



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 2018** which received visa no. **18-279** from the *Autorité des marchés financiers* (the "**AMF**") on **4 July 2018** (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. 14 August 2018, 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 18-383 on 10 August 2018. 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:

On page 9 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 2018 (IFRS 9)¹	30 juin 2017 (IAS 39)	Exercice 2017 (IAS 39)	Exercice 2016 (IAS 39)
		Produit Net Bancaire	161.8	159.3	319.2	318.1
		Résultat Brut d'Exploitation	38.6	52.5	112.8	118.9
		Coût du risque	-11.8	-16.5	-39.5	-46
		Résultat d'exploitation	27.2	36	73.3	72.9
		Résultat net	16.9	22.3	45.9	46.3
		BILAN				
		Actif	14 775.6	14 795.5	14 767.5	15 337.7
		Passif	14 775.6	14 795.5	14 767.5	15 337.7
		<p>Le ratio Core Equity Tier One (CET1) est égal à 8.33% au 31 décembre 2017.</p> <p>Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Émetteur depuis le 31 décembre 2017.</p> <p>Il n'y a eu aucun changement significatif de la situation financière ou commerciale de l'Émetteur depuis le 30 juin 2018.</p>				

¹ Les données au 30 juin 2018 sont en norme 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 réalisée le 28/03/2018.

SUMMARY OF THE PROGRAM

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

On page 33 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 2018 (IFRS 9) ²	First-half 2017 (IAS 39)	Financial year 2017 (IAS 39)	Financial year 2016 (IAS 39)	
		Net Banking Income	161.8	159.3	319.2	318.1	
		Gross Operating Profit	38.6	52.5	112.8	118.9	
		Cost of risk	-11.8	-16.5	-39.5	-46	
		Operating Profit	27.2	36	73.3	72.9	
		Net Profit	16.9	22.3	45.9	46.3	
		BALANCE SHEET					
		Assets	14 775.6	14 795.5	14 767.5	15 337.7	
		Liabilities	14 775.6	14 795.5	14 767.5	15 337.7	
		<p>The Core Equity Tier One ratio (CET1), as of December 31st, 2017 is equal to 8.33%.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2017.</p> <p>There has been no significant change in the financial or trading position of the Issuer since 30 June 2018.</p>					

² Data as of June 30, 2018 are in IFRS 9. 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.

NOTA DI SINTESI

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

On page 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 2018 (IFRS 9)³	Primo semestre 2017 (IAS 39)	Esercizio 2017 (IAS 39)	Esercizio year 2016 (IAS 39)	
		Risultato netto bancario	161.8	159.3	319.2	318.1	
		Margine operative lordo	38.6	52.5	112.8	118.9	
		Costo del rischio	-11.8	-16.5	-39.5	-46	
		Utile operativo	27.2	36	73.3	72.9	
		Utile netto	16.9	22.3	45.9	46.3	
		STATO					
		PATRIMONIALE					
		Attivo	14 775.6	14 795.5	14 767.5	15 337.7	
		Passivo	14 775.6	14 795.5	14 767.5	15 337.7	
		<p>Il rapporto Core Equity Tier One (CET1) è pari al 8.33 % al 31 dicembre 2017.</p> <p>Non è stato riscontrato alcun cambiamento negativo sostanziale nelle prospettive dell'Emittente dal 31 dicembre 2017.</p> <p>Non è stato riscontrato alcun cambiamento significativo nella situazione finanziaria o commerciale dell'Emittente dal 30 giugno 2018.</p>					

³ I dati al 30 giugno 2018 sono alla norma IFRS 9. L'impatto della prima applicazione della norma IFRS 9 sui capitali propri, collegato all'attuazione del nuovo modello di impairment, è una diminuzione di 99 milioni di euro prima imposte. Per far fronte al passaggio alla norma IFRS 9, Banque Palatine ha emesso il TSSDI (titoli subordinati perpetui) di € 100 milioni il 28/03/2018.

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 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;
- (b) the 2016 annual financial report (the "**2016 Financial Report**") of the Issuer in English language which includes the consolidated financial statements for the fiscal year ended 31 December 2016, together with the explanatory notes and the related auditors reports;
- (c) the interim financial report as of June 2018 (the « **Rapport Financier Semestriel 30 Juin 2018** ») 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;
- (d) the sections "Terms and Conditions of the Notes" of the following base prospectuses: (i) Base Prospectus dated 3 July 2017 (pages 81 to 110) (ii) Base Prospectus dated 4 July 2016 (pages 78 to 106) and (iii) Base Prospectus dated 10 July 2015 (pages 73 to 97).

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

		2018 Interim Financial Report⁴	2017 Financial Report	2016 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 16 to 17	Pages 103 to 105	Pages 103 to 104
3.2	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year.	Pages 16 to 20	Not Applicable	Not Applicable
13.1	<i>Historical financial information</i>			
	Audited historical financial information covering the latest 2 financial years		Pages 65 to 174	Pages 67 to 163
	Statutory Auditors reports		Pages 175 to 192	Pages 164 to 177
	Balance sheet		Page 103	Page 103

⁴ The page numbers in this table correspond to the continuous numbering of the 2018 Interim Financial Report.

	Income statements		Page 104 to 105	Page 104
	Cash flow statements		Page 108	Page 106
	Accounting principles		Pages 122 to 135	Pages 118 to 131
	Explanatory notes		Pages 109 to 174	Pages 107 to 163
13.2	<i>Financial statements</i>			
	Own and consolidated financial statements, include at least the consolidated financial statements in the registration document.		Pages 65 to 174	Pages 67 to 163
13.3	<i>Auditing of historical annual financial information</i>	Not Applicable	Pages 175 to 192	Pages 164 to 177
13.5	<i>Interim and other financial information</i>	Pages 16 to 81	Not Applicable	Not Applicable
	Rapport d'examen ou d'audit établi	Pages 13 to 14	Not Applicable	Not Applicable
	Balance sheet	Page 16	Not Applicable	Not Applicable
	Income statements	Page 17	Not Applicable	Not Applicable
	Cash flow statements	Page 20	Not Applicable	Not Applicable
	Accounting principles	Pages 21 to 27 and Pages 31 to 35	Not Applicable	Not Applicable
	Explanatory notes	Pages 21 to 81	Not Applicable	Not Applicable
13.6	<i>Legal and arbitration proceedings</i>	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

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 3 July 2017 (pages 81 to 110) (ii) Base Prospectus dated 4 July 2016 (pages 78 to 106) and (iii) Base Prospectus dated 10 July 2015 (pages 73 to 97) 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 362 of the Base Prospectus, the paragraph (2) is deleted in its entirety and replaced as follows:

2. There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018.

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

Sylvie Ferrier, *Directrice Finance*

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, 10 August 2018

Banque Palatine
42, rue d'Anjou
75008 Paris
France

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