

**Crédit Agricole Italia OBG S.r.l.**

Registered office: Milan, Via Vittorio Betteloni, 2

Capital: Euro 10,000, fully paid up

Milan Company Register no. 07893100961

Tax Code and VAT Number: 07893100961

Milan REA no. 1988744

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

\* \* \* \* \*

**DIRECTORS' REPORT ON OPERATIONS  
FOR THE YEAR ENDED 31 December 2019**

Dear Quotaholders,

I submit the financial statements for the year ended 31 December 2019 for your approval. The financial statements consist of the Statement of Financial Position, 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 30 November 2018.

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 no. 130 of 30 April 1999 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 no. 141/ 2010.

During 2019, the Originators sold to the Company additional receivables portfolios with a par value of Euro 2,948,856 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 25 March 2019, Crédit Agricole Italia S.p.A. issued two new series of fixed rate covered bonds for a total amount of Euro 1,500,000 thousand (Euro 750 thousand each) due 25 March 2024 and 25 March 2027, respectively.

As at 31 December 2019, 116,041 mortgage loans had been assigned, with a comprehensive residual debt, taking repayments into account, of approximately 9.7 billion euros (Crédit Agricole Italia Euro 7.9 billion, from Crédit Agricole FriulAdria Euro 1.8 billion).

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 53,870 and consisted of Euro 9,565 receivables due from banks and Euro 43,631 receivables due from the securitised assets.

The assets increased by Euro 12,864 from the previous year.

Liabilities, amounting to Euro 53,870 and consisting mainly of trade payables, increased by Euro 12,864 from the previous year.

Expenses, amounting to Euro 46,279, mainly consisted of audit fees and the other administrative expenses incurred as part of the Company's operations. Operating income, equal to expense, mainly consisted 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 2019, equity totalled Euro 10,000 and consisted entirely of the paid-up capital. There were no changes from 31 December 2018.

There are no significant comments to be made on the Statement of Cash Flows. The net financial position was a negative Euro 367.

### **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 Italia 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 2019, the Company reached break-even point.

### **Treasury shares and shares or quotas in parent companies**

The Company does not hold, and has not held during the period, any treasury shares or shares or quotas 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 Italia S.p.A.

### **Research and development**

The Company conducted no research and development.

### **Subsequent events after the reporting period**

On 17 January 2020, Crédit Agricole Italia issued two new series of fixed rate covered bonds amounting to Euro 1.250 million, of which Euro 500 million due 17 January 2028 and 750 million due 17 January 2045.

In addition, during February 2020, the Originators sold the Company additional receivables portfolios with a par value of Euro 1,273,943 thousand. The Company settled the payment of the receivables with the Originators 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 2019, which reached break-even point, consisting of the Statement of Financial Position, the Income Statement, the Statement of Changes in Equity, the Statement of Cash Flows, and the Notes to the Financial Statements, and accompanied by this Report on operations.

Milan, 13 March 2020

The Chairman of the Board of Directors

Stefano Marlat

**Crédit Agricole Italia OBG S.r.l.**

Registered office: Milan, Via V. Betteloni 2

Capital: Euro 10,000 fully paid up

Milan Company Register no. 07893100961

Tax Code and VAT Number: 07893100961

Milan REA no. 1988744

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

\* \* \* \* \*

**Financial statements for the year ended 31 December 2019****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. Therefore, it 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 Italia 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 Italia S.p.A. 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 Italia S.p.A.

The repayment of said loans is subject to the repayment of the covered bonds issued by Crédit Agricole Italia S.p.A., 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 Italia S.p.A. 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 Italia S.p.A. 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 Italia S.p.A. 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 5 October 2016, Crédit Agricole Italia S.p.A. 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 Italia S.p.A. 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.

During 2018, the Originators sold to the Company additional receivables portfolios with a par value of Euro 1,358,261 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 15 January 2018, Crédit Agricole Italia S.p.A. issued a new fixed rate covered bond for a total amount of Euro 500 million due 15 January 2038.

During 2019, the Originators sold to the Company additional receivables portfolios with a par value of Euro 2,948,856 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans. On 25 March 2019, Crédit Agricole Italia S.p.A. issued two new series of covered bonds, a floating rate series and a fixed rate series, for a total amount of Euro 1,500,000 thousand (Euro 750 million each) due 25 March 2024 and 25 March 2027, respectively.

## **Introduction**

The Company prepared the financial statements at 31 December 2019 in accordance with the International Financial Reporting Standards (IFRS) and the instructions in the Bank of Italy's Provision of 30 November 2018 (*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 consolidated 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 its provision of 30 November 2018, the application of which is mandatory for ongoing Financial Statements or Financial Statements for the year ended 31 December 2019, and consist of:

- Statement of Financial Position and Income Statement;
  - Statement of Comprehensive Income;
  - Statement of Changes in 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 Statement of Financial Position*

*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 set out in art. 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 2019 to 2021.



**STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT****STATEMENT OF FINANCIAL POSITION**(in units of  
Euro)

| <b>Assets</b>                         | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---------------------------------------|-------------------|-------------------|
| 40 Financial assets at amortised cost |                   |                   |
| a) Due from banks                     | 9,565             | 9,932             |
| 100 Tax assets                        | 674               | 1                 |
| a) current                            | 674               | 1                 |
| 120 Other assets                      | 43,631            | 31,073            |
| <b>Total assets</b>                   | <b>53,870</b>     | <b>41,006</b>     |
|                                       |                   |                   |
| <b>Liabilities and equity</b>         | <b>31/12/2019</b> | <b>31/12/2018</b> |
| 60 Tax liabilities                    |                   |                   |
| a) current                            | 0                 | 674               |
| 80 Other liabilities                  | 43,870            | 30,332            |
| 110 Capital                           | 10,000            | 10,000            |
| <b>Total liabilities and equity</b>   | <b>53,870</b>     | <b>41,006</b>     |

**INCOME STATEMENT**

|  | (in units of<br>Euro) |                   |
|--|-----------------------|-------------------|
| <b>Income - Expenses</b>   | <b>31/12/2019</b>     | <b>31/12/2018</b> |
| 10 Interest income and similar income                            | 5                     | 3                 |
| <b>30 Net interest income</b>                                    | <b>5</b>              | <b>3</b>          |
| 50 Fee expense   | (131)                 | (203)             |
| <b>60 Net fee income</b>   | <b>(131)</b>          | <b>(203)</b>      |
| <b>120 Net trading income (loss)</b>                             | <b>(126)</b>          | <b>(200)</b>      |
| 160 Administrative expenses                                      | (46,148)              | (51,228)          |
| (b) other administrative expenses                                | (46,148)              | (51,228)          |
| 200 Other operating income (expenses)                            | 46,274                | 52,103            |
| <b>210 Operating costs</b>                                       | <b>126</b>            | <b>875</b>        |
| <b>260 Pre-tax profit (loss) from continuing operations</b>      | <b>0</b>              | <b>675</b>        |
| Income tax expense for the year for continuing<br>270 operations | 0                     | (675)             |
| <b>280 After-tax profit (loss) from continuing operations</b>    | <b>0</b>              | <b>0</b>          |
| <b>300 Profit (loss) for the year</b>                            | <b>0</b>              | <b>0</b>          |

## STATEMENT OF COMPREHENSIVE INCOME

|      |   | 31/12/2019 | 31/12/2018 |
|------|---|------------|------------|
| 10.  | Profit (loss) for the year  | 0          | 0          |
|      | <b>Other comprehensive income, net of tax, not to be reclassified to profit or loss</b>                 | <b>0</b>   | <b>0</b>   |
| 20.  | Equity securities designated at fair value through OCI  |            |            |
| 30.  | Financial liabilities designated at fair value through profit or loss (change in credit quality rating) |            |            |
| 40.  | Hedging of equity securities designated at fair value through OCI                                       |            |            |
| 50.  | Property, plant and equipment   |            |            |
| 60.  | Intangible assets   |            |            |
| 70.  | Defined benefit plans   |            |            |
| 80.  | Non-current assets and disposal groups held for sale  |            |            |
| 90.  | Share of reserves from equity accounted investments   |            |            |
|      | <b>Other comprehensive income, net of tax, to be reclassified to profit or loss</b>                     | <b>0</b>   | <b>0</b>   |
| 100. | Foreign investment hedges   |            |            |
| 110. | Exchange differences  |            |            |
| 120. | Cash flow hedges  |            |            |
| 130. | Hedging instruments (not designated)  |            |            |
| 140. | Financial assets (other than equity securities) measured at fair value through OCI                      |            |            |
| 150. | Non-current assets and disposal groups held for sale  |            |            |
| 160. | Share of reserves from equity accounted investments   |            |            |
| 170. | <b>Total other comprehensive income, net of tax</b>   | <b>0</b>   | <b>0</b>   |
| 180. | <b>Total comprehensive income (items 10+170)</b>  | <b>0</b>   | <b>0</b>   |

## STATEMENT OF CHANGES IN EQUITY - 2019

(in units of Euro)

|                            | Balance at 31/12/2018 | Change in opening balance | Balance at 01/01/2019 | Allocation of prior |                                 | Changes occurred during the year |                     |                              |                  |               | Equity at 31/12/2019 | Equity at 31/12/2019 |                     |
|----------------------------|-----------------------|---------------------------|-----------------------|---------------------|---------------------------------|----------------------------------|---------------------|------------------------------|------------------|---------------|----------------------|----------------------|---------------------|
|                            |                       |                           |                       | year profit         |                                 | Change in reserves               | Equity transactions |                              |                  |               |                      |                      |                     |
|                            |                       |                           |                       | Reserves            | Dividends and other allocations |                                  | Other changes       | Change in equity instruments | Special dividend | Share buyback |                      |                      | 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 |                       |                           |                       |                     |                                 |                                  |                     |                              |                  |               |                      |                      |                     |
| <b>Equity</b>              | <b>10,000</b>         |                           | <b>10,000</b>         |                     |                                 |                                  |                     |                              |                  |               |                      |                      | <b>10,000</b>       |

## STATEMENT OF CHANGES IN EQUITY - 2018

(in units of Euro)

|                            | Balance at 31/12/2017 | Change in opening balance | Balance at 01/01/2018 | Allocation of prior |                                 | Changes occurred during the year |                     |                              |                                |               | Equity at 31/12/2018 | Equity at 31/12/2018 |                     |
|----------------------------|-----------------------|---------------------------|-----------------------|---------------------|---------------------------------|----------------------------------|---------------------|------------------------------|--------------------------------|---------------|----------------------|----------------------|---------------------|
|                            |                       |                           |                       | year profit         |                                 | Change in reserves               | Equity transactions |                              |                                |               |                      |                      |                     |
|                            |                       |                           |                       | Reserves            | Dividends and other allocations |                                  | Other changes       | Change in equity instruments | Special dividend Share buyback | Share buyback |                      |                      | 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 |                       |                           |                       |                     |                                 |                                  |                     |                              |                                |               |                      |                      |                     |
| <b>Equity</b>              | <b>10,000</b>         |                           | <b>10,000</b>         |                     |                                 |                                  |                     |                              |                                |               |                      |                      | <b>10,000</b>       |

| <b>STATEMENT OF CASH FLOWS - as at 31/12/2019</b>                                  |                   | <i>(in units of Euro)</i> |  |
|--|-------------------|---------------------------|--|
|  | <b>31/12/2019</b> | <b>31/12/2018</b>         |  |
| <b>OPERATING ACTIVITIES (A)</b>  |                   |                           |  |
| 1. OPERATIONS  | <b>0</b>          | <b>0</b>                  |  |
| - interest income (+)  | 5                 | 3                         |  |
| - interest expense (-)   |                   |                           |  |
| - dividends or similar income  |                   |                           |  |
| - net fee income (expense) (+/-)   | (131)             | (203)                     |  |
| - personnel expenses (-)   |                   |                           |  |
| - other expenses (-)   | (46,148)          | (51,228)                  |  |
| - other income (+)   | 46,274            | 52,103                    |  |
| - tax expense (-)  |                   | (675)                     |  |
| - income/expenses associated with discontinued operations, net of tax effect (+/-) |                   |                           |  |
| 2. NET CASH FROM/USED FOR FINANCIAL ASSETS   | <b>(13,231)</b>   | <b>(4,650)</b>            |  |
| - financial assets held for trading  |                   |                           |  |
| - financial assets designated at fair value  |                   |                           |  |
| - other assets mandatorily measured at fair value                                  |                   |                           |  |
| - financial assets measured at fair value through OCI                              |                   |                           |  |
| - financial assets at amortised cost   |                   |                           |  |
| - other assets   | (13,231)          | (4,650)                   |  |
| 3. NET CASH FROM/USED FOR FINANCIAL LIABILITIES                                    | <b>12,864</b>     | <b>5,083</b>              |  |
| - financial liabilities at amortised cost  |                   |                           |  |
| - financial liabilities held for trading   |                   |                           |  |
| - financial liabilities designated at fair value                                   |                   |                           |  |
| - other liabilities  | 12,864            | 5,083                     |  |
| NET CASH FROM/USED IN OPERATING ACTIVITIES (A)                                     | <b>(367)-</b>     | <b>433</b>                |  |
| <b>INVESTING ACTIVITIES (B)</b>  |                   |                           |  |
| 1. NET CASH FROM   | <b>0</b>          | <b>0</b>                  |  |
| - sales of equity investments  |                   |                           |  |
| - dividends from equity investments  |                   |                           |  |
| - sales of property, plant and equipment   |                   |                           |  |
| - sales of intangible assets   |                   |                           |  |
| - sales of business units  |                   |                           |  |
| 2. NET CASH USED IN  | <b>0</b>          | <b>0</b>                  |  |
| - purchases of equity investments  |                   |                           |  |
| - purchases of property, plant and equipment                                       |                   |                           |  |
| - purchases of intangible assets   |                   |                           |  |
| - purchases of business units  |                   |                           |  |
| NET CASH FROM/USED IN INVESTING ACTIVITIES (B)                                     | <b>0</b>          | <b>0</b>                  |  |
| <b>FINANCING ACTIVITIES (C)</b>  |                   |                           |  |
| - issue/repurchase of treasury shares  |                   |                           |  |
| - issue/purchase of equity instruments   |                   |                           |  |
| - dividend distribution and other allocations                                      |                   |                           |  |

|  |              |            |
|--|--------------|------------|
| NET CASH FROM/USED IN FINANCING ACTIVITIES (C)           | 0            | 0          |
| <b>NET CASH GENERATED/USED DURING THE YEAR (D=A+B+C)</b> | <b>(367)</b> | <b>433</b> |

| Items  | Amount (in<br>units of<br>Euro) | Amount (in<br>units of<br>Euro) |
|--|---------------------------------|---------------------------------|
|  | 31/12/2019                      | 31/12/2018                      |
| Opening cash and cash equivalents                            | 9,932                           | 9,499                           |
| Total net cash generated/used during the year                | (367)                           | 433                             |
| Cash and cash equivalents: effect of change in exchange rate |                                 | 0                               |
| Closing cash and cash equivalents                            | 9,565                           | 9,932                           |

## ***NOTES TO THE FINANCIAL STATEMENTS***

### ***Part A - Accounting policies***

#### **A.1 Overview**

##### **Section 1 - Statement of compliance with international accounting standards**

Pursuant to the provisions of Article 2 of Italian Legislative Decree 38/2005, the Company, as an issuer of financial instruments admitted to trading on EU regulated markets, has prepared the financial statements in accordance with the accounting standards issued by the International Accounting Standards Board (IASB) and the relevant interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Commission and introduced into Italian law by said Legislative Decree 38/2005.

Although the Provision of the Bank of Italy of 09 December 2016 eliminated all reference to securitisation vehicles from its scope of regulation, insofar as, in accordance with Italian Legislative Decree no. 141/2010 and related corrective decrees, they are no longer able to be classified as non-banking financial intermediaries and considering that IAS 1 does not envisage a rigid structure to the financial statements, whilst awaiting a new legislative source to regulate the matter, the Directors have considered that there was no reason why they should not apply the instructions given by the Bank of Italy on 30 November 2018 “Financial statements of IFRS intermediaries other than banking intermediaries”, which had replaced the previous instructions given by the Bank of Italy on 22 December 2017 and had been applied to the financial statements closed as at 31 December 2018.

Specifically, the new models transpose the changes introduced by the new IFRS16, which came into force as from 01 January 2019. These have been deemed suitable for providing information on the financial position, financial performance and cash flows of the Company that is useful for financial statement users in making economic decisions and is relevant, reliable, comparable and intelligible in terms of Company operations.

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 Company therefore applied the IASs/IFRSs in force at 31 December 2019 (including the SIC and IFRIC interpretations) as endorsed by the European Commission.

## INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND EFFECTIVE FROM 2019

In compliance with IAS 8, the table below shows the new international accounting standards, or amendments to standards already in force, and the related endorsement Regulations, which application became mandatory starting FY 2019.

| Standards, amendments or interpretations  | Issue date                             | Effective date   |
|---|--|------------------|
| <b>IFRS 16 Leases</b><br>Replacement of IAS 17 Leases   | 09 November 2018<br>(EU no. 1986/2017) | 1 January 2019   |
| <b>Amendments to IFRS 9 Financial Instruments</b><br>Prepayment features with negative compensation   | 26 March 2018<br>(EU no. 498/2018)     | 1 January 2019   |
| <b>IFRIC 23 Uncertainty over Income Tax Treatments</b><br>Clarification of IAS 12 on the measurement and recognition of tax assets and liabilities given uncertainty about the application of the tax legislation   | 24 October 2018<br>(UE 2018/1595)      | 1 January 2019   |
| <b>Amendments to IAS 28 Long-term Investments in Associates and Joint Ventures</b><br>The amendments aim to clarify that the provisions on impairment of IFRS 9 Financial instruments must be applied to long-term investments held in associates and joint ventures.   | 11 February 2019<br>(UE 2019/237)      | 1 January 2019   |
| <b>Amendments to IAS 19 Change, reduction or extinguishing of the plan</b><br>The amendments aim to clarify that, after a defined-benefit plan amendment, curtailment or settlement occurs, an entity should apply the updated assumptions from the remeasurement of its net defined benefit liability (asset) for the remainder of the reporting period. | 14 March 2019<br>(UE 2019/402)         | 1st January 2019 |
| <b>Annual Improvements to IFRS Standards 2015-2017 Cycle:</b><br>Amendments to IAS 12 Income taxes, IAS 23 Borrowing costs, IFRS 3 Business combinations and IFRS 11 Joints arrangements.   | 15 March 2019<br>(UE 2019/402)         | 1st January 2019 |

The cycle of annual improvements to IFRS standards 2015–2017 incorporates amendments and interpretations to existing standards without any particular impact for the Group. They include amendments to IAS 12 Income taxes (which, in particular, have confirmed the accounting choice made by the Crédit Agricole Italia Banking Group in respect of the allocation to the income statement of the tax effect deriving from the deductibility of the remuneration recognised to

subscribers of the Additional Tier 1 instruments issued by Crédit Agricole Italia starting December 2016), IAS 23 Borrowing costs, IFRS 3/IFRS 11 Business combinations, IAS 19 Employee benefits and a second amendment to IAS 28 Investments in associates and joint ventures, applicable starting 1 January 2019.

With respect to the new standards and amendments to such applicable starting 1 January 2019, the company has not noted any impacts on the financial statements as at 31 December 2019.

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

The standards and interpretations published by the IASB as at 31 December 2019, already adopted by the European Union but which will come into force starting 1 January 2020, have not been applied as at 31 December 2019.

| Standards, amendments or interpretations   | Issue date                             | Effective date   |
|--|--|------------------|
| <i>Amendments to IAS 1 and IAS 8. Definition of Material</i>   | 10 December 2019<br>(EU no. 2019/2104) | 01 January 2020  |
| <i>Amendments to IAS 39, IFRS 7 e IFRS 9- Interest rate benchmark reform</i>   | 16 January 2020<br>(EU no. 2020/34)    | 01 January 2020  |
| <i>Amendments to IFRS Conceptual Framework</i><br><i>The amendments aim to update in various accounting standards the different interpretations and reference existing to the previous Conceptual Framework, replacing them with references to the revised Conceptual Framework.</i> | 06 December 2019<br>(EU no. 2075/2019) | 1st January 2020 |

#### INTERNATIONAL ACCOUNTING STANDARDS NOT ENDORSED BY THE EUROPEAN UNION

The standards and the interpretations published by the IASB, but still not adopted by the European Union, are not applicable.

| Document title                             | Issue date by the IASB | Effective date of the IASB document | Envisaged date of endorsement by the UE |
|--|------------------------|-------------------------------------|---|
| <b>Standards</b>                           |                        |                                     |   |
| IFRS 14 Regulatory Deferral Accounts       | January 2014           | (Note 1)                            | (Note 1)                                |
| IFRS 17 Insurance Contracts                | May 2017               | 1 January 2021                      | TBD                                     |
| <b>Amendments</b>                          |                        |                                     |   |
| Amendments to IFRS 3 Business Combinations | October 2018           | 01 January 2020                     | 2020                                    |
| Amendments to IAS 1                        |                        |                                     |   |



|   |  |  |  |
|---|--|--|--|
| Presentation of Financial statements: Classification of Liabilities as Current or Non-current |  |  |  |
|---|--|--|--|

(Note 1) IFRS 14 came into force as from 1 January 2016, but the European Commission decided to suspend the approval process pending the new accounting standard on “rate-regulated activities”.

On 18 May 2017, the International Accounting Standards Board (IASB) published the new accounting standard IFRS 17 “Insurance contracts”. The Standard will need to be applied starting 1 January 2021, save for its adoption by the European Union.

More specifically, the accounting standard envisages three insurance contract measurement methods:

1. Building Block Approach (BBA) — basic measurement method for long-term contracts.
2. Premium Allocation Approach (PAA) — simplified model (mainly for short-term contracts).
3. Variable Fee Approach (VFA) — for direct participation contracts.

On 26 June 2019, the IASB issued draft amendments to the exposure to IFRS 17, in order to limit the critical issues that have been raised on the implementation of IFRS 17. The Board has also proposed deferring the date of effect of the standard by one year, to 2022.

## **Section 2 - Basis of preparation**

The financial statements were drawn up in accordance with the Bank of Italy's Provision of 30 November 2018 (Financial statements of non-bank IFRS intermediaries), although the Provision of 9 December 2016 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.

Whilst awaiting issue of a new regulatory source that governs, in lieu of the previous version and in accordance with Art. 9 of Italian Legislative Decree no. 38/2005, the recognition of transactions regarding the issue of secured bank bonds, for the closure of these financial statements the Company has chosen to use the schemes previously in force. This has been deemed the most suitable method for providing information on the financial position, financial performance and cash flows of the Company that is useful for financial statement users in making economic decisions and is relevant, reliable, comparable and intelligible 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 Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, and the Notes to the Financial Statements.

The Company has the sole purpose of purchasing 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. The Company recognised the financial assets and the other transactions connected with the covered bonds in the notes to the financial statements, consistent with the provisions of Law no.130 of 30 April 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 (amount) is disclosed in respect of the previous period for all items in the financial statements.

**Section 3 - Events after the reporting period**

On 17 January 2020, Crédit Agricole Italia issued two new series of fixed rate covered bonds amounting to Euro 1.250 million, of which Euro 500 million due 17 January 2028 and 750 million due 17 January 2045.

In addition, during February 2020, the Originators sold the Company additional receivables portfolios with a par value of Euro 1,273,943 thousand. The Company settled the payment of the receivables with the Originators by offsetting them against additional subordinated loans.

As regards the provisions of IAS 10, please note that from 31/12/2019, the financial statements reference date, to the date on which the draft financial statements were approved by the Board of Directors and authorised for submission to the Shareholders' Meeting, no events occurred such as to call for an adjustment of the data given in the financial statements.

The Coronavirus epidemic occurred in continental China very close to year end and, thereafter, also spread to other countries, including Italy, causing a slow-down or, to Europe and beyond, resulting in a halt to economic and commercial business in multiple sectors. In accordance with IAS 10, the company considers this as a non-adjusting event that took place after year end. As regards the information envisaged by paragraph 125 of IAS1, which requires the company to provide a disclosure about future hypotheses and other main causes of uncertainty in the estimates as at the financial year end date, which would entail a significant risk of having to make major changes to the book values of assets and liabilities within the following year, in view of a fluid, rapidly-evolving situation, it is not to date considered possible to offer a quantitative estimate of the potential impact of the Coronavirus on the Company's economic and equity position, given the multiple factors that are still unknown and undefined.

**Section 4 - Other aspects****IFRS 8 "Operating Segments"**

As an issuer of securities in regulated markets, the Company is required to disclose information about its reportable segment in accordance with the provisions of IFRS 8

“Operating Segments”, effective for annual periods beginning on or after 1 January 2009.

IFRS 8 sets out that the identification of reportable segments is based on internal management reports, which are reviewed by the entity's Company Management to make decisions about resources to be allocated to the segments and assess their performance. In this regard, the Company omits to provide the information set out in IFRS 8, as any breakdown by operating segment would not be significant given the nature of the Company.

#### Tax expense

Italian Revenue Agency Circular 8/E of 6 February 2003, governing the tax treatment of vehicle corporations' separate assets, states that the income from the management of the securitised assets in the course of these transactions is not available to the corporation. The restriction on the use of these segregated assets rules out, a priori, the possession of a taxable income.

Therefore, such asset flows are not available to the vehicle corporation either from a legal or from a tax point of view. Only after all creditors have been paid back, any remaining amount is available to the corporation, as per the relevant arrangements.

## **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 2019 with reference to only the items in the Statement of Financial Position and Income Statement. The Company has described the criteria for the recognition, classification, measurement of comprehensive income and derecognition of each item.

### **FINANCIAL ASSETS MEASURED AT AMORTISED COST**

#### **Recognition**

The item under assets envisages the distinction between

- due from banks;
- due from financial companies;
- due from customers.

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 institutions, as well as the receivables classified under “Other assets”, such as the receivables due from third parties.

#### **Measurement of comprehensive income**

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.

## **FINANCIAL LIABILITIES AT AMORTISED COST**

### **Recognition**

The item under liabilities envisages the distinction between:

- payables
- outstanding securities.

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 or other financial entities.

### **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.

## **OTHER LIABILITIES**

### **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.

### **Classification**

This item includes payables not connected to other financial statement items, such as the payables due to suppliers and tax authorities for VAT and withholding taxes.

### **Measurement**

These liabilities are measured at par 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 of comprehensive income

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 in accordance with 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.

## REVENUES 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 in a liability has arisen that can be measured reliably. Expenses are recognised in the income statement on the basis of the matching of income and expenses. All the costs connected with separate assets processes are directly passed on to the transaction.

Revenue is recognised in the Income Statement when an increase in future economic benefits related to an increase in an asset or a decrease in a liability has arisen that can be measured reliably. This means that revenue is recognised at the same time as the recognition of an increase in an asset or a decrease in a liability. The main revenue item in the financial statements of the Company derived 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 2019.

**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***in units of Euro*

| Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis | 31.12.2019   |    |    |              | 31.12.2018   |    |    |              |
|--|--------------|----|----|--------------|--------------|----|----|--------------|
|  | CA           | L1 | L2 | L3           | CA           | L1 | L2 | L3           |
| 1. Financial assets at amortised cost  | 9,565        |    |    | 9,565        | 9,932        |    |    | 9,932        |
| 2. Property, plant and equipment held for investment   |              |    |    |              |              |    |    |              |
| 3. Non-current assets and disposal groups  |              |    |    |              |              |    |    |              |
| <b>Total</b>   | <b>9,565</b> |    |    | <b>9,565</b> | <b>9,932</b> |    |    | <b>9,932</b> |
| 1. Financial liabilities at amortised cost   |              |    |    |              |              |    |    |              |
| 2. Liabilities associated with assets held for sale  |              |    |    |              |              |    |    |              |
| <b>Total</b>   |              |    |    |              |              |    |    |              |

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 2019, 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 2019 this item was categorised in the same fair value level as in 2018.

**A.5 “Day one profit/loss” disclosure**

Since in 2019 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 Statement of Financial Position****Assets****Section 4 - Financial assets at amortised cost - Item 40**

4.1 Financial assets at amortised cost: due from banks broken down by type  
in units of Euro

| Breakdown                        | 31.12.2019      |         |  |            |    |              | 31.12.2018      |         |  |            |    |              |
|----------------------------------|-----------------|---------|--|------------|----|--------------|-----------------|---------|--|------------|----|--------------|
|                                  | Carrying amount |         |  | Fair Value |    |              | Carrying amount |         |  | Fair Value |    |              |
|                                  | Stages 1 and 2  | Stage 3 | of which: impaired assets acquired or internally generated | L1         | L2 | L3           | Stages 1 and 2  | Stage 3 | of which: impaired assets acquired or internally generated | L1         | L2 | L3           |
| 1. Deposits and current accounts | 9,565           |         |  |            |    | 9,565        | 9,932           |         |  |            |    | 9,932        |
| 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                  |                 |         |  |            |    |              |                 |         |  |            |    |              |
| <b>Total</b>                     | <b>9,565</b>    |         |  |            |    | <b>9,565</b> | <b>9,932</b>    |         |  |            |    | <b>9,932</b> |

**Section 10 - Tax assets and liabilities - Item 100 of assets and Item 60 of liabilities**

10.1 "Tax assets: current and prepaid": breakdown

in units of Euro

| Breakdown   | 31.12.2019 | 31.12.2018 |
|---|------------|------------|
| Receivable due from the tax authority for withholding taxes on current account interest | 0          | 1          |
| Ires prepayment   | 674        | 0          |
| <b>Total carrying amount</b>  | <b>674</b> | <b>1</b>   |

10.2 Tax liabilities: current and deferred: breakdown

in units of Euro

| Breakdown | 31.12.2019 | 31.12.2018 |
|-----------|------------|------------|
|-----------|------------|------------|

|                              |          |            |
|------------------------------|----------|------------|
| Tax payable (IRES)           | 0        | 674        |
| <b>Total carrying amount</b> | <b>0</b> | <b>674</b> |

## Section 12 - Other assets - Item 120

### 12.1 "Other assets": breakdown

This item amounted to Euro 44 thousand and consisted of the receivable for the Issuer Retention Amount charged to the separate assets for maintaining the Company in good standing.

*in units of Euro*

| <b>Breakdown</b>                     | <b>31.12.2019</b> | <b>31.12.2018</b> |
|--------------------------------------|-------------------|-------------------|
| Receivables due from separate assets | 43,631            | 31,073            |
| <b>Total carrying amount</b>         | <b>43,631</b>     | <b>31,073</b>     |

## Liabilities

### Section 8 - Other liabilities - Item 80

#### 8.1 "Other liabilities": breakdown

This item amounted to Euro 44 thousand and consisted mainly of payables due to suppliers.

*in units of Euro*

| <b>Breakdown</b>  | <b>31.12.2019</b> | <b>31.12.2018</b> |
|---|-------------------|-------------------|
| Payables due to suppliers                               | 37,173            | 0                 |
| Payables due to suppliers for invoices not yet received | 6,697             | 30,332            |
| <b>Total carrying amount</b>                            | <b>43,870</b>     | <b>30,332</b>     |

## Section 11 - Equity

### 11.1 Capital: breakdown

The capital at 31 December 2019 amounted to Euro 10 thousand and was held by:

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

The Capital consisted of membership interests.

*in units of Euro*

| <b>Type</b>                  | <b>Amount</b> |
|------------------------------|---------------|
| 1. Capital                   | 10,000        |
| 1.1. Ordinary shares         |               |
| 1.2 Other shares (interests) | 10,000        |

### 11.5 "Other information"

The capital at 31 December 2019 amounted to Euro 10 thousand and consisted of the membership interests as described in paragraph 11.1 above.

The Company does not hold, and has not held during the period, any treasury shares or quotas or quotas 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 |
| <b>Capital</b>                 | 10,000 |              |                  |                                      |           |
| <b>Capital reserves</b>        |        |              |                  |                                      |           |
| <b>Retained earnings:</b>      |        |              |                  |                                      |           |
| Profit carried forward         |        |              |                  |                                      |           |
| Non-distributable portion      |        |              |                  |                                      |           |
| Distributable residual portion |        |              |                  |                                      |           |

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 2019, there were no off-balance-sheet transactions outstanding.

### Foreign currency assets and liabilities

At 31 December 2019, no foreign currency assets or liabilities were recognised in the Financial Statements.

***Part C - Information on the Income Statement******Section 10 - Administrative expenses - Item 160****10.3 Other administrative expenses: breakdown*

Administrative expenses, amounting to Euro 46 thousand, consisted of expenses incurred as part of the Company's operations.

|                                      | <i>in units of Euro</i> |                   |
|--------------------------------------|-------------------------|-------------------|
|                                      | <b>31.12.2019</b>       | <b>31.12.2018</b> |
| Audit certificate                    | 43,402                  | 45,349            |
| Non-operating expenses               | 30                      | 4,214             |
| Other administrative expenses        | 2,716                   | 1,665             |
| <b>Total administrative expenses</b> | <b>46,148</b>           | <b>51,228</b>     |

***Section 14 - Other operating income (expenses) - Item 200****14.2 - Other operating income: breakdown*

Other operating income amounted to Euro 46 thousand.

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

|  | <i>in units of Euro</i> |                   |
|--|-------------------------|-------------------|
|  | <b>31.12.2019</b>       | <b>31.12.2018</b> |
| Recovery of maintenance costs                  | 45,332                  | 52,103            |
| Non-operating income                           | 942                     | 0                 |
| <b>Total other operating income (expenses)</b> | <b>46,274</b>           | <b>52,103</b>     |

***Section 19 - Income tax expense for the year from continuing operations - Item 270****19.1 Income tax expense for the year for continuing operations*

|   | <i>in units of Euro</i> |                   |
|---|-------------------------|-------------------|
|   | <b>31.12.2019</b>       | <b>31.12.2018</b> |
| 1. Current taxes                            | 0                       | ( 674 )           |
| 2. Change to current tax for previous years | 0                       | ( 1 )             |
|   | <b>0</b>                | <b>(675)</b>      |

Part D - Other information

## Section 1 - Specific disclosures on the operations carried out

## H. COVERED BONDS

## H. SUMMARY OF SECURITISED ASSETS AND NOTES ISSUED

|   | <i>(in units of Euro)</i> |                      |
|---|---------------------------|----------------------|
|   | <i>31/12/2019</i>         | <i>31/12/2018</i>    |
| <b>A. SECURITISED ASSETS</b>                              |                           |                      |
| A1) Loans and Receivables                                 | 9,704,002,236             | 7,750,383,341        |
| <b>TOTAL A)</b>   | <b>9,704,002,236</b>      | <b>7,750,383,341</b> |
| <b>B. USE OF FUNDS FROM LOAN SERVICING</b>                |                           |                      |
| B3) Other   | 2,250,504,364             | 1,815,857,167        |
| <b>TOTAL B)</b>   | <b>2,250,504,364</b>      | <b>1,815,857,167</b> |
| <b>D. BORROWINGS</b>                                      | <b>11,952,430,149</b>     | <b>9,564,612,200</b> |
| <b>E. OTHER LIABILITIES</b>                               | <b>2,076,451</b>          | <b>1,628,308</b>     |
| <b>DIFFERENCE A + B - D - E</b>                           | <b>0</b>                  | <b>0</b>             |
| <b>G. COMMISSIONS AND FEES CHARGED TO THE TRANSACTION</b> |                           |                      |
| G1) for servicing   | 5,816,959                 | 4,603,125            |
| G2) for other services                                    | 2,098,483                 | 2,293,571            |
| <b>TOTAL G)</b>   | <b>7,915,442</b>          | <b>6,896,696</b>     |
| <b>H. OTHER EXPENSES</b>                                  | <b>152,291,726</b>        | <b>155,330,371</b>   |
| <b>I. INTEREST INCOME FROM SECURITISED ASSETS</b>         | <b>160,011,172</b>        | <b>162,057,007</b>   |
| <b>L. OTHER INCOME</b>                                    | <b>195,996</b>            | <b>170,060</b>       |
| <b>DIFFERENCE I + L - G - H</b>                           | <b>0</b>                  | <b>0</b>             |

## Measurement

In reporting on the transaction, consideration has been given to the Bank of Italy's Provision of 30 November 2018 (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 par 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.

### Revenues and expenses

Revenues and expenses are recognised on an accruals 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.

**Cover assets - Loans and Receivables**

The item is broken down as follows:

Thousands of Euro

| <i>Situation at</i>                                     | <i>31/12/2019</i> | <i>31/12/2018</i> |
|---|-------------------|-------------------|
| Receivables originated by Crédit Agricole Italia S.p.A. | 7,923,203         | 5,360,030         |
| Receivables originated by Crédit Agricole Friuladria    | 1,814,526         | 1,594,766         |
| Receivables originated by Crédit Agricole Carispezia    | 0                 | 819,758           |
| Accrued interest  | 18                | 42                |
| Accrued income on receivables                           | 3,427             | 3,262             |
| Interest on arrears receivable                          | 126               | 95                |
| Interest on receivables under moratorium                | 478               | 420               |
| Interest income receivables                             | 1,617             | 1,169             |
| Collective value adjustments on receivables             | (34,000)          | (24,283)          |
| Individual value adjustments on receivables             | (5,267)           | (4,781)           |
| Value adjustments on interest on arrears                | (126)             | (95)              |
| <b>Total A1)</b>  | <b>9,704,002</b>  | <b>7.750.383</b>  |

**Use of funds from loan servicing**

The item is broken down as follows:

Thousands of Euro

| <i>Situation at</i>   | <i>31/12/2019</i> | <i>31/12/2018</i> |
|---|-------------------|-------------------|
| Cash on the transaction current accounts                                    | 2,250,232         | 1,815,634         |
| Receivables due from tax authorities for withholding tax on interest income | 262               | 213               |
| Prepaid expenses  | 10                | 10                |
| <b>Total B3)</b>  | <b>2,250,504</b>  | <b>1.815.857</b>  |

**Borrowings**

The item is broken down as follows:

Thousands of Euro

| <i>Situation at</i>                             | <i>31/12/2019</i> | <i>31/12/2018</i> |
|---|-------------------|-------------------|
| Subordinated loan Crédit Agricole Italia S.p.A. | 9,543,278         | 6,462,447         |
| Subordinated loan Crédit Agricole Carispezia    | 0                 | 1,000,915         |
| Subordinated loan Crédit Agricole Friuladria    | 2,258,772         | 1,964,526         |
| Interest expense accrued on subordinated loans  | 150,380           | 136,724           |
| <b>Total D)</b>                                 | <b>11,952,430</b> | <b>9.564.612</b>  |

**Other liabilities**

The item is broken down as follows:

Thousands of Euro

| <b>Situation at</b>  | <b>31/12/2019</b> | <b>31/12/2018</b> |
|--|-------------------|-------------------|
| Payables due to suppliers  | 44                | 0                 |
| Payables due to service suppliers for invoices received and not yet received | 1,988             | 1,597             |
| Payables due to company operations   | 44                | 31                |
| <b>Total E)</b>  | <b>2,076</b>      | <b>1.628</b>      |

**Commissions and fees charged to the transaction**

The item is broken down as follows:

Thousands of Euro

| <b>Situation at</b>                | <b>31/12/2019</b> | <b>31/12/2018</b> |
|------------------------------------|-------------------|-------------------|
| Servicing                          | 5,817             | 4,603             |
| <b>Total G1)</b>                   | <b>5,817</b>      | <b>4,603</b>      |
| Sub-Servicer fees                  | 1,841             | 2,064             |
| Representative of Bondholders fees | 5                 | 5                 |
| Principal Paying Agent fees        | 1                 | 2                 |
| Account Bank fees                  | 0                 | 1                 |
| Calculation Agent fees             | 89                | 89                |
| Corporate Servicer On Going fees   | 160               | 131               |
| SIA fees                           | 0                 | 1                 |
| Administrative services            | 2                 | 1                 |
| <b>Total G2)</b>                   | <b>2,098</b>      | <b>2,294</b>      |
| <b>Total G)</b>                    | <b>7,915</b>      | <b>6,897</b>      |

**Other charges**

The item is broken down as follows:

Thousands of Euro

| <b>Situation at</b>   | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---|-------------------|-------------------|
| Interest expense on subordinated loan Crédit Agricole Italia S.p.A. | 119,705           | 109,426           |
| Interest expense on subordinated loan Crédit Agricole Carispezia    | 0                 | 16,656            |
| Interest expense on subordinated loan Crédit Agricole Friuladria    | 28,462            | 27,606            |
| Individual impairment losses on receivables                         | 475               | 1,569             |
| Lump sum receivables write-down                                     | 3,514             | 0                 |
| Impairment losses on interest on arrears                            | 59                | 9                 |
| Company maintenance costs   | 45                | 52                |
| Other   | 32                | 12                |
| <b>Total H)</b>   | <b>152,292</b>    | <b>155.330</b>    |



**Interest income from cover assets**

The item is broken down as follows:

Thousands of Euro

| <b>Situation at</b>                                   | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---|-------------------|-------------------|
| Interest income on receivables                        | 159,127           | 146,539           |
| Early repayment fees                                  | 47                | 72                |
| Reversals of impairment losses on receivables         | 574               | 15,380            |
| Reversals of impairment losses on interest on arrears | 28                | 14                |
| Collected interest on arrears                         | 56                | 43                |
| Accrued interest on arrears                           | 179               | 9                 |
| <b>Total I)</b>                                       | <b>160,011</b>    | <b>162.057</b>    |

**Other income**

The item is broken down as follows:

Thousands of Euro

| <b>Situation at</b>          | <b>31/12/2019</b> | <b>31/12/2018</b> |
|------------------------------|-------------------|-------------------|
| Interest on current accounts | 189               | 170               |
| Non-operating income         | 7                 | 0                 |
| <b>Total L)</b>              | <b>196</b>        | <b>170</b>        |

## **QUALITATIVE INFORMATION**

### ***H.2 – Description and performance of the transaction***

#### The programme

During 2013, the Company completed an agreement with Crédit Agricole Italia 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 and thereafter, in 2018, taken to Euro 16,000,000 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 Italia S.p.A. 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 assignments 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 Italia S.p.A. 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 Italia S.p.A.

#### Originators

- Crédit Agricole Italia 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. (now Crédit Agricole Italia S.p.A., following the July 2019 merger by incorporation)
- Crédit Agricole Friuladria S.p.A., a joint-stock company operating as bank, with registered office in Pordenone Piazza XX Settembre n. 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.

As of the date of assignment, 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.

During 2019, 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 Italia receivables Euro 2,528,267 thousand
- Crédit Agricole Friuladria receivables: Euro 420,589 thousand

The consideration for the assignment of the portfolio amounted to:

- Crédit Agricole Italia receivables Euro 2,524,250 thousand
- Crédit Agricole Friuladria receivables: Euro 420,191 thousand

Subordinate Loans amounted to: Crédit Agricole Italia loan:

- Euro 2,524,250 thousand
- Crédit Agricole Friuladria loan: Euro 420,191 thousand.

On 21 July 2019, the merger by means of the incorporation of Crédit Agricole Carispezia S.p.A. into Crédit Agricole Italia, was completed.

As at 31 December 2019, 116,041 mortgage loans had been assigned, with a comprehensive residual debt, taking repayments into account, of approximately 9.7 billion euros (Crédit Agricole Italia Euro 7.9 billion, Crédit Agricole FriulAdria Euro 1.8 billion).

#### 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 2019, 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).

*Thousands of Euro*

| <b>Date</b>  | <b>Crédit Agricole Italia</b> | <b>Crédit Agricole Carispezia</b> | <b>Crédit Agricole Friuladria</b> | <b>Total</b>   |
|--------------|-------------------------------|-----------------------------------|-----------------------------------|----------------|
| 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         |
| 2018         | 11,295                        | 2,225                             | 4,821                             | 18,341         |
| 2019         | 11,344                        | 0                                 | 5,023                             | 16,367         |
| <b>Total</b> | <b>139.387</b>                | <b>15.595</b>                     | <b>22.999</b>                     | <b>177.980</b> |

As set out in art. 8.1.1 of the framework assignment agreement, the aforementioned receivables assignments were disclosed through publication in the Gazzetta Ufficiale (Italy's official journal of government records) and the relevant Companies' Register.

#### ***H.3 - Entities involved***

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

|                             |   |
|-----------------------------|---|
| <b>Originators</b>          | <b>Crédit Agricole Italia S.p.A.</b><br><b>Crédit Agricole Carispezia S.p.A. now Crédit Agricole Italia S.p.A., following the merger by incorporation</b><br><b>Crédit Agricole Friuladria S.p.A.</b><br>All belonging to the Crédit Agricole Italia Banking Group. |
| <b>Covered Bonds Issuer</b> | <b>Crédit Agricole Italia S.p.A.</b>  |

|  |   |
|--|---|
| <b>Master Servicer</b>                           | <b>Crédit Agricole Italia S.p.A.</b>  |
| <b>Sub-Servicer</b>                              | <b>Crédit Agricole Carispezia S.p.A. now Crédit Agricole Italia S.p.A., following the merger by incorporation</b><br><b>Crédit Agricole Friuladria S.p.A.</b><br>All belonging to the Crédit Agricole Italia Banking Group. |
| <b>Account Bank</b>                              | <b>Crédit Agricole Italia S.p.A.</b>  |
| <b>Guarantor Corporate Servicer</b>              | <b>Zenith Service S.p.A.</b>  |
| <b>Representative of the Covered Bondholders</b> | <b>Zenith Service S.p.A.</b>  |
| <b>Asset Monitor</b>                             | <b>BDO Italia S.p.A.</b>  |
| <b>Calculation Agent</b>                         | <b>Crédit Agricole Corporate &amp; Investment Bank S.A. (CACIB for short) Milan Branch</b>  |
| <b>Principal Paying Agent</b>                    | <b>Crédit Agricole Corporate &amp; Investment Bank S.A. (CACIB for short) Milan Branch</b>  |
| <b>Listing Agent</b>                             | <b>CACEIS Bank Luxembourg</b>   |
| <b>Arranger</b>                                  | <b>Crédit Agricole Corporate &amp; Investment Bank S.A. (CACIB for short) Milan Branch</b>  |

#### ***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 Italia S.p.A.

#### ***H.5 - Ancillary financial transactions***

The purchased receivables were used as guarantee for the covered bond transaction carried out by Crédit Agricole Italia S.p.A.

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 follows:

- Crédit Agricole Italia Euro 16,100,000 thousand;
- Crédit Agricole Friuladria Euro 5,400,000 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>31/12/2019</i> | <i>31/12/2018</i> |
|---|-------------------|-------------------|
| <b>Opening balance</b>  | <b>7.750.383</b>  | <b>7,278,782</b>  |
| Receivables purchased – principal                             | 2,948,879         | 1,358,261         |
| Receivables purchased – interest accrued at the transfer date | 2,348             | 1,115             |
| Collective value adjustments at the transfer date             | (6,497)           | (6,492)           |
| Individual value adjustments at the transfer date             | (290)             | (27)              |
| Collections from assigned debtors – principal                 | (969,485)         | (875,879)         |
| Cash receipts from interest accrued at the transfer date      | (2,453)           | (1,116)           |
| Cash receipts from Originator buybacks                        | (16,367)          | (18,342)          |
| Interest accrued on past due receivables                      | 448               | (11)              |
| Accrued subordinated interest                                 | 80                | 0                 |
| Interest on arrears receivable                                | (31)              | (5)               |
| Value adjustments on interest on arrears                      | 31                | 5                 |
| Interest under moratorium                                     | 58                | 109               |
| Accrued income on receivables                                 | 164               | 43                |
| Individual value adjustments                                  | (475)             | (1,569)           |
| Collective value adjustments                                  | (3,513)           | 0                 |
| Reversals of impairment losses on receivables                 | 574               | 15,380            |
| Interest accrued and capitalised                              | 148               | 129               |
| <b>Closing balance</b>  | <b>9,704,002</b>  | <b>7.750.383</b>  |

**H.8 - Outlook for past due loans**

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

*Thousands of Euro*

| <b>Description</b>               | <b>31/12/2019</b> | <b>31/12/2018</b> |
|----------------------------------|-------------------|-------------------|
| Past due receivables – principal | 4,683             | 3,247             |
| Past due receivables – interest  | 2,239             | 1,726             |
| Accruals on receivables          | 3,427             | 3,347             |
| Receivables falling due          | 9,733,046         | 7,771,222         |
| Value adjustments                | (39,393)          | (29,159)          |
| <b>Total</b>                     | <b>9,704,002</b>  | <b>7.750.383</b>  |

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**

|  | <i>Thousands of Euro</i> |                    |
|--|--------------------------|--------------------|
| Situation at   | <b>31/12/2019</b>        | <b>31/12/2018</b>  |
| <b>Opening balance</b>                               | <b>1,815,635</b>         | <b>1,416,425</b>   |
| <i>Inflows for the year:</i>                         |                          |                    |
| Collections from assigned debtors – principal        | 969,485                  | 875,879            |
| Collections from assigned debtors – interest         | 160,933                  | 147,414            |
| Cash receipts from Originator buybacks               | 16,367                   | 18,342             |
| Subordinated loan received                           | 2,944,440                | 1,352,847          |
| Interest accrued on current accounts and investments | 140                      | 126                |
| <b>Total inflows</b>                                 | <b>4,091,365</b>         | <b>2,394,608</b>   |
| <i>Outflows for the year</i>                         |                          |                    |
| Payment of transaction expenses                      | (7,539)                  | (6,865)            |
| Payment of incremental portfolio price               | (2,944,440)              | (1,352,847)        |
| Subordinated loan repayment                          | (570,278)                | (526,685)          |
| Payment of interest on subordinated loan             | (134,511)                | (109,001)          |
| <b>Total outflows</b>                                | <b>(3,656,768)</b>       | <b>(1,995,398)</b> |
| <b>Closing balance</b>                               | <b>2,250,232</b>         | <b>1,815,635</b>   |

Cash flows are in line with expectations at the time of transaction structuring; inflows have been positively affected by early repayments.

In 2020, cash flows from receivables are expected to add up to about Euro 745,227 thousand (principal Euro 584,325 thousand and interest Euro 160,902 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 life**

|                            | <i>Thousands of Euro</i> |                   |
|----------------------------|--------------------------|-------------------|
| <b>Securitised assets:</b> | <b>31/12/2019</b>        | <b>31/12/2018</b> |
| 1 – 3 months               | 147,427                  | 113,179           |
| 3 – 12 months              | 438,301                  | 332,555           |
| 1 – 5 years                | 2,298,443                | 1,755,859         |
| Over 5 years               | 6,818,432                | 5,548,790         |
| Indefinite life            | 1,399                    | 0                 |
| <b>Total</b>               | <b>9,704,002</b>         | <b>7.750.383</b>  |

| <b>Use of funds from loan servicing:</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|--|-------------------|-------------------|
| On demand                                | 2,250,504         | 1,815,857         |
| <b>Total</b>                             | <b>2,250,504</b>  | <b>1,815,857</b>  |

| <b>Subordinated loans:</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|----------------------------|-------------------|-------------------|
| 1 – 3 months               | 376,708           | 314,368           |
| Over 5 years               | 11,575,722        | 9,250,244         |
| <b>Total</b>               | <b>11,952,430</b> | <b>9.564.612</b>  |

| <b>Other liabilities:</b> | <b>31/12/2019</b> | <b>31/12/2018</b> |
|---------------------------|-------------------|-------------------|
| 1 – 3 months              | 2,039             | 1,624             |
| 3 – 12 months             | 37                | 4                 |
| <b>Total</b>              | <b>2,076</b>      | <b>1,628</b>      |

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 Italia.

#### H.12 – Breakdown by geographical location

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

#### H.13 – Risk concentration

| <i>Thousands of Euro</i>       |                      |                  |
|--------------------------------|----------------------|------------------|
| <b>Situation at 31/12/2019</b> |                      |                  |
| <b>Bucket</b>                  | <b>No. positions</b> | <b>Amount</b>    |
| From Euro 0 to 25,000          | 8,933                | 130,534          |
| From 25,000 to 75,000 Euro     | 45,604               | 2,364,221        |
| From 75,000 to 250,000 Euro    | 58,870               | 6,795,821        |
| Over 250,000 Euro              | 1,272                | 446,842          |
| <b>Total</b>                   | <b>114,679</b>       | <b>9,737,418</b> |

| <i>Thousands of Euro</i>       |                      |                  |
|--------------------------------|----------------------|------------------|
| <b>Situation at 31/12/2018</b> |                      |                  |
| <b>Bucket</b>                  | <b>No. positions</b> | <b>Amount</b>    |
| From Euro 0 to 25,000          | 5,648                | 86,094           |
| From 25,000 to 75,000 Euro     | 30,842               | 1,611,122        |
| From 75,000 to 250,000 Euro    | 44,964               | 5,215,351        |
| Over 250,000 Euro              | 1,039                | 366,215          |
| <b>Total</b>                   | <b>82.493</b>        | <b>7.278.782</b> |

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  | 2019          | 2018          |
|--|---------------|---------------|
| 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 held for sale |               |               |
| - 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                          |               |               |
| <b>Total</b>   | <b>10,000</b> | <b>10,000</b> |

**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 Italia S.p.A.

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

| FINANCIAL POSITION (euro/000)   | 31/12/2018        | 31/12/2017        |
|---|-------------------|-------------------|
| Receivables due from customers  | 40,006,172        | 29,799,716        |
| Financial assets/liabilities at fair value  | 30,230            |                   |
| Net financial assets/liabilities held for trading                                       |                   | -5,846            |
| Financial assets/liabilities measured at fair value with impact on comprehensive income | 2,672,300         |                   |
| Financial assets held to maturity   |                   | 1,569,990         |
| Available-for-sale financial assets   |                   | 2,634,465         |
| Equity investments  | 1,371,395         | 1,493,704         |
| Property, plant and equipment and intangible assets                                     | 1,670,816         | 1,351,237         |
| Tax assets  | 1,384,327         | 754,984           |
| Other assets  | 1,043,195         | 937,863           |
| <b>Total net assets</b>   | <b>48,178,435</b> | <b>38,536,113</b> |
| Net payables due to banks   | 401,778           | -2,759,378        |
| Direct funding from clients   | 39,291,595        | 34,114,743        |
| Tax liabilities   | 184,909           | 149,627           |
| Other liabilities   | 1,694,080         | 1,307,246         |
| Specific provisions   | 445,965           | 211,980           |
| Capital   | 962,672           | 934,838           |
| Equity instruments  | 715,000           | 365,000           |
| Reserves (net of treasury shares)   | 4,336,739         | 4,004,968         |
| Valuation reserves  | -106,427          | -4,623            |
| Profit (loss) for the year  | 252,124           | 211,712           |
| <b>Total equity and net liabilities</b>   | <b>48,178,435</b> | <b>38,536,113</b> |
| INCOME STATEMENT (Euro/000)   | 31/12/2018        | 31/12/2017        |
| Net interest  | 704,551           | 631,976           |

|  |                  |                  |
|--|------------------|------------------|
| Net fee income                                 | 682,041          | 545,238          |
| Dividends                                      | 68,241           | 49,934           |
| Profit (losses) on trading                     | 21,596           | 29,799           |
| Other operating income (expenses)              | 3,182            | -13,472          |
| <b>Net operating income</b>                    | <b>1,479,611</b> | <b>1,243,475</b> |
| Personnel expenses                             | -533,457         | -409,992         |
| Administrative expenses                        | -384,288         | -297,728         |
| Depreciation and Amortisation                  | -45,655          | -30,491          |
| <b>Operating expenses</b>                      | <b>-963,400</b>  | <b>-738,211</b>  |
| <b>Operating profit (loss)</b>                 | <b>516,211</b>   | <b>505,264</b>   |
| Allocations to provision for risks and charges | 22,131           | -11,924          |
| Net value adjustments on receivables           | -201,209         | -201,555         |
| Impairment of securities                       | -1,532           |                  |
| Profit (losses) on other investments           | -1,317           | 236              |
| <b>Pre-tax amount</b>                          | <b>334,284</b>   | <b>292,021</b>   |
| Income tax expense for continuing operations   | -82,160          | -80,309          |
| <b>Profit (loss) for the year</b>              | <b>252,124</b>   | <b>211,712</b>   |

### 7.3 Public funds subject to art.1, paragraphs 125–129 of Law 124/2017

During 2018, the Company did not receive any public funds subject to art.1, paragraphs 125–129 of Law 124/2017, the disclosure of which is obligatory as from 2018.

### 7.4 Option for the “VAT Group”

In November 2018 the option was exercised, with effect as from 1 January 2019, for the establishment of the VAT Group, introduced by art. 1, paragraph 24 of Law no. 232 of 11 December 2016, which includes the subsidiaries of Crédit Agricole Italia among which there are financial, economic and organisational restrictions established by the Ministerial Decree of 6 April 2018 and by Circular no. 19/2018.

The scope of the VAT Group consists of 15 Group entities, including also Crédit Agricole Italia OBG, and Crédit Agricole Italia has taken on the role of representing the Group. This regime makes it possible for participating companies to operate, for VAT purposes, as a single body subject to VAT in regard to external companies, with a single VAT number. The main advantage arising from this option is the possibility of disregarding, in general for VAT purposes, dealings among companies belonging to the Group.

**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 2019:

| Type of service                         | Fees as per appointment letter<br>(Euro units) |
|---|--|
| Audit                                   | 24,000   |
| Periodic audit of the accounting system | 4,000  |
| Audit of tax filings                    | 1,000  |
| <b>TOTAL</b>                            | <b>29,000</b>                                  |

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

Milan, 13 March 2020

*The Chairman of the Board of Directors*  
*Stefano Marlat*

*The Director*  
*Cristiano Campi*

*The Director*  
*Simona Colombi*

# Crédit Agricole Italia OBG S.r.l.

Report on the Audit of the Financial Statements  
at 31 December 2019

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

## 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 2019, 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 notes 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 2019, 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 the notes to the financial statements where the Directors state 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 securitization transaction are in all respect separated from the assets of the Company and from those related to other securitization transactions. 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 performed 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 have 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 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 2019, 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 2019 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 2019 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, 23 March 2020

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.