

Prospectus Supplement n° 21-413 dated 23 September 2021 to the Base Prospectus dated 25 June 2021



BANQUE PALATINE
(société anonyme à conseil d'administration)

€ 5,000,000,000

Euro Medium Term Note Programme

This prospectus supplement no. 2 (the "**Prospectus Supplement no. 2**") constitutes a second supplement to and must be read in conjunction with the Base Prospectus dated **25 June 2021** which received visa no. **21-260** from the *Autorité des marchés financiers* (the "**AMF**") on **25 June 2021** (the "**Base Prospectus**") prepared by **Banque Palatine** (the "**Issuer**") with respect to its Euro 5,000,000,000 Euro Medium Term Note Program (the "**Program**") as supplemented by the first Prospectus Supplement dated 09 August 2021 which received visa no. 21-355 from the *Autorité des marchés financiers* (the "**AMF**") on 09 August 2021 (the "**Prospectus Supplement no. 1**"). The Base Prospectus as supplemented by the Prospectus Supplement no.1 and by this Prospectus Supplement no.2 constitutes a base prospectus for the purpose of Article 8 of the Prospectus Regulation to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Regulation**").

Terms defined in the Base Prospectus and in the Prospectus Supplement no. 1 shall have the same meaning when used in this Prospectus Supplement no. 2.

This Prospectus Supplement no. 2 has been prepared pursuant to Article 23 of the Regulation (EU) 2017/1129 (the Prospectus Regulation) for the purpose of giving information with regard to the Issuer and the notes to be issued under the Program additional to the information already included or incorporated by reference in the Base Prospectus.

This Prospectus Supplement no. 2, the Base Prospectus, the Prospectus Supplement no. 1 and any documents incorporated by reference herein and therein will be published on the website of the Issuer (<https://www.palatine.fr>) and filed with the AMF.

Pursuant to Article 23 of the Regulation (EU) 2017/1129 (the Prospectus Regulation), investors who have already accepted to purchase or subscribe for any Notes to be issued under the Program before this Prospectus Supplement no. 2 is published, shall have the right, exercisable within a time limit which shall not be shorter than three working days after the publication of this Prospectus Supplement no. 2 i.e. 28 September 2021, to withdraw their acceptance, provided that the new factor, material mistake or inaccuracy was prior to the final closing of the public offer and delivery of the financial securities. Investors who wish to exercise this right may contact their usual Banque Palatine interlocutor.



The supplement to the prospectus was approved on September 23, 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF approves this document after verifying that the information contained in the prospectus is complete, consistent and understandable within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the issuer covered by the supplement.

The supplement to the prospectus has the following approval number: 21-413

TABLE OF CONTENTS

RISK FACTORS	3
DOCUMENTS INCORPORATED BY REFERENCE	4
DESCRIPTION OF THE ISSUER	7
GENERAL INFORMATION	14

RISK FACTORS

On page 22, following the risk factor entitled « An economic environment characterized by sustained low interest rates could adversely affect the profitability and financial condition of Banque Palatine », the risk factor below is added:

Banque Palatine may not realise the objectives in its 2021-2024 Strategic Plan

Banque Palatine launched its new strategic plan, « UP 2024 ». This plan, within the framework of Groupe BPCE's « BPCE 2024 » plan, covers the 2021-2024 period. The main directions of the UP 2024 strategic plan were presented to the board of directors on September 17, 2021. UP 2024 brings together 2 strategic orientations: (i) accelerate the conquest of targeted mid-size companies and private clients; (ii) adapt Banque Palatine to its environment by centering the commercial network around the corporate market and taking advantage of the modernization of tools and the evolution of Banque Palatine commercial strategy to increase the operational efficiency of central functions. It is also based on three cross-functional markers: strengthening employee engagement; modernize and digitize uses; strengthen Banque Palatine's involvement in Social and Environmental Responsibility. This plan contains forward looking information, which is necessarily subject to uncertainty. In particular, in connection with the 2021-2024 Strategic Plan, Banque Palatine announced a number of financial targets, including for revenue growth and cost reduction, as well as targets for liquidity and regulatory capital ratios. The financial objectives, established primarily for purposes of planning and allocation of resources, are based on a number of assumptions, and do not constitute projections or forecasts of anticipated results. The actual results of Banque Palatine are likely to vary (and could vary significantly) from these targets for a number of reasons, including the materialisation of one or more of the risk factors described in this section "Risk Factors" of this Base Prospectus. If Banque Palatine does not realize its objectives, then its financial condition and the value of the Notes could be adversely affected.

DOCUMENTS INCORPORATED BY REFERENCE

On page 44, the section headed "DOCUMENTS INCORPORATED BY REFERENCE" of the Base Prospectus is deleted in its entirety and replaced with the following:

This Base Prospectus should be read and construed in conjunction with the information which are identified in the cross reference table below contained in the following documents which shall be incorporated in, and shall be deemed to form part of, this Base Prospectus:

- (a) the 2020 annual financial report (the "2020 Financial Report") of the Issuer in English language which includes the consolidated financial statements for the fiscal year ended 31 December 2020, together with the explanatory notes and the related auditors reports;

https://www.palatine.fr/fileadmin/user_upload/pdf/infos-financieres/BANQUE_PALATINE_FINANCIAL_REPORT_2020.pdf

- (b) the 2019 annual financial report (the "**2019 Financial Report**") of the Issuer in English language which includes the consolidated financial statements for the fiscal year ended 31 December 2019, together with the explanatory notes and the related auditors reports;

https://www.palatine.fr/fileadmin/user_upload/BANQUE_PALATINE_FINANCIAL_REPORT_2019.pdf

- (c) the sections "Terms and Conditions of the Notes" of the following base prospectuses:

- (i) the base prospectus dated 25 June 2020 (pages 47 to 80) (the "**2020 EMTN Conditions**"); and

https://www.palatine.fr/fileadmin/user_upload/Banque_Palatine_-_Update_2020_-_Base_Prospectus__v._finale_avec_numero_d_approbation_.pdf

- (ii) the base prospectus dated 4 July 2019 (pages 89 to 121) (the "**2019 EMTN Conditions**", and together with the 2020 EMTN Conditions, the "**EMTN Previous Conditions**").

https://www.palatine.fr/fileadmin/user_upload/Banque-Palatine-Update-2019-Base-Prospectus_-_v.finale_avec_visa_.pdf

- (d) the press release "Résultats du premier semestre 2021 : Des performances commerciales et financières robustes ; Un coefficient d'exploitation en nette amélioration ; Un coût du risque encore marqué par la crise ; Une trajectoire redevenue bénéficiaire" in French language, published on 03 August 2021, which includes non-audited condensed financial statements as of 30 June 2021; (the "**2021 Semi Annual Results Press Release**").

https://www.palatine.fr/fileadmin/user_upload/Palatine_CA_03082021.pdf

- (e) the interim financial report as of June 2021 (the « **Rapport Financier Semestriel 30 Juin 2021** ») of the issuer in French language, which includes non-audited condensed financial statements, notes to the financial statements as well as auditor's limited review report;

https://www.palatine.fr/fileadmin/user_upload/pdf/infos-financieres/BANQUE_PALATINE_RAPPORT_FINANCIER_SEMESTRIEL_JUIN_2021.pdf

- (f) the press release "La Banque Palatine dévoile son nouveau plan stratégique UP 2024" in French language, published on 20 September 2021, which includes the main orientations of the strategic plan of Banque Palatine ; (the "**UP 2024 Strategic Plan Press Release**").

https://www.palatine.fr/fileadmin/user_upload/pdf/communiques-presse/CP_09_2021_Palatine_Plan_strategique_.pdf

For the sake of clarity, sections not identified in the table below shall not form part of this Base Prospectus and are either not relevant for the investors or covered elsewhere in this Base Prospectus. Any statement contained in the documents incorporated by reference shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Any websites included in this Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

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 as long as any Notes are outstanding, all documents incorporated by reference into this Base Prospectus may be obtained, free of charge at the registered office of the Issuer during normal business hours, and will be available on the website of the Issuer (<https://www.palatine.fr/>) and on the following website : <https://www.info-financiere.fr/pages/home/>.

Cross Reference Table - Annex VI of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation

	UP 2024 Strategic Plan Press Release	Rapport Financier Semestriel 30 Juin 2021	2021 Semi Annual Results Press Release	2020 Financial Report	2019 Financial Report
4. INFORMATION ABOUT THE ISSUER					
4.1.5 Details of any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency	Pages 1 and 2	Pages 5 to 6	Pages 1 to 3	Pages 6 to 18	Pages 5 to 14
7. TREND INFORMATION					
7.2 Information of any known trends		Pages 8 to 14	Pages 1 to 3	Pages 17 to 18 and 72	Pages 14 and 64
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES					
11.1 Historical Financial Information					
11.1.1 Audited historical financial information				Pages 65 to 185	Pages 58 to 166
11.1.6 Consolidated financial statements				Pages 65 to 185	Pages 58 to 166
11.2 Interim and other financial information		Pages 18 to 89	Pages 1 to 3	Not Applicable	Not Applicable
11.3 Auditing of historical annual financial information		Pages 15 to 17		Pages 186 to 195	Pages 167 to 178
11.3.1 a Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of				Page 187	Page 176

matter must be reproduced in full.					
11.4 Legal and arbitration proceedings				Pages 223 to 224	Pages 204 to 205

The EMTN Previous Conditions are incorporated by reference into the Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single Series with Notes already issued under the relevant EMTN Previous Conditions.

<i>EMTN Previous Conditions</i>	
2020 EMTN Conditions	Pages 47 to 80
2019 EMTN Conditions	Pages 89 to 119

Non-incorporated parts of the base prospectuses of the Issuer dated 25 June 2020 and 4 July 2019 respectively are not relevant for investors.

DESCRIPTION OF THE ISSUER

On page 299, the paragraph “Registered office and legal form of the Issuer/legislation governing the activity and country of incorporation of the Issuer” of the section headed "DESCRIPTION OF THE ISSUER" of the Base Prospectus is deleted in its entirety and replaced with the following:

The Issuer is a *société anonyme à conseil d'administration* (limited liability company with a Board of directors) incorporated in France.

The Issuer's registered office address is 42 rue d'Anjou, Paris (75008) until december 2021. After December 2021, the Issuer's registered office address will be 86 rue de Courcelles, Paris (75008). The phone number of the Issuer's registered office is 01 55 27 94 94. The website of Banque Palatine can be found on the following address: www.palatine.fr. Other than in relation to the information contained on this website which are deemed to be incorporated by reference (see the section “Documents Incorporated by Reference”), the information contained on this website does not form part of this Base Prospectus.

The Issuer is governed by:

- the provisions of the *French Code de commerce* on commercial companies;
- the provisions of the *French Code monétaire et financier* relating to the activities, and regulatory supervision, of credit institutions; and
- the provisions of its by-laws and internal regulations.

On page 300, the paragraph “Description of known trends affecting the Issuer and the markets in which it operates” of the section headed “DESCRIPTION OF THE ISSUER” of the Base Prospectus is deleted in its entirety and replaced with the following:

1*) Commercial banking

Corporate Market

The conquest of business customers continued at a slower pace due to the health context. For information, the bank has revised upwards its priority business target and is now focusing on entities with more than 15 million euros in turnover. On this new basis, the first semester recorded 81 new contacts, compared to 123 at the end of June 2020.

Synergies with the private banking market have enabled the opening of 70 manager accounts.

The production of medium and long-term loans to companies (excluding PGE) fell sharply in the first half of 2021: 594 million euros compared to 815 million euros in June 2020, which explains the stabilization of medium and long term outstanding loans to corporate at 5.44 billion euros excluding PGE, i.e. - 0.3% compared to the situation in June 2020 and - 0.7% compared to the situation in December 2020.

The Bank achieved an excellent first half of 2021 in its activities as an arranger or co-arranger of structured finance transactions, which generated a very high level of commissions - € 6.9 million compared to € 4.8 million in the first half of 2020.

Private banking market

To continue the move upmarket, the conquest of core target customers now involves customers with more than 150,000 euros in annual income and / or 250,000 euros in invested savings as well as managers whose companies have a turnover of annual business of more than 5 million euros.

With 430 gross admissions in relation, the conquest is situated at more than 61% of the annual target, very clearly above the achievements of the first half of 2020 (46% of achievement). In addition, sales promotion has introduced criteria of net conquest, standing at nearly 90% of the annual target, reflecting substantive and quality work.

Gross inflows of savings for the first half of 2021 were achieved thanks to very good momentum in management under mandate, which posted a rate of achievement of its objective of 73.8%, up 55% compared to June of the year last.

Outstanding financial savings, at 3.4 billion euros, increased by 9% compared to June 2020. Balance sheet savings, at 2.4 billion euros, increased by 5% over the same period.

Private client financing was also very active in the first half of the year, with 62% new production achieved at the end of June and outstandings amounting to 2.8 billion euros compared to 2.5 billion euros at the end of June 2020.

Asset management - Palatine Asset Management

On the Equities part, the first half of 2021 proved to be solid across all global indices with the Stoxx 600 in Europe up + 13.5% (+ 15.8% including dividends), the best first half-year since 1998 for the CAC 40 (+ 17.2% and + 19.5% with dividends). The health horizon had brightened with a marked acceleration of vaccination around the world, paving the way for the easing of health restrictions and the resumption of tourist flows for some countries. The predominant topic in the first half of the year remained inflation, inherent in the economic recovery.

The European Central Bank (ECB) and the FED reiterated their accommodative monetary policies during the semester by keeping the amount of their asset repurchases at a high level over the period. Their leaders have expressed themselves on several occasions justifying these policies by the need to further support their respective economies. They also reassured the markets by declaring themselves capable of containing any deterioration in the situation. At the end of the semester, the Fed took note of accelerating inflation and plans two rate hikes in 2023 (rather than 2024). As part of its tapering, the Federal Reserve adds that it will signal any change in its buying pace in advance.

In this context, most of the Equity UCIs managed by the company posted satisfactory double-digit performances with controlled volatility.

Interest rate management performed very well in the first half of the year across the entire range, despite a complicated market context, which is improving month by month under the impetus of the reopening of economies as well as of the support from central banks.

At the end of June 2021, Palatine Asset Management posted positive net inflows on bonds and money markets, negative on equities, and total assets under management of 5.29 billion euros, compared to 4.80 billion euros at the end of 2020. So over a

rolling year, driven by positive inflows and the market effect, assets under management increased by + 35%, compared to assets of 3.92 billion euros at the end of June 2020.

The rise in equity indices explains the net improvement in net income for the first half of 2021: 2.56 million euros, compared to 1.81 million euros in the first half of 2020.

The axes of the strategic plan, validated by this unprecedented crisis, remain unchanged: concentration of the range, distribution of SRI, external distribution, cost control.

Activities of the other subsidiaries

The subsidiary Ariès Assurances, an insurance brokerage company, fully consolidated, generated net income of 0.06 million euros, compared to 0.03 million in 2020.

Consolidated by the equity method, the investment in Conservateur Finance, a finance and investment company, posted a share of net income in June 2021 of 0.28 million euros, compared to 0.16 million euros. euros in June 2020.

2*) Financial activities

The 2020 financial year was marked by the continuing low interest rate environment.

In this environment, Banque Palatine invested €138 million over the year, mainly in Eurozone sovereign bonds during the first half. At the end of 2020, Banque Palatine's total bond portfolio amounted to €1.4 billion.

This portfolio's objective is to constitute the liquidity reserve of the Liquidity Coverage Ratio (LCR). These securities can be used with the central bank and constitute a secure source of refinancing for the bank.

Banque Palatine's financial strategy is in line with the regulatory ratios set by the Group. The Liquidity Coverage Ratio (LCR) remained above 100% throughout 2020.

Banque Palatine's financing is assured by customer deposits thanks to a complete range of investment products. The ratio of loans to customer deposits was close to 100% at the end of the year. Banque Palatine therefore has a substantial customer deposit base giving it significant scope for commercial development.

The solvency ratio was maintained throughout the year at high levels (11.40% at the end of 2020) despite the strong increase in outstanding loans.

In 2020, Banque Palatine maintained its targets for balance sheet management, limiting its liquidity and rate risks:

- managing short- and medium-long-term liquidity is first and foremost aimed at ensuring the refinancing of Banque Palatine while guaranteeing attractive loan terms for its customers;
- the second objective is the strict control of interest-rate risk on the balance sheet. This approach allows Banque Palatine to manage changes in yields caused by interest rate movements. Through its careful management of its balance sheet, Banque Palatine is well prepared for any future changes in interest rates. The residual gap measuring global interest rate risk is now negative, which means Banque Palatine's balance sheet is favourably exposed to any rise in rates.

The Board of Directors is composed of:

- As of October 1st 2021, Maurice Bourrigaud and Marie Pic Pâris Alleva will be replaced by Lionel Baud and H  l  ne Madar.

BPCE

BANOUÉ PALATINE

CREDIT FONCIER DE FRANCE

Director

NATIXIS INVESTMENT MANAGERS

Permanent representative of BPCE, Director

BANQUE CENTRALE POPULAIRE (BCP)

Permanent representative of BPCE, Director

Maurice Bourrigaud, 21/01/1958

(until October 1st 2021)

BANQUE POPULAIRE GRAND OUEST (BPGO)

Permanent representative, Chief Executive Officer

BANQUE PALATINE

Director, Chairman of the Audit Committee,
Member of the Remuneration Committee, Member
of the Appointments Committee **until October 1st**
2021

ATLANTIQUE MUR REGIONS (SCPI)

Permanent representative of BPGO, Member of Supervisory Board

BANQUE POPULAIRE DEVELOPPEMENT

Permanent representative of BPGO, Director

COMITE REGIONAL FBF DE BRETAGNE

Vice-Chairman of the Committee

COMITE REGIONAL FBF DES PAYS DE LA LOIRE

Vice-Chairman of the Committee

FONDATION D'ENTREPRISE BPO

Director

INFORMATIQUE BANQUES POPULAIRES – i-BP

Permanent representative of BPGO, Director

QUEST GESTION D'ACTIFS

Permanent representative of BPGO, Director

QUEST CROISSANCE GESTION

Permanent representative of BPGO, Chairman of
the Supervisory Board

Bruno Goré, 25/09/1961

CAISSE D'ÉPARGNE DE NORMANDIE (CEN)	Chairman of the Management Board
BANQUE PALATINE	Director, Member of the Risk Committee, Member of the Appointments Committee
FEDERATION NATIONALE DES CAISSES D'ÉPARGNE	Permanent representative of CEN, Director
FONDS CAISSE D'ÉPARGNE NORMANDIE POUR L'INITIATIVE SOLIDAIRE	Permanent representative of CEN, Chairman

Nadia Mauzelaf, 08/07/1977

BANQUE PALATINE	Director representing employees (technical staff)
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Marie Pic-Pâris Allavena, 04/07/1960

(until October 1st 2021)

GROUPE EYROLLES	Chief Executive Officer, Director
BANQUE PALATINE	Director, Chairwoman of the Risk Committee, Member of the Remuneration Committee until October 1st 2021
TF1	Director
BANQUE POPULAIRE RIVES DE PARIS (BPRI)	Chairwoman of the Board, Member of the Remuneration Committee, Member of the Appointments Committee
COFACE	Permanent representative of BPRI, Director

Guillemette Valantin, 25/07/1966

BANQUE PALATINE	Director representing executive staff employees, Member of the Audit Committee
PANDORA	Manager

Stéphanie Clavié, 16/08/1970

(as permanent representative of BPCE)

BANQUE PALATINE	Permanent representative of BPCE, Director, Member of the Audit Committee and the Appointments Committee
FIDOR BANK AG	Director
BPCE SERVICES	Permanent representative of BPCE, Director
ONEY BANK	Permanent representative of BPCE, Director

Didier Moaté, 17/04/1963

(as permanent representative of Caisse d'Epargne
Provence Alpes Corse (CEPAC))

CAISSE D'EPARGNE CEPAC

**Permanent representative and member of the
Management Board in charge of the Metropolitan
department**

BANQUE PALATINE	Director, Member of the Risk Committee, Member of the Remuneration Committee
CEPAC INVESTISSEMENT ET DEVELOPPEMENT	Chairman
CEPAC IMMOBILIER	Chairman
C INVEST HOLDING	Chairman
SOCFIM	Member of the Supervisory Board (term expired on 15/10/2020)
ACG MANAGEMENT	Chairman of the Board of Directors
ERILIA	Director
SOGIMA	Member of the Supervisory Board
LOGIREM	Director
HABITAT EN REGION SERVICES (HRS)	Director
SEMEPA	Director
UPE 13	Vice-Chairman

Hélène Madar, 18/02/1969

(from October 1st,2021)

BANQUE PALATINE

Director, from October 1st,2021

Ostrum	Director (term expired on 01/09/2021)
BPCE Assurances	Director (term expired on 01/09/2021)
Natixis Wealth Management	Director (term expired on 01/09/2021)
Turbo S.A	Director (term expired on 01/09/2021)

Lionel Baud, 53 years

(from October 1st,2021)

BANQUE PALATINE

Director, from October 1st,2021

Natixis Investment Managers SA	Director
Banque Populaire Auvergne Rhône Alpes	Chairman of the Board of Directors
Fédération Nationale des Banques Populaires	President

Agence Economique Auvergne Rhône Alpes

Member of the Supervisory Board, Administrator of
CETIM

GENERAL INFORMATION

On page 317 of the Base Prospectus, the paragraphs 7 is renewed:

7. To the knowledge of the Issuer, there are no potential conflict of interest between the duties toward the Group, members of the Board of Directors and CEO, and their private interests

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS SUPPLEMENT NO. 2

Sylvie Ferrier, *Directrice Finances Clients*

Declaration by the person responsible for the Prospectus Supplement no. 2

I hereby certify that, to the best of my knowledge, the information contained in this Prospectus Supplement no. 2 (when read together with the Base Prospectus) is in accordance with the facts and contains no omission likely to affect its import.

Paris, 23 September 2021

Banque Palatine
42, rue d'Anjou
75008 Paris
France

duly represented by **Sylvie Ferrier**, *Directrice Finances Clients*