

SECOND SUPPLEMENT DATED 12 JUNE 2017 TO THE BASE PROSPECTUS DATED 20 MARCH 2017



FCA BANK S.p.A.
(incorporated with limited liability in the Republic of Italy)

acting through

FCA BANK S.p.A., IRISH BRANCH

€10,000,000,000
Euro Medium Term Note Programme

This second Supplement (the **Supplement**) to the Base Prospectus dated 20 March 2017, as supplemented by the first supplement dated 4 April 2017 (the **Base Prospectus**), constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the **Prospectus Regulations**) and is prepared in order to update the Base Prospectus relating to the Euro Medium Term Note Programme (the **Programme**) established by FCA Bank S.p.A., acting through its Irish branch (the **Issuer** or **FCA Bank**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The language of this Supplement is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief 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.

Purpose of the Supplement

The purpose of this Supplement is to update (i) the paragraph “*The FCA Bank Group's income and revenue may be affected by a variety of factors over which it has no control*” in the section “*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme*” and (ii) the paragraph “*Legal Proceedings*” in the section “*Description of FCA Bank*” in the Base Prospectus.

UPDATE OF THE PARAGRAPH “THE FCA BANK GROUP'S INCOME AND REVENUE MAY BE AFFECTED BY A VARIETY OF FACTORS OVER WHICH IT HAS NO CONTROL” IN THE SECTION “RISK FACTORS – FACTORS THAT MAY AFFECT THE

ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES ISSUED UNDER THE PROGRAMME

The paragraph headed “*The FCA Bank Group's income and revenue may be affected by a variety of factors over which it has no control*” in the section “*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme*” which appears on page 29 of the Base Prospectus is hereby deleted in its entirety and replaced as set out below.

***“The FCA Bank Group's income and revenue may be affected by a variety of factors over which it has no control*”**

The FCA Bank Group's earnings and financial position are influenced by a variety of factors over which it has no control, including increases or decreases in gross national product, the level of consumer and business confidence, changes in interest rates on consumer loans, the rate of unemployment, changes in the overall market for consumer or wholesale motor vehicle financing, changes in the level of sales in its market, changes in the finance industry's regulatory environment in the countries in which the FCA Bank Group conducts business, competition from other financiers, rates of default by its customers, availability of funding sources and changes in the financial markets. The realisation of any one or more of these factors could adversely affect the financial condition and result of operations of the FCA Bank Group. For example, weak economic conditions arising from the global economic recession might result in a decline in demand for the FCA Bank Group's products, and difficult conditions in global financial markets may adversely impact the FCA Bank Group's ability to access the funding markets. In Europe, despite the measures taken by several governments, international and supranational organisations and monetary authorities to provide financial assistance to Eurozone countries in economic difficulty and to face the possibility of default by certain European countries on their sovereign debt obligations, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations as well as the overall stability of the euro as a single currency. It remains difficult to predict the effect of recent Eurozone measures on the economy and on the financial system. Potential developments in the international financial crisis could adversely affect the businesses and operations of the FCA Bank Group.

On 12 January 2017, FCA US LLC (**FCA US**), a fully owned subsidiary of FCA, received a notice of violation by the US Environment Protection Agency (the **EPA**) with respect to the emissions control technology employed in the company's 2014-16 model year light duty 3.0-litre diesel engines. On 23 May 2017, the Environmental and Natural Resources Division of the U.S. Department of Justice (**DOJ-ENRD**) filed a civil lawsuit against FCA US. FCA US is working with the administration to assure the EPA and the California Air Resources Board (**CARB**) to clarify issues relating to FCA US's emissions control technology in respect of the aforementioned engine models. FCA US intends to defend itself against the claims made by the DOJ-ENRD in the context of the claim and to continue to work with the EPA and CARB to resolve the agencies' concerns.

At present, notwithstanding that this appears to be only a US compliance matter (engines scrutinised by the US authorities have a different calibration in Europe) and may not directly affect the EU market where FCA Bank operates, it remains uncertain if it this may have a negative impact on FCA sales in the EU and on the future business and financial results of FCA Bank.”

UPDATE OF THE PARAGRAPH “LEGAL PROCEEDINGS” IN THE SECTION “DESCRIPTION OF FCA BANK”

The paragraph headed “*Legal Proceedings*” in the section “*Description of FCA Bank*” which appears on page 101 of the Base Prospectus is hereby deleted in its entirety and replaced as set out below.

“The FCA Bank Group is subject to certain claims and is party to a number of legal proceedings relating to the ordinary course of its business. Although it is difficult to predict the outcome of such claims and proceedings with certainty, FCA Bank believes that liabilities related to such claims and proceedings are unlikely to have, in the aggregate, significant effects on the financial position or profitability of FCA Bank or the FCA Bank Group.

On 15 July 2014, the Swiss anti-trust authority (*Wettbewerbskommission*) announced publicly the start of an inquiry into the finance lease business in Switzerland involving a total of nine captive companies, among others. The Swiss subsidiary of FCA Bank, FCA Capital Suisse S.A. (formerly Fidis Finance (Suisse) S.A.), is one of the companies involved in the inquiry.

Should the authority determine that a breach of the anti-trust law has been committed by such Swiss subsidiary, it may levy penalties against FCA Capital Suisse S.A., in accordance with the applicable laws. These penalties depend on the length, seriousness and nature of the breach. The potential fine may represent as much as 10 per cent. of revenues generated in the relevant markets in Switzerland for the past three financial years.

On 15 May 2017, the Italian anti-trust authority (*Autorità Garante della Concorrenza e del Mercato - AGCM*) (**AGCM**) announced the start of an investigation into nine automotive manufacturers’ captive banks and two industry associations (Assofin “*Associazione Italiana del Credito al Consumo e Immobiliare*” and Assilea “*Associazione Italiana Leasing*”). The investigation concerns alleged anticompetitive practices that would have been based on an exchange of commercially sensitive information. FCA Bank is one of the captive banks involved in the investigations.

Should the AGCM conclude that FCA Bank infringed the prohibition of restrictive agreements, it may impose monetary fines against the company in accordance with the applicable laws. The amount of the fine depends on the length, seriousness and nature of the infringement. AGCM plans to close the investigation by 31 July 2018.

With decision adopted on 30 March 2017, the AGCM closed a previous investigation that had been opened in July 2015 against 23 companies offering long-term car rental services (including FCA Bank’s subsidiary Leasys S.p.A.) and one industry association (Aniasa “*Associazione Nazionale Industria dell’Autonoleggio e Servizi Automobilistici*”) excluding the existence of any antitrust infringement. The investigation concerned an exchange of commercially sensitive information that could have restricted the competition.”

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 inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.