

FIRST SUPPLEMENT DATED 24 APRIL 2018
TO THE BASE PROSPECTUS DATED 26 JULY 2017



Crédit Mutuel-CIC Home Loan SFH

(société de financement de l'habitat duly licensed as a French specialised credit institution)

**€30,000,000,000 INTERNATIONAL COVERED BOND PROGRAMME
FOR THE ISSUE OF OBLIGATIONS DE FINANCEMENT DE L'HABITAT
AND OTHER COVERED BONDS**

This first supplement (the "**First Supplement**") constitutes a supplement to, and must be read in conjunction with, the base prospectus dated 26 July 2017 which received visa no. 17-386 from the *Autorité des marchés financiers* (the "**AMF**") on 26 July 2017 (the "**Base Prospectus**") prepared in relation to the €30,000,000,000 international covered bond programme for the issue of *obligations de financement de l'habitat* and other covered bonds (the "**International Programme**") of Crédit Mutuel-CIC Home Loan SFH (the "**Issuer**"). The Base Prospectus as so supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**").

This First Supplement has been prepared for the purpose of:

- updating the disclaimer paragraph of the Base Prospectus;
- updating the "*Summary of the International Programme*" and "*Résumé du Programme International*" sections of the Base Prospectus;
- updating the section "*Important information relating to non-exempt offers*" of the Base Prospectus;
- updating the "*Documents incorporated by reference*" section of the Base Prospectus;
- updating the "*The Issuer*" section of the Base Prospectus;
- updating the section "*Form of Final Terms*" of the Base Prospectus;
- updating the "*Taxation*" section of the Base Prospectus; and
- updating the "*General information*" section of the Base Prospectus.

Application has been made to the AMF in France for approval of this First Supplement, in its capacity as competent authority pursuant to article 212-2 of the AMF's General Regulation (*Règlement général de l'AMF*).

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

To the extent that there is any inconsistency between any statement in this First Supplement and any other statement contained or incorporated by reference in the Base Prospectus, the statements in this First Supplement will prevail. Except as otherwise provided herein, terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

In accordance with Article 212-25 of the AMF's General Regulation (*Règlement général de l'AMF*), in case of an offer of French Law Covered Bonds to the public, investors who have agreed to purchase or subscribe for French Law Covered Bonds before the publication of this First Supplement benefit from a withdrawal right for at least two (2) trading days after the publication of this First Supplement if the new factor, mistake or inaccuracy described above arises prior to the final closing of the public offer and delivery of the French Law Covered Bonds. This right to withdraw shall expire by close of business on 26 April 2018.

For so long as French Law Covered Bonds may be admitted to trading on a Regulated Market of the European Economic Area and/or offered to the public pursuant to the Base Prospectus in accordance with the Prospectus Directive, this First Supplement will be available for viewing on the websites of the AMF (www.amf-france.org) and of the Issuer (www.creditmutuelcic-sfh.com) and during normal business hours from the registered office of the Issuer and at the specified office of the Paying Agent(s).

In accordance with articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and with the AMF's General Regulation (*Règlement général de l'AMF*), in particular articles 212-31 to 212-33, the AMF has granted to this First Supplement its visa no. 18-149 on 24 April 2018. The Base Prospectus, as supplemented by this First Supplement, may be used for the purposes of a financial transaction only if it is supplemented by final terms. This First Supplement was prepared by the Issuer and its signatory assumes responsibility for it. In accordance with article L.621-8-1-I of the French Monetary and Financial Code (*Code monétaire et financier*), the visa was granted following an examination by the AMF of "whether the document is complete and understandable, and whether the information it contains is consistent". It does not imply that the AMF has verified the accounting and financial data set out herein.

In accordance with article 212-32 of the AMF's General Regulation (*Règlement général de l'AMF*), any issue of securities on the basis of the Base Prospectus, as supplemented by this First Supplement, will be subject to the publication of final terms setting out the terms and conditions of the securities to be issued.

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DISCLAIMERS

The following paragraph shall be added on page 3 of the Base Prospectus before the paragraph starting by "In this Base Prospectus, unless otherwise specified or the context otherwise requires (...)":

"MiFID II product governance / target market – The Final Terms in respect of any International Covered Bonds will include a legend entitled "MiFID II Product Governance" which will outline the determination of the type of clients in the context of the target market assessment in respect of the International Covered Bonds and which channels for distribution of the International Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the International Covered Bonds (a "distributor") should take into consideration such determination; however, a distributor subject to Directive 2014/65/EU, as amended (MiFID II) is responsible for undertaking its own target market assessment in respect of the International Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any Dealer subscribing for any International Covered Bonds is a manufacturer in respect of such International Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules."

SUMMARY OF THE INTERNATIONAL PROGRAMME

The Element A.2 entitled "*Consent of the Issuer for the use of the Prospectus*" contained in the "*Summary of the International Programme*" section of the Base Prospectus (pages 5 and 6) is deleted and replaced with the following:

"A.2	<i>Consent of the Issuer for the use of the Prospectus</i>	<p>Certain tranches of French Law Covered Bonds with a specified denomination of less than €100,000 (or its equivalent in any other currency at the time of issue) may be offered in circumstances where there is no exemption from the requirement to publish a prospectus (a "Non-exempt Offer") under Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "Prospectus Directive").</p> <p>In the context of a Non-exempt Offer, the Issuer may, if so specified in the relevant Final Terms, consent to the use of the Prospectus during the offer period specified in the relevant Final Terms (the "Offer Period") and in France, Luxembourg and/or any other jurisdiction of the European Union to which the Base Prospectus has been passported from time to time (the "Public Offer Jurisdiction(s)") specified in the relevant Final Terms by :</p> <ul style="list-style-type: none"> (i) subject to conditions set out in the relevant Final Terms, any financial intermediary authorised to make such offers pursuant to Directive 2004/39/EC of 21 April 2004, as amended if applicable specified in the relevant Final Terms; or (ii) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any applicable regulatory bodies (the "Rules"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the French Law Covered Bonds by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "Subscription and Sale" in the Base Prospectus which would apply as if it were a dealer; (c) consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the French Law Covered Bonds is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permits required in connection with solicitation of interest in, or offers or sales of, the French Law Covered Bonds under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant dealer(s) in order to enable the Issuer and/or the relevant dealer(s) to comply with the Rules relating to anti-money laundering, prevention of corruption and "know your client" rules applicable to the Issuer and/or the relevant dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms, (in each case an "Authorised Offeror"). <p>For the avoidance of doubt, none of the dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.</p> <p>The consent to the use of the Base Prospectus relates to Offer Periods (if any) beginning within twelve (12) months from the date of the approval of the Base Prospectus by the AMF.</p> <p>The terms and conditions of the Non-exempt Offer shall be provided to investors by the relevant Authorised Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of BNP Paribas or Banque Fédérative du</p>
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		Crédit Mutuel (together the "Permanent Dealers") or other Authorised Offeror has any responsibility or liability for such information or the consequences of its use by the relevant investors."
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The Element B.10 entitled "*Description of the nature of any qualifications in the audit report on the historical financial information*" contained in the "*Summary of the International Programme*" section of the Base Prospectus (page 7) is deleted and replaced with the following:

"B.10	<i>Description of the nature of any qualifications in the audit report on the historical financial information</i>	The statutory auditors' reports related to the financial statements of the Issuer for the years ended respectively 31 December 2016 and 31 December 2017 do not contain any qualifications."
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The Element B.12 entitled "*Selected financial information*" contained in the "*Summary of the International Programme*" section of the Base Prospectus (pages 7 to 9) is deleted and replaced with the following:

"B.12	<i>Selected financial information</i>	<p>The following tables show the key figures related to the income statement and balance sheet of the Issuer as at 31 December 2016 and 31 December 2017:</p> <p><i>Income statement</i></p> <table border="1"> <thead> <tr> <th style="text-align: center;">INCOME STATEMENT (€ millions)</th> <th style="text-align: center;">Year ended 31 December 2017</th> <th style="text-align: center;">Year ended 31 December 2016</th> </tr> </thead> <tbody> <tr> <td>+ Interest and similar income</td> <td style="text-align: right;">517.4</td> <td style="text-align: right;">598.2</td> </tr> <tr> <td>+ Interest and similar expense</td> <td style="text-align: right;">(511.9)</td> <td style="text-align: right;">(591.8)</td> </tr> <tr> <td>= Net banking income</td> <td style="text-align: right;">5.5</td> <td style="text-align: right;">6.4</td> </tr> <tr> <td>+ Other administrative expenses</td> <td style="text-align: right;">(0.8)</td> <td style="text-align: right;">(0.9)</td> </tr> <tr> <td>= Operating expenses</td> <td style="text-align: right;">(0.8)</td> <td style="text-align: right;">(0.9)</td> </tr> <tr> <td>= Gross operating income</td> <td style="text-align: right;">4.7</td> <td style="text-align: right;">5.5</td> </tr> <tr> <td>= Operating income</td> <td style="text-align: right;">4.7</td> <td style="text-align: right;">5.5</td> </tr> <tr> <td>= Income before non-recurring items</td> <td style="text-align: right;">4.7</td> <td style="text-align: right;">5.5</td> </tr> <tr> <td>+ Corporate income tax</td> <td style="text-align: right;">(1.6)</td> <td style="text-align: right;">(1.9)</td> </tr> <tr> <td>= Net income</td> <td style="text-align: right;">3.0</td> <td style="text-align: right;">3.6</td> </tr> </tbody> </table> <p><i>Balance sheet</i></p> <table border="1"> <thead> <tr> <th style="text-align: center;">ASSETS (€ millions)</th> <th style="text-align: center;">Year ended 31 December 2017</th> <th style="text-align: center;">Year ended 31 December 2016</th> </tr> </thead> <tbody> <tr> <td>Receivables due from credit institutions</td> <td style="text-align: right;">22,581.3</td> <td style="text-align: right;">23,922.7</td> </tr> <tr> <td>Other assets</td> <td style="text-align: right;">1.3</td> <td style="text-align: right;">1.0</td> </tr> <tr> <td>Accruals and accrued income</td> <td style="text-align: right;">76.5</td> <td style="text-align: right;">78.6</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">22,659.1</td> <td style="text-align: right;">24,002.3</td> </tr> </tbody> </table>	INCOME STATEMENT (€ millions)	Year ended 31 December 2017	Year ended 31 December 2016	+ Interest and similar income	517.4	598.2	+ Interest and similar expense	(511.9)	(591.8)	= Net banking income	5.5	6.4	+ Other administrative expenses	(0.8)	(0.9)	= Operating expenses	(0.8)	(0.9)	= Gross operating income	4.7	5.5	= Operating income	4.7	5.5	= Income before non-recurring items	4.7	5.5	+ Corporate income tax	(1.6)	(1.9)	= Net income	3.0	3.6	ASSETS (€ millions)	Year ended 31 December 2017	Year ended 31 December 2016	Receivables due from credit institutions	22,581.3	23,922.7	Other assets	1.3	1.0	Accruals and accrued income	76.5	78.6	Total assets	22,659.1	24,002.3
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LIABILITIES AND SHAREHOLDERS' EQUITY (€ millions)	Year ended 31 December 2017	Year ended 31 December 2016
Debt securities	21,993.0	22,275.0
Other liabilities	300.0	1,301.0
Accruals and deferred income	76.6	78.8
Subordinated debt	60.0	120.0
Shareholders' equity	229.5	227.5
- Subscribed capital	220.0	220.0
- Reserves	1.5	1.3
- Retained earnings	5.0	2.6
- Profit for the year	3.0	3.6
Total liabilities and shareholders' equity	22,659.1	24,002.3

There has been no significant change in the financial or trading position of the Issuer since 31 December 2017.

There has been no material adverse change in the prospects of the Issuer since 31 December 2017."

RESUME DU PROGRAMME INTERNATIONAL

The Element A.2 entitled "*Consent of the Issuer for the use of the Prospectus*" contained in the "*Résumé du Programme International*" section of the Base Prospectus (pages 21 and 22) is deleted and replaced with the following:

"A.2	<i>Consentement de l'Emetteur à l'utilisation du Prospectus</i>	<p>Certaines tranches des Obligations Sécurisées de Droit Français ayant une valeur nominale inférieure à 100.000 € (ou la contre-valeur de ce montant dans toute autre devise à la date d'émission) peuvent être offertes dans des circonstances où il n'existe pas de dispense à l'obligation de publier un prospectus (une "Offre Non-exemptée") en vertu de la Directive 2003/71/CE du Parlement Européen et du Conseil en date du 4 novembre 2003, telle que modifiée (la "Directive Prospectus").</p> <p>Dans le cadre d'une Offre Non-exemptée, l'Emetteur peut consentir, si cela est indiqué dans les Conditions Définitives concernées, à l'utilisation du Prospectus durant la période d'offre indiquée dans les Conditions Définitives concernées (la "Période d'Offre") en France, au Luxembourg et/ou dans tout autre état membre de l'Union Européenne pour lequel le Prospectus de Base a fait l'objet d'une procédure de passeport (le(s) "Etats de l'Offre au Public") indiqué(s) dans les Conditions Définitives concernées par :</p> <ul style="list-style-type: none"> (i) sous réserve des conditions mentionnées dans les Conditions Définitives, tout intermédiaire financier autorisé à faire ce type d'offre en application de la Directive 2004/39/CE sur les marchés d'instruments financiers du 21 avril 2004, tel que modifiée, si applicable dans les Conditions Définitives concernées ; ou (ii) tel qu'indiqué dans les Conditions Définitives concernées, tout intermédiaire financier qui satisfait aux condition suivantes : (a) agit conformément aux lois, règles, réglementation et recommandations provenant des autorités de régulation compétentes (les "Règles"), incluant, sans limitation, les Règles relatives à la fois à la pertinence et à l'adéquation de tout investissement dans les Obligations Sécurisées de Droit Français par toute personne et la divulgation à tout investisseur potentiel ; (b) respecte les restrictions mentionnées dans la partie "Souscription et Vente" du Prospectus de Base qui lui serait applicable comme s'il était un agent placeur ; (c) a pris connaissance du marché cible et des circuits de distribution du producteur concerné tels qu'identifiés au paragraphe "MiFID II <i>product governance</i>" dans les Conditions Définitives ; (d) s'assurer que tout frais (et toute commission ou bénéfices de toute sorte) reçu ou payé par cet intermédiaire financier en relation avec l'offre ou la vente d'Obligations Sécurisées de Droit Français est indiqué aux investisseurs ou investisseurs potentiels de façon claire et exhaustive ; (e) détient toutes les licences, consentements, approbations et permis requis en lien avec la sollicitation d'intérêts dans, ou les offres ou les ventes des Obligations Sécurisées de Droit Français conformément aux Règles ; (f) conserve des registres d'identification des investisseurs pour au moins la période minimum requise sous les Règles applicables, et, si cela est demandé, rend ces registres disponibles au(x) distributeur(s) concerné(s) et à l'Emetteur ou directement aux autorités appropriées et compétentes pour l'Emetteur et/ou le(s) distributeur(s) concerné(s) afin de permettre à l'Emetteur et/ou au(x) distributeur(s) concerné(s) de se conformer aux Règles relatives à la lutte contre le blanchiment d'argent, la prévention de la corruption et à la "connaissance du client", qui s'appliquent à l'Emetteur et/ou au(x) distributeur(s) concerné(s) ; (g) n'entraîne pas, directement ou indirectement, la rupture par l'Emetteur et/ou le(s) distributeur(s) concerné(s) de toute Règle ou toute requête pour obtenir ou faire tout dépôt, obtenir une autorisation ou un accord dans toute juridiction ; et (h) remplit toute condition supplémentaire précisée dans les Conditions Définitives, (dans chaque cas un "Offrant Autorisé"). <p>Afin d'éviter toute ambiguïté, ni les agents placeurs ni l'Emetteur, n'ont l'obligation de s'assurer qu'un Offrant Autorisé se conforme aux lois et réglementation applicables et n'assume aucune responsabilité à cet égard.</p>
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	<p>Le consentement à l'utilisation du Prospectus de Base est donné pour les Périodes d'Offre (le cas échéant) débutant dans les douze (12) mois à partir de la date de visa du Prospectus de Base par l'AMF.</p> <p>Les modalités de l'Offre Non-exemptée devront être communiquées aux investisseurs par l'Offrant Autorisé concerné au moment de l'Offre Non-exemptée. Ni l'Emetteur ni BNP Paribas ou Banque Fédérative du Crédit Mutuel (ensemble, les "Agents Placeurs Permanents") ou d'autres Offrants Autorisés ne sont responsables de cette information ou des conséquences de son utilisation par les investisseurs concernés."</p>
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The Element B.10 entitled "*Description de la nature des éventuelles réserves sur les informations historiques contenues dans le rapport d'audit*" contained in the "*Résumé du Programme International*" section of the Base Prospectus (page 24) is deleted and replaced with the following:

"B.10	<i>Description de la nature des éventuelles réserves sur les informations historiques contenues dans le rapport d'audit</i>	Les rapports des commissaires aux comptes relatifs aux états financiers pour les exercices clos respectivement le 31 décembre 2016 et le 31 décembre 2017 ne contiennent pas d'observations."
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The Element B.12 entitled "*Informations financières historiques sélectionnées*" contained in the "*Résumé du Programme International*" section of the Base Prospectus (pages 24 to 26) is deleted and replaced with the following:

"B.12	<i>Informations financières historiques sélectionnées</i>	<p>Les tableaux ci-après indiquent les chiffres clés relatifs au compte de résultat et au bilan de l'Emetteur au 31 décembre 2016 et au 31 décembre 2017 :</p> <p>Compte de résultat</p> <table border="1"> <thead> <tr> <th>COMPTE DE RESULTAT en millions d'euros</th> <th>Exercice clos au 31 décembre 2017</th> <th>Exercice clos au 31 décembre 2016</th> </tr> </thead> <tbody> <tr> <td>+ Intérêts et produits assimilés</td> <td>517,4</td> <td>598,2</td> </tr> <tr> <td>+ Intérêts et charges assimilées</td> <td>(511,9)</td> <td>(591,8)</td> </tr> <tr> <td>= Produit Net Bancaire</td> <td>5,5</td> <td>6,4</td> </tr> <tr> <td>+ Autres charges administratives</td> <td>(0,8)</td> <td>(0,9)</td> </tr> <tr> <td>= Charges de fonctionnement</td> <td>(0,8)</td> <td>(0,9)</td> </tr> <tr> <td>= Résultat Brut d'Exploitation</td> <td>4,7</td> <td>5,5</td> </tr> <tr> <td>= Résultat d'Exploitation</td> <td>4,7</td> <td>5,5</td> </tr> <tr> <td>= Résultat Courant</td> <td>4,7</td> <td>5,5</td> </tr> <tr> <td>+ Impôts sur les bénéfices</td> <td>(1,6)</td> <td>(1,9)</td> </tr> <tr> <td>= Résultat Net</td> <td>3,0</td> <td>3,6</td> </tr> </tbody> </table> <p>Bilan</p> <table border="1"> <thead> <tr> <th>ACTIF en millions d'euros</th> <th>Exercice clos au 31 décembre 2017</th> <th>Exercice clos au 31 décembre 2016</th> </tr> </thead> <tbody> <tr> <td>Créances sur les établissements de crédit</td> <td>22.581,3</td> <td>23.922,7</td> </tr> </tbody> </table>	COMPTE DE RESULTAT en millions d'euros	Exercice clos au 31 décembre 2017	Exercice clos au 31 décembre 2016	+ Intérêts et produits assimilés	517,4	598,2	+ Intérêts et charges assimilées	(511,9)	(591,8)	= Produit Net Bancaire	5,5	6,4	+ Autres charges administratives	(0,8)	(0,9)	= Charges de fonctionnement	(0,8)	(0,9)	= Résultat Brut d'Exploitation	4,7	5,5	= Résultat d'Exploitation	4,7	5,5	= Résultat Courant	4,7	5,5	+ Impôts sur les bénéfices	(1,6)	(1,9)	= Résultat Net	3,0	3,6	ACTIF en millions d'euros	Exercice clos au 31 décembre 2017	Exercice clos au 31 décembre 2016	Créances sur les établissements de crédit	22.581,3	23.922,7
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		Autres actifs	1,3	1,0
		Comptes de régularisation	76,5	78,6
		Total de l'actif	22.659,1	24.002,3
		PASSIF ET CAPITAUX PROPRES		
		en millions d'euros		
			Exercice clos au 31 décembre 2017	Exercice clos au 31 décembre 2016
		Dettes représentées par un titre	21.993,0	22.275,0
		Autres passifs	300,0	1.301,0
		Comptes de régularisation	76,6	78,8
		Dettes subordonnées	60,0	120,0
		Capitaux propres	229,5	227,5
		- Capital souscrit	220,0	220,0
		- Réserves	1,5	1,3
		- Report à nouveau	5,0	2,6
		- Résultat de l'exercice	3,0	3,6
		Total du passif et des capitaux propres	22.659,1	24.002,3
		<p>Il ne s'est produit aucun changement significatif dans la situation financière ou commerciale de l'Emetteur depuis le 31 décembre 2017.</p> <p>Il ne s'est produit aucun changement défavorable significatif dans les perspectives de l'Emetteur depuis le 31 décembre 2017."</p>		

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS

The "*Important information relating to non-exempt offers*" section of the Base Prospectus (pages 61 and 62) is deleted and replaced with the following:

"Certain tranches of French Law Covered Bonds with a specified denomination of less than €100,000 (or its equivalent in any other currency at the time of issue) may be offered in circumstances where there is no exemption from the requirement to publish a prospectus (a "**Non-exempt Offer**") under Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**").

The consent to the use of the Base Prospectus relates to Offer Periods (if any) beginning within twelve (12) months from the date of the approval of this Base Prospectus by the AMF.

In the context of a Non-exempt Offer, the Issuer may, if so specified in the relevant Final Terms, consent to the use of the Base Prospectus, together with any supplement with respect thereto that may be published from time to time and the relevant Final Terms (together, the "**Prospectus**") in connection with a Non-exempt Offer of any French Law Covered Bonds during the offer period specified in the relevant Final Terms (the "**Offer Period**") and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

- (i) subject to conditions set out in the relevant Final Terms, any financial intermediary authorised to make such offers pursuant to Directive 2004/39/EC of 21 April 2004, as amended if applicable specified in the relevant Final Terms; or
- (ii) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the French Law Covered Bonds by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a dealer appointed under the International Programme; (c) consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the French Law Covered Bonds is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permits required in connection with solicitation of interest in, or offers or sales of, the French Law Covered Bonds under the Rules; (f) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with the Rules relating to anti-money laundering, prevention of corruption and "know your client" rules applicable to the Issuer and/or the relevant Dealer(s); (g) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (h) satisfies any further conditions specified in the relevant Final Terms, (in each case an "**Authorised Offeror**"). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an "**Investor**") in such Public Offer Jurisdiction(s) to whom an offer of any French Law Covered Bonds is made by any Authorised Offeror and where the offer is made during the period for which that consent is given and in compliance with all other conditions attached to the giving of the consent. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) occurring in the periods beginning and ending on the dates specified for such purpose in the relevant Final Terms relating to such Non-exempt Offers and provided that the relevant Final Terms have been duly published and specify that offers may be made to the public in Public Offer Jurisdictions, all in accordance with the Prospectus Directive.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at <http://www.creditmutuelcic-sfh.com/en/index.html>.

If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Officer is required, for the duration of the Offer Period, to publish on its website a statement confirming that it is using the Prospectus for the relevant Non-exempt Offer with the consent of the Issuer and in accordance with the conditions attached thereto.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any French Law Covered Bonds. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any French Law Covered Bonds from an Authorised Offeror will do so, and offers and sales of the French Law Covered Bonds to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to the price, allotment, settlement/delivery arrangements and any costs or taxes to be invoiced to the Investor (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the French Law Covered Bonds and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to Investors by that Authorised Offeror at the time of the Non-exempt Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant Investors."

DOCUMENTS INCORPORATED BY REFERENCE

The "*Documents incorporated by reference*" section of the Base Prospectus (pages 65 and 66) is deleted and replaced with the following:

"This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously filed with the Autorité des marchés financiers (the "**AMF**") and which are incorporated in, and shall be deemed to form part of, this Base Prospectus:

- (a) the free English language translation of the management's report and financial statements of the Issuer for the year ended 31 December 2016 (*Rapport de Gestion du Conseil d'administration – Comptes Annuels clos au 31 décembre 2016*) comprised notably of the financial statements of the Issuer for the year ended 31 December 2016 and the auditors' report with respect thereto (the "**2016 Financial Statements**"); and
- (b) the French version of the management's report and financial statements of the Issuer for the year ended 31 December 2017 (*Rapport de Gestion du Conseil d'administration – Comptes Annuels clos au 31 décembre 2017*) comprised notably of the financial statements of the Issuer for the year ended 31 December 2017 and the auditors' report with respect thereto (the "**2017 Financial Statements**");

and for the purpose only of further issues of French law covered bonds to be assimilated (*assimilées*) and form a single series with French Law Covered Bonds already issued under the relevant EMTN Previous Conditions (as defined below):

- (c) the section "*terms and conditions of the covered bonds*" set out on pages 36 to 63 of the base prospectus of the Issuer dated 21 December 2010 (which was approved by the *Commission de Surveillance du Secteur Financier* in Luxembourg) (the "**2010 Conditions**");
- (d) the section "*terms and conditions of the covered bonds*" set out on pages 36 to 68 of the base prospectus of the Issuer dated 10 June 2011 (which received visa no. 11-215 from the AMF) (the "**2011 Conditions**");
- (e) the section "*terms and conditions of the French law covered bonds*" set out on pages 36 to 63 of the base prospectus of the Issuer dated 15 June 2012 (which received visa no. 12-263 from the AMF), as amended by the first supplement dated 20 September 2012 (which received visa no. 12-457 from the AMF) (the "**2012 Conditions**");
- (f) the section "*terms and conditions of the French law covered bonds*" set out on pages 38 to 65 of the base prospectus of the Issuer dated 30 July 2013 (which received visa no. 13-435 from the AMF) (the "**2013 Conditions**");
- (g) the section "*terms and conditions of the French law covered bonds*" set out on pages 57 to 85 of the base prospectus of the Issuer dated 31 July 2014 (which received visa no. 14-447 from the AMF) (the "**2014 Conditions**"); and
- (h) the section "*terms and conditions of the French law covered bonds*" set out on pages 61 to 89 of the base prospectus of the Issuer dated 24 July 2015 (which received visa no. 15-406 from the AMF) (the "**2015 Conditions**"); and
- (i) the section "*terms and conditions of the French law covered bonds*" set out on pages 65 to 92 of the base prospectus of the Issuer dated 29 July 2016 (which received visa no. 16-370 from the AMF) (the "**2016 Conditions**" and, together with the 2010 Conditions, the 2011 Conditions, the 2012 Conditions, the 2013 Conditions, the 2014 Conditions and the 2015 Conditions, the "**EMTN Previous Conditions**").

All documents incorporated by reference in this Base Prospectus may be obtained upon request, free of charge, at the registered office of the Issuer and the specified offices of the Paying Agents set out at the end of this Base Prospectus during normal business hours so long as any of the International Covered Bonds are outstanding. Such documents will be published on the website of the Issuer (www.creditmutuelcic-sfh.com).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below. For the avoidance of doubt, the sections of the documents listed in paragraphs (a) to (b) which are not included in the cross-reference list below are not incorporated by reference in this Base Prospectus and may be considered to be either not relevant to investors or covered elsewhere in this Base Prospectus. The sections of the documents listed in paragraphs (c) to (i) are incorporated by reference in this Base Prospectus for the purpose only of further issues of French Law Covered Bonds to be assimilated (*assimilées*) and form a single series with French Law Covered Bonds already issued under the relevant EMTN Previous Conditions.

Cross-reference list in respect of financial information

	Information incorporated by reference (Annex XI of the European Regulation 809/2004/EC, as amended)	2016 Financial Statements	2017 Financial Statements
3.	Risk factors		
	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors"		Pages 11 to 15; 54 to 57
11.	Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
11.1	Historical financial information		
	Balance sheet	Pages 7 and 8	Pages 6 and 7
	Profit and loss Account	Page 9	Page 8
	Notes	Pages 56 to 60	Pages 67 to 71
	Auditor's report relating to the above	Pages 24 to 26	Pages 21 to 25
	Cash flow statement	Page 10	Page 9"

THE ISSUER

The paragraph entitled "*Issuer Financial Elements*" contained in the "*The Issuer*" section of the Base Prospectus (pages 110 to 113) is deleted and replaced with the following:

"Issuer Financial Elements"

The financial year of the Issuer runs from 1 January to 31 December. The annual results of the Issuer shown in the documents incorporated by reference are the non-consolidated accounts. The Issuer prepares non-consolidated accounts and does not produce consolidated financial statements.

The Issuer produces investor reports which are available on its website (www.creditmutuelcic-sfh.com).

Selected financial information

The following tables show the key figures related to the income statement, balance sheet and net cash flow statement of the Issuer as at 31 December 2016 and 31 December 2017:

Income statement

INCOME STATEMENT (€ millions)	Year ended 31 December 2017	Year ended 31 December 2016
+ Interest and similar income	517.4	598.2
+ Interest and similar expense	(511.9)	(591.8)
= Net banking income	5.5	6.4
+ Other administrative expenses	(0.8)	(0.9)
= Operating expenses	(0.8)	(0.9)
= Gross operating income	4.7	5.5
= Operating income	4.7	5.5
= Income before non-recurring items	4.7	5.5
+ Corporate income tax	(1.6)	(1.9)
= Net income	3.0	3.6

Balance sheet

ASSETS (€ millions)	Year ended 31 December 2017	Year ended 31 December 2016
Receivables due from credit institutions	22,581.3	23,922.7
Other assets	1.3	1.0
Accruals and accrued income	76.5	78.6
Total assets	22,659.1	24,002.3

LIABILITIES AND SHAREHOLDERS' EQUITY (€ millions)	Year ended 31 December 2017	Year ended 31 December 2016
Debt securities	21,993.0	22,275.0
Other liabilities	300.0	1,301.0
Accruals and deferred income	76.6	78.8
Subordinated debt	60.0	120.0
Shareholders' equity	229.5	227.5
- Subscribed capital	220.0	220.0
- Reserves	1.5	1.3
- Retained earnings	5.0	2.6
- Profit for the year	3.0	3.6

LIABILITIES AND SHAREHOLDERS' EQUITY (€ millions)	Year ended 31 December 2017	Year ended 31 December 2016
Total liabilities and shareholders' equity	22,659.1	24,002.3

Cash flow statements

NET CASH FLOW STATEMENT (in thousand euros)	2017	2016
Net income	3,048	3,622
Tax	1,553	1,886
Income before tax	4,601	5,508
+/- Others movements	3,026,202	27,454
= Total non-monetary items included in income before tax and other adjustments	3,026,202	27,454
+/- Cash flows relating to interbank transactions	1,257,531	2,324,830
+/- Cash flows relating to other transactions affecting non-financial assets and liabilities	(994,911)	(1,249,543)
- Tax paid	(2,929)	(1,088)
= Net decrease in assets and liabilities from operating activities	259,691	1,074,199
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	3,290,494	1,107,161
+/- Cash flows relating to transactions with shareholders	(990)	(660)
+/- Other net cash flows relating to financing activities	(3,348,820)	(1,104,623)
TOTAL NET CASH FLOW RELATING TO FINANCING ACTIVITIES	(3,349,810)	(1,005,283)
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	0	0
Net increase in cash and cash equivalents	(59,316)	1,878
Net cash flow from operating activities	3,290,494	1,107,161
Net cash flow relating to financing activities	(3,349,810)	(1,105,283)
Cash and cash equivalents at beginning of period	343,571	341,693
Demand loans and accounts at credit institutions	343,571	341,693
Cash and cash equivalents at end of period	284,255	343,571
Demand loans and accounts at credit institutions	284,255	343,571
CHANGE IN NET CASH AND CASH EQUIVALENTS	(59,316)	1,878

Financial year 2017

Net banking income decreased from €6.4 million in 2016 to €5.5 million in 2017.

Such decrease of nearly 14% is mainly due to an evolution of the spreads between covered notes and unsecured notes over the period. In addition, the Issuer's net banking income is subject to variation on the level of the margin retained in each Covered Bond issue.

After income tax, net profit came to +€3.0 million compared with €3.6 million the previous year.

Prudential ratios

The Issuer is bound to comply with all prudential ratios applicable to specialised credit institutions (*établissements de crédit spécialisés*) in accordance with European and French laws and regulations."

FORM OF FINAL TERMS

- The following legend will be inserted at the top of the section "Form of Final Terms" on page 163 of the Base Prospectus:

¹[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TYPE OF CLIENTS – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion in relation to the type of clients criteria only that : (i) the type of clients to whom the Covered Bonds are targeted is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU, as amended ("**MiFID II**"); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer[’s/s’] type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[’s/s’] type of clients assessment) and determining appropriate distribution channels.²

OR

MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs TARGET MARKET – Solely for the purposes of [the/each] manufacturer[’s/s’] product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion in relation to the type of clients criteria only that: (i) the type of clients to whom the Covered Bonds are targeted is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended ("**MiFID II**"); ***EITHER***³[and (ii) all channels for distribution of the Covered Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]⁴] ***OR***⁵[(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Covered Bonds to retail clients are appropriate - investment advice[, / and] portfolio management[, / and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (a "**distributor**") should take into consideration the manufacturer[’s/s’] type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer[’s/s’] type of clients assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]⁶.]"

- Item 9. (*FLOATING RATE COVERED BONDS ONLY – PAST AND FUTURE PERFORMANCE OF INTEREST RATE*¹⁰) contained in the "form of final terms" section of the Base Prospectus (page 177) is deleted and replaced with the following:

"9. [FLOATING RATE COVERED BONDS ONLY – PAST AND FUTURE PERFORMANCE OF INTEREST RATE

[Details on the past and future performance and volatility of [EURIBOR/LIBOR/(*other*)] rates can be obtained from [Thomson Reuters].]¹⁰

Benchmark: Amounts payable under the Covered Bonds will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of

¹ Legend to be included following completion of the target market assessment in respect of the Covered Bonds, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018.

² Legend to be included if the Covered Bonds are not intended to be sold to retail clients

³ Include for bonds that are not ESMA complex

⁴ This list may not be necessary, especially for bonds that are not ESMA complex where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

⁵ Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Covered Bonds constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

⁶ Legend to be included if the Covered Bonds are intended to be sold to retail clients.

¹⁰ Only applicable when an offer to the public is contemplated.

administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 [(the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]"

TAXATION

The paragraph entitled "France" contained in the "Taxation" section of the Base Prospectus (pages 213 and 214) is deleted and replaced with the following:

"1. France

French Withholding Tax

The following is an overview of certain tax considerations that may be relevant to French Law Bondholders who do not concurrently hold shares of the Issuer.

Payments of interest and other income made by the Issuer with respect to French Law Covered Bonds (other than French Law Covered Bonds (described below) which are assimilated (*assimilées* for the purpose of French law) and form a single series with French Law Covered Bonds issued before 1 March 2010 having the benefit of article 131 *quater* of the French General Tax Code (*Code général des impôts*)) will not be subject to the withholding tax set out under article 125 A III of the French General Tax Code (*Code général des impôts*) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of article 238-0 A of the French General Tax Code (*Code général des impôts*) (a "**Non-Cooperative State**"). If such payments under the French Law Covered Bonds are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject (where relevant) to certain exceptions summarised below and the more favorable provisions of any applicable double tax treaty) pursuant to article 125 A III of the French General Tax Code (*Code général des impôts*). Notwithstanding the foregoing, article 125 A III of the French General Tax Code (*Code général des impôts*) provides that the 75% withholding tax will not apply in respect of a particular issue of French Law Covered Bonds if the Issuer can prove that the principal purpose and effect of such issue of French Law Covered Bonds was not that of allowing the payments of interest or other income to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the official regulation published by French tax authorities on 11 February 2014 (*Bulletin Officiel des Finances Publiques-Impôts - BOI-INT-DG-20-50-20140211*, section no. 990), an issue of French Law Covered Bonds will be deemed to have a qualifying purpose and effect, and accordingly will be able to benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of French Law Covered Bonds if such French Law Covered Bonds are:

- (i) offered by means of a public offer within the meaning of article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) or pursuant to an equivalent offer in a state or territory other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator, an investment services provider, or by a similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing, delivery and payments systems operator within the meaning of article L.561-2 of the French Monetary and Financial Code (*Code monétaire et financier*), or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Furthermore, by virtue of article 238 A of the French General Tax Code (*Code général des impôts*), interest and other income paid by or on behalf of the Issuer with respect to such French Law Covered Bonds may no longer be deductible from the Issuer's taxable income if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other income may be recharacterised as deemed distributed income pursuant to articles 109 *et seq.* of the French General Tax Code (*Code général des impôts*), in which case such non-deductible interest and other income may be subject to the withholding tax set out under article 119 *bis* of the French General Tax Code (*Code général des impôts*), at a rate of (i) 12.8% for payments benefitting to individuals who are not fiscally domiciled (*domiciliés fiscalement*) in France, (ii) 30% until 31 December 2019, 28% as from 1 January 2020, 26.5% as from 1 January 2021, 25% as from 1 January 2022 for payments benefitting to legal persons which are not fiscally domiciled (*domiciliés fiscalement*) in France and (iii) 75% for payments made in a Non-Cooperative State, subject in any case to the more favourable provisions of any applicable double tax treaty.

However, neither the non-deductibility set out under article 238 A of the French General Tax Code (*Code général des impôts*) (as further specified by the official regulation (*Bulletin Officiel des Finances Publiques-*

Impôts published by French tax authorities on 11 February 2014, BOI-INT-DG-20-50-20140211, Section no. 550) nor the withholding tax set out in article 119 *bis* 2 of the French General Tax Code (*Code général des impôts*) will apply in respect of the issue of French Law Covered Bonds if the Issuer can prove that it can benefit from the Exception and that the relevant interest or revenues relate to genuine transactions and are not an abnormal or exaggerated amount. Pursuant to the official regulation published by French tax authorities on 11 February 2014 (*Bulletin Officiel des Finances Publiques – Impôts – BOI-INT-DG-20-50-20140211*, Section no. 550), an issue of French Law Covered Bonds will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the French Law Covered Bonds, if such French Law Covered Bonds qualify to one of the three above-mentioned classifications.

Payments of interest and other income made by the Issuer with respect to French Law Covered Bonds which are assimilated (*assimilées* for the purpose of French law) and form a single series with French Law Covered Bonds issued (or deemed issued) outside France before 1 March 2010 will continue to be exempt from the withholding tax set out under article 125 A III of the French General Tax Code (*Code général des impôts*).

Such French Law Covered Bonds, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the official regulation published by French tax authorities on 11 February 2014 (*Bulletin Officiel des Finances Publiques-Impôts - BOI-RPPM-RCM-30-10-30-30-20140211*), or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of article 131 *quater* of the French General Tax Code (*Code général des impôts*), in accordance with the aforementioned official regulation.

In addition, interest and other income paid by the Issuer on such French Law Covered Bonds will not be subject to the withholding tax set out in article 119 *bis* of the French General Tax Code (*Code général des impôts*) solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Payments made to French resident individuals

Pursuant to articles 125 A and 125 D of the French General Tax Code (*Code général des impôts*) subject to certain limited exceptions, interest and other similar revenues received as from 1 January 2018 by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 17.2% on interest and other similar revenues paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France."

GENERAL INFORMATION

- The paragraphs (3), (4), (8) and (14) of the "General information" section of the Base Prospectus (pages 222 and 223) are deleted and replaced with the following:

"(2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the International Programme.

Any issuance of International Covered Bonds under the International Programme, to the extent that such International Covered Bonds constitute *obligations* or *instruments financiers équivalents de droit étranger* 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 other member of the board of directors (*conseil d'administration*), to the managing director (*directeur général*), or with the latter's agreement to any of the deputy managing director (*directeur général délégué*), or to any other person.

On 22 November 2017, the Board of Directors (*conseil d'administration*) of the Issuer has authorised the issue of Covered Bonds for a maximum nominal amount of €10,000,000,000 (or its equivalent in any other currency) and delegated the power to issue such Covered Bonds to each of Alexandre Saada, chairman of the board of directors (*président du conseil d'administration*) of the Issuer and Christian Ander, managing director (*directeur général*) of the Issuer, such delegation being valid for a period of one year from 22 November 2017.

- (3) There has been no significant change in the financial or trading position of the Issuer since 31 December 2017.
- (4) There has been no material adverse change in the prospects of the Issuer since 31 December 2017.
- (8) PricewaterhouseCoopers Audit (63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France) and Ernst & Young et Autres (1/2, place des Saisons, 92400 Courbevoie - Paris-La Défense 1, France) (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have been appointed as *Commissaires aux comptes* to the Issuer as from 16 April 2007 and have audited and rendered unqualified audit reports on the non-consolidated financial statements of the Issuer for the fiscal years ended 31 December 2016 and 31 December 2017. PricewaterhouseCoopers Audit and Ernst & Young et Autres are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.
- (14) For so long as International Covered Bonds may be issued pursuant to this Base Prospectus, copies of the following documents will, when published, be available upon request and free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s):
 - (a) the by-laws (*statuts*) of the Issuer;
 - (b) the audited non-consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 31 December 2017;
 - (c) the Agency Agreement (which includes the form of the *lettre comptable*, the Temporary Global Certificate, the Definitive Materialised Covered Bonds, the Coupons, the Talons, the Receipts and the Terms and Conditions of the German Law Covered Bonds);
 - (d) the Final Terms for French Law Covered Bonds that are admitted to trading on Euronext Paris or on any other Regulated Market and/or offered to the public in any Member State of the EEA;
 - (e) a copy of this Base Prospectus together with any supplement thereto that may be published from time to time or further base prospectus and any document incorporated by reference therein; and
 - (f) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus."

- The following paragraph will be added at the bottom of the section "General Information" on page 223 of the Base Prospectus:

"(17) Amounts payable under the International Covered Bonds may be calculated by reference to EURIBOR, LIBOR or any other rate as specified in the Final Terms. EURIBOR and LIBOR are respectively provided by the European Money Markets Institute ("EMMI") and ICE Benchmark Administration Limited ("ICE"). As at the date of the first supplement dated 24 April 2018 which

received visa no. 18-149 from the AMF on 24 April 2018 of this Base prospectus, the EMMI and ICE do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 dated 8 June 2016 (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI and ICE are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence). The relevant Final Terms will specify the administrator of any other benchmark used as a reference under the Floating Rate Covered Bonds and whether or not such administrator appears on the above mentioned register of administrators and benchmarks established and maintained by the ESMA"

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST SUPPLEMENT

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

Paris, 24 April 2018

Mr. Christian ANDER, *Directeur général*
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