SECOND SUPPLEMENT DATED 2 APRIL 2024 TO THE BASE PROSPECTUS DATED 9 OCTOBER 2023

CA Auto Bank S.p.A.

(*incorporated with limited liability in the Republic of Italy*)

acting through

CA Auto Bank S.p.A., Irish Branch

€12,000,000,000
Euro Medium Term Note Programme

This second Supplement (the **Supplement**) to the Base Prospectus dated 9 October 2023, as supplemented by the first supplement dated 12 January 2024 (the **Base Prospectus**) which comprises a base prospectus for the purposes of the Prospectus Regulation constitutes a supplement to the prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the Euro Medium Term Note Programme (the **Programme**) established by CA Auto Bank S.p.A., acting through its Irish branch (the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Supplement. Investors should make their own assessment as to the suitability of investing in the Notes.

Purpose of the Supplement

The purpose of this Supplement is to (i) update the risk factor entitled "*Risk related to changes to the credit institution framework*" in the "*Risk Factors*" section of the Base Prospectus; (ii) update the "*Documents Incorporated by Reference*" section of the Base Prospectus; (iii) update the paragraphs *"8. Organisational Structure"* and "*11. Recent Developments*" in the "*Description of CA Auto Bank*" section of the Base Prospectus; (iv) update the paragraphs entitled "*Basel III and the CRD IV Package*", "*Capital Requirements", "EU Banking Reform Package"* and *"The Bank Recovery and Resolution Directive"* in the "*Regulatory Aspects*" section of the Base Prospectus; (v) update the sub-paragraph "*Wealth tax on financial products held abroad*" in paragraph entitled "*Taxation in Italy*" in the

"*Taxation*" section of the Base Prospectus; and (vi) update the paragraph entitled "*Significant or Material Change*" in the "*General Information*" section of the Base Prospectus.

UPDATE OF THE "*RISK FACTORS*" SECTION OF THE BASE PROSPECTUS

On page 23 of the Base Prospectus, the risk factor headed "*Risk related to changes to the credit institution framework*" in the sub-section entitled "*Risks related to changes to the existing regulatory framework*" of the "*Risk Factors*" section of the Base Prospectus is hereby amended as set out below:

"Banks are subject to the Basel III regulations, which relate to capital and liquidity requirements with the goal of promoting a more resilient banking sector in the event of a crisis, implemented in the European Union through the Capital Requirements Directive package.

As at the date of this Base Prospectus, banks must meet the own funds requirements provided by article 92 of (EU) Regulation 575/2013 of the European Parliament and European Council of 26 June 2013 concerning prudential requirements for credit institutions and investment firms, as subsequently amended, (the **CRR**): (i) the Common Equity Tier 1 Ratio must be equal to at least 4.5 per cent. of the total risk exposure amount of the bank; (ii) the Tier 1 Ratio must be equal to at least 6 per cent. of the total risk exposure amount of the bank; (iii) the Total Capital Ratio must be equal to at least 8 per cent. of the total risk exposure amount of the bank; and (iv) the Leverage Ratio must be equal to at least 3 per cent. of the Tier 1 Ratio divided by the total exposures amount of the bank. In addition to the minimum regulatory requirements, banks must meet the Combined Buffer Requirement (as defined below) provided by EU Directive 2013/36 of the European Parliament and European Council in relation to credit institutions' activities, credit institutions' prudential supervision and investment undertakings, as subsequently amended, (the **CRD IV**).

In terms of banking and prudential regulation, CA Auto Bank is also subject to the BRRD, as subsequently amended, implemented by the BRRD Decrees (as defined below) as well as the relevant technical standards and guidelines from EU regulatory bodies (i.e. EBA) which, *inter alia*, provide MREL requirements for credit institutions, recovery and resolution mechanisms. Since the Issuer is not part of the Crédit Agricole Network as defined in Article R.512-18 of the French Monetary and Financial Code, it is not subject to an external MREL requirement under the BRRD and its debt instruments do not contribute to the Crédit Agricole Group MREL ratio.

For a description of the corporate structure of CA Auto Bank please see "*Description of CA Auto Bank*" of this Base Prospectus.

Should CA Auto Bank not be able to meet the capital requirements and/or MREL requirements imposed by the applicable laws and regulations, it may be required to maintain higher levels of capital, which could potentially impact the credit ratings, and funding conditions, which could limit CA Auto Bank's growth opportunities and profitability.

For a description of the CRD package applicable to the CA Auto Bank Group please see "*Regulatory Aspects - Basel III and the CRD IV Package*" of this Base Prospectus.

For a description of the BRRD package applicable to CA Auto Bank Group, please see "*Regulatory Aspects – The Bank Recovery and Resolution Directive*" of this Base Prospectus.

Furthermore, CA Auto Bank is subject to the Pillar 2 requirements for banks imposed under the CRD IV Package (as defined below), as amended by the EU Banking Reform Package (as defined below), which will be impacted, on an on-going basis, by the Supervisory Review and Evaluation Process (SREP).

For a description of the Pillar 2 requirements applicable to the CA Auto Bank Group please see *"Regulatory Aspects - Capital Requirements"* of this Base Prospectus.

The CA Auto Bank Group's liquidity and long-term viability depends on many factors including its ability to successfully raise capital and secure appropriate financing. Should CA Auto Bank not be able to implement the approach to capital requirements it considers optimal in order to meet the capital requirements imposed by the CRD IV Package (as amended by the EU Banking Reform Package), it may be required to maintain levels of capital which could potentially impact its credit ratings, funding conditions and limit CA Auto Bank's growth opportunities.

Depending on the outcomes of the legislative process underway in Europe, CA Auto Bank might be compelled to adapt to changes in the regulations (and in their construction and/or implementation procedures adopted by the supervisory authorities), with potential adverse effects on its assets, liabilities and financial situation. In particular, investors should consider that supervisory authorities may impose further requirements and/or parameters for the purpose of calculating capital adequacy requirements or may adopt interpretation approaches of the legislation governing prudential fund requirements unfavourable to CA Auto Bank, with consequent inability of CA Auto Bank to comply with the requirements imposed and with a potential negative impact, even material, on the business and capital, economic and financial conditions.

In light of that, CA Auto Bank has in place specific procedures and internal policies - in accordance with the regulatory frameworks defined by domestic and European supervisory authorities and consistent with the regulatory framework being implemented at the European Union level - to monitor, among other things, liquidity levels and capital adequacy. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect CA Auto Bank's results of operations, business and financial condition. As at the date of this Base Prospectus, the Bank of Italy has recently proposed, by means of a public hearing, the introduction of a systemic risk buffer intended to apply to all banks and banking group authorised in Italy; therefore there is uncertainty as to when and in which terms this buffer will be implemented. Moreover, although the European Parliament has recently reached a provisional agreement on the 2021 Banking Package (as defined below), as at the date of this Base Prospectus, there is still uncertainty as to adoption and implementation of this legislative proposal and in particular it is not yet clear how and to what extent the 2021 Banking Package may impact on CA Auto Bank's operations.

For a description of the EU Banking Reform Package applicable to the CA Auto Bank Group please see *"Regulatory Aspects - EU Banking Reform Package"* of this Base Prospectus.

In addition, on 18 April, 2023, the European Commission published a proposal for the further amendment of the BRRD, including, among other things, the amendment of the ranking of claims in insolvency to provide for a general depositor preference, pursuant to which the insolvency laws of Members States would be required by the BRRD to extend the legal preference of claims in respect of deposits relative to ordinary unsecured claims to all deposits. The implementation of this proposal is subject to further legislative procedures but if it is implemented in its current form, this would confirm the outcome currently applicable under Italian law, whereby the senior notes will rank junior to the claims of all depositors, including deposits of large corporates and other deposits.

Investors should also consider that it cannot be excluded that in the future CA Auto Bank may be required, in particular in light of external factors and unforeseeable events outside its control and/or after further requests by the supervisory authority, to implement capital enhancement interventions; there is also a risk that CA Auto Bank may not be able to achieve and/or maintain (both at individual and consolidated level) the minimum capital or MREL requirements provided for by the legislation in force from time to time or established from time to time by the supervisory authority in the times prescribed therein, with potential material negative impact on its business and capital, economic and financial condition.

In these circumstances, it cannot be excluded that CA Auto Bank may be subject to extraordinary actions and/or measures by competent authorities, which may include, inter alia, the application of the resolution tools as per the BRRD Decrees (as defined below). In particular, the impact of the resolution tools provided for by the BRRD Decrees on the rights of the Noteholders are further described in the section *"Regulatory Aspects"*. In this respect, please see *"Regulatory Aspects - The Bank Recovery and Resolution Directive" and see "Regulatory Aspects – Revision to the BRRD framework"* of this Base Prospectus."

DOCUMENTS INCORPORATED BY REFERENCE

By virtue of this Supplement, the consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2023 is incorporated by reference in, and forms part of, the Base Prospectus.

On page 41 of the Base Prospectus, under the first paragraph of the section headed "*Documents Incorporated by Reference*", a new letter (e) is added as follows:

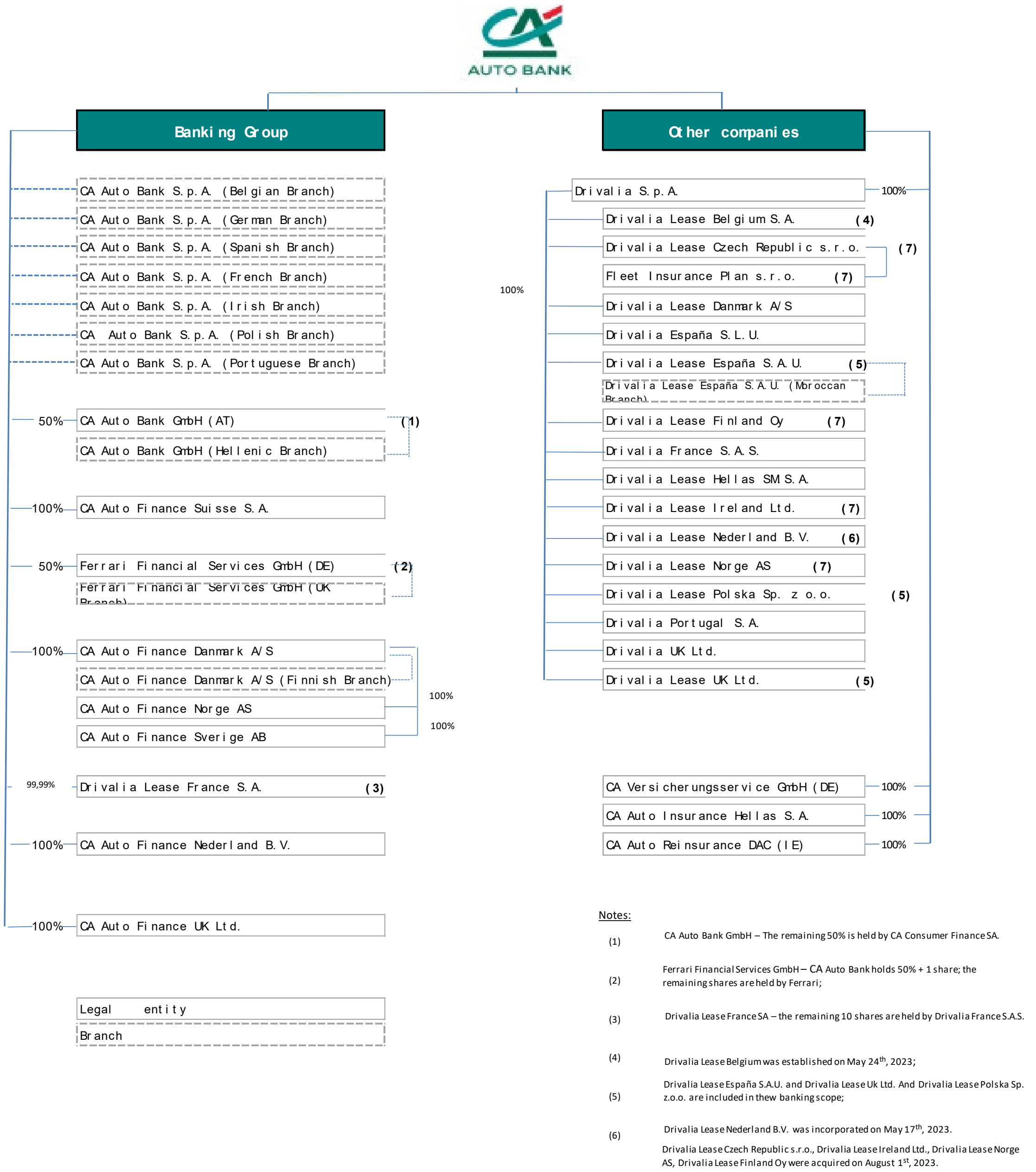
"(e) the consolidated financial statements of CA Auto Bank for the financial year ended 31 December 2023, together with the auditors' report thereon (which can be found on the following website: https://www.ca-autobank.com/en/investor-relations/statements-and-reports), including the information set out therein at the following pages in particular:

The Business Lines	Pages 22-31
Drivalia (Rental/Mobility)	Pages 32-36
Financial structure and funding sources	Pages 68-69
Credit quality	Page 82
Residual values	Pages 83-84
Results of Operations	Pages 85-92
Own Fund and Capital Ratios	Pages 93-96
Organization and Human Resources	Page 101
Consolidated Financial Statements	
Consolidated Statement of Financial Position	Pages 141-142
Consolidate Income Statement	Page 143
Consolidated Statement of Comprehensive Income	Page 144
Consolidated Statement of Changes in Equity	Pages 145-146
Consolidated Statement of Cash Flows (Direct Method)	Pages 147-148
Notes to the Consolidated Financial Statements	Pages 149-441
Independent Auditors' Report on the Consolidated Financial Statements	Pages 454-461"

UPDATE OF THE "*DESCRIPTION OF CA AUTO BANK*" SECTION OF THE BASE PROSPECTUS

On page 115 of the Base Prospectus, the paragraph entitled "*8. Organisational Structure*" in the "*Description of CA Auto Bank*" section is hereby amended as set out below:

"The diagram below sets out the structure of the CA Auto Bank Group as at the date of this Base Prospectus.



"

On page 122 of the Base Prospectus, the following sub-paragraphs are inserted at the end of the paragraph entitled "*11. Recent Developments*" in the "*Description of CA Auto Bank*" section:

"Effective from 1 January 2024, the new business volumes (and not the outstanding stock) generated by the existing mobility financing activities of Sofinco Auto Moto Loisirs (a brand of Crédit Agricole Consumer Finance focused on financing cars, motorbikes and leisure vehicles through car loans, financial leasing and long-term rental) are originated by the French Branch, by virtue of a combination of the two entities.

On 11 January 2024 the Financial Conduct Authority announced that it will be undertaking work in the motor finance market following an increase in the number of complaints from customers to motor finance firms claiming compensation due to historical use of discretionary commission arrangements. CA Auto Finance UK Ltd (formerly FCA Automotive services UK Ltd) has been active in the UK market throughout the period under investigation and has worked with a variety of credit intermediaries and brokers during this time. In accordance with market practice, a number of commission models have been used including forms of discretionary commission in some instances, prior to the ban on such models which came into effect in January 2021. As at the date of this Base Prospectus, CA Auto Finance UK Ltd has not been contacted directly by the Financial Conduct Authority on this subject and is not in the position to assess to what extent it might be impacted by the investigation.

On 25 March 2024, CA Auto Bank entered into a €500,000,000 Additional Tier 1 loan, callable after five years and entirely subscribed by Crédit Agricole Consumer Finance".

UPDATE OF THE "*REGULATORY ASPECTS*" OF THE BASE PROSPECTUS

On page 123 of the Base Prospectus, the paragraph entitled "*Basel III and the CRD IV Package"* in the "*Regulatory Aspects"* section is hereby amended as set out below:

"The rules applicable to banks and other entities in banking groups are mainly provided by implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision (the **Basel Committee**) and are aimed at preserving their stability and solidity and limiting their risk exposure.

The Basel III framework has been implemented in the EU through Directive No. 2013/36/EU of the European Parliament and of the Council of the European Union of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as subsequently amended, (the **CRD IV Directive**) and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of the European Union of 26 June 2013 on prudential requirements for credit institutions and investment firms, as subsequently amended, (the **CRR** and together with the CRD IV Directive, the **CRD IV Package**), subsequently amended by Directive (EU) 2019/878 (**CRD V**) and Regulation (EU) 2019/876 (**CRR II** and together with the CRD V, the **CRD V Package**). The CRD IV, as amended by the CRD V, is commonly referred to as the **CRD** and the CRR, as amended by the CRR II, is commonly known as **CRR**.

National options and discretions under the CRD IV Package that were previously only exercised by national competent authorities, are now exercised by the Single Supervisory Mechanism (**SSM**) in a largely harmonised manner throughout the European banking union. In this respect, on 14 March 2016, the ECB adopted Regulation (EU) No. 2016/445 on the exercise of options and discretions. Depending on the manner in which these options and discretions were exercised by the national competent authorities and on the manner in which the SSM will exercise them in the future, additional/lower capital requirements may result.

Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (as of 1 January 2014 the requirements are now almost fully effective although some minor transitional provisions provide for phase-in until 2024) but it is possible that in practice implementation under national laws be delayed. Additionally, it is possible that Member States may introduce certain provisions at an earlier date than that set out in the CRD V Package.

In Italy, the CRD IV Directive was implemented by Legislative Decree no. 72 of 12 May 2015, which entered into force on 27 June 2015 and introduced measures dealing with, *inter alia*, the following aspects of the CRD IV Directive:

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

(ii) competent authorities' powers to intervene in cases of crisis management (Articles 102 and 104 of the CRD IV Directive);

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

(iv) administrative penalties and measures (Articles 64 and 65 of the CRD IV Directive).

Moreover, the Bank of Italy published specific supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013 (the **Circular**)) which came into force on 1 January 2014, implementing the CRD IV Package and then the CRD V Package, and setting out additional local prudential rules. The Circular has been constantly updated since coming into force, the last update being the 45th update published on 12 March 2024 aligning the domestic framework with the changes introduced at an European level as to regulatory regime applicable to securitisation transactions. The CRD and the CRR are also supplemented in Italy by technical rules published through delegated regulations of the European Council and guidelines of the EBA.

As part of the CRD IV Package, certain transitional arrangements as implemented by the Circular have been gradually phased out.

The transitional arrangements which provide for the regulatory capital recognition of outstanding instruments which qualified as Tier 1 and Tier 2 capital instruments under the framework which the CRD IV Package replaced but which no longer meet the minimum criteria under the CRD IV Package have been gradually phased out."

On page 124 of the Base Prospectus, the paragraph entitled "*Capital Requirements*" in the "*Regulatory Aspects*" section is hereby amended as set out below:

"According to Article 92 of the CRR (as defined below), banks are required to comply with a minimum Common Equity Tier 1 (**CET1**) capital ratio of 4.5 per cent. of risk weighted assets, a minimum Tier 1 Capital ratio of 6 per cent. of risk weighted assets, a minimum Total Capital Ratio of 8 per cent. of risk weighted assets and a Leverage Ratio of 3 per cent.. These minimum ratios are complemented by capital buffers to be met with CET1 capital. As at 31 December 2023, these capital buffers were as follows:

- Capital conservation buffer: set at 2.5 per cent. of risk weighted assets and has applied to CA Auto Bank from 1 January 2019 (pursuant to Article 129 of the CRD V and Part I, Title II, Chapter I, Section II of the Circular);

- Counter-cyclical capital buffer: the counter-cyclical capital buffers are set by the relevant competent authority at between 0% - 2.5% of credit risk exposure towards counterparties in each of the home Member State, other Member State and third countries (but may be set higher than 2.5% where the competent authority considers that the conditions in the relevant Member State justify this) with gradual introduction from 1 January 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Articles 130 and 136 of the CRD IV and Part I, Title II, Chapter I, Section III of the Circular). As of 31 December 2022 the specific counter-cyclical capital rate of the CA Auto Bank Group amounted to 0.158 per cent.. With reference to the exposures towards Italian counterparties, the Bank of Italy has set, and decided to maintain, the rate equal to 0 per cent. for the first quarter of 2024;

- Capital buffers for global systemically important institutions (**G-SIIs**): set as an "additional loss absorbency" buffer varying depending on the sub-categories on which G-SIIs are divided into, according to specific indicators (size, interconnectedness, substitutability of the services provided, global cross-border activity and complexity). The lowest sub-category shall be assigned a G- SII buffer of 1.0 and the buffer assigned to each sub-category shall increase in gradients of at least 0.5 per cent. of risk weighted assets. It was subject to phasing in from 1 January 2016 (Part I, Title II, Chapter I, Section IV, paragraph 1 of the Circular), and became fully effective on 1 January 2019; and

- Capital buffers for other systemically important institutions (**O-SIIs**): up to 3.0 per cent. of risk weighted assets as set by the relevant competent authority (and must be reviewed at least annually), to compensate for the higher risk that such banks represent to the domestic financial system (Article 131 of the CRD IV Directive and Part I, Title II, Chapter I, Section IV, paragraph 2 of the Circular).

CA Auto Bank is not currently included in the list of financial institutions of global systemic importance published on 27 November 2023 by the Financial Stability Board (**FSB**). The Bank of Italy has not included CA Auto Bank among the systemically important banks at a domestic level (O-SII) for the year 2024. However, the Crédit Agricole Group was designated as a G-SII since 2018.

In addition to the above listed capital buffers, under Article 133 of the CRD V, as implemented by Part I, Title II, Chapter 1, Section V of the Circular, the Bank of Italy may introduce a systemic risk buffer in order to prevent and mitigate long term non-cyclical systemic or macro-prudential risks not covered by the other capital requirements set out in the CRD V Package, as amended by the CRD V Package.

On 8 March 2024, the Bank of Italy launched a public consultation on a proposal to introduce a systemic risk buffer (**SyRB**) of 1.0 per cent of domestic exposures weighted for credit and counterparty credit risks. The buffer requirement is intended to be applicable to all banks and banking groups authorised in Italy. The buffer rate target would be reached gradually: 0.5 per cent would need to be set aside by 31 December 2024, and the remaining 0.5 per cent by 30 June 2025. The public consultation in question will end on 29 March 2024 and as of the date of this Base Prospectus it is not possible to foresee to what extent the final decision which will be adopted by the Bank of Italy may differ from the text of the proposal currently available.

Failure to comply with the capital requirements described above (**Combined Buffer Requirement**) may trigger restrictions on distributions by reference to the so-called Maximum Distributable Amounts (**MDA**) and the need for the bank to adopt a capital conservation plan in respect of remedial actions (Articles 141 to 142 of the CRD V and Part I, Title II, Chapter I, Section VI of the Circular).

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

The quantum of any Pillar 2 requirement imposed on a bank, the type of capital which it must apply to meeting such capital requirements, and whether the Pillar 2 requirement is "stacked" below the capital buffers (i.e. the bank's capital resources must first be applied to meeting the Pillar 2 requirements in full before capital can be applied to meeting the capital buffers) or "stacked" above the capital buffers (i.e. the bank's capital resources can be applied to meeting the capital buffers in priority to the Pillar 2 requirement) may all impact a bank's ability to comply with the Combined Buffer Requirement.

In its publication of the 2016 EU-wide stress test results on 29 July 2016, the EBA has recognised a distinction between "Pillar 2 requirements" (stacked below the capital buffers) and "Pillar 2 capital guidance" (stacked above the capital buffers). With respect to Pillar 2 capital guidance, the publication stated that, in response to the stress test results, competent authorities may (among other things) consider "setting capital guidance, above the combined buffer requirement". Competent authorities have remedial tools if an institution refuses to follow such guidance. The ECB published a set of "Frequently asked questions on the 2016 EU-wide stress test", confirming this distinction between Pillar 2 requirements and Pillar 2 capital guidance and noting that "Under the stacking order, banks facing losses will first fail to fulfil their Pillar 2 capital guidance. In case of further losses, they would next breach the combined buffers, then Pillar 2 requirements, and finally Pillar 1 requirements. The distinction between "Pillar 2 requirements" and "Pillar 2 capital guidance" has been codified by the CRD V. Whereas the former are mandatory requirements imposed by supervisors to address risks not covered or not sufficiently covered by Pillar 1 and buffer capital requirements, the latter refers to the possibility for competent authorities to communicate to an institution their expectations for such institution to hold capital in excess of its capital requirements (Pillar 1 and Pillar 2) and combined buffer requirements in order to cope with forward-looking and remote situations. Under the CRD V, only Pillar 2 requirements, and not Pillar 2 capital guidance, will be relevant in determining whether an institution is meeting its Combined Buffer Requirement.

Non-compliance with Pillar 2 capital guidance does not amount to a failure to comply with capital requirements, but should be considered as a "pre alarm warning" to be used in a bank's risk management process. If capital levels go below Pillar 2 capital guidance, the relevant supervisory authorities, which should be promptly informed in detail by the bank of the reasons of the failure to comply with the Pillar 2 capital guidance, will take into consideration appropriate and proportional measures on a case by case basis (including, by way of example, the possibility of implementing a plan aimed at restoring compliance with the capital requirements including capital strengthening requirements).

With update No. 39 of 13 July 2022, the Circular was amended in order to align its provisions with Articles 104 to 104c of the CRD IV Directive, as amended by the CRD V. In particular, the amendments introduced to Part I, Chapter 1, Title III of the Circular provide for, *inter alia*, the introduction of:

(i) A clear differentiation between components of Pillar 2 capital requirements (**P2R**) estimated from an ordinary perspective and the Pillar 2 Guidance determined from a stressed perspective which supervisory authorities may require banks to hold; and

(ii) The possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions (P2R and Leverage Ratio and Pillar 2 Guidance Leverage Ratio).

On 18 March 2022, the EBA published its final report on revised Guidelines on common procedures and methodologies for SREP and supervisory stress testing. The EBA has developed the revised SREP Guidelines in order to implement the changes brought by CRD V and CRR II (as defined below). In particular, the revision of the Guidelines, while keeping the original framework with the main SREP elements intact, reflects, among other things, the introduction of the assessment of the risk of excessive leverage and the revision of the methodology for the determination of the Pillar 2 Guidance. Additional relevant changes are related to the enhancement of the principle of proportionality and the encouragement of cooperation among prudential supervisory authorities and AML/CFT supervisors, as well as resolution authorities. The Bank of Italy notified the EBA that full compliance with the guidelines was ensured by the revison of the Circular undertaken through update no. 40 of 3 November 2022. The guidelines apply from 1 January 2023."

On page 127 of the Base Prospectus, the paragraph entitled "*EU Banking Reform Package"* in the "*Regulatory Aspects"* section is hereby amended as set out below:

"The regulatory framework to which CA Auto Bank is subject is itself subject to on-going changes. In particular, on 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (i.e. the EU Banking Reform Package).

The EU Banking Reform Package amends many existing provisions set out in:

(i) the CRD IV Package;

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

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

The above proposals for amendments (the **Proposals**) cover multiple areas, including the Pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt, the minimum requirement for own funds and eligible liabilities (**MREL**) framework and the integration of the Financial Stability Board's proposed minimum total loss-absorbing capacity (**TLAC**) into EU legislation. Certain proposals, including those in relation to non-preferred senior debt, were separated from the package and were adopted by the European Parliament and Council at the end of 2017. On 27 December 2017, the Italian Government introduced the class of non-preferred senior debt in the relevant Italian Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Law**). The new class of non-preferred senior debt entered into force on 1 January 2018.

As part of the Proposals, the CRD V and the CRR II were agreed by the European Parliament, the European Council and the European Commission and were published in the Official Journal of the EU on 7 June 2019 entering into force 20 days after, even though most of the provisions will apply as of 2 years from the entry into force, i.e. after 28 June 2021, allowing for a smooth implementation of the new provisions.

In particular, the EU Banking Reform Package includes:

- revisions to the standardised approach for counterparty credit risk;

- changes to the market risk rules which include the introduction of a reporting requirement pending implementation in the EU of the latest changes to the Interbank Deposit Guarantee Fund (**FRTB**) published in January 2019 by the Basel Committee on banking supervision (**BCBS**) and then the application of own funds requirements as of 1 January 2023;

- a binding leverage ratio (and related improved disclosure requirements) introduced as a backstop to risk-weighted capital requirements and set at 3 per cent. of an institution's Tier 1 capital;

- binding NSFR which will require credit institutions and systematic investment firms to finance their long-term activities (asset and off-balance sheet items) with stable sources of funding (liabilities) in order to increase banks resilience to funding constraints. This means that the amount of available stable funding will be calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR will be expressed as a percentage and set at a minimum level of 100 per cent., indicating that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The NSFR applies at a level of 100 per cent. at individual and a consolidated level starting from 28 June 2021, unless competent authorities waive the application of the NSFR on an individual basis as of two years after the date of entry into force of the EU Banking Reform Package;

- changes to the large exposure limits, now calculated as 25 per cent of Tier 1, and;

- improved own funds calculation adjustments for exposures to SME and infrastructure projects.

Although most of the provisions of CRR II apply from 28 June 2021, certain provisions, such as those relating to definition or own funds, were implemented from 27 June 2019. The elements of the package introduced by CRD V were required to be implemented into national law.

The CRD V Package has been implemented in Italy by Legislative Decree no. 182 of 8 November 2021 (the **Implementing Decree**), which entered into force on 30 November 2021 and introduced measures dealing with, inter alia, the following aspects of the CRD V:

i. proposed acquirers of credit institutions' holdings, shareholders and members of the management body requirements (Articles 22, 23 and 91 of the CRD V);

ii. competent authorities' powers to impose additional own fund requirements (Articles 104 and 104a of the CRD V);

iii. authorisation regime applicable to financial holding companies and mixed financial holding companies (Article 21a of the CRD V); and

iv. regime governing the banking groups and introduction of the status of "intermediate EU parent" (Article 21c of the CRD V).

Moreover, Implementing Decree, while amending the Italian Banking Act, provided for a delegation to the Bank of Italy to fully align the second level legislation with the provisions laid down by the CRD V Package.

On 22 February 2022, the Circular has been amended to introduce, *inter alia*:

(i) the Bank of Italy's power to require Italian banks and banking groups to maintain a systemic risk buffer (**SyRB**) of Common Equity Tier 1. In particular, the SyRB is aimed to prevent and mitigate macroprudential or systemic risks not being covered by the macro-prudential measures set forth in the CRR II, the counter-cyclical capital buffer and the capital buffers for G-SIIs and O-SIIs. The SyRB may apply to all exposures or a subset of exposures of all the institutions or one or more subset of institutions, having a common risk profile, for which the Bank of Italy is competent (see Part I, Title II, Chapter I, Section V of the Circular); and

(ii) certain borrower-based measures, namely macro-prudential measures being based on specific features and characteristics of the clients of the banks and/or the financing granted by the banks.

As of the date of this Base Prospectus, the Bank of Italy has recently launched a public consultation aimed at introducing a SyRB intended to apply to all banks and banking groups authorized in Italy. The public hearing will end on 29 March 2024 and, as such, as at the date of this Base Prospectus it is not possible to foresee to what extent the final decision adpted by the Bank of Italy would differ from the text currently publicly available."

On page 131 of the Base Prospectus, the paragraph entitled "*The Bank Recovery and Resolution Directive"* in the "*Regulatory Aspects"* section is hereby amended as set out below:

"The directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (as amended, the **Bank Recovery and Resolution Directive or BRRD**) is designed to provide competent authorities with a credible set of tools to intervene sufficiently early and quickly in an institution that is failing or is likely to fail so as to ensure the continuity of the relevant entity's critical financial and economic functions, whilst minimising the impact of a relevant entity's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest. The four resolution tools and powers are: (i) sale of business – which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation –

which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including senior unsubordinated notes, such as the Notes (**Senior Notes**)) into equity or other instruments of ownership (the **general bail-in tool**). Such equity or other instruments of ownership could also be subject to any exercise of such powers by a resolution authority under the BRRD. The BRRD requires all Member States to create a national, prefunded resolution fund, reaching a level of at least 1 per cent. of covered deposits of all credit institutions by 2024. The national resolution fund for Italy was created in November 2015 and required both ordinary and extraordinary contributions to be made by Italian banks and investment firms, including CA Auto Bank. In the Eurozone, the national resolution funds set up under the BRRD were replaced by the Single Resolution Fund (**SRF** or the **Fund**) as of 1 January 2016, itself set up under the control of the Single Resolution Board (**SRB** or the **Board**). The national resolution funds have been pooled together gradually. The SRF is intended to ensure the availability of funding support while a bank is resolved and will contribute to resolution if at least 8 per cent. of the total liabilities (including own funds) of the bank have been subject to bail-in. Each year, the SRB will calculate, in line with Council Implementing Act 2015/81, the annual contributions of all institutions authorised in the Member States participating in the SSM and the Single Resolution Mechanism (**SRM**). The SRM became fully operational on 1 January 2016. Certain provisions, including those concerning the preparation of resolution plans and provisions relating to the cooperation of the SRB with national resolution authorities, entered into force on 1 January 2015. The SRM, which complements the SSM, applies to all banks supervised by the ECB SSM. It mainly consists of the SRB and a Securitisation Regulation Framework (**SRF**). Decision-making is centralised with the SRB, and involves the European Commission and the European Council (which will have the possibility to object to the SRB's decisions) as well as the ECB and national resolution authorities. The establishment of the SRM is designed to ensure that supervision and resolution is exercised at the same level for countries that share the supervision of banks within the SRM.

In May 2017 the Commission Delegated Regulation (EU) 2017/747 of 17 December 2015 entered into force. This sets out the criteria for the calculation of *ex ante* contributions, as well as the circumstances and conditions under which the payment of extraordinary *ex post* contributions to the SRF may be partially or entirely deferred. The SRF is to be gradually built up over eight years, from 2016 to 2023, to the target level of at least 1 per cent. of the amount of covered deposits of all credit institutions within the Banking Union by 31 December 2023. The financial means available in the SRF at 31 December 2023 represented Euro 78 billion. Since the target level for the SRF was reached (i.e. 1% of covered deposits held in the Member States), the SRB confirmed that banks' contriobutions are not expected in 2024. Therefore,the banks have to contribute only if the resources of the SRF are used up in order to deal with resolutions of other institutions.

The SRM Regulation was subsequently updated by Regulation (EU) 2019/877 (**SRM2 Regulation**), as part of the EU Banking Reform Package, published on 7 June 2019 and entered into force on 27 June 2019. In line with the changes to BRRD2 (as defined below), the SRM2 Regulation introduces several amendments such as changing the MREL for banks and G-SIBs, in order to measure it as a percentage of the total risk-exposure amount and of the leverage ratio exposure measure of the relevant institution. BRRD and SRM Regulation require institutions to meet MREL at all times, which has to be determined by the resolution authority in order to ensure the effectiveness of the bail-in tool and other resolution tools.

The BRRD also provides for a Member State as a last resort, after having assessed and exhausted the above resolution tools to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools.

These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD.

A relevant entity will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts or other liabilities as they fall due; or it requires extraordinary public financial support (except in limited circumstances). The BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders contribute to the costs of restructuring.

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently or convert into equity capital instruments, such as any subordinated debt securities, at the point of non-viability and before any other resolution action is taken with losses taken (**Non-Viability Loss Absorption**). Any shares issued to holders of subordinated debt securities upon any such conversion into equity may also be subject to any future application of the general bail-in tool or other powers under the BRRD. The point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or its group will no longer be viable unless the relevant capital instruments (including subordinated debt securities) are written-down/converted or extraordinary public support is to be provided.

Any application of the general bail-in tool and, in the case of subordinated debt securities, non-viability loss absorption under the BRRD shall be in accordance with the hierarchy of claims in normal insolvency proceedings. Accordingly, the impact of such application on holders of Notes will depend on their ranking in accordance with such hierarchy, including any priority given to other creditors such as depositors.

To the extent any resulting treatment of holders of Notes pursuant to the exercise of the general bail-in tool is less favourable than would have been the case under such hierarchy in normal insolvency proceedings, a holder has a right to compensation under the BRRD based on an independent valuation of the relevant entity (which is referred to as the "no creditor worse off safeguard" under the BRRD). Any such compensation is unlikely to compensate that holder for the losses it has actually incurred and there is likely to be a considerable delay in the recovery of such compensation. Compensation payments (if any) are also likely to be made considerably later than when amounts may otherwise have been due under the Notes.

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of certain debt instruments (such as senior notes) issued by an institution under resolution or amend the amount of interest payable under such instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

For Member States participating in the Banking Union (which includes France), the SRM fully harmonises the range of available tools, but Member States are authorised to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

As from November 2014, the ECB has taken over the prudential supervision under the SSM of significant credit institutions in Eurozone member states. In addition, an SRM has been set up to ensure that the resolution of banks across the Eurozone is harmonised. Under Article 5(1) of the SRM

Regulation, the SRB has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

CA Auto Bank has been designated as a significant supervised entity for the purposes of the SSM Regulation and is consequently subject to the direct supervision of the ECB. This means that CA Auto Bank is also subject to the SRM, which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large extent, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 (**Decree 180**) and 181/2015 (together, the **BRRD Decrees**), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Italian Banking Law and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on the date of publication on the Italian Official Gazette (i.e. 16 November 2015), save that: (i) the general bail-in tool applied from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs applied from 1 January 2019.

It is important to note that, pursuant to Article 49 of Legislative Decree No. 180/2015, resolution authorities may not exercise the write-down/conversion powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured.

On 1 June 2016, the Commission Delegated Regulation (EU) 2016/860 of 4 February 2016 (**Delegated Regulation (EU) 2016/860**) specifying further the circumstances where exclusion from the application of write-down or conversion powers is necessary under Article 44(3) of BRRD was published in the Official Journal of the European Union. In particular this regulation lays down rules specifying further the exceptional circumstances provided for in Article 44(3) of BRRD, where the resolution authority may exclude, or partially exclude, certain liabilities from the application of the write down or conversion powers where the bail-in tool is applied. The Delegated Regulation (EU) 2016/860 entered into force on 21 June 2016.

Also, Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to Directive 2014/49/EU (the **Deposit Guarantee Schemes Directive**) have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors, such as holders of the Senior Notes. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Legislative Decree No. 181/2015 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to liquidation proceedings (and therefore the hierarchy which will apply in order to assess claims pursuant to the safeguard provided for in Article 75 of the BRRD as described above), by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs (which benefit from the super-priority required under Article 108 of the BRRD) will benefit from priority over senior unsecured liabilities, though with a ranking which is lower than that provided for individual/SME deposits exceeding the coverage limit of the deposit guarantee scheme. This means that, as from 1 January 2019, liabilities in the form of deposits, including retail as well as large corporate and interbank deposits, if any, which under the national insolvency regime currently in force in Italy rank higher than Senior Notes in normal insolvency proceedings.

Since CA Auto Bank is not part of the Crédit Agricole Network as defined in Article R.512-18 of the French Monetary and Financial Code, its senior preferred debt instruments do not rank *pari passu* with the senior preferred debt instruments issued by the Crédit Agricole Network members and could be subject to the bail-in tool separately. Therefore, should CA Auto Bank face losses and the resolution authority decide to exercise resolution tools and powers, the results deriving from the exercise of the write-down power and/or the conversion into equity of the CA Auto Bank's senior preferred instruments would be borne by the relevant holders of such instruments.

Following the launch of its retail deposit-taking activity as referred to under "*Description of CA Auto Bank – Section 3.2 – Funding Activities – (h) Deposits*", it should be noted that any such deposits would rank senior to the obligations of CA Auto Bank under the Notes in the event of insolvency or resolution proceedings applicable to CA Auto Bank. It is important to note that a new class of non-preferred senior debt was introduced by the Italian Government in December 2017. For further details, please see the risk factor entitled "*EU Banking Reform package*" above.

Legislative Decree No. 181/2015 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary. Each holder of Notes expressly waives any rights of set-off or netting arrangements or other similar remedy which they might otherwise have, under the laws of any jurisdiction, in respect of such Notes which in practice would undermine their capacity to absorb losses. It is clear that the statutory right of set-off available under Italian insolvency laws will likewise not apply.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of Senior Notes may be subject to write-down or conversion into equity capital instruments on any application of the general bail-in tool and, in the case of any subordinated debt securities, Non-Viability Loss Absorption, which in each case may result in the holders thereof losing some or all of their investment. The exercise of these, or any other power, under the BRRD, or any suggestion, or perceived suggestion, of such exercise could, therefore, materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

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

As of 2016, in addition to the capital requirements under the CRD IV Package, as subsequently amended by the CRD V Package, the BRRD introduces requirements for European banks to maintain at all times a sufficient aggregate amount of own funds or eligible liabilities (the **Minimum Requirements for Own Funds and Eligible Liabilities, MREL**). Under Article 45 of the BRRD, MREL is to be calculated as the amount of own funds and eligible liabilities expressed as a percentage of total liabilities and own funds of the institution. The MREL requirements constrain the structure of liabilities and require the use of subordinated debt, which has an impact on cost and potentially on the Issuer's financing capacity.

Since CA Auto Bank is not part of the Crédit Agricole Network as defined in Article R.512-18 of the French Monetary and Financial Code, it is not subject to an external MREL requirement under the BRRD and its debt instruments do not contribute to the Crédit Agricole Group MREL ratio. For further details, please see the section "*Description of CA Auto Bank*" above."

UPDATE OF THE "*TAXATION*" SECTION OF THE BASE PROSPECTUS

On page 151 of the Base Prospectus, the sub-paragraph entitled "*Wealth tax on financial products held abroad*" in paragraph "*Taxation in Italy*" is hereby amended as set out below:

"Pursuant to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals, Italian non-commercial private or public institutions or Italian non-commercial partnerships, holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent (**IVAFE**) (0.4 per cent., as of 2024, in case of financial assets held in States or territories with privileged tax regime identified by the Ministerial Decree of the Ministry of Economy and Finance of May 4, 1999). For taxpayers different from individuals, IVAFE cannot exceed Euro 14,000.

This tax is calculated on the market value of the Notes at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value or if the nominal or redemption values cannot be determined, on the purchase value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets (including the Notes) held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from such instruments have been subject to tax by the same intermediaries. In this case, the above mentioned stamp duty provided for by Article 13 of the Tariff attached to Decree 642 does apply."

UPDATE OF THE “*GENERAL INFORMATION*” SECTION OF THE BASE PROSPECTUS

On page 161 of the Base Prospectus, the paragraph entitled “*Significant or Material Change*” in the “*General Information*” section is hereby amended as set out below:

“**Significant or Material Change**

There has been no significant change in the financial performance or financial position of CA Auto Bank or the CA Auto Bank Group since 31 December 2023 and there has been no material adverse change in the prospects of CA Auto Bank or the CA Auto Bank Group since 31 December 2023.”

GENERAL

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.