

**FIRST SUPPLEMENT DATED 9 NOVEMBER 2015  
TO THE BASE PROSPECTUS DATED 17 SEPTEMBER 2015**



**LA BANQUE POSTALE**

**€ 10,000,000,000**

**Euro Medium Term Note Programme**

This first supplement (the **First Supplement**) is supplemental to, and should be read in conjunction with, the base prospectus dated 17 September 2015 (the **Base Prospectus**) prepared in relation to the €10,000,000,000 Euro Medium Term Note Programme of La Banque Postale (**La Banque Postale** or the **Issuer**). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Directive 2003/71/EC, as amended (the **Prospectus Directive**). The *Autorité des marchés financiers* (the **AMF**) has granted visa No.15-491 on 17 September 2015 to the Base Prospectus.

Application has been made for approval of this First Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Supplement.

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Base Prospectus by this First Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

This First Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purpose of reflecting in the Base Prospectus modifications of the risk factors in the section entitled "Risk relating to the Issuer and its operations".

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

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 the Notes to be issued under the Programme before this First 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 publication of this First Supplement. This right to withdraw shall expire by close of business on 12 November 2015.

This First Supplement will be available on the website of the AMF at [www.amf-france.org](http://www.amf-france.org), and, together with the documents incorporated by reference in this First Supplement, on the website the Issuer at [www.labanquepostale.com](http://www.labanquepostale.com).

## TABLE OF CONTENTS

Risk factors – Amendments to the Base Prospectus	4
Responsibility Statement	8

## CHANGE IN THE RISK FACTORS – AMENDMENTS TO THE BASE PROSPECTUS

The following amendments are made to the Base Prospectus:

- The section entitled “Risk relation to the Issuer and its operations” on pages 5 to 7 of the Base Prospectus is deleted in its entirety and hereby replaced by the following paragraphs:

“For details on the risk factors relating to the Issuer and La Banque Postale Group refer to pages 75 to 108 of the *2014 Reference Document* (as defined in section "Documents Incorporated by Reference") which is incorporated by reference into this Base Prospectus.

### *EU Resolution and Recovery Directive*

On 15 May 2014, the Council of the European Union adopted Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD provides authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Notes to equity (the "**bail-in tool**"), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances). The BRRD provides that it will be applied by Member States from 1 January 2015, except for the bail-in tool which is to be applied from 1 January 2016.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Bail in enables the resolution authority to write down subordinated or non subordinated debt (including principal and interest of Subordinated Notes) of a failing institution and/or convert them to equity, which equity could also be subject to any reduction or written down. When applying bail-in, the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If only this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings.

Once the BRRD is fully applicable, holders of Notes may be subject to write-down or conversion into equity on any application of the bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

The implementation of the BRRD into French law has been made by two texts of legislative nature. Firstly, the banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) (as modified by the *ordonnance* dated 20 February 2014 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*)) (the "**Banking Law**") implemented partially the BRRD in anticipation. Secondly, *Ordonnance* No. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the "**Ordonnance**") published in the Official Journal of the French Republic dated 21 August 2015 has introduced various provisions amending (among others, crisis prevention and management measures applicable to credit institutions, provided for in Articles L. 613-48 et seq. of the French *Code monétaire et financier*) and supplementing the Banking Law to adapt French law to the BRRD.

The *Ordonnance* is for the most part currently in effect, although certain provisions, including those relating to the minimum requirement for own funds and eligible liabilities ("**MREL**") and the bail-in tool, will apply as from 1 January 2016.

Under the *Ordonnance*, French credit institutions (such as the Issuer) will have to meet, at all times, a minimum requirement for own funds and eligible liabilities pursuant to Article L. 613-44 of the French *Code monétaire et financier*. The MREL shall be expressed as a percentage of the total liabilities and own funds of the institution and aims at avoiding institutions structuring their liabilities in a manner that impedes the effectiveness of the bail-in tool.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund has established a centralised power of resolution and entrusted to a Single Resolution Board and to the national resolution authorities. Starting on 1 January 2015, the Single Resolution Board works in close cooperation with the *Autorité de contrôle prudentiel et de résolution*, in particular in relation to the elaboration of resolution planning, and will assume full resolution powers, on 1 January 2016 provided that the conditions for the transfer of contributions to the Single Resolution Fund are met by that date.

#### *FSB Proposals for Total Loss-Absorbing Capacity*

In November 2014, the Financial Stability Board (the "**FSB**") published a consultation document on policy proposals intended to enhance the loss-absorbing capacity of global systemically important banks ("**G-SIBs**") in resolution. The FSB proposals seek to ensure that G-SIBs will have sufficient loss absorbing capacity available in a resolution of such an entity, in order to minimise any impact on financial stability,

ensure the continuity of critical functions and avoid exposing taxpayers to loss. The FSB's proposals also include a specific term sheet for TLAC which attempts to define an internationally agreed standard. The FSB's proposals were endorsed at the G20's Brisbane conference in November 2014 and its final proposals are to be delivered to the Antalya G20 Summit in November 2015. The FSB's proposals would, if implemented, require all G-SIBs to maintain a minimum level of TLAC eligible capital within the range of 16-20 per cent. of risk exposure amount (alongside minimum regulatory capital requirements), and at a minimum of twice the relevant Basel III leverage requirement, with effect from 1 January 2019. The proposals also suggest that G-SIBs will be required to pre-position such loss-absorbing capacity amongst material subsidiaries on an intra-group basis. The FSB has also proposed that the minimum TLAC requirement should be satisfied before any surplus common equity is available to satisfy CRD IV buffers and the consultation document provides the possibility for local regulators to impose an additional TLAC requirement over and above the basic minimum requirement.

Based on the most recently updated FSB list of G-SIBs published in November 2014, the Issuer does not constitute a G-SIB. However, the TLAC requirement may apply in addition to or replace the MREL pursuant to the BRRD (as defined below) and the implementation in France of TLAC remains uncertain and similar requirements could be imposed on non-GSIBs. While these measures remain in development, it is not possible to determine the ultimate scope, nature and impact on the Issuer and the La Banque Postale Group and it may not be excluded that the Bank may have to issue a significant amount of additional TLAC and MREL eligible liabilities (including potentially further Tier 2 capital) in order to meet the new requirements within the required timeframes.

#### *Implementation of Basel III Risk-Weighted Asset (RWA) Framework*

On 16 December 2010 and 13 January 2011, the Basel Committee on Banking Supervision (the "**Basel Committee**") published a revised framework ("**Basel III**"), including new capital and liquidity standards for credit institutions. Those measures were scheduled to be implemented by relevant authorities starting from 1 January 2013 with full implementation on 1 January 2019.

In particular, the changes introduced by Basel III refer to, amongst other things:

- a complete review of the capital standards;
- the introduction of a leverage ratio; and
- the introduction of short-term and longer-term standards for funding liquidity (referred to as the "*Liquidity Coverage Ratio*" and the "*Net Stable Funding Ratio*").

The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. Basel III was implemented under EU legislation through the "CRD IV package" which consists of the Capital Requirements Directive n° 2013/36/EU dated 26 June 2013 and the Capital Requirements Regulation n°575/2013 dated 26 June 2013. A number of new requirements arising from the CRD IV package was implemented under French law through Law no. 2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities. The implementation of the CRD IV package at the legislative level was finalized under French law by *ordonnance* n°2014-158 dated 20 February 2014. Implementation provisions have been provided in November 2014 with decrees no. 2014-1315 and no. 2014-1316 dated 3 November 2014 and several *arrêtés* also dated 3 November 2014 in order to finalize the new French legal framework for credit institutions and investment firms.

The implementation of Basel III and the CDR IV package has and will continue to bring about a number of substantial changes to the current capital requirements, prudential oversight and risk-management systems, including those of the Issuer. One of these particular changes has been developed at the end of 2014 by the Basel Committee which published for public consultation revisions to the standardised approaches for credit, operational and market risk, and the introduction of capital floors based on standardised approaches.

Of these proposals, the introduction of the standardised credit risk RWA floor could have a significant impact on the Issuer. The Issuer continues to monitor developments and has undertaken scenario analysis to assess the impact of such a capital floor.

More generally, the direction and the magnitude of the impact of Basel III and the CDR IV package will depend on the particular asset structure of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer may operate its business in ways that are less profitable than its present operation in complying with the new guidelines resulting from the transposition of Basel III and the CDR IV package. The risks outlined above could have a significant adverse effect on the Issuer or the La Banque Postale Group's business and financial conditions.

In addition, the implementation of Basel III and the CDR IV package could affect the risk weighting of the Notes in respect of certain investors to the extent that those investors are subject to the new guidelines resulting from the implementation of the CRD IV package. Accordingly, recipients of this Base Prospectus should consult their own advisers as to the consequences and effects the implementation of CRD IV package could have on them.

*Impact of low interest rate risk environment*

The issue of the decline in margins stemming from the long period of low interest rates, combined with floor rates on savings products, has tended to compound spontaneously. In this context, the Issuer continues to implement hedges against the risks associated with a low interest rate environment with the view to mitigating the risks associated with a low interest rate environment. However, traditionally a low interest rate environment is associated with a challenged ability to generate earnings and more generally a decreased profitability for banks.”

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST  
SUPPLEMENT**

I hereby certify, having taken all reasonable care to ensure that such is the case, that, to the best of my knowledge, the information contained in this First Supplement is in accordance with the facts and contains no omission likely to affect its import.

In the statutory auditors' report on the consolidated financial statements for the financial year ended 31 December 2014, which is reproduced on pages 171 and 172 of the 2014 Reference Document, the statutory auditors make an observation without qualifying their opinion.

**La Banque Postale**  
115, rue de Sèvres  
75275 Paris Cedex 06  
France

Represented by Mr. Rémy Weber  
*Président du Directoire* (Chairman of the Executive Board)

Dated 9 November 2015



*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 *Règlement Général* of the *Autorité des marchés financiers* (AMF), in particular Articles 212-31 to 212-33, the AMF has granted to this First Supplement the visa no. 15-566 on 9 November 2015. 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 *Règlement Général*, setting out the terms of the securities being issued.