

**SECOND SUPPLEMENT DATED 28 FEBRUARY 2019**  
**TO THE BASE PROSPECTUS DATED 5 SEPTEMBER 2018**



CRÉDIT MUTUEL ARKÉA  
€13,000,000,000  
EURO MEDIUM TERM NOTE PROGRAMME

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 5 September 2018 as supplemented by the first supplement to the base prospectus dated 26 October 2018 (together, the "**Base Prospectus**") prepared in relation to the €13,000,000,000 Euro Medium Term Note Programme (the "**Programme**") for the issue, from time to time, subject to compliance with all relevant laws, regulations and directives, of notes (the "**Notes**") by Crédit Mutuel Arkéa (the "**Issuer**").

On 5 September 2018, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus as a base prospectus for the purposes of article 5.4 of Directive 2003/71/EC of 4 November 2003 as amended (the "**Prospectus Directive**") in its capacity as competent authority in Luxembourg under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005, as amended, which implements the Prospectus Directive in Luxembourg (the "**Luxembourg Law**").

Application has been made to the CSSF for approval of this Second Supplement as a supplement to the Base Prospectus for the purposes of article 16 of the Prospectus Directive and article 13 of Luxembourg Law, as amended.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Second Supplement. This Second Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. The Issuer accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Second Supplement has been produced for the purposes of supplementing the following sections of the Base Prospectus:

- "SUMMARY OF THE PROGRAMME" (pages 5 *et seq.* of the Base Prospectus);
- "RÉSUMÉ EN FRANCAIS DU PROGRAMME" (pages 32 *et seq.* of the Base Prospectus);
- "RISK FACTORS" (pages 61 *et seq.* of the Base Prospectus);
- "GENERAL DESCRIPTION OF THE PROGRAMME" (pages 82 *et seq.* of the Base Prospectus);
- "DOCUMENTS INCORPORATED BY REFERENCE" (pages 90 *et seq.* of the Base Prospectus);
- "TERMS AND CONDITIONS OF THE NOTES" (pages 95 *et seq.* of the Base Prospectus);

- "RECENT DEVELOPMENTS" (page 139 of the Base Prospectus);
- "FORM OF FINAL TERMS" (pages 140 *et seq.* of the Base Prospectus);
- "GENERAL INFORMATION"(pages 172 *et seq.* of the Base Prospectus)

In accordance with Article 13.2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Second Supplement is published have the right, exercisable within a time-limit of two business days after the publication of this Second Supplement (no later than 4 March 2019) to withdraw their acceptances.

This Second Supplement will be published on the Luxembourg Stock Exchange's website "[www.bourse.lu](http://www.bourse.lu)".

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## SUMMARY OF THE PROGRAMME

1/ The item B.9 entitled "Profit forecast or estimate" under section B. "Issuer" on page 8 of the Base Prospectus is deleted and replaced as follows:

<b>B.9</b>	<b>Profit forecast or estimate</b>	<p>On 28 February 2019, the Issuer has published its non-audited consolidated annual financial statements for the financial year ended 31 December 2018.</p> <p>The unaudited net income attributable to equity holders of the Crédit Mutuel Arkéa Group is € 437.3 million for the full-year 2018.</p>
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2/ The item B.12 entitled "Selected historical key financial information" under section B. "Issuer" on page 9 of the Base Prospectus is deleted and replaced as follows:

B.12	Selected historical key financial information	Consolidated Financial information ( <i>in millions of euros</i> )					
			31 Decembe r 2016	31 Decembe r 2017	30 June 2017 (unaudi ted)	30 June 2018 (unaudi ted)	31 Decemb er 2018 (unaudit ed)
		Share capital and reserves	2,303.1	2,207.9	2,211.9	2,244.9	2,266.4
		Consolidated reserves	3,239.3	3,531.4	3,537.3	3,904.8	3,896.4
		Net Income	336.2	428.1	193.2	246.5	437.3
		Total shareholders' equity	6,073.2	6,449.1	6,368.0	6,649.8	6,704.4
		Long-medium and short term debt* <sup>1</sup>	13,760.1	12,680.7	11,791	13,685.2	14,437.8
		*comprising subordinated debts	890.3	1,892.8	1,390.3	2,402.2	1,667.1
		debenture loans (gross value)	9,353.7	7,952.6	7,496	8,086.4	9,514.3
		<sup>1</sup> The "Long-medium and short term debt" item results from the addition of the "debt securities" and "subordinated debts" accounting items of the Issuer's statements.					
Other than the non-audited consolidated annual financial statements of the Issuer as at 31 December 2018, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018.							
Except as disclosed in Element B.4b. and in the non-audited consolidated annual financial statements of the Issuer as at 31 December 2018, there has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2017.							
The CET 1 ratio is 17.5% as at December 31, 2018. Tier 1 or Common Equity Tier 1 (CET 1) totaled €5.59 billion and represented 88% of total regulatory capital. It increased by €300 million in 2018, which corresponds mainly to the incorporation of the unappropriated profit for the year.							

3/ The paragraph entitled "Waiver of Set-off rights" under section C.8. "Rights attached to the Notes including ranking and limitations to those rights" on page 14 of the Base Prospectus is deleted and replaced as follows:

**"Waiver of Set-off rights"**

The holders of the Notes (the "**Noteholders**") waive any right of set-off, compensation and retention in relation to the Notes, to the extent permitted by law."

4/ The following sub-paragraph (xi) shall be added at the end of the paragraph entitled "Risks related to Notes generally including" under section D.3 "Key risks regarding the Notes" on page 29 of the Base Prospectus:

***"(xi) The terms of the Notes contain a waiver of set-off rights"***

The Noteholders waive any right of set-off, compensation and retention in relation to the Notes, to the extent permitted by law."

5/ The sub-paragraph "(vii) The terms of the Senior Non-Preferred Notes contain a waiver of set-off rights" in the paragraph entitled "Additional Risks relating to Senior Non-Preferred Notes" under section D.3 "Key risks regarding the Notes" on page 30 of the Base Prospectus is deleted.

6/ The sub-paragraph "(iv) The terms of the Subordinated Notes contain a waiver of set-off rights" in the paragraph entitled "Additional Risks relating to Subordinated Notes" under section D.3 "Key risks regarding the Notes" on page 30 of the Base Prospectus is deleted.

## RÉSUMÉ EN FRANÇAIS DU PROGRAMME

1/ The item B.9 entitled "*Prévisions et estimations du bénéfice*" under section B. "*Émetteur*" on page 36 of the Base Prospectus is deleted and replaced as follows:

<b>B.9</b>	<b>Prévisions et estimations du bénéfice</b>	<p>Le 28 février 2019, l'Émetteur a publié ses états financiers annuels consolidés non-audités de l'exercice clos le 31 décembre 2018.</p> <p>Le résultat net part du groupe non-audité du Groupe Crédit Mutuel Arkéa est de 437,3 millions d'euros pour l'exercice 2018.</p>
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2/ The item B.12 entitled "*Informations financières historiques clés sélectionnées*" under section B. "*Émetteur*" on page 36 of the Base Prospectus is deleted and replaced as follows:

B.12	Informations financières historiques clés sélectionnées	Information Financière Consolidée (en millions d'euros)					
			31 décembre 2016	31 décembre 2017	30 juin 2017 (non audité)	30 juin 2018 (non audité)	31 décembre 2018 (non audité)
		Capital et réserves liées	2.303,1	2.207,9	2.211,9	2.244,9	2.266,4
		Réserves consolidées	3.239,3	3.531,4	3.537,3	3.904,8	3.896,4
		Résultat de l'exercice	336,2	428,1	193,2	246,5	437,3
		Capitaux propres consolidés	6,073.2	6,449.1	6.368,0	6.649,8	6.704,4
		Dettes à court, moyen et long-terme* <sup>1</sup>	13.760,1	12.680,7	11.791	13.685,2	14.437,8
		*y compris les dettes subordonnées	890,3	1.892,8	1.390,3	2.402,2	1.667,1
		Emprunts obligataires (valeur brute)	9.353,7	7.952,6	7.496	8.086,4	9.514,3
		<p><sup>1</sup> Le poste "Dettes à court, moyen et long-terme" est la résultante de l'addition des postes "Dettes représentées par un titre" et "Dettes subordonnées" des états financiers de l'Émetteur.</p> <p>En dehors des informations financières annuelles consolidées non-auditées de l'Émetteur au 31 décembre 2018, il n'y a eu aucun changement significatif dans la situation financière ou commerciale de l'Émetteur ou du Groupe depuis le 30 juin 2018.</p> <p>Sous réserve de l'information indiquée dans l'Elément B.4b et des informations financières annuelles consolidées non-auditées de l'Émetteur au 31 décembre 2018,</p>					

		<p>aucune détérioration significative n'a eu de répercussion sur les perspectives de l'Émetteur et du Groupe depuis le 31 décembre 2017.</p> <p>Le ratio CET 1 est de 17,5% au 31 décembre 2018. Les fonds propres de base de catégorie 1 ou « Common Equity Tier 1 » (<b>CET 1</b>) sont de 5,59 milliards d'euros et représentent 88 % des fonds propres prudentiels totaux. Ils progressent de 300 millions d'euros en 2018, ce qui correspond principalement à l'intégration du résultat non distribué de l'exercice.</p>
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3/ The paragraph entitled "*Renonciation aux droits de compensation*" under section C.8. "*Droits attachés aux Titres, ainsi que leur rang et les limitations à ces droits*" on page 42 of the Base Prospectus is deleted and replaced as follows:

**"Renonciation aux droits de compensation"**

Les porteurs de Titres (les « **Porteurs de Titres** ») renoncent à tout droit de compensation, indemnisation et rétention relatif aux Titres, dans les limites autorisées par la loi."

4/ The following sub-paragraph (xi) shall be added at the end of the paragraph entitled "*Les risques généraux liés aux Titres incluant*" under section D.3 "*Risques clés propres aux Titres*" on page 58 of the Base Prospectus:

**"(xi) les termes des Titres contiennent une renonciation à compensation"**

Les Porteurs de Titres renoncent à tout droit de compensation, indemnisation et rétention relatif aux Titres, dans les limites autorisées par la loi."

5/ The sub-paragraph "(vii) les termes des Titres Senior Non Préférés contiennent une renonciation à compensation" in the paragraph entitled "*Les risques additionnels relatifs aux Titres Senior Non Préférés*" under section D.3 "*Risques clés propres aux Titres*" on page 59 of the Base Prospectus is deleted.

6/ The sub-paragraph "(iv) Les termes des Titres Subordonnés contiennent une renonciation à compensation" in the paragraph entitled "*Les risques additionnels relatifs aux Titres Subordonnés*" under section D.3 "*Risques clés propres aux Titres*" on page 59 of the Base Prospectus is deleted.

## **RISK FACTORS**

1/ The following paragraph shall be added at the end of article 2.3 "Risks related to Notes generally" of the "Risk Factors" section on page 74 of the Base Prospectus:

*"The terms of the Notes contain a waiver of set-off rights"*

The terms of the Notes provide that their holders waive any set-off rights to which they might otherwise be entitled to the extent such rights would otherwise impact the loss absorbing capacity of the Notes. As a result, holders of the Notes will not at any time be entitled to set-off the Issuer's obligations under the Notes against obligations owed by them to the Issuer."

2/ The paragraph *"The terms of the Senior Non-Preferred Notes contain a waiver of set-off rights"* in the article 2.5 "Additional Risks relating to Senior Non-Preferred Notes" on page 78 of the Base Prospectus is deleted.

3/ The paragraph *"The terms of the Subordinated Notes contain a waiver of set-off rights"* in the article 2.6 "Additional Risks relating to Subordinated Notes" on page 79 of the Base Prospectus is deleted.



## **GENERAL DESCRIPTION OF THE PROGRAMME**

The item "Waiver of Set-off rights" of the "General Description of the Programme" section on page 87 of the Base Prospectus is deleted and replaced as follows:

**"Waiver of Set-off rights:**        The Noteholders waive any right of set-off, compensation and retention in relation to the Notes, to the extent permitted by law."

## DOCUMENTS INCORPORATED BY REFERENCE

1/ The section "DOCUMENTS INCORPORATED BY REFERENCE" appearing on pages 90 to 93 of the Base Prospectus is supplemented with the following paragraph:

"(a) the sections referred to in the table below, included in the English translation of the non-audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2018 published by the Issuer on 28 February 2019 (the "**2018 Non-Audited Annual Financial Statements**");"

2/ The item 11.1 entitled "Historical financial information" of the cross-reference list on page 92 of the Base Prospectus is hereby supplemented with the following insertion at the end of the table:

<i>2018 Non-Audited Annual Financial Statements</i>	
- Balance sheet	Page 1 of the 2018 Non-Audited Annual Financial Statements
- Income Statement	Page 2 of the 2018 Non-Audited Annual Financial Statements
- Change in shareholders' equity	Page 3 of the 2018 Non-Audited Annual Financial Statements
- Statement of cash flows	Page 4 of the 2018 Non-Audited Annual Financial Statements
- Notes	Pages 5 to 79 of the 2018 Non-Audited Annual Financial Statements

## TERMS AND CONDITIONS OF THE NOTES

Article 15 of the "Terms and Conditions of the Notes" section on page 129 of the Base Prospectus is deleted and replaced as follows:

### **"15. Waiver of Set-off**

No holder of Notes may at any time exercise or claim any Waived Set-Off Rights against any right, claim or liability the Issuer has or may have or acquire against such holder of Notes, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each holder of Notes shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.

For the avoidance of doubt, nothing in this Condition 15 (*Waiver of Set-off*) is intended to provide, or shall be construed as acknowledging, any right of deduction, set-off, netting, compensation, retention or counterclaim or that any such right is or would be available to any holder of any Note but for this Condition 15 (*Waiver of Set-off*).

For purposes of these Conditions, "**Waived Set-Off Rights**" means any and all rights of or claims of any holder of Notes for deduction, set-off, netting, compensation, retention or counterclaim arising directly or indirectly under or in connection with any Note."

## RECENT DEVELOPMENTS

The following press release is inserted in the "Recent Developments" section on page 139 of the Base Prospectus:

**Press release dated 25 February 2019 related to the termination of the rating agreement between Confédération Nationale du Crédit Mutuel and Standard & Poor's**



*Press release*

### **Crédit Mutuel Arkéa decides to no longer be rated by S&P Global Ratings**

**Brest, February 25th 2019 – Crédit Mutuel Arkéa has announced the termination of the agreement with the Confédération Nationale du Crédit Mutuel (CNCM) concerning Crédit Mutuel Arkéa's ratings by S&P Global Ratings. The termination will come into effect on June 1st, 2019. Crédit Mutuel Arkéa will continue to be rated by Moody's Investor Services and Fitch Ratings.**

The CNCM represents Crédit Mutuel Arkéa before S&P Global Ratings for the purpose of rating issuance programs. From now on, Crédit Mutuel Arkéa will remain in direct contact with both agencies that will rate it.

This decision is also based on the analytical criteria and methodology used by S&P Global Ratings and in particular the unfavourable treatment of insurance activities, which are key components to the success of the growth model implemented by Crédit Mutuel Arkéa.

In addition, Crédit Mutuel Arkéa will request the termination of S&P Global Ratings' ratings of the Arkéa Home Loans SFH and Arkéa Public Sector SCF refinancing vehicles, to be effective on June 1st, 2019.

Crédit Mutuel Arkéa will continue to be rated by Moody's Investor Services and Fitch Ratings.

#### **About Crédit Mutuel Arkéa**

Crédit Mutuel Arkéa is a cooperative banking and insurance company. Crédit Mutuel Arkéa is entirely owned by its customer shareholders. Crédit Mutuel Arkéa comprises three regional federations representing three main French geographic zones (Brittany in the West, the South West and Massif Central in the middle of France). Crédit Mutuel Arkéa has also a presence across Europe thanks to its corporate and online subsidiaries (Fortuneo, Monext, Financo, Arkéa Investment Services, Suravenir, CFCAL...). Crédit Mutuel Arkéa employs nearly 10,000 people, counts 3,500 directors and has a total of 4.4 million customers. The bank has 132 billion euro in total assets. Crédit Mutuel Arkéa ranks among the leading banks with headquarters in region. More information about Crédit Mutuel Arkéa on the website: [www.arkea.com](http://www.arkea.com)

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## **FORM OF FINAL TERMS**

Item 30 entitled "Waiver of Set-off" of the "Form of Final Terms" section on page 154 of the Base Prospectus is deleted.

## **GENERAL INFORMATION**

1/ Subparagraph "(3)" of the "GENERAL INFORMATION" section on page 172 of the Base Prospectus is deleted and replaced as follows:

"(3) Other than the 2018 Non-Audited Annual Financial Statements, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018."

2/ Subparagraph "(8)" of the "GENERAL INFORMATION" section on page 172 of the Base Prospectus is deleted and replaced as follows:

"(8) Mazars, 61, rue Henri-Regnault, 92400 Courbevoie, France and Deloitte & Associés, 185 avenue Charles de Gaulle BP 136, 92524 Neuilly sur Seine Cedex, France (both entities regulated by the Haut Conseil du Commissariat aux Comptes and duly authorised as Commissaires aux comptes) (i) have audited and rendered unqualified audit reports on (a) the 2016 Consolidated Financial Statements of the Issuer and (b) the 2017 Consolidated Financial Statements of the Issuer and (ii) have reviewed the 2018 Consolidated Interim Financial Statements.

At the date of the Second Supplement, the 2018 Non-Audited Annual Financial Statements (i) are substantially consistent with the final figures to be published by the Issuer in the next annual audited consolidated financial statements for the financial year ended 31 December 2018 and (ii) have not yet been audited."