

**SUPPLEMENT N° 7 DATED 14 SEPTEMBER 2018
TO THE BASE PROSPECTUS DATED 1 DECEMBER 2017**



BPCE
Euro 40,000,000,000
Euro Medium Term Note Programme

BPCE (the “**Issuer**”) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Euro Medium Term Notes (the “**Notes**”) denominated in any currency under its Euro 40,000,000,000 Euro Medium Term Note Programme (the “**Programme**”).

This seventh supplement (the “**Seventh Supplement**”) is supplemental to, and should be read in conjunction with, the base prospectus dated 1 December 2017 (the “**Base Prospectus**”), the first supplement dated 24 January 2018 (the “**First Supplement**”), the second supplement dated 20 February 2018 (the “**Second Supplement**”), the third supplement dated 6 March 2018 (the “**Third Supplement**”), the fourth supplement dated 5 April 2018 (the “**Fourth Supplement**”), the fifth supplement dated 11 June 2018 (the “**Fifth Supplement**”) and the sixth supplement dated 10 August 2018 (the “**Sixth Supplement**”) prepared by the Issuer in relation to its Programme and which were granted visa n°17-625 on 1 December 2017, visa n°18-024 on 24 January 2018, visa n°18-047 on 20 February 2018, visa n°18-075 on 6 March 2018, visa n°18-115 on 5 April 2018, visa n°18-236 on 11 June 2018 and visa n°18-382 on 10 August 2018 by the *Autorité des Marchés Financiers* (the “**AMF**”).

The Issuer has prepared this Seventh Supplement to its Base Prospectus, pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF for the following purposes:

- updating the section “Summary of the Programme” of the Base Prospectus dated 1 December 2017 related to (i) the “Qualifications in the auditors’ report” and (ii) “Recent material events relevant to the evaluation of the Issuer’s solvency”;
- updating the section “*Résumé en français du Programme* (French Summary of the Programme)” of the Base Prospectus dated 1 December 2017 related to (i) the “*Réserves contenues dans le rapport des Commissaires aux comptes*” (Qualifications in the auditors’ report)” and (ii) the “*Événement récent présentant un intérêt significatif pour l’évaluation de la solvabilité de l’Emetteur* (Recent material events relevant to the evaluation of the Issuer’s solvency)”;
- updating the section “Risk Factors” of the Base Prospectus dated 1 December 2017;
- updating the section “Documents incorporated by Reference” of the Base Prospectus dated on 1 December 2017 to incorporate by reference the *Deuxième Actualisation du Document de Référence* (second update to the Registration Document), in French, which has been filed with the AMF on 30 August 2018 under number D.18-0197-A02 containing the condensed half-yearly consolidated financial statements of Groupe BPCE and Groupe BPCE SA as 30 June 2018, with the exception of the Statement by the person responsible for the registration document and its update on page 273;
- updating the section “Recent Developments” of the Base Prospectus dated on 1 December 2017 to insert

(i) the press release dated 12 September 2018 announcing the planned disposal by Natixis and acquisition by BPCE SA of the consumer financing, factoring, leasing, sureties & guarantees and securities services businesses, for a price of €2.7bn; and

- updating the section “Information About the Issuer” of the Base Prospectus dated on 1 December 2017.

The Base Prospectus, as supplemented, constitutes a base prospectus for the purpose of the Prospectus Directive.

Terms defined in the Base Prospectus have the same meaning when used in this Seventh Supplement.

Application has been made to the AMF in France for approval of this Seventh Supplement to the Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général*.

Save as disclosed in this Seventh Supplement, no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Seventh Supplement and (b) any other statement in, or incorporated by reference in, the Base Prospectus, the statements in (a) above will prevail.

To the extent applicable, and provided that the conditions of Article 212-25 I of the *Règlement Général* of the AMF are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Seventh Supplement is published, have the right, according to Article 212-25 II of the *Règlement Général* of the AMF, to withdraw their acceptances within a time limit of minimum two working days after the publication of this Seventh Supplement (*i.e.* no later than 18 September 2018), provided that the new factor, material mistake or inaccuracy referred to in the preceding paragraph was prior to the final closing of the public offer and delivery of the Notes.

Copies of this Seventh Supplement (a) may be obtained free of charge at the registered office of the Issuer (BPCE Service Emissions - 50, avenue Pierre Mendès France – 75201 Paris Cedex 13) and (b) will be made available on the websites of the Issuer (www.bpce.fr) and of the AMF (www.amf-france.org).

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2. SUMMARY OF THE PROGRAMME

(i) the “Qualifications in the auditors’ report”

On page 10 of the Base Prospectus the section “*Qualifications in the auditors’ report*” set out in Element B.10 is replaced as follows:

B.10	Qualifications in the auditors’ report	<p>The statutory auditors’ reports on the consolidated financial statements of the Groupe BPCE and the Groupe BPCE SA and on the company financial statements of the Issuer for the years ended 31 December 2017 and 31 December 2016 and the statutory auditors’ limited review reports on the consolidated financial statements of the Groupe BPCE and the Groupe BPCE SA for the half year ended 30 June 2018 do not contain qualifications.</p> <p>However, the statutory auditors’ review reports referring to the consolidated financial statements of the Groupe BPCE and the Groupe BPCE SA for the year ended 31 December 2016 and the statutory auditors’ limited review reports on the consolidated financial statements of the Groupe BPCE and the Groupe BPCE SA for the half year ended 30 June 2018, each contain one observation.</p>
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(ii) “Recent material events relevant to the evaluation of the Issuer’s solvency”

On page 15 of the Base Prospectus the section “*Recent material events relevant to the evaluation of the Issuer’s solvency*” set out in Element B.13 is replaced as follows:

B.13	Recent material events relevant to the evaluation of the Issuer’s solvency	<p>In order to strengthen its universal banking model, adress new customer usage and better meet clients’ needs across the Banques Populaires and Caisses d’Epargne networks, Groupe BPCE plans to integrate the Consumer financing, Factoring, Leasing, Sureties & guarantees and Securities services businesses within BPCE SA, thereby symplifying its organization. To that end, BPCE SA is contemplating the acquisition of such activities from Natixis, for a total price of €2.7bn.</p>
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3. RÉSUMÉ EN FRANÇAIS DU PROGRAMME (FRENCH SUMMARY OF THE PROGRAMME)

(i) the “*Réserves contenues dans le rapport des Commissaires aux comptes (Qualifications in the auditors’ report)*”

On pages 44-49 of the Base Prospectus the section “*Réserves contenues dans le rapport des Commissaires aux comptes*” set out in Element B.10 is replaced as follows:

B.10	Réserves contenues dans le rapport des Commissaires aux comptes	<p>Les rapports d’audit sur les comptes consolidés du Groupe BPCE et du Groupe BPCE SA et sur les comptes individuels de l’Emetteur pour les exercices clos le 31 décembre 2017 et le 31 décembre 2016 et les rapports d’examen limité sur les comptes consolidés du Groupe BPCE et du Groupe BPCE SA relatifs au premier semestre clos le 30 juin 2018 ne contiennent aucune réserve.</p> <p>Toutefois, les rapports d’audit sur les comptes consolidés du Groupe BPCE et du Groupe BPCE SA relatifs à l’exercice clos le 31 décembre 2016 et les rapports d’examen limité sur les comptes consolidés du Groupe BPCE et du Groupe BPCE SA relatifs au premier semestre clos le 30 juin 2018 contiennent chacun une observation.</p>
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(ii) the “*Événement récent présentant un intérêt significatif pour l’évaluation de la solvabilité de l’Émetteur (Recent material events relevant to the evaluation of the Issuer’s solvency)*”

On page 49 of the Base Prospectus the section “*Événement récent présentant un intérêt significatif pour l’évaluation de la solvabilité de l’Emetteur*” set out in Element B.13 is replaced as follows:

B.13	Événement récent présentant un intérêt significatif pour l’évaluation de la solvabilité de l’Émetteur	<p>Pour renforcer son modèle de banque universelle, s’adapter aux nouveaux usages et mieux servir les clients des Banques Populaires et des Caisses d’Épargne, le Groupe BPCE envisage de simplifier son organisation en intégrant au sein de BPCE SA, les métiers Affacturage, Cautions & garanties, Crédit-bail, Crédit à la consommation et Titres. À cet effet, BPCE SA envisage d’acquérir ces activités auprès de Natixis pour un prix global de 2,7 Md€</p>
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4. Updating the section “Risk Factors” appearing on pages 77 to 104 of the Base Prospectus:

On page 77 of the Base Prospectus, the following paragraph is replaced as follows:

“RISK FACTORS RELATING TO THE ISSUER

See BPCE 2017 Registration Document, pages 122 to 129 and Second Updated of the BPCE 2017 Registration Document, pages 10 to 39, as defined and further described under “Documents Incorporated by Reference” in this Base Prospectus.”

On page 87 of the Base Prospectus, the last paragraph of the risk factor entitled “*Reputational and legal risks could unfavorably impact Groupe BPCE’s profitability and commercial outlook*” is replaced as follows:

“Inadequate management of these aspects could also increase Groupe BPCE’s legal risk, the number of legal proceedings and the amount of damages claimed from Groupe BPCE, or expose it to regulatory sanctions (for further details see Section 3.10 (“Legal risks”) of the BPCE 2017 Registration Document and Section 3.6 (“Legal Risks”) of the Second Update to the BPCE 2017 Registration Document.”

4. Updating the section “Documents Incorporated by Reference” appearing on pages 105 to 112 of the Base Prospectus:

On page 106 of the Base Prospectus, the following paragraph is added:

“(j) the second update of the BPCE 2017 registration document (document de référence) (the “**Second Updated of the BPCE 2017 Registration Document**”), published in French, which was filed with the AMF under registration number N° D. 18-0197-A02, on 30 August 2018;

On page 106 of the Base Prospectus, the first paragraph is replaced as follows:

“Free English language translations of the documents incorporated by reference in this Base Prospectus listed in paragraphs (a), (b), (c), (d), (e), (g) and (j) are available, for information purposes only, on the Issuer’s website.”

On page 106 of the Base Prospectus, the following paragraph is added:

- the statements by Mr. Laurent Mignon, *Président du Directoire* of the Issuer, on page 273 of the Second Update of the BPCE 2017 Registration Document referring to the completion letter (*lettre de fin de travaux*) of the statutory auditors;

The information incorporated by reference is completed as follows:

Regulation – Annex XI	Second Update of the BPCE 2017 Registration Document - Reference
1. PERSONS RESPONSIBLE	Page 273
2. STATUTORY AUDITORS	Pages 270 to 271
3. RISK FACTORS	Pages 10 to 39
4. INFORMATION ABOUT THE ISSUER	Pages 65 to 97
5. BUSINESS OVERVIEW	Pages 65 to 97
5.1 Principal activities	Pages 65 to 97
5.2 Principal markets	Pages 65 to 97
6. ORGANIZATIONAL STRUCTURE	
6.1 Description of the Group	Pages 79, 118 to 119 and 202 to 203
9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
9.1 Names, business addresses and functions in the Issuer of the members of the administrative, management and supervisory bodies, and an indication of the principal activities performed by them outside the Issuer where these are significant with respect to the Issuer	Pages 6 to 9
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
11.1 Historical financial information	Not Applicable
11.5 Interim and other financial information	Pages 101 to 269
11.6 Legal and arbitration proceedings	Pages 31 to 34
14. DOCUMENTS ON DISPLAY	Page 272

Any information not listed in the above cross reference list but included in the documents incorporated by reference is given for information purpose only.

5. Updating the section “Recent Developments” appearing on page 114 of the Base Prospectus to insert:

(i) the press release dated 12 September 2018 announcing the planned disposal by Natixis and acquisition by BPCE SA of the consumer financing, factoring, leasing, sureties & guarantees and securities services businesses, for a price of €2.7bn

“Paris, 12 September 2018

Planned disposal by Natixis and acquisition by BPCE SA of the Consumer financing, Factoring, Leasing, Sureties & guarantees and Securities services businesses, for a price of €2.7bn

In order to strengthen its universal banking model, address new customer usage and better meet clients’ needs across the Banques Populaires and Caisses d’Epargne networks, Groupe BPCE plans to integrate the Consumer financing, Factoring, Leasing, Sureties & guarantees and Securities services businesses within BPCE SA, thereby simplifying its organization. To that end, BPCE SA is contemplating the acquisition of such activities from Natixis, for a total price of €2.7bn.

This operation would lead Natixis to pay a special cash dividend up to €1.5bn, contingent on any significant acquisition project that may arise by the closing of the transaction.

If finalized, the intended transaction will significantly contribute towards Groupe BPCE and Natixis’ ambitions laid out in their respective TEC 2020 and New Dimension strategic plans which targets are reviewed upwards on this occasion (Natixis 2020 RoTE target of 14-15.5%(1) vs. 13-14.5% previously).

If successfully completed, the foreseen transaction will allow Natixis to accelerate the development of its asset-light model. Natixis would invest up to €2.5bn over its New Dimension strategic plan, primarily in asset management, compared with €1bn initially planned.

Natixis’ independent directors were informed of the projected transaction and appointed Morgan Stanley to provide the fairness opinion on this operation. Independent directors have assessed the terms and conditions of the proposed transaction over the course of several meetings, with the support of Morgan Stanley, and ruled in favor of the project at today’s Natixis Board of Directors’ meeting.

BPCE SA Supervisory Board also approved the transaction project today. Board members who are also Natixis’ directors did not take part in the vote.

Morgan Stanley will continue its assessment over the months ahead and the fairness opinion should be submitted to the Natixis Board of Directors once the final terms of the transaction have been defined, and after approval of the supervisory authorities and consultation with the employee representative bodies involved. The conclusions of this fairness opinion will be communicated once final.

The realization of the transaction would imply a capital increase from BPCE SA, underwritten by the Banques Populaires and the Caisses d’Epargne.

The closing of the transaction is expected towards the end of the first quarter of 2019.

A DRIVER OF VALUE CREATION

The planned acquisition of the Consumer financing, Factoring, Leasing, Sureties & guarantees and Securities services businesses would enable Groupe BPCE to:

- provide its clients with a more coordinated product and service range, as well as improved customer experience,
- step up the high value-added solutions offering,
- enhance the way it addresses customer needs and new digital usage.

Natixis would reinforce its strategic mobility with the 2020 CET1 ratio target of 11% achieved ahead of plan, after paying out a special cash dividend up to €1.5bn (contingent on any significant acquisition project that

may arise by the closing of the transaction). Regardless of such a dividend distribution, Natixis' room for manoeuvre to accelerate the development of its asset-light strategy across its high value-added areas of expertise that consume little capital and cost of risk, will increase, with Groupe BPCE to support Natixis' growth ambitions, if needed.

This deal would afford Natixis greater financial flexibility as a result of a shorter balance sheet duration (>75% with maturity < 1 year) and greater ability to adjust its expense trajectory, depending on its revenue evolution.

Natixis will continue to work closely with the Banques Populaires and Caisses d'Epargne networks across its full range of fast-growing business lines i.e. Asset & Wealth Management, Corporate & Investment Banking, Insurance, and Payments. Pro forma for the transaction, Natixis would generate ~16% of its 2017 revenues with the networks and the three quarters of the synergies that were identified between Natixis and Groupe BPCE networks over the New Dimension plan would remain.

Natixis would also generate 53% of its 2017 pro forma revenues outside France.

Laurent Mignon, Chairman of Groupe's BPCE Management Board, states: *"In less than 10 years, our teams' commitment and hard work across the Group have helped us successfully build our universal cooperative banking model based on strong banners that each boast a singular client focus. This planned transaction would mark the start of a new step in Groupe BPCE's transformation and take us closer to the goals outlined in our TEC 2020 strategic plan as well as in Natixis' New Dimension plan. It would also help us more effectively address our customers' needs across the Banques Populaires and Caisses d'Epargne networks, enhance the quality of our products and services, and continue transforming the business lines involved in the deal while also driving their growth. These factors together would set the stage for Natixis to more swiftly implement its asset-light model with its clients and the Group's two retail networks"*.

François Riahi, Chief Executive Officer of Natixis, adds: *"This planned transaction would give Natixis further financial firepower to invest in its differentiating asset-light business lines – primarily asset management – and provide additional growth opportunities for the company. Today marks another milestone in Natixis' development and demonstrates our ability to step up the roll-out of our New Dimension strategic plan. This proposed transaction would give Natixis' balance sheet greater flexibility and make the company more responsive and agile in an ever more demanding market environment. We stand firmly at the heart of Groupe BPCE and this move would put us in an even better position to further support our clients and Banques Populaires and Caisses d'Epargne customers right across our business lines – Asset & Wealth Management, Corporate & Investment Banking, Insurance, and Payments."*

STRATEGIC AND FINANCIAL TARGETS REVIEWED UPWARDS ON THE OCCASION OF THIS OPERATION

Groupe BPCE

- Additional net income of ~€80m by 2020 (~€60m in 2017) post minority buy-back
- Furthermore, the impact on Groupe BPCE's CET1 ratio would be around -20bps

Natixis

- 2020 RoTE target revised from 13-14.5% to 14-15.5%(1)
- Acquisition capacity raised to €2.5bn(2) over 2018-2020
- Theoretical dividend capacity of ~€5.6bn(2) over 2018-2020

Furthermore, the transaction would have the following impacts:

- RWA deconsolidation of ~€14bn, based on 31/12/17
- Positive one-off P&L impact of ~€450m(3) on Natixis' net income, fully-booked by the closing of the transaction
- Annual net income deconsolidation of ~€200m, based on 31/12/17

(1) Post SRF contribution and US tax reform reviews

(2) ~€100m already invested since January 1, 2018

(3) Impact estimated at end-2018. Figure may vary depending on potential tax adjustments

6. INFORMATION ABOUT THE ISSUER

The fifth paragraph in the paragraph entitled “*The Financial Solidarity Mechanism*” is replaced as follows:

“The Financial Solidarity Mechanism

The Mutual Guarantee Fund was formed by deposits made by the Banque Populaire banks and the Caisses d’Epargne. These deposits were booked by BPCE in the form of a 10-year term accounts which are indefinitely renewable. The amount of the deposits by network was €81 million at 30 June 2018. The funds are topped up each year by the equivalent of 5% of the contributions made by the Banque Populaire banks, the Caisses d’Epargne, and their subsidiaries to the Group’s consolidated income.”

8. PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SEVENTH SUPPLEMENT TO THE BASE PROSPECTUS

In the name of the Issuer

I declare, having taken all reasonable care to ensure that such is the case and to the best of my knowledge, that the information contained in this Base Prospectus is in accordance with the facts and that it contains no omission likely to affect its import.

BPCE
50 avenue Pierre Mendès-France
75013 Paris
France

Duly represented by:
Roland CHARBONNEL,
Director of Group Funding and Investor Relations Department
Duly authorised
on 14 September 2018



Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (“**AMF**”), in particular Articles 212-31 to 212-33, the AMF has granted to this Seventh Supplement the visa N°18-428 on 14 September 2018. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the Notes being issued.