



BANQUE PALATINE
(société anonyme à conseil d'administration)

€ 5,000,000,000

Euro Medium Term Note Programme

This prospectus supplement no. 1 (the "**Prospectus Supplement no. 1**") constitutes a first supplement to and must be read in conjunction with the Base Prospectus dated **4 July 2019** which received visa no. **19-322** from the *Autorité des marchés financiers* (the "**AMF**") on **4 July 2019** (the "**Base Prospectus**") prepared by **Banque Palatine** (the "**Issuer**") with respect to its Euro 5,000,000,000 Euro Medium Term Note Program (the "**Program**"). The Base Prospectus as supplemented by the Prospectus Supplement no.1 constitutes a base prospectus for the purpose of the Directive 2003/71/EC of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended (the "**Prospectus Directive**").

Terms defined in the Base Prospectus shall have the same meaning when used in this Prospectus Supplement no. 1.

This Prospectus Supplement no. 1 has been prepared pursuant to Article 16 of the Prospectus Directive and Article 212-25 of the AMF General Regulations (*Règlement général de l'AMF*) for the purpose of giving information with regard to the Issuer and the notes to be issued under the Program additional to the information already included or incorporated by reference in the Base Prospectus.

This Prospectus Supplement no. 1, the Base Prospectus and any documents incorporated by reference herein and therein will be published on the website of the Issuer (www.palatine.fr) and filed with the AMF.

Pursuant to Article 16.2 of the Prospectus Directive and Article 212-25, II of the AMF General Regulations (*Règlement Général de l'AMF*), investors who have already accepted to purchase or subscribe for any Notes to be issued under the Program before this Prospectus Supplement no. 1 is published, shall have the right, exercisable within a time limit which shall not be shorter than two business days after the publication of this Prospectus Supplement no. 1 i.e. XX August 2019, to withdraw their acceptance, provided that the new factor, material mistake or inaccuracy was prior to the final closing of the public offer and delivery of the financial securities.



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the *Règlement Général* of the *Autorité des marchés financiers* (the "**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Prospectus Supplement no. 1 the visa no 19-405 on 19 August 2019. The Base Prospectus, as supplemented by this Prospectus Supplement no. 1, was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible and whether the information it contains is consistent". It does not imply that the AMF has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with Article 212-32 of the AMF's *Règlement Général*, setting out the terms and conditions of the securities to be issued.

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RESUME DU PROGRAMME EN FRANÇAIS

The section headed "RESUME DU PROGRAMME EN FRANÇAIS" of the Base Prospectus is modified as follows:

- (i) « Une description de toutes les tendances connues touchant l'Emetteur ainsi que les marchés sur lesquels il intervient »

On pages 7 and 8 of the Base Prospectus, the element headed "B.4b Une description de toutes les tendances connues touchant l'Emetteur ainsi que les marchés sur lesquels il intervient" is deleted in its entirety and replaced with the following:

B.4b	Une description de toutes les tendances connues touchant l'Emetteur ainsi que les marchés sur lesquels il intervient	<p>Marché des entreprises</p> <p>Au premier semestre 2019, le développement de l'activité sur le marché des entreprises s'est poursuivi dans un contexte économique globalement favorable.</p> <ul style="list-style-type: none"> - Concernant la conquête de clients entreprises, 139 nouvelles entrées en relation ont été concrétisées sur ce premier semestre, dont 118 sont des entreprises de plus de 15 millions d'euros de chiffre d'affaires. - Les synergies avec le marché de la clientèle privée ont permis l'ouverture de 192 comptes de clients privés. - La Banque Palatine a poursuivi son soutien actif au financement de l'économie avec une production de crédits à moyen et long terme aux entreprises de 945,5 millions d'euros, en croissance de 12,6 % par rapport au 30 juin 2018, entraînant une augmentation de 6,4 % des encours qui atteignent 5 570 millions d'euros. - L'encours moyen des ressources bilancielle, à 10 106 millions d'euros, reste stable par rapport au 30 juin 2018. <p>Marché de la clientèle privée</p> <p>Le marché de la clientèle privée poursuit son développement à un rythme soutenu :</p> <ul style="list-style-type: none"> - La conquête de nouveaux clients cœur de cible, est en avance par rapport à l'objectif de l'année 2019 avec un taux de réalisation de 66,7 %. - Le dynamisme commercial et la qualité d'accompagnement des clients en matière de conseil en investissement ont permis une forte accélération de la collecte nette, à 157 M€ pour les 6 premiers mois de l'année 2019, en nette progression de 40,7 % par rapport au 30 juin 2018, et de la collecte d'unités de compte, qui présente un taux de réalisation de 38,1 % sur le 1er semestre 2019 (à comparer à 34,1 % en 2018). - Les encours d'épargne atteignent un niveau record 4,8 milliards d'euros, soit + 5,1 % par rapport au 30 juin 2018 (et + 6 % par rapport au début d'année). - L'activité de financement des projets de nos clients demeure soutenue, avec une augmentation de 8 % des encours de crédits par rapport au 30 juin 2018 (et 4 % de progression par rapport au début d'année), qui atteignent 1,8 milliard d'euros au 30 juin 2019. <p>Activités financières</p> <p>L'exercice 2018 a été marqué une nouvelle fois par un contexte de taux peu favorable.</p> <p>Dans cet environnement, la Banque Palatine a investi dans l'année 372 millions d'euros, principalement sur des obligations souveraines de la zone Euro, au cours du premier semestre. L'encours global du portefeuille obligataire de la Banque Palatine s'établit fin 2018 à 1 655 millions d'euros. Ce portefeuille a pour vocation de constituer la réserve de liquidité du Liquidity Coverage Ratio ("LCR"). En étant mobilisables auprès de la Banque centrale, ces titres constituent également une sécurité pour le refinancement de la Banque Palatine.</p> <p>La stratégie financière de la Banque Palatine est en adéquation avec les ratios réglementaires fixés par le groupe. Le LCR s'est toujours établi au-dessus de 100 % sur l'année 2018.</p>
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		<p>Ainsi, le financement de la Banque Palatine est assuré par les dépôts de ses clients grâce à une gamme complète de produits de placements. Le coefficient rapportant les crédits aux dépôts des clients (CERC) est proche de 100 % en fin d'année. Ainsi, la Banque Palatine dispose d'un socle de dépôts clientèles important qui lui permet d'assurer son développement commercial.</p> <p>La gestion de bilan de la Banque Palatine a maintenu ses objectifs en 2018, en limitant les risques de liquidité et de taux :</p> <ul style="list-style-type: none"> - la gestion de la liquidité à court et moyen-long termes a, pour premier objectif, d'assurer le refinancement de la Banque Palatine tout en garantissant des conditions de crédits attractives pour les clients ; - le second objectif est le strict contrôle du risque de taux sur le bilan. Cet encadrement permet à la Banque Palatine de maîtriser les variations de rentabilité que pourrait entraîner une évolution des taux. Par sa gestion de bilan, la Banque Palatine se prépare ainsi aux variations futures des taux. Le gap résiduel, mesurant le risque global de taux d'intérêt, est aujourd'hui négatif, ce qui signifie que le bilan de la Banque Palatine est exposé favorablement à une hausse des taux d'intérêt.
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(ii) « Informations financières historiques clés »

On pages 9 and 10 of the Base Prospectus, the element headed "B.12 Informations financières historiques clés" is deleted in its entirety and replaced with the following:

B.12	Informations financières historiques clés	COMPTE DE RESULTAT				
		En millions d'Euros	30 juin 2019 (IFRS 9, IFRS 16)¹	30 juin 2018 (IFRS 9, IAS 17)	Exercice 2018 (IFRS 9, IAS 17)	Exercice 2017 (IAS 39, IAS 17)²
		Produit Net Bancaire	162.6	161.8	331.5	319.3
		Résultat Brut d'Exploitation	36.9	38.7	79.0	112.8
		Coût du risque	-24	-11.8	-41.4	-39.5
		Résultat d'exploitation	12.9	26.9	37.7	73.3
		Résultat net	11.5	16.9	23.4	45.9
		BILAN				
		Actif	15 065.7	14 775.6	15 170.9	14 767.5
		Passif	15 065.7	14 775.6	15 170.9	14 767.5
		<p>Le ratio Core Equity Tier One (CET1) est égal à 7.99% au 31 décembre 2018.</p> <p>Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Émetteur depuis le 31 décembre 2018.</p> <p>Depuis le 30 juin 2019, la situation financière et commerciale de l'Émetteur a évoluée : Pour accompagner son développement commercial et en lien avec le relèvement des exigences réglementaires, la Banque Palatine va procéder à une augmentation de capital par émission d'actions</p>				

¹ Depuis le 1er janvier 2019, le Groupe Banque Palatine applique la norme IFRS 16 « contrats de location », en remplacement de la norme IAS 17. La norme IFRS 16 impose au locataire la comptabilisation des contrats de location sous la forme, à l'actif du bilan, d'un droit d'utilisation et, au passif, de la valeur actualisée des paiements des loyers sur la durée du contrat. Lors de la mise en place de la norme (FTA), les droits d'utilisation et la dette locative ont impacté respectivement les postes d'« immobilisations corporelles » et de « comptes de régularisation et passifs divers » pour 26,2 millions d'euros chacun.

² Actif et Passif en norme IAS39 après reclassement IFRS9. Les montants du 31 décembre 2017 correspondent au bilan publié après reclassements sans changement de méthode de valorisation des actifs et passifs financiers présentés au format IFRS 9. L'impact de la première application de la norme IFRS 9 sur les capitaux propres, lié à la mise en place du nouveau modèle de dépréciation, est une baisse de 99 millions d'euros avant impôts. Pour faire face au passage en norme IFRS 9, Banque Palatine a procédé à une émission, de TSSDI (titres subordonnés de dernier rang à durée indéterminée) de 100 millions d'euros réalisés le 28/03/2018.

		nouvelles à hauteur de 150 millions d'euros, dans la suite de l'autorisation des autorités de tutelle. Les actions seront entièrement souscrites par BPCE SA qui détient 99,99% de son capital. Cette augmentation de capital donnera lieu à l'émission de 7,5 millions d'actions d'un nominal de 20 euros chacune et prendra effet le 20 septembre 2019.
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(iii) « Evènement récent relatif à l'Emetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité »

On page 10 of the Base Prospectus, the element headed "*B.13 Evènement récent relatif à l'Emetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité*" is deleted in its entirety and replaced with the following:

B.13	Evènement récent relatif à l'Emetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	Pour accompagner son développement commercial et en lien avec le relèvement des exigences réglementaires, la Banque Palatine va procéder à une augmentation de capital par émission d'actions nouvelles à hauteur de 150 millions d'euros, dans la suite de l'autorisation des autorités de tutelle. Les actions seront entièrement souscrites par BPCE SA qui détient 99,99% de son capital. Cette augmentation de capital donnera lieu à l'émission de 7,5 millions d'actions d'un nominal de 20 euros chacune et prendra effet le 20 septembre 2019.
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SUMMARY OF THE PROGRAM

The section headed "SUMMARY OF THE PROGRAM" of the Base Prospectus is modified as follows:

- (i) « Description of known trends affecting the Issuer and the markets in which it operates»

On page 32 and 33 of the Base Prospectus, the element headed "*B.4b Description of known trends affecting the Issuer and the markets in which it operates*" is deleted in its entirety and replaced with the following:

B.4b	Description of known trends affecting the Issuer and the markets in which it operates	<p><i>Corporate market</i></p> <p>In the first half of 2019, growth in activity in the corporate market continued in a generally favorable economic context.</p> <ul style="list-style-type: none"> - Regarding the conquest of corporate customers, 139 new customer relationship were made in the first half of the year, of which 118 are companies with more than 15 million euros in revenues. - Synergies with the private banking customers enabled the opening of 192 new private client accounts. - Banque Palatine continued its active support for the financing of the economy with a production of medium and long-term loans to companies of 945.5 million euros, up 12.6% compared to 30 June 2018, resulting in a 6.4% increase in outstandings to € 5,570 million. - Loans to companies based on their balance sheet resources remained relatively stable at € 10,106 million compared to June 30, 2018. <p><i>Private banking market</i></p> <p>The private banking customer market continues to grow at a steady pace:</p> <ul style="list-style-type: none"> - The conquest of new core target customers, is ahead of the target in 2019 with a completion rate of 66.7%. - Commercial dynamism and the quality of support provided to clients in terms of investment advice led to a sharp acceleration in net inflows, to € 157 million for the first six months of 2019, a sharp rise of 40.7% compared to June 30, 2018, and in the unit-linked inflows, which shows an achievement rate of 38.1% in the first half of 2019 (compared to 34.1% in 2018). - Savings outstanding reached a record level of 4.8 billion euros, up 5.1% compared to June 30, 2018 (and + 6% compared to the beginning of the year). - The financing activity of our clients' projects remains strong, with an 8% increase in outstanding loans compared to June 30, 2018 (and a 4% increase compared to the beginning of the year), reaching 1.8 billion euros as of June 30, 2019. <p><i>Financial activities</i></p> <p>Fiscal year 2018 was again marked by an unfavourable interest rate context.</p> <p>In this environment, Banque Palatine invested €372 million over the year in Eurozone sovereign bonds during the first half. At the end of 2018, the value of the portfolio stood at €1,655 million. This portfolio's objective is to constitute the liquidity reserve of the Liquidity Coverage Ratio ("LCR"). As this portfolio is eligible to be posted as collateral against central bank financing, these securities represent a secure source of funding for Banque Palatine.</p> <p>Banque Palatine's financial strategy is in line with the regulatory ratios set by the Group. The LCR remained above 100% throughout 2018. Thus, Banque Palatine's financing is assured by customer deposits thanks to a complete range of investment products. The ratio of loans to customer deposits was close to 100% at the end of the year. Banque Palatine therefore has a substantial customer deposit base giving it significant scope for commercial development.</p> <p>Banque Palatine maintained its targets for balance sheet management, limiting its liquidity and rate risks:</p>
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		<ul style="list-style-type: none"> - managing short- and medium-long-term liquidity is first and foremost aimed at ensuring the refinancing of Banque Palatine while guaranteeing attractive loan terms for its customers; - the second objective is the strict control of interest-rate risk on the balance sheet. This approach allows Banque Palatine to manage changes in yields caused by interest rate movements. Through its careful management of its balance sheet, Banque Palatine is wellprepared for any future changes in interest rates. The residual gap measuring global interest-rate risk is now negative, which means Banque Palatine's balance sheet is favourably exposed to any rise in rates.
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(ii) « Key historic financial information »

On page 34 and 35 of the Base Prospectus, the element headed "B.12 Key historic financial information" is deleted in its entirety and replaced with the following:

B.12	Key historic financial information	INCOME STATEMENT				
		In millions of Euros	First-half 2019 (IFRS 9, IFRS 16)³	First-half 2018 (IFRS 9, IAS 17)	Financial year 2018 (IFRS 9, IAS 17)	Financial year 2017 (IAS 39, IAS 17)⁴
		Net Banking Income	162.6	161.8	331.5	319.3
		Gross Operating Profit	36.9	38.7	79.0	112.8
		Cost of risk	-24	-11.8	-41.4	-39.5
		Operating Profit	12.9	26.9	37.7	73.3
		Net Profit	11.5	16.9	23.4	45.9
		BALANCE SHEET				
		Assets	15 065.7	14 775.6	15 170.9	14 767.5
		Liabilities	15 065.7	14 775.6	15 170.9	14 767.5
		<p>The Core Equity Tier One ratio (CET1), as of December 31st, 2018 is equal to 7.99%.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2018.</p> <p>Since 30 June 2018, financial or trading position of the Issuer has evolved: To support its commercial development and in connection with the increase in regulatory requirements, Banque Palatine will proceed with a capital increase by issuing new shares for € 150 million, according to the authorization of the supervisory authorities. The shares will be fully subscribed by BPCE SA which holds 99.99% of the capital of Banque Palatine. This capital increase will result in the issue of 7.5 million shares with a par value of 20 euros each and will take effect on 20 September 2019.</p>				

(iii) « Recent events relating to the Issuer having a significant impact on the Issuer's solvency »

On page 35 of the Base Prospectus, the element headed "B.13 Recent events relating to the Issuer having a significant impact on the Issuer's solvency" is deleted in its entirety and replaced with the following:

B.13	Recent events relating to the	To support its commercial development and in connection with the increase in regulatory requirements, Banque Palatine will proceed with a capital increase by issuing new shares for € 150
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³ Since January 1st 2019, Banque Palatine has applied IFRS 16 "leases", replacing IAS 17. IFRS 16 requires the lessee to recognize lease contracts in the form of a right of use on the asset side and the discounted value of lease payments over the life of the contract on the liabilities side. For the first application of the standard (FTA), the user fees and the rental debt impacted respectively the items of "tangible fixed assets" and "accruals and other liabilities" for 26.2 million euros each.

⁴ Asset and Liability in IAS39 after IFRS9 reclassification. Amounts at 31 December 2017 correspond to the balance sheet published after reclassifications without change in the methods for measuring the financial assets and liabilities presented in IFRS 9 format. The impact of the first application of IFRS 9 on equity, linked to the implementation of the new impairment model, is a decrease of € 99 million before taxes. To cope with the changeover to IFRS 9, Banque Palatine issued TSSDI (perpetual subordinated notes) of € 100 million on 28/03/2018.

	Issuer having a significant impact on the Issuer's solvency	million, according to the authorization of the supervisory authorities. The shares will be fully subscribed by BPCE SA which holds 99.99% of the capital of Banque Palatine. This capital increase will result in the issue of 7.5 million shares with a par value of 20 euros each and will take effect on 20 September 2019.
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NOTA DI SINTESI

The section headed "NOTA DI SINTESI" of the Base Prospectus is modified as follows:

(i) « Descrizione delle tendenze riguardanti l'Emittente e i settori in cui opera »

On pages 3 and 4 of the document NOTA DI SINTESI, the element headed "*B.4b Descrizione delle tendenze riguardanti l'Emittente e i settori in cui opera*" is deleted in its entirety and replaced with the following:

B.4b	Descrizione delle tendenze riguardanti l'Emittente e i settori in cui opera	<p><i>Mercato societario</i></p> <p>Nella prima metà del 2019, l'attività commerciale ha continuato a crescere in un contesto economico generalmente favorevole.</p> <ul style="list-style-type: none"> - Per quanto riguarda la conquista di clienti corporate, nella prima metà dell'anno sono stati realizzati 139 nuovi rapporti, di cui 118 aziende con oltre 15 milioni di euro di vendite. - Le sinergie con il mercato del private banking hanno consentito l'apertura di 192 account di clienti privati. - Banque Palatine ha continuato a sostenere attivamente il finanziamento dell'economia con una produzione di prestiti a medio e lungo termine a imprese per 945,5 milioni di euro, con un incremento del 12,6% rispetto al 30 giugno 2018, portando ad un aumento del 6,4% dei prestiti totali a 5.570 milioni di euro. - Le consistenze di risorse di bilancio delle imprese sono rimaste relativamente stabili rispetto al 30 giugno 2018 a 10 106 milioni di euro <p><i>Mercato del private banking</i></p> <p>Il mercato del private banking continua a crescere a un ritmo costante:</p> <ul style="list-style-type: none"> - La conquista dei nuovi target principale clienti, è in anticipo rispetto all'obiettivo del 2019 con un tasso di completamento del 66,7%. - Il dinamismo commerciale e la qualità del supporto fornito ai clienti in termini di consulenza sugli investimenti hanno portato a una forte accelerazione degli afflussi netti, a 157 milioni di euro per i primi sei mesi del 2019, con un forte aumento del 40,7% rispetto al 30 giugno 2018 e la raccolta di unit-linked, che mostra un tasso di raggiungimento del 38,1% nella prima metà del 2019 (rispetto al 34,1% nel 2018). - Il totale di risparmio eccezionale hanno raggiunto un livello record di 4,8 miliardi di euro, in crescita del 5,1% rispetto al 30 giugno 2018 (e + 6% rispetto all'inizio dell'anno). - L'attività finanziaria dei progetti dei nostri clienti rimane forte, con un aumento dell'8% dei prestiti in essere rispetto al 30 giugno 2018 (e un aumento del 4% rispetto all'inizio dell'anno), raggiungendo l'1,8 miliardi di euro al 30 giugno 2019. <p><i>Attività finanziarie</i></p> <p>L'esercizio 2018 ha conosciuto ancora una volta da un ambiente di tassi poco favorevole.</p> <p>In quest'ambiente, la Banque Palatine ha investito 372 milioni di euro nell'anno, principalmente nelle obbligazioni sovrane della zona euro durante il primo semestre. Le consistenze globali del portafoglio obbligazionario della Banca sono stabiliti fin 2018 a 1 655 milioni di euro. Questo portafoglio ha per vocazione di costituire la riserva di liquidità del Liquidity Coverage Ratio (LCR). Essendo convertibili in bene mobile presso la Banca centrale, questi titoli costituiscono anche una sicurezza per il rifinanziamento della Banca.</p> <p>La strategia finanziaria della Banca è in adeguamento coi rapporti regolamentari fissati dal gruppo. Il Liquidity Coverage Ratio (LCR) si è sempre stabilito al di sopra del 100% sull'anno 2018.</p> <p>Il finanziamento della Banca è assicurato dai suoi clienti a traverso una gamma completa di prodotti di investimento. Il coefficiente che riporta i crediti ai depositi dei clienti (CERC) è vicino al 100% a fine anno. La Banca dispone di una solida base di depositi clientela importante che gli permette di assicurare il suo sviluppo commerciale.</p>
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	<p>La gestione del bilancio della Banca ha mantenuto i suoi obiettivi nel 2018, limitando i suoi rischi di liquidità e di tassi :</p> <ul style="list-style-type: none"> - la gestione della liquidità a breve e medio-lungo termine ha, per primo obiettivo, di assicurare il rifinanziamento della Banca pure garantendo delle condizioni di credito attrattivi per i suoi clienti; - il secondo obiettivo è il rigoroso controllo del rischio di tasso nel bilancio. Questa gestione rigorosa permette alla Banque Palatine di dominare le variazioni di redditività che potrebbero derivare dall'evoluzione dei tassi. A traverso la sua gestione del bilancio, la Banca si prepara così alle variazioni future dei tassi. Il gap residuo che misura il rischio globale di tasso di interesse è oggi negativo, ciò che significa che la Banca è esposta favorevolmente ad un rialzo dei tassi di interesse.
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(ii) « Informazioni finanziarie fondamentali relative agli esercizi passati »

On pages 5 and 6 of the document NOTA DI SINTESI, the element headed "B.12 Informazioni finanziarie fondamentali relative agli esercizi passati" is deleted in its entirety and replaced with the following:

B.12	Informazioni finanziarie fondamentali relative agli esercizi passati	CONTO ECONOMICO				
		In milioni di Euro	Primo semestre 2019 (IFRS 9, IFRS 16)⁵	Primo semestre 2018 (IFRS 9, IAS 17)	Esercizio 2018 (IFRS 9, IAS 17)	Esercizio 2017 (IAS 39, IAS 17)⁶
		Risultato netto bancario	162.6	161.8	331.5	319.3
		Margine operative lordo	36.9	38.7	79.0	112.8
		Costo del rischio	-24	-11.8	-41.4	-39.5
		Utile operativo	12.9	26.9	37.7	73.3
		Utile netto	11.5	16.9	23.4	45.9
		STATO PATRIMONIALE				
		Attivo	15 065.7	14 775.6	15 170.9	14 767.5
		Passivo	15 065.7	14 775.6	15 170.9	14 767.5

Il rapporto Core Equity Tier One (CET1) è pari al 7.99 % al 31 dicembre 2018.

Non è stato riscontrato alcun cambiamento negativo sostanziale nelle prospettive dell'Emittente dal 31 dicembre 2018.

Dal 30 giugno 2019 la situazione finanziaria e commerciale dell'Emittente si è evoluta : Per sostenere il suo sviluppo commerciale e in relazione all'aumento dei requisiti normativi, Banque Palatine procederà ad un aumento di capitale emettendo nuove azioni per € 150 milioni, in conformità con l'autorizzazione delle autorità di controllo. Le azioni saranno interamente sottoscritte da BPCE SA che detiene il 99,99%

⁵ Dal 1 gennaio 2019, il Gruppo Banque Palatine applica l'IFRS 16 "leasing" standard, in sostituzione dello IAS 17. L'IFRS 16 impone al locatario di rilevare i contratti di leasing sotto forma di un diritto d'uso nel lato dell'attivo dello stato patrimoniale e la rilevazione del valore attualizzato dei pagamenti del leasing durante la vita del leasing sul lato del passivo dello stato patrimoniale. Quando è stato introdotto lo standard (ALS), le commissioni d'uso e il debito locativo hanno avuto un impatto rispettivamente sulle voci "immobilizzazioni materiali" e "ratei e altre passività" per 26,2 milioni di euro ciascuno.

⁶ Attivo e passivo ai sensi dello IAS 39 dopo la riclassificazione IFRS9. Gli importi al 31 dicembre 2017 corrispondono allo stato patrimoniale pubblicato dopo riclassificazioni senza alcuna modifica del metodo di valutazione delle attività e passività finanziarie presentate nel formato IFRS 9. L'impatto della prima applicazione dell'IFRS 9 sul patrimonio netto, connesso all'introduzione del nuovo modello di impairment, è un decremento di 99 milioni di euro al lordo delle imposte. Per far fronte al passaggio all'IFRS 9, Banque Palatine ha emesso un'emissione di 100 milioni di TSSDI (titoli perpetui subordinati perpetui) il 28/03/2018.

		del capitale. Questo aumento di capitale comporterà l'emissione di 7,5 milioni di azioni del valore nominale di 20 euro ciascuna e entrerà in vigore il 20 settembre 2019.
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(iii) « Descrizione di qualsiasi fatto recente relativo all'Emittente che sia sostanzialmente rilevante per la valutazione della sua solvibilità »

On pages 6 of the document NOTA DI SINTESI, the element headed "*B.13 Descrizione di qualsiasi fatto recente relativo all'Emittente che sia sostanzialmente rilevante per la valutazione della sua solvibilità*" is deleted in its entirety and replaced with the following:

B.13	Descrizione di qualsiasi fatto recente relativo all'Emittente che sia sostanzialmente rilevante per la valutazione della sua solvibilità	Per sostenere il suo sviluppo commerciale e in relazione all'aumento dei requisiti normativi, Banque Palatine procederà ad un aumento di capitale emettendo nuove azioni per € 150 milioni, in conformità con l'autorizzazione delle autorità di controllo. Le azioni saranno interamente sottoscritte da BPCE SA che detiene il 99,99% del capitale. Questo aumento di capitale comporterà l'emissione di 7,5 milioni di azioni del valore nominale di 20 euro ciascuna e entrerà in vigore il 20 settembre 2019.
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DOCUMENTS INCORPORATED BY REFERENCE

The section headed "DOCUMENTS INCORPORATED BY REFERENCE" of the Base Prospectus is deleted in its entirety and replaced with the following:

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

- (a) the 2018 annual financial report (the "**2018 Financial Report**") of the Issuer in English language which includes the consolidated financial statements for the fiscal year ended 31 December 2018, together with the explanatory notes and the related auditors reports;
- (b) the 2017 annual financial report (the "**2017 Financial Report**") of the Issuer in English language which includes the consolidated financial statements for the fiscal year ended 31 December 2017, together with the explanatory notes and the related auditors reports;
- (c) the press release "Résultats 2018 de la Banque Palatine" in French language, published on 7 March 2019, which includes unaudited condensed financial statements for the fiscal year ended 31 December 2018 (the "2018 Annual Results Press Release").
- (d) the interim financial report as of June 2019 (the « **Rapport Financier Semestriel 30 Juin 2019** ») of the Issuer in French language which includes non audited condensed financial statements, notes to the financial statements as well as auditor's limited review report;
- (e) the sections "Terms and Conditions of the Notes" of the following base prospectuses: (i) Base Prospectus dated 4 July 2018 (pages 86 to 115) (ii) Base Prospectus dated 3 July 2017 (pages 81 to 110) and (iii) Base Prospectus dated 4 July 2016 (pages 78 to 106).

For as long as any Notes are outstanding, all documents incorporated by reference into this Base Prospectus may be obtained, free of charge at the registered office of the Issuer during normal business hours and will be available on the website of the Issuer (www.palatine.fr) and on the following website: www.info-financiere.fr.

Cross Reference Table - Annex IV of EC Regulation no. 809/2004

		2019 Interim Financial Report⁷	2018 Annual Results Press Release	2018 Financial Report	2017 Financial Report
3.	Selected Financial Information				
3.1	Selected historical financial information regarding the issuer, presented, for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.	Pages 6 to 10 and 16 to 20	Pages 1 to 4	Pages 87 to 99	Pages 103 to 105
3.2	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year.	Pages 6 to 10 and 16 to 20	Not Applicable	Not Applicable	Not Applicable
13.1	<i>Historical financial information</i>				

⁷ The page numbers in this table correspond to the continuous numbering of the 2019 Interim Financial Report

	Audited historical financial information covering the latest 2 financial years	Not Applicable	Not Applicable	Pages 56 to 159	Pages 65 to 174
	Statutory Auditors reports	Not Applicable	Not Applicable	Pages 160 to 170	Pages 175 to 192
	Balance sheet	Not Applicable	Pages 3 to 4	Page 90	Page 103
	Income statements	Not Applicable	Pages 3 to 4	Page 87	Page 104 to 105
	Cash flow statements	Not Applicable	Not Applicable	Page 93	Page 108
	Accounting principles	Not Applicable	Not Applicable	Pages 63 to 69	Pages 122 to 135
	Explanatory notes	Not Applicable	Not Applicable	Pages 100 to 159	Pages 109 to 174
13.2	<i>Financial statements</i>				
	Own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Not Applicable	Pages 3 to 4	Pages 56 to 159	Pages 65 to 174
13.3	<i>Auditing of historical annual financial information</i>	Not Applicable	Not Applicable	Pages 160 to 170	Pages 175 to 192
13.5	<i>Interim and other financial information</i>	Pages 6 to 10 and 16 to 85	Not Applicable	Not Applicable	Not Applicable
	Rapport d'examen ou d'audit établi	Pages 13 to 14	Not Applicable	Not Applicable	Not Applicable
	Balance sheet	Pages 17 to 18	Not Applicable	Not Applicable	Not Applicable
	Income statements	Page 16	Not Applicable	Not Applicable	Not Applicable
	Cash flow statements	Page 20	Not Applicable	Not Applicable	Not Applicable
	Accounting principles	Pages 26 to 37	Not Applicable	Not Applicable	Not Applicable
	Explanatory notes	Pages 21 to 85	Not Applicable	Not Applicable	Not Applicable
13.6	<i>Legal and arbitration proceedings</i>	Not Applicable	Not Applicable	Not Applicable	Not Applicable
13.7	<i>Significant change in the issuer's financial or trading position</i>	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

The sections "Terms and Conditions" of the following base prospectuses: (i) Base Prospectus dated 4 July 2018 (pages 86 to 115) (ii) Base Prospectus dated 3 July 2017 (pages 81 to 110) and (iii) Base Prospectus dated 4 July 2016 (pages 78 to 106) are only incorporated by reference into the Base Prospectus in order to issue assimilated Notes to form a single Series already issued in accordance with the "Terms and Conditions" of the base prospectuses as defined in (i) to (iii) above.

GENERAL INFORMATION

On page 370 of the Base Prospectus, the paragraphs (20) to (22) are added:

20. Since January 1st 2019, Banque Palatine has applied IFRS 16 "leases", replacing IAS 17. IFRS 16 requires the lessee to recognize lease contracts in the form of a right of use on the asset side and the discounted value of lease payments over the duration of the contract on the liabilities side. For the first application of the standard (FTA), the user fees and the rental debt impacted respectively the items of "tangible fixed assets" and "accruals and other liabilities" for 26.2 million euros each.
21. During the first half of 2019, the costs of the migration to the i-BP platform and of the Bank's transformation amounted to € 20.2 million.
22. Since 30 June 2018, financial or trading position of the Issuer has evolved: To support its commercial development and in connection with the increase in regulatory requirements, Banque Palatine will proceed with a capital increase by issuing new shares for € 150 million, according to the authorization of the supervisory authorities. The shares will be fully subscribed by BPCE SA which holds 99.99% of the capital of Banque Palatine. This capital increase will result in the issue of 7.5 million shares with a par value of 20 euros each and will take effect on 20 September 2019.

RECENT DEVELOPMENTS

The section “Recent Developments” is inserted in the Base Prospectus after the section “Description of the Issuer”.

1. To support its commercial development and in connection with the increase in regulatory requirements, Banque Palatine will proceed with a capital increase by issuing new shares for € 150 million, according to the authorization of the supervisory authorities. The shares will be fully subscribed by BPCE SA which holds 99.99% of the capital of Banque Palatine. This capital increase will result in the issue of 7.5 million shares with a par value of 20 euros each and will take effect on 20 September 2019.

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS
SUPPLEMENT NO. 1**

Sylvie Ferrier, *Directrice Finances*

Declaration by the person responsible for the Prospectus Supplement no. 1

To the best of my knowledge (having taken all reasonable care to ensure that such is the case), I hereby certify that the information contained in this Prospectus Supplement no. 1 (when read together with the Base Prospectus) is in accordance with the facts and contains no omission likely to affect its import.

Paris, 19 August 2019

Banque Palatine

42, rue d'Anjou

75008 Paris

France

duly represented by **Sylvie Ferrier**, *Directrice Finances*