

**SUPPLEMENT N° 2 DATED 1 FEBRUARY 2018  
TO THE BASE PROSPECTUS DATED 18 MAY 2017**



*(duly licensed French credit institution)*  
**€40,000,000,000 Euro Medium Term Note Programme**  
**for the issue of obligations de financement de l'habitat and other privileged notes**  
**(the "Programme")**

BPCE SFH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes to be governed either by French law or German law (respectively the "**French law Notes**" and the "**German law Notes**", and collectively, unless otherwise specified, the "**Notes**") under its Programme. The French law Notes will be *Obligations de Financement de l'Habitat* within the meaning of Article L.513-30-I of the French Monetary and Financial Code (*Code monétaire et financier*). The German law Notes will be German law governed *Namenschuldverschreibungen*. Each of the French law Notes and German law Notes will benefit from the statutory *privilège* (priority right of payment) created by Article L.513-11 of the French Monetary and Financial Code (*Code monétaire et financier*).

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 18 May 2017 prepared in relation to the Programme of the Issuer, which was granted visa n°17-209 on 18 May 2017 by the *Autorité des marchés financiers* (the "**AMF**") as supplemented by the first supplement to the Base Prospectus dated 2 October 2017 which was granted visa n°17-525 by the AMF on 2 October 2017 (together, the "**Base Prospectus**").

The Issuer has prepared this Second Supplement to its Base Prospectus, pursuant to Article 16.1 of the Directive 2003/71/EC of 4 November 2003, as amended on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**") and Article 212-25 of the *Règlement Général* of the AMF for the following purposes of updating:

1. the cover page of the Base Prospectus;
2. the disclaimer paragraphs of the Base Prospectus;
3. the section "*Summary of the Programme*" of the Base Prospectus related to the "*Consent to use the Prospectus*";
4. the section "*Résumé du Programme*" of the Base Prospectus related to the "*Consentement à l'utilisation du Prospectus*";
5. the section "*Retail cascades*" of the Base Prospectus;
6. the section "*the Borrowers, the Guarantors, the Obligors' Agent, the Management and Recovery Agent and the Administrative Agent*" of the Base Prospectus;
7. the section "*Form of Final Terms 1*" of the Base Prospectus;
8. the section "*Form of Final Terms 2*" of the Base Prospectus;
9. the section "*Taxation*" of the Base Prospectus;
10. the section "*Subscription and Sale*" of the Base Prospectus; and
11. the section "*General Information*" of the Base Prospectus.

The Base Prospectus 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 Second Supplement.

Application has been made to the AMF in France for approval of this Second 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 Second 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 Second 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 Second 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 Second Supplement (*i.e.* no later than 5 February 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 Second Supplement (a) may be obtained free of charge at the registered office of the Issuer (BPCE SFH 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](http://www.bpce.fr)) and of the AMF ([www.amf-france.org](http://www.amf-france.org)).**

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## COVER PAGE

The following paragraph shall be added at the bottom of the cover page of the Base Prospectus:

"Amounts payable under the Notes may be calculated by reference to EURIBOR, LIBOR, EONIA or CMS which are respectively provided by the European Money Markets Institute ("**EMMI**"), ICE Benchmark Administration Limited ("**ICE**"), European Banking Federation ("**EBF**") and International Swaps and Derivatives Association ("**ISDA**"). As at the date of the Second Supplement, the EMMI, ICE, EBF and ISDA do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI, ICE, EBF and ISDA are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)."

## DISCLAIMERS

The following paragraphs shall be added on page 3 of the Base Prospectus before the paragraph starting by "In this Base Prospectus, unless otherwise specified or the context otherwise requires (...)":

**"PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.**

**MiFID II product governance / target market – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the determination of the type of clients in the context of the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.**

**A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules."**

## SUMMARY OF THE PROGRAMME

On pages 5 and 6 of the Base Prospectus the section "*Consent by the Issuer for the use of the Prospectus*" set out in Element A.2 is replaced as follows:

"A.2	Consent by the Issuer for the use of the Prospectus	<p>Certain tranches of Notes with a specified denomination of less than €100,000 (or its equivalent in any other currency at the time of issue) may be offered in circumstances where there is no exemption from the requirement to publish a prospectus (a "<b>Non-exempt Offer</b>") under Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the "<b>Prospectus Directive</b>").</p> <p>In the context of a Non-exempt Offer, the Issuer may, if so specified in the relevant Final Terms, consent to the use of the Base Prospectus and the relevant Final Terms (together, the "<b>Prospectus</b>") in connection with a Non-exempt Offer of any Notes in France (the "<b>Public Offer Jurisdiction(s)</b>") during the offer period specified in the relevant Final Terms (the "<b>Offer Period</b>") by:</p> <ul style="list-style-type: none"> <li>(i) subject to conditions set out in the relevant Final Terms, any financial intermediary authorised to make such offers pursuant to the Markets in Financial Instruments Directive 2004/39/EC dated 21 April 2004, as amended, if applicable specified in the relevant Final Terms; or</li> <li>(ii) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any applicable regulatory bodies (the "<b>Rules</b>"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "<i>Subscription and Sale</i>" in the Base Prospectus which would apply as if it were a dealer appointed under the Programme (a "<b>Dealer</b>"); (c) complies with the target market and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permits required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with the Rules relating to anti-money laundering, prevention of corruption and "know your client" applicable to the Issuer and/or the relevant Dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms (in each case an "<b>Authorised Offeror</b>"). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and the consent to the use of the Base Prospectus relates to Offer Periods (if any) beginning within twelve (12) months from the date of the approval of the Base Prospectus by the AMF.</li> </ul> <p><b>The terms and conditions of the Non-exempt Offer shall be provided</b></p>
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		<b>to investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of BPCE or Natixis or other Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant investors."</b>
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## RESUME DU PROGRAMME

On pages 18 and 19 of the Base Prospectus the section "*Consentement de l'Emetteur à l'utilisation du Prospectus*" set out in Element A.2 is replaced as follows:

<p>"A.2</p>	<p>Consentement de l'Emetteur à l'utilisation du Prospectus</p>	<p>Certaines tranches de Titres ayant une valeur nominale inférieure à 100.000 euros (ou la contre-valeur de ce montant dans toute autre devise à la date d'émission) peuvent être offertes dans des circonstances où il n'existe pas de dispense à l'obligation de publier un prospectus (une "<b>Offre Non-Exemptée</b>") en vertu de la Directive 2003/71/CE du Parlement Européen et du Conseil en date du 4 novembre 2003, telle que modifiée (la "<b>Directive Prospectus</b>").</p> <p>Dans le cadre d'une Offre Non-exemptée, l'Emetteur peut consentir, si cela est indiqué dans les Conditions Définitives concernées, à l'utilisation du Prospectus et des Conditions Définitives concernées (ensemble le "<b>Prospectus</b>"), en relation avec une Offre Non-exemptée de Titres en France (le(s) "<b>Pays de l'Offre au Public</b>"), durant la période d'offre indiquée dans les Conditions Définitives (la "<b>Période d'Offre</b>"), par :</p> <p>(i) sous réserve des conditions mentionnées dans les Conditions Définitives, tout intermédiaire financier autorisé à faire ce type d'offre en application de la Directive 2004/39/CE sur les marchés d'instruments financiers du 21 avril 2004, tel que modifiée; ou</p> <p>(ii) tel qu'indiqué dans les Conditions Définitives concernées, tout intermédiaire financier qui satisfait aux condition suivantes : (a) agit conformément aux lois, règles, réglementation et recommandations provenant des autorités de régulation compétentes (les "<b>Règles</b>"), incluant, sans limitation, les Règles relatives à la fois à la pertinence et à l'adéquation de tout investissement dans les Titres par toute personne et la divulgation à tout investisseur potentiel; (b) respecte les restrictions mentionnées dans la partie "Souscription et Vente" du Prospectus de Base qui lui serait applicable comme s'il était un agent placeur nommé dans le cadre du Programme (un "<b>Agent Placeur</b>") ; (c) qui respecte le marché cible et les circuits de distribution identifiés au paragraphe "<i>MiFID II product governance</i>" indiquée dans les Conditions Définitives ; (d) s'assurer que tout frais (et toute commission ou bénéfices de toute sorte) reçu ou payé par cet intermédiaire financier en relation avec l'offre ou la vente de Titres est indiqué aux investisseurs ou investisseurs potentiels de façon claire et exhaustive; (e) détient toutes les licences, consentements, approbations et permis requis en lien avec la sollicitation d'intérêts dans, ou les offres ou les ventes des Titres conformément aux Règles; (f) conserve des registres d'identification des investisseurs pour au moins la période minimum requise sous les Règles applicables, et, si cela est demandé, rend ces registres disponibles au(x) Distributeur(s) concerné(s) et à l'Emetteur ou directement aux autorités appropriées et compétentes pour l'Emetteur et/ou le(s) Distributeur(s) concerné(s) afin de permettre à l'Emetteur et/ou au(x) Distributeur(s) concerné(s) de se conformer aux Règles relatives à la lutte contre le blanchiment d'argent, la prévention de la corruption et à la "connaissance du client", qui s'appliquent à l'Emetteur et/ou au(x) Distributeur(s) concerné(s); (g) n'entraîne pas, directement ou indirectement, la rupture par l'Emetteur et/ou le(s) Distributeur(s) concerné(s) de toute Règle ou toute requête pour obtenir ou faire tout dépôt, obtenir une autorisation ou un accord dans toute juridiction; et (h) remplit toute condition supplémentaire précisée dans les Conditions Définitives (dans chaque cas un "<b>Offrant Autorisé</b>"). Afin d'éviter toute ambiguïté, ni les Agents Placeurs ni l'Emetteur, n'ont l'obligation de s'assurer qu'un Offrant Autorisé se conforme aux lois et réglementation applicables et n'assume aucune responsabilité à cet égard.</p> <p>Le consentement à l'utilisation du Prospectus de Base est donné pour les</p>
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		<p>Périodes d'Offre (le cas échéant) débutant dans les douze (12) mois à partir de la date de visa du Prospectus de Base par l'AMF.</p> <p><b>Les Modalités de l'Offre Non-exemptée devront être communiquées aux investisseurs par l'Offrant Autorisé au moment de l'Offre Non-exemptée. Ni l'Emetteur ni BPCE ou Natixis ou d'autres Offrants Autorisés ne sont responsables de cette information ou des conséquences de son utilisation par les investisseurs concernés."</b></p>
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## RETAIL CASCADES

The paragraphs under the section "*Retail Cascades*" on pages 51 and 52 of the Base Prospectus will be deleted in their entirety and replaced with the following:

"Certain tranches of French law Notes with a specified denomination of less than €100,000 (or its equivalent in any other currency at the time of issue) may be offered in circumstances where there is no exemption from the requirement to publish a prospectus (a "**Non-exempt Offer**") under Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended (the "**Prospectus Directive**").

The consent to the use of the Base Prospectus relates to Offer Periods (if any) beginning within twelve (12) months from the date of the approval of this Base Prospectus by the AMF.

In the context of a Non-exempt Offer, the Issuer may, if so specified in the relevant Final Terms, consent to the use of the Base Prospectus and the relevant Final Terms (together, the "**Prospectus**") in connection with a Non-exempt Offer of any Notes in France (the "**Public Offer Jurisdiction(s)**") during the offer period specified in the relevant Final Terms (the "**Offer Period**") by:

- (i) subject to conditions set out in the relevant Final Terms, any financial intermediary authorised to make such offers pursuant to the Markets in Financial Instruments Directive 2004/39/EC dated 21 April 2004, as amended, if applicable specified in the relevant Final Terms; or
- (ii) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a dealer appointed under the Programme; (c) complies with the target market and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permits required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with the Rules relating to anti-money laundering, prevention of corruption and "know your client" applicable to the Issuer and/or the relevant Dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms (in each case an "**Authorised Offeror**"). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an "**Investor**") in such Public Offer Jurisdiction(s) to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given and in compliance with all other conditions attached to the giving of the consent. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) occurring in the periods beginning and ending on the dates specified for such purpose in the relevant Final Terms relating to such Non-Exempt Offers and provided that the relevant Final Terms have been duly published and specify that offers may be made to the public in Public Offer Jurisdictions, all in accordance with the Prospectus Directive.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at [www.bpce.fr](http://www.bpce.fr).

**If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Offeror is required, for the duration of the Offer Period, to publish on its website a statement confirming that it is using the Prospectus for the relevant Non-exempt Offer with the consent of the Issuer and in accordance with the conditions attached thereto.**

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to the price, allotment, settlement/delivery arrangements and any costs or taxes to be invoiced to the Investor (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant Investors."**

## **THE BORROWERS, THE GUARANTORS, THE OBLIGORS' AGENT, THE MANAGEMENT AND RECOVERY AGENT AND THE ADMINISTRATIVE AGENT**

Following the appointment of François Riahi as Chief Executive Officer of BPCE to replace Margeurite Bérard-Andrieu, the paragraphs under the heading "*Management and administration*" (and the heading itself) on pages 133 and 134 of the Base Prospectus will be deleted in their entirety and replaced with the following:

### *"Management and administration*

BPCE is governed by a management board (*directoire*) and a supervisory board (*conseil de surveillance*).

The management board (*directoire*) is composed of a maximum of five (5) individual members who may be up to 65 years of age and need not be shareholders. Members of the management board (*directoire*) may perform other offices subject to compliance with the laws and regulations in force. However, a member of the management board (*directoire*) may not perform similar duties with a *Caisse d'Epargne et de Prévoyance* or a *Banque Populaire*.

The members of the management board (*directoire*) are appointed for a term of four (4) years by the supervisory board (*conseil de surveillance*) which appoints one of the management board (*directoire*) members as chairman (*président*).

The management board (*directoire*) is vested with the broadest powers to act in all circumstances in the name of the company, within the scope of the corporate purpose and subject to the powers attributed by law to the supervisory board (*conseil de surveillance*) or to shareholders' meetings.

The members of the management board are as follows:

François PÉROL	Chairman of the management board
François RIAHI	Chief Executive Officer - Finance, Strategy and Legal Affairs
Laurent ROUBIN	Chief Executive Officer - Commercial Banking and Insurance
Catherine HALBERSTADT	Chief Executive Officer - Human Ressources and Group Internal Communications
Laurent MIGNON	Natixis Chief Executive Officer

Under Article 17 of the bylaws, supervisory board (*conseil de surveillance*) meetings are called by its chairman. They are held as often as the interest of BPCE requires, and at least four times a year. The supervisory board is composed of 10 to 18 members designated by the general meeting of shareholders."

## FORM OF FINAL TERMS 1

- The following legend will be inserted at the top of the section "*Form of Final Terms 1*" on page 142 of the Base Prospectus:

**"PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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

- The following item will be inserted under the item 8. (*Distribution*) of the form of Final Terms 2/Part B - Other Information in the section "*Form of Final Terms 1*" on page 152 of the Base Prospectus:

**"9. [FLOATING RATE NOTES ONLY – BENCHMARK**

Benchmark:

Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 (the "**Benchmark Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]]"

## FORM OF FINAL TERMS 2

- The following legend will be inserted at the top of the section "*Form of Final Terms 2*" on page 153 of the Base Prospectus:

**"PRIIPS REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

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

**OR**

**MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that, in relation to the type of clients criterion only: (i) the type of clients to whom the Notes are targeted is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); EITHER [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] type of clients assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

- The following item will be inserted under the item 28. (*Masse*) of the form of Final Terms 2/Part A - Contractual Terms in the section "*Form of Final Terms 2*" on page 162 of the Base Prospectus:

**"29. Prohibition of Sales to EEA Retail Investors<sup>1</sup>:**

[Applicable/Not Applicable]

*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

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<sup>1</sup> The expression "Retail Investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive.

- Item 8. (*Floating Rate Notes only – historic interest rates*) of the form of Final Terms 2/Part B - Other Information in the section "*Form of Final Terms 2*" on page 165 of the Base Prospectus will be deleted in its entirety and replaced with the following:

"8. ***[FLOATING RATE NOTES ONLY – HISTORIC INTEREST RATES***

Details of historic [EURIBOR/EONIA/LIBOR/CMS/other] rates can be obtained from [Thomson Reuters].

Benchmark:

Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 (the "**Benchmark Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]"

## TAXATION

On pages 198 to 199 of the Base Prospectus, the paragraph "France" set out in section "Taxation" is replaced as follows:

### "France

#### **French Withholding Tax**

*The following is an overview of certain tax considerations that may be relevant to Noteholders who do not concurrently hold shares of the Issuer.*

Payments of interest and other income made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code (*Code général des impôts*), unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject (where relevant) to certain exceptions summarised below and the more favorable provisions of any applicable double tax treaty) pursuant to Article 125 A III of the French General Tax Code (*Code général des impôts*). Notwithstanding the foregoing, Article 125 A III of the French General Tax Code (*Code général des impôts*) provides, that the 75% withholding tax will not apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official regulation published by French tax authorities on 11 February 2014 (*Bulletin Officiel des Finances Publiques-Impôts - BOI-INT-DG-20-50-20140211*, section No. 990), an issue of Notes will be deemed to have a qualifying purpose and effect, and accordingly will be able to benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a state or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator, an investment services provider, or by a similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing, delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code (*Code monétaire et financier*), or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Furthermore, by virtue of Article 238 A of the French General Tax Code (*Code général des impôts*), interest and other income paid by or on behalf of the Issuer with respect to such Notes may no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other income may be recharacterised as deemed distributed income pursuant to Articles 109 *et seq.* of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other income may be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code (*Code général des impôts*), at a rate of (i) 12.8% for payments benefitting to individuals who are not fiscally domiciled (*domiciliés fiscalement*) in France, (ii) 30% until 31 December 2019, 28% as from 1 January 2020, 26.5% as from 1 January 2021, 25% as from 1 January 2022 for payments benefitting to legal persons which are not fiscally domiciled (*domiciliés fiscalement*) in France, (iii) 75% for payments made in a Non-Cooperative State, subject in any case to the more favourable provisions of any applicable double tax treaty.

However, neither the non-deductibility set out under article 238 A of the French General Tax Code (*Code général des impôts*) (as further specified by the official regulation (*Bulletin Officiel des Finances Publiques-Impôts*) published by French tax authorities on 11 February 2014, BOI-INT-DG-20-50-20142011, Section No. 550) nor the withholding tax set out in article 119 *bis* 2 of the French General Tax Code will apply in respect of the issue of Notes if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not an abnormal or exaggerated amount. Pursuant to the official regulation published by French tax authorities on 11 February 2014 (*Bulletin Officiel des Finances Publiques – Impôts – BOI-INT-DG-20-50-20142011*, Section No. 550), an issue of Notes will benefit from the Exception



without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if such Notes qualify to one (1) of the three (3) above-mentioned classifications.

***Payments made to French resident individuals***

Pursuant to Articles 125 A and 125 D of the French General Tax Code (*Code général des impôts*) subject to certain limited exceptions, interest and other similar revenues received as from 1 January 2018 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 17.2% on interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France."

## SUBSCRIPTION AND SALE

The paragraphs under the heading "*European Economic Area*" (and the heading itself) in the section "*Subscription and Sale*" on page 202 of the Base Prospectus will be deleted in their entirety and replaced with the following:

### **"European Economic Area**

#### ***Prohibition of sales to EEA retail investors***

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below); and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

#### ***Public offer selling restriction under the Prospectus Directive***

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms, to the public in a member state of the European Economic Area (each, a "**Member State**") except that it may make an offer of such Notes to the public in that Member State:

- (a) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, (ii) "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003, as amended, and includes any relevant implementing measure of such directive in each relevant Member State."

## GENERAL INFORMATION

The following paragraph will be added at the bottom of the section "*General Information*" on page 205 of the Base Prospectus:

"(15) Amounts payable under the Notes may be calculated by reference to EURIBOR, LIBOR, EONIA or CMS which are respectively provided by the European Money Markets Institute ("**EMMI**"), ICE Benchmark Administration Limited ("**ICE**"), European Banking Federation ("**EBF**") and International Swaps and Derivatives Association ("**ISDA**"). As at the date of this Base Prospectus, the EMMI, ICE, EBF and ISDA do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI, ICE, EBF and ISDA are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)."

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND 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 Second Supplement (when read together with the Base Prospectus) is in accordance with the facts and that it contains no omission likely to affect its import.

**BPCE SFH**  
50 avenue Pierre Mendès-France  
75013 Paris  
France

Duly represented by:  
Jean-Philippe Berthaut  
*Directeur Général Délégué*  
Duly authorised  
on 1 February 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 Second Supplement the visa N° 18-033 on 1 February 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.