

**PROSPECTUS SUPPLEMENT N° 1 DATED 24 APRIL 2017
TO THE BASE PROSPECTUS DATED 14 OCTOBER 2016**



Arkéa Public Sector SCF

(société de crédit foncier duly licensed as a French specialised credit institution)

€10,000,000,000 Euro Medium Term Note Programme

for the issue of *obligations foncières* and other privileged notes

This supplement (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 14 October 2016 (the "**Base Prospectus**") prepared with respect to the €10,000,000,000 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 French law *obligations foncières* (the "**French law Privileged Notes**") or German law registered notes (together, the "**Privileged Notes**") by Arkéa Public Sector SCF (the "**Issuer**"). Unless the context otherwise requires, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

On 14 October 2016, the *Commission de surveillance du secteur financier* (the "**CSSF**") as competent authority in Luxembourg under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005, as amended (the "**Luxembourg Law**"), which implements Directive 2003/71/EC of the European Parliament and of the Council dated 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Directive**"), has approved the Base Prospectus as a base prospectus for the purposes of article 5.4 of the Prospectus Directive.

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. The Base Prospectus so supplemented constitutes a base prospectus for the purposes of the Prospectus Directive.

This Supplement has been produced for the purposes of incorporating by reference the 2016 financial statements for the year ended 31 December 2016 (the "**2016 Financial Statements**"). As a result, the following modifications have been made:

- updating the "SUMMARY" and "RESUME" sections of the Base Prospectus;
- updating the "DOCUMENTS INCORPORATED BY REFERENCE" section of the Base Prospectus;
- updating the "DESCRIPTION OF THE ISSUER" section of the Base Prospectus; and
- updating the "GENERAL INFORMATION" section of the Base Prospectus.

So long as any of the Privileged Notes are outstanding, copies of this Supplement and the 2016 Financial Statements will be available for inspection and obtainable, upon request and free of charge, during usual business hours, on any weekday at the registered office of the Issuer (1, rue Louis Lichou, 29480 Le Relecq Kerhuon, France) and at the specified office(s) of the Paying Agent(s). Such documents will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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 and (b) any 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, investors who have already agreed to purchase or subscribe French law Privileged Notes offered to the public before the publication of this Supplement benefit from a withdrawal right within a time limit of two (2) working days after the publication of this Supplement (*i.e.* until 26 April 2017 included).

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SUMMARY

On page 8 of the Base Prospectus, the Elements B.10 and B.12 respectively entitled "Description of the nature of any qualifications in the audit report on the historical financial information" and "Selected historical key financial information" under "section B - Issuer" shall be deleted and replaced by the following:

B.10	<i>Description of the nature of any qualifications in the audit report on the historical financial information</i>	<p>Not Applicable.</p> <p>The statutory auditors' reports related to the financial statements of the Issuer for the years ended respectively 31 December 2015 and 31 December 2016 do not contain any qualification.</p>												
B.12	<i>Selected historical key financial information</i>	<p>The following table shows the selected key financial information of the Issuer related to the income statements as at 31 December 2016 and 2015.</p> <table border="1"> <thead> <tr> <th>Selected key financial information of the Issuer related to the income statements (in thousands of euros)</th><th>31 December 2016</th><th>31 December 2015</th></tr> </thead> <tbody> <tr> <td>Net income</td><td>(154)</td><td>3</td></tr> </tbody> </table> <p>The following table shows the selected key financial information of the Issuer related to the balance sheet as at 31 December 2016 and 2015.</p> <table border="1"> <thead> <tr> <th>Selected key financial information of the Issuer related to the balance sheet (in thousands of euros)</th><th>31 December 2016</th><th>31 December 2015</th></tr> </thead> <tbody> <tr> <td>Total of liabilities</td><td>987,808</td><td>988,304</td></tr> </tbody> </table>	Selected key financial information of the Issuer related to the income statements (in thousands of euros)	31 December 2016	31 December 2015	Net income	(154)	3	Selected key financial information of the Issuer related to the balance sheet (in thousands of euros)	31 December 2016	31 December 2015	Total of liabilities	987,808	988,304
Selected key financial information of the Issuer related to the income statements (in thousands of euros)	31 December 2016	31 December 2015												
Net income	(154)	3												
Selected key financial information of the Issuer related to the balance sheet (in thousands of euros)	31 December 2016	31 December 2015												
Total of liabilities	987,808	988,304												
	<i>Material adverse change and significant changes</i>	<p>Not Applicable.</p> <p>There has been no significant change in the financial or trading position of the Issuer since 31 December 2016.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2016.</p>												

RESUME

On page 19 of the Base Prospectus, the Elements B.10 and B.12 respectively entitled "*Description de la nature des éventuelles réserves sur les informations historiques contenues dans le rapport d'audit*" and "*Informations financières historiques significatives*" set forth in section "RESUME" shall be deleted and replaced by the following:

B.10	Description de la nature des éventuelles réserves sur les informations historiques contenues dans le rapport d'audit	<p>Sans objet.</p> <p>Les rapports des commissaires aux comptes relatifs aux comptes sociaux des exercices clos respectivement au 31 décembre 2015 et 31 décembre 2016 ne contiennent aucune réserve.</p>												
B.12	Informations financières historiques significatives	<p>Le tableau ci-après indique les informations financières sélectionnées de l'Emetteur relatives au compte de résultat aux 31 décembre 2016 et 2015.</p> <table border="1"> <thead> <tr> <th>Informations financières sélectionnées de l'Emetteur relatives au compte de résultat (en milliers d'euros)</th><th>31 décembre 2016</th><th>31 décembre 2015</th></tr> </thead> <tbody> <tr> <td>Résultat net</td><td>-154</td><td>3</td></tr> </tbody> </table> <p>Le tableau ci-après indique les informations financières sélectionnées de l'Emetteur relatives au bilan aux 31 décembre 2016 et 2015.</p> <table border="1"> <thead> <tr> <th>Informations financières sélectionnées de l'Emetteur relatives au bilan (en milliers d'euros)</th><th>31 décembre 2016</th><th>31 décembre 2015</th></tr> </thead> <tbody> <tr> <td>Total du passif</td><td>987 808</td><td>988 304</td></tr> </tbody> </table>	Informations financières sélectionnées de l'Emetteur relatives au compte de résultat (en milliers d'euros)	31 décembre 2016	31 décembre 2015	Résultat net	-154	3	Informations financières sélectionnées de l'Emetteur relatives au bilan (en milliers d'euros)	31 décembre 2016	31 décembre 2015	Total du passif	987 808	988 304
Informations financières sélectionnées de l'Emetteur relatives au compte de résultat (en milliers d'euros)	31 décembre 2016	31 décembre 2015												
Résultat net	-154	3												
Informations financières sélectionnées de l'Emetteur relatives au bilan (en milliers d'euros)	31 décembre 2016	31 décembre 2015												
Total du passif	987 808	988 304												
	Détérioration significative et changements significatifs	<p>Sans objet.</p> <p>Il ne s'est produit aucun changement significatif dans la situation financière ou commerciale de l'Emetteur depuis le 31 décembre 2016.</p> <p>Il ne s'est produit aucun changement défavorable significatif dans les perspectives de l'Emetteur depuis le 31 décembre 2016.</p>												

DOCUMENTS INCORPORATED BY REFERENCE

On pages 51 and 52 of the Base Prospectus, section "DOCUMENTS INCORPORATED BY REFERENCE" shall be deleted and replaced by the followings:

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously filed with the *Commission de surveillance du secteur financier* (the "CSSF") and which are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the free English translation of the 2014 financial statements of the Issuer for the year ended 31 December 2014 (the "**2014 Financial Statements**") comprised of the statutory auditors' report thereon and the audited financial statements of the Issuer with respect thereto;
- the free English translation of the cash flow statements of the Issuer for the year ended 31 December 2014 (the "**2014 Cash Flow Statements**") comprised of the statutory auditors' report with respect thereon and the audited cash flow statements of the Issuer with respect thereto;
- the free English translation of the 2015 financial statements of the Issuer for the year ended 31 December 2015 (the "**2015 Financial Statements**") comprised of the statutory auditors' report thereon and the audited financial statements of the Issuer with respect thereto;
- the free English translation of the 2016 half-year financial statements of the Issuer for the half year ended 30 June 2016 (the "**2016 Half-Year Financial Statements**") comprised of the statutory auditors' limited review report, the financial statements of the Issuer with respect thereto and the cash flow statements; and
- the free English translation of the 2016 financial statements of the Issuer for the year ended 31 December 2016, including the free English translation of the cash flow statements of the Issuer for the year ended 31 December 2016 (the "**2016 Financial Statements**") comprised of the statutory auditors' report thereon and the audited financial statements of the Issuer with respect thereto;

and, for the purposes only of further issues of French law Privileged Notes to be assimilated (*assimilées* for the purpose of French law) and form a single Series with French law Privileged Notes already issued under the relevant EMTN Previous Terms and Conditions:

- the section "**Terms and Conditions of the French law Privileged Notes**" contained on pages 24 to 49 of the base prospectus of the Issuer dated 31 August 2011 (which was approved by the CSSF in Luxembourg) (the "**2011 Conditions**"); and
- the section "**Terms and Conditions of the French law Privileged Notes**" contained on pages 25 to 46 of the base prospectus of the Issuer dated 17 December 2013 (which was approved by the CSSF in Luxembourg) (the "**2013 Conditions**");
- the section "**Terms and Conditions of the French law Privileged Notes**" contained on pages 53 to 75 of the base prospectus of the Issuer dated 28 August 2015 (which was approved by the CSSF in Luxembourg) (the "**2015 Conditions**");

- the section "**Terms and Conditions of the French law Privileged Notes**" contained on pages 53 to 75 of the base prospectus of the Issuer dated 14 October 2016 (which was approved by the CSSF in Luxembourg) (the "**2016 Conditions**" and together with the 2011 and 2013 Conditions, the "**EMTN Previous Terms and Conditions**").

To the extent that only the EMTN Previous Terms and Conditions are specified to be incorporated by reference therein, the non-incorporated parts of the previous base prospectuses are either not relevant for investors or are covered elsewhere in the Base Prospectus.

The Issuer declares that the free English translations of the 2014 Financial Statements, the 2015 Financial Information, the 2016 Half-Year Financial Statements and the 2016 Financial Information are, to the best of its knowledge, fair and true translations of the French language original versions.

All documents incorporated by reference in this Base Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). So long as any of the Privileged Notes are outstanding, such documents will also be available for inspection and obtainable, upon request and free of charge, during usual business hours, on any weekday at the registered office of the Issuer (1, rue Louis Lichou, 29480 Le Relecq Kerhuon, France) and at the specified office(s) of the Paying Agent(s).

Except for the EMTN Previous Terms and Conditions, the 2016 Half-Year Financial Statements and the 2014 Financial Statements, the information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below.

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE (Annex IV of the European Regulation 809/2004/EC, as amended)	REFERENCE
13 FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
13.1 Historical financial information	
	2015 Financial Statements
Balance sheet	Page 4
Profit and loss account	Page 5
Notes	Pages 6 to 12
Statutory auditors' report relating to the above	Pages 1 to 3
Table of cash flow statements	Page 11
	2016 Financial Statements
Balance Sheet	Page 1
Profit and Loss account	Page 2
Notes	Page 3 to 9
Table of cash flow statements	Page 8
Statutory auditors' report relating to the above	Pages 10 to 13

DESCRIPTION OF THE ISSUER

On pages 83 and 84 of the Base Prospectus, the selected financial information of the Issuer statements set forth in section "DESCRIPTION OF THE ISSUER" shall be deleted and replaced by the followings:

Selected financial information of the Issuer

The following table shows the selected financial information of the Issuer related to the income statements as 31 December 2016 and 2015.

Selected financial information of the Issuer related to the income statements (<i>in thousands of euros</i>)	31 December 2016	31 December 2015
Net banking income	758	702
Gross operating income	(154)	3
Net income	(154)	3

The following table shows the selected financial information of the Issuer related to the balance sheet as at 31 December 2016 and 2015.

Selected financial information of the Issuer related to the balance sheet (<i>in thousands of euros</i>)	31 December 2016	31 December 2015
Total of assets	987,808	988,304
Debt securities	955,021	954,768
Shareholder's equity	29,532	29,686
Total of liabilities	987,808	988,304

GENERAL INFORMATION

On pages 115 and 116 of the Base Prospectus, paragraphs (5), (6) and (10) of section "GENERAL INFORMATION" shall be deleted and replaced by the followings:

- (5) There has been no significant change in the financial or trading position of the Issuer since 31 December 2016.
- (6) There has been no material adverse change in the prospects of the Issuer since 31 December 2016.
- (10) The Issuer's statutory auditors are registered with the *Compagnie Nationale des Commissaires aux Comptes* (official statutory auditors' representative body) and subject to the authority of the *Haut Conseil du Commissariat aux Comptes* (French High Council of Statutory Auditors). They have audited and rendered unqualified audit reports on the non-consolidated financial statements of the Issuer for the two (2) fiscal years ended 31 December 2015 and 31 December 2016. The Issuer does not produce consolidated financial statements.