

**PROSPECTUS SUPPLEMENT N° 1 DATED 3 MAY 2019
TO THE BASE PROSPECTUS DATED 13 SEPTEMBER 2018**



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 13 September 2018 (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 (*obligations de financement de l'habitat*) governed either by French law or German law (respectively, the "French law Covered Bonds" or the "German law Covered Bonds" and, together, 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 13 September 2018, 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 (i) the 2018 financial statements for the year ended 31 December 2018 (the "**2018 Financial Statements**"), (ii) the press release published on Crédit Mutuel Arkea's website dated 25 February 2019 announcing the termination of S&P Global Ratings' ratings of the Arkea Home Loans SHF and Arkea Sector Public SCF refinancing vehicles, to be effective on 1st June 2019 and supplementing the following sections of the Base Prospectus:

- "SUMMARY OF THE PROGRAMME" on pages 6 *et seq.* of the Base Prospectus;
- "RESUME DU PROGRAMME" on pages 28 *et seq.* of the Base Prospectus;
- "DOCUMENTS INCORPORATED BY REFERENCE" on pages 95 *et seq.* of the Base Prospectus;
- "THE ISSUER" on pages 141 *et seq.* of the Base Prospectus;

- "GENERAL INFORMATION" on pages 218 *et seq.* of the Base Prospectus

So long as any of the Covered Bonds are outstanding, copies of this Supplement and the 2018 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 Covered Bonds 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 7 May 2019 included).

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SUMMARY OF THE PROGRAMME

- On page 9 of the Base Prospectus, the Elements B.12 and B.13 respectively entitled "Selected historical key financial information" and "Recent material events relevant to evaluation of the Issuer's solvency" under "section B - Issuer" shall be deleted and replaced by the following:

B.12	Selected historical key financial information	<p><u>Comparative Annual Financial Data (in thousands of EUR)</u></p> <table border="1" data-bbox="507 533 1388 949"> <tr> <th></th><th>31/12/2018</th><th>31/12/2017</th></tr> <tr> <td>Income Statement</td><td></td><td></td></tr> <tr> <td>Net banking income</td><td>2,905</td><td>2,320</td></tr> <tr> <td>Gross operating income</td><td>879</td><td>627</td></tr> <tr> <td>Net income</td><td>370</td><td>208</td></tr> <tr> <td>Balance sheet</td><td></td><td></td></tr> <tr> <td>Total consolidated balance sheet</td><td>6,987,902</td><td>5,179,877</td></tr> <tr> <td>Shareholders equity</td><td>42,607</td><td>42,397</td></tr> <tr> <td>Debt securities</td><td>6,913,277</td><td>5,104,479</td></tr> </table> <p>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 2018 and there has been no significant change in the financial or trading position of the Issuer since 31 December 2018.</p>		31/12/2018	31/12/2017	Income Statement			Net banking income	2,905	2,320	Gross operating income	879	627	Net income	370	208	Balance sheet			Total consolidated balance sheet	6,987,902	5,179,877	Shareholders equity	42,607	42,397	Debt securities	6,913,277	5,104,479
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B.13	Recent material events relevant to evaluation of the Issuer's solvency	<p>On 25 March 2019, the combined ordinary and extraordinary general meeting of Arkéa Public Sector SFH decided to a share capital increase in cash of thirty millions euros (€30.000.000) by issuing three millions (3.000.000) shares with a par value of ten euros (€10).</p> <p>On the 3 May 2019:</p> <ul style="list-style-type: none"> - all issued shares under this share capital increase have been subscribed by Crédit Mutuel Arkéa. Two-thirds of the subscribed shares has been paid-up which represents twenty millions euros (€20.000.000). The outstanding amount will be paid up on one or more instalments, within a maximum period of five years, upon appeal by the board of directors; and <p>the Issuer's authorised and issued share capital is seventy million euros (€70.000.000) consisting of seven million (7.000.000) ordinary shares with a par value of ten euros (€10) each.</p>																											

RESUME DU PROGRAMME

On pages 31 and 32 of the Base Prospectus, the Elements B.12 and B.13 respectively entitled "*Sélection d'informations financières historiques clés*" and "*Événements récents relatifs à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité*" under "section B - Emetteur" shall be deleted and replaced by the following:

B.12	Sélection d'informations financières historiques clés	<p><u>Données financières annuelles comparées (en milliers d'euros)</u></p> <table border="1"> <tr> <th></th><th>31/12/2018</th><th>31/12/2017</th></tr> <tr> <td>Compte de résultat</td><td></td><td></td></tr> <tr> <td>Produit net bancaire</td><td>2.905</td><td>2.320</td></tr> <tr> <td>Résultat brut d'exploitation</td><td>879</td><td>627</td></tr> <tr> <td>Résultat net</td><td>370</td><td>208</td></tr> <tr> <td>Bilan</td><td></td><td></td></tr> <tr> <td>Total du bilan consolidé</td><td>6.987.902</td><td>5.179.877</td></tr> <tr> <td>Fonds propres</td><td>42.607</td><td>42.397</td></tr> <tr> <td>Titres de créance</td><td>6.913.277</td><td>5.104.479</td></tr> </table>		31/12/2018	31/12/2017	Compte de résultat			Produit net bancaire	2.905	2.320	Résultat brut d'exploitation	879	627	Résultat net	370	208	Bilan			Total du bilan consolidé	6.987.902	5.179.877	Fonds propres	42.607	42.397	Titres de créance	6.913.277	5.104.479
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B.13	Événements récents relatifs à l'Émetteur et présentant un intérêt significatif pour l'évaluation de sa solvabilité	<p>Le 25 mars 2019, l'assemblée générale mixte d'Arkéa Public Sector SCF a autorisé l'augmentation de capital social en numéraire d'un montant de trente millions d'euros (EUR 30,000,000) par l'émission de trois millions (3,000,000) d'actions d'une valeur nominale de dix euros (€10) chacune.</p> <p>Au 3 mai 2019:</p> <ul style="list-style-type: none"> la totalité des actions émises dans le cadre de l'augmentation de capital a été souscrite par Crédit Mutuel Arkéa. Les deux tiers des actions souscrites ont été libérées lors de la souscription, soit pour un montant de vingt millions d'euros (EUR 20,000,000). Le solde sera libéré en une ou plusieurs fois, dans un délai maximum de cinq ans, sur appels du Conseil d'administration ; et <p>le capital social de l'Émetteur est fixé à soixante-dix millions d'euros (EUR 70,000,000), divisé en sept millions (7,000,000) d'actions de dix (10) euros chacune.</p>																											

DOCUMENTS INCORPORATED BY REFERENCE

On pages 95 and 96 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 CSSF and which are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the English language version of the financial statements of the Issuer as at, and for the year ended, 31 December 2018, including the English language version of the Arkéa Home Loans SFH *Tableau des Flux de Trésorerie* au 31 décembre 2018 which contains the audited cash flow statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2017 (the "**2018 Financial Statements**"), and the auditors' report thereon (the "**2018 Auditors' Report**" and together with the 2018 Financial Statements, the "**2018 Financial Information**");
- The English language version of the unaudited financial statements of the Issuer as at, and for the six-month period ended, 30 June 2018 together with the related notes (the "2018 Interim Unaudited Financial Statements") and the auditors' review report thereon (the "2018 Interim Auditors' Report" and together with the 2018 Interim Unaudited Financial Statements (the "2018 Interim Financial Information");
- the English language version of the financial statements of the Issuer as at, and for the year ended, 31 December 2017, including the English language version of the Arkéa Home Loans SFH *Tableau des Flux de Trésorerie* au 31 décembre 2017 which contains the audited cash flow statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2016 (the "**2017 Financial Statements**"), and the auditors' report thereon (the "**2017 Auditors' Report**" and together with the 2017 Financial Statements, the "**2017 Financial Information**");
- the English language version of the financial statements of the Issuer as at, and for the year ended, 31 December 2016, including the English language version of the Arkéa Home Loans SFH *Tableau des Flux de Trésorerie* au 31 décembre 2016 which contains the audited cash flow statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2015 (the "2016 Financial Statements"), and the auditors' report thereon (the "2016 Auditors' Report" and together with the 2016 Financial Statements, the "2016 Financial Information");
- the press release published on Crédit Mutuel Arkea's website dated 25 February 2019 announcing the termination of S&P Global Ratings' ratings of the Arkea Home Loans SHF and Arkea Sector Public SCF refinancing vehicles, to be effective on 1st June 2019;
- the sections "Terms and Conditions of the French law Covered Bonds" of the following base prospectuses relating to the Programme: (i) Base Prospectus dated 22 December 2010 (the "**2010 Covered Bonds Conditions**"), (ii) Base Prospectus dated 9 May 2011 (the "**2011 Covered Bonds Conditions**"), (iii) Base Prospectus dated 14 June 2013 and its second supplement dated 2 September 2013 (the "**2013 Covered Bonds Conditions**"), (iv) Base Prospectus dated 29 May 2015 (the "**2015 Covered Bonds Conditions**"), (v) Base Prospectus dated 29 June 2016 (the "**2016 Covered Bonds Conditions**") and (vi) Base Prospectus dated 27 June 2017 (the "**2017 Covered Bonds Conditions**"). The parts of these documents that are not incorporated by reference in this Base Prospectus are not relevant for the investors.

The Issuer assumes responsibility for the correct translation of the 2017 Financial Information and the 2018 Financial Information.

The documents incorporated by reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of this Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. Such documents will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below. Any information not listed in the cross reference list but included in the documents incorporated by reference is considered as additional information and is not required by the relevant schedules of the Commission Regulation no. 809/2004 of 29 April 2004, as amended.

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	
<u>11.1 Historical financial information</u>	
<i>2017 Financial Information</i>	
- Balance sheet	Page 6 of the 2017 Financial Statements
- Income statements	Page 7 of the 2017 Financial Statements
- Notes	Pages 8 to 15 of the 2017 Financial Statements
- Cash Flow Statements	Page 14 of the 2017 Financial Statements
- Auditors' report relating to the above	Pages 2 to 5 of the 2017 Auditors' Report
<i>2018 Financial Information</i>	
- Balance sheet	Page 7 of the 2018 Financial Statements
- Income statements	Page 8 of the 2018 Financial Statements
- Notes	Pages 9 to 16 of the 2018 Financial Statements
- Cash Flow Statements	Page 15 of the 2018 Financial Statements
- Auditors' report relating to the above	Pages 2 to 6 of the 2018 Auditors' report

THE ISSUER

- On page 142 of the Base Prospectus, ninth paragraph of sub-section "General information about the Issuer" shall be deleted and replaced by the following:

The Issuer's authorised and issued share capital is €70.000.000 (seventy millions euros) consisting of seven millions ordinary shares with a par value of €10 (ten euros) each.

- On page 144 of the Base Prospectus, first paragraph of sub-section "Issuer Share Capital, Subordinated Loans and Issuer Majority Shareholder's undertakings" shall be deleted and replaced by the following:

On the 3 May 2019, the Issuer's authorised and issued share capital is €70.000.000 (seventy millions euros) consisting of 7.000.000 (seven million) ordinary shares with a par value of €10 (ten euros) each.

- On pages 146 and 147 of the Base Prospectus, sub-sections entitled "The Chairman and chief executive officer" and "Members of the board of directors (conseil d'administration)" under section "Issuer management bodies" shall be deleted and replaced by the following:

The chairman and chief executive officer

Mrs Anne LE GOFF, Chairman of the board of directors (*Président du conseil d'administration*) organises and supervises the work of the board of directors (*conseil d'administration*). It ensures the efficient functioning of the board of directors (*conseil d'administration*) which determines the Issuer's business strategy and monitors its implementation in accordance with French applicable corporate laws.

Mr. Jean-Luc LE PACHE, Chief executive officer (*directeur général*) and Mr. Philippe BAUDA, Deputy chief executive officer (*directeur général délégué*) are vested with the broadest powers to act on behalf of the Issuer in all circumstances. In accordance with French applicable corporate laws, each of the chief executive officer (*directeur général*) and the vice chief executive officer (*directeur général délégué*) represents the Issuer *vis-à-vis* third parties.

Members of the board of directors (conseil d'administration)

On the 3 May 2019, the board of directors (*conseil d'administration*) consists of 6 (six) members.

<u>Name and Position</u>	<u>Date of appointment</u>
Mrs. Le Goff, Anne, Chairman of the board of directors of the Issuer	1 February 2018
Mr. Bauda, Philippe, Deputy chief executive officer and Director	7 March 2019
Mr. Le Dro, Pierrick, Director	13 April 2018
Crédit Mutuel Arkéa, Represented by Mr. Jean-Luc Le Pache	10 October 2008

Mr. Bezard, Jérôme,
Director

13 April 2018

Mr. Morvan, Jérémy,
Director

28 April 2010

The members of the board of directors (*conseil d'administration*) have their business addresses at the registered office of the Issuer.

Mrs. Anne Le Goff, Chairman of the board of directors of the Issuer is also Head of the Support and Development division (*Directeur du Pôle Supports au développement*) of Crédit Mutuel Arkéa and Deputy chief executive officer (*Directeur general délégué*) of Crédit Mutuel Arkéa;

Mr. Jean-Luc Le Pache, Chief executive officer of the Issuer and representative of Crédit Mutuel Arkéa at the board of directors of the Issuer, is also Deputy to the deputy chief executive officer in charge of the development support division (*adjoint au Directeur général délégué chargé du pôle Supports au développement*) of Crédit Mutuel Arkéa;

Mr. Philippe Bauda, Deputy chief executive officer of the Issuer, is also Head of Financial Management Control (*Directeur de la direction Pilotage Financier*) of Crédit Mutuel Arkéa;

Mr. Pierrick Le Dro is also member of the board of the *fédération* of Crédit Mutuel de Bretagne and chairman of the board of directors (*président du conseil d'administration*) of a *Caisse locale* (the *Caisse locale de Caudan*);

Mr. Jérôme Bezard is also chairman of the board of directors (*président du conseil d'administration*) of a *Caisse locale* (the *Caisse locale de Caudan*).

GENERAL INFORMATION

- On page 218 of the Base Prospectus, point (3) shall be deleted and replaced by the following:

- (3) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme. Any issuance of Covered Bonds under the Programme, to the extent that such Covered Bonds constitute *obligations* under French law, requires the prior authorisation of the board of directors (*conseil d'administration*) of the Issuer, which may delegate its power to any person of its choice.

For this purpose, on 6 December 2018 the board of directors (*conseil d'administration*) of the Issuer has delegated, for a period of one year from 6 December 2018 to 5 December 2019, to the Chief executive officer (*directeur général*) and to the Vice chief executive officer (*directeur général délégué*) acting jointly or separately, the power to decide the issue of bonds (*obligations*) under the Programme, up to a maximum aggregate amount of € 2,000,000,000 (or the equivalent in any other currency) and, to determine the final terms and conditions of such bonds (*obligations*).

- On page 218 of the Base Prospectus, point (5) shall be deleted and replaced by the following:

- (5) There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

- On page 219 of the Base Prospectus, paragraph (b) under point (13) shall be deleted and replaced by the following:

- (b) the 2017 Financial Information and the 2018 Financial Information;