

SECOND SUPPLEMENT DATED 3 APRIL 2018 TO THE BASE PROSPECTUS DATED 10 JULY 2017



FRANCE

PSA BANQUE FRANCE

€4,000,000,000

Euro Medium Term Note Programme

This second supplement (the **Second Supplement**) is supplemental to, and should be read in conjunction with, the base prospectus dated 10 July 2017 (the **Base Prospectus**), as supplemented by the first supplement dated 22 September 2017 (the **First Supplement**) prepared in relation to the €4,000,000,000 Euro Medium Term Note Programme of PSA BANQUE FRANCE (**PSA BANQUE FRANCE** or the **Issuer**). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Directive 2003/71/EC, as amended (the **Prospectus Directive**). The *Autorité des marchés financiers* (the **AMF**) has granted visa No. 17-343 on 10 July 2017 to the Base Prospectus and visa No. 17-506 on 22 September 2017 to the First Supplement.

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

Unless the context otherwise requires, terms defined in the Base Prospectus and, as the case may be, in the First Supplement shall have the same meaning when used in this Second Supplement.

This Second Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purposes of: (a) updating the "Important Information" section; (b) updating the "Risk Factors" section; (c) incorporating by reference the Issuer's audited consolidated financial statements as of 31 December 2017; (d) updating the Applicable Final Terms; (e) amending the "Description of the Issuer" section; (f) updating the "Taxation" section; (g) updating the "Recent Developments" section; and (h) amending the "General Information" section.

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, as supplemented by the Base Prospectus.

Copies of this Second Supplement will be available so long as any of the Notes are outstanding (a) free of charge, at the registered office of the Issuer during normal business hours, (b) during usual business hours on any weekday (public holidays excepted) for collection at the offices of the Fiscal Agent and the Paying Agent(s), (c) on the website of the AMF at www.amf-france.org, and (d) together with the documents incorporated by reference in this Second Supplement, on the website of PSA BANQUE FRANCE at www.psa-banque-france.com.

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

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IMPORTANT INFORMATION

The following paragraphs are hereby inserted at the end of the section entitled “IMPORTANT INFORMATION” appearing on pages 3 to 4 of the Base Prospectus:

“**MIFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled “MIFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s 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 Notes is a manufacturer in respect of such Notes, 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.”

RISK FACTORS

The first paragraph of the sub-section “FACTORS THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME” of the section “RISK FACTORS” appearing on page 6 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

“The risk factors relating to the Issuer and its activity are set out in detail on pages 23 to 34 of the 2017 Annual Report (as defined in the section “Documents Incorporated by Reference”), which is incorporated by reference in this Base Prospectus, and include the following:

- business risks, being factors that have an impact on the PSA BANQUE FRANCE Group’s levels of activity:

- external factors that influence vehicle purchases;
- government policies to incentivise new vehicle purchases;
- regulatory or tax changes which could lead to a modification of the activity or alter the profitability thereof;
- the sales volumes achieved by Peugeot, Citroën and DS, as well as their marketing policies, which may include joint financing operations carried out with the PSA BANQUE FRANCE Group;
- the PSA BANQUE FRANCE Group's competitive positioning, in terms of both product range and price.

- credit risk, being the risk of loss arising from the failure of a customer to meet the payment or other terms of a contract with the PSA BANQUE FRANCE Group;

- financial risks and market risk, including liquidity risk, interest rate risk, counterparty risk, currency risk and other market risks;

- risks related to the PSA BANQUE FRANCE Group’s securitisation operations;

- concentration risk related to the granting of credit to individuals, sectorial concentration risk of credit transactions and concentration risk related to bank re-financing;

- operational risk, being the risk resulting from a mal-adjustment or failure attributable to procedures, to personnel, internal systems, or to external events, including events with a low probability of occurrence but with substantial risk of loss;

- non-compliance risk, being the risk of legal, administrative or disciplinary sanction, significant financial loss or damage to reputation arising from failure to comply with the provisions governing banking and financial services, including regulatory and statutory provisions, professional standards, ethical standards, or instructions from the executive body pursuant to guidelines issued by the Board of Directors;

- reputational risk, being the risk of damage to the Issuer’s reputation and image with end customers, dealer customers, third-party banks and supervisory authorities; and

- correlation risk, being the risk relating to the correlation of the activity and profitability of the PSA BANQUE FRANCE Group with the activities and profitability of its shareholders.”

The risk factor entitled “The proposed financial transactions tax (FTT)” on page 13 of the section “RISK FACTORS” OF THE Base Prospectus is hereby deleted and replaced with the following:

“The proposed financial transactions tax (FTT)”

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will no longer participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (i) by transacting with a person established in a participating Member State or (ii) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.”

The following risk factor is inserted in the sub-section “FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE NOTES ISSUED UNDER THE PROGRAMME” of the section “RISK FACTORS” commencing on page 11 of the Base Prospectus:

“The value of and return on any Notes linked to a benchmark may be adversely affected by ongoing national and international regulatory reform in relation to benchmarks”

Reference rates and indices such as Euro Interbank Offered Rate (“**EURIBOR**”) or London Interbank Offered Rate (“**LIBOR**”) and other interest rate or other types of rates and indices which are deemed to be “benchmarks” (each a “**Benchmark**” and together, the “**Benchmarks**”), to which the interest on securities may be linked, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. This has resulted in regulatory reform and changes to existing Benchmarks, with further change anticipated. Such reform of Benchmarks includes the Benchmarks Regulation, which was published in the official journal on 29 June 2016. In addition, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The Benchmarks Regulation applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU. It will, among other things, (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities such as the Issuer of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The potential elimination of the LIBOR benchmark or any other Benchmark, or changes in the manner of administration of any Benchmark, as a result of the Benchmarks Regulation or otherwise, could require an

adjustment to the Terms and Conditions, or result in other consequences, in respect of any Notes linked to such Benchmark. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or be discontinued. Any change in the performance of a Benchmark or its discontinuation could have a material adverse effect on the value of, and return on, any such Notes.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.”

DOCUMENTS INCORPORATED BY REFERENCE

PSA BANQUE FRANCE has published an English translation of its annual report which contains the audited consolidated financial statements of the Issuer as at 31 December 2017.

The section “DOCUMENTS INCORPORATED BY REFERENCE” appearing on pages 25 to 27 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

“The following information shall be incorporated by reference in, and form part of, this Base Prospectus:

- (a) the sections referred to in the table below included in the English translation of the 2017 *Rapport Annuel* of PSA BANQUE FRANCE (the **2017 Annual Report**), which has previously been published and was filed with the AMF on 2 April 2018;
- (b) the sections referred to in the table below included in the English translation of the 2016 *Rapport Annuel* of PSA BANQUE FRANCE (the **2016 Annual Report**), which has previously been published and was filed with the AMF on 23 March 2017; and
- (c) the terms and conditions of the Notes at pages 37 to 60 of the Base Prospectus dated 29 June 2016.

PSA BANQUE FRANCE will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Following the publication of this Base Prospectus a supplement may be prepared by PSA BANQUE FRANCE and approved by the AMF in accordance with Article 16 of the Prospectus Directive and article 212-25 of the *Règlement Général* of the AMF. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in the Base Prospectus can be obtained from the registered office of PSA BANQUE FRANCE and from the specified offices of the Paying Agent for the time being at 11, avenue Emile Reuter, 2420 Luxembourg, Luxembourg. They will also be published on PSA BANQUE FRANCE’s website at: www.psa-banque-france.com and on the *Direction de l’information légale et administrative’s* website at (www.info-financiere.fr) for financial information only. The Base Prospectus (together with any Final Terms relating to Notes admitted to trading on a Regulated Market) has been published on the AMF’s website at www.amf-france.org.

The cross-reference tables below set out the relevant page references for the information incorporated herein by reference:

	Annex XI of EC regulation No. 809/2004, as amended – Minimum disclosure requirements for the debt and derivatives securities registration document	2017 Annual Report	2016 Annual Report
3	RISK FACTORS		
3.1	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 23-34	pages 22-33
4	INFORMATION ABOUT THE ISSUER		
4.1	<u>History and development of the Issuer:</u>		
4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office).	page 37	page 36
4.1.5	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	pages 6-22	pages 6-22
5	BUSINESS OVERVIEW		
5.1.	<u>Principal Activities</u>		
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed;	pages 6-12	pages 7-12
5.1.3	Principal Markets A brief description of the principal markets in which the issuer competes.	pages 8-11	pages 8-12
6	ORGANISATIONAL STRUCTURE		
6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	page 6	page 7
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	page 6	page 7
9	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES		
9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: members of the administrative, management or supervisory bodies;	pages 37 - 42	

9.2	Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties. In the event that there are no such conflicts, a statement to that effect	page 38	
11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1	<u>Historical Financial Information</u>		
11.2	Consolidated Financial Statements		
	(a) the balance sheet;	page 48	page 44
	(b) the income statement;	page 49	page 45
	(c) statement of changes in equity	page 50	page 46
	(d) statement of cash flow	page 51	page 47
	(e) the accounting policies and explanatory notes.	page 52-90	pages 48-88
	(f) audit report	pages 91-94	pages 89-90
11.3	<u>Auditing of historical annual financial information</u>		
11.3.1	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	pages 91-94	pages 89-90
11.6	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during the period covering, at last the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	page 12	page 12

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive (Directive 2003/71/EC) except where such information or other documents are specifically incorporated by reference or attached to this Supplement.”

APPLICABLE FINAL TERMS

The section entitled “APPLICABLE FINAL TERMS” is hereby deleted in its entirety and replaced with the following (with modifications shown in underlined text):

“**MIFID II product governance Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018, has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market.] Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[PRIIPs Regulation/PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[Amounts payable under the Notes may be calculated by reference to [specify benchmark (as this term is defined in the Benchmark Regulation)] which is provided by [legal name of the benchmark administrator]. As at the date of this Final Terms, [legal name of the benchmark administrator] [appears / does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (“**Benchmarks Regulation**)”].

[As far as the Issuer is aware, [specify benchmark (as this term is defined in the Benchmark Regulation)] [does not fall within the scope of the Benchmarks Regulation/ the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [legal name of the benchmark administrator] is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).]

APPLICABLE FINAL TERMS

[Date]

PSA BANQUE FRANCE

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €4,000,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 10 July 2017, which received visa number 17-343 from the *Autorité des marchés financiers* (AMF) on 10 July 2017 [and the supplement[s] to it dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms] [has/have] been published on the AMF website at www.amf-france.org and on the website of the Issuer (www.psa-banque-france.com). [In addition¹, the Base Prospectus and these Final Terms are available for viewing on [*insert relevant regulated market if not Euronext Paris S.A.*] website ([*insert website*)]].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 29 June 2016 which is incorporated by reference into the Base Prospectus dated 10 July 2017, which received visa number 17-343 from the *Autorité des marchés financiers* (AMF) on 10 July 2017 [and the supplement[s] to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms] [has/have] been published on the AMF website at www.amf-france.org and on the website of the Issuer (www.psa-banque-france.com). [In addition², the Base Prospectus and these Final Terms are available for viewing on [*insert relevant regulated market if not Euronext Paris S.A.*] website ([*insert website*)]].]

Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.

If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.

- | | | |
|----|--|--|
| 1. | Issuer: | PSA BANQUE FRANCE |
| 2. | (a) Series Number: | [●] |
| | (b) Tranche Number: | [●] |
| | (c) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [<i>identify earlier Tranches</i>] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to |

¹ If the Notes are admitted to trading on a regulated market other than Euronext Paris S.A.

in paragraph [●] below, which is expected to occur on or about [date]][Not Applicable]

3. Specified Currency: [●]
4. Aggregate Nominal Amount:
- (a) Series: [●]
- (b) Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: [●]
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [●]
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: [●]
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *Specify date or for Floating Rate Notes – Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: [[] per cent. Fixed Rate]
[[[] month [LIBOR/EURIBOR]] +/- [] per cent. Floating Rate]
[Zero coupon]
(see paragraph [13]/[14]/[15]below)

10. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes may be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
11. Put/Call Options: [Investor Put]
[Issuer Call]
[(see paragraph [17]/[18] below)]
[Not Applicable]
12. Date(s) of corporate authorisation(s) for issuance of Notes obtained: [●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [●] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [●] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[●] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
14. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining

subparagraphs of this paragraph)

- (a) Specified Period(s)/Specified Interest Payment Dates: [●] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): [●]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Screen Rate Determination:
- Reference Rate: [●] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): [●]
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (f) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (g) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (h) Margin(s): [+/-] [●] per cent. per annum

- (i) Minimum Rate of Interest: [0] per cent. per annum]
(If the Minimum Rate of Interest is not zero, insert the relevant positive percentage)
- (j) Maximum Rate of Interest: per cent. per annum/Not Applicable]
- (k) Day Count Fraction: Actual/Actual (ISDA)] Actual/Actual
 Actual/365 (Fixed)
 Actual/365 (Sterling)
 Actual/360
 30/360] 360/360] Bond Basis]
 30E/360] Eurobond Basis]
 30E/360 (ISDA)]

15. Zero Coupon Note Provisions Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: per cent. per annum
- (b) Reference Price:
- (c) Day Count Fraction in relation to Early Redemption Amounts: 30/360]
 Actual/360]
 Actual/365]

PROVISIONS RELATING TO REDEMPTION

16. Notice periods for Condition 5.2]– Minimum period: [30] days
 Redemption for tax reasons]: Maximum period: [60] days
17. Issuer Call: Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s):
- (b) Optional Redemption Amount: per Calculation Amount]
[Set out appropriate variable details in this pro forma, for example reference obligation]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount:
- (ii) Maximum Redemption Amount:
- (d) Notice periods: Minimum period: [15] days
 Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is

advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent .)

18. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount: [●] per Calculation Amount
- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent.)
19. Final Redemption Amount: [●] per Calculation Amount
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes may be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
20. Early Redemption Amount payable on redemption for tax reasons or on event of default: [●] per Calculation Amount
(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

(N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")

(b) New Global Note: [Yes][No]

22. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraphs 14(c) relates)

23. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[THIRD PARTY INFORMATION]

[Relevant third party information] has been extracted from [specify source]. [Each of the] [The] Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of PSA BANQUE FRANCE:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Euronext Paris S.A.][*specify relevant regulated market*][None]
- (ii) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market with effect from [●].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market with effect from [●].]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: [●]

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there*

are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. YIELD (Fixed Rate Notes only)

Indication of yield:

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

(i) ISIN:

(ii) Common Code:

(iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of additional Paying Agent(s) (if any):

(vi) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Date of Subscription Agreement: [●]
- (iv) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]”

DESCRIPTION OF THE ISSUER

The section "DESCRIPTION OF THE ISSUER" appearing on pages 66 to 68 of the Base Prospectus is hereby amended as follows:

- The first paragraph is hereby deleted in its entirety and replaced with the following:

"Prospective investors should note that further information regarding the Issuer is set out on pages 6 to 12 and 37 to 42 of the 2017 Annual Report which was filed with the AMF on 2 April 2018 and which is incorporated by reference in this Base Prospectus, as set out in the section "Documents Incorporated by Reference" of this Base Prospectus."
- The fifth paragraph in the "Business overview" sub-section is hereby deleted in its entirety and replaced with the following

"In France, the PSA BANQUE FRANCE Group offers financing, insurance products and other services, as well as savings for retail customers:

Financing services

- Financing for end users (69 per cent. of outstanding loans at 31 December 2017). Individuals and companies are offered a range of solutions including instalment loans for the purchase of new and used vehicles, as well as leasing solutions with or without a purchase option. Outstanding loans to end users stood at €7,023 million at 31 December 2017.
- Financing for the dealer network (31 per cent. of outstanding loans at 31 December 2017). Financing solutions are available to the Peugeot, Citroën and DS dealer networks for financing their stock of new and used vehicles, spare parts, as well as other solutions for financing their working capital and their investments. Outstanding loans to corporate dealers stood at €3,191 million at 31 December 2017.

Insurance products and services

- An extensive range of services and insurance products intended for end users are offered by the PSA BANQUE FRANCE Group: insurance policies related to financing, such as death/invalidity insurance, unemployment insurance, or financial loss insurance which covers the total loss of the financed vehicle. There are insurance policies related to the vehicle, such as car insurance or extensions of guarantee for used vehicles: assistance services including mobility solutions and additional services related, for example, to the maintenance of vehicles and to the "connected vehicle" offer. PSA BANQUE FRANCE Group sold an average of 2.24 insurance or service contracts per client financed in 2017.

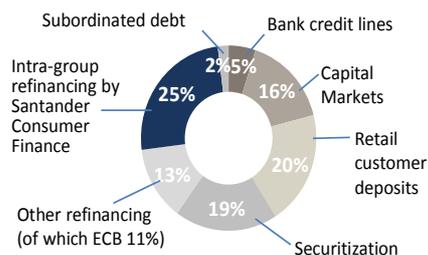
Retail savings

- The "PSA Banque" retail savings business consists of savings accounts and term deposits for retail customers. Outstanding retail savings activity stood at €1,897 million at 31 December 2017."

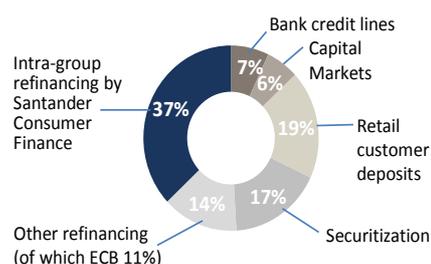
- The “indebtedness” sub-section is hereby deleted in its entirety and replaced with the following Indebtedness

“The indebtedness of the PSA BANQUE FRANCE Group stood at €9,293 million at 31 December 2017 (€8,431 million at 31 December 2016) with diversified sources of funding (as illustrated by the charts below).

**SOURCES OF REFINANCING
AT DECEMBER 31, 2017**
(in million euros)



AT DECEMBER 31, 2016



The increase of new loans to customers and dealers is closely linked to the general economic situation in the car industry and the sales performance of the PSA BANQUE FRANCE Group. Given the PSA BANQUE FRANCE Group’s activities, a variation of 10 per cent. of debt over a six-month period is not considered as unusual. Debt increases are and will be performed through:

- i. public debt issuances under this Programme, all of which will be publicly disclosed;
- ii. bank loans, asset backed securitisations, some of which are not publicly disclosed; and
- iii. customer savings and term deposit accounts following publicity or loyalty campaigns.”

- The last paragraph is hereby deleted in its entirety and replaced with the following:

“For further information regarding the products and services offered by the PSA BANQUE FRANCE Group, see pages 8 to 11 of the 2017 Annual Report, which is incorporated by reference in this Base Prospectus.”

TAXATION

The sub-section entitled “France” of the section entitled “TAXATION” is hereby deleted in its entirety and replaced by the following:

“France

The following may be relevant to Noteholders who do not concurrently hold shares in the Issuer.

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *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 *Code Général des Impôts* (a **Non-Cooperative State**). If such payments under the Notes are made outside France in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable tax treaty) by virtue of Article 125 A III of the French *Code Général des Impôts*.

Furthermore, according to Article 238 A of the French *Code Général des Impôts*, interest and other revenues on such Notes are not deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to an account held with a financial institution established in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code Général des Impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code Général des Impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 30 per cent. (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code Général des Impôts* for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State (subject to certain exceptions and to the more favourable provisions of an applicable tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code Général des Impôts* nor, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of an issue of Notes if the Issuer can prove that the main purpose and effect of such issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques - Impôts* BOI-RPPM-RCM-30-10-20-40-20140211, BOI-INT-DG-20-50-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State 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 or an investment services provider, or by such other 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 operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L.561-2 of the French *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.

Besides, where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A I of the French *Code Général des Impôts*, and subject to certain exceptions, interest and assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8 per cent. 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 at a global rate of 17.2 per cent. on such interest and assimilated revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.”

RECENT DEVELOPMENTS

The section “RECENT DEVELOPMENTS” on page 75 of the Base Prospectus is supplemented by the following:

“Wednesday, 27 September 2017

PSA Banque France: second public senior unsecured bond €500m 5-year Fixed Rate Notes

“PSA Banque France, rated Baa1 (stable outlook) by Moody's and BBB (stable outlook), successfully placed today a second €500m fixed-rate bond issue due to mature in October 2022 and carrying an annual coupon of 0.625%.

The final order book was over 5x oversubscribed with more than €2.5bn of orders from more than 220 accounts.

This second issuance under EMTN program was carried out with BofA Merrill Lynch, Natixis, Santander, UniCredit as Bookrunners.

PSA Banque France thus continues the strategy of diversification of its stable funding sources.”

GENERAL INFORMATION

The “Documents Available” and “Significant or Material Change” paragraphs of the section entitled “GENERAL INFORMATION” on pages 76 and 77 of the Base Prospectus shall be deemed deleted and replaced with the following paragraphs:

“Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agent for the time being in France:

- (a) the *statuts* of the Issuer;
- (b) the consolidated audited financial statements of the Issuer in respect of the financial years ended 2016 and 2017 (with an English translation thereof) together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons; and
- (d) a copy of this Base Prospectus and any supplement hereto.

Significant or Material Change

There has been no significant change in the financial position of the Issuer and/or the Group since 31 December 2017 and there has been no material change in the prospects of the Issuer since 31 December 2017.’’

A new paragraph entitled “EU Benchmark Regulation” shall be deemed to be inserted at the end of the section entitled “GENERAL INFORMATION” on page 77 as follows:

“EU Benchmark Regulation

Amounts payable on Floating Rate Notes may be calculated by reference to one of LIBOR or EURIBOR. As at the date of this prospectus, the administrators of these benchmarks are not included in ESMA’s register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the administrators of LIBOR and EURIBOR are not currently required to obtain authorisation/registration.

The relevant Final Terms in respect of an issue of Floating Rate Notes may specify the relevant benchmark, the relevant administrator and whether such administrator appears on the ESMA register referred to above.’’

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND SUPPLEMENT

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

Paris, 3 April 2018

PSA BANQUE FRANCE

9, rue Henri Barbusse
92230 Gennevilliers
France

Represented by

Jean-Paul Duparc

Chief Executive Officer

Christophe Blancal

Head of Treasury & Financing



Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the Règlement Général of the *Autorité des marchés financiers* (AMF), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa no. 18-106 on 3 April 2018. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by PSA BANQUE FRANCE and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's *Règlement Général*, setting out the terms of the securities being issued.