days following the date fixed for redemption, as the case may be.

"**Special Event**" means either a Tax Event or a Capital Event; and

"**Tax Event**" means either a Withholding Tax Event, a Gross-Up Event or a Tax Deductibility Event.

## 7. **Payments**

### (a) **Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall, in the case of Dematerialised Notes in bearer dematerialised form or administered registered form, be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank designated by the Noteholders. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.

### (b) **Materialised Notes**

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender of the Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(v)) or Coupons (in the case of interest, save as specified in Condition 7(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

### (c) **Payments in the United States**

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments Subject to Fiscal Laws**

Without prejudice to the provisions of Condition 8 (*Taxation*)), all payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, in any jurisdiction (whether by operation of law or agreement of the Issuer, if applicable, or Agents), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreement thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto and the Issuer will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements.

No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus. The Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and, in each case, do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent and the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) Paying Agents having specified offices in at least two major European cities (including Paris so long as the Notes are listed on Euronext Paris and in such other city so long as the Notes are admitted to trading on any other Regulated Market) (iv) in the case of Dematerialised Notes in fully registered form, a Registration Agent and (v) such other agents as may be required by any other Stock Exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14 (*Notices*) below.

(f) **Unmatured Coupons and unexchanged Talons**

(i) Unless Materialised Notes provide that the relevant Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).

(ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Materialised Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Definitive Materialised Note.

(g) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9 (*Prescription*)).

(h) **Non-Business Days**

If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A)(i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions specified as "**Financial Centres**" in the relevant Final Terms and (C)(i) (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) (in the case of a payment in Euro), which is a TARGET Business Day.

8. **Taxation**

(a) **Withholding Tax**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional Amounts**

If French law should require that payments of principal, or interest by or on behalf of the Issuer in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, the Couponholders, as the case may be, of such

amounts as would have been received by them had no such deduction or withholding been required, provided, however, that the Issuer may, in that event, redeem all of the Notes then outstanding in accordance with Condition 6 (*Redemption, Purchase and Options*) and except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder or, if applicable, a Couponholder, as the case may be, who is liable to such taxes, duties assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note or Coupon; or
- (ii) **Presentation more than 30 days after the Relevant Date:** in the case of Materialised Notes, more than 30 days after the Relevant Date, except to the extent that the Noteholder, or if applicable, the Couponholder, as the case may be, would have been entitled to such additional amounts on presenting it for payment on or before such thirtieth calendar day of such time period.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which the payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or in the case of Materialised Notes (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 14 (*Notices*) that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition 8 (*Taxation*).

9. **Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. **Events of Default and Enforcement**

(a) Senior Notes

If any of the following events ("**Events of Default**") occurs and is continuing, the Representative (as defined in Condition 11 (*Representation of Noteholders*)), upon request of any Noteholder, or any Noteholder in the absence of a Representative, may give written notice to the Issuer and the Fiscal Agent at its specified office that all the Notes held by such Noteholder are immediately repayable, whereupon the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Issuer and the Fiscal Agent:

(i) Non-payment

if the Issuer defaults in any payment when due of principal or interest on any Note and such default continues for a period of more than 30 days; or

(ii) Breach of Other Obligations

the Issuer does not perform or comply with any one or more of its other obligations in respect of the Notes which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or

(iii) Cross Default

if any other indebtedness for money borrowed by the Issuer in excess of Euro 100,000,000 (or its equivalent in other currencies) becomes prematurely repayable following a default, or steps are taken to enforce any security in respect thereof, or the Issuer defaults in repayment of any such indebtedness at the maturity thereof as extended by any originally applicable grace period, or any guarantee of any indebtedness for money borrowed given by the Issuer is not honoured when due and called upon; or

(iv) Dissolution and Merger

if the Issuer is dissolved or merged into a company prior to the repayment in full of the Notes, unless in such event the obligations of the Issuer pursuant to the Notes are expressly assumed by such company.

(b) Subordinated Notes

There will be no events of default in relation to the Subordinated Notes. However, each Subordinated Note shall immediately become due and repayable at its principal amount together with interest accrued to the date of repayment, if any, on a Repayment Event.

"**Repayment Event**" means if the Issuer is dissolved or merged into a company prior to the repayment in full of the Notes, unless in such event the obligations of the Issuer pursuant to the Notes are expressly assumed by such company.

11. **Representation of Noteholders**

The Noteholders will, in respect of all Tranches in any Series be grouped automatically for the defence of their common interests in a masse (the "**Masse**") which will be governed by the provisions of Article L.228-46 *et seq.* of the French *Code de Commerce* as amended by this Condition 11 (*Representation of Noteholders*).

(a) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Noteholders (the "**Collective Decisions**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function and the Representative may be domiciled in any country.

The names and addresses of the initial Representative of the Masse and its alternate (if any) will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. Such remuneration will be paid by the

Issuer or any other party. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, retirement, resignation, revocation, liquidation or dissolution of the Representative, such Representative will be replaced by the alternate Representative (if any) or another Representative.

All interested parties will at all times have the right to obtain the name and address of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) **Powers of Representative**

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

(d) **Collective Decisions**

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**"), or (ii) by unanimous consent of the Noteholders following a written consultation (the "**Written Unanimous Decisions**"), or (iii) by the consent of one or more Noteholders holding at least 75 per cent. of the principal amount of the Notes outstanding, following a written consultation (the "**Written Majority Decisions**", and together with the Written Unanimous Decisions, the "**Written Decisions**").

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 14 (*Notices*).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series

(i) **General Meeting**

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the aggregate principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two (2) months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 14 (*Notices*) not less than fifteen (15) calendar days prior to the date of the General Meeting for a first convocation and not less than ten (10) calendar days in the case of a second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one (1) vote or, in the case of Notes issued with more than one Specified Denomination, one (1) vote in respect of each multiple of

the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

Each Noteholder or representative thereof will have the right, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, and during the ten (10) calendar day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth (1/5) of the aggregate principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third (2/3) majority of votes cast by Noteholders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14 (*Notices*).

(ii) **Written Decisions**

At the initiative of the Issuer, the Representative or any Noteholder in the absence of a Representative, Collective Decisions may also be taken by Written Unanimous Decisions or Written Majority Decisions.

(A) Written Unanimous Decision

Written Unanimous Decisions shall be signed by or on behalf of all the Noteholders of the relevant Series without having to comply with formalities and time limits referred to in Condition 11(d)(i). Approval of a Written Unanimous Decision may also be given by way of electronic communication allowing the identification of Noteholders in accordance with Article L.228-46-1 of the French *Code de commerce*, but in respect of any Series of Dematerialised Notes only ("**Electronic Consent**"). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Unanimous Decision may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 14 (*Notices*).

(B) Written Majority Decision

Notice seeking the approval of a Written Majority Decision (including by way of Electronic Consent) will be published as provided under Condition 14 (*Notices*) no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Majority Decision (the "**Written Majority Decision Date**"). Notices seeking the approval of a Written Majority Decision will contain the conditions of form and time-limits to be complied with by Noteholders who wish to express their approval or rejection of such proposed Written Majority Decision. Noteholders expressing their approval or rejection before the Written Majority Decision Date will, by virtue of having expressed their approval or rejection before the Written Majority Decision Date, have irrevocably undertaken not to dispose of their Notes until after the Written Majority Decision Date.

Written Majority Decision shall be signed by one or more Noteholders holding together at least 75 per cent. of the principal amount of the Notes of the relevant Series which are outstanding, without having to comply with formalities and time limits referred to in Condition 11(d)(i). Approval of a Written Majority Decision may also be given by Electronic Consent. Any Written Majority Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of the Noteholders. Such Written Majority Decision may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 14 (*Notices*).

(e) **Expenses**

The Issuer will pay all reasonable and duly documented expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(f) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first-mentioned Series in accordance with Condition 13 (*Further Issues*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all the Tranches of such Series.

(g) **Sole Noteholder**

If and for so long as the Notes of any Series are held by a sole Noteholder and unless a Representative has been appointed in relation to such Series, such Noteholder shall exercise all the powers, rights and obligations entrusted with the Representative and the Noteholders acting through Collective Decisions by the provisions of Conditions 11(c) to 11(f) above, as appropriate. The Issuer shall hold a register of the decisions taken by the sole Noteholder in this capacity and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

For the avoidance of doubt, in this Condition 11 (*Representation of Noteholders*), the expression "outstanding" does not include the Notes subscribed or purchased by the Issuer, or on its behalf, or by any of its subsidiaries pursuant to applicable laws and regulations.

12. **Replacement of Materialised Notes, Coupons and Talons**

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations on which the Notes are listed and/or admitted to trading, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. **Further Issues**

The Issuer may from time to time (subject, for Subordinated Notes, to the prior information of the Relevant Regulator), without the consent of the Noteholders or Couponholders create and issue further notes to be assimilated (*assimilées*) and form a single series with the Notes,

provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the principal amount thereof, the issue price, the issue date, and the first payment of interest specified in the relevant Final Terms) and that the terms of such further Notes provide for such assimilation, and references in these Conditions to "Notes" shall be construed accordingly.

#### 14. Notices

- (a) Subject to Condition 14(d) (*Notices*), notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth (4<sup>th</sup>) weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*); provided that, so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, notices shall be valid if published in a daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are admitted to trading is located which, in the case of Euronext Paris, is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.
- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, in a leading daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes is/are admitted to trading is located which, in the case of Euronext Paris is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe, provided that so long as such Notes are admitted to trading on any Regulated Market, notice shall be published as otherwise required by the applicable rules of that Regulated Market, as the case may be. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition 14 (*Notices*).
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) (*au nominatif ou au porteur*) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 14(a), (b) and (c) above; except that (i) so long as such Notes are admitted to trading on any Regulated Market and the rules applicable to such Regulated Market so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the Regulated Market on which such Notes are admitted to trading is/are located which, in the case of Euronext Paris is expected to be *Les Echos*, and as otherwise required by the applicable rules of that Regulated Market, as the case may be and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 11 (*Representation of Noteholders*) shall also be published in a leading newspaper of general circulation in Europe.

#### 15. Governing Law and Jurisdiction

##### (a) Governing Law

The Notes (and, where applicable, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction**

Any claim against the Issuer in connection with any Notes, Coupons or Talons will be submitted to the jurisdiction of the competent courts in Paris.

(c) **Immunity from Attachment**

The assets and properties of the Issuer cannot be subject to any attachment or other enforcement proceedings in the Republic of France.

## TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED NOTES

### Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream (the "**Common Depository**"), Euroclear or Clearstream will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

### Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Subscription and Sale" below), in whole, but not in part, for the Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Notes.

### Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, Definitive Materialised Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

### Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the calendar day falling after the expiry of forty (40) calendar days after its issue date, provided that, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 13 (*Further Issues*), the Exchange Date for such Temporary Global Certificate shall be postponed to the calendar day falling after the expiry of 40 calendar days after the issue of such further Materialised Notes.

## FORM OF FINAL TERMS

**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 (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority ("**ESMA**") on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU on markets in financial instruments 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.

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") and in the United Kingdom ("**UK**"). 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 on markets in financial instruments (as amended, "**MiFID II**")]/[MiFID II]; (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution (as amended, "**IDD**"), 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 "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA and in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA and in the UK may be unlawful under the PRIIPS Regulation.

Final Terms dated [●]

Agence Française de Développement



Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the Euro 50,000,000,000  
Euro Medium Term Note Programme

Legal Entity Identifier (LEI): 9695008K5N8MKIT4XJ91

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 12 June 2020 which received approval number 20-252 from the *Autorité des marchés financiers* (the "**AMF**") on 12 June 2020 [and the supplement[s] dated [●] which received approval n°[●] from the AMF on [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"). The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 as may be amended time to time. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms[,][and] the Base Prospectus. The Final Terms and the Base Prospectus (including any supplement thereto) are available for viewing at and copies may be obtained from the Fiscal Agent and the Paying Agents and will be available on the Issuer's website ([www.afd.fr](http://www.afd.fr)) and on the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the base prospectus dated [15 June 2016/9 June 2017/22 May 2018]/17 May 2019] which received visa n°[16-0252/17-0265/18-0192/19-0212] from the AMF on [15 June 2016/9 June 2017/22 May 2018/17 May 2019]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the base prospectus dated 12 June 2020 which received approval number 20-252 from the AMF on 12 June 2020 [and the supplement[s] to the Base Prospectus dated [●] which received approval n°[●] from the AMF on [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Base Prospectus**”), including the Conditions which are incorporated by reference therein. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 as may be amended time to time. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Conditions [and the Supplement[s] to the Base Prospectus dated [●]]. The Final Terms, the Base Prospectus and the Conditions are available for viewing at and copies may be obtained from the Fiscal Agent and the Paying Agents and will be available on the Issuer's website ([www.afd.fr](http://www.afd.fr)) and on the AMF's website ([www.amf-france.org](http://www.amf-france.org)).

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

<b>1 Issuer:</b>	Agence Française de Développement
<b>2 (i) Series Number:</b>	[●]
<b>(ii) Tranche Number:</b>	[●]
<b>[(iii) Date on which the Notes become fungible:]</b>	[Not Applicable/ The Notes will be assimilated, form a single series and be interchangeable for trading purposes with the existing <i>[insert description of the Series of original notes]</i> issued by the Issuer on <i>[insert date]</i> /the Issue Date] [as from the date of assimilation which is expected to be on or about 40 days after the Issue Date (the “ <b>Assimilation Date</b> ”) of this Tranche]/[as from the Issue Date of this Tranche]. <i>(this item applies to fungible issues only)</i>
<b>3 Specified Currency:</b>	[●]
<b>4 Aggregate Nominal Amount:</b>	[●]
(i) Series:	[●]
(ii) Tranche:	[●]
<b>5 Issue Price:</b>	[●] per cent. of the Aggregate Nominal Amount [plus an amount corresponding to accrued interest from, and including, <i>[insert date]</i> to, but excluding, [the Issue Date/ <i>insert other date</i> ] ( <i>in the case of fungible issues only, if applicable</i> )]

- 6 (i) **Specified Denominations:** [●]<sup>7</sup>
- 7 [(i)] **Issue Date:** [●]
- [(ii)] **Interest Commencement Date:** [specify/ Issue Date/ Not Applicable]
- 8 **Maturity Date:** [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] (in the case of Subordinated Notes, the Maturity Date shall be at least five years after the Issue Date) (in the case of Undated Subordinated Notes, there is no fixed maturity)
- 9 **Interest Basis:** [[●] per cent. Fixed Rate]
- [[[●] month EURIBOR/LIBOR] +/- [●] per cent. Floating Rate]
- [Zero Coupon]
- [Fixed/Floating Rate]
- (further particulars specified below)
- 10 **Redemption Basis:** Subject to any purchase and cancellation or early redemption, the Notes will be redeemed at [100] per cent. of their nominal amount on the Maturity Date.
- 11 **Change of Interest Basis:** [specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there][Not Applicable]
- 12 **Put/Call Options:** [Investor Put]
- [Issuer Call]
- [(further particulars specified below)]
- 13 (i) **Status of the Notes:** [Senior Notes]
- [Subordinated Notes]
- [(ii)] **[Date of [Board] approval for issuance of Notes obtained:]** [●] [and [●], respectively]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
- (if not applicable, delete the remaining sub-paragraphs of this paragraph)

<sup>7</sup> Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

- (i) Rate[(s)] of Interest: [●] per cent. per annum payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Specified Denomination
- (iv) Broken Amount(s): [●] per Specified Denomination, payable on the Interest Payment Date falling [in/on] [●] [*insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]*]
- (v) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA / Actual/Actual – ICMA / Actual/365 – FBF / Actual/Actual – FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- (vi) Determination Dates: [[●] in each year / Not Applicable]  
  
*(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*

**15 Floating Rate Note Provisions:**

[Applicable/Not Applicable]

*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●] in each year, [subject to adjustment in accordance with the Business Day Convention set out in (v) below/not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date: [●] (*not applicable unless different from Interest Payment Date*)
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/Not Applicable]
- (vi) Business Centre(s): [●] (*note that this item relates to interest period end dates and not to the date and place of payment to which item 22 relates*)
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination / ISDA Determination/FBF Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]/[Not Applicable]

- (ix) Screen Rate Determination:
    - Reference Rate: [[●] month EURIBOR/LIBOR]
    - Interest Determination Date(s): [●]
    - Relevant Screen Page: [●]
    - Reference Banks: [Not Applicable]/ [●]
  - (x) ISDA Determination:
    - Floating Rate Option: [●]
    - Designated Maturity: [●]
    - Reset Date: [●]
  - (xi) FBF Determination:
    - Floating Rate: [●]
    - Floating Rate Determination Date  
(*Date de Détermination du Taux Variable*): [●]
  - (xii) Margin(s): [+/-][●] per cent. per annum
  - (xiii) Minimum Rate of Interest: [Zero]/[[●] per cent. per annum]
  - (xiv) Maximum Rate of Interest: [●] per cent. per annum
  - (xv) Day Count Fraction: [Actual/Actual / Actual/Actual – ISDA / Actual/Actual – ICMA / Actual/365 – FBF / Actual/Actual – FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
- 16 Zero Coupon Note Provisions:** [Applicable/Not Applicable]
- (if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum
  - (ii) Day Count Fraction in relation to Early Redemption Amounts and late payments: [Actual/Actual / Actual/Actual – ISDA / Actual/Actual – ICMA / Actual/365 – FBF / Actual/Actual – FBF / Actual/365 (Fixed) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

**PROVISIONS RELATING TO REDEMPTION**

- 17 Call Option:** [Applicable/Not Applicable]
- (if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●] [*in the case of Subordinated Notes: subject to regulatory approval (the first Optional Redemption Date shall be at least five years after the Issue Date)*]

(ii) Optional Redemption Amount(s) of each Note: [●] per Specified Denomination

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [●] per Specified Denomination

(b) Maximum Redemption Amount: [●] per Specified Denomination

(iv) Call Option Notice Period: [●]<sup>8</sup> days

**18 Put Option:** [Applicable/Not Applicable]

*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s): [●]

(ii) Optional Redemption Amount(s) of each Note: [●] per Specified Denomination

(iii) Put Option Notice Period: [●]<sup>9</sup> days

**19 Final Redemption Amount of each Note:** [●] per Specified Denomination

**20 Early Redemption Amount**

[Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default:] [[Not Applicable/[●] per Specified Denomination] *(Applicable only to Senior Notes)*]

[Early Redemption Amount(s) of each Note payable on redemption upon the occurrence of a Capital Event (Condition 6(d)), a Withholding Tax Event (Condition 6(c)(i)), a Gross-Up Event (Condition 6(c)(ii)) or a Tax Deductibility Event (Condition 6(c)(iii)):] [[Not Applicable/[●] per Specified Denomination] *(Applicable only to Subordinated Notes)*]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

**21 Form of Notes:** [Dematerialised Notes/Materialised Notes] *(Materialised Notes are only in bearer form)*  
[Delete as appropriate]

(i) Form of Dematerialised Notes: [Applicable/Not Applicable] *[if applicable, specify whether bearer dematerialised form (au porteur), registered dematerialised form (au nominatif administré) or fully registered dematerialised form (au nominatif pur)]*

(ii) Registration Agent: [[Give name and details]/Not Applicable] *(Note that a Registration Agent must be appointed in relation to Dematerialised Notes in fully registered form (au nominatif pur) only)*

<sup>8</sup> The clearing systems will require a notice period of at least 5 business days.

<sup>9</sup> The clearing systems will require a notice period of at least 5 business days.

- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the "**Exchange Date**"), being 40 calendar days after the Issue Date subject to postponement as provided in the Temporary Global Certificate]
- 22 Financial Centre(s):** [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15 (vi) relates]
- 23 Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made]
- 24 Purchase in accordance with Article L.213-1 A and D.213-1 A of the *French Code monétaire et financier*:** [Applicable/Not Applicable] (*Applicable only to Senior Notes*)  
[Applicable] (*Applicable only to Subordinated Notes*)
- 25 Possibility to request identification information of the Noteholders provided by Condition 1(a)(i):** [Applicable/Not Applicable]
- 26 Representation of Noteholder(s)/Masse** [Applicable/Not Applicable as at the given date]  
*(if not applicable, delete the remaining sub paragraphs of this paragraph)*  
[The Representative shall be [●]] [*include any alternate Representative if necessary*]  
[The Representative will be entitled to a remuneration of [●] per year/The Representative will be entitled to an upfront fee of [●] in respect of the Notes/The Representative will not be entitled to a remuneration]

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer

By:

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

Listing and admission to trading:

[Application has been made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on [specify relevant regulated market] with effect from [●]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed and admitted to trading on [specify relevant regulated market]] with effect from [●].] [Not Applicable.]

*(where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

Ratings:

[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[S&P: [●]]

[Fitch Ratings: [●]]

[[Other]: [●]]

[The Credit rating[s] referred to above [has]/[have] been issued by [●] [and [●]], [each of] which is established in the European Union or in the United Kingdom and [is]/[has applied to be] registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**").]

*[Need to include a brief explanation of the ratings if this has previously been published by the rating provider]*

*(The above 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, that rating.)*

**3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["**Subscription and Sale**"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

*[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*

**4 USE AND ESTIMATED NET AMOUNT OF THE PROCEEDS**

Use of proceeds:

The net proceeds from each issue of Notes will be applied by the Issuer for [its general corporate purposes/specify any other reasons]. [The net proceeds of the Notes will be used by the Issuer to finance certain climate projects pursuant to the AFD Climate Bond Framework as of 13 November 2017 which is available on the website of the Issuer (<https://www.afd.fr/sites/afd/files/2017-10/afd-climate-bond-framework.pdf>) *[If applicable, describe specific climate projects]*. A copy of the AFD Climate Bond Framework as of 13 November 2017 may be obtained free of charge, during normal business hours, at the office of the Issuer located 5, rue Roland Barthes, 75012 Paris, France.

Estimated net amount of the proceeds:

[●]

**5 [Fixed Rate Notes only – YIELD]**

Indication of yield:

[●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

**6 [Floating Rate Notes only – HISTORIC INTEREST RATES AND BENCHMARKS]**

(i) Historic interest rates:

Details of historic [LIBOR/EURIBOR] can be obtained, [but not] free of charge from [Reuters]./give details of electronic means of obtaining the details of performance.]

- (ii) Benchmarks: Amounts payable under the Notes will be calculated by reference to [LIBOR/EURIBOR] which is provided by [•]. As at [•],[•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011, as amended or supplemented (the "**Benchmarks Regulation**"). [As far as the Issuer is aware the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union and the United Kingdom, recognition, endorsement or equivalence).]/[Not Applicable].]

## 7 OPERATIONAL INFORMATION

- ISIN Code: [•] [until the Exchange Date, [•] thereafter]
- Common Code: [•] [until the Exchange Date, [•] thereafter]
- [FISN Code: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available] (*If the CFI and/or FISN is not required or requested, it/they should be specified to be "Not Applicable".*)]
- [CFI Code [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
- Any clearing system(s) other than Euroclear France, Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s): [Not Applicable/*give name(s) and number(s) [and address(es)]*]
- Delivery: Delivery [against/free of] payment
- Names and addresses of additional Paying Agent(s) (if any): [•]

## 8 DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non syndicated]

(ii) If syndicated:

(A) Name of Managers:

[Not Applicable/give name(s)]

*(include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers. Where not all of the issue is underwritten, include a statement of the portion not covered)*

(B) Stabilising Manager(s) (if any):

[Not Applicable/give name(s)]

(iii) If non syndicated, name of Dealer:

[Not Applicable/give name]

(iv) US Selling Restrictions (Categories of potential investors to which the Notes are offered):

Reg. S Compliance Category 2 applies to the Notes; [TEFRA C applies to Materialised Notes/TEFRA D applies to Materialised Notes/TEFRA not applicable to Dematerialised Notes]

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 12 June 2020 (as amended from time to time, the "**Dealer Agreement**") between the Issuer, Barclays Bank Ireland PLC, BNP Paribas, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Credit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC France, JP Morgan Securities plc, Morgan Stanley & Co. International plc, Natixis and Société Générale (the "**Permanent Dealers**") and BNP Paribas, as arranger of the Programme (the "**Arranger**"), the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to dealers that are not Permanent Dealers (such dealers together with the Permanent Dealers, the "**Dealers**"). The Notes may be resold at prevailing market prices, or at prices related thereto, as determined by the relevant Dealer, at the time of such resale.

The Issuer will pay each relevant Dealer(s) a commission as agreed between them in respect of Notes subscribed by it.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### United States

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### Prohibition on offers and sales to EEA and UK Retail Investors for the purposes of the Prospectus Regulation and the PRIIPs Regulation

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 to any retail investor in the EEA and the UK. For the purposes of this provision the expression "retail investor" means a person who is one (or both) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II and/or (ii) a customer within the meaning of IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **France**

Each Dealer has represented and agreed, and each further Dealer will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, Notes in France to qualified investors (*investisseurs qualifiés*) as defined in Article L.411-2 1° of the French *Code monétaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Base Prospectus, any Final Terms or any other offering material relating to the Notes.

### **Switzerland**

Each Dealer has agreed, and each further Dealer will be required to agree, that any issue of Notes denominated in Swiss Francs will be in compliance with the guidelines of the Swiss National Bank regarding issues of Swiss Francs denominated debt securities.

### **Japan**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**") and has agreed or will agree, as the case may be, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

### **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has

in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

## GENERAL INFORMATION

1. *AMF approval and admission to trading of the Notes issued under the Programme*

This Base Prospectus has been approved by the AMF under number 20-252 on 12 June 2020 in France in its capacity as competent authority under the Prospectus Regulation. The AMF has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application may be made to list and admit any Series of Notes issued hereunder to trading on Euronext Paris and/or any other Regulated Market. In accordance with Article 25 of the Prospectus Regulation, a request may be made for the notification of a certificate of approval to any competent authority of any Member State of the EEA or the UK, in order for Notes issued hereunder to be listed and admitted to trading on any other Regulated Market.

2. *Consents, approvals and authorisations*

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in the Republic of France in connection with the issue and performance of the Notes. A resolution of the *Conseil d'administration* (board of directors) of the Issuer was passed on 30 January 2020, authorising the *Directeur Général* of the Issuer to borrow up to Euro 9,000,000,000 during the year 2020 by, inter alia, issuing bonds in the international markets.

3. *Validity of Base Prospectus*

The Base Prospectus shall be valid for admission to trading of Notes on a Regulated Market for twelve (12) months after its approval by the AMF, until 11 June 2021, provided that it shall be completed by any supplement pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including information incorporated by reference) in this Base Prospectus which may affect the assessment of the Notes. After such date, the Base Prospectus will expire and the obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

4. *LEI Code*

The Issuer's LEI code is 9695008K5N8MKIT4XJ91.

5. *No significant change*

Save as disclosed in this Base Prospectus, including with respect to the impact of Covid-19, there has been no significant change in the financial position or financial performance of the Issuer or the Group since 31 December 2019.

6. *No material adverse change*

Save as disclosed in this Base Prospectus, including with respect to the impact of Covid-19, there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2019.

7. Long-term debt of the Issuer

As of 30 April 2020, the long-term debt (defined as "*Emprunts obligataires*" and "*Dettes subordonnées*") of the Issuer as compared with amounts shown in the 31 December 2019 consolidated balance sheet has increased by EUR 1,730,316,461.

8. *No governmental, legal or arbitration proceedings*

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the last twelve (12) months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects in the context of the issue of the Notes, on the financial position or profitability of the Issuer.

9. *No potential conflicts of interest*

To the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of the members of the administrative and management bodies of the Issuer and the duties they owe to the Issuer.

10. *Statutory Auditors*

Mazars and KPMG S.A. have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the years ended 31 December 2018 and 31 December 2019. Mazars and KPMG S.A. are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*). As from 1 January 2020, the statutory auditors of the Issuer are KPMG S.A. and BDO. KPMG S.A. and BDO are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*).

11. *Clearing Systems*

Application may be made for the Notes to be accepted for clearance through Euroclear France and/or Euroclear and/or Clearstream systems. The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear France is 66, rue de la Victoire 75009 Paris, France, the address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg. The address of any alternative clearing system will be specified in the relevant Final Terms.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent. The address of Euroclear France is 66 rue de la Victoire, 75009 Paris, France.

If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Final Terms.

12. *Documents on display*

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection, and, in the case of the documents listed at (iii), (iv), (v) and (vi) below, for collection at the office of the Fiscal Agent and the Paying Agent(s); the documents listed at (iv), (v) and (vi) below, will also be available on the Issuer's website (<http://www.afd.fr/home/AFD/finances>):

- (i) the constitutive documents of the Issuer;
- (ii) the 2018 Registration Document and the 2019 Universal Registration Document;
- (iii) each Final Terms for Notes that are listed and admitted to trading on the regulated market of Euronext Paris and/or any other stock exchange;
- (iv) a copy of this Base Prospectus together with any supplement to this Base Prospectus; and

- (v) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

In addition, the following documents will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)):

- (i) the 2018 Registration Document and the 2019 Universal Registration Document;
- (ii) each Final Terms for Notes that are listed and admitted to trading on the regulated market of Euronext Paris and/or any other stock exchange; and
- (iii) a copy of this Base Prospectus together with any supplement to this Base Prospectus.

The Agency Agreement (which includes the form of the *lettre comptable*, of the Temporary Global Certificates of the Definitive Materialised Notes, of the Coupons, of the Receipts and of the Talons) will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection free of charge, at the registered office of the Issuer.

If the Notes are listed and admitted to trading on a Regulated Market other than Euronext Paris in accordance with the Prospectus Regulation, the relevant Final Terms to those Notes will provide whether additional methods of publication are required and what they consist of.

13. *Yield*

The yield of a particular Tranche of Fixed Rate Notes will be calculated at the relevant Issue Date on the basis of the Issue Price set out in the relevant Final Terms. It is not an indication of future yield.

14. *Credit ratings*

As at the date of this Base Prospectus, the long-term Issuer Default Rating of the Issuer assigned by Fitch Ratings is AA and the long-term corporate rating of the Issuer assigned by S&P is AA. Fitch Ratings has assigned the Programme an unsecured long-term rating at AA and the Programme has been rated AA by S&P. Credit ratings included or referred to in this Base Prospectus have been issued by Fitch Ratings and S&P, each of which is established in the European Union or in the United Kingdom and is registered under the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. 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.

15. *Currency*

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "€", "Euro", "EURO" and "EUR" are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities as amended, references to "£", "GBP", "pounds sterling" and "Sterling" are to the lawful currency of the United Kingdom, references to "HKD" are to the lawful currency of Hong Kong, references to the "U.S." and the "United States" are to the United States of America and references to "U.S.\$" and "U.S. Dollars" are to the lawful currency of the United States of America.

16. *Stabilisation*

In connection with the issue of any Tranche, the Dealer (or Dealers) (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of the Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the price of the relevant Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the relevant Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Notes and 60 days after the date of the allotment of the

relevant Notes. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

17. *Forward-looking statements*

This Base Prospectus (including the documents incorporated by reference) contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. These forward-looking statements do not constitute profit forecasts or estimates under the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation.

18. *Benchmarks Regulation*

Amounts payable under the Floating Rate Notes may be calculated by reference to one or more "benchmarks" for the purposes of the Benchmarks Regulation. In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in the ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

## PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS

### In the name of the Issuer

The Issuer hereby declares that, to the best of its knowledge, the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and that this Base Prospectus makes no omission likely to affect its import.

### Agence Française de Développement

Represented by Bokar Cherif, Head of Treasury and Capital Markets  
*(Directeur du département Trésorerie et Marchés de Capitaux)*

12 June 2020



This Base Prospectus has been approved by the AMF in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Base Prospectus after having verified that the information it contains is complete, coherent and comprehensible in accordance with 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 Base Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

The Base Prospectus has been approved on 12 June 2020 and is valid until 11 June 2021 and shall during this period, in accordance with Article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the Base Prospectus in the event of new material facts or substantial errors or inaccuracies. The Base Prospectus has been given the following approval number: 20-252.

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**FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

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