SECOND PROSPECTUS SUPPLEMENT DATED 22 SEPTEMBER 2021 TO THE BASE PROSPECTUS DATED 11 FEBRUARY 2021

ARVAL SERVICE LEASE

Euro 15,000,000,000

Euro Medium Term Note Programme

This second prospectus supplement (the "**Second Prospectus Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 11 February 2021 which received approval no. 21-030 on 11 February 2021 from the *Autorité des marchés financiers* (the "**AMF**") as supplemented by the first prospectus supplement dated 18 March 2021 which received approval no. 21-070 on 18 March 2021 from the AMF (together, the "**Base Prospectus**") prepared in relation to the Euro 15,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Arval Service Lease (the "**Issuer**"). The Base Prospectus constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of 14 June 2017, as amended (the "**Prospectus Regulation**").

Application has been made for approval of this Second Prospectus Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation.

This Second Prospectus Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation, for the purpose of giving information which amends or is additional to the information already contained in the Base Prospectus.

This Second Prospectus Supplement has been prepared for the purposes of:

(i) amending the Cover page of the Base Prospectus;

(ii) amending the “Risks Factors” section;

(iii) amending the “General Description of the Programme” section;

(iv) incorporating by reference the Issuer’s Consolidated Financial Statements - First half 2021 and the 2021 Half-Year Results Press Release;

(v) amending the “Description of Arval” section;

(vi) amending the “General Information” section; and

(vii) amending the Back page of the Base Prospectus.

Save as disclosed in this Second Prospectus Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this Second Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this Second Prospectus Supplement (a) may be obtained, free of charge, from the registered office of the Issuer during normal business hours, (b) will be available on the website of the Issuer (www.arval.com/investors) and (c) will be available on the website of the AMF (https://www.amf-france.org).

Pursuant to Article 23.2 of the Prospectus Regulation, investors who have already accepted to purchase or subscribe for any Notes to be issued under the Program before this Second Prospectus Supplement is published, shall have the right, exercisable within a time limit which shall not be shorter than three business days after the publication of this Second Prospectus Supplement, to withdraw their acceptances, provided that the new factor, material mistake or material inaccuracy was prior to the final closing of the public offer and delivery of the financial securities. This right to withdraw shall expire by close of business on 27 September 2021. Investors may contact the Authorised Offeror(s) should they wish to exercise the right of withdrawal.

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COVER PAGES

The tenth paragraph appearing on the first page of the Base Prospectus is deleted in its entirety and replaced with the following[1]:

"Arval's long-term credit ratings are A/ Negative outlook (Fitch Ratings Ireland Limited ("**Fitch**")) and A-/ Stable ~~Negative~~ outlook (S&P Global Ratings Europe Limited ("**S&P**")). Each of Fitch and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"). Each of Fitch and S&P is 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 this Base Prospectus. Notes issued pursuant to the Programme may be unrated or rated differently from the current ratings of the Issuer. The rating of the Notes, if any, will be specified in the relevant Final Terms. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency."

The penultimate paragraph appearing on the first page of the Base Prospectus is deleted in its entirety and replaced with the following:

"The Base Prospectus, any documents incorporated by reference herein, any supplement thereto and the Final Terms will be available on the website of the Issuer (www.arval.com/investors) and, as the case may be, on the website of the AMF (www.amf-france.org) and may be obtained without charge from the registered office of the Issuer during normal business hours."

[1] In relation to the amendments to the language included in the Base Prospectus set out in this paragraph: (i) text which, by virtue of this Second Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this Second Prospectus Supplement is added thereto is shown green.

GENERAL DESCRIPTION OF THE PROGRAMME

The paragraph entitled "Rating" appearing on page 13 of the Base Prospectus is deleted in its entirety and replaced with the following[2]:

"**Rating:**	Arval's long-term credit rating are A/ Negative outlook (Fitch Ratings Ireland Limited ("**Fitch**")) and A-/ Stable ~~Negative~~ outlook (S&P Global Ratings Europe Limited ("**S&P**")). Each of Fitch and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"). Each of Fitch and S&P is 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) in accordance with such regulation. Notes issued pursuant to the Programme may be unrated or rated differently from the current ratings of the Issuer. The rating of the Notes, if any, will be specified in the relevant Final Terms. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. 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."

[2] In relation to the amendments to the language included in the Base Prospectus set out in this section: (i) text which, by virtue of this Second Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this Second Prospectus Supplement is added thereto is shown green.

RISK FACTORS

The section entitled "**Risk Factors**" appearing on pages 14 to 36 of the Base Prospectus is amended as follows[3]:

- the risk factors appearing under the heading "**I. Risks relating to the Issuer's business activity**" on pages 14 to 27 of the Base Prospectus are amended as follows:
  - the risk factors appearing under the heading "**A. Risks related to the Issuer's business activity**" on pages 14 to 18 of the Base Prospectus are amended as follows:
    - the paragraph headed "*Risks linked to residual value of leased vehicles*" on pages 14 to 15 of the Base Prospectus is amended as follows:

"A. Risks related to the Issuer's business activity

Risks linked to residual value of leased vehicles

As a specialist in full service vehicle leasing, the Issuer's gross operating income ("**GOI**") is well diversified with a financial margin (that represents ~~44~~43.6 per cent. of the Issuer's GOI at the end of December 2020 and 42.4% at the end of June 2021), a service margin (including various types of services and insurance) (that represents 45.3 per cent. of the Issuer's GOI at the end of December 2020 and 37.9% at the end of June 2021) and a used car margin (that represents 11 per cent. of the Issuer's GOI at the end of December 2020 and 19.6% at the end of June 2021). With respect to the used car margin, the Issuer retains the residual value risk on its leased vehicles and sells vehicles returned by its clients at the end of the lease, at a profit or loss. Gross operating profit from such vehicle sales totalled EUR 129 million in 2019 ~~and~~, EUR 159 million in 2020 and EUR 166 million in the first half of 2021. However, the Issuer may be unable to sell its used vehicles at desirable prices, and faces risks related to the residual value of its vehicles in connection with such disposals. The Issuer is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases, which expire during the period whose resale value is lower than their net carrying amount and (ii) additional impairment during the lease period if residual value drops below contractual residual value.

The proceeds invoiced upon the sale of a used vehicle and the risk of such proceeds being less than the book value of such vehicle as at the contractual end date may depend on a number of factors, which may be outside the Issuer's control. Profit from future sales and estimated losses, and consequently the risk of such sales proceeds being less than the contractual residual value, are impacted by internal remarketing performance and external factors such as macroeconomic conditions, government policies, tax and environmental regulations, economic consequences of COVID-19 crisis, emission values and fuel prices, consumer choices, consumer confidence, new vehicle prices, new vehicle sales, new vehicle brand images or marketing programs, the actual or perceived quality, safety or reliability of vehicles, the level of current used vehicle values, etc.

Technological change can also create uncertainties as to the future value of vehicles. Some technologies can become less desirable if vehicle performance or regulations change. An example observed 3 years ago is the impact on diesel used car prices following the DieselGate and the ban of diesel cars in some areas and in large cities. At that time the impact on diesel used car prices was estimated at EUR three hundred (300) per car with the rateable value of EUR ten thousand (10,000) in average, which constitutes three (3%) per cent. An action plan was set up in 2017 to compensate the effect of the diesel crisis, mainly based on: remarketing initiatives, fleet booster and insurance initiatives, and also through

[3] In relation to the amendments to the language included in the Base Prospectus set out in this section: (i) text which, by virtue of this Second Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this Second Prospectus Supplement is added thereto is shown green.

new products launch and productivity gains. Since 2017, a strong attention has also been put on transforming the car mix in the new production (cars entering the fleet) with a 5-year ambition to reduce the diesel share from 90% to 45%.

If several countries go into recession as a result of the Covid-19 crisis, the demand for used vehicles could fall and lead to a decline in the resale value of vehicles.

Any of the factors above that may reduce the leased vehicle sales proceeds could force the Issuer to reduce concurrently the estimated residual values of the leased vehicles in its fleet and cause a loss from increased prospective depreciation expenses or cause a loss on the sale of the vehicle on lease termination. Arval re-evaluates on a quarterly basis the future margin on used car sales. A decrease in the residual value of the Issuer's leased vehicles could have a material adverse effect on the Issuer's business, financial position and results of operations."

- the paragraph headed "*Risks linked to adverse developments in the automotive industry*" on pages 15 to 16 of the Base Prospectus is amended as follows:

"***Risks linked to adverse developments in the automotive industry***

General developments in the automotive industry are important for the Issuer, due to their effects on the terms and conditions (including price levels) for purchasing, servicing and eventually reselling its vehicles, which in turn could impact the demand for, and pricing of, the Issuer's services. These could influence both the purchase prices of vehicles and the resale prices of used vehicles.

The Issuer is dependent on developments in automotive trends and technology changes, which are subject to a variety of factors that it cannot influence. These include, for example, the evolution of oil prices and renewable energy prices and infrastructure, the expansion of public transport infrastructure, availability of popular electric vehicle models, new technologies such as autonomous driving software, urban policies adversely affecting personal car use, changes in government policies affecting diesel vehicles in Europe or other markets in which the Issuer operates, the imposition of carbon taxes and other regulatory measures to address climate change, pollution or other negative impacts of mass transport, the development of alternative transportation means in the city (bikes, scooters, etc.). A negative development of these factors may affect the use of vehicles in general and therefore the business of the Issuer. Current shortage of semi-conductors worldwide has a negative impact of delivery time by car manufacturers. This could result in a lower than expected fleet growth.

Market consolidation or down-sizing or liquidations of individual car manufacturers could also materially affect the availability of certain vehicles and the bargaining power of the Issuer when negotiating competitive prices for the vehicles it purchases to satisfy the Issuer's customer needs.

The Issuer is subject to risks related to the climate change and pollution concerns, together with evolutions in the environmental regulation. Legal requirements relating to environmental protection are growing in importance in the European Union and in other regions of the world. In recent years, some car manufacturers have been accused of manipulating emission levels. Such scandals may induce stricter regulations, influence customer purchasing decisions and the market prices of certain affected vehicle models. Emission scandals in the past or future could potentially negatively affect the market prices of certain of its used vehicles (including diesel powered vehicles) and have other adverse effects on the business of the Issuer. ~~At the end of December~~ In 2020, 56% of vehicles registered in full service leasing were Diesel (48% in the first half of 2021).

This evolution also impacted the transition to a lower-carbon economy. Given the nature of its business, the risks the Issuer faces are linked to its transition from internal combustion engines vehicles in the

Issuer's fleet to low and zero emission alternatives. Such transition could impact aspects of the Issuer's business model where internal combustion engines vehicles represented 89% of its fleets at the end of December 2020 (86% at the end of June 2021), which is why the Issuer aims to reduce the share of the latter in its portfolio and promote green alternatives. In some cases, the profitability of parts of the Issuer's value chain could be adversely affected.

The Issuer has set-up an Energy Transition Plan which set target in terms of decrease diesel share in production together with increasing electric vehicles ("**EV**") share. The Issuer has also developed consulting approach for its clients in order to support them in the choice of the right structure of their fleet, depending of their drivers' usage, the total cost of ownership of the vehicles and their objectives in terms of reducing pollution and CO2 emissions.

Finally, prices for petroleum-based products, which include petrol, diesel and tyres, have experienced major volatility in the past. If oil prices were to recover and return to higher levels, automotive travel patterns might be adversely affected in many ways. Significant increases in fuel prices could significantly discourage customers from using leased vehicles and this could have an adverse effect on demand for the leased vehicles offered by the Issuer.

The materialisation of any of the risks described above could materially alter the existing business practices, financial condition and results of operations of the Issuer."

- the risk factors appearing under the heading "**B. Credit risks**" on pages 19 to 20 of the Base Prospectus are amended as follows:
  - the paragraph headed "*The Issuer is exposed to credit risk from customers who may default in respect of their payment obligations*" on pages 19 to 20 of the Base Prospectus is amended as follows:

"B. Credit risks

The Issuer is exposed to credit risk from customers who may default in respect of their payment obligations

The credit risk is the risk of loss resulting from the inability of customers or contractual counterparties of the Issuer to meet the financial commitments in their contracts. This includes the risk of a default on lease payments and accounts receivable due to the Issuer.

The Issuer credit risk depends heavily on:

- the concentration and risk profile of its customers: the Issuer's portfolio is not concentrated per client: Top 10 large corporate clients (other than BNP Group (being BNP Paribas together with its consolidated subsidiaries, the "**BNP Group**")) represent only ~~5.5~~7% of the total exposure at ~~31 December 2020~~30 June 2021. Top~~50~~ 20 large corporate clients represent ~~sixteen point six~~twelve (~~16.6~~12%) per cent of total exposure at ~~31 December 2020~~30 June 2021;
- the geographical and industry segmentation of its credit exposure: the Issuer's portfolio is well diversified by industry:
  - No large industry segment exceeds thirteen (13%) per cent of the portfolio at ~~31 December 2020~~30 June 2021;
  - Sensitive industry to the Covid-19 crisis only represents a very small part of the portfolio: aviation/air transportation, automotive, retail nonfood, textile, and tourism/leisure, all

together account for around ~~ten~~eight point four (~~10~~8.4%) of the portfolio ~~31 December 2020~~30 June 2021;

- Automotive segment represents two ~~point six~~ (2~~.6~~%) per cent at ~~31 December 2020~~30 June 2021;

- the nature of this credit exposure and the quality of its leased vehicles portfolio: the Issuer's client portfolio has a good credit profile with the investment grade part ~~close to~~ at ~~sixty~~fifty-four (~~60~~54%) per cent at 30 June 2021 (56% at 31 December 2020). One third of the portfolio is the equivalent of a "BB" credit rating, which let only a small part (~~five~~six (~~5~~6%) per cent) rated "B" and below. The Issuer applies the global rating policy of BNP Group, adopts systematically BNP Paribas ratings for shared clients with BNP Paribas and achieves systematically annual internal rating review;

- economic factors may influence customers' capacity to make scheduled payments, including business failures, corporate debt levels and debt service burdens and demand for the products and services of its customers. For instance, during the global economic crisis in 2008 and 2009, the Issuer briefly experienced moderately higher default rates from corporate and small and medium sized enterprises. Since 2016, the cost of risk has remained below 23 bps annually (20bps in 2019). It was 30 bps in 2020 in relation with Covid crisis. It was 14 bps in the first half of 2021. The large share of B2B with large corporate clients let Issuer's business has an overall low credit risk (historically around 20bps):

  - Corporate clients usually pay their rental even if they face difficulties as they need the vehicles for their activity. The cost of risk is low for this segment (around 10bps).

  - The Issuer remains owner of the vehicles and can get them back if the rental is not paid.

  - Credit risk is higher in the retail segment (around 50bps).

  - At the end of December 2020, annualized cost of risk amounted to 30 bps (14 bps in the first half of 2021).

At ~~31 December 2020~~30 June 2021, the Issuer receivables with customers and financial institutions was EUR ~~223.9~~242.7 million[3]. At this same date, the Issuer had EUR ~~29.4~~34.4 million in allowances for impairment concerning trade receivables, thus net receivables of EUR ~~194.5~~208.3 million[4].

While the Issuer generally has the ability to recover and resell leased vehicles following a customer default, the resale value of the recovered vehicles may not be adequate to cover its loss as a result of a default. The Issuer may not be able to resell the relevant vehicle at all which could have an adverse impact on the Issuer's results of operations.

If several countries go into recession as a result of the Covid-19 crisis, the clients' default rates could rise despite the preventive measures taken by the Issuer (tighter lending criteria, greater attention to collection)."

- the risk factors appearing under the heading "**D. Operational risks**" on pages 22 to 25 of the Base Prospectus are amended as follows:

  - the paragraph headed "*Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect Arval*

[3] Arval's unaudited non-consolidated accounts.
[4] Arval's unaudited non-consolidated accounts.

Group's business, operations, results and financial condition." on pages 22 to 23 of the Base Prospectus is amended as follows:

"D. Operational risks

Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect Arval Group's business, operations, results and financial condition.

Since emerging in China in December 2019 a novel strain of the coronavirus (COVID-19) became a pandemic and spread globally, with a high concentration of cases in several countries in which Arval Group operates. Both the pandemic and government measures taken in response (border closings, travel restrictions, lockdown measures, vaccine accelerated process …) have had ~~and will continue to have~~ a major impact, both direct and indirect, on economic activity and financial markets globally. In particular, the sharp slowdowns of the economies in many regions as well as the reduction in global trade and commerce more generally have had ~~and are likely to continue to have~~ severe negative effects on global economic conditions as global production, investments, and will continue to affect supply chains and consumer spending ~~have been and continue to be affected~~.

In response to the adverse economic and market consequences of the pandemic, various governments and central banks have taken or announced measures to support the economy (loan guarantee schemes, tax payment deferrals, expanded unemployment coverage…) or to improve liquidity in the financial markets (increased asset purchases, funding facilities…). Such measures ~~may not suffice to offset~~ have eased the negative effects of the pandemic on the economy regionally or globally, ~~to mitigate~~ without fully mitigating regional or global recessions ~~(which are now occurring or are generally forecast)~~ or to stabilize financial markets fully and sustainably. ~~The~~ However economic environment is improving mid 2021 but remain uncertain ~~may well deteriorate further before beginning to improve~~. Arval Group's results and financial condition could be adversely affected notably by supply chain issues on semiconductors and other commodities that affect new car deliveries ~~by reduced economic activity (including recessions)~~ in its principal markets. The containment measures taken in several of the principal countries where Arval Group operates, have significantly reduced economic activity to recessionary levels in 2020 and a substantial ~~prolongation or~~ reinstitution of such measures, in case of a new severe wave of Covid would have a similar effect. Arval Group's results ~~are~~ have been affected in 2020 by such measures due to reduced revenues and to deteriorated credit quality both generally and in specific sectors that are particularly affected.

Uncertainty as to the duration and extent of the pandemic's remaining course as well as the pace of emergence from lockdowns and loosening of mobility and other restrictions makes the overall impact on the economies of Arval Group's principal markets as well as the world economy difficult to predict. The extent to which the economic consequences of the pandemic will continue to affect Arval Group's results and financial condition will indeed depend largely on (i) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, (ii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic and (iii) the duration and extent of the pandemic's remaining course, including the prospect of additional waves and hence of a reinstitution of containment measures in the various markets where Arval Group operates.

The ability of the Issuer to make any principal and interest payments in respect of the Notes may be materially affected by the evolution of results of operations and financial position of BNP Group within the COVID-19 crisis since the Issuer remains dependent on BNP Paribas for the financing of its activity (see also risk factor "*Liquidity risks*").

Regarding the impacts of this crisis on the Issuer's business, it is too early to draw any detailed conclusions, but we can expect an impact if the general lockdown measures are renewed.

Different direct impacts have already been seen in 2020:

- requests to delay payments by some companies whose business has been hard hit by lockdown measures;
- a significant fall in sales of used vehicles due to lockdown measures and as a consequence delays in the sale of used cars and increased stocks; a recovery of the used car market was observed after the end of the first lockdown in the second quarter of 2020;
- in some countries vehicles cannot be registered which effectively means that the clients have to keep their old vehicles (lease extensions); it being specified that Arval Group also proposed proactively extensions to its clients;
- an increase in refinancing costs;
- delays in receiving deliveries of spare parts, which could result in greater demand for replacement vehicle services provided to clients;
- on the other hand, the less intensive use of the vehicles due to lockdown measures will have a positive impact on their value.

Indirect impacts can be expected over the longer term if several large countries enter into stagnation or economic recession:

- higher default rates among the clients (even though most of the receivables are protected by ownership of the vehicles);
- a fall-off in demand for leasing, whose ultimate impact will depend on the length and depth of the crisis, currently difficult to gauge;
- risk of a fall in demand for used vehicles, prompting a fall in profit generated by resale of used vehicles and, potentially, the need to book additional impairment of the existing fleet;
- lower availability of refinancing sources and higher cost of debt (in particular if the Issuer or BNP Paribas ratings were downgraded);
- a deterioration in the cost/income ratio due to the lower increase in business activity. In anticipation of this, measures have been taken to limit non-essential investments.

Arval Group showed in 2020 good resilience to COVID-19 crisis thanks to the diversity of its income sources and the long term maturity of its vehicle leasing contracts. COVID-19 crisis had however a direct adverse impact on the results with the increase in the risk costs of EUR 24 (twenty four) million in 2020 in comparison with 2019.

First 2021 Semester showed better results with much less Cost of Risk than in 2020, and good Used Car sale revenues due to tensions on used car market generated by new car shortage and a favourable demand level for cars. ~~Moreover, there could be a direct impact on the used car margin in case of severe new lockdown (impact of approximately EUR 40 (forty) million euros in the second quarter of 2020).~~"

- the paragraph headed "Brexit Risks" on page 25 of the Base Prospectus is amended as follows:

"***Brexit Risks***

The United Kingdom ("**UK**") left the European Union ("**EU**") on 31 January 2020 at 11pm and the transition period ended on 31 December 2020 at 11pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK. On 24 December 2020, an agreement in principle was reached in relation to the EU-UK Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), to govern the future relations between the EU and the UK following the end of the transition period. The Trade and Cooperation Agreement was signed on 30 December 2020. The Trade and Cooperation Agreement had provisional application from 1 January 2021 ~~until the European Parliament gives its consent by 28 February 2021, such that formal ratification can take place~~ before formally entering into force on 1 May 2021, after the ratification processes on both sides were completed.

Arval Group is active in the UK, with a fleet representing 13% of the rental fleet within the countries and regions in which Arval Group operates in 2020, and a gross operating income of EUR166 million in the UK for 2020. Although Arval Group has prepared for Brexit with a view to ensuring the continuity of its activities, it is exposed to Brexit risks and could be adversely impacted.

In practice, Arval Group has worked with the British and European regulators in order to ensure the continuity of its operational systems and has prepared various adaptation measures to enable clients based in the United Kingdom, to continue to benefit from Arval Group's broad range of products and services at the end of the transition period. With respect to Arval Group, the potential impact of Brexit is assessed in case of adverse scenarios in the range of EUR five (5) to ten (10) million."

- the risk factors appearing under the heading "**F. Market Risks**" on pages 26 to 27 of the Base Prospectus are amended as follows:

"F. Market Risks

Liquidity risks

The Issuer's ongoing operations, expansion, and growth ambitions require access to significant amounts of funding. The Issuer is therefore exposed to liquidity risk, which is the risk of not being able to meet cash flow requirements when they fall due and at a reasonable price due to insufficient liquidity, for instance, to finance new vehicle purchases for lease contracts. A structural liquidity position is derived from the maturities of all outstanding balance sheet or off-balance sheet positions according to their liquidity profile.

The Issuer remains dependent for the financing of its development on BNP Paribas, which brings more than 90~~97~~% of the Issuer's funding needs.

The risk of not accessing existing or new sources of funds, in sufficient quantity, on favourable terms, or at a satisfactory price, may lead to insufficient liquidity, which would have a material adverse impact on the Issuer's business, liquidity, cash flows, financial condition and results of operations.

Interest and exchange rate risk

Arval Group is marginally exposed to interest rate risk. Arval Group's policy consists in financing the underlying assets with fixed rate loans as lease contracts are mostly priced at fixed rates, in order to avoid any mismatch between assets and liabilities. There can be however a residual discrepancy (surplus or deficit) in the forecast fixed rates position of each entity. Arval Group calculates periodically interest rate sensitivity and sensitivity limits are assessed for each entity. Although the

Issuer monitors its interest rate risk using a methodology common to Arval Group, risk hedging may not always be appropriate and changes in interest rates cannot be always predicted or hedged, which could adversely affect Arval Group's business, financial condition and operating results.

Arval Group's exposure to a foreign exchange risk in countries outside the Euro zone relates to GBP (12% of funding), and other currencies (13, mainly in emerging markets) representing 9% of the total funding exposure.

Arval Group's functional and reporting currency is the Euro. However, Arval Group is present in thirty (30) countries[9], some of which being countries outside the Euro zone, and has substantial assets, liabilities, revenues and costs denominated in foreign currencies. Due to its international activity, Arval Group is exposed to foreign exchange risks, such as high volatility of exchange rates, related to inflows and outflows of cash from daily business activities as well as participations in subsidiaries established outside the Euro zone. Currency risks related to current business activities are limited, as there are no cross-border leasing activities. Leasing contracts and financing of Arval Group are originated in local currencies preventing any cross border currency risk. Arval Group may also incur a currency risk related to the conversion of net results generated in local currencies. When Arval Group prepares its consolidated financial statements, it must translate foreign currency-denominated assets and liabilities, monetary and non-monetary, into Euro using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average rate for the period. The Arval Group recorded a net foreign exchange loss of 10.6 million euros for 2020 (0.2 million euros in foreign exchange gain in the first half of 2021).

Fluctuations in exchange rates could have a material effect on the Issuer's business, financial condition and results of operations, and could also significantly affect the comparability of Arval Group's results of operations between periods.

The greater volatility of the markets following the Covid-19 crisis has led to an increase in interest rate and exchange rate risks."

- the risk factors appearing under the heading "**II. Risks relating to the Notes**" on pages 27 to 36 of the Base Prospectus are amended as follows:

  - the paragraph headed "*Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained*" appearing under the heading "**C. Risks relating to the market of the Notes**" on page 36 of the Base Prospectus is amended as follows:

"**Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained**

One or more independent credit rating agencies may assign credit ratings to the Notes and/or the Issuer. At the date of this Base Prospectus, Arval's long-term credit ratings are A/ Negative outlook (Fitch) and A-/ ~~Negative~~ Stable outlook (S&P), as described in the section "*General Description of the Programme*". The rating of the Notes will be specified in the relevant Final Terms.

Following the date of this Base Prospectus, any such ratings might not continue for any period of time and might be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant.

[9] Arval Group entities propose their leasing services in 30 countries. Arval Group is also present in Ireland where the insurance company Greenval is incorporated.

If any rating assigned to the Notes is revised, lowered, suspended or withdrawn, this may adversely affect the market value of the Notes. Further, Rating Agencies may assign unsolicited ratings to the Notes. If non-solicited ratings are assigned, such ratings might differ from, or be lower than, the ratings sought by the Issuer."

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "**Documents Incorporated by Reference**" appearing on pages 38 to 46 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 sections referred to in the table below included in the following documents (see hyperlinks in **pink** below):

a. the unaudited consolidated half-year financial statements of the Issuer as at 30 June 2021 and the related notes thereto prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the statutory auditors' limited review report thereon (the "**Consolidated Financial Statements - First half 2021**");

b. the press release relating to the Consolidated Financial Statements - First half 2021 of the Issuer dated 10 September 2021 (the "**2021 Half-Year Results Press Release**");

c. the consolidated audited financial statements of the Issuer as at and for the year ended 31 December 2020 and the related notes thereto prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the statutory auditors' report thereon (the "**2020 Consolidated Financial Statements**");

d. the press release relating to the 2020 full year results of the Issuer dated 10 March 2021 (the "**2020 Full Year Results Press Release**");

e. the consolidated audited financial statements of the Issuer as at and for the years ended 31 December 2018 and 31 December 2019 and the related notes thereto prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the statutory auditors' audit report thereon (the "**2018 and 2019 Consolidated Financial Statements**"); and

f. the combined audited financial statements of the Issuer and Greenval as at and for the years ended 31 December 2018 and 31 December 2019 and the related notes thereto prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the statutory auditor'audit report thereon (the "**2018 and 2019 Combined Financial Statements**"). Greenval was integrated within the functional Arval perimeter but since it has been acquired from BNP Paribas Ireland in 2020, Greeval was not included in the 2018 and 2019 Consolidated Financial Statements. The 2018 and 2019 Combined Financial Statements are the sum of the 2018 and 2019 Consolidated Financial Statements (entities belonging directly or indirectly to the Issuer) plus Greenval accounts. The inter-company flows between Greenval and Arval entities have been eliminated as currently done during a consolidation process.

The sections referred to in the table below shall be deemed to be incorporated in, and form part of this Base Prospectus to the extent that a statement contained in a section which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Non-incorporated parts of the documents incorporated by reference are either not relevant for the investors or covered elsewhere in this Base Prospectus.

Copies of the Consolidated Financial Statements - First half 2021, the 2020 Consolidated Financial Statements, the 2018 and 2019 Consolidated Financial Statements and the 2018 and 2019 Combined Financial Statements which contain the sections incorporated by reference are published and available on the website of the Issuer (www.arval.com/investors) and may be obtained without charge from the registered office of the Issuer during normal business hours.

For the purposes of the Prospectus Regulation, the information incorporated by reference in this Base Prospectus is set out in the cross-reference table below. For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation, as amended (the "**Commission Delegated Regulation**") and not referred to in the cross-reference tables below is either contained in the relevant sections of this Base Prospectus or is not relevant to the Issuer. “Not Applicable” in the cross-reference table below means that the information is not relevant for the purposes of Annex 7 of the Commission Delegated Regulation.

Any information not listed in the following cross-reference table but included in the documents listed above is given for information purposes only.

Unless otherwise explicitly incorporated by reference into this Base Prospectus in accordance with the list above, the information contained in the website of the Issuer shall not be deemed incorporated by reference herein and is for information purposes only. Therefore it does not form any part of this Base Prospectus and has not been scrutinised or approved by the AMF.

Cross-reference table

Commission Delegated Regulation – Annex 7	Consolidated Financial Statements - First half 2021 (page number)	2021 Half-Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release	2018 and 2019 Consolidated Financial Statements (page number)	2018 and 2019 Combined Financial Statements (page number)
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES						
11.1 <u>Historical financial information</u>						
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.	1 to 56	All pages	6 to 65	All pages	6 to 56	6 to 58
11.1.2 **Change of accounting reference date** If the Issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical financial information shall cover at least 24 months, or the entire period for which the Issuer has been in operation, whichever is shorter.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11.1.3 **Accounting Standards** The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable the financial statements must be prepared according to:	17 to 18	Not Applicable	23 to 24	Not Applicable	20 to 23	21 to 24

Commission Delegated Regulation – Annex 7	**Consolidated Financial Statements - First half 2021 (page number)**	**2021 Half-Year Results Press Release**	**2020 Consolidated Financial Statements (page number)**	**2020 Full Year Results Press Release**	**2018 and 2019 Consolidated Financial Statements (page number)**	**2018 and 2019 Combined Financial Statements (page number)**
(a) a Member State's national accounting standards for issuers from the EEA as required by Directive 2013/34/EU (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. Otherwise the following information must be included in the registration document: (a) a prominent statement that the financial information included in the registration document has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and that there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information; (b) immediately following the historical financial information a narrative description of the differences between Regulation (EC) No 1606/2002 as adopted by the Union and the accounting principles adopted by the Issuer in preparing its annual financial statements.						

Commission Delegated Regulation – Annex 7	Consolidated Financial Statements - First half 2021 (page number)	2021 Half-Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release	2018 and 2019 Consolidated Financial Statements (page number)	2018 and 2019 Combined Financial Statements (page number)
11.1.4 Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following: (a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	1 to 56	Not Applicable	10 to 65	Not Applicable	10 to 56	10 to 58
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.	1 to 56	Not Applicable	10 to 65	Not Applicable	10 to 56	Not Applicable

Commission Delegated Regulation – Annex 7	**Consolidated Financial Statements - First half 2021 (page number)**	**2021 Half-Year Results Press Release**	**2020 Consolidated Financial Statements (page number)**	**2020 Full Year Results Press Release**	**2018 and 2019 Consolidated Financial Statements (page number)**	**2018 and 2019 Combined Financial Statements (page number)**
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.	7	Not Applicable	12	Not Applicable	12	12
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. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. Otherwise, the following information must be included in the registration document: (i) a prominent statement disclosing which auditing standards have been applied; (ii) an explanation of any significant departures from International Standards on Auditing; (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	All pages (limited review report)	Not Applicable	3 to 5	Not Applicable	3 to 5	3 to 5

	Not Applicable	Not Applicable	5	Not Applicable	5	5

Commission Delegated Regulation – Annex 7	Consolidated Financial Statements - First half 2021 (page number)	2021 Half-Year Results Press Release	2020 Consolidated Financial Statements (page number)	2020 Full Year Results Press Release	2018 and 2019 Consolidated Financial Statements (page number)	2018 and 2019 Combined Financial Statements (page number)
11.2.2 Indication of other information in the registration document which has been audited by the auditors.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
11.2.3 Where financial information in the registration document is not extracted from the Issuer's audited financial statements state the source of the data and state that the data is not audited.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Commission Delegated Regulation – Annex 20	**2018 and 2019 Combined Financial Statements (page number)**
1. CONTENTS OF PRO FORMA FINANCIAL INFORMATION	
1.1 The pro forma financial information shall consist of:	
(a) an introduction setting out:	
(i) the purpose for which the pro forma financial information has been prepared, including a description of the transaction or significant commitment and the businesses or entities involved;	9
(ii) the period or date covered by the pro forma financial information;	6; 9
(iii) the fact that the pro forma financial information has been prepared for illustrative purposes only;	9
(iv) an explanation that: (i) the pro forma financial information illustrates the impact of the transaction as if the transaction had been undertaken at an earlier date; (ii) the hypothetical financial position or results included in the pro forma financial information may differ from the entity's actual financial position or results;	9
(b) a profit and loss account, a balance sheet or both, depending on the circumstances presented in a columnar format composed of: (i) historical unadjusted information; (ii) accounting policy adjustments, where necessary; (iii) pro forma adjustments; (iv) the results of the pro forma financial information in the final column;	10-12
(c) accompanying notes explaining: (i) the sources from which the unadjusted financial information has been extracted and whether or not an audit or review report on the source has been published; (ii) the basis upon which the pro forma financial information is prepared; (iii) source and explanation for each adjustment; (iv) whether each adjustment in respect of a pro forma profit and loss statement is expected to have a continuing impact on the issuer or not;	15-58
(d) where applicable, the financial information and interim financial information of the (or to be) acquired businesses or	-

Commission Delegated Regulation – Annex 20	**2018 and 2019 Combined Financial Statements (page number)**
entities used in the preparation of the pro forma financial information must be included in the prospectus.	
2. PRINCIPLES IN PREPARING AND PRESENTING PRO FORMA FINANCIAL INFORMATION	
2.1 The pro forma financial information shall be identified as such in order to distinguish it from historical financial information. The pro forma financial information must be prepared in a manner consistent with the accounting policies adopted by the issuer in its last or next financial statements.	9; 24-30 21; 24-30
2.2 Pro forma information may only be published in respect of: (a) the last completed financial period; and/or (b) the most recent interim period for which relevant unadjusted information has been published or are included in the registration document/prospectus.	6-58
2.3 Pro forma adjustments must comply with the following: (a) be clearly shown and explained; (b) present all significant effects directly attributable to the transaction; (c) be factually supportable.	24-30
3. REQUIREMENTS FOR AN ACCOUNTANT/AUDIT REPORT	
The prospectus shall include a report prepared by the independent accountants or auditors stating that in their opinion: (a) the pro forma financial information has been properly compiled on the basis stated; (b) that the basis referred to in (a) is consistent with the accounting policies of the issuer.	3 to 5

"

DESCRIPTION OF ARVAL

The section entitled "**Description of Arval**" appearing on pages 97 to 105 of the Base Prospectus is amended as follows[4]:

- The paragraph entitled "***History and developments***" appearing on page 97 is deleted in its entirety and replaced with the following:

"***History and development***

Fully owned by BNP Paribas, the Issuer was founded in 1989 as a specialist in full service vehicle leasing and mobility solutions for large international corporates, SMEs, professionals and individuals.

It has a long track record of profitable operations (net income of 499.2 M€ in 2019 and of 518.6 M€ in 2020)[5] and its organic fleet growth has been higher than 7.5% per year since 2016, supported by a growing market both on corporate and individual segments.

In 1995, the Issuer and PHH (then acquired by Element) founded the Element-Arval Global Alliance. Today, this global partnership is present in 50 countries and is providing leasing and associated services in the respective countries of Arval Group and Element with a view to offer customers a worldwide geographic coverage together with standardised high quality of services through a common quality charter.

In 2015, the Arval Group strengthened its position on the European leasing market by acquiring GE Capital Fleet Services in Europe.

In 2020, the Issuer launched Arval Beyond, a new strategic plan to reflect the evolution of its positioning from car-leasing to mobility including the car. Arval also acquired from BNP Paribas Ireland Greenval Insurance DAC, a small insurance company incorporated under Irish laws and fully owned by the BNP Group which exclusively proposes insurance covers to Arval Group and its clients since its foundation in 2007."

- The paragraph entitled "***Products and services offering***" appearing on pages 97 to 98 is deleted in its entirety and replaced with the following:

"***Products and services offering***

The Issuer's core business focuses on full-service vehicle leasing (which represented 97% of total fleet at the end of ~~2019~~2020). In addition, remarketing is part of the business activity of the Issuer as, at the end of the vehicle leasing, the Issuer sells the used car. The Issuer also develops various integrated mobility solutions, adapting to customer needs. Fleet management (which represented 3% of the fleet at the end of ~~2019~~2020) and consulting services are also parts of the Issuer's products and services offered.

Full-service leasing allows customers to use a vehicle without legal ownership, the customer pays a monthly rent which covers the financing, depreciation of the vehicle and the cost of various management services provided relating to the vehicle. The Issuer has a consulting role and will advise the customer on selecting the vehicle-related services.

The Issuer proposes long term rental under full service leasing ("**LTR**"), but also mid-term rental ("**MTR**"). MTR offers a leasing solution for a period between 1 and 24 months and is attractive for customer by providing a response to their specific or even organizational needs via offering them less commitment (vehicles available within 48 hours) and more competitive rates than short-term rental.

Services available under a full-service lease include the following (at the choice of the customer):

[4] In relation to the amendments to the language included in the Base Prospectus set out in this section: (i) text which, by virtue of this Second Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this Second Prospectus Supplement is added thereto is shown green.

[5] Arval's audited combined accounts including Greenval.

- **vehicle selection** – the customer chooses the vehicle (brand, model and options) and the leasing company purchases the vehicle selected by the customer and/or his/her driver;

- **repair, maintenance and tyres** – the leasing company provides repair, maintenance and tyre replacement services for both routine and emergency situations through its network of selected workshops and tyre fitters;
- **insurance** – third party liability, material damage, theft & fire, legal expenses, financial loss and driver insurance are distributed or made available by the Issuer to its customers;

- **driver support** and **roadside assistance**;

- **relief vehicles** – the Issuer may arrange for provision of a replacement vehicle in case of routine maintenance or accident repairs;

- **flexibility and technology**: the Issuer proposes various digital services in order to offer more flexibility on contracts and leveraging technology and connected services for an increased experience to drivers and passengers (in car delivery, street parking payment, access to information and entertainment):

  - ***Arval Outsourcing Solutions*** is a solution to outsource agreed daily driver related tasks while ensuring a great user experience of the drivers.
  - ***Arval Active Link*** is an in-house solution for connected cars, combining two major elements: monitoring system and digital web-platform to receive fleet data.
  - ***My Arval Mobile*** is "ALL-in-ONE" application and incremental part of the digital story for drivers. It offers access to a wide range of services and support leading the driver through the contract life-cycle.

Remarketing / Sale of used cars: the Issuer sells the used vehicles at the end of the lease period, around 300,000 vehicles per year. 65% of vehicles are sold to vehicle traders using MotorTrade, a digital auction platform to ensure a competitive valuation is received for each vehicle. 20% of vehicles are sold to international buyers, with export managed through the Arval Trading entity (a French company fully owned by the Issuer). A growing percentage of vehicles are sold directly to consumers, either online, through retail partners or to the driver at the end of the lease. 2020 has also seen the development of **Re-lease**, offering customers the option of leasing selected used vehicles.

Mobility services: the Issuer is constantly answering clients' needs and develops integrated and seamless mobility solutions for employees of its clients which involve not only cars but also other means of transportation and which offer various mobility means, in particular:

- ***Arval Car Sharing*** is a digital app which enables Arval clients' fleet cars to be available for short and flexible use in a full digital mode. Drivers can manage booking, car pickup and return from a dedicated Application on their mobile phone for professional or private purposes.
- ***Arval Bike Lease*** consists in providing a comprehensive bike solution to the employees of Arval's corporate clients composed by the leasing of the bike, the service, maintenance and repair of the bike, and optional assistance and insurance;
- ***Arval 360 Mobility Platform*** offers a B2B mobility platform aggregating Arval and third parties mobility services (including public transport), allowing employees to plan, book and pay their trip through a dedicated application and use a mobility budget, and allowing corporates to manage this budget and taxes, reporting, user accounts, etc...

Fleet management is the provision of fleet management services when the customer outsources to the Issuer the management of its own fleet of vehicles (in respect of vehicles not owned by the Issuer) but either owned by the customer or leased by another company to the customer).

Consulting services: the Issuer advises clients thanks to its consultative approach. Arval Consulting is a service aimed at providing solutions to its clients with their strategic and organisational issues by maximising the performance of their fleet and supporting them in their energy and mobility transition. Arval Consulting has performed more than 10,000 missions since 2008 and is active in 11 countries."

- The paragraph entitled "***Business overview***" appearing on pages 99 to 101 is deleted in its entirety and replaced with the following:

"***Business overview***

Within the framework of its activities, Arval Group total fleet was 1,421,565 vehicles at 31 December 2020 (of which 1,381,555 in full service leasing). Arval Group total fleet was 1,450,702 vehicles at 30 June 2021 (of which 1,416,777 in full service leasing).

There were 7,254 employees within the Arval Group and 1,401 employees within Arval France at the end of December 2020 (7,389 employees within the Arval Group and 1,427 employees within Arval France at the end of June 2021).

Vehicles are leased on a long term basis which gives high visibility on revenues. Average duration of vehicle leasing contracts is 42 months. All vehicle leasing contracts are with a duration at origination above 1 year and 91% of vehicle leasing contracts are with a duration at origination higher than 3 years. Revenues are well diversified with a financial margin, a service margin (including various types of services and insurance) and a used car margin.

Arval Group has a very large customer base with 30,000 corporate clients and 270,000 retail clients. As of the end of December 2020, the Arval Group's customers were mainly mid & large corporates (73% of the Issuer's full service leasing fleet at the end of 2020), SMEs (18% of the Issuer's full service leasing fleet at the end of 2020), individual (8% of the Issuer's full service leasing fleet at the end of 2020) and Mid Term Rental activity (2% of the Issuer's full service leasing fleet at the end of 2020). Corporate clients are very diversified by industry with no industry segment above 13% of the portfolio.

Arval Group is proposing vehicle leasing services either directly to its customer under the "direct channel", or through an "indirect channel" based on contractual relationships between Arval Group and intermediaries in respect of the distribution of vehicle leasing contracts (e.g. car manufacturers, banks, insurance companies). These contractual arrangements accounted for 26% of the total fleet in full service leasing (including private lease contracts) of the Arval Group at 31 December 2020 (out of which 8% are constituted by contractual arrangements concluded with external partners and 18% by contractual arrangements with BNP Group).

Arval Group is mainly present in Europe (95% of the fleet) with more than 90% of the fleet in developed European countries. The Arval Group market share is about 20% in France, Italy and Spain[6] where it has # 1 market positions and 10% in the United Kingdom[7] (# 4 position), which altogether represented 66% of the Issuer's activity in 2020. The Issuer's market share is about 15% in Belgium and Poland and 4% to 5% in the Netherlands and Germany[8]. These eight countries represented 86% of the Issuer's activity in 2020. The remaining 14% is spread across 21 countries including, but not limited to Northern Europe, Central and Southern Europe, Turkey, Morocco and Latin America[9].

The leased fleet registered good growth in 2020, to 6.4% over the year despite the Covid-19 pandemics (+6.4% year on year as at 30 June 2021). Over the last three years and a half, the leased fleet of the Issuer grew at an average annual rate of 7.5~~7.9~~%. The total fleet was 1.4 million vehicles at the end of June 2021 ~~December 2020~~, up 5.7~~5.8~~% compared with the previous year. The organic growth of the total fleet was 5.4%. All the geographical regions contributed to this performance. The leased fleet registered in 2020 a good rise in Europe despite the health crisis, 1.5% in France, 5.2% in Italy, 15.1% in Spain, 4.5% in the United Kingdom, 3.8% in Germany, 7.9% in Belgium and 13.3% in the Netherlands[10].

[6] Local rental/leasing associations.
[7] FN50, November 2019, https://www.fleetnews.co.uk/fleet-leasing/fn50-data/
[8] Local rental/leasing associations and Arval's unaudited internal source.
[9] Arval's unaudited internal source.
[10] Arval's unaudited internal source.

At 30 June 2021~~31 December 2020~~, Arval Group's consolidated and combined non-current borrowing from financial institutions amounted to 15,208~~14,512.7~~ million euros~~[11]~~.

Arval Group generated in 2020 a combined net profit of 518.6 million euros[12] (499.2 million euros in 2019[13]). It generated in the first half of 2021 a consolidated net profit of 334.6 million euros (210.0 million euros in the first half of 2020).

Overview of the leasing markets

Arval is seeing a continuous change in behaviour from ownership to usage across different customer segments, including individuals. Hence, market has been growing for 25 years. Pay-as-you-use and risk outsourcing (vehicle resale, mechanical problems, etc.) initially attracted the largest companies and for 15 years mid-sized companies (Mid and SMEs) and for 5 years individuals. There are still plenty of geographies where SMEs still have strong growth expected in respect of leased vehicles, as do individuals. We are also seeing emerging growth in used cars leasing and more recent growth in Mid Term Rental. Arval Group's strategic partnerships with intermediaries in the distribution of vehicle leasing contracts (e.g. car manufacturers, brokers, banks, insurance companies, retail websites) will facilitate the acceleration of growth in the Retail segments.

The growth in mature markets is expected to come from the development of indirect channels to target SMEs, where penetration remains lower, but where there is a trend towards outsourcing of fleet. Emerging economies have a lower penetration of full-service leasing as a proportion of all vehicle registrations than mature markets, so there is strong growth potential as car fleets grow and more companies look to outsource their fleet management. The private lease segment is developing rapidly in a number of key markets and is expected to continue to do so in the context of the shift away from ownership.

In terms of energy, at the end of December 2020, the proportion of different types of vehicles at Arval Group was the following: 56% of light vehicles in full service leasing registrations were Diesel vehicles (48% at the end of June 2021), 27% petrol vehicles (24% at the end of June 2021), 11% hybrid vehicles (19% at the end of June 2021), 4% electric vehicles (7% at the end of June 2021), 2% other technologies vehicles (*Gaz Naturel pour Véhicules*, GNV (Gaz)) (2% at the end of June 2021)[14].

Leasing market growth trends and drivers

The growth of the full-service leasing and fleet management market has been driven by several factors:

- the rising volume of corporate fleets has increased the importance and potential for fleet management solutions;

- customer acceptance of leasing has risen, as corporates have become aware of the potential to improve leverage and save costs by outsourcing non-core activities, thereby strengthening their performance; according to Arval Mobility Observatory 2020 Fleet Barometer, 39% of corporate clients consider to increase the share of full service leasing vehicles in their fleet;

- there is an ongoing behavioural shift from ownership to usage across different customer segments, including private customers;

- the rise of connected cars and digital services encourages the development of new high value-added services for the customer to optimise the usage cost of vehicles. Such specialist technology solutions require niche expertise. Scale is needed to amortise costs of development, making it difficult to implement in-house by customers. New mobility solutions, such as car sharing, autonomous driving and connected cars, constitute opportunities for the Arval Group to expand its range of services to both corporate and private customers."

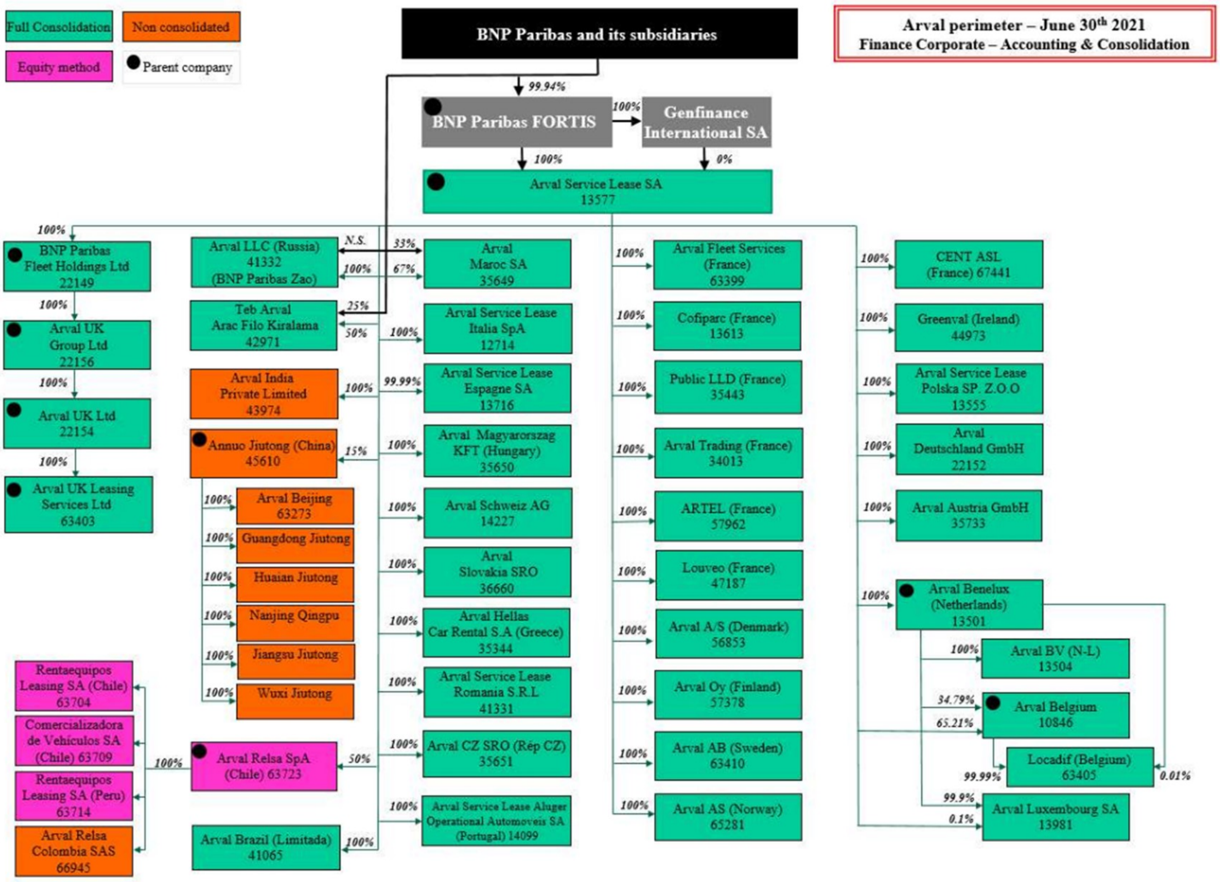
- The paragraph entitled "***Diagram***" appearing on page 103 is deleted in its entirety and replaced with the following:

"***Diagram***

~~[11] Arval's audited combined accounts including Greenval~~
[12] Arval's audited combined accounts including Greenval.
[13] Arval's audited combined accounts including Greenval.
[14] Arval's unaudited internal source.

As of 30 June 2021 ~~31 December 2020~~

Diagram of the Arval Group



The Issuer is fully integrated within BNP Group organization and applies BNP Group governance, policies and procedures."

- The paragraph entitled "***Management and compliance with the corporate governance regulations***" appearing on pages 103 and 104 is deleted in its entirety and replaced with the following:

"***Management and compliance with the corporate governance regulations***

Board of Directors

At the date of this Base Prospectus, the Board of Directors of the Issuer comprises the following persons:

Name	Title	Main activity outside the Issuer
Alain Groenendael	Chairman of the Board of Directors	None
Louis-Michel Duray	Director	Head of Automotive Financial Services, BNP Paribas Personal Finance
Thierry Laborde	Director	Deputy Chief Executive Officer, BNP Paribas SA, Head of Domestic Markets
Charlotte Dennery	Director	CEO, BNP Paribas Leasing Solutions
Sophie Heller	Director	Chief Operating Officer Retail Banking & Services, BNP Paribas

Sylviane Le Carré	Director	Head of CPI (Creditor Protection Insurance) development at BNP Paribas Cardif
Emmanuelle Bury Lucas	Director	Chief Compliance Officer Americas, CIB BNP Paribas New-York
Piet Van Aken	Director	Chief Risk Officer, BNP Paribas Fortis SA
~~Franciane Rays~~	~~Director~~	~~Chief Finance Officer of BNP Paribas Fortis SA~~
Sebastien Dessillons	Director	Head of Industry Groups EMEA, CIB, BNP Paribas SA
Guylaine Dyevre	Director	Corporate Secretary of the Board of BNP Paribas SA

Franciane Rays resigned from the Board of Directors of the Issuer on 2 September 2021 with immediate effect. She will be replaced during the next Board of Directors meeting scheduled on 24 November 2021.

For the purpose of this Base Prospectus, the business address of the Directors is 22-24 rue des Deux Gares 92500 Rueil-Malmaison, France.

Executive management

The Issuer is headed by Alain Groenendael, Chief Executive Officer, in office since 14 December 2018. For the purpose of this Base Prospectus, the business address of the Issuer' Executive management is 22-24 rue des Deux Gares 92500 Rueil-Malmaison, France.

Board practices

The Issuer complies with the corporate governance regulations applicable to French sociétés anonymes, as provided by the French Commercial Code.

In the context of the EMTN program contemplated by the Issuer and described in this Prospectus, the article L. 823- 19 of the French Code de commerce requires from the Issuer to strengthen its corporate governance by setting up an audit committee. Several exemptions to this principles are provided by Article L. 823-20 of the same code, notably in its paragraph 4 which allows the board of directors itself to assume such responsibilities.

According to the above, during its meeting held on the 20th of November 2020, the board of directors of the Issuer (i) approved a decision pursuant to which the roles and missions dedicated to the required audit committee will be assumed by the board of directors itself and (ii) appointed a president of the audit committee.

Conflict of interests

To the knowledge of the Issuer, the duties owed by the members of the board of directors of the Issuer do not give rise to any potential conflicts of interest with such members' private interests or other duties. ”

- The paragraph entitled “***Credit rating of the Issuer***” appearing on page 104 of the Base Prospectus is deleted in its entirety and replaced with the following:

“***Credit rating of the Issuer***

At the date of this Base Prospectus, the Issuer's long-term debt is rated A/ Negative outlook, by Fitch Ratings Ireland Limited A-/ ~~Negative~~ Stable outlook, by S&P Global Ratings Europe Limited. It could in the future be rated by other rating agencies. A rating is not a recommendation to buy, sell, or hold securities. It may, at any time, be suspended, modified, or withdrawn by the rating agency concerned.”

GENERAL INFORMATION

The "General Information" section on pages 133 to 136 of the Base Prospectus is amended as follows[15]:

1/ The paragraph 3 entitled "**No Significant change**" appearing on page 133 of the Base Prospectus is deleted in its entirety and replaced with the following:

"**3. No Significant change**

As of the date of this Base Prospectus, there has been no significant change in the financial position or financial performance of the Issuer or the Arval Group since 30 June 2021~~31 December 2020~~."

2/ The paragraph 9 entitled "**Statutory auditor**" appearing on page 134 of the Base Prospectus is deleted in its entirety and replaced with the following:

"**9. Statutory auditors**

Mazars at Tour Exaltis, 61 rue Henri Regnault, 92400 Courbevoie~~92075 Paris La Défense Cedex~~, France, an entity regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, have audited and rendered an unqualified audit report on the consolidated financial statements of the Issuer as at and for the year ended 31 December 2020, and on the consolidated financial statements and on the combined financial statements of the Issuer as at and for the years ended 31 December 2019 and 31 December 2018.

Deloitte & Associés, 6 place de la Pyramide, 92908 Paris La Défense Cedex, France, an entity regulated by the *Haut Conseil du Commissariat aux Comptes*, duly authorised as *Commissaires aux comptes* and members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, was appointed as auditor (*commissaires aux comptes*) at the General Annual Meeting of 9 March 2021 for a mandate of 6 years in compliance with applicable laws and regulations.

The consolidated half-year financial statements of the Issuer for the six-month period ended 30 June 2021 have not been audited but were subject to a limited review, without qualification, by Mazars and Deloitte & Associés, as stated in their limited review report incorporated by reference in this Base Prospectus."

[15] In relation to the amendments to the language included in the Base Prospectus set out in this section: (i) text which, by virtue of this Second Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this Second Prospectus Supplement is added thereto is shown green.

AMENDEMENT TO THE BACK PAGE OF THE BASE PROSPECTUS

The contact details of Mazars as "**Auditor to the Issuer**" appearing on page 138 of the Base Prospectus is amended as follows[16]:

Registered Office of the Issuer

Arval Service Lease
1, boulevard Haussmann
75009 Paris
France
Telephone number of the Issuer: +33 1 57 69 57 00

Arranger and Dealer

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

Fiscal Agent, Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent

BNP Paribas Securities Services
3, 5, 7 rue du Général Compans
93500 Pantin
France

Make-whole Calculation Agent
DIIS Group
12 rue Vivienne
75002 Paris
France

Auditors to the Issuer

Mazars

Tour Exaltis
61, rue Henri Régnault
92400 Courbevoie~~92075 La Défense Cedex~~
France

Deloitte & Associés

6, place de la Pyramide
92908 Paris la Défense Cedex
France

Legal Advisers to the Dealer as to French law

Allen & Overy LLP
52, avenue Hoche
75008 Paris
France

[16] In relation to the amendments to the language included in the Base Prospectus set out in this section: (i) text which, by virtue of this Second Prospectus Supplement is deleted therefrom is shown in red/with a line drawn through the middle of the deleted text, and (ii) text which, by virtue of this Second Prospectus Supplement is added thereto is shown green.

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND PROSPECTUS SUPPLEMENT

I hereby certify that, to the best of my knowledge, the information contained in this Second Prospectus Supplement is in accordance with the facts and contains no omission likely to affect its import.

Arval Service Lease
1, boulevard Haussmann
75009 Paris
France

duly represented by:

Stéphane de Marnhac
Chief Financial Officer (*Directeur Financier*)

on 22 September 2021

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This Second Prospectus Supplement has been approved by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF has approved this Second Prospectus Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in the Base Prospectus (as amended by this Second Prospectus Supplement). Investors should make their own assessment of the opportunity to invest in such Notes.

This Second Prospectus Supplement has been approved on 22 September 2021. This Second Prospectus Supplement obtained the following approval number: n°21-411.