

LA BANQUE POSTALE HOME LOAN SFH

*duly licensed French specialised credit institution (établissement de crédit spécialisé)
€10,000,000,000 Euro Medium Term Note Programme for the issue of
obligations de financement de l'habitat*

This second supplement (the "**Second Supplement**") is prepared in connection with the base prospectus dated 29 July 2016 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 22 December 2016 (the "**First Supplement**") prepared in relation to the Euro Medium Term Note Programme (the "**Programme**"), under which La Banque Postale Home Loan SFH (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations de financement de l'habitat* within the meaning of article L. 513-30, I of the *Code monétaire et financier* (the "**French Monetary and Financial Code**"), benefiting from the statutory *privilège* (priority right of payment) created by article L. 513-11 of the French Monetary and Financial Code (the "**Privilège**"), as more fully described in the Base Prospectus (the "**Notes**").

The *Autorité des marchés financiers* (the "**AMF**") has granted visa n°16- 369 on 29 July 2016 to the Base Prospectus and the visa n°16-602 on 22 December 2016 to the First Supplement.

The Issuer has prepared this Second Supplement to its Base Prospectus, pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF for the following purposes:

- updating the section "Summary of the Programme" of the Base Prospectus related to the "Qualifications in the auditors' report" (B.10) and "Selected historical key financial information" (B.12);
- updating the section "Résumé en français du Programme (French Summary of the Programme)" of the Base Prospectus related to the "Réserves continues dans le rapport des Commissaires aux Comptes"(B.10) and "Informations financières sélectionnées" (B.12);
- incorporating by reference in the Base Prospectus the financial report of the Issuer as at 31 December 2016 in the French language and the auditors' report thereon;
- updating the section "Description of the Issuer" related to the "Financial Elements".
- updating the sections 4, 5 and 10 of the "General Information" section of the Base Prospectus.

Terms defined in the Base Prospectus have the same meanings when used in this Second Supplement. Application has been made to the *Autorité des marchés financiers* (the "**AMF**") in France for approval of this Second Supplement in its capacity as the competent authority pursuant to article 212-2 of its *Règlement Général* (the "**AMF General Regulations**"), which implements Directive 2003/71/EC of 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**").

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

Save as disclosed in this Second 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 Second 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 Second Supplement. This right to withdraw shall expire by close of business on 24 May 2017.

**ARRANGER
NATIXIS**

**PERMANENT DEALERS
LA BANQUE POSTALE
NATIXIS**

Table of Contents

SUMMARY OF THE PROGRAMME	1
RESUME DU PROGRAMME EN FRANCAIS (FRENCH SUMMARY OF THE PROGRAMME)	6
DOCUMENTS INCORPORATED BY REFERENCE	11
CROSS - REFERENCE LIST	12
DESCRIPTION OF THE ISSUER	14
GENERAL INFORMATION	18
PERSON RESPONSIBLE FOR THE BASE PROSPECTUS	19

SUMMARY OF THE PROGRAMME

The items B.10 “Qualifications in the auditors’ report” and B.12 “Selected historical key financial information” on page 11 et seq. of the Base Prospectus are updated and completed with the following information:

B.10	Qualifications in the auditors’ report	Not applicable. The statutory auditors’ reports on the financial statements of LBP Home Loan SFH for the years ended 31 December 2016 and 31 December 2015 do not contain any qualifications.
B.12	Selected historical key financial information	The tables below set out summary information extracted from the free English translation of the Issuer’s audited statement of financial position as at 31 December 2016 (French GAAP presentation):

Balance sheet		
(€ '000s)	31/12/2016	31/12/2015
<u>ASSETS</u>		
CASH AND INTER-BANK TRANSACTIONS		
- Cash and central banks	14	69
- Government paper and similar securities	92 472	93 728
- Receivables from credit institutions and similar	3 712 502	3 187 233
RECEIVABLES - CUSTOMERS TRANSACTIONS		
- Current accounts in debit		
- Commercial Receivables		
- Lease transactions and similar		
BONDS, EQUITIES, OTHER FIXED-INCOME AND VARIABLE-INCOME SECURITIES		
- Bonds and other fixed-income securities		
- Equities and other variable-income securities		
EQUITY INVESTMENTS, HOLDINGS IN RELATED COMPANIES AND OTHER LONG-TERM SECURITIES		
- Equity investments and other long-term holdings in securities		8
- Holdings in related companies		
TANGIBLE AND INTANGIBLE ASSETS		
- Intangible Assets		
- Property, plant and equipment		
ACCRUALS AND OTHER ASSETS		
- Other Assets	40	20
- Accruals	216	208
TOTAL	3 805 244	3 281 266
<u>LIABILITIES</u>		
INTER-BANK TRANSACTIONS AND SIMILAR		
- Central banks		
- Liabilities due to credit institutions		62
CUSTOMERS TRANSACTIONS		
- Special scheme savings accounts		
- Current accounts in credit-customers		
- Other liabilities to customers		
DEBT SECURITIES		
- Short term securities		
- Inter-bank market securities and negotiable debt securities		
- Bonds and similar	3 565 359	3 047 629
- Other debt securities		
ACCRUALS AND OTHER LIABILITIES		
- Other liabilities	25 423	20 466
- Accruals		
PROVISIONS		
SUBORDINATED DEBT		
GENERAL BANKING RISK FUND (GBRF)		
PARENT COMPANY SHAREHOLDERS' EQUITY (EXCLUDING GBRF)		
- Subscribed capital	210 000	210 000
- Issue and transfer premiums		
- Reserves	155	74
- Regulated provisions and capital grants		
- Retained earnings	2 954	1 405

Off balance sheet statement

(€ '000s)	31/12/2016	31/12/2015
Financing and guarantee commitments and commitments on securities given		
Financing commitments		
to credit institutions		
to customers		
Guarantees		
to credit institutions		
to customer		
Commitments on securities		
deliverable securities		
Financing and guarantee commitments and commitments on securities received		
Financing commitments		
from credit institutions		
from customers		
Guarantees		
from credit institutions		
from customers		
Commitments on securities		
securities receivable		
Other commitments given and received		
Other commitments given		
Other commitments received	6 473 914	5 691 764

Profit and loss account		
(€ '000s)	31/12/2016	31/12/2015
INTEREST AND SIMILAR INCOME		
- Cash and inter-bank transactions	58 950	52 220
- Receivables - customer transactions		
- Bonds and other fixed-income securities	1 244	1 286
- Other interest and similar income		
INTEREST AND SIMILAR EXPENSES		
- Cash and inter-bank transactions		
- Receivables - customer transactions		
- Bonds and other fixed-income securities	(56 406)	(49 912)
- Other interest and similar expenses		
INCOME FROM VARIABLE-INCOME SECURITIES		
COMMISSIONS (INCOME)		
COMMISSIONS (EXPENSES)	(10)	(10)
GAINS OR LOSSES ON TRADING SECURITIES TRANSACTIONS		
GAINS OR LOSSES ON INVESTMENT SECURITIES TRANSACTIONS		
OTHER BANK OPERATING INCOME	7	23
OTHER BANKING OPERATING EXPENSES	(41)	(68)
NET BANKING INCOME	3 744	3 539
GENERAL OPERATING EXPENSES		
- Employee benefits expenses		
- Other general operating expenses	(1 550)	(1 051)
- Re-invoicing		
DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES ON TANGIBLE AND NON TANGIBLE NON-CURRENT ASSETS		
GROSS OPERATING INCOME	2 194	2 488
COST OF RISK		
OPERATING INCOME	2 194	2 488
GAINS OR LOSSES ON DISPOSALS		
PRE-TAX INCOME	2 194	2 488
NON-RECURRING ITEMS		
INCOME TAX	(841)	(858)
NET ALLOCATION TO GBRF AND REGULATED PROVISIONS		
PARENT COMPANY NET INCOME	1 353	1 630
PARENT COMPANY NET EARNINGS PER SHARE (in K€)	0,00006	0,00008

Cash flow statement		
(€ '000s)	31/12/2016	31/12/2015
Pre-tax income	2 194	2 488
+/- Net depreciation and amortisation of tangible and intangible non-current assets		
+/- Net provisions and impairment charges		
+/- Net losses or gains on investment activities		
+/- Net losses or gains on financing activities		
+/- Other movements	(818)	(661)
= Total non-cash items included in net pre-tax income and other adjustments	(818)	(661)
+/- Cash flows relating to transactions with credit institutions	(515 324)	(817 663)
+/- Cash flows relating to customer transactions		
+/- Cash flows relating to other transactions that have an impact on financial assets or liabilities	516 022	837 690
+/- Cash flows relating to other transactions that have an impact on non-financial assets or liabilities	5 136	(336)
- Taxes paid	(1 048)	(1 241)
= Net increase/decrease in assets and liabilities from operating activities	4 786	18 450
TOTAL NET CASH GENERATED BY OPERATING ACTIVITIES (A)	6 162	20 277
+/- Flows linked to financial assets and investments	8	(4)
+/- Flows linked to investment properties		
+/- Flows linked to tangible and intangible non-current assets		
TOTAL NET CASH GENERATED BY INVESTMENT ACTIVITIES (B)	8	(4)
+/- Cash flows from or to shareholders		
+/- Other net cash flows from financing activities		
TOTAL NET CASH GENERATED BY FINANCING ACTIVITIES (C)		-
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)		-
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	6 170	20 273
Net cash flows generated by operating activities (A)	6 162	20 277
Net cash flows generated by investment activities (B)	8	(4)
Net cash flows generated by financing activities (C)	0	
Impact of changes in exchange rates on cash and cash equivalents (D)	0	
Opening cash and cash equivalents	20 007	(266)
Cash and central banks (assets and liabilities)	20 069	7
Current accounts (assets and liabilities) and overnight loans with credit institutions	(62)	(273)
Closing cash and cash equivalents	26 177	20 007
Cash and central banks (assets and liabilities)	26 177	20 069
Current accounts (assets and liabilities) and overnight loans with credit institutions		(62)
CHANGE IN NET CASH	6 170	20 273

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

There has been no significant change in the financial or trading position of the Issuer since the end of the last financial period for which audited financial information has been published.

RESUME DU PROGRAMME EN FRANCAIS (FRENCH SUMMARY OF THE PROGRAMME)

The items B.10 « Réserves contenues dans le rapport des Commissaires aux comptes » and B.12 “Informations financières sélectionnées” on page 31 et seq. of the Base Prospectus is updated and completed with the following information:

B.10	Réserves contenues dans le rapport des Commissaires aux comptes	<p>Sans objet.</p> <p>Les rapports des commissaires aux comptes sur les états financiers de LBP Home Loan SFH pour les années s'achevant le 31 décembre 2016 et le 31 décembre 2015 ne contiennent aucune réserve.</p>																																																																																																																																																						
B.12	Informations financières sélectionnées	<p>Les tableaux ci-après présentent un résumé des informations extraites du bilan audité de l'Émetteur, au 31 décembre 2016 (présentation aux normes françaises):</p> <p style="text-align: center;">Bilan social</p> <p>en K€</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">31/12/2016</th> <th style="width: 15%; text-align: center;">31/12/2015</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">ACTIF</td> </tr> <tr> <td>OPERATIONS INTERBANCAIRES ET ASSIMILEES</td> <td></td> <td></td> </tr> <tr> <td>- Caisse, banques centrales</td> <td style="text-align: right;">14</td> <td style="text-align: right;">69</td> </tr> <tr> <td>- Effets publics et valeurs assimilées</td> <td style="text-align: right;">92 472</td> <td style="text-align: right;">93 728</td> </tr> <tr> <td>- Créances sur les établissements de crédit</td> 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Hors Bilan Social

en K€	31/12/2016	31/12/2015
ENGAGEMENTS DE FINANCEMENT, DE GARANTIE ET ENGAGEMENTS DONNES SUR TITRES		
Engagements de financement en faveur d'établissements de crédit en faveur de la clientèle		
Engagements de garantie en faveur d'établissements de crédit en faveur de la clientèle		
Engagements sur titres titres à livrer		
ENGAGEMENTS DE FINANCEMENT, DE GARANTIE ET ENGAGEMENTS RECUS SUR TITRES		
Engagements de financement reçus d'établissements de crédit reçus de la clientèle		
Engagements de garantie reçus d'établissements de crédit reçus de la clientèle		
Engagements sur titres titres à recevoir		
AUTRES ENGAGEMENTS DONNES ET RECUS		
Autres engagements donnés		
Autres engagements reçus	6 473 914	5 691 764

Résultat social

en K€	31/12/2016	31/12/2015
INTERETS ET PRODUITS ASSIMILES :		
- Opérations de trésorerie et interbancaires	58 950	52 220
- Opérations avec la clientèle		
- Obligations et autres titres à revenu fixe	1 244	1 286
- Autres intérêts et produits assimilés		
INTERETS ET CHARGES ASSIMILEES :		
- Opérations de trésorerie et interbancaires		
- Opérations avec la clientèle		
- Obligations et autres titres à revenu fixe	-56 406	-49 912
- Autres intérêts et charges assimilées		
REVENU DES TITRES A REVENU VARIABLE		
COMMISSIONS (PRODUITS)		
COMMISSIONS (CHARGES)	-10	-10
GAINS OU PERTES SUR OPERATIONS DES PORTEFEUILLES DE NEGOCIATION		
GAINS OU PERTES SUR OPERATIONS DES PORTEFEUILLES DE PLACEMENT ET ASSIMILES		
AUTRES PRODUITS D'EXPLOITATION BANCAIRE NETS	7	23
AUTRES CHARGES D'EXPLOITATION BANCAIRE NETTES	-41	-68
PRODUIT NET BANCAIRE	3 744	3 539
CHARGES GENERALES D'EXPLOITATION :		
- Frais de personnel		
- Autres charges générales d'exploitation	-1 550	-1 051
- Refacturations		
DOTATION AUX AMORTISSEMENTS ET DEPRECIATIONS DES IMMOBILISATIONS CORPORELLES ET INCORPORELLES		
RESULTAT BRUT D'EXPLOITATION	2 194	2 488
COÛT DU RISQUE		
RESULTAT D'EXPLOITATION	2 194	2 488
GAINS OU PERTES SUR ACTIFS IMMOBILISES		
RESULTAT COURANT AVANT IMPÔT	2 194	2 488
RESULTAT EXCEPTIONNEL		
IMPOTS SUR LES BENEFICES	-841	-858
DOTATIONS NETTES AU FRBG ET AUX PROVISIONS REGLEMENTEES		
RESULTAT NET	1 353	1 630
RESULTAT NET SOCIAL PAR ACTION (en K€)	0,00006	0,00008

Tableau flux de trésorerie

En K€	31/12/16	31/12/15
Résultat avant impôts	2 194	2 488
+/- Dotations nettes aux amortissements sur immobilisations corporelles et incorporelles		
+/- Dotations nettes aux provisions et dépréciations		
+/- Pertes nettes / gains des activités d'investissement		
+/- Pertes nettes / gains des activités de financement		
+/- Autres mouvements	(818)	(661)
= Total des éléments non monétaires inclus dans le résultat net avant impôts et des autres ajustements	(818)	(661)
+/- Flux liés aux opérations avec les établissements de crédit	(515 324)	(817 663)
+/- Flux liés aux opérations avec la clientèle		
+/- Flux liés aux autres opérations affectant des actifs ou passifs financiers	516 022	837 690
+/- Flux liés aux autres opérations affectant des actifs ou passifs non financiers	5 136	(336)
- Impôts versés	(1 048)	(1 241)
= Diminution /augmentation nette des actifs et passifs provenant des activités opérationnelles	4 786	18 450
TOTAL FLUX NETS DE TRESORERIE GENERES PAR L'ACTIVITE OPERATIONNELLE (A)	6 162	20 277
+/- Flux liés aux actifs financiers et participations	8	(4)
+/- Flux liés aux immeubles de placement		
+/- Flux liés aux immobilisations corporelles et incorporelles		
TOTAL FLUX NETS DE TRESORERIE LIES AUX OPERATIONS D'INVESTISSEMENT (B)	8	(4)
+/- Flux de trésorerie provenant ou à destination des actionnaires		
+/- Autres flux nets de trésorerie provenant des activités de financement		
TOTAL FLUX NETS DE TRESORERIE LIES AUX OPERATIONS DE FINANCEMENT (C)	-	-
EFFET DE LA VARIATION DES TAUX DE CHANGE SUR LA TRESORERIE ET EQUIVALENT DE TRESORERIE (D)	-	-
Augmentation (diminution) nette de la trésorerie et des équivalents de trésorerie (A+B+C+D)	6 170	20 273
Flux net de trésorerie généré par l'activité opérationnelle (A)	6 162	20 277
Flux net de trésorerie lié aux opérations d'investissement (B)	8	(4)
Flux net de trésorerie lié aux opérations de financement (C)	0	0
Effet de la variation des taux de change sur la trésorerie et équivalent de trésorerie (D)	0	0
Trésorerie et équivalent de trésorerie à l'ouverture	20 007	(266)
Caisse, banques centrales (actif et passif)	20 069	7
Comptes (actif et passif) et prêts/emprunts à vue auprès des établissements de crédit	(62)	(273)
Trésorerie et équivalent de trésorerie à la clôture	26 177	20 007
Caisse, banques centrales (actif et passif)	26 177	20 069
Comptes (actif et passif) et prêts/emprunts à vue auprès des établissements de crédit		(62)
VARIATION DE LA TRESORERIE NETTE	6 170	20 273

Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Émetteur depuis la date de ses derniers états financiers vérifiés et publiés.

Aucun changement significatif de la situation financière ou commerciale de l'Émetteur n'est survenu depuis la fin de la dernière période financière au titre de laquelle des informations financières vérifiées ont été publiées.

DOCUMENTS INCORPORATED BY REFERENCE

Section “Documents Incorporated by Reference” on page 69 of the Base Prospectus shall be entirely deleted and replaced by the following:

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously published and filed with the AMF and which are incorporated in, and shall be deemed to form part of, this Base Prospectus:

- a) the annual financial statements of the Issuer as at, and for the year ended, 31 December 2015 in the French language and prepared in accordance with French GAAP (together the “**2015 Annual Financial Report**”);
- b) the annual financial report of the Issuer for the year ended 31 December 2016 in the French language and prepared in accordance with French GAAP (together the “**2016 Annual Financial Report**”)
- c) the terms and conditions of the Notes contained (i) in the base prospectus of La Banque Postale Home Loan SFH dated 2 August 2013 from page 49 to page 73 (the “**2013 EMTN Conditions**”), (ii) in the base prospectus of La Banque Postale Home Loan SFH dated 10 June 2014 from page 92 to page 116 (the “**2014 EMTN Conditions**”), and (iii) in the base prospectus of La Banque Postale Home Loan SFH dated 2 April 2015 from page 93 to page 118 (the “**2015 EMTN Conditions**” and together with the 2014 EMTN Conditions and the 2013 EMTN Conditions, the “**EMTN Previous Conditions**”).

Any document incorporated by reference in this Base Prospectus may be obtained, without charge and upon request, at the principal office of the Issuer and the Paying Agent(s) as set out at the end of this Base Prospectus during normal business hours for so long as any of the Notes are outstanding. Such document will be published on the websites of (a) the AMF (www.amf-france.org) and (b) La Banque Postale Home Loan SFH (www.labanquepostale.com).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross reference list below, it being specified that the items “Off balance sheet statement” listed in the cross reference list below are considered as additional information which are not required by the relevant schedules of Regulation (EC) No 809/2004 of 29 April 2004 as amended. 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. The documents listed in paragraphs (c) are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the relevant EMTN Previous Conditions.

CROSS-REFERENCE LIST

Section "Cross-Reference List" on page 70 of the Base Prospectus shall be entirely deleted and replaced by the following:

INFORMATION INCORPORATED BY REFERENCE (Annex XI of the European Regulation 809/2004/EC as amended)	REFERENCE
11.FINANCIAL INFORMATION CONCERNING LA BANQUE POSTALE HOME LOAN SFH'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
2015 Annual Financial Report	
11.1 Management report	Page 3 to 17
11.1 Balance sheet	Page 21
11.1 Off balance sheet statement	Page 22
11.1 Profit and Loss Account	Page 23
11.1 Cash Flow Statement	Pages 25
11.1 Accounting policies and explanatory notes	Pages 26 to 42
11.3 Statutory Auditor's Report	Pages 43 and 44
2016 Annual Financial Report	
11.1 Management report	Page 3 to 16
11.1 Balance sheet	Page 21
11.1 Off balance sheet statement	Page 22
11.1 Profit and Loss Account	Page 23
11.1 Cash Flow Statement	Page 25
11.1 Accounting policies and explanatory notes	Page 26 to 44
11.3 Statutory auditor's Report	Pages 45 and 46

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued with the relevant Previous Conditions.

EMTN Previous Conditions	
2013 EMTN Conditions	Pages 49 to 73
2014 EMTN Conditions	Pages 92 to 116
2015 EMTN Conditions	Pages 93 to 118

Non incorporated parts of the base prospectuses of the Issuer dated 2 August 2013, 10 June 2014 and 2 April 2015 are not relevant for investors.

DESCRIPTION OF THE ISSUER

The sub-section "Financial Elements" of the section "Description of the Issuer" on pages 83 and seq. of the Base Prospectus shall be entirely deleted and replaced by the following:

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.labanquepostale.com).

The tables below set out summary information extracted from the free English translation of the Issuer's audited statement of financial position as at 31 December 2016 (French GAAP presentation):

Balance sheet

(€ '000s)	31/12/2016	31/12/2015
<u>ASSETS</u>		
CASH AND INTER-BANK TRANSACTIONS		
- Cash and central banks	14	69
- Government paper and similar securities	92 472	93 728
- Receivables from credit institutions and similar	3 712 502	3 187 233
RECEIVABLES - CUSTOMERS TRANSACTIONS		
- Current accounts in debit		
- Commercial Receivables		
- Lease transactions and similar		
BONDS, EQUITIES, OTHER FIXED-INCOME AND VARIABLE-INCOME SECURITIES		
- Bonds and other fixed-income securities		
- Equities and other variable-income securities		
EQUITY INVESTMENTS, HOLDINGS IN RELATED COMPANIES AND OTHER LONG-TERM SECURITIES		
- Equity investments and other long-term holdings in securities		8
- Holdings in related companies		
TANGIBLE AND INTANGIBLE ASSETS		
- Intangible Assets		
- Property, plant and equipment		
ACCRUALS AND OTHER ASSETS		
- Other Assets	40	20
- Accruals	216	208
TOTAL	3 805 244	3 281 266
<u>LIABILITIES</u>		
INTER-BANK TRANSACTIONS AND SIMILAR		
- Central banks		
- Liabilities due to credit institutions		62
CUSTOMERS TRANSACTIONS		
- Special scheme savings accounts		
- Current accounts in credit-customers		
- Other liabilities to customers		
DEBT SECURITIES		
- Short term securities		
- Inter-bank market securities and negotiable debt securities		
- Bonds and similar	3 565 359	3 047 629
- Other debt securities		
ACCRUALS AND OTHER LIABILITIES		
- Other liabilities	25 423	20 466
- Accruals		
PROVISIONS		
SUBORDINATED DEBT		
GENERAL BANKING RISK FUND (GBRF)		
PARENT COMPANY SHAREHOLDERS' EQUITY (EXCLUDING GBRF)		
- Subscribed capital	210 000	210 000
- Issue and transfer premiums		
- Reserves	155	74
- Regulated provisions and capital grants		
- Retained earnings	2 954	1 405

Off balance sheet statement

(€ '000s)

	31/12/2016	31/12/2015
Financing and guarantee commitments and commitments on securities given		
Financing commitments		
to credit institutions		
to customers		
Guarantees		
to credit institutions		
to customer		
Commitments on securities		
deliverable securities		
Financing and guarantee commitments and commitments on securities received		
Financing commitments		
from credit institutions		
from customers		
Guarantees		
from credit institutions		
from customers		
Commitments on securities		
securities receivable		
Other commitments given and received		
Other commitments given		
Other commitments received	6 473 914	5 691 764

Profit and loss account		
(€ '000s)	31/12/2016	31/12/2015
INTEREST AND SIMILAR INCOME		
- Cash and inter-bank transactions	58 950	52 220
- Receivables - customer transactions		
- Bonds and other fixed-income securities	1 244	1 286
- Other interest and similar income		
INTEREST AND SIMILAR EXPENSES		
- Cash and inter-bank transactions		
- Receivables - customer transactions		
- Bonds and other fixed-income securities	(56 406)	(49 912)
- Other interest and similar expenses		
INCOME FROM VARIABLE-INCOME SECURITIES		
COMMISSIONS (INCOME)		
COMMISSIONS (EXPENSES)	(10)	(10)
GAINS OR LOSSES ON TRADING SECURITIES TRANSACTIONS		
GAINS OR LOSSES ON INVESTMENT SECURITIES TRANSACTIONS		
OTHER BANK OPERATING INCOME	7	23
OTHER BANKING OPERATING EXPENSES	(41)	(68)
NET BANKING INCOME	3 744	3 539
GENERAL OPERATING EXPENSES		
- Employee benefits expenses		
- Other general operating expenses	(1 550)	(1 051)
- Re-invoicing		
DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES ON TANGIBLE AND NON TANGIBLE NON-CURRENT ASSETS		
GROSS OPERATING INCOME	2 194	2 488
COST OF RISK		
OPERATING INCOME	2 194	2 488
GAINS OR LOSSES ON DISPOSALS		
PRE-TAX INCOME	2 194	2 488
NON-RECURRING ITEMS		
INCOME TAX	(841)	(858)
NET ALLOCATION TO GBRF AND REGULATED PROVISIONS		
PARENT COMPANY NET INCOME	1 353	1 630
PARENT COMPANY NET EARNINGS PER SHARE (in K€)	0,00006	0,00008

Cash flow statement		
(€ '000s)	31/12/2016	31/12/2015
Pre-tax income	2 194	2 488
+/- Net depreciation and amortisation of tangible and intangible non-current assets		
+/- Net provisions and impairment charges		
+/- Net losses or gains on investment activities		
+/- Net losses or gains on financing activities		
+/- Other movements	(818)	(661)
= Total non-cash items included in net pre-tax income and other adjustments	(818)	(661)
+/- Cash flows relating to transactions with credit institutions	(515 324)	(817 663)
+/- Cash flows relating to customer transactions		
+/- Cash flows relating to other transactions that have an impact on financial assets or liabilities	516 022	837 690
+/- Cash flows relating to other transactions that have an impact on non-financial assets or liabilities	5 136	(336)
- Taxes paid	(1 048)	(1 241)
= Net increase/decrease in assets and liabilities from operating activities	4 786	18 450
TOTAL NET CASH GENERATED BY OPERATING ACTIVITIES (A)	6 162	20 277
+/- Flows linked to financial assets and investments	8	(4)
+/- Flows linked to investment properties		
+/- Flows linked to tangible and intangible non-current assets		
TOTAL NET CASH GENERATED BY INVESTMENT ACTIVITIES (B)	8	(4)
+/- Cash flows from or to shareholders		
+/- Other net cash flows from financing activities		
TOTAL NET CASH GENERATED BY FINANCING ACTIVITIES (C)		-
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (D)		-
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	6 170	20 273
Net cash flows generated by operating activities (A)	6 162	20 277
Net cash flows generated by investment activities (B)	8	(4)
Net cash flows generated by financing activities (C)	0	
Impact of changes in exchange rates on cash and cash equivalents (D)	0	
Opening cash and cash equivalents	20 007	(266)
Cash and central banks (assets and liabilities)	20 069	7
Current accounts (assets and liabilities) and overnight loans with credit institutions	(62)	(273)
Closing cash and cash equivalents	26 177	20 007
Cash and central banks (assets and liabilities)	26 177	20 069
Current accounts (assets and liabilities) and overnight loans with credit institutions		(62)
CHANGE IN NET CASH	6 170	20 273

GENERAL INFORMATION

The Section "General Information" on pages 163 and seq of the Base Prospectus is amended as follows:

- (a) The paragraph (4) of General Information on page 163 of the Base Prospectus is deleted in its entirety and replaced by the following:

"Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or in the results of operations of the Issuer since 31 December 2016."

- (b) The paragraph (5) of General Information on page 163 of the Base Prospectus is deleted in its entirety and replaced by the following:

"Except as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since the 31 December 2016".

- (c) The paragraph (10) of General Information on page 164 of the Base Prospectus is deleted in its entirety and replaced by the following:

PriceWaterhouseCoopers Audit (represented by Jacques Lévi, 63 rue de Villiers, 92208 Neuilly sur Seine Cedex) and KPMG Audit FS I (represented by Marie-Christine Jolys – Tour Eqho – 2, avenue Gambetta – CS 60055 – 92200 Neuilly sur Seine), the Issuer's statutory auditors are registered with the Compagnie Nationale des Commissaires aux Comptes (National Association of Statutory Auditors) and subject to the authority of the Haut Conseil du Commissariat aux Comptes (French High Council of Statutory Auditors). PriceWaterhouseCoopers Audit and KPMG Audit FS I have audited and rendered unqualified audit reports on the non-consolidated financial statements of the Issuer for the fiscal years ended 31 December 2015 and 31 December 2016

PERSON RESPONSIBLE FOR THE BASE PROSPECTUS

In the name of the Issuer

After having taken all reasonable measures in this regard, I hereby certify that the information contained or incorporated by reference in this Second Supplement is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 22 May 2017

LA BANQUE POSTALE HOME LOAN SFH

115, rue de Sèvres
75275 Paris Cedex 06
France

Duly represented by Stéphane Magnan
in its capacity as Chief Executive Officer of the Issuer



In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the Regulations (*Règlement général*) of the *Autorité des marchés financiers* ("AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa no. 17-226 on 22 May 2017. This Second Supplement 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 exhaustive and comprehensible, and whether the information it contains is consistent. It does not imply that the AMF has approved the appropriateness of the transaction or authenticated the accounting and financial information presented herein.

Pursuant to Article 212-32 of the General Regulations (*Règlement général*) of the AMF, this document may only be used for the purposes of a financial transaction if completed by Final Terms.