

**PROSPECTUS SUPPLEMENT N° 1 DATED 21 SEPTEMBER 2016
TO THE BASE PROSPECTUS DATED 29 JUNE 2016**



ARKÉA HOME LOANS SFH

(duly licensed French specialised credit institution)

€10,000,000,000

COVERED BOND PROGRAMME

FOR THE ISSUE OF *OBLIGATIONS DE FINANCEMENT DE L'HABITAT*

This supplement (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 29 June 2016 (the "**Base Prospectus**") prepared with respect to the €10,000,000,000 Covered Bond Programme (the "**Programme**") for the issue, from time to time, subject to compliance with all relevant laws, regulations and directives, of covered bonds (the "**Covered Bonds**") by Arkéa Home Loans SFH (the "**Issuer**"). Unless the context otherwise requires, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

On 29 June 2016, 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 Supplement as a supplement to the Base Prospectus for the purposes of article 16 of the Prospectus Directive and article 13 of Luxembourg Law.

This Supplement has been produced for the purposes of :

- supplementing the section entitled "SUMMARY OF THE PROGRAMME" on page 9 *et seq.* of the Base Prospectus;

- supplementing the section entitled "RESUME DU PROGRAMME (TRANSLATION OF THE SUMMARY OF THE PROGRAMME)" on page 24 *et seq.* of the Base Prospectus;
- supplementing the section "DOCUMENTS INCORPORATED BY REFERENCE" on page 73 *et seq.* of the Base Prospectus; and
- supplementing the section entitled "GENERAL INFORMATION" on page 190 *et seq.* of the Base Prospectus.

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SUMMARY OF THE PROGRAMME

On pages 10 and 11 of the Base Prospectus, the Element B.12 entitled "Selected historical key financial information" under section B. "Issuer" shall be completed by the following:

Comparative Interim Financial Data (in thousands of EUR)

Income Statement	30 June 2016	30 June 2015
Net banking income	1 133	1 172
Gross operating income	235	649
Net income	53	433

Balance sheet	30 June 2016	31 December 2015
Total consolidated balance sheet	4 662 442	4 690 409
Shareholders' equity	42 194	42 701
Debt securities	4 583 120	4 607 089

On pages 10 and 11 of the Base Prospectus, the last sentence of Element B.12 entitled "Selected historical key financial information" under section B. "Issuer" shall be deleted and replaced by the following:

To the best of the Issuer's knowledge, there has been no material adverse change in the prospects of the Issuer since its last financial statements dated 31 December 2015 and there has been no significant change in the financial or trading position of the Issuer since 30 June 2016."

RESUME DU PROGRAMME (TRANSLATION OF THE SUMMARY OF THE PROGRAMME)

À la page 26 du Prospectus de Base, l'Élément B.12 intitulé "Sélection d'informations financières historiques clés" dans la section B "Émetteur" est complété comme suit :

Données financières semestrielles comparées (en milliers d'euros)

Compte de résultat	30 juin 2016	30 juin 2015
Produit net bancaire	1 133	1 172
Résultat brut d'exploitation	235	649
Résultat net	53	433

Bilan	30 juin 2016	31 décembre 2015
Total du bilan consolidé	4 662 442	4 690 409
Fonds propres	42 194	42 701
Titres de créances	4 583 120	4 607 089

À la page 26 du Prospectus de Base, la dernière phrase de l'Élément B.12 intitulé "Sélection d'informations financières historiques clés" dans la section B "Émetteur" est supprimée et remplacée comme suit

"À la connaissance de l'Émetteur, aucun changement défavorable significatif influant sur ses perspectives d'activité n'a eu lieu depuis la date des derniers états financiers au 31 décembre 2015, et il n'est survenu aucun changement significatif dans la situation financière et commerciale de l'Émetteur depuis le 30 juin 2016. "

DOCUMENTS INCORPORATED BY REFERENCE

The English language version of the financial statements of the Issuer as at, and for the six-month period ended, 30 June 2016 together with the related notes (the "**2016 Interim Financial Statements**") and the auditors' reports thereon (the "**2016 Interim Auditors' Report**" and together with the 2016 Interim Financial Statements the "**2016 Interim Financial Information**") which have been filed with the CSSF for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Law are incorporated by reference in, and form part of, the Base Prospectus as supplemented.

The 2016 Interim Financial Statements have been approved by the Boards of Directors of the Issuer dated 8 September 2016.

The Issuer assumes responsibility for the correct translation of the 2016 Interim Financial Information.

The information incorporated by reference in the Base Prospectus as supplemented by this Supplement shall be read in connection with the cross reference list below:

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE (Annex XI item 11 of the European Regulation 809/2004/EC)	REFERENCE
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
11.5 Historical financial information	
<i>2016 Interim Financial Information</i>	
Balance Sheet	Page 1 of the 2016 Interim Financial Statements
Income Statements	Page 2 of the 2016 Interim Financial Statements
Cash Flow Statements	Page 8 of the 2016 Interim Financial Statements
Notes	Page 3 to 9 of the 2016 Interim Financial Statements
Auditors' report on the 2016 Interim Financial Statements	Auditor's review report on the 2016 Interim Financial Statements.

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the European Regulation (EC) N° 809/2004 of the Commission dated 29 April 2004, as amended.

GENERAL INFORMATION

On page 190, paragraph (3) of section "GENERAL INFORMATION" shall be deleted and replaced as follows:

"(3) There has been no significant change in the financial or trading position of the Issuer since 30 June 2016."

On page 191, paragraph (12) (d) of section "GENERAL INFORMATION" shall be deleted and replaced as follows:

"(d) the audited non-consolidated financial statements of the Issuer, including the cash flow statements of the Issuer for the fiscal years ended 31 December 2015 and 31 December 2014, in respect of the financial year ended 31 December 2015 and the unaudited interim financial statements of the Issuer for the six-month period ended 30 June 2016; "

Copies of the Base Prospectus, this Supplement and the 2016 Interim Financial Information may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of the Base Prospectus during normal business hours so long as Covered Bonds are capable of being issued under the Programme. Such documents will also be published on the website of the Issuer (http://www.arkea.com/banque/assurance/credit/mutuel/ecb_5039/fr/home-loans-sfh) and on the website of the Luxembourg Stock Exchange (www.bourse.lu) at least during a period of twelve (12) months from the date of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to 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 Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statement in (a) above shall prevail.

In accordance with article 16.2 of the Prospectus Directive and article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities

before first publication of this Supplement have the right, exercisable within a time limit of two (2) working days after the publication of this Supplement (*i.e.* until 23 September 2016 included), to withdraw their acceptances.