

Crédit Agricole Italia OBG S.r.l.

Registered office: Milan, Via Pestalozza, 12/14

Capital: Euro 10,000 fully paid up

Milan Company Register Number 07893100961

Tax Code and VAT Number: 07893100961

Milan REA no. 1988744

Management and coordination: Crédit Agricole Cariparma S.p.A.

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**REPORT ON OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Dear Quotaholders,

I submit the financial statements for the year ended 31 December 2017 for your approval. The financial statements consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Quotaholders' Equity, the Statement of Cash Flows and the Notes to the Financial Statements.

In addition, they are accompanied by this Report on operations.

The financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), the relevant interpretations by the International Accounting Standards Board (IASB), and the "Instructions for the preparation of financial statements for Financial Intermediaries, Payment Institutions, Electronic Money Institutions, SGRs, and SIMs" issued by the Bank of Italy on 15 December 2015.

The Company exercised its option to adopt the international accounting standards, as entity controlled by a holding company whose financial statements are prepared according to the IAS/IFRS.

Company business

The Company, incorporated under Italian Law 30 April 1999 no. 130 on 19 June 2012, has the sole purpose of purchasing assets, receivables and securities issued as part of receivables securitisation transactions, within the framework of covered bond issue transactions, pursuant to Article 7-bis of Italian Law 130/1999. The Company, which had been registered in the list kept under Article 106 of the Consolidated Banking Act, was cancelled from said list with the Bank of Italy's Provision no. 1324304/15 dated 15 December 2015, since it now belongs to the Crédit Agricole Italia Banking Group and is therefore no longer subject to registration requirements pursuant to Article 7 of Ministerial Decree 53/2015 which

implemented the reform regarding non-bank financial intermediaries as per Italian Legislative Decree 141/2010.

In 2013, the Company carried out an asset purchase transaction within the framework of a covered bond issue programme for a maximum amount of Euro 8 billion. Specifically, in May 2013 the Company purchased receivables portfolios from the Originator Banks (Crédit Agricole Cariparma S.p.A., Crédit Agricole Carispezia S.p.A. and Crédit Agricole Friuladria S.p.A.) for an overall par value of Euro 3,151,214,428.

The purchased receivables were used as guarantee for the covered bond issue carried out by Crédit Agricole Cariparma S.p.A. in July 2013 for an initial amount of Euro 2.7 billion. The purchase was financed through the granting of subordinated loans by said Originator Banks.

The receivables, performing, originate from medium- and long-term mortgage loans secured by residential property.

During 2014, Crédit Agricole Cariparma S.p.A. changed the covered bond issue programme which was the subject of the transaction and the related agreements so as to restructure said programme, initially organised as a so-called retained programme, into a so-called public programme. Further to this, on 12 November 2014, Crédit Agricole Cariparma S.p.A. partially cancelled, for Euro 1.5 billion, the bonds issued during 2013 and, on 10 December 2014, issued a new series of floating rate covered bonds amounting to Euro 1 billion due 31 January 2022.

On 15 June 2015, the Originator Banks sold the Company additional receivables portfolios with a par value of Euro 2,257,164,514. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans.

On 16 September 2015, Crédit Agricole Cariparma S.p.A. issued a new series of floating rate covered bonds amounting to Euro 1 billion due 16 June 2023.

During 2016, the Originator Banks sold to the Company additional receivables portfolios with a par value of Euro 1,030,577,704. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 05 October 2016, Crédit Agricole Cariparma issued two new series of fixed rate covered bonds for a total amount of Euro 1.500 billion (Euro 750 million each) due 30 September 2024 and 30 September 2031, respectively.

During 2017, the Originator Banks sold to the Company additional receivables portfolios with a par value of Euro 3.251.097 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 14 March 2017 and on 4 December 2017, Crédit Agricole Cariparma issued three new series of fixed rate covered bonds

for a total amount of Euro 2.25 billion (Euro 750 million each) due 21 March 2025, 21 March 2029 and 13 January 2026, respectively.

The transaction is in line with the estimates made at the time it was arranged.

Comments on Company operations

The Company's operations broke even, and there were no significant events warranting specific comments.

The Company's assets amounted to Euro 36,058 and consisted of Euro 9,499 in receivables due from banks, Euro 26,558 in receivables due from the securitised assets, and Euro 1 in tax receivables.

The assets increased by Euro 518 from the previous year.

Liabilities, amounting to Euro 26,058 and consisting mainly of trade payables, increased by Euro 518 from the previous year.

Expenses, amounting to Euro 45,250, mainly consisted of audit fees and the other administrative expenses incurred as part of the Company's operations. Operating income, equal to expense, consisted mainly of the Issuer Retention Amount necessary to keep the Company in good standing.

There was nothing to report in the Statement of Comprehensive Income.

At 31 December 2017, equity totalled Euro 10,000 and consisted entirely of the paid-up capital. There were no changes from 31 December 2016.

There are no significant comments to be made on the Statement of Cash Flows. The net financial position was a negative Euro 58.

Other information

As regards the presentation of the main risks and uncertainties to which the Company is exposed, due to the particular nature of the provisions in the law governing financial vehicle corporations engaged in covered bond programmes, there is no relevant information to disclose concerning the Company's equity.

Specifically, the Company was formed to purchase assets and carry out one or more covered bond issue programmes, and this purpose was fulfilled with the completion of the transaction described in this report. The transaction was arranged by a leading bank, and the Company delegated the activities necessary for the

operational management of the transaction to professional entities specialising in providing financial and regulatory services in the framework of such transactions.

Please refer to Part D, Section 1 of the Notes to the Financial Statements for information on said transaction, whose assets are separate from those of the Company.

Pursuant to Article 2428, paragraph 6-bis of the Italian Civil Code and in accordance with Italian Law no. 130 of 30 April 1999, given the original structure of the transactions and based on the performance of the portfolios of the transactions, as indicated in the Notes to the Financial Statements, the credit, liquidity and cash flow risks have been transferred to the subordinated loan lenders.

Due to the particular nature of the Company's business, and since there are no employees, there is no information to disclose regarding the environment or human resources.

Relations with group companies

As for relations with group companies, there is no further information to disclose other than that set out in the Notes to the Financial Statements.

Related-party transactions

For information on relations with related parties, please refer to the Notes to the Financial Statements, Part D – Other information, Section 6 – Related-party transactions.

Composition of the Company Capital

The capital is owned by:

- Crédit Agricole Cariparma S.p.A., quota of Euro 6 thousand, equal to 60% of the Company Capital;
- Stitching Pavia, with registered office in Amsterdam (The Netherlands), quota of Euro 4 thousand, equal to 40 % of the Company Capital.

Results for the year

For the year ended 31 December 2017, the Company reached break-even point.

Treasury shares and shares in parent companies

The Company does not hold, and has not held during the period, any treasury shares or shares in parent companies, either directly or through trust companies or nominees.

Management and coordination

The Company is subject to management and coordination by the parent company Crédit Agricole Cariparma S.p.A..

Research and development

The Company conducted no research and development.

Subsequent events after the reporting period

On 10 January 2018, Crédit Agricole Cariparma issued a new series of fixed rate covered bonds amounting to Euro 500 million due 15 January 2038.

On 26 February 2018, the purchase of new eligible portfolios owned by originator banks has been approved until 31 March 2019, in connection with the programme.

In particular, in March 2018 further receivables portfolios were sold to the Company by the Originator Banks for a par value of Euro 1,358,260,619 (whose price was paid by offsetting them against additional subordinated loans).

Outlook

The Company will continue the current transaction.

Proposal to approve the financial statements

Dear Quotaholders,

I am confident that you will approve the financial statements for the year ended 31 December 2017, consisting of the Balance Sheet, the Income Statement, the Statement of Changes in Quotaholders' Equity, the Statement of Cash Flows, and the Notes to the Financial Statements, and accompanied by this Report on operations. For the year ended 31 December 2017, the Company reached break-even point.

Milan, 08 March 2018

The Chairman of the Board of Directors

Stefano Marlat

Crédit Agricole Italia OBG S.r.l.

Registered office: Milan, Via Pestalozza, 12/14

Capital: Euro 10,000 fully paid up

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Tax Code and VAT Number: 07893100961

Milan REA no. 1988744

Management and coordination: Crédit Agricole Cariparma S.p.A.

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Financial statements for the year ended 31 December 2017**Company business**

The Company, incorporated on 19 June 2012, has the sole purpose of purchasing, from banks, mortgage loans, receivables due from public entities, and securities issued as part of securitisation transactions concerning receivables of the same type, through the assumption of loans granted or guaranteed also by the originator banks, as well as the provision of guarantees for the bonds issued by the same or other banks. It therefore operates pursuant to Article 7-bis of Italian Law no. 130 of 30 April 1999.

Within the framework of corporate operations, in May 2013 the Company initiated a transaction connected with the implementation of a covered bond programme, purchasing receivables portfolios pursuant to Article 7-bis of Italian Law 130/1999 from the originator banks Crédit Agricole Cariparma S.p.A., Crédit Agricole Carispezia S.p.A. and Crédit Agricole Friuladria S.p.A., for an overall par value of Euro 3,151,214 thousand.

The purchased receivables were used as guarantee for the covered bond issue carried out by Crédit Agricole Cariparma in July 2013.

The purchase was financed through the granting of subordinated loans by said originator banks, while the covered bonds were only issued by Crédit Agricole Cariparma.

The repayment of said loans is subject to the repayment of the covered bonds issued by Crédit Agricole Cariparma, while the Company, holder of the assets, provides a guarantee to the bond underwriters.

The receivables originate from medium- and long-term mortgage loans secured by residential property.

During 2014, Crédit Agricole Cariparma changed the covered bond programme so as to restructure said programme, initially organised as a so-called retained programme, into a so-called public programme and, as a result, attribute the covered bonds a rating and place them on the market. Further to this, on 12 November 2014, Crédit Agricole Cariparma partially cancelled, for Euro 1.5 billion, the bonds issued during 2013 and, on 10 December 2014, issued a new series of fixed rate covered bonds amounting to Euro 1 billion due 31 January 2022.

During 2015, the Originators sold to the Company additional receivables portfolios with a par value of Euro 2,257,165 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 16 September 2015, Crédit Agricole Cariparma issued a new series of fixed rate covered bonds amounting to Euro 1 billion due 16 June 2023.

During 2016, the Originators sold to the Company additional receivables portfolios with a par value of Euro 1,030,578 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 05 October 2016, Crédit Agricole Cariparma issued two new series of fixed rate covered bonds for a total amount of Euro 1.5 billion (Euro 750 million each) due 30 September 2024 and 30 September 2031, respectively.

During 2017, the Originators sold to the Company additional receivables portfolios with a par value of Euro 3,251,097 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 14 March 2017 and on 4 December 2017, Crédit Agricole Cariparma issued three new series of fixed rate covered bonds for a total amount of Euro 2.25 billion (Euro 750 million each) due 21 March 2025, 21 March 2029 and 13 January 2026, respectively.

Introduction

The Company prepared the financial statements at 31 December 2017 in accordance with the International Financial Reporting Standards (IFRS) and the instructions in the Bank of Italy's Provision of 15 December 2015 (Financial statements of non-bank IFRS intermediaries), exercising the option set out in Article 4, paragraph 5 of Italian Legislative Decree 38/2005, as entity controlled by a holding company whose financial statements are prepared according to the aforesaid international accounting standards.

The IAS/IFRS standards and the relevant interpretations (SIC/IFRIC) used are those endorsed by the European Union and in force at the reporting date.

Form and content of the Financial Statements

The Financial Statements were prepared in accordance with Italian Legislative Decree no. 38 of 28 February 2005 and the Instructions issued by the Bank of Italy in the aforementioned provision, and consist of:

- Balance Sheet and Income Statement;
- Statement of Comprehensive Income;
- Statement of Changes in Quotaholders' Equity;
- Statement of Cash Flows;
- Notes to the Financial Statements;

consisting of:

Part A – Accounting policies

A.1 Overview

A.2 Main items in the financial statements

A.3 Disclosure of transfers between portfolios of financial assets

A.4 Fair value disclosure

A.5 “Day one profit/loss” disclosure

Part B – Information on the Balance Sheet

Part C – Information on the Income Statement

Part D – Other information

The covered bond transaction carried out by the Company has been accounted for and reported in the financial statements in compliance with the provisions of Italian Law no. 130 of 30 April 1999, which sets out that “the receivables relating to each transaction represent assets that are for all intents and purposes separate from those of the company as well as those relating to any other transactions”. Specifically, the information concerning the covered bond transaction carried out was provided based on the request for information specified in the aforementioned Bank of Italy's Provision.

These financial statements are accompanied by the Report on operations.

Since the Company is controlled by a Public Interest Entity as defined in Article 16 of Italian Legislative Decree no. 39 of 27 January 2010, it appointed the audit firm EY S.p.A. to conduct statutory audits of the Company for the three-year period from 2016 to 2018.

BALANCE SHEET AND INCOME STATEMENT**BALANCE SHEET**

(in units of Euro)

Assets	31/12/2017	31/12/2016
60 Receivables	9,499	9,557
120 Tax assets	1	1
a) current	1	1
140 Other assets	26,558	25,982
Total assets	36,058	35,540
Liabilities and equity	31/12/2017	31/12/2016
90 Other liabilities	26,058	25,540
120 Capital	10,000	10,000
Total liabilities and equity	36,058	35,540

INCOME STATEMENT

(in units of Euro)

Income - Expenses	2017	2016
10 Interest receivable and similar income	4	5
<i>Net interest income</i>	4	5
40 Fee expense	(55)	(141)
<i>Net fee income (expense)</i>	(55)	(141)
<i>Net trading income (loss)</i>	(51)	(136)
110 Administrative expenses	(45,195)	(43,116)
(b) other administrative expenses	(45,195)	(43,116)
160 Other operating income (expenses)	45,247	43,253
<i>Operating profit (loss)</i>	1	1
Profit (loss) before tax from continuing operations	1	1
190 Income tax expense for the year for continuing operations	(1)	(1)
Profit (loss) after tax from continuing operations	0	0
Profit (loss) for the year	0	0

STATEMENT OF COMPREHENSIVE INCOME

Items	2017	2016
10 Profit (loss) for the year	0	0
Other comprehensive income, net of tax, not to be reclassified to profit or loss		
20 Property, plant and equipment		
30 Intangible assets		
40 Defined benefit plans		
50 Non-current assets being disposed of		
60 Share of reserves from equity accounted investments		
Other comprehensive income, net of tax, to be reclassified to profit or loss		
70 Foreign investment hedges		
80 Exchange differences		
90 Cash flow hedges		
100 Available-for-sale financial assets		
110 Non-current assets being disposed of		
120 Share of reserves from equity accounted investments		
130 Total other comprehensive income, net of tax	0	0
140 Total comprehensive income (items 10+130)	0	0

STATEMENT OF CHANGES IN QUOTAHOLDERS' EQUITY- 2017

(in units of Euro)

	Balance at 31/12/2016	Change in opening balance	Balance at 01/01/2017	Allocation of prior year profit		Changes occurred during the year					Total comprehensive income for the year ended 31/12/2017	Equity at 31/12/2017	
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions						
							Other changes	Change in equity instruments	Special dividend	Share buybacks			Issue of new shares
Capital:	10,000		10,000									10,000	
Share premiums													
Reserves:													
a) retained earnings													
b) other													
Valuation reserves:													
Equity instruments													
Treasury shares													
Profit (loss) for the year													
Equity	10,000		10,000									10,000	

STATEMENT OF CHANGES IN QUOTAHOLDERS' EQUITY- 2016

(in units of Euro)

	Balance at 31/12/2015	Change in opening balance	Balance at 01/01/2016	Allocation of prior year profit		Changes occurred during the year					Total comprehensive income for the year ended 31/12/2016	Equity at 31/12/2016	
				Reserves	Dividends and other allocations	Change in reserves	Equity transactions						
							Other changes	Change in equity instruments	Special dividend	Share buybacks			Issue of new shares
Capital:	10,000		10,000									10,000	
Share premiums													
Reserves:													
a) retained earnings													
b) other													
Valuation reserves:													
Equity instruments													
Treasury shares													
Profit (loss) for the year													
Equity	10,000		10,000									10,000	

(in units of Euro)

STATEMENT OF CASH FLOWS AT 31 December 2017	31/12/2017	31/12/2016
A. OPERATING ACTIVITIES		
1. OPERATIONS	0	0
- interest income (+)	4	5
- interest expense (-)		
- dividends and similar income (+)		
- net fee income (expense) (+/-)	(55)	(141)
- personnel expenses (-)		
- other expenses (-)	(45,195)	(43,116)
- other income (+)	45,247	43,253
- tax expense (-)	(1)	(1)
- income/expenses associated with disposal groups, net of tax effect (+/-)		
2. NET CASH FROM/USED FOR FINANCIAL ASSETS	(576)	27
- financial assets held for trading		
- financial assets at fair value		
- available-for-sale financial assets		
- due from banks		
- due from financial entities		
- due from customers		
- other assets	(576)	27
3. NET CASH FROM/USED FOR FINANCIAL LIABILITIES	518	(173)
- due to banks		
- due to financial institutions		
- due to customers		
- outstanding securities		
- financial liabilities held for trading		
- financial liabilities at fair value		
- other liabilities	518	(173)
<i>NET CASH FROM/USED IN OPERATING ACTIVITIES</i>	(58)	(146)
B. INVESTING ACTIVITIES		
1. NET CASH FROM	0	0
- sales of equity investments		
- dividends from equity investments		
- sales/redemptions of held-to-maturity financial assets		
- sales of property, plant and equipment		
- sales of intangible assets		
- sales of business units		
2. NET CASH USED IN	0	0
- purchases of equity investments		
- purchases of held-to-maturity financial assets		
- purchases of property, plant and equipment		
- purchases of intangible assets		
- purchases of business units		
<i>NET CASH FROM/USED IN INVESTING ACTIVITIES</i>	0	0
C. FINANCING ACTIVITIES		
- issue/repurchase of treasury shares		
- issue/purchase of equity instruments		
- dividend distribution and other allocations		
<i>NET CASH FROM/USED IN FINANCING ACTIVITIES</i>	0	0
NET CASH GENERATED/USED DURING THE YEAR	(58)	(146)

Items	Amount	
	31/12/2017	31/12/2016
Opening cash and cash equivalents	9,557	9,703
Total net cash generated/used during the year	(58)	(146)
Closing cash and cash equivalents	9,499	9,557

NOTES TO THE FINANCIAL STATEMENTS

Part A - Accounting policies

A.1 Overview

Section 1 - Statement of compliance with international accounting standards

In accordance with Italian Legislative Decree 38/05, the Company has prepared the Financial Statements at 31 December 2017 in accordance with the IASs/IFRSs issued by the International Accounting Standards Board (IASB) and the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission, as set out in Regulation (EC) no. 1606 of 19 July 2002. The Company therefore applied the IASs/IFRSs in force at 31 December 2017 (including the SIC and IFRIC interpretations) as endorsed by the European Commission.

During the year, a number of provisions set out in the Regulations issued by the European Union became effective. Here below is a summary of the most significant ones.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND EFFECTIVE FROM 2017

Standards, amendments or interpretations	Issue date	Effective date
Amendments to IAS 7 Statement of Cash Flows <i>Information on liabilities arising from financing activities</i>	09 November 2017 (EU no. 1990/2017)	1 January 2017
Amendments to IAS 12 Income Taxes <i>Recognition of deferred tax assets for unrealised losses</i>	09 November 2017 (EU no. 1989/2017)	1 January 2017

Application of these new provisions did not have a significant impact on the result and the net position for the period.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION BUT NOT YET EFFECTIVE

Standards, amendments or interpretations	Issue date	Effective date
IFRS 15 Revenue from Contracts with Customers <i>Replacement of IAS 11 Construction contracts and IAS 18 Revenue</i>	29 October 2016 (EU no. 1905/2016)	1 January 2018
IFRS 9 Financial Instruments <i>Replacement of IAS 39 Financial Instruments: Recognition and Measurement</i>	29 November 2016 (EU no. 2067/2016)	1 January 2018

IFRS 16 Leases <i>Replacement of IAS 17 Leases</i>	09 November 2017 (EU no. 1986/2017)	1 January 2019
Clarifications to IFRS 15 Revenue from Contracts with Customers	09 November 2017 (EU no. 1987/2017)	1 January 2018
Amendments to IFRS 4 Insurance Contracts <i>Joint application of IFRS 9 Financial Instruments and IFRS 4 Insurance Contracts</i>	09 November 2017 (EU no. 1988/2017)	1 January 2018

Section 2 – Basis of preparation

The financial statements were drawn up in accordance with the Bank of Italy's Provision of 15 December 2015 (Financial statements of non-bank IFRS intermediaries), although said provision was replaced by the Provision of 9 December 2016 which excluded from its scope companies exclusively engaged in the purchase of receivables and securities through the assumption of loans pursuant to Italian Law no. 130 of 30 April 1999 within the framework of covered bond issue programmes since, pursuant to Italian Legislative Decree 141/2010 and subsequent amendments, such entities no longer qualify as non-bank financial intermediaries.

Pending new legislation concerning the financial statements of companies engaged in covered bond issue transactions, and pursuant to Article 9 of Italian Legislative Decree 38/2005, for the preparation of these financial statements the Company used the existing statements. Such approach was deemed to be the best for providing users of financial statements with the necessary information on the Company's equity and financial situation, financial performance and cash flows so as to enable them to take informed financial decisions, also guaranteeing that such information is relevant, reliable, comparable and comprehensible, both in terms of Company operations and separate assets.

Such decision was also based on compliance with the general principle of consistency of presentation of Company operations, so as to guarantee a better understanding of the financial statements.

The financial statements were prepared to present fairly the Company's financial position, financial performance and cash flows. The Company prepared the financial statements on a going concern basis (IAS 1 par. 25), using the accrual basis of accounting (IAS 1 par. 27 and 28), and ensuring the consistency of presentation and classification of items in the financial statements (IAS 1 par. 45). Assets and liabilities, and income and expenses were not offset unless required or permitted by a standard or an interpretation (IAS 1, paragraph 32).

The financial statements consist of the statements required by IAS 1, i.e. the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Quotaholders' Equity, the Statement of Cash Flows, and the Notes to the Financial Statements.

The Company has the sole purpose of acquiring loans and securities through funding, pursuant to Law no. 130 dated 30 April 1999, in connection with covered bonds transactions. The Company recognised the financial assets, the securities purchased and the other transactions connected with the covered bonds in the notes to the financial statements, consistent with the provisions of Law 130/1999, which states that the loans

and securities involved in each transaction represent, in all respect, a separate equity from that of the Company and from that of the other transactions.

The financial statements were prepared using the Euro as reporting currency; unless otherwise noted, all amounts reported in these Financial Statements are in thousands of Euro.

The basis of preparation was as follows:

- Going concern

Assets and liabilities are measured on a going concern basis, as they are expected to last over time.

- Accrual basis of accounting

Income and expenses, regardless of when they are settled, are recognised as they accrue or are incurred.

- Consistency of presentation

The presentation and classification of items in the financial statements are retained from one period to the next in order to ensure the comparability of information, unless an International Accounting Standard or an Interpretation requires a change in presentation or another presentation or classification would provide information that is more reliable and relevant. When the presentation or classification of items in the financial statements is amended, the changed presentation or classification shall apply retroactively if possible; in this case, the entity shall explain the nature of and the reason for the change, as well as the items concerned.

For the purposes of the presentation and classification of items in the financial statements, the Company used the formats established by the Bank of Italy in the Provision dated 9 December 2016.

- Aggregation and materiality

Each material class of similar items shall be presented separately in the financial statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial.

- Offsetting

Assets and liabilities, and income and expenses, are not offset unless required or permitted by an International Accounting Standard or an Interpretation, or by the formats and instructions issued by the Bank of Italy.

- Comparative information

Comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements, except when an International Accounting Standard or an Interpretation permits or requires otherwise. Comparative information is included also for descriptive information when it is relevant to an understanding of the financial statements. Comparative information is disclosed in respect of the previous period for all items in the financial statements.

Section 3 - Subsequent events to the reporting period

No events occurred after the reporting period that had a material impact on the financial position, financial performance and cash flows as presented in the financial statements.

Section 4 - Other aspects

There is nothing else to disclose in these notes.

A.2 Main items in the financial statements

The following is a description of the accounting standards used in the preparation of the financial statements at 31 December 2017 with reference to only the items in the Balance Sheet and income statement. The Company has described the criteria for the recognition, classification, measurement of comprehensive income and derecognition of each item.

RECEIVABLES

Recognition

Receivables are recognised at the date they are granted, or when the Company becomes a party to the relevant contractual provisions and, as a result, has a legal right to receive cash flows.

At initial recognition, the Company measures the receivable at fair value, which normally corresponds to the amount granted or the price paid.

Classification

This item includes receivables due from banks arising from the Company's cash at bank, receivables due from financial entities, as well as the receivables classified under "Other assets", such as the receivables due from third parties.

Measurement

After initial recognition, receivables are measured at amortised cost.

Other short-term receivables are measured at their original value, equal to the estimated realisable value.

As for other receivables, at each reporting date the Company tests them for impairment.

Derecognition

Receivables are derecognised when the asset in question is sold, transferring substantially all the risks and rewards, when the contractual rights expire, or when the receivable is considered to be uncollectible.

PAYABLES

Recognition

Payables are recognised on the date of receipt of the relevant amounts, or when the Company becomes a party to the contractual provisions and, as a result, has a legal obligation to pay cash flows.

At initial recognition, the Company recognises payables at fair value, which normally corresponds to the amount paid.

Classification

This item includes payables due to banks, financial entities, as well as the payables recognised under "Other liabilities", such as the payables due to suppliers and tax authorities for VAT and withholding taxes.

Measurement of comprehensive income

Payables are measured at amortised cost. Short-term liabilities with a negligible time factor are measured at their original value.

Derecognition

Payables are derecognised when the liabilities have expired or are settled.

DEFERRED AND CURRENT TAX**Recognition**

Tax is recognised when the different types of withholding and other taxes can be assessed.

Classification

This item includes current and deferred tax assets and liabilities.

Measurement

Current and deferred tax assets and liabilities are not offset.

Current tax assets are recognised at the par value of the receivables related to the payments on account made. Current tax liabilities are recognised at the par value of the amount withheld, while the tax expense for the year is determined on the basis of a realistic estimate of the amount expected to be paid to taxation authorities using the tax laws that have been enacted or substantively enacted.

Deferred tax liabilities are calculated independently of the current or prospective tax loss; deferred tax assets are recognised only when there is the reasonable expectation for their recoverability.

Derecognition

Current tax assets and liabilities are derecognised when the different types of taxes are paid when due under the law.

Deferred tax is derecognised depending on the expectations for its recoverability.

INCOME AND EXPENSES

Expenses are recognised in the income statement when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are recognised in the income statement on the basis of the matching of revenues and expenses. All the costs connected with separate assets processes are directly passed on to the transaction.

Revenues are recognised in the income statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably. This means that revenues are recognised at the same time as the recognition of an increase in an asset or a decrease of a liability. The main revenue item in the financial statements of the Company derives from passing on the costs relating to company operations to the covered bond transaction.

A.3 Disclosure of transfers between portfolios of financial assets

As for the disclosures required under IFRS 7, there were no reclassifications of financial assets between different portfolios.

A.4 Fair value disclosure

QUALITATIVE INFORMATION

In light of the Company's operations, there is no significant information to disclose. Receivables refer to the bank current account balance at 31 December 2017.

QUANTITATIVE INFORMATION**A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level**

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	31.12.2017				31.12.2016			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Held-to-maturity financial assets								
2. Receivables	9		9		10		10	
3. Property, plant and equipment held for investment purposes								
4. Non-current assets and disposal groups								
Total	9		9		10		10	
1. Payables								
2. Outstanding securities								
3. Liabilities associated with assets being disposed of								
Total								

IFRS 13 establishes a fair value hierarchy based on the extent to which inputs to valuation techniques used to measure the underlying assets/liabilities are observable. The fair value measurement for an asset or liability is categorised in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Generally speaking, an input is not considered to be significant to the fair value measurement of an instrument, if the remaining inputs account for most of the change in fair value over a period of three months.

Specifically, the hierarchy consists of three levels:

- level 1: the fair value of the instruments categorised in this level is measured based on quoted prices in active markets;
- level 2: the fair value of the instruments categorised in this level is measured based on valuation models using inputs observable in active markets;
- level 3: the fair value of the instruments categorised in this level is measured based on valuation models using mainly inputs that are unobservable in active markets.

The fair value of receivables due from banks is deemed to be equal to the carrying amount, as these are exclusively short-term receivables relating to correspondent bank accounts.

As for comparative information for 2017, although not required under IFRS 13, since there have been no changes to the qualitative composition of the item “receivables” (that is cash at bank and in hand), in 2017 this item was categorised in the same fair value level as in 2016.

A.5 “Day one profit/loss” disclosure

Since in 2017 the Company did not use any financial instruments as part of its operations, there is no “day one profit/loss” disclosure to be made.

Here below is the information described in Parts B, C and D of the Notes to the financial statements. It should be noted that the Company did not provide neither information on cases that are not relevant to these financial statements, nor the amounts concerning items that are not present.

Part B - Information on the Balance Sheet***Assets******Section 6 - Loans and receivables - Item 60***

6.1 “Due from banks”

Breakdown	31.12.2017				31.12.2016			
		Fair Value				Fair Value		
	BV	L1	L2	L3	BV	L1	L2	L3
1. Deposits and current accounts	9		9		10		10	
2. Loans								
2.1 Repurchase agreements								
2.2 Finance leases								
2.3 Factoring								
- with recourse								
- without recourse								
2.4 Other loans								
3. Debt securities								
- structured securities								
- other debt securities								
4. Other assets								
Total	9		9		10		10	

Section 14 - Other assets

14.1 “ ”

This item amounted to Euro 27 thousand and consisted of the receivable for the Issuer Retention Amount charged to the separate assets for maintaining the Company in good standing.

Breakdown	31.12.2017	31.12.2016	Change
Receivables due from separate assets	27	26	1
Total carrying amount	27	26	1

Liabilities**Section 9 - Other liabilities****9.1 “Other liabilities”**

This item amounted to Euro 26 thousand and consisted of payables due to suppliers.

Breakdown	31.12.2017	31.12.2016	Change
Payables due to suppliers and for invoices not yet received	26	26	0
Total carrying amount	26	26	0

Section 12 - Equity**12.1 Breakdown of item 120 “Capital”**

The capital at 31 December 2017 amounted to Euro 10 thousand and was held by:

- Crédit Agricole Cariparma S.p.A., quota of Euro 6 thousand, equal to 60% of the Company Capital;
- Stitching Pavia, with registered office in Amsterdam (The Netherlands), quota of Euro 4 thousand, equal to 40 % of the Company Capital.

The Capital consisted of membership interests.

Type	Amount
1. Capital	0
1.1. Ordinary shares	
1.2 Other shares	10,000

(in units of Euro)

12.5 “Other information”

The capital at 31 December 2017 amounted to Euro 10 thousand and consisted of the membership interests as described in paragraph 12.1 above.

The Company does not hold, and has not held during the period, any treasury shares or shares in parent companies, either directly or through trust companies or nominees.

There is no information to disclose concerning the requirements in IAS 1 par. 79, lett. a), (iii), (v), (vi), (vii), par. 136A, par. 137, and par. 80A.

Pursuant to Article 2427, no. 7-bis of the Italian Civil Code, here below is the breakdown of Equity by possible use and distributability, as well as the description of the uses made during the year.

(in units of Euro)

Nature/description	Amount	Possible use	Amount available	Summary of uses made during the year	
				To cover losses	For other
Capital	10,000				
Capital reserves					
Retained earnings:					
Profit carried forward	0	A-B-C			
Non-distributable portion			0		
Distributable residual portion			0		

A: for capital increase

B: to cover losses

C: for distribution to members

Guarantees, Commitments and Off-Balance-Sheet Transactions

Guarantees in favour of third parties

The Company has not issued any guarantees in favour of third parties except as specified in Part "D" with regard to the covered bond transaction carried out.

Commitments

There were no commitments.

Off-balance-sheet transactions

At 31 December 2017, there were no off-balance-sheet transactions outstanding.

Foreign currency assets and liabilities

At 31 December 2017, in the financial statements there were no foreign currency assets or liabilities.

Part C - Information on the Income Statement***Section 9 - Administrative expenses*****9.3 Breakdown of item 110.b “Other administrative expenses”**

Administrative expenses, amounting to Euro 45 thousand, consisted of expenses incurred for the Company's operations.

	31.12.2017	31.12.2016
Audit certificate	41	40
Other administrative expenses	4	3
Total administrative expenses	45	43

Section 14 - Other operating income (expenses)**14.1 Breakdown of item 160 “Other operating income (expenses)”**

Other operating income amounted to Euro 45 thousand.

This item consisted of the Issuer Retention Amount required to maintain the Company in good standing.

	31.12.2017	31.12.2016
Recovery of maintenance costs	45	43
Total other operating income and expenses	45	43

Part D - Other information

Section 1 - Specific disclosures on the operations carried out

H. COVERED BONDS

H.1 SUMMARY OF SECURITISED ASSETS AND NOTES ISSUED

(in units of Euro)

	31/12/2017	31/12/2016
A. SECURITISED ASSETS		
A1) Loans and Receivables	7,278,781,979	4,756,444,168
TOTAL A)	7,278,781,979	4,756,444,168
B. USE OF FUNDS FROM LOAN SERVICING		
B3) Other	1,416,589,246	1,098,012,937
TOTAL B)	1,416,589,246	1,098,012,937
D. BORROWINGS	8,693,763,310	5,853,419,436
E. OTHER LIABILITIES	1,607,915	1,037,669
DIFFERENCE A + B - D - E	0	0
G. COMMISSIONS AND FEES CHARGED TO THE TRANSACTION		
G1) for servicing	3,634,356	2,712,525
G2) for other services	2,065,172	1,655,380
TOTAL G)	5,699,528	4,367,905
H. OTHER EXPENSES	128,228,913	114,595,187
I. INTEREST INCOME FROM SECURITISED ASSETS	133,803,713	118,855,384
L. OTHER INCOME	124,728	107,708
DIFFERENCE I + L - G - H	0	0

Measurement

In reporting on the transaction, consideration has been given to the Bank of Italy's Provision of 9 December 2016 (Financial statements of non-bank IFRS intermediaries) in accordance with the principle of substance over legal form.

Specifically, said Bank of Italy's Provision sets out the disclosure requirements for the Notes to the Financial Statements concerning the transactions carried out by companies selling assets underlying the covered bonds.

Considering the nature of the transaction and the Company's limited operational capacity, the accounting information and the measurements of the cover assets have been acquired from the Servicers.

Cover assets

Receivables are recognised at their estimated realisable value, which is calculated by deducting the amounts resulting from the individual and collective loss estimates from the par value of the receivables.

The Company considered it technically appropriate to directly adjust the receivables for the interest accruing.

Use of funds from loan servicing

The assets that comprise this item are recognised at nominal value and according to their estimated realisable value, including any interest accruing.

Borrowings

Borrowings are recognised at par value plus interest accruing.

Other liabilities

The liabilities that comprise this item are recognised at par value.

Income and expenses

Income and expenses are recognised on an accrual basis, including by recognising accruals and deferrals. Where technically appropriate, accruals and deferrals are added directly to or deducted directly from the relevant assets or liabilities.

Breakdown of items included in the summary of the transaction

Below is the breakdown of the main items.

Securitised assets - Loans and Receivables

The item is broken down as follows:

Thousands of Euro

Situation at	31/12/2017	31/12/2016
Receivables originated by Crédit Agricole Cariparma	4,906,269	3,085,715
Receivables originated by Crédit Agricole Friuladria	1,625,403	1,090,908
Receivables originated by Crédit Agricole Carispezia	778,737	604,582
Accrued interest	20	1
Accrued income on receivables	3,220	2,578
Interest on arrears receivable	100	85
Interest on receivables under moratorium	310	216
Interest income receivables	1,180	1,041
Collective value adjustments on receivables	(33,172)	(26,598)
Individual value adjustments on receivables	(3,185)	(1,999)
Value adjustments on interest on arrears	(100)	(85)
Total A1)	7,278,782	4,756,444

Use of funds from loan servicing

The item is broken down as follows:

Thousands of Euro

Situation at	31/12/2017	31/12/2016
Cash on the transaction current accounts	1,416,410	1,097,867
Receivables due from tax authorities for withholding taxes on interest income	169	136
Deferred charges	10	10
Total B3)	1,416,589	1,098,013

Borrowings

The item is broken down as follows:

Thousands of Euro

Situation at	31/12/2017	31/12/2016
Subordinated loan Crédit Agricole Cariparma	5,757,424	3,740,987
Subordinated loan Crédit Agricole Carispezia	923,659	717,041
Subordinated loan Crédit Agricole Friuladria	1,920,644	1,332,790
Interest expense accrued on subordinated loans	92,036	62,601
Total D)	8,693,763	5,853,419

Other liabilities

The item is broken down as follows:

Thousands of Euro

Situation at	31/12/2017	31/12/2016
Payables due to service suppliers for invoices received and not yet received	1,571	999
Payables due to Company's operations	26	26
Accrued expenses	11	13
Total E)	1,608	1,038

Commissions and fees charged to the transaction

The item is broken down as follows:

Thousands of Euro

Situation at	31/12/2017	31/12/2016
Servicing	3,634	2,713
Total G1)	3,634	2,713
Sub-Servicer fees	1,826	1,413
Representative of Bondholders fees	4	4
Principal Paying Agent fees	2	2
Account Bank fees	1	1
Calculation Agent fees	89	89
Corporate Servicer On Going fees	137	119
Central Credit Register	-	20
SIA fees	5	4
Notarial services	-	3
Administrative services	1	-
Total G2)	2,065	1,655
Total G)	5,699	4,368

Other charges

The item is broken down as follows:

Thousands of Euro

Situation at	31/12/2017	31/12/2016
Interest expense on subordinated loan Crédit Agricole Cariparma	88,220	78,504
Interest expense on subordinated loan Crédit Agricole Carispezia	14,466	13,697
Interest expense on subordinated loan Crédit Agricole Friuladria	24,607	22,311
Individual impairment losses on receivables	836	2
Impairment losses on interest on arrears	29	23
Company maintenance costs	45	43
Other	26	15
Total H)	128,229	114,595

Interest income from cover assets

The item is broken down as follows:

Thousands of Euro

<i>Situation at</i>	<i>31/12/2017</i>	<i>31/12/2016</i>
Interest income on receivables	121,446	109,358
Early repayment fees	81	107
Reversals of impairment losses on receivables	12,191	9,309
Reversals of impairment losses on interest on arrears	15	14
Collected interest on arrears	41	44
Accrued interest on arrears	30	23
<i>Total I)</i>	<i>133,804</i>	<i>118,855</i>

Other income

The item is broken down as follows:

Thousands of Euro

<i>Situation at</i>	<i>31/12/2017</i>	<i>31/12/2016</i>
Interest income on current accounts	125	108
<i>Total L)</i>	<i>125</i>	<i>108</i>

QUALITATIVE INFORMATION

H.2 – Description and performance of the transaction

The programme

During 2013, the Company completed an agreement with Crédit Agricole Cariparma S.p.A., under which a covered bond issue programme pursuant to Law 130/1999 is to be carried out by the latter, for a maximum amount of Euro 8,000,000 thousand. The programme sets out the participation in the transaction of a number of originator banks belonging to the Crédit Agricole Italia Banking Group (so-called multi-seller). Said programme was structured with the support of Crédit Agricole Corporate & Investment Bank S.A. in its capacity as Arranger.

In July 2013, Crédit Agricole Cariparma issued Euro 2,700,000 thousand of Floating Rates Covered Bonds due July 2020.

In order to enable the issue, on 20 May 2013 the Company purchased a number of receivables portfolios without recourse pursuant to Italian Law 130/1999; the transfers of the receivables were contingent on the granting by the counterparties of Subordinated Loans, and took place with effective date 20 May 2013. Originators will be entitled to assign and transfer without recourse to the Company other receivables portfolios.

The guarantee issued by the Company (Guarantor) on the covered bonds issued by Crédit Agricole Cariparma is backed by the receivables portfolios consisting of medium- and long-term mortgage loans secured by residential property.

The Company, in order to finance the purchase of the receivables portfolio, entered into loan agreements with the originator banks. Repayment of said agreements is subject to the repayment of the covered bonds issued by Crédit Agricole Cariparma.

Originators

- Crédit Agricole Cariparma S.p.A., a joint-stock company operating as bank, with registered office in Parma, Via Università, 1.
 - Crédit Agricole Carispezia S.p.A., a joint-stock company operating as bank, with registered office in La Spezia, Corso Cavour, 86.
 - Banca Popolare Friuladria S.p.A., a joint-stock company operating as bank, with registered office in Pordenone, Piazza XX Settembre, 2.
- All three banks belong to the Crédit Agricole Italia Banking Group.

Assigned receivables

The receivables consist of a receivables portfolio arising from medium- and long-term mortgage loans secured by residential property.

Said receivables are classified as performing and identified on the basis of pre-set criteria: common and specific criteria, including the fact that said receivables arise from mortgage loan agreements featuring no instalments which are past due and have not been paid.

On 18 May 2013, the Originators sold the Company additional receivables portfolios. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans as indicated below.

The par value of the receivables is as follows:

- Crédit Agricole Cariparma receivables: Euro 1,879,369 thousand
- Crédit Agricole Carispezia receivables: Euro 273,164 thousand
- Crédit Agricole Friuladria receivables: Euro 998,681 thousand

The consideration for the transfer of the initial portfolio amounted to:

- Crédit Agricole Cariparma receivables: Euro 1,877,213 thousand
- Crédit Agricole Carispezia receivables: Euro 272,739 thousand

- Crédit Agricole Friuladria receivables: Euro 994,901 thousand

The payment of the portfolio was settled by offsetting it against the proceeds arising from the first subordinated loans issued as follows:

- Crédit Agricole Cariparma loan: Euro 1,877,213 thousand
- Crédit Agricole Carispezia loan: Euro 272,739 thousand
- Crédit Agricole Friuladria loan: Euro 994,901 thousand.

On 11 November 2014, a number of agreements entered into with regard to the covered bond issue programme were amended.

Further to these amendments, Crédit Agricole Cariparma:

- On 12 November 2014, partially cancelled, for Euro 1.5 billion, the bonds issued during 2013, currently amounting to a total of Euro 1.2 billion;
- On 10 December 2014, issued a new series of fixed rate covered bonds amounting to Euro 1.0 billion due 31 January 2022.

On 15 June 2015, the Originators sold the Company additional receivables portfolios. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans as indicated below.

The par value of the receivables is as follows:

- Crédit Agricole Cariparma receivables: Euro 1,532,845 thousand
- Crédit Agricole Carispezia receivables: Euro 349,697 thousand
- Crédit Agricole Friuladria receivables: Euro 374,623 thousand

The consideration for the transfer of the portfolio amounted to:

- Crédit Agricole Cariparma receivables: Euro 1,521,960 thousand
- Crédit Agricole Carispezia receivables: Euro 347,349 thousand
- Crédit Agricole Friuladria receivables: Euro 373,592 thousand

Subordinate Loans amounted to:

- Crédit Agricole Cariparma loan: Euro 1,521,960 thousand
- Crédit Agricole Carispezia loan: Euro 347,349 thousand
- Crédit Agricole Friuladria loan: Euro 373,592 thousand.

Further to the above, Crédit Agricole Cariparma:

- On 16 September 2015, issued a new series of fixed rate covered bonds amounting to Euro 1.0 billion due 16 June 2023.

On 23 February 2016, the Originators sold the Company additional receivables portfolios. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans as indicated below.

The par value of the receivables is as follows:

- Crédit Agricole Cariparma receivables: Euro 751,463 thousand
- Crédit Agricole Carispezia receivables: Euro 161,924 thousand
- Crédit Agricole Friuladria receivables: Euro 117,191 thousand

The consideration for the transfer of the portfolio amounted to:

- Crédit Agricole Cariparma receivables: Euro 746,365 thousand
- Crédit Agricole Carispezia receivables: Euro 161,113 thousand
- Crédit Agricole Friuladria receivables: Euro 116,868 thousand

Subordinate Loans amounted to:

- Crédit Agricole Cariparma loan: Euro 746,365 thousand
- Crédit Agricole Carispezia loan: Euro 161,113 thousand
- Crédit Agricole Friuladria loan: Euro 116,868 thousand.

On 5 October 2016, Crédit Agricole Cariparma issued two new series of fixed rate covered bonds for a total amount of Euro 1.5 billion (Euro 750 million each) due 30 September 2024 and 30 September 2031, respectively.

During 2017, the Originators sold the Company additional receivables portfolios. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans as indicated below:

The par value of the receivables is as follows:

- Crédit Agricole Cariparma receivables: Euro 2,307,091 thousand
- Crédit Agricole Carispezia receivables: Euro 255,386 thousand
- Crédit Agricole Friuladria receivables: Euro 688,620 thousand

The consideration for the transfer of the portfolio amounted to:

- Crédit Agricole Cariparma receivables: Euro 2,294,025 thousand
- Crédit Agricole Carispezia receivables: Euro 254,070 thousand
- Crédit Agricole Friuladria receivables: Euro 686,642 thousand

Subordinate Loans amounted to:

- Crédit Agricole Cariparma loan: Euro 2,294,025 thousand
- Crédit Agricole Carispezia loan: Euro 254,070 thousand
- Crédit Agricole Friuladria loan: Euro 686,642 thousand.

On 14 March 2017, Crédit Agricole Cariparma issued two new series of fixed rate covered bonds for a total amount of Euro 1.5 billion (Euro 750 million each) due 21 March 2025 and 21 March 2029, respectively.

On 4 December 2017, Crédit Agricole Cariparma issued a new series of fixed rate covered bonds amounting to Euro 750 million due 13 January 2026.

On 10 January 2018, Crédit Agricole Cariparma issued a new series of fixed rate covered bonds amounting to Euro 500 million due 15 January 2038.

Performance of the transaction

The performance of the transaction, completed in July 2013, is in line with the expectations set out at the time it was arranged.

Once again in 2017, as in previous years, the originators proposed to the Company to buy back the previously assigned receivables as set out in the framework transfer agreement. Here below is a summary of the receivables repurchased and related principal (falling due or past due).

Date	Crédit Agricole Cariparma	Crédit Agricole Carispezia	Crédit Agricole Friuladria	Total
2013	1,303	298	953	2,554
2014	75,578	1,492	3,539	80,609
2015	10,745	8,792	1,372	20,909
2016	9,949	2,198	3,737	15,884
2017	19,173	590	3,554	23,316
Total	116,748	13,370	13,155	143,272

As set out in Article 8.1.1 of the framework transfer agreement, the aforementioned receivables transfers were disclosed through publication in the *Gazzetta Ufficiale* (Italy's official journal of government records) and the relevant Company Register.

H.3 - Entities involved

Ad hoc appointments were made to handle the transaction as detailed below.

Originators	Crédit Agricole Cariparma S.p.A. Crédit Agricole Carispezia S.p.A. Crédit Agricole Friuladria S.p.A. All belonging to the Crédit Agricole Italia Banking Group.
Covered Bonds Issuer	Crédit Agricole Cariparma S.p.A.
Master Servicer	Crédit Agricole Cariparma S.p.A.
Sub-Servicer	Crédit Agricole Carispezia S.p.A. Crédit Agricole Friuladria S.p.A. All belonging to the Crédit Agricole Italia Banking Group.
Account Bank	Crédit Agricole Cariparma S.p.A.
Guarantor Corporate Servicer	Zenith Service S.p.A.
Representative of the Covered Bondholders	Zenith Service S.p.A.
Asset Monitor	BDO Italia S.p.A.
Calculation Agent	Crédit Agricole Corporate & Investment Bank S.A. (CACIB for short) Milan Branch
Principal Paying Agent	Crédit Agricole Corporate & Investment Bank S.A. (CACIB for short) Milan Branch
Listing Agent	CACEIS Bank Luxembourg
Arranger	Crédit Agricole Corporate & Investment Bank S.A. (CACIB for short) Milan Branch

H.4 - Characteristics of the issues

The Company did not issue nor will it issue any securities in that, with the receivables portfolios purchased and that can be purchased from time to time from Originators, it acts as guarantor for the issue programme relating to covered bonds issued by Crédit Agricole Cariparma.

H.5 - Ancillary financial transactions

The purchased receivables were used as guarantee for the covered bond transaction carried out by Crédit Agricole Cariparma.

Concurrently with the purchase of the receivables portfolios, the Company entered, with each originator, into a subordinated loan agreement for the same amount, in order to have the necessary funds to purchase said receivables.

Loans are subject to preliminary repayment of covered bonds.

The subordinating lender provides the Company with an overall loan totalling an amount equal to the Total Commitment, as specified below.

- Crédit Agricole Cariparma Euro 9,100,000 thousand;
- Crédit Agricole Carispezia Euro 3,000,000 thousand;
- Crédit Agricole Friuladria Euro 4,400,000 thousand.

On each payment date and depending on the funds available under the specific payment priority set out in the transaction agreements, the Company will pay the subordinated lenders a Premium calculated as the difference between the interest amounts collected on the receivables portfolio and the operating costs incurred.

H.6 - Operational powers of the factor

The factor has no special operational powers.

QUANTITATIVE INFORMATION

H.7 - Receivables flow data

Thousands of Euro

Situation at	<i>31/12/2017</i>	<i>31/12/2016</i>
Opening balance	4,756,444	4,376,662
Purchased receivables - principal	3,251,128	1,030,578
Receivables purchased - interest accrued at the transfer date	2,732	1,042
Collective value adjustments at the transfer date	-18,765	-7,268
Individual value adjustments at the transfer date	-350	-5
Collections from assigned debtors - principal	-698,781	-637,081
Cash receipts from interest accrued at the transfer date	-2,713	-1,043
Cash receipts from Originator buybacks	-23,316	-15,884
Interest accrued on past due receivables	139	-18
Interest on arrears receivable	15	9
Value adjustments on interest on arrears	-15	-9
Interest under moratorium	94	82
Accrued income on receivables	642	-122
Individual value adjustments	-836	-2
Reversals of impairment losses on receivables	12,191	9,309
Interest accrued and capitalised	173	194
Closing balance	7,278,782	4,756,444

H.8 - Outlook for past due loans

The outlook for past due loans is in line with estimates, and in any case, it is within the normal limits considering the nature of the receivables.

Thousands of Euro

Description	31/12/2017	31/12/2016
Past due receivables – principal	3,383	2,789
Past due receivables – interest	1,611	1,344
Accruals on receivables	3,228	2,578
Receivables falling due	7,307,018	4,778,416
Value adjustments	(36,458)	(28,683)
Total	7,278,782	4,756,444

The Servicers and Originators of the transaction are responsible for collecting past due receivables based on the policies set out in the Servicing and Sub-servicing agreement. In order to present the prospects for the recovery of past due loans, the Servicer, with reference to the date of the current situation, reviewed and measured said receivables; after adjusting their amount for impairment, the receivables are recognised at their estimated realisable value.

H.9 – Cash flows

Thousands of Euro

Situation at	<i>31/12/2017</i>	<i>31/12/2016</i>
Opening balance	1,097,867	1,052,176
<i>Inflows for the year:</i>		
Collections from assigned debtors – principal	698,781	637,080
Collections from assigned debtors – interest	123,241	110,429
Cash receipts from Originator buybacks	23,316	15,884
Subordinated loan received	3,234,737	1,024,346
Interest accrued on current accounts and investments	92	80
Total inflows	4,080,167	1,787,819
<i>Outflows for the year</i>		
Payment of transaction expenses	-5,186	-4,549
Payment of incremental portfolio price	-3,234,737	-1,024,346
Subordinated loan repayment	-423,829	-608,326
Payment of interest on subordinated loan	-97,858	-104,907
Total outflows	-3,761,610	-1,742,128
Closing balance	1,416,425	1,097,867

Cash flows are in line with the expectations set out at the time the transaction was arranged; inflows have been positively affected by early repayments.

In 2018, cash flows from receivables are expected to add up to about Euro 2,534,047 thousand (principal Euro 1,921,759 thousand and interest Euro 612,288 thousand). The positive flows from debt collection operations will be mainly used to pay transaction expenses and the amounts due to subordinated lenders.

H.10 – Guarantees and credit lines

No credit line was received from third parties, and no temporary source of finance was used.

H.11 – Breakdown by residual maturity

Thousands of Euro

Securitized assets:	31/12/2017	31/12/2016
1 – 3 months	103,267	69,823
3 – 12 months	303,619	204,697
1 – 5 years	1,609,416	1,078,903
Over 5 years	5,260,870	3,401,085
Indefinite life	1,610	1,936
Total	7,278,782	4,756,444

Use of funds from loan servicing:

	31/12/2017	31/12/2016
On demand	1,416,589	1,098,013
Total	1,416,589	1,098,013

Subordinated loans:

	31/12/2017	31/12/2016
3 – 12 months	57,355	208,251
Over 5 years	8,636,408	5,645,168
Total	8,693,763	5,853,419

Other liabilities:

	31/12/2017	31/12/2016
1 – 3 months	1,608	1,038
Total	1,608	1,038

The par value of the subordinated loans is specified in the “over 5 years” time span, since account was taken of the legal duration of the covered bonds issued by Crédit Agricole Cariparma.

H.12 – Breakdown by geographical location

These are receivables in Euro due from debtors residing in Italy.

H.13 – Risk concentration

Thousands of Euro

Bracket	Situation at 31/12/2017	
	No. of positions	Amount
From Euro 0 to 25,000	5,648	86,094
From Euro 25,000 to 75,000	30,842	1,611,122
From Euro 75,000 to 250,000	44,964	5,215,351
Over Euro 250,000	1,039	366,215
Total	82,493	7,278,782

Thousands of Euro

Bracket	Situation at 31/12/2016	
	No. of positions	Amount
From Euro 0 to 25,000	4,906	72,224
From Euro 25,000 to 75,000	21,813	1,122,778
From Euro 75,000 to 250,000	28,664	3,315,815
Over Euro 250,000	676	245,627
Total	56,059	4,756,444

The receivables are classified under the item "Amount" in the table above according to their principal.

There were no positions exceeding 2% of total portfolio.

Section 3 - Information on risks and risk management policies

Due to the particular nature of the provisions in the law governing financial vehicle corporations, there is no relevant information to disclose concerning the Company's operations.

Specifically, the Company was formed to carry out one covered bond transaction, and this purpose was fulfilled with the completion of the transaction described in this Notes to the Financial Statements. The transaction was arranged by a leading bank, and the Company delegated the activities necessary for the operational management of the transaction to professional entities specialising in providing financial and regulatory services in the framework of such transactions.

Please refer to Part D, Section 1, of the Notes to the Financial Statements for detailed information.

Section 4 - Information on equity**4.1 The Company's equity****4.1.1 Qualitative information**

The management of the Company's equity consists in the set of policies that establish its size as appropriate for the Company's business and to comply with the quantitative and qualitative requirements under the law. The set of corporate rules drawn up for this purpose is the main form of guarantee of the Company's equity.

Crédit Agricole Italia OBG S.r.l. is a company incorporated under Italian Law 130/1999 in the form of an Italian limited liability company, and its purpose is to carry out covered bond transactions.

The minimum capital requirements as set out in the civil law are applied to the Company. A characteristic of the Company's operations, specifically required by Italian Law 130/1999, is that the Company's assets and liabilities are segregated from those related to the covered bonds transactions, which are guaranteed by the Company since it is the owner of the receivables portfolios. This segregation means that the costs that the Company incurs to remain in good standing are limited, and in any case, they are recovered through specific contractual clauses providing for these costs to be passed on to the separate assets.

This ensures that Crédit Agricole Italia OBG S.r.l. maintains an adequate level of equity throughout the transaction.

4.1.2 Quantitative information**4.1.2.1 The Company's equity: breakdown**

(in units of Euro)

Items/amounts	2017	2016
1. Capital	10,000	10,000
2. Share premiums		
3. Reserves		
- retained earnings		
a) legal		
b) statutory		
c) treasury shares		
d) other		
- other		
4. (Treasury shares)		
5. Valuation reserves		
- available-for-sale financial assets		
- property, plant and equipment		
- intangible assets		
- foreign investment hedges		
- cash flow hedges		
- exchange differences		
- non-current assets and disposal		
groups		
- special revaluation laws		
- actuarial gains/losses on defined		
benefit plans		
- share of reserves from equity		
accounted investments		
6. Equity instruments		
7. Profit (loss) for the year		
Total	10,000	10,000

Section 5 - Statement of Comprehensive Income

There is no information to disclose concerning the Statement of Comprehensive Income, which does not show any figure.

Section 6- Related-party transactions**6.1 Information on the remuneration of key management personnel**

No remuneration to Corporate Bodies was approved.

6.2 Loans and guarantees granted to Directors and Statutory Auditors

No loans or guarantees were granted to Directors.

6.3 Related-party disclosures

There are no relations to disclose with regard to Company operations. Relations connected to the covered bond transaction are described in Part D of these Notes to the Financial Statements.

Section 7 - Other disclosures

7.1 Other information

All the information reported in the financial statements is consistent with the Company's accounting records, and the consistency of classification is ensured by complying with the relevant instructions.

7.2 Management and coordination

The Company is subject to management and coordination by the parent company Crédit Agricole Cariparma S.p.A..

Here below are the main data from the most recent financial statements approved by the holding company Crédit Agricole Cariparma S.p.A.

FINANCIAL POSITION (euro/000)	31/12/2016	31/12/2015
Receivables due from customers	28,915,280	27,444,046
Net financial assets/liabilities held for trading	10,582	9,448
Available-for-sale financial assets	4,177,226	4,414,468
Equity investments	1,311,391	1,310,009
Property, plant and equipment and intangible assets	1,339,888	1,335,853
Total net assets	37,951,161	37,001,393
Direct funding from clients	31,016,562	30,219,365
Indirect funding from clients	54,900,811	50,971,275
- of which managed	20,415,808	18,500,938
Net payables due to banks	294,973	670,111
Equity attributable to the Group	4,947,634	4,774,062
INCOME STATEMENT (Euro/000)	31/12/2016	31/12/2015
Net interests	653,595	719,169
Net fee income (expense)	514,940	509,298
Dividends	49,885	43,974
Profit (loss) from financial activities	43,370	42,269
Other operating income (expenses)	3,222	3,218
Net operating income	1,265,012	1,317,928
Operating expenses	-752,037	-711,548
Operating profit (loss)	512,975	606,380
Allocations to provision for risks and charges	-13,717	-10,721
Net value adjustments on receivables	-214,275	-284,189
Net profit (loss)	205,022	216,501

Information on auditing

As for the provisions in Article 2427, paragraph 1, letter 16bis of the Italian Civil Code, here below are the fees due to the Independent Auditors EY S.p.A. for the year 2017:

Type of service	Fees as per appointment letter (Euro units)
Audit	24,000
Periodic audit of the accounting system	4,000
Audit of tax filings	1,000
TOTAL	29,000

The above fees do not include VAT, expenses and ISTAT adjustment.

Milan, 8 March 2018

*The Chairman of the Board of Directors
Stefano Marlat*

*The Director
Cristiano Campi*

*The Director
Simona Colombi*

Independent auditor's report pursuant to Article 14 of Legislative Decree n.39, dated 27 January 2010 (Translation from the original Italian text)

To the Quotaholders of
Crédit Agricole Italia OBG S.r.l.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Crédit Agricole Italia OBG S.r.l. (the Company), which comprise the balance sheet as at 31 December 2017, the income statement, the statement of comprehensive income, the statement of changes in quotaholders' equity and the statement of cash flows for the year then ended and the related note to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis paragraph

We draw attention to the Part A Accounting Policies, A.1 General Part, Section 2 – General principles for the preparation of financial statements of notes to the financial statements where the Directors states that the Company has the sole purpose of acquiring loans through funding pursuant to Law n. 130/1999, in connection with covered bonds transactions. As described by the Directors, the Company has recorded the acquired receivables and the other transactions connected with the covered bonds in the notes to the financial statements consistent with the provisions of Law n. 130/1999 according to which the receivables involved in each securitisation are in all respect separated from the assets of the Company and from those related to other securitisations. Our opinion is not qualified in respect of this matter.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, within the terms provided by the law, for such internal control as they determine is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; designed and performed audit procedures responsive to those risks; and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in such a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010

The Directors of Crédit Agricole Italia OBG S.r.l. are responsible for the preparation of the Report on Operations of Crédit Agricole Italia OBG S.r.l. as at 31 December 2017, including its consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations with the financial statements of Crédit Agricole Italia OBG S.r.l. as at 31 December 2017 and on its compliance with the applicable laws and regulations, and in order to assess whether it contains material misstatements.

In our opinion, the Report on Operations is consistent with the financial statements of Crédit Agricole Italia OBG S.r.l. as at 31 December 2017 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph. e), of Legislative Decree n.39 dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, March 23, 2018

EY S.p.A.

Signed by: Massimiliano Bonfiglio, Partner

This report has been translated into the English language solely for the convenience of international readers.