

SUPPLEMENT DATED 31 DECEMBER 2019

TO THE BASE PROSPECTUS APPROVED ON 5 MARCH 2019 AND SUPPLEMENTED ON 28 OCTOBER 2019



CRÉDIT AGRICOLE ITALIA S.P.A.

(previously, Crédit Agricole Cariparma 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 16,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme

unconditionally and irrevocably guaranteed as to payments

of interest and principal by

CRÉDIT AGRICOLE ITALIA 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 5 March 2019 and supplemented on 28 October 2019 (the "**Base Prospectus**") for the purposes of Article 13, paragraph 1, of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (the "**Luxembourg Law**"), which remains applicable pursuant to article 64 of the Luxembourg Prospectus Law dated 16 July 2019, and is prepared in connection with the Euro 16,000,000,000 Covered Bond (*Obbligazioni Bancarie Garantite*) Programme (the "**Programme**") of Crédit Agricole Italia S.p.A. (previously, Crédit Agricole Cariparma S.p.A.) (the "**Issuer**" or "**Crédit Agricole Italia**"), unconditionally and irrevocably guaranteed as to payments of interest and principal by Crédit Agricole Italia 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 Luxembourg Law, as a supplement issued for the purposes of (i) updating the section entitled "*Risk Factors*", and (ii) updating the section entitled "*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 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 of the 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 V. Betteloni n. 2, 20131, Milan, Italy).

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

RISK FACTORS

On page 14 of the Base Prospectus, under the risk factor headed “*Vat Group*”, the second sub-paragraph is deleted in its entirety and replaced as follows:

“On 31 October 2018, the Italian Tax Authority issued the circular letter No. 19/E (“Circular Letter No. 19/2018”) whereby it has specified – with respect to asset management companies (società di gestione del risparmio – SGR) – that funds, as pools of segregated assets, would not be held directly responsible for the sums due as taxes, interest and penalties as a consequence of the liquidation and controlling activities of the Italian Tax Authority, except for the VAT payment obligations specifically related to their assets. Nevertheless, it has not been expressly specified that the same limitation applies also to the assets held by a covered bond guarantor.”

On page 14 of the Base Prospectus, under the risk factor headed “*Vat Group*”, after the fourth sub-paragraph, the following sub-paragraphs are added:

“However, on 15 November 2019, the Italian Tax Authority issued an official answer to the ruling request No. 487 specifying that the interpretation expressed with regard to the funds in the Circular Letter No. 19/2018 applies also with respect to covered bond guarantors, being also their pools of assets segregated by law with the sole aim of servicing payments due to the covered bondholders.

As a consequence, segregated pools of assets of covered bond guarantors included in an Italian VAT group are deemed to be liable only for the portion of VAT, interest and penalties – due in case of audit or assessment – which arise in connection with the management of such pools of assets.”

On page 27 of the Base Prospectus, under the risk factor headed “*Basel III and the CRD IV Package*”, the tenth sub-paragraph is deleted in its entirety and replaced as follows:

“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, as subsequently amended from time to time by the Bank of Italy – “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 updated a number of times after its first issue the last update being the 30th update of 4 December 2019. The CRR and CRD IV are also supplemented in Italy by technical rules relating to the CRD IV and the CRR published through delegated regulations of the European Commission and guidelines of the European Banking Authority.”

On page 29 of the Base Prospectus, under the risk factor headed “*Basel III and the CRD IV Package*”, the eighteenth sub-paragraph is deleted in its entirety and replaced as follows:

“Following the results of the Supervisory Review and Evaluation Process (SREP) performed by the ECB, the Issuer is required to meet on a consolidated basis both a minimum CET1 Ratio of 8.75% per cent. and a minimum Total Capital Ratio of 12.25% per cent. to be applied for the year 2020.”

On page 32 of the Base Prospectus, under the risk factor headed “*Forthcoming regulatory changes*”, after the eighth sub-paragraph the following three new paragraphs are added:

“As for the mentioned proposal for a directive on covered bonds, on 18 December 2019, Directive (EU) 2019/2162 and Regulation (EU) 2019/2160 amending CRR have been published in the Official Journal of the European Union. However, they will apply from 8 July 2022.

Directive (EU) 2019/2162 lays down rules on the issuance requirements, structural features, public supervision and publication obligations for covered bonds. Compared with the UCITS, Directive (EU) 2019/2162 provides for a number of more complex structural requirements, such as the dual recourse and the bankruptcy remoteness tools. The Directive at hand also establishes specific requirements of the liquidity reserve concerning the cover pool and introduces the possibility of joint funding and intragroup pooled covered bond structures in order to facilitate the issuance of covered bonds by small credit institutions. Moreover, the Directive provides the authorities of the Member States with the task of monitoring compliance of covered bond issuances with the abovementioned requirements and regulates the conditions for obtaining the authorisation to carry out the activity of issuance of covered bonds in the context of a covered bond programme.

Regulation (EU) 2019/2160 introduces some amendments to Article 129 of the CRR, providing for additional requirements in order to be eligible for the preferential treatment. In particular, the Regulation introduces a rule allowing exposures to credit institutions rated in credit quality step 2 up to a maximum of 10% of the total exposure of the nominal amount of outstanding covered bonds of the issuing institution, without the need to consult the EBA. The Regulation also requires a minimum level of overcollateralization in order to mitigate the most relevant risks arising in the case of the issuer’s insolvency or resolution.”

On page 33 of the Base Prospectus, under the risk factor headed “*ECB Single Supervisory Mechanism*”, the last sub-paragraph is deleted in its entirety and replaced as follows

“The ECB has fully assumed its new supervisory responsibilities of the Issuer. The ECB is required under the SSM Regulation to carry out a SREP at least on an annual basis. In addition to the above, the EBA published on 19 December 2014 its final guidelines for common procedures and methodologies in respect of the SREP (the EBA SREP Guidelines, as subsequently amended and supplemented). Included in these guidelines were the EBA’s proposed guidelines for a common approach to determining the amount and composition of additional Pillar 2 own funds requirements to be implemented from 1 January 2016. Under these guidelines, national supervisors should set a composition requirement for the Pillar 2 requirements to cover certain specified risks of at least 56 per cent. CET1 Capital and at least 75 per cent. Tier 1 capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by the combined buffer requirements (as described above) and/or additional macro-prudential requirements. Accordingly, the additional Pillar 2 own funds requirement that may be imposed on the Issuer by the ECB pursuant to the SREP will require the Issuer to hold capital levels above the minimum Pillar 1 capital requirements. EBA has recently modified the EBA SREP Guidelines in July 2018, introducing the possibility for national competent authorities to set out a Pillar 2 capital guidance (P2G) based on

supervisory stress test results, on top of the overall capital requirements. Such amended guidelines applied from 1 January 2019 and should therefore be applied in the 2020 cycle of SREP and joint decisions on institution-specific prudential requirements.”

TAXATION

On page 232 of the Base Prospectus, under the paragraph headed "*Italian resident Covered Bondholders*", the third sub-paragraph is deleted in its entirety and replaced as follows:

"Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the imposta sostitutiva on Interest relating to the Covered Bonds if the Covered Bonds are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016 (the "Finance Act 2017") in Article 1(210-215), of Law No. 145 of 30 December 2018 (the "Finance Act 2019") and in Article 13-bis of Law Decree No. 124 of 26 October 2019 converted into law of with amendments by Law No. 157 of 19 December 2019 (the "Finance Act 2020")."

On page 233 of the Base Prospectus, under the paragraph headed "*Italian resident Covered Bondholders*", the seventh sub-paragraph is deleted in its entirety and replaced as follows:

"Where an Italian resident Covered Bondholders is a pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Covered Bonds are deposited with an authorised intermediary, Interest relating to the Covered Bonds and accrued during the holding period will not be subject to imposta sostitutiva, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1 (100-114) of Finance Act 2017, in Article 1 (210-215) of Finance Act 2019 and in Article 13-bis of the Finance Act 2020."

On page 234 of the Base Prospectus, under the paragraph headed "*Non-Italian resident Covered Bondholders*", the first sub-paragraph is deleted in its entirety and replaced as follows:

"Where the Covered Bondholder is a non-Italian resident, without a permanent establishment in Italy to which the Covered Bonds are effectively connected, an exemption from the imposta sostitutiva applies provided that the non-Italian resident beneficial owner is:

- (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy and listed in the Italian Ministerial Decree dated 4 September, 1996, as amended and supplemented by Ministerial Decree of 23 March 2017 and possibly further amended by future decrees issued pursuant to article 11(4)(c) of Decree No. 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the "White List"); or*

- (b) *an international body or entity set up in accordance with international agreements which have entered into force in Italy; or*
- (c) *a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or*
- (d) *an "institutional investor", whether or not subject to tax, which is established in a State included in the White List."*

On page 235 of the Base Prospectus, under the paragraph headed "*Tax treatment of Covered Bonds qualifying as atypical securities (titoli atipici)*", the fourth sub-paragraph is deleted in its entirety and replaced as follows:

"Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the 26 withholding tax, on Interest relating to the Covered Bonds qualifying as atypical securities if such Covered Bonds are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100–114) of the Finance Act 2017, in Article 1 (210–215) of Finance Act 2019 and in Article 13-bis of the Finance Act 2020."

On page 237 of the Base Prospectus, under the paragraph headed "*Capital gains tax*" the fourth sub-paragraph is deleted in its entirety and replaced as follows:

"Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the imposta sostitutiva, on capital gains realised upon sale or redemption of the Covered Bonds if the Covered Bonds are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set forth in Article 1(100–114) of Finance Act 2017, in Article 1 (210–215) of Finance Act 2019 and in Article 13-bis of the Finance Act 2020."

On page 237 of the Base Prospectus, under the paragraph headed "*Capital gains tax*" the seventh sub-paragraph is deleted in its entirety and replaced as follows:

"Any capital gains realised by a Covered Bondholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains realised upon sale or redemption of the Covered Bonds may be excluded from the taxable base of the 20 per cent. substitute tax if the Covered Bonds are included in a long-term savings account (piano di risparmio a lungo termine) that meets the requirements set

forth in Article 1 (100–114) of Finance Act 2017, in Article 1 (211–215) of Finance Act 2019 and in Article 13-bis of the Finance Act 2020.”