SUPPLEMENT DATED 9 MARCH 2017 TO THE BASE PROSPECTUS APPROVED ON 22 JUNE 2016 AS SUPPLEMENTED ON 5 SEPTEMBER 2016

CASSA DI RISPARMIO DI PARMA E PIACENZA S.P.A.

(incorporated with limited liability as a "Società per Azioni" under the laws of the Republic of Italy and registered at the Companies' Registry of Parma under registration number 02113530345)

Euro 8,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme unconditionally and irrevocably guaranteed as to payments of interest and principal by

CARIPARMA OBG S.r.l.

(incorporated as a limited liability company in the Republic of Italy and registered at the Companies' Registry of Milan under registration number 07893100961)

IN ACCORDANCE WITH ARTICLE 7, PARAGRAPH 7, OF THE LUXEMBOURG LAW (AS DEFINED BELOW), THE *COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER* ASSUMES NO UNDERTAKING AS TO THE ECONOMIC OR FINANCIAL OPPORTUNENESS OF THE TRANSACTION OR THE QUALITY AND SOLVENCY OF THE ISSUER.

This supplement (the "**Supplement**") constitutes a Supplement to the base prospectus dated 22 June 2016, as supplemented on 5 September 2016 (the "**Base Prospectus**") for the purposes of Article 16 of Directive 2003/71/EC (as subsequently amended, the "**Prospectus Directive**") and Article 13, paragraph 1, of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (the "**Luxembourg Law**") and is prepared in connection with the Euro 8,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme (the "**Programme**") of Crédit Agricole Cariparma S.p.A. (previously, Cassa di Risparmio di Parma e Piacenza S.p.A.) (the "**Issuer**" or "**Cariparma**"), unconditionally and irrevocably guaranteed as to payments of interest and principal by Cariparma OBG S.r.l. (the "**Guarantor**").

This Supplement constitutes a supplement to, and should be read in conjunction with, the Base Prospectus.

Capitalized terms used in this Supplement and not otherwise defined herein, shall have the same meaning ascribed to them in the Base Prospectus.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purposes of the Prospectus Directive and Luxembourg Law, as a supplement issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purposes of updating (i) references to the company name of the Issuer and the Sellers and (ii) the following sections of the Base Prospectus: (a) "*Risk Factors*", (b) "*Information Incorporated by Reference*"; (c) "*Taxation*".

Arranger for the Programme
Crédit Agricole Corporate & Investment Bank, Milan branch

Dealer for the Programme
Crédit Agricole Corporate & Investment Bank

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RESPONSIBILITY STATEMENTS

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement, with respect to those sections which already fall under the responsibility of each of them under the Base Prospectus and which are supplemented by means of this Supplement. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

NOTICE

Neither the Arranger nor the Dealer nor any person mentioned in the Base Prospectus, as supplemented by this Supplement, with exception of the Issuer and the Guarantor, is responsible for the information contained in the Base Prospectus, as supplemented by this Supplement, any document incorporated by reference in the Base Prospectus or this Supplement or any Final Terms and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

The Arranger and the Dealer have not verified the information contained in the Base Prospectus, as supplemented by this Supplement. None of the Dealer or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Base Prospectus, as supplemented by this Supplement. Neither the Base Prospectus, as supplemented by this Supplement, nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger or the Dealer that any recipient of the Base Prospectus, this Supplement or any other financial statements should purchase the Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in the Base Prospectus, as supplemented by this Supplement, and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. None of the Dealer or the Arranger undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Crédit Agricole Italia Banking Group (previously, the Cariparma Crédit Agricole Banking Group) during the life of the arrangements contemplated by the Base Prospectus nor to advise any investor or potential investor in Covered Bonds of any information coming to the attention of any of the Dealer or the Arranger.

The distribution of the Base Prospectus, this Supplement any document incorporated by reference in the Base Prospectus or this Supplement and any Final Terms and the offering, sale and delivery of the Covered Bonds in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus, this Supplement or any Final Terms come are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions.

For a description of certain restrictions on offers, sales and deliveries of Covered Bonds and on the distribution of the Base Prospectus, this Supplement or any Final Terms and other offering material relating to the Covered Bonds, see section "*Selling Restrictions*" of the Base Prospectus, as supplemented by this Supplement.

Save as disclosed in this Supplement, there has been no other significant new factor and there are no material mistakes or inaccuracies relating to information included in the Base Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Programme since the publication of the Base Prospectus. To the extent that there is any inconsistency between (i) any statement in or incorporated by reference into this Supplement and (ii) any statement in or

incorporated by reference into the Base Prospectus, the statements in or incorporated by reference into this Supplement will prevail.

Copies of this Supplement and all documents incorporated by reference in this Supplement and in the Base Prospectus may be inspected during normal business hours at the registered office of each of the Listing Agent (being, as at the date of this Supplement, 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg) and of the Representative of the Covered Bondholders (being, as at the date of this Supplement, Via Alessandro Pestalozza n. 12/14, 20131 Milan, Italy).

Copies of this Supplement and all documents incorporated by reference in the Base Prospectus are available on the Luxembourg Stock Exchange's website (*https://www.bourse.lu*).

GENERAL

On 21 November 2016, the Extraordinary Shareholders' Meeting of the Issuer resolved to change: (i) the Issuer's company name from "Cassa di Risparmio di Parma e Piacenza S.p.A." and "CARIPARMA S.p.A." to "Crédit Agricole Cariparma S.p.A." and (ii) the Issuer's banking group name from "Cariparma Crédit Agricole" to "Crédit Agricole Italia". The above changes are effective from 21 November 2016.

In light of the above, any reference throughout the Base Prospectus to "Cassa di Risparmio di Parma e Piacenza S.p.A." or "CARIPARMA S.p.A." shall be referred to "Crédit Agricole Cariparma S.p.A." and to "Cariparma Crédit Agricole Group" shall be referred to "Crédit Agricole Italia Group".

RISK FACTORS

On pages 10-11 of the Base Prospectus, in the section entitled "*Risk Factors*", paragraph entitled "***EU Savings Directive***", is deleted.

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On pages 19-23 of the Base Prospectus, in the section entitled "*Risk Factors*", paragraph entitled "***Changes in regulatory framework***", is deleted and replaced by the following:

"*Crédit Agricole Italia Group is subject to extensive regulation and supervision by the Bank of Italy, CONSOB, the European Central Bank and the European System of Central Banks. The banking laws to which the Crédit Agricole Italia Group is subject govern the activities in which banks may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Crédit Agricole Italia Group must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and the European Union that will affect the Crédit Agricole Italia Group, including proposed regulatory initiatives that could significantly alter the Crédit Agricole Italia Group's capital requirements.*

*In particular, in the wake of the global financial crisis that began in 2008, the Basel Committee (as defined below) approved, in the fourth quarter of 2010, revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework adopts a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019.*

*In January 2013 the Basel Commitee revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio, with a full implementation in 2019, as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other liquidity requirement, the Net Stable Funding Ratio (the "**NSFR**"), the Basel Committee published the final rules in October 2014 providing that the NSFR will become a minimum standard starting from 1 January 2018.*

*The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and the Regulation No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**" and together with the CRD IV Directive, the "**CRD IV Package**").*

Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements will be largely fully effective by 2019 and some minor transitional provisions provide for phase-in until 2024) but it is possible that in practice implementation under national laws may be delayed. Additionally, it is possible that, that Member States may introduce certain provisions at an earlier date than that set out in the CRD IV Package. It should also be noted that the ECB has repeatedly declared its intention to harmonize the options and national discretions that are embedded in the CRR/CRD IV. In this respect, ECB has adopted the Regulation (EU) 2016/445 of 14 March 2016 on the exercise of options and discretions available in Union law, published on 24th March 2016

*and the ECB Guide on options and discretions available in Union law ("**ECB Guide**"). This regulation specifies certain of the options and discretions conferred on competent authorities under Union law concerning prudential requirements for credit institutions that the ECB is exercising. It shall apply exclusively with regard to those credit institutions classified as "significant" in accordance with Article 6(4) of Regulation (EU) No 1024/2013, and Part IV and Article 147(1) of Regulation (EU) No 468/2014. This regulation entered into force on 1 October 2016. Moreover, on 10 August 2016, the ECB published an addendum to the ECB Guide on options and discretions available in Union law. The addendum addresses eight options and discretions and complements the existing Regulation (EU) 2016/445 and the ECB Guide. Options and discretions that were so far exercised by national competent authorities are now exercised by the SSM (as defined below) in a largely harmonised manner throughout the European Banking Union (the "**Banking Union**"). Depending on the manner these options / discretions were so far exercised and on the manner they will be exercised in the future, additional / lower capital requirements may result.*

In Italy, the Legislative Decree no. 72 of 12 May 2015, implementing the CRD IV Directive entered into force on 27 June 2015. This regulation impacts, inter alia, on:

(i) proposed acquirers of credit institutions' holdings, shareholders and Members of the management body requirements (Articles 22, 23 and 91 of the CRD IV Directive);

(ii) supervisory measures and powers (Articles 64, 65, 102 and 104 of the CRD IV Directive);

(iii) reporting of potential or actual breaches of national provisions (so called whistleblowing, Article 71 of the CRD IV Directive);

(iv) administrative penalties and measures (Article 65 of the CRD IV Directive).

*The Bank of Italy published the supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013 - the "**Circular No. 285**") which came into force on 1 January 2014, implementing the CRD IV Package and setting out additional local prudential rules. Circular No. 285 has been constantly updated after its first issue.*

Italian banks are required to comply with a minimum Common Equity Tier 1 (CET1) Capital ratio of 4.5 per cent, a minimum Tier I Capital ratio of 6 per cent, and a Total Capital Ratio of 8 per cent. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital:

- *Capital conservation buffer: set at 2.5 per cent of risk weighted assets subject to the transitional regime herein below and applies to Cariparma from 1 January 2014 (pursuant to Article 129 of the CRD IV Directive and Title II, Chapter I, Section II of Circular No. 285). In this respect, on 4 October 2016, the Bank of Italy enacted the 18th update to Circular No. 285 in order to align the domestic transitional regime concerning the capital conservation buffer to the provisions set forth in CRD IV. According to such update, banks, both at individual and consolidated level, shall apply a minimum capital conservation buffer equal to: (i) 1.25 per cent. from 1 January 2017 to 31 December 2017, (ii) 1.875 per cent. from 1 January 2018 to 31 December 2018 and (iii) 2.5 per cent. starting from 1 January 2019. Such update entered into force on 1 January 2017.*
- *Counter-cyclical capital buffer: is set by the relevant competent authority between 0 per cent - 2.5 per cent (but may be set higher than 2.5 per cent where the competent authority considers that the conditions in the member state justify this), with gradual introduction from 1 January 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Article 130 of the CRD IV Directive and Part I, Title II, Chapter I, Section III of Circular No. 285);*

- *Capital buffers for global systemically important institutions ("**G-SIIs**"): set as an "additional loss absorbency" buffer ranging from 1.0% to 3.5% determined according to specific indicators (size, interconnectedness, lack of substituability for the services provided, global activity and complexity); it was phased in from 1 January 2016 (pursuant to Article 131 of the CRD IV Directive and Title II, Chapter 1, Section IV of Circular No. 285) becoming fully effective on 1 January 2019; and*
- *Capital buffers for other systemically important institutions ("**O-SIIs**"): up to 2.0% as set by the relevant competent authority (and must be reviewed at least annually from 1 January 2016), to compensate for the higher risk that such banks represent to the domestic financial system. (Article 131 of the CRD IV Directive and Part I, Title II, Chapter 1, Section IV of Circular No. 285).*

In addition to the above listed capital buffers, under Article 133 of the CRD IV Directive each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 in order to prevent and mitigate long term non-cyclical systemic or macroprudential risks not covered by the CRD IV Package, in the sense of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State. At this stage no provision is included on the systemic risk buffer under Article 133 of the CRD IV Directive as the Italian level‑1 rules for the implementation of the CRD IV Directive on this point have not been enacted yet.

Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 and 141 of the CRD IV Directive and Part I, Title II, Chapter 1, Section V of Circular No. 285).

*As part of the CRD IV Package transitional arrangements, as implemented by Circular No. 285, regulatory capital recognition of outstanding instruments which qualified as Tier I and Tier II capital instruments under the framework which the CRD IV Package has replaced (EU Directive 2010/76/EU, the "**CRD III**") that no longer meet the minimum criteria under the CRD IV Package will be gradually phased out. Fixing the base at the nominal amount of such instruments issued as of 31 December 2012, their recognition was capped at 80 per cent in 2014, with this cap decreasing by 10 per cent in each subsequent year (see, in particular, Part II, Chapter 14, Section 2 of Circular No. 285).*

*The new liquidity requirements introduced under the CRD IV Package are the Liquidity Coverage Ratio ("**Liquidity Coverage Ratio**") and the Net Stable Funding Ratio (the "**NSFR**"). The Liquidity Coverage Ratio Delegated Regulation (EU) no. 2015/61 was adopted on 10 October 2014 and published in the Official Journal of the European Union in January 2015. The Liquidity Coverage Ratio is subject to a gradual phase-in, beginning at 60 per cent. in 2015 and increasing by 10 per cent. each year in order to reach 100 per cent. in 2019. On the other hand, the CRR/CRD Review (as defined below) includes a proposal aimed at establishing a binding detailed NSFR which will require credit institutions and systemic investment firms to finance their long-term activities with stable sources of funding in order to increase banks' resilience to funding constraints.*

*The CRD IV Package also introduced a new Leverage Ratio ("**Leverage Ratio**")with the aim of restricting the level of leverage that an institution can take on to ensure that an institution's assets are in line with its capital. The Leverage Ratio Delegated Regulation (EU) 2015/62 was adopted on 10 October 2014 and was published in the Official Journal of the European Union in January 2015, amending the calculation of the Leverage Ratio compared to the current text of the CRR Regulation. Institutions have been required to disclose their Leverage Ratio from 1 January 2015. Full implementation of the Leverage Ratio as a Pillar 1 measure and European harmonisation, however, is not expected until 1 January 2018 following the European Commission's review in 2016. In this*

context, it is worth noting that the CRR/CRD Review contains a proposal to implement a binding Leverage Ratio which will prevent institutions from excessively increasing leverage (e.g. to compensate for low profitability).

*The CRD IV Package contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to Liquidity Coverage Ratio and Leverage Ratioin order to enhance regulatory harmonisation in Europe through the EBA single supervisory rulebook applicable to EU Member States (the "**EBA Single Supervisory Rule Book**"). Specifically, the CRD IV Package tasks the EBA with advising on appropriate uniform definitions of liquid assets for the Liquidity Coverage Ratio buffer. In addition, the CRD IV Package states that the EBA shall report to the Commission on the operational requirements for the holdings of liquid assets. The CRD IV Package also tasks the EBA with advising on the impact of the liquidity coverage requirement, on the business and risk profile of institutions established in the European Union, on the stability of financial markets, on the economy and on the stability of the supply of bank lending.*

*Moreover, the Issuer is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package, which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process ("**SREP**"). The SREP is aimed at ensuring that institutions have in place adequate arrangements, strategies, processes and mechanisms to maintain the amounts, types and distribution of internal capital commensurate to their risk profile, as well as robust governance and internal control arrangements. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.*

*In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and CRD IV Package, there are several other initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction. These initiatives include, amongst others, a revised Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation which is expected to apply on 3 January 2018, subject to certain transitional arrangements ("**MiFID II Package**"). The Basel Committee has also published certain proposed changes to the current securitisation framework which may be accepted and implemented in due course. In addition, as already mentioned, the European Commission intends to develop the net stable funding ratio with the aim of introducing it from 1 January 2018.One of the main proposed changes to the global regulatory framework is for G-SIBs to be required to have a minimum Total Loss Absorbing Capacity ("TLAC"). In November 2014, the Financial Stability Board (the "**FSB**") published a consultation document setting out its proposals for TLAC, which were endorsed at the Group of Twenty's (G20) Brisbane conference in November 2014. The FSB, in November 2015, issued the final TLAC standard for G-SIIs, with application starting from 2019.*

G-SIIs will be required to meet the TLAC requirement alongside the minimum regulatory requirements set out in the Basel III framework. Specifically, they will be required to meet a Minimum TLAC requirement of at least 16% of the resolution group's risk-weighted assets (TLAC RWA Minimum) as from 1 January 2019 and at least 18% as from 1 January 2022. Minimum TLAC must also be at least 6% of the Basel III leverage ratio denominator (TLAC Leverage Ratio Exposure (LRE) Minimum) as from 1 January 2019, and at least 6.75% as from 1 January 2022. Eligible instruments must be unsecured and formally subordinated to excluded liabilities, with few exceptions (in particular option to allow non-subordinated instruments to count toward TLAC for an amount up to 2.5% / 3.5%

of RWA) A number of further specifications apply (in particular, a residual maturity of at least one year, instrument fully paid up) and some instruments are excluded (including structured notes, derivatives, insured deposits, etc.).. The impact on G-SIBs may well come ahead of 2019, as markets may force earlier compliance and as banks will need to adapt their funding structure in advance. The CRR/CRD IV Review (as defined below) contains a legislative proposal to implement the TLAC in the EU. Under discussion there is also the possibility to extend the standard of TLAC to other systemic important institutions (O-SIIs) by introducing an integrated approach adapting the Minimum Requirement for Own Funds and Eligible Liabilities" (MREL) of the BBRD to TLAC.

Moreover, it is worth mentioning the Basel Committee has embarked on a very significant RWA variability review. This includes the "Fundamental Review of the Trading Book", revised standardised approaches (credit, market, operational risk), constraints to the use of internal models as well as the introduction of a capital floor. The regulator's primary aim is to eliminate unwarranted levels of RWA variance. The new framework is in the process of being finalized. The new setup will have a significant impact on risk modelling. From a credit risk perspective, an impact is expected both on capital held against those exposures assessed via the standardized approach, and those evaluated via an internal ratings based approach (IRB). In addition, significant changes are expected in relation to operational risk modelling, as the Basel Committee is proposing the elimination of the internal models some banks are currently utilising and the introduction of a more standardised approach. Following the finalisation of the Basel framework, the new rules will need to be transposed into European regulation. Implementation of these new rules on risk models is not expected before end of 2018.

*For the sake of completeness, it must be noted that, on 23 November 2016, the Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks ("**CRR/CRD IV Review**"). The proposed new package provides for amendments to the following pieces of legislation:*

(i) the CRD IV Package (as defined above);

(ii) the Bank Recovery and Resolution Directive (as defined below);

(iii) regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund.

Moreover, the Commission, in the context of the CRR/CRD IV Review, is considering to create a new category of senior class instruments that are eligible for MREL (as defined below) purposes. Such instruments will be subject to bail-in and are supposed to rank between senior unsecured liabilities and capital instruments.

In addition, regulators and supervisory authorities are taking an increasingly strict approach to regulations and their enforcement that may not be to the Issuer's benefit. A breach of any regulations by the Issuer could lead to intervention by supervisory authorities and the Issuer could come under investigation and surveillance, and be involved in judicial or administrative proceedings. The Issuer may also become subject to new regulations and guidelines that may require additional investments in systems and people and compliance with which may place additional burdens or restrictions on the Issuer.

Such changes in the regulatory framework and how they will be implemented may have a material effect on all the European Banks and on the Crédit Agricole Italia Group's business and operations as well. As the new framework of banking laws and regulations affecting the Crédit Agricole Italia Group is currently being implemented, the manner in which those laws and related regulations will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws

and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Crédit Agricole Italia Group."

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On page 23 of the Base Prospectus, in the section entitled "*Risk Factors*", in the paragraph entitled "***ECB Single Supervisory Mechanism***", the last paragraph is deleted and replaced by the following:

"*The ECB has also the right to, inter alia, impose pecuniary sanctions National competent authorities continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks, besides supporting ECB in day-to-day supervision. In order to foster consistency and efficiency of supervisory practices across the Eurozone, the EBA is developing a single supervisory handbook applicable to EU Member States.*"

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On pages 23-27 of the Base Prospectus, in the section entitled "*Risk Factors*", paragraph entitled "***The Cariparma Crédit Agricole Group may be subject to the provisions of the EU Recovery and Resolution Directive***", is now entitled "***The Crédit Agricole Italia Group may be subject to the provisions of the EU Bank Recovery and Resolution Directive***" and replaced by the following:

"*On 2 July 2014, Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force.*

The BRRD provides competent authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, minimising the impact of an institution's failure on the economy and financial system.

The BRRD has been applied by Member States from 1 January 2015, except for the General Bail-In Tool (as defined below) which has been applied from 1 January 2016.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to shares or other instruments of ownership (i.e. shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing

*interests in shares or other instruments of ownership) (the "**General Bail-In Tool**"), such equity could also be subject to any future application of the General Bail-In Tool.*

The BRRD also provides for a Member State as a last resort, after having assessed and exploited the above resolution tools (including the General Bail-In Tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilization tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. In particular, a single resolution fund financed by bank contributions at national level is being established and Regulation (EU) no. 806/2014 establishes the modalities for the use of the fund and the general criteria to determine contributions to the fund.

An institution will be considered as failing or likely to fail when: (a) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (d) it requires extraordinary public financial support (except in limited circumstances).

*In addition to the General Bail-In Tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken ("**BRRD Non-Viability Loss Absorption**"). Any shares issued upon any such conversion into equity capital instruments may in turn be subject to the application of the General Bail-in Tool.*

For the purposes of the application of any BRRD Non-Viability Loss Absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The powers set out in the BRRD impact on how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

Although the bail-in powers are not intended to apply to secured debt (such as the rights of Covered Bondholders in respect of the Covered Bond Guarantee), the determination that securities issued by the Crédit Agricole Italia Group will be subject to write-down, conversion or bail-in is likely to be inherently unpredictable and may depend on a number of factors which may be outside of the Crédit Agricole Italia Group's control. This determination will also be made by the relevant resolution authority and there may be many factors, including factors not directly related to the bank or the Crédit Agricole Italia Group, which could result in such a determination. Because of this inherent uncertainty, it is difficult to predict when, if at all, the exercise of a bail-in power may occur which would result in a principal write off or conversion to other securities, including equity. Moreover, as the criteria that the relevant resolution authority will be obliged to consider in exercising any bail-in power provide it with considerable discretion, holders of the securities issued by the Crédit Agricole Italia Group may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such power and consequently its potential effect on the Crédit Agricole Italia Group and the securities issued by the Crédit Agricole Italia Group. Potential investors in the securities issued by the Crédit Agricole Italia Group should consider the risk that a holder may loose all or part

of its investment, including the principal amount plus any accrued interest, if such statutory loss absorption measures are acted upon.

With specific reference to the Covered Bonds, to the extent that claims in relation to the Covered Bonds are not met out of the assets of the Cover Pool or the proceeds arising from it (and the Covered Bonds subsequently rank pari passu with senior debt), the Covered Bonds may be subject to write-down or conversion into equity on any application of the General Bail-In Tool, which may result in Covered Bondholders losing some or all of their investment. In the limited circumstances described above, the exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of Covered Bondholders, the price or value of their investment in any relevant Covered Bonds and/or the ability of the Issuer to satisfy its obligations under any relevant Covered Bonds.

*On 31 July 2015, the "European Delegation Law 2014" – Law No. 114 of 9 July 2015 – was published on the Italian Official Gazette containing, inter alia, principles and criteria for the implementation by the Government of the BRRD in Italy. Subsequently, on 16 November 2015, the Italian Government issued Legislative Decrees No. 180 and 181 implementing the BRRD in Italy (the "***BRRD Implementing Decrees***"). The BRRD Implementing Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the bail-in tool applied from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's will apply from 1 January 2019.*

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44(2) of the BRRD.

In addition, because (i) Article 44(2) of the BRRD excludes certain liabilities from the application of the General Bail-In Tool and (ii) the BRRD provides, at Article 44(3), that the resolution authority may partially or fully exclude certain further liabilities from the application of the General Bail-In Tool, the BRRD specifically contemplates that pari passu ranking liabilities may be treated unequally.

*With respect to the BRRD Implementing Decrees, Legislative Decree No. 180 of 16 November 2015 ("***Decree No. 180***") sets forth provisions concerning resolution plans, the commencement and closing of resolution procedures, the adoption of resolution measures, crisis management related to cross-border groups, powers and functions of the national resolution authority and also regulating the national resolution fund. On the other hand, Legislative Decree No. 181 of 16 November 2015 ("***Decree No. 181***") introduces certain amendments to the Consolidated Banking Act and the Financial Law Consolidation Act, concerning recovery plans, intra-group financial support, early intervention measures and changes to creditor hierarchy. Moreover, the Decree No. 181 amends certain provisions concerning (i) the extraordinary administration procedure ("amministrazione straordinaria"), in order to make them compliant with the European regulation and (ii) compulsory administrative liquidation ("liquidazione coatta amministrativa") in order to make the relevant proceedings compliant with the BRRD.*

*On 1 June 2016, Commission Delegated Regulation (EU) 2016/860 of 4 February 2016 ("***Delegated Regulation (EU) 2016/860***") specifying further the circumstances where exclusion from the application of write-down or conversion powers is necessary under Article 44(3) of BRRD was*

published on the Official Gazzette of the European Union. In particular this regulation lays down rules specifying further the exceptional circumstances provided for in Article 44(3) of BRRD, where the resolution authority may exclude, or partially exclude, certain liabilities from the application of the write down or conversion powers where the bail-in tool is applied. The Delegated Regulation (EU) 2016/860 entered into force on 21 June 2016.

It is important to note that, pursuant to article 49 of Decree No. 180, resolution authorities may not exercise the write down or conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured.

Decree No. 181 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary.

*Furthermore, Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to Directive 2014/49/EU ("**Deposit Guarantee Schemes Directive**") have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Decree No. 181 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to resolution, by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's will benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual/SME deposits exceeding the coverage limit of the deposit guarantee scheme. This means that, as from 1 January 2019, significant amounts of liabilities in the form of large corporate and interbank deposits which under the national insolvency regime currently in force in Italy rank pari passu with any unsecured liability owed to the Covered Bondholders, will rank higher than such unsecured liabilities in normal insolvency proceedings and therefore that, on application of the General Bail-In Tool, such creditors will be written-down/converted into equity capital instruments only after Covered Bonds (for the portion, if any, that could be subject to bail-in in accordance with the above). Therefore, the safeguard set out in Article 75 of the BRRD would not provide any protection since, Article 75 of the BRRD only seeks to achieve compensation for losses incurred by creditors which are in excess of those which would have been incurred in a winding-up under normal insolvency proceedings.*

The legislative decree intended to implement the revised Deposit Guarantee Schemes Directive in Italy – namely, Legislative Decree no. 30 of 15 February 2016 – has been published in the Italian Official Gazette No. 56 of 8 March 2016. The Decree came into force on 9 March 2016, except for Article 1 comma 3, let. A), which will come into force on 1 July 2018. Amongst other things, the Decree amends Consolidated Banking Act and: (i) establishes that the maximum amount of reimbursement to depositors is EUR 100,000. This level of coverage has been harmonised by the Directive and is applicable to all deposit guarantee schemes; (ii) lays down the minimum financial budget that national guarantee schemes should have; (iii) details intervention methods of the national deposit guarantee scheme; and (iv) harmonises the methods of reimbursement to depositors in case of insolvency of a credit institution.

*The BRRD also requires institutions to maintain at all times a sufficient aggregate amount of own funds and "eligible liabilities", expressed as a percentage of the total liabilities and own funds of the institution (i.e. the "Minimum Requirement for Own Funds and Eligible Liabilities" or "**MREL**"), with a view to facilitating effective resolution of institutions and minimising to the greatest extent possible the need for interventions by taxpayers. "Eligible liabilities" (or bail-inable liabilities) are those liabilities and other instruments that are not excluded by the BRRD from the scope of the bail-in tool. The resolution authority of an institution, after consultation with the relevant competent authority, will set the MREL for the institution based on the criteria to be identified by the EBA in its regulatory technical standards. In particular, the resolution authority may determine that part of the MREL is to be met through "contractual bail-in instruments". The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities (for banks not being part of the Banking Union or to the Single Resolution Board (the "**SRB**") for banks being part of the Banking Union. The EBA has issued final draft regulatory technical standards which further define the way in which resolution authorities/the SRB shall calculate MREL. Differently to the current discussions on the Total Loss Absorbing Capacity ("**TLAC**"), MREL includes senior unsecured debt without ex-ante limitations.*

On 23 May 2016, the Commission published a delegated regulation on MREL according to Article 45, par. 18 of the BRRD, which entered into force on 23 September 2016.

Furthermore, given that the TLAC and the MREL aim to achieve the same objectives, the EU Commission intends to avoid the overlapping of requirements, in particular for G-SIBs, by elaborating an integrated standard harmonising TLAC and MREL in EU, which is likely to be applied, to some extent, also to "other systemic important institutions" (O-SIIs).

Furthermore, the CRR/CRD Review contains potential amendments to the abovementioned regime."

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On page 27 of the Base Prospectus, in the section entitled "*Risk Factors*", after the paragraph entitled "***As of 2016 the Cariparma Crédit Agricole Group will be subject to the provisions of the Regulation establishing the Single Resolution Mechanism***", the following paragraph is inserted on page 28 before the paragraph entitled "***The Cariparma Crédit Agricole Group may be affected by new accounting standards***":

Proposal of European Commission of January 29, 2014 on mandatory separation of certain banking activities

*The Issuer may be subject to a proposed EU regulation on mandatory separation of certain banking activities. On January 29, 2014, the European Commission adopted a proposal for a new regulation following the recommendations released on October 31, 2012 by the High Level Expert Group (the "**Liikanen Group**") on the mandatory separation of certain banking activities. The proposed regulation contains new rules which would prohibit the biggest and most complex banks from engaging in the activity of proprietary trading. The new rules would also give supervisors the power to require those banks to separate certain trading activities from their deposit-taking business if the pursuit of such activities compromises financial stability. Alongside this proposal, the Commission has adopted accompanying measures aimed at increasing transparency of certain transactions in the shadow banking sector.*

The proposed regulation would apply to European banks designated as G-SIBs, or that exceed the following thresholds for three consecutive years: a) total assets are equal or exceed €30 billion; b) total trading assets and liabilities are equal or exceed €70 billion or 10% of their total assets. The banks that meet either one of the aforementioned conditions will be automatically banned from engaging in proprietary trading defined narrowly as activities using a bank's own capital or borrowed money to take positions in any type of transaction to purchase, sell or otherwise acquire or dispose of any financial instrument or commodities for the sole purpose of making a profit for own account and without connection to actual or anticipated client activity or for the purpose of hedging the entity's risk as a result of actual or anticipated client activity. In addition, such banks will be prohibited also from investing in or holding shares in hedge funds, or entities that engage in proprietary trading or sponsor hedge funds. Other trading and investment banking activities – including market-making, lending to venture capital and private equity funds, investment and sponsorship of complex securitisation, sales and trading of derivatives – are not subject to the ban (subject to the discretion of the bank's competent authority), however they might be subject to separation if such activities are deemed to pose a threat to financial stability.

The proprietary trading ban would teorically apply as of 1st January 2017 and the effective separation of other trading activities would apply as of 1st July 2018."

INFORMATION INCORPORATED BY REFERENCE

The following document which has previously been published and has been filed with the *Commission de Surveillance du Secteur Financier* shall be incorporated, by virtue of this Supplement, by reference in, and forms part of, the Base Prospectus:

Document	**Page Reference**
*Press release "Crédit Agricole Italia Banking Group: Results as at 31 December 2016 Increase in Intermediation Volumes (Loans +5%; Total funding +6%) 2016 Net Income Euro 208 Million" dated 1 March 2017 (the "**Press Release**")*	Entire Document other than paragraph headed "Group ratios" on page 2

Any other information not listed above but contained in the Press Release is not incorporated by reference and is either not relevant for the investor or it is covered elsewhere in the Base Prospectus.

Any document which is incorporated by reference into any of the documents incorporated in, and form part of, the Base Prospectus, shall not constitute a part of the Base Prospectus.

The Issuer, being the person responsible for the financial information included in the Press Release, has approved such financial information.

EY S.p.A. (previously, Reconta Ernst & Young S.p.A.), as independent auditors of the Issuer, have agreed that the financial information at 31 December 2016 and for the year then ended included in the Press Release, which has not been audited, is substantially consistent with the final figures to be published in the next annual audited consolidated financial statements of the Issuer for the year ended 31 December 2016.

The unaudited results for the full year 2016 have been compiled on the basis of the established financial reporting process of the Issuer using the same accounting principles, standards and assumptions that have been used in the consolidated financial statements of the Issuer for the business year 2015.

The financial information included in the Press Release published by the Issuer on 1 March 2017 on its website (at *http://gruppo.credit-agricole.it/comunicati-stampa/cariparma/credit-agricole-italia-banking-group-results-as-at-31-december-2016-increase-in-intermediation-volumes-loans-5-total-funding-6-2016-net-income-euro-208-million*) refers to a 12-month period ended on 31 December 2016 and therefore there are no assumptions or factors which the members of the administrative, management or supervisory bodies can influence.

Copies of the Press Release may be obtained from the registered office of the Issuer and the Issuer's website (*http://gruppo.credit-agricole.it/*) and will also be available on the Luxembourg Stock Exchange's web site (*http://www.bourse.lu*).

TAXATION

On page 207 of the Base Prospectus, in the section entitled "*Taxation*", the following paragraph is deleted: "*As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets as identified by the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015*."

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On page 211 of the Base Prospectus, in the section entitled "*Taxation*", the following paragraph is deleted: "*As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets as identified by the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015*."