

FINAL TERMS DATED 12 JANUARY 2017

LA BANQUE POSTALE

**ISSUE OF EUR 150,000,000 3.00 PER CENT. SUBORDINATED NOTES DUE JUNE 2028
TO BE ASSIMILATED (*ASSIMILEES*) AND FORM A SINGLE SERIES WITH THE
EXISTING
EUR 500,000,000 3.00 PER CENT. SUBORDINATED NOTES DUE JUNE 2028 ISSUED ON
9 JUNE 2016**

**UNDER THE
EUR 10,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME
OF LA BANQUE POSTALE**

SERIES NO: 42 TRANCHE NO: 2

Joint Lead Managers

**BNP PARIBAS
SOCIÉTÉ GÉNÉRALE CORPORATE INVESTMENT BANK**

Issue Price : 101.510 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount of accrued interest of EUR 2,724,657.53 corresponding to 221 days from, and including, 9 June 2016 to, but excluding 16 January 2017

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated 17 September 2015, which are incorporated by reference in the Base Prospectus dated 12 September 2016. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the "Prospectus Directive") and must be read in conjunction with the Base Prospectus dated 12 September 2016 which received visa no. 16-427 from the *Autorité des marchés financiers* (the "AMF") on 12 September 2016 which constitutes a base prospectus for the purposes of the Prospectus Directive (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, the Conditions and the Base Prospectus. The Base Prospectus is available for viewing on the website of the AMF (www.amf-france.org), on the website of the Issuer (www.labanquepostale.com) and for inspection at the specified offices of the Paying Agent(s).

1	Issuer:	La Banque Postale
2	(i) Series Number:	42
	(ii) Tranche Number:	2
		The Notes will be assimilated (<i>assimilées</i>) and form a single series with the existing EUR 500,000,000 3.00 per cent. Subordinated Notes due June 2028 issued by the Issuer on 9 June 2016 (the "Existing Notes") as from the date of assimilation which is expected to be on or about forty (40) calendar days after the Issue Date (the "Assimilation Date")
3	Specified Currency or Currencies:	Euro ("EUR")
4	Aggregate Nominal Amount of Notes admitted to trading:	
	(i) Series:	EUR 650,000,000
	(ii) Tranche:	EUR 150,000,000
5	Issue Price:	101.510 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount of accrued interest of EUR 2,724,657.53 corresponding to 221 days from, and including, 9 June 2016 to, but excluding the 16 January 2017
6	Specified Denomination:	EUR 100,000
7	(i) Issue Date:	16 January 2017
	(ii) Interest Commencement Date:	9 June 2016
8	Maturity Date:	9 June 2028

9	Interest Basis/Rate of Interest:	3.00 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Not Applicable
13	(i) Status of the Notes:	Subordinated
	(ii) Date of corporate authorisations for the issuance of Notes obtained:	(i) decision of the Supervisory Board (<i>Conseil de Surveillance</i>) of the Issuer dated 14 December 2016, authorising the issue of Tier two subordinated notes up to a maximum aggregate amount of EUR 650,000,000, (ii) decision of the Executive Board (<i>Directoire</i>) of the Issuer held on 3 January 2017, authorising and delegating to each of Mrs. Florence Lustman, <i>Directeur Financier</i> of the Issuer and Mr. Stéphane Magnan, <i>Directeur des Opérations Financières</i> of the Issuer, acting alone, all powers to issue Tier two subordinated notes up to a maximum aggregate amount of EUR 650,000,000 and to determine their terms and conditions and (iii) decision of Mr. Stéphane Magnan in his capacity as <i>Directeur des Opérations Financières</i> of the Issuer dated 5 January 2017 deciding the issue of the Notes

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note and Resetable Rate Note Provisions	Applicable
	(a) Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	3.00 per cent. per annum payable annually in arrear
	(ii) Interest Payment Dates:	9 June in each year commencing on 9 June 2017 and ending on the Maturity Date
	(iii) Fixed Coupon Amount:	EUR 3,000 per EUR 100,000 in Aggregate Nominal Amount
	(iv) Broken Amount:	Not Applicable

(vii)	Day Count Fraction (Condition 5(a)):	Actual/Actual-ICMA
(viii)	Determination Date:	9 June in each year
(b)	Resettable Rate Note Provisions :	Not Applicable
15	Floating Rate Note Provisions	Not Applicable
16	Zero Coupon Note Provisions	Not Applicable
17	Inflation Linked Notes	Not Applicable
18	Interest Linked to a formula	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Issuer Call Option	Not Applicable
20	Noteholder Put Option	Not Applicable
21	Final Redemption Amount of each Note:	EUR 100,000 per Note of EUR 100,000 Specified Denomination
	Inflation Linked Notes – Provisions relating to the Final Redemption Amount (Condition 6(g)):	Not Applicable
22	Early Redemption Amount Early Redemption Amount(s) payable on redemption for Capital Event, taxation reasons, illegality or on enforcement (Condition 9(b)):	EUR 100,000 per Note of EUR 100,000 Specified Denomination

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Form of Notes:	Dematerialised Notes
(i)	Form of Dematerialised Notes:	Bearer dematerialised form (<i>au porteur</i>)
(ii)	Registration Agent:	Not Applicable
(iii)	Temporary Global Certificate:	Not Applicable
24	Financial Centre or other special provisions relating to payments dates:	Not Applicable

- 25 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): No
- 26 Redenomination, renominalisation and reconventioning provisions: Not Applicable
- 27 Consolidation provisions: Not Applicable
- 28 *Masse* (Condition 11): Contractual *Masse* shall apply
Name and address of the Representative:
MCM AVOCAT
10, rue de Sèze
75009 Paris
France
represented by Maître Antoine Lachenaud
Partner at MCM Avocat law firm

Name and address of the alternate Representative:

M. Philippe Maisonneuve
Partner at MCM Avocat law firm
10, rue de Sèze
75009 Paris
France

The Representative will receive a remuneration of EUR 450 (excluding taxes) per year in respect of its functions.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on Euronext Paris of the Notes described herein pursuant to the EUR 10,000,000,000 Euro Medium Term Notes Programme of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer

By: *Olivier SARRUS*

Duly authorised



PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing: Euronext Paris
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on Euronext Paris with effect from 16 January 2017.
The Existing Notes are admitted to trading on Euronext Paris since 9 June 2016.
- (iii) Estimate of total expenses related to admission to trading: EUR 11,575 (including AMF fees)
- (iv) Additional publication of Base Prospectus and Final Terms: Not Applicable

2 RATINGS AND EURO EQUIVALENT

Ratings:

The Notes to be issued have been rated BBB- by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("S&P"). S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"). S&P is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

Euro equivalent:

Not Applicable

3 NOTIFICATION

Not Applicable

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5 YIELD

Indication of yield: 2.842 per cent. *per annum*

6 Distribution

- (i) Method of Syndicated distribution:
- (ii) If syndicated, names of Managers: BNP Paribas
Société Générale
- (iii) Stabilising Manager(s) (if any): BNP Paribas
- (iv) If non-syndicated, name of Dealer: Not Applicable
- (v) U.S. selling restrictions: Reg S Compliance Category; TEFRA not applicable

7 OPERATIONAL INFORMATION

- (i) ISIN: FR0013231156 before the Assimilation Date and FR0013181898 thereafter
- (ii) Common Code: 154936742 before the Assimilation Date and 142948265 thereafter
- (iii) Any clearing system(s) other than Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of initial Paying Agent(s): Principal Paying Agent and Paris Paying Agent
BNP Paribas Securities Services
(affiliated with Euroclear France under number 29106)
Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin

France

- (vi) Names and addresses of additional Paying Agent(s) (if any): Not Applicable
- (vii) Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment. Not Applicable