SECOND SUPPLEMENT DATED 23 MAY 2023 TO THE BASE PROSPECTUS DATED 7 OCTOBER 2022

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 7 October 2022, as supplemented by the first supplement dated 17 January 2023 (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 cover page of the Base Prospectus; (ii) update the paragraph "*Risk Factors*" in the "*Overview of the Programme*" section of the Base Prospectus; (iii) update the paragraphs entitled "*FCA Bank is dependent on its shareholders*", "*Change of Control of FCA Bank*", "*Risk relating to corporate transactions (acquisitions and disposals)*", "*Risk related to changes to the credit institution framework*", "*The FCA Bank Group is dependent on the performance of the automotive sector*", "*Inflationary pressures may have an adverse effect on our business*", "*FCA Bank Group operates in a competitive market environment*" and "*Potential conflicts of interest*" in the "*Risk Factors*" section of the Base Prospectus, (iv) update the "*Documents Incorporated by*

Reference" section of the Base Prospectus to incorporate by reference the consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2022; (v) update the paragraphs "*1. Overview*", "*2. History and Development"*, "*3. Foreign Branches*", "*4. Commercial Partnership*", the sub-paragraph entitled "*5.1 Principal Activities*" under paragraph entitled "*5. Business Overview",* the paragraphs "*6. Strategy"*, "*8. Organisational Structure"*, "*9. Administrative, Management and Supervisory Bodies"*, "*10. Regulatory and Legal Proceedings*" and "*11. Recent Developments*" in the "*Description of FCA Bank"* section of the Base Prospectus; (vi) update the paragraphs entitled "*Basel III and the CRD IV Package",* "*Capital Requirements"*, "*Liquidity and leverage requirements*", "*EU Banking Reform Package"*, "*ECB Single Supervisory Mechanism*", "*The Bank Recovery and Resolution Directive*" and "*Revision to the BRRD framework*" in the "*Regulatory Aspects*" section of the Base Prospectus; (vii) update the paragraph entitled "*Taxation in Italy*" in the "*Taxation*" section of the Base Prospectus; (viii) update the paragraph entitled "*Significant or Material Change*" in the "*General Information*" section of the Base Prospectus; and (ix) update the legal name of the Issuer and certain of its subsidiaries.

UPDATE OF THE COVER PAGE OF THE BASE PROSPECTUS

On page 2 of the Base Prospectus, the paragraph starting with "The rating of certain Series of Notes to be issued may be specified in the applicable Final Terms" is hereby deleted in its entirety and replaced as set out below:

"The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the EEA and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) will be disclosed in the Final Terms. Such credit rating agency will be included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation). FCA Bank has been assigned a long-term rating of Baa1 by Moody's France SAS (**Moody's**) and A- by Fitch Ratings Ireland Limited (**Fitch**). Each of Moody's and Fitch is established in the EEA and registered under the CRA Regulation. As such, each of Moody's and Fitch is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority referenced above. Please also refer to "*Credit ratings may not reflect all risks*" in the "*Risk Factors*" section of this Base Prospectus. Accordingly the Issuer ratings issued by each of Moody's and Fitch have been endorsed by Moody's Investors Service Ltd and Fitch Ratings Ltd, respectively, in accordance with the Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) and have not been withdrawn. As such, the ratings issued by each of Moody's and Fitch may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation."

UPDATE OF THE "*OVERVIEW OF THE PROGRAMME*" SECTION OF THE BASE PROSPECTUS

On page 13 of the Base Prospectus, the paragraph entitled "*Risk Factors*" in the "*Overview of the Programme*" section is hereby deleted in its entirety and replaced as set out below:

"Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" below and include, among others, the dependence of FCA Bank on its shareholder Crédit Agricole Consumer Finance S.A. and on the automotive sector, the fact that it is a holding company and the implications of a possible change of control of FCA Bank. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks."

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

On page 20 of the Base Prospectus, the paragraph entitled "*FCA Bank is dependent on its shareholders*" in the "*Risk Factors*" section is hereby deleted in its entirety and replaced as set out below:

"FCA Bank was established as a joint venture between FCA Italy S.p.A. (formerly Fiat Group Automobiles S.p.A. and Fiat Auto S.p.A.) (**FCA Italy**), a wholly-owned subsidiary of Stellantis N.V. (**Stellantis**), and Crédit Agricole Consumer Finance S.A. (**Crédit Agricole Consumer Finance**), a wholly-owned subsidiary of Crédit Agricole S.A. (**Crédit Agricole** and, together with Caisses Régionales de Crédit Agricole Mutuel and their respective subsidiaries from time to time and their successors or assigns, the **Crédit Agricole Group**), each holding 50 per cent. of FCA Bank's issued share capital.

On 17 December 2021, Crédit Agricole Consumer Finance and Stellantis announced that they had entered into negotiations in order to agree upon, *inter alia*, the purchase by Crédit Agricole Consumer Finance of Stellantis' 50 per cent. shareholding in FCA Bank and Drivalia S.p.A. (formerly Leasys Rent S.p.A.) (**Drivalia**), at that time a 100 per cent. owned subsidiary of Leasys S.p.A. (**Leasys**) (the **CACF Share Purchase**). As a consequence, following completion of the CACF Share Purchase, the Issuer and Drivalia would each have become a wholly-owned subsidiary of Crédit Agricole Consumer Finance. Furthermore, 100% interests in Leasys (excluding Drivalia) would have been transferred by FCA Bank and Leasys would have been combined with Free2Move Lease (that has historically covered the PSA brands) to create a pan-European leasing joint venture which would have been equally owned by Crédit Agricole Consumer Finance and Stellantis (Leasys' current ultimate shareholders) (the **Leasys Share Sale**).

In accordance with the announcements of 17 December 2021 and following the positive opinion of the staff representative bodies, on 1 April 2022 Crédit Agricole Consumer Finance and Stellantis announced they entered into binding agreements, as a result of which, Crédit Agricole Consumer Finance agreed to acquire 100% of the capital of FCA Bank and Drivalia, with the ambition of making it a pan-European player in car financing, leasing and mobility, thus giving effect to the Leasys Share Sale.

On 21 December 2022 FCA Bank executed the Leasys Share Sale, transferring 100% shareholding in Leasys to a newly created joint venture vehicle, established in France, equally owned by Crédit Agricole Consumer Finance and Stellantis (Leasys' current indirect shareholders).

On 3 April 2023 the CACF Share Purchase was completed and therefore the Issuer became a wholly-owned subsidiary of Crédit Agricole Consumer Finance.

A significant proportion of the FCA Bank Group's revenues have been generated as a result of its close relationship with FCA Italy which, following the full combination of the respective businesses of Fiat Chrysler Automobiles N.V. (**FCA**) and Peugeot S.A. (**PSA**) by way of a 50/50 merger completed in January 2021 (the **FCA/PSA Merger**), is now part of the group of which Stellantis is the parent company (the **Stellantis Group**). However, the FCA Bank Group also offers its services as a financing partner to other automotive manufacturers, such as Ferrari, Aston Martin, Morgan Motor Company, Lotus, Harley-Davidson, Dodge and Ram European importers, the Erwin Hymer Group (**EHG**) and Groupe Pilote. Moreover, looking forward to FCA Bank's future shareholding structure and mission, in 2022 an extensive process aimed at increasing the commercial partnerships on the open market started. This has led to the signing of commercial agreements with, amongst others Tesla, Harley Davidson, VinFast (a Vietnamese manufacturer of electric vehicles), Rapido (one of Europe's leading manufacturers of motorhomes and leisure vehicles), DR Automobiles (a fast-growing Italian company), the Koelliker Group (a well-established importer and distributor of Asian automotive brands in Europe), Gruppo Campello (the European importer of XEV, an international brand known for electric quadricycles and microcars), Mazda Motor Belux (for the provision of financial services to end customers in Belgium and Luxemburg) and ElectricBrands (a German start-up known for its zero-emission models). All such new commercial agreements are additional to the historical partnerships with Erwin Hymer Group and Jaguar Land Rover, although the latter expired on 31 December 2022. As following completion of the CACF Share Purchase the FCA Bank Group has ceased to be the captive finance arm of the Stellantis Group for the FCA brands, there is no assurance that the FCA Bank Group will maintain a relationship with FCA Italy and the other relevant Stellantis Group companies, the failure to do so could have a material adverse effect on the FCA Bank Group's business and its results of operations.

The strategic, commercial and financial links between FCA Bank and its shareholder make the business of FCA Bank dependent on the Crédit Agricole Group. This, in turn, exposes FCA Bank to certain exogenous factors that may affect the Crédit Agricole Group."

On page 22 of the Base Prospectus, the paragraph entitled "*Change of Control of FCA Bank"* in the "*Risk Factors*" section is hereby deleted in its entirety and replaced as set out below:

"A joint venture agreement (the **JVA**) between FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance was signed on 28 December 2006 with a minimum term of eight years, indefinitely extendable thereafter. Since December 2006, FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance, as the original parties to the JVA have entered into numerous amendment agreements (the **JVA Amendments**) to, amongst other things, extend the duration of the JVA. For the purposes of good order, the parties executed a restated and consolidated version of the JVA on 8 November 2013 (the **Restated JVA**). On 15 February 2018, FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance announced the extension of their joint venture in FCA Bank up to 31 December 2022. On 18 July 2019, FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance, entered into an Agreement (the **Agreement**) to, amongst other things, extend the duration of the JVA with respect to FCA Bank up to 31 December 2024 (the **End Date**) with effect from 19 July 2019, and with the possibility to automatically extend the JVA, unless a termination notice is served three years prior to the End Date.

On 17 December 2021, Crédit Agricole Consumer Finance and Stellantis announced that they had entered into negotiations in order to agree upon the CACF Share Purchase and, following the positive opinion of the staff representative bodies, on 1 April 2022 they announced their entrance into binding agreements, as a result of which, Crédit Agricole Consumer Finance agreed to acquire 100% of the capital of FCA Bank and Drivalia.

On 3 April 2023 the CACF Share Purchase was completed, therefore the JVA was terminated and the Issuer became a wholly-owned subsidiary of Crédit Agricole Consumer Finance.

As a consequence, if Crédit Agricole Consumer Finance were to divest its shareholding in FCA Bank, this could negatively affect FCA Bank's business, results of operations, its ability to access funding and its credit ratings (and consequently its cost of funding), which could have a material adverse effect on the ability of the Issuer to meet its obligations under the Notes. For further details, please see the risk factor entitled "*FCA Bank is dependent on its shareholders*".

In addition, upon conclusion of the CACF Share Purchase, FCA Bank is no longer the captive bank of the Stellantis Group and therefore its business model will be substantially impacted. See "*The FCA Bank Group is dependent on the performance of the automotive sector*" and "*FCA Bank Group operates in a competitive market environment*" below.

Furthermore, if FCA Bank experiences a change of control, in certain circumstances investors may elect to exercise a put option in respect of their holding of Notes and the Issuer may be required to repurchase some or all of the outstanding Notes, if any, and/or may be required to repay certain other outstanding debt obligations. Also, certain of FCA Bank's existing credit facilities may provide that certain change of control events in relation to FCA Bank constitute an event of default or acceleration. Such an event would entitle the lenders thereunder to, among other things and unless a waiver is granted, cause all outstanding debt obligations under the relevant credit facility to become due and payable and to proceed against the collateral, if any, securing such credit facility. An event of default or an acceleration of any of FCA Bank's credit facilities may also cause a default under the terms of other indebtedness of FCA Bank. There can be no assurance that, in such a situation, FCA Bank would have sufficient assets or be able to obtain sufficient third party financing to satisfy all of its obligations under its credit facilities, any Notes or other indebtedness which have become due and payable."

On page 22 of the Base Prospectus, the paragraph entitled "*Risk relating to corporate transactions (acquisitions and disposals)*" in the "*Risk Factors*" section is hereby deleted in its entirety and replaced as set out below:

"FCA Bank and its subsidiaries have engaged in the past, and may engage in the future, in significant corporate transactions such as mergers, de-mergers, acquisitions and joint ventures, the impact of which is difficult to predict. In particular, FCA Bank has been directly involved in the CACF Share Purchase. For a description of the transaction, see "*Description of FCA Bank – History and Development*" below.

No assurance can be given that current or future transactions will not negatively impact on FCA Bank's business, results and financial position in the short and/or the medium term and will not encounter obstacles of an administrative, legal, technical, industrial, operational, regulatory or financial policy nature or other difficulties, such that they may not achieve the results, objectives or benefits expected. Moreover, any delay in completing, or the failure to complete, an acquisition, disposal, merger, joint venture or similar operation, could prejudice the full achievement or delay fully achieving, the results and the benefits expected for the FCA Bank Group taken as a whole, and could have significant negative repercussions on the business prospects, results and/or financial situation of FCA Bank Group taken as a whole. FCA Bank is also exposed to the risk that the disposal of its investments may be implemented on terms and conditions which are unsatisfactory to it, with consequent negative impacts on its financial position and its prospects.

In particular, following the completion of the CACF Share Purchase, the FCA Bank Group is no longer the captive bank of the Stellantis Group and therefore its business model could be substantially impacted, being reliant on the contractual relationships that FCA Bank is able to form with a variety of car manufacturers, which may or may not include Stellantis. See "*The FCA Bank Group is dependent on the performance of the automotive sector*" below."

On page 24 of the Base Prospectus, the paragraph entitled "*Risk related to changes to the credit institution framework*" in the "*Risk Factors*" section is hereby deleted in its entirety and replaced 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**).

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

Furthermore, FCA 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 FCA Bank Group please see "*Regulatory Aspects* - *Capital Requirements*" of this Base Prospectus.

The FCA Bank Group's liquidity and long-term viability depends on many factors including its ability to successfully raise capital and secure appropriate financing. Should FCA 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 FCA Bank's growth opportunities.

Depending on the outcomes of the legislative process underway in Europe, FCA 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 FCA Bank, with consequent inability of FCA 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, FCA 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 FCA Bank's results of operations, business and financial condition. In particular, as at the date of this Base Prospectus, the EU Banking Reform Package has been recently implemented in Italy and there is uncertainty as to its implementation and interpretation, and it is not yet clear what impact the changes introduced by the EU Banking Reform Package will have on FCA Bank's operations. Moreover, as at the date of this Base Prospectus, the Bank of Italy's authority to introduce a systemic risk buffer and borrower based measures has recently been introduced into the Circular (as defined below) and there is uncertainty as to how (and if) the Italian regulator would exercise such authority. Therefore, it is not yet clear what impact these regulatory changes will have on FCA Bank's operations. Finally, as at the date of this Base Prospectus, the 2021 Banking Package (as defined below) has recently been proposed by the European Commission and there is uncertainty as to adoption and implementation, and it is not yet clear how and to what extent this legislative proposal may impact on FCA Bank's operations.

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

Investors should also consider that it cannot be excluded that in the future FCA 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 FCA Bank may not be able to achieve and/or maintain (both at individual and consolidated level) the minimum capital 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 FCA 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.

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."

On page 26 of the Base Prospectus, the paragraph entitled "*The FCA Bank Group is dependent on the performance of the automotive sector*" in the "*Risk Factors*" section is hereby deleted in its entirety and replaced as set out below:

"Before the completion of the CACF Share Purchase the FCA Bank Group was one of the captive banks of the Stellantis Group, with a business model which was substantially dependent upon the sale of vehicles produced under some of the Stellantis Group's brands, as well as by the sale of vehicles produced by Ferrari, Jaguar and Land Rover and by the business volumes of the other brands the FCA Bank Group cooperated with. Following the CACF Share Purchase, the FCA Bank Group is no longer the captive bank of the Stellantis Group and therefore the success of its business will largely depend on the new commercial relationships established in the last years, and those it will be able to form in the future with a variety of automotive manufacturers and brands in the markets and jurisdictions in which it will operate at such time. There can be no assurance that FCA Bank will be able to enter into new agreements with either the Stellantis Group, on equal or more advantageous terms than those in place before the completion of the CACF Share Purchase, or with other commercial partners, including contractual relationships with motor-vehicle dealerships offering retail finance and leases to their customers. For further details see "*Description of FCA Bank - Recent Developments*".

A significant downturn in sales of motor vehicles in the markets in which the FCA Bank Group operates (for example, as a result of changes in regulation or consumer demand, the absence of government incentives designed to rejuvenate the fleet of circulating vehicles, increased competition, changes in the pricing of imported units due to currency fluctuations, significant increases in fuel prices, change in mobility habits, weak economic conditions arising from the global economic recession or other events) could have a material adverse effect on the FCA Bank Group's business and its results of operations.

In addition, the ability of the automotive manufacturers to which the FCA Bank Group provides services to maintain or improve their position in markets in which the FCA Bank Group currently operates is not assured. Failure to develop and offer products that compare favourably to those of their competitors, particularly in more profitable segments, in terms of price, quality, efficiency, technology (in particular the transition to electric vehicles), emissions, styling, reliability, safety, functionality or otherwise, or potential delays in bringing to market new models, may result in lower sales volumes, and may have a consequent material adverse effect on the FCA Bank Group's business prospects and economic results."

On page 28 of the Base Prospectus, the paragraph entitled "*Inflationary pressures may have an adverse effect on our business*" in the "*Risk Factors*" section is hereby deleted in its entirety and replaced as set out below:

"The Group's business and operations may be affected by the current inflation surge, which started around mid-2021 after a few decades of very low inflation and was accelerated by Russia's invasion of Ukraine.

Since the gradual reopening of the global economy from the pandemic-induced lockdowns, inflation rates have picked up in most advanced economies around the world. In Italy, inflation increased by 8.7 per cent. in April 2023 on an annual basis (Source: ISTAT, Consumer Price Index (CPI) – National Index / April 2023).

The causes of the recent inflationary pressures are attributed to a variety of reasons, including a strong post-lockdown spike in demand, the Russian invasion of Ukraine, increased energy and fuel prices, and disruptions in supply chains due to other local or sector-specific factors, post-pandemic recovery and turmoil in the labour market, as well as significant increases in energy prices. The inflationary trend will depend largely on the distribution of shocks to the economy and how central banks (and finance ministries) will react, as well as on the duration of the war in Ukraine and its impact on energy prices, food prices, and global growth.

The impact of inflationary pressures on the FCA Bank Group's activities depends on the market rates and central banks' monetary policy decisions on rates and, at present, it is difficult to predict. Further prolongation of inflationary pressures into 2023 could induce a rising trend in the ECB's current interest rate policy, leading potentially to further interest rate hikes. It is possible that there will be a significant, and economically important, negative impact of inflation, which may have a material adverse effect on the business operations and economic results of the FCA Bank Group. Moreover, inflation is expected to put upward pressure on the FCA Bank Group's financial costs and expenses.

Should the inflation spike persist or increase further in the following months, this would adversely impact Italian households, businesses, banks and the Italian government. Reduced purchasing power of households, and increased costs for businesses, could reduce the size and/or the quality of the pool of prospective borrowers, and increase delinquency rates. On the fiscal side, it could lead to lower tax revenue, and induce higher government spending in relief measures. In addition, if inflation persists, the FCA Bank Group may have to identify effective means for hedging interest rate risk related to inflationary pressures and adjust its operations. Any failure of the FCA Bank Group to address or hedge persisting inflationary pressures could adversely affect its financial condition, capital adequacy and operating results."

On page 29 of the Base Prospectus, the paragraph entitled "*FCA Bank Group operates in a competitive market environment*" in the "*Risk Factors*" section is hereby deleted in its entirety and replaced as set out below:

"The FCA Bank Group's business is substantially dependent upon motor-vehicle dealerships continuing to provide retail finance and leases to new businesses. Since dealerships are free to enter into commercial partnerships with any financiers (either captive or independent), they can also introduce those financiers to their customers (other than in the case of promotional campaigns, whereby exclusivity rights of the finance captive company apply). Therefore, competition with captive and other independent financiers in respect of commission payments to dealerships may adversely affect the financial condition and results of operations of the FCA Bank Group. Following the CACF Share Purchase, FCA Bank is no longer the captive bank of the Stellantis Group and therefore it could face broader competition. Furthermore, the success of its business will be driven by its ability to develop new business relationships with other automotive manufacturers and the dealerships connected to the brands of vehicles that such manufacturers produce."

On page 35 of the Base Prospectus, the second sub-paragraph of the paragraph entitled "*Potential conflicts of interest*" in the "*Risk Factors*" section is hereby deleted in its entirety and replaced as set out below:

"100 per cent. of FCA Bank's share capital is owned by Crédit Agricole Consumer Finance, a subsidiary of Crédit Agricole. FCA Bank currently has ten directors, of which two being independent. In addition, Crédit Agricole Consumer Finance currently provides a significant portion of the total funding sources of FCA Bank and its subsidiaries. As a result, Crédit Agricole Consumer Finance and other entities of the Crédit Agricole Group may have interests which could conflict with the interests of the holders of Notes issued under the Programme."

DOCUMENTS INCORPORATED BY REFERENCE

Issuer Consolidated Audited Annual Financial Statements

By virtue of this Supplement, the consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2022 is incorporated by reference in, and forms part of, the Base Prospectus.

At page 41 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 FCA Bank for the financial year ended 31 December 2022, 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 25-33
The Pillars of FCA Bank's ESG Strategy	Pages 49-50
Financial Strategy	Pages 59-62
Results of Operations	Pages 77-85
Own Fund and Capital Ratios	Page 86
Consolidated Statement of Financial Position	Pages 100-101
Consolidated Income Statement	Page 102
Consolidated Statement of Comprehensive Income	Page 103
Consolidated Statement of Changes in Equity	Pages 104-105
Consolidated Statement of Cash Flows	Page 106
Notes to the Consolidated Financial Statements	Pages 108-344
Independent Auditors' Report on the Consolidated Financial Statements	Pages 356-367
Personnel Management	Page 452"

UPDATE OF THE "*DESCRIPTION OF FCA BANK*" SECTION OF THE BASE PROSPECTUS

On page 102 of the Base Prospectus, the paragraph entitled "*1. Overview"* in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

"FCA Bank S.p.A. (**FCA Bank**), formerly named FGA Capital S.p.A., was incorporated in the Republic of Italy on 15 January 2002 with a limited duration to 31 December 2100, and is currently incorporated in the form of a joint-stock company (*societá per azioni*) pursuant to the provisions of the Italian Civil Code and operating under the laws of the Republic of Italy. It is registered at the company registry in Turin, Italy under number 08349560014. Its registered office is at Corso Orbassano 367, 10137 Turin, Italy and its telephone number is +39 011 0032090. For the purposes of the Programme, FCA Bank is acting through its Irish branch. FCA Bank S.p.A., Irish branch was registered with the Irish Companies Registration Office under external company number 908579 on 9 December 2016. FCA Bank's website is https://www.fcabankgroup.com. The information on this website and any other website specified in this Base Prospectus does not form part of this Base Prospectus, except where that information has been specifically incorporated by reference into this Base Prospectus

FCA Bank is both the holding company of the FCA Bank Group, which is one of the largest car finance and leasing groups in Europe, and the Italian operational arm of the FCA Bank Group. FCA Bank was granted a banking license by the Bank of Italy in December 2014 and was enrolled in the register of banks and in the register of banking groups on 14 January 2015. As at 30 June 2022, FCA Bank's authorised share capital was €700,000,000 divided into 700,000,000 ordinary shares with a nominal value of €1 each.

In December 2006 FCA Bank was established as a joint venture between FCA Italy, a wholly-owned subsidiary of Stellantis, and Crédit Agricole Consumer Finance, a wholly-owned subsidiary of Crédit Agricole operating in the consumer credit sector. FCA Italy and Crédit Agricole Consumer Finance each held 50 per cent. of FCA Bank's issued share capital pursuant to the JVA.

The JVA entered into by FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance was terminated on 3 April 2023 and the Issuer became a wholly-owned subsidiary of Crédit Agricole Consumer Finance. For further information see "*Description of FCA Bank - History and Developments*" below."

On pages 102-103 of the Base Prospectus, the paragraph entitled "*2. History and Develpoment"* in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

The FCA Bank Group comprises subsidiaries and branches that have been operating in the financing business for a number of years, extending credit to its customers since the early part of the 1920s. In Italy, the retail financial services activities were carried out by various companies, headed by Fiat Sava S.p.A., and prior to 1996, the wholesale financing activities now conducted by the FCA Bank Group were part of Fidis S.p.A., which was a publicly-listed company. Fiat S.p.A. (**Fiat**) was its major shareholder with a 52 per cent. shareholding, while the remaining 48 per cent. of the shares was held by the public. In February 1996, Fiat launched a public tender offer for the publicly-held portion and subsequently de-listed Fidis S.p.A. In the same year, Fiat reorganised and transferred control of Fidis S.p.A. to Fiat Auto S.p.A. (currently FCA Italy S.p.A.), its car division.

In May 2003, Fidis Retail Italia S.p.A. (**FRI**), currently FCA Bank S.p.A., then a recently-incorporated corporation, was de-merged from FCA Italy, with a 51 per cent. stake transferred to Synesis Finanziaria S.p.A., a company owned by a pool of major Italian banks. FRI managed, through its subsidiaries, the retail financing activities of FCA Italy in Europe.

On 24 July 2006, a joint venture agreement between Fiat Auto S.p.A. (currently FCA Italy as defined above) and Sofinco S.A. (currently Crédit Agricole Consumer Finance as defined above) was announced. A stock purchase agreement was signed on 14 October 2006 and the transaction was approved by the European Antitrust Commission on 5 December 2006. On 28 December 2006, the JVA was executed and became effective, providing for a minimum term of eight years and the possibility of being indefinitely extended thereafter. On the same date:

- FCA Italy exercised a call option on the 51 per cent. stake of FRI formerly owned by Synesis Finanziaria S.p.A.;
- FRI's wholly-owned Italian subsidiary, Fiat SAVA S.p.A., was merged into FRI;
- FRI was included in the special register of financial intermediaries held by the Bank of Italy under Article 107 of the Italian Banking Law;
- FCA Italy's equity interests in companies operating in the wholesale financing and fleet rental sectors in Europe were brought together under FRI;
- FCA Italy financed a share capital increase in order to provide the Joint Venture with financial resources adequate for the increased portfolio and in line with the foreseen expansion of volumes; and
- FCA Italy sold to Sofinco S.A. 50 per cent. of the share capital of FRI.

The name of FCA Bank was then changed the day after to Fiat Auto Financial Services S.p.A. and subsequently to Fiat Group Automobiles Financial Services S.p.A., when Fiat Auto S.p.A. changed its name to Fiat Group Automobiles S.p.A.

On 1 January 2009, FCA Bank changed its name to FGA Capital S.p.A and subsequently, on 14 January 2015, to FCA Bank S.p.A.

Having obtained its banking license in December 2014, on 14 January 2015, FCA Bank was enrolled in the register of banks and the register of banking groups with registration number 5764 and bank code 3445.

Since December 2006, FCA Italy, Crédit Agricole and Crédit Agricole Consumer Finance, as the original parties to the JVA, have entered into the JVA Amendments to, amongst other things, extend the duration of the JVA. For the purposes of good order, the parties executed the Restated JVA. Subsequently, the parties have entered into the Agreement to, amongst other things, extend the duration of the JVA. The JVA was set to expire on 31 December 2024.

On 17 December 2021, Crédit Agricole Consumer Finance and Stellantis announced that they had commenced negotiations in order to redefine their cooperation in FCA Bank and Leasys.

The transaction envisaged that Crédit Agricole Consumer Finance would have taken over 100% of the capital of FCA Bank and Drivalia (at that time, a 100% owned subsidiary of Leasys), by acquiring the 50 per cent. stakes currently owned by Stellantis (i.e. the CACF Share Purchase), such that these entities would have continued to operate their financing activities with other carmakers primarily under existing and future “white label” agreements. Furthermore, FCA Bank's 100 per cent. shareholding in Leasys (other than its participation in Drivalia) has been transferred to a newly created leasing joint venture which would be equally owned by Crédit Agricole Consumer Finance and Stellantis (Leasys’ current ultimate shareholders) (i.e. the Leasys Share Sale).

In accordance with the announcements of 17 December 2021 and following the positive opinion of the staff representative bodies, on 1 April 2022 Crédit Agricole Consumer Finance and Stellantis announced they entered into binding agreements, as a result of which, Crédit Agricole Consumer Finance agreed to acquire 100% of the capital of FCA Bank and Drivalia, with the ambition of making it a pan-European player in car financing, leasing and mobility thus giving effect to the Leasys Share Sale.[1]

On 21 December 2022 FCA Bank executed the Leasys Share Sale, transferring 100% shareholding in Leasys to a newly created joint venture vehicle, established in France, equally owned by Crédit Agricole Consumer Finance and Stellantis (Leasys' current indirect shareholders).

On 3 April 2023 the CACF Share Purchase was completed and therefore the Issuer became a wholly-owned subsidiary of Crédit Agricole Consumer Finance."

On pages 104-105 of the Base Prospectus, the paragraph entitled "*3. Foreign Branches*" in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

"On 25 May 2016, the board of directors of FCA Bank analysed and preliminarily approved a project involving the potential transformation of certain subsidiaries of FCA Bank into foreign branches.

The project was aimed at simplifying the FCA Bank Group structure (subject to the obtaining of the relevant regulatory approvals).

As part of this project, the cross-border merger (the Irish Merger) of FCA Capital Ireland p.l.c. with and into FCA Bank was completed and became effective on 1 January 2017 (the **Effective Date**) following the obtaining of the required authorisations from the Bank of Italy and the European Central Bank as well as the execution of the deed of merger relating to the Irish Merger.

Pursuant to the Irish Merger, as of the Effective Date, FCA Capital Ireland p.l.c. ceased to exist as a legal entity and FCA Bank, under universal succession, succeeded to and assumed by operation of law all of the obligations, rights, interests, assets and liabilities of FCA Capital Ireland p.l.c. and, contemporaneously, all such obligations, rights, interests, assets and liabilities were allocated automatically to FCA Bank S.p.A., Irish branch.

Following the Irish Merger, as of the Effective Date, the business, activities and operations of FCA Capital Ireland p.l.c. are carried out by FCA Bank S.p.A., Irish branch.

In 2018, a Belgian Branch was established in the broader context of a reorganisation of the FCA Bank Group's activities in Belgium. The Belgian Branch marks the establishment of FCA Bank's retail banking business in Belgium and Luxembourg. On 28 August 2018, the authorisation process relating to the Belgian branch of FCA Bank established in Auderghem (Belgium) (the Belgian Branch) was completed by the National Bank of Belgium after having received approval from the European Central Bank. The Belgian Branch was included in the list of the credit institutions governed by the law of another Member State of the European Economic Area with a registered branch in Belgium.

An agreement to carry out the cross-border merger of FCA Group Bank Polska with and into FCA Bank S.p.A. was signed on 19 December 2019. The merger, pursuant to Article 15 of Legislative Decree No. 108/2008, became effective from 1 January 2020 and FCA Group Bank Polska ceased to exist as a legal entity; contemporaneously, all obligations, rights, interests, assets and liabilities were allocated automatically to FCA Bank S.p.A., Polish branch. At the date of this Base Prospectus FCA Bank operates in Poland through FCA Bank S.p.A., Polish branch.

[1] The Stellantis Group has also retained partial exposure to certain FCA Bank portfolios in run-off.

In 2021, following the approach adopted with other subsidiaries in other countries, a France Branch and a Portugal Branch have been established. In particular, FCA Capital France S.A. and FCA Capital Portugal IFIC S.A. merged with and into FCA Bank, including for tax and accounting purposes. As of 1 December 2021 and 31 December 2021 respectively, FCA Bank S.p.A. operates in France and Portugal through a branch.

On 1 July 2022, FCA Bank Deutschland GmbH merged with FCA Bank. The German Branch is established in the broader context of dynamic development of the FCA Bank Group's activities in Europe and will operate under the name of FCA Bank S.p.A. Niederlassung Deutschland."

On pages 105-106 of the Base Prospectus, the paragraph entitled "*4. Commercial Partnership*" in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

"Notwithstanding that FCA Bank historically operated as the captive finance company of the brands formerly belonging to FCA (now Stellantis), since July 2008 the FCA Bank Group entered into various co-operation agreements with another manufacturer (other than Stellantis). On this basis, FCA Bank has gradually been developing a comprehensive range of financial products (both retail financing and dealer network financing) for its non-captive partner brands' dealers and customers in several European countries.

Currently, FCA Bank is the financial services provider of a number of manufacturers and multinational groups, under various cooperation agreements related to the distribution network and to final customers, in all FCA Bank's European countries where such partners operate.

For instance, FCA Bank entered into a co-operation agreement with Ferrari S.p.A. (**Ferrari S.p.A.**) in 2015, under which FCA Bank offers a comprehensive range of services dedicated to the dealer network and, at the retail level, to end buyers, of Ferrari S.p.A. except in markets covered by Ferrari Financial Services GmbH (**FFS GmbH**).

On 7 November 2016, FCA Bank also acquired a majority interest of 50% + 1 share in FFS GmbH, previously an indirect subsidiary of Ferrari N.V. (**Ferrari**), which owns the remaining shareholding, for €18.6 million, pursuant to an agreement entered into by the parties in 2016. Thus, FCA Bank laid the groundwork for significant business growth: the alliance with Ferrari for the provision of financial services in Europe. FFS GmbH's mission is to finance the end-customer business of Ferrari in Germany, Switzerland and United Kingdom.

Looking forward to FCA Bank's future shareholding structure and mission, in 2022 an extensive process aimed at increase the commercial partnerships on the open market started. This has led to the signing of commercial agreements with, amongst others, Tesla, Harley Davidson and VinFast (a Vietnamese manufacturer of electric vehicles), Ford Trucks Italia (to provide financial services to selected dealers) Rapido (one of Europe's leading manufacturers of motorhomes and leisure vehicles), DR Automobiles (a fast-growing Italian company), the Koelliker Group (a well-established importer and distributor of Asian automotive brands in Europe), Gruppo Campello (the European importer of XEV, an international brand known for electric quadricycles and microcars), Mazda Motor Belux (for the provision of financial services to end customers in Belgium and Luxemburg) and ElectricBrands (a German start-up known for its zero-emission models). All such new commercial agreements are additional to the historical partnerships with Erwin Hymer Group and Jaguar Land Rover, although the latter expired on 31 December 2022.

In 2022, FCA Bank continued also on its strategic path toward the digitalization of distribution processes and channels. The new e-commerce platform, currently developed in Italy, features a fully digital self-onboarding process dedicated to customers applying for a personal or a car loan. In particular, Tesla entrusted its e-commerce channel to FCA Bank, confirming that digitalization was strategic in acquiring new partnerships."

On pages 106-112 of the Base Prospectus, the sub-paragraph entitled "*5.1 Principal Activities*" under the paragraph entitled "*5. Business Overview"* in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

"The FCA Bank Group's business volumes are generally related to trends in the European car market, which saw 11.7 million new vehicle registrations in 2021 (down 1.5 per cent compared to 2020 and 25.5 per cent. compared to 2019)[2].

The car market in Europe during the first half of 2022 registered 5.6 million car and commercial vehicles sold (-16% compared to the first half of 2021).

In addition to the business activities related to the Italian market, FCA Bank operates as a financing company for the FCA Bank Group's branches and subsidiaries, raising funds through bond issuances, loans, and other facilities, and providing intra-group credit facilities and specialised financial services to the FCA Bank Group companies. FCA Bank may also subscribe for asset-backed securities issued by special purpose vehicles in the context of retained securitisation transactions originated by FCA Bank Group companies. In order to optimise the management of cash resources at group level, FCA Bank has in place a cross-border cash management system to serve the FCA Bank Group companies with a zero-balancing structure.

The FCA Bank Group has a diverse geographical spread, with operations in 17 European countries (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, The Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom) as well as in Morocco.

The FCA Bank Group provides financial support for the sales of prime automotive manufacturers in Europe, (34 brands, such as the Stellantis Group, including the brands of Abarth, Alfa Romeo, Chrysler, Fiat, Fiat Professional, Jeep, Lancia and Maserati, as well as, amongst others Ferrari, Jaguar and Land Rover, Aston Martin, Morgan Motor Company). It also provides financial support for the sales of recreational vehicles and motorcycle manufacturers including EHG and Harley Davidson, as well as to Dodge and RAM European importers.

In 2021, new financing provided by the FCA Bank Group amounted to €11.7 billion (including long-term rentals) and the most important activities of the FCA Bank Group in terms of receivables portfolio size were located in Italy, Germany, France, the United Kingdom and Spain.

The FCA Bank Group has three main business lines:

- Financing and leasing;
- Wholesale financing; and
- Rental/mobility.

As at the date of this Base Prospectus, the three main business lines are located as follows: (i) 46 per cent. in Italy, (ii) 19 per cent. in Germany, (iii) 7 per cent. in France, (iv) 8 per cent. in the United Kingdom, (v) 5 per cent. in Spain and (vi) 15 per cent. in other regions.

The following table shows the end of year managed receivables portfolio of the FCA Bank Group by business line and the percentage this represented of the FCA Bank Group's total loan portfolio, as at 30 June 2022, 31 December 2021 and 31 December 2020, respectively.

[2] Source: https://www.aniasa.it/aniasa/aniasa-informa/public/news/4770.

Outstanding Managed Receivables Portfolio by Business Line

	As at 30 June 2022		*As at 31 December 2021*		*As at 31 December 2020*	
	Outstanding managed receivables	*Percentage of FCA Bank Group loans*	*Outstanding managed receivables*	*Percentage of FCA Bank Group loans*	*Outstanding managed receivables*	*Percentage of FCA Bank Group loans*
	(€/mln)		*(€/mln)*		*(€/mln)*	
Financing and leasing	16,722	65%	16,495	66%	16,642	63%
Wholesale financing.....	3,922	15%	3,725	15%	5,699	22%
Rental/Mobility	5,182	20%	4,602	19%	3,828	15%
Total............................	**25,827**	**100%**	**24,823**	**100%**	**26,169**	**100%**

At the end of the first half of 2022, the retail segment had total assets of €16.7 billion, up 1.4% on December 31, 2021 while the wholesale financing segment assets were up 5.3% on the comparable amount at December 31, 2021, settling at €3.9 billion. Rental assets, for their part, increased by 12.6% on December 21 2021, reaching €5.2 billion.

(a) Financing and Leasing

The financing and leasing business line supports the sales to final customers of automotive manufacturers in Europe partners of FCA Bank.

The FCA Bank Group's retail financing business is carried out directly through local subsidiaries in most of the countries in which it operates.

Product lines

The financing and leasing business line offers a wide range of flexible and customised solutions, created to meet the various financing and mobility requirements of customers. The main products are:

- Loans – these loans are aimed at financing the purchase of new or used vehicles of private clients and are generally fixed rate, with a number of pre-defined instalments payable over the contractual duration of the loan. The customer has the possibility to choose both the financed amount as a percentage of the vehicle list price and the duration of the contract.

- Leasing – the vehicle is made available to the client in return for a monthly payment. At the end of the agreed period, the vehicle may be purchased by the client or the dealer at a pre-agreed price. In some cases, additional maintenance and assistance services are also provided. The contract duration, the amount of down-payment and the residual value can be customised according to the requirements of customers, who are mainly professionals, self-employed persons or entrepreneurs.

- Personal Contract Purchase (**PCP**) – a financing programme that aims to provide clients with a way to manage their mobility requirements. The loan is repaid by the client in pre-defined instalments over a given period (if any, otherwise the product would be a so-called Advance Payment Plan or APP), followed by a larger, final repayment. When the final repayment falls due, the client is given the option of concluding the loan by making the final repayment, refinancing the final repayment through a new loan, or ending the contract by returning the vehicle to the dealer in settlement of the final repayment.

- Demo Cars (**Demo**) - lending to dealers for every registered vehicle used for test driving purposes.
- Commercial Lending – lending to car rental companies.

The percentage of the total retail financing loan portfolio generated in the first half of 2022 by product was around 53 per cent. for auto loans, 19 per cent. for leasing, 6 per cent. for PCP loans and 22 per cent. for demo and commercial lending.

The FCA Bank Group is the exclusive partner of the various brands with which it cooperates in case of financial promotional campaigns (i.e. vehicles sold with promotional interest rate financing, where the brand pays to the financing institution the difference between the promotional interest rate and the market rate).

Additional services

The FCA Bank Group, in cooperation with prime international insurance companies, offers its clients a series of customised services linked to the relevant loan product, such as credit protection insurance, third party liability, glass etching, roadside assistance, fire/theft insurance policies, full damage waiver, GAP (Guaranteed Asset Protections) insurance, service plan and maintenance and extended warranties. Other insurance provided includes coverage in relation to death, disability, hospitalisation and job loss.

Credit analysis

Distribution of the retail financing division's products occurs through dealers, as customers are not generally targeted directly and direct marketing is utilised only in selected cases. Dealerships are monitored by dedicated company representatives and receive regular training and visits. The performance of each dealer is monitored using a matrix system of penetration (defined as the percentage of total new car sales financed by the FCA Bank Group) and the net present value of contracts generated (adjusted by reference to historic prepayments and defaults).

FCA Bank supports the network through the offer of financial solutions and services dedicated to customer needs, whilst ensuring the compliance with the European and local legislation, and FCA Bank objectives and strategies (including in terms of customer satisfaction, customer claims and risk performance).

The FCA Bank Group's portfolio is characterised by low concentration, with a very large and diversified customer base. The underwriting procedure is based upon statistical models that are continuously tracked and verified in order to ensure their continuing predictive capabilities. Key elements driving the underwriting process are:

- credit rules (FCA Bank Group Credit Guidelines and Local Credit rules);
- credit score;
- credit bureau; and
- documentary evidence analysis.

In determining credit scores, “Score-Cards” are utilised. “Score-Cards” are based upon a portfolio-specific statistical model designed to assess the creditworthiness of each applicant. The “Score-Card” system takes into account a number of factors which are proven statistical indicators of the probability of default, in order to assign to each applicant a score that can be either above or below a fixed “cut-off” level. The “Score-Cards” are constantly monitored to test their effectiveness.

Different “Score-Cards” are used in different countries and for different products/customer segments and tend to be reviewed periodically. As from 2020, both the development and monitoring of “Score-Cards” is carried out internally by a dedicated team of HQ Credit with the aim to create a competence centre for all kinds of credit “Score-Cards” to support all markets. In addition, the prospective borrower’s credit record is checked against credit bureau information in countries where such databases are available and the results are taken into account in the ultimate credit decision. Finally, applicants must provide documentary evidence supplementing or supporting the information given in the “Score-Card”.

When all of the checks mentioned above are concluded positively, an automatic approval is possible. Whereas, if the checks are concluded negatively or when the amount financed exceeds certain levels, an analyst must specifically approve the loan application. The larger the amount to be financed, the more experienced the analyst must be.

In certain countries, the FCA Bank Group uses “early warning” anti-fraud software and, in those countries, its operating subsidiaries subscribe to the relevant national fraud database.

The board of directors of FCA Bank approves changes to group credit guidelines as well as changes to “Score-Cards”, according to the Group’s governance policies.

(b) Wholesale Financing

The wholesale financing business line provides support to the respective manufacturers’ dealer networks in Europe.

The FCA Bank Group approve dealers with specific credit-risk assessments through a complete system of scoring and internal-rating based on:

- financial information about the dealer;
- dealer behavioural history (payment punctuality, stock audits, reports to credit bureau); and
- guarantees.

The wholesale financing business line is characterised by:

- knowledge of the client base, thanks to its close relationship with the car manufacturers, which allows FCA Bank to react promptly in case of early signs of financial difficulties for the dealer; and
- strong documentary protection (in case of bankruptcy) in respect of car ownership title, which is held by the financing companies.

The purpose of wholesale financing is to handle the financial requirements deriving from the dealer’s activity, with particular reference to the financing of the dealer’s working capital. The product range is tailored to meet the specific dealer’s financial needs.

The main product of the wholesale financing business line is the inventory (new vehicle stock) financing, also known as "floor-plan", an asset-based financing product, which ensures a solid level of security through collateral coverage of the business.

(c) Rental/Mobility

The rental/mobility business line provides rental solutions to small, medium and large corporates, as well as to households, in cooperation with a wide range of automotive manufacturers in Europe.

The FCA Bank Group operates in the rental business mainly through the Drivalia brand, offering a wide range of flexible and customised solutions, created to meet the specific needs of clients, through a pan-European coverage.

Rental/mobility is designed to meet the different transportation needs of all types of customers from large corporations to SMEs and private individuals. This integrated transportation offer provides solutions to customers seeking tailor-made transportation services: long-term rental, medium/short-term rental, subscription programs and electric transportation with a charging infrastructure dedicated to them free of charge. As at 30 June 2022, the Mobility Stores network had approximately 735 locations across Europe.

The key activities which determine customer retention rates are as follows:

- providing fleet range fitting the client needs;
- determining the appropriate contract duration and the bundle of services offered; and
- promoting flexible billing processes.

The main services offered by the FCA Bank Group in the rental/mobility business are the following:

- Long-term car rental: a monthly fee is paid to rent the vehicle, whose ownership is maintained by the rental company;
- New Mobility & Rent: this business line includes short and medium-term rental, transportation subscription and car-sharing operations;
- Remarketing of used vehicles: online sales activities of pre-owned cars under the Clickar brand.

On 29 April 2022, FCA Bank S.p.A. acquired from its former subsidiary Leasys S.p.A. all the shares outstanding of Leasys Rent S.p.A. The change of the company's name into Drivalia S.p.A. took place on 16 June 2022.

The Drivalia Group, which engages in seven different markets (Italy, France, Spain, the United Kingdom, Portugal. Greece and Denmark) in the mobility (including electric car sharing) and subscriptions sector (mainly short- and medium-term rentals, including operational leasing), confirms its ambitions to operate as an all-round mobility pioneer in Europe. The Group consists of:

- Drivalia S.p.A. (formerly Leasys Rent S.p.A.); and
- Drivalia France S.A.S., Drivalia Espana SLU, Drivalia UK Ltd, Drivalia Portugal S.A. and Drivalia Lease Hellas SM S.A., Drivalia Lease Danmark A/S.

The Drivalia Group's portfolio amounted to €167 million at the end of June 2022, up from €36 million as of 31 December 2021."

On pages 115-116 of the Base Prospectus, the paragraph entitled "*6. Strategy"* in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

"The FCA Bank Group's three main business lines have been combined under a single management structure, based on the following rationale:

(a) to provide dealers with a "one-stop shop" for all their financing needs, including:

- financing of their retail customers;
- fleet rental for both corporate clients and retail customers; and
- dealers' own financing needs (floorplan, spare parts and working capital);

(b) using the dealer network as a key element to support incremental growth in the retail and rental business;

(c) to ensure an efficient commercial structure, closer to customers and the dealer network; and

(d) to create a simplified organisation, with centralised staff functions and a reduction of structural costs.

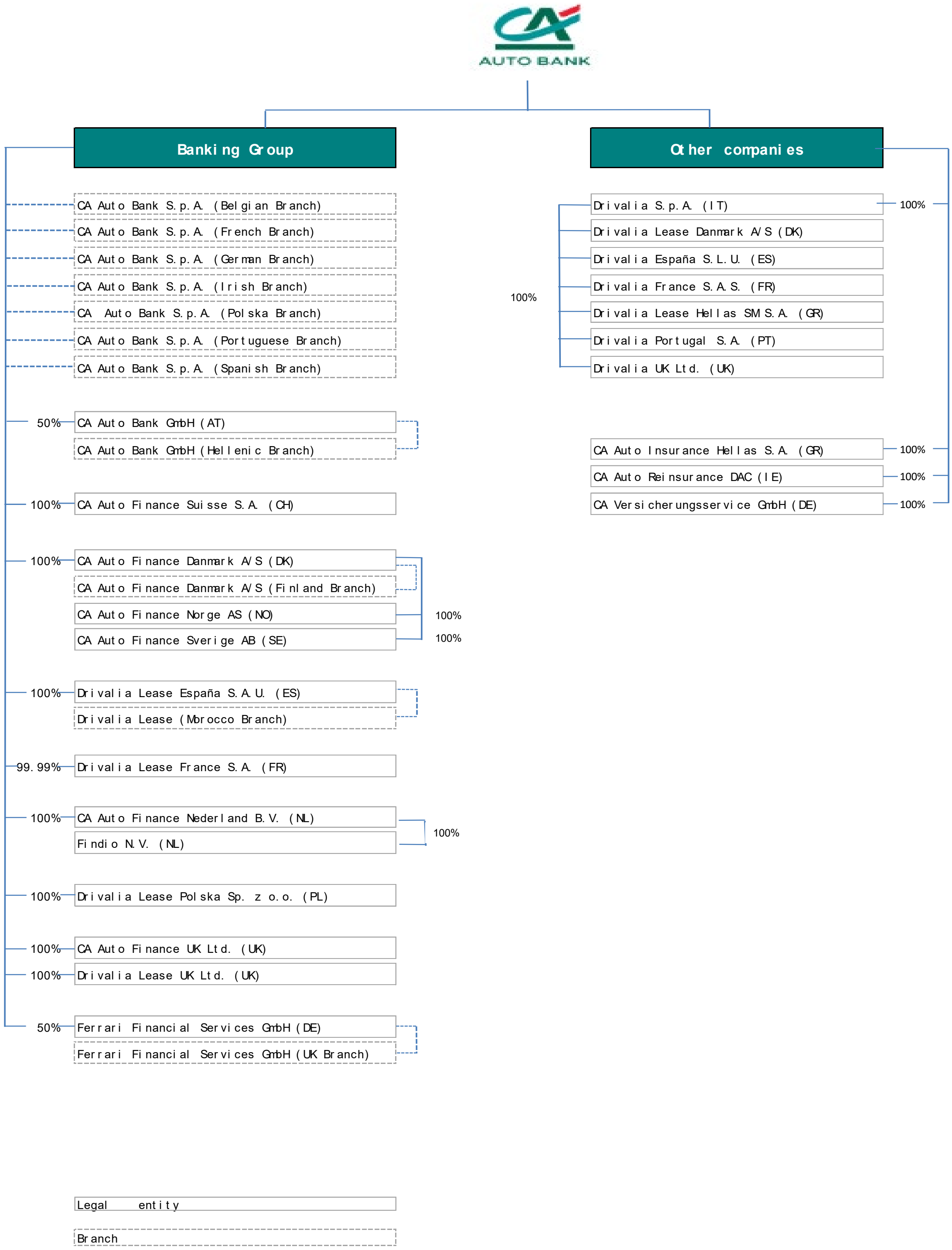
FCA Bank aims to manage the three business areas as a single structure. The integration of these activities allows FCA Bank to provide its industrial partners' dealer networks with highly competitive and integrated financing products for their retail customers, fleet rental products for their corporate clients and products to meet each dealer's own financing needs (i.e. floorplan, working capital).

The FCA Bank Group considers that its integration of dealer network financing services and retail and corporate financing services provides a competitive advantage in the market.

FCA Bank's business model is based on the concept of centralised planning and control and decentralised execution and operations. Control over key business areas is centralised, most crucially in the case of credit risk and underwriting procedures, recovery and arrears procedures and finance and treasury. Commercial policies and product development are maintained locally."

On page 117 of the Base Prospectus, the paragraph entitled "*8. Organisational Structure"* in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

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



"

On pages 117-122 of the Base Prospectus, the paragraph entitled "*9. Administrative, Management and Supervisory Bodies*" in the "*Description of FCA Bank*" section is hereby deleted in its entirety and replaced as set out below:

“9.1 Board of Directors

The table below sets out certain information regarding the members of the board of directors of FCA Bank as at the date hereof.

Name	Position	Year first appointed to the Board of Directors	Principal Offices Outside of the FCA Bank Group
S. Priami	Chairman of the Board	2020	Deputy Chief Executive Officer of Crédit Agricole S.A. for Specialized Financial Services; CA Consumer Finance SA – Chief Executive Officer;
G. Carelli	Chief Executive Officer and General Manager	2014	
V. Wanquet	Director (non-executive)	2017	CA Consumer Finance Deputy Chief Executive Officer, Head of Group International, Finance and Legal
L. Chevalier	Director (non-executive)	2023	CA Consumer Finance – Group Strategy Director
J. Hombourger..........	Director (non-executive)	2023	Caisse Régionale de Crédit Agricole Val de France – Chief Executive Officer
R. Bouligny	Director (non-executive)	2020	CA Consumer Finance Head of Group Automotive and Mobility
V. Ratto	Director (non-executive)	2023	Crédit Agricole Italia S.p.A. – Deputy General Manager Retail and Digital
A. M. Guirchoux	Director (non-executive)	2023	CA Consumer Finance – Group Automotive and Mobility Officer
S. Lazarevitch.........	Independent Director (non-executive)	2023	Independent Director of Aubay and CIFD (holding of Groupe Crédit Immobilier)
P. De Vincentiis......	Independent Director	2017	Full professor of Banking

Name	Position	Year first appointed to the Board of Directors	Principal Offices Outside of the FCA Bank Group
	(non-executive)		and Finance, University of Torino, Italy

The business address of each member of the board of directors is Corso Orbassano 367, 10137 Turin, Italy. Of the ten directors, two members have the requirements of independence.

The Chief Executive Officer (**CEO**) is responsible for the day-to-day management of the Company, within the limits of the powers delegated to him by the board of directors.

9.2 Statutory Auditors

The board of statutory auditors is composed of three regular auditors and two alternate auditors. They may hold other positions as directors or regular auditors within the limits prescribed by law and regulation.

Following the resolutions adopted at the shareholder' meeting of 3 April 2023, the board of statutory auditors is currently made up of the Chairman Maria Ludovica Giovanardi, the regular auditors Mauro Ranalli and Vincenzo Maurizio Dispinzeri, and the alternate auditors Francesca Pasqualin and Francesca Michela Maurelli.

9.3 Committees and Meetings

In order to ensure continuous monitoring of business developments and effective decision-making, various committees and "meetings", which meet or take place (as the case may be) on a regular basis, have been established. In particular:

– Board Committees: in accordance with the Italian banking legislation and rules, certain Board committees have been set up to support the Board of Directors, the company body with strategic supervision responsibility;

– Committees: the role of the committees is to facilitate the transmission of information between FCA Bank and its shareholders and the decision-making process; and

– "Meetings": the meetings are designed to ensure the correct internal functioning of the FCA Bank Group's main activities.

The table below sets out certain information regarding the current structure of the Committees:

Name	*Permanent Members*
Board Executive Credit Committee	Three Board of Directors representatives (including the CEO) and Chief Credit Officer (secretary with no voting rights)
Credit Committee	CEO, CFO, Chief Credit Officer (no voting rights), shareholders' representatives, Corporate Credit

	Director (no voting rights), Head of Risk & Permanent Control (no voting rights)
Internal Control Committee	CEO, CFO, Head of Risk & Permanent Control, Head of Compliance & Supervisory Relations, Head of Internal Audit (secretary), Head of Legal Affairs & Procurement, Shareholders' representatives.
Nomination Committee	Three non-executive Directors (of which two Independent Directors), each one with voting right; chaired by one independent Director.
Remuneration Committee	Three non-executive Directors (of which two Independent Directors), each one with voting right; chaired by one independent Director.
Risk & Audit Committee	Three non-executive Directors (of which two Independent Directors), each one with voting right; the chairman of the Board of Statutory Auditors (no voting rights) attends the meetings. Chaired by one independent Director.

9.4 Potential Conflicts of Interest

As described above, 100 per cent. of FCA Bank's share capital is owned by Crédit Agricole Consumer Finance, a subsidiary of Crédit Agricole. FCA Bank currently has ten directors, of which two being independent.

Crédit Agricole Consumer Finance and other entities of the Crédit Agricole Group extend to FCA Bank and certain of its subsidiaries loan facilities which amounted to 16 per cent. of the total liabilities of the FCA Bank Group as of 30 June 2022. As a result, Crédit Agricole Consumer Finance and other entities of the Crédit Agricole Group may have interests which could conflict with the interests of the holders of Notes issued under the Programme.

Other than as set out in the table above under "*Principal Offices Outside of the FCA Bank Group*", the directors of FCA Bank do not hold any principal executive directorship outside of the FCA Bank Group which are significant with respect to the Issuer, and there are no potential conflicts of interest of the members of the Board of Directors of FCA Bank between their duties to the Issuer and their private interests and/or other duties.

Subject as aforesaid, there are no potential conflicts of interest of the members of FCA Bank's board of directors, senior management team or board of statutory auditors between their duties to FCA Bank and their private interests or other duties.

9.5 Major Shareholders

Crédit Agricole Consumer Finance currently holds 100 per cent. of FCA Bank's issued share capital.

For the purposes of Article 2497-bis of the Italian Civil Code, FCA Bank is not subject to the direction or control of Crédit Agricole Consumer Finance.

9.6 Dividends paid

On 21 December 2022, in accordance with the resolution adopted by the shareholders at the General Meeting held on 2 December 2022, dividends amounting to €1,200 million were distributed.

9.7 Human Resources

The FCA Bank Group had 2,580 employees as at 30 June 2022, an increase of 97 compared to 31 December 2021.

9.8 Corporate Governance

FCA Bank is in compliance with those corporate governance laws of Italy to which it may be subject, if any."

On page 124 of the Base Prospectus, the sub-paragraph entitled "*Tax audit report*" under paragraph entitled "*10. Regulatory and Legal Proceedings"* in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

"On 29 September 2022 FCA Bank was notified by the Italian fiscal enforcement agency (*Guardia di Finanza*) of a tax audit report (*processo verbale di constatazione*) (the **Report**) challenging the VAT treatment of certain brokerage fees invoiced by the retailers and relating to loans for the purchase of cars in the context of promotional campaigns (the **Brokerage Fees**).

In the Report, the Italian fiscal enforcement agency challenged FCA Bank for not having regularised the invoices related to the Brokerage Fees issued by the retailers – for approximately Euro 49 million of VAT – during the years 2016 to 2019. No provision has been recognised for this matter at the date of this Base Prospectus based on currently available information.

In December 2022 FCA Bank received the tax assessment for 2016 and 2017, with a penalty equal to €161,902.77. FCA Bank appealed with the competent tax court in February 2023."

On page 124 of the Base Prospectus, the paragraph entitled "*11. Recent Developments"* in the "*Description of FCA Bank"* section is hereby deleted in its entirety and replaced as set out below:

"Effective 1 February 2023, the FCA Bank Group acquired Findio N.V., a company specialized in automotive financial services, originally part of Crédit Agricole Consumer Finance Nederland.

On 22 March 2023 Crédit Agricole Consumer Finance announced that it had signed, together with its partner Stellantis, a binding agreement for the acquisition of the activities of ALD S.A. (**ALD**) and LeasePlan Corporation N.V. (**LeasePlan**) in six European countries, following ALD's proposed acquisition of 100% of LeasePlan announced in January 2022.

The acquisition would be carried out by FCA Bank, then followed by a division of the acquired scope between:

- The newly created leasing joint venture resulting from the pooling of Leasys and Free2Move Lease activites and owned equally by Crédit Agricole Consumer Finance and Stellantis, which would host the activities of ALD in Portugal and LeasePlan in Luxembourg for a total approximately 30,000 vehicles; and

- FCA Bank, through its fully owned subsidiary Drivalia, which would host the activities of ALD in Ireland and Norway and of LeasePlan in the Czech Republic and in Finland for a total of more than 70,000 vehicles.

On 3 April 2023, in accordance with the resolution adopted by the shareholders at the General Meeting held on the same day, dividends amounting to €1,100 million were distributed."

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

On page 125 of the Base Prospectus, the paragraph entitled "*Basel III and the CRD IV Package"* in the "*Regulatory Aspects"* section is hereby deleted in its entirety and replaced 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, will now be exercised by the Single Supervisory Mechanism (**SSM**) (as defined below) 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 42th update published on 30 March 2023 reviewing the regime applicable to covered bonds. 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 125 of the Base Prospectus, the paragraph entitled "*Capital Requirements"* in the "*Regulatory Aspects"* section is hereby deleted in its entirety and replaced 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 2022, these capital buffers were as follows:

- Capital conservation buffer: set at 2.5 per cent. of risk weighted assets and has applied to FCA 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, (i) the specific counter-cyclical capital rate of the FCA Bank Group amounted to 0.001 per cent.; and (ii) 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 second quarter of 2023;

- 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).

FCA Bank is not currently included in the list of financial institutions of global systemic importance published on 21 November 2022 by the Financial Stability Board (**FSB**). The Bank of Italy has not included FCA Bank among the systemically important banks at a domestic level (O-SII) for the year 2023. 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. As at the date of this Base Prospectus, no resolution relating to the systemic risk buffer has been enacted by the Bank of Italy.

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, FCA 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 23 July 2020 the EBA published Guidelines for competent authorities for the special procedures for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the COVID-19 pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current prospective risk profile.

The Bank of Italy notified to the EBA its intention to comply with the abovementioned Guidelines on 23 September 2020. The Bank of Italy in fact announced to the supervised entities that only in exceptional cases, due to a significant increase in their current and prospective risk profiles, it would have updated the banks' current requirements.

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 should report its intention to comply with the Guidelines by 2 months after the publication of the translation in the official EU languages (still pending). The guidelines will apply from 1 January 2023."

On page 128 of the Base Prospectus, the paragraph entitled "*Liquidity and leverage requirements"* in the "*Regulatory Aspects"* section is hereby deleted in its entirety and replaced as set out below:

"The new liquidity requirements introduced under the CRD IV Package are the Liquidity Coverage Ratio, a stress liquidity ratio over a 30-day period (the **LCR**) and the Net Stable Funding Ratio, which measures the assumed degree of stability of liabilities and the liquidity of assets over a one-year period and is intended to regulate risks not already covered by Pillar 1 requirements and complements the LCR (the **NSFR**). The Liquidity Coverage Ratio Delegated Regulation (EU) 2015/61 was adopted on 10 October 2014 and published in the Official Journal of the European Union in January 2015 (the

LCR Delegated Act). The LCR was initially subject to a gradual phase-in, beginning at 60 per cent. in 2015 and increasing by 10 per cent. each year; the current requirement, effective since 1 January 2018, is equal to minimum 100 per cent. On 10 October 2018, amendments to the Liquidity Coverage Ratio Delegated Regulation were published in the Official Journal (Commission Delegated Regulation (EU) 2018/1620 of 13 July 2018) and applied as of April 2020.

The CRR II introduced a binding NSFR which requires credit institutions and systemic investment firms to finance their long-term activities with stable sources of funding with a view to increasing banks' resilience to funding constraints. This means that the amount of available stable funding is calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR applies at a level of 100 per cent. to credit institutions and systemic investment firms.

On 20 May 2022, amendments to the LCR Delegated Act were published in the Official Journal (Commission Delegated Regulation (EU) 2022/786 of 10 February 2022) and have applied since July 2022. Most of these amendments has been introduced to better allow the credit institutions issuing covered bonds to comply, on one hand, with the general liquidity coverage requirement for a 30 calendar day stress period and, on the other hand, with the cover pool liquidity buffer requirement, as laid down by Directive (EU) 2019/2162 of the European Parliament and of the Council."

On page 128 of the Base Prospectus, the paragraph entitled "*EU Banking Reform Package"* in the "*Regulatory Aspects"* section is hereby deleted in its entirety and replaced as set out below:

"The regulatory framework to which FCA 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 not exercised so far its authority to introduce a SyRB or a borrower-based measure."

On page 132 of the Base Prospectus, the paragraph entitled "*ECB Single Supervisory Mechanism"* in the "*Regulatory Aspects"* section is hereby deleted in its entirety and replaced as set out below:

"On 15 October 2013, the Council of the European Union adopted Regulation (EU) No. 1024/2013 establishing the SSM for all banks in the Banking Union, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the Eurozone and participating Member States, direct supervisory responsibility over "significant credit institutions" established in those Member States. The SSM framework regulation (Regulation (EU) No. 468/2014 of the ECB) setting out the practical arrangements for the SSM was published in April 2014 and entered into force in May 2014. Banks directly supervised by the ECB include any Eurozone bank that (i) has assets greater than €30 billion or – unless the total value of its assets is below €5 billion – greater than 20 per cent. of national gross domestic product of the relevant Member State; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism; and/or (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities. Notwithstanding the fulfilment of these criteria, the ECB, on its own initiative after consulting with national competent authorities or upon request by a national competent authority, may declare an institution significant to ensure the consistent application of high-quality supervisory standards.

The ECB is also exclusively responsible for the prudential supervision of credit institutions, which includes, inter alia, the power to: (i) authorise and withdraw the authorisation of all credit institutions in the Eurozone and in the Member States participating in the SSM; (ii) assess acquisition and disposal of holdings in other banks; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements for certain banks to protect financial stability under the conditions provided by EU law; (v) ensure compliance with robust corporate governance practices and internal capital adequacy assessment controls; and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities. The ECB also has the right to impose pecuniary sanctions.

On 20 March 2017, in the context of the on-going supervision within the Single Supervisory Mechanism, the ECB published guidance on non-performing loans (**NPLs**) addressed to all significant banks in order to timely reduce the level of NPLs held by significant banks (NPL reduction targets).

In summary, the guidance addresses all non-performing exposures (**NPEs**), as well as foreclosed assets, and also touches on performing exposures with an elevated risk of turning non-performing, such as "watch-list" exposures and performing forborne exposures. On 4 October 2017, the ECB proposed an addendum to its guidance aimed at specifying quantitative supervisory expectations for minimum levels of prudential provisions for new non-performing loans.

National competent authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks, besides supporting the ECB in day-to-day supervision. In order to foster consistency and efficiency of supervisory practices across the EU, the EBA is developing a single rule book. The single rule book aims at providing a single set of harmonised prudential rules which institutions throughout the EU must respect.

FCA Bank is included, for prudential purposes, within Crédit Agricole's scope of prudential consolidation and, consequently, as a "significant" banking entity. FCA Bank is therefore a "significant supervised entity" subject to direct supervision by the ECB for prudential supervisory purposes, in the context of the ECB's direct supervision of the Crédit Agricole Group."

On page 133 of the Base Prospectus, the paragraph entitled "*The Bank Recovery and Resolution Directive*" in the "*Regulatory Aspects*" section is hereby deleted in its entirety and replaced 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 FCA 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. Taking into account the current annual growth in covered deposits, this amount is expected to be just over €80 billion. Once this target level is reached, in principle, the banks will have to contribute only if the resources of the SRF are used up in order to deal with resolutions of other institutions. Under the BRRD, the target level of the national resolution funds is set at national level and calculated on the basis of deposits covered by deposit guarantee schemes. Under the SRM, the target level of the SRF is European and is the sum of the covered deposits of all institutions established in the participating Member States. This results in significant variations in the contributions by the banks under the SRM as compared to the BRRD.

Contributions of banks established in Member States with a large amount of covered deposits may be significantly lower than if calculated at a national level, while contributions of those banks established in Member States with fewer covered deposits may be significantly higher than if calculated at a national level. In order to mitigate the potentially abrupt change, the Council Implementing Act provides for an adjustment mechanism to remedy these distortions during the transitional period by way of a gradual phasing in of the SRM methodology.

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.

FCA 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 FCA

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.

Following the launch of its retail deposit-taking activity as referred to under "*Description of FCA Bank – Section 3.2 – Funding Activities – (h) Deposits*", it should be noted that any such deposits would rank senior to the obligations of FCA Bank under the Notes in the event of insolvency or resolution proceedings applicable to FCA 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. Since each holder of Notes will have expressly waived any rights of set-off, counterclaim, abatement or other similar remedy which they might otherwise have, under the laws of any jurisdiction, in respect of such Notes, 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, under the BRRD European banks also have to comply with 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."

On page 137 of the Base Prospectus, the first sub-paragraph of the paragraph entitled "*Revision to the BRRD framework"* in the "*Regulatory Aspects"* section is hereby deleted in its entirety and replaced as set out below:

"The EU Banking Reform Package includes Directive (EU) 2019/879, which provides for a number of significant revisions to the BRRD (known as **BRRD2**). The BRRD, as subsequently amended by the BRRD2, is commonly referred to as BRRD. BRRD2 provides that Member States are required to ensure implementation into local law by 28 December 2020 with certain requirements relating to the implementation of the TLAC standard applying from January 2022, while the transitional period for full compliance with MREL requirements is foreseen until 1 January 2024, with interim targets for a linear build-up of MREL set at 1 January 2022. The EU Banking Reform Package includes, amongst other things:"

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

On page 146 of the Base Prospectus, the paragraph entitled "*Taxation in Italy*" in the "*Taxation*" section is hereby deleted in its entirety and replaced as set out below:

"The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

In any case, Italian legal or tax concepts may not be identical to the concepts described by the same English term as they exist under terms of different jurisdictions and any legal or tax concept expressed by using the relevant Italian term shall prevail over the corresponding concept expressed in English terms.

Tax treatment of interest and proceeds payable under the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds *(titoli similari alle obbligazioni*) issued, *inter alia*, by Italian banks (including FCA Bank S.p.A acting through its Irish branch). For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation to (or of control of) to management of the issuer.

<u>*Italian resident Noteholders*</u>

Where the Italian resident holder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see "*Capital Gains Tax*" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. In the event that the holders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

Where an Italian resident holder of the Notes is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised Intermediary (as defined below), interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant holder's income tax return and are therefore subject to general Italian corporate taxation

(**IRES**) (and, in certain circumstances, depending on the "status" of the holder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), Law Decree No. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of interest, premiums and other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994, or to Italian real estate investment companies with fixed capital (**Real Estate SICAFs**, and, together with the Italian resident real estate investment funds, the **Real Estate Funds**) are subject neither to substitute tax nor to any other income tax in the hands of a Real Estate Fund, provided that the Notes are timely deposited with an Intermediary (as defined below). Subsequent distributions made in favour of unitholders or shareholders and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Real Estate Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund may be attributed to the relevant investors and subject to taxation in their hands regardless of distribution and in proportion to the percentage of ownership of units or shares on a tax transparency basis.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an Italian investment company with fixed capital other than a Real Estate SICAF) or a SICAV (an Italian investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (each, a **Fund**), and the relevant Notes are held by an authorised Intermediary (as defined below), interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. (the **Collective Investment Fund Withholding Tax**) may apply, in certain circumstances, to distributions made in favour of unitholders or shareholders or in case of redemption or sale of the units or shares in the Fund.

Where an Italian resident holder of a Note is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised Intermediary (as defined below), interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest accrued on the Notes). Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *Società di Intermediazione Mobiliare* (**SIMs**), fiduciary companies, *Società di Gestione del Risparmio* (SGRs), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an **Intermediary**).

An Intermediary must (a) be (i) resident in Italy or (ii) a permanent establishment in Italy of a non-Italian resident financial intermediary or (iii) an entity or company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239 and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying interest to a Noteholder or, absent that, by the Issuer.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies, provided that the non-Italian resident Noteholder is the beneficial owner of relevant interest (certain types of institutional investors are deemed to be beneficial owners by operation of law) and is: (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy included in the list provided for by Italian Ministerial Decree dated 4 September 1996, as amended from time to time (possibly further amended by future Ministerial Decrees to be issued under Article 11, paragraph 4, let. c) of Decree No. 239) (the **White List**); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is established in a country which allows for a satisfactory exchange of information with Italy listed in the White List, even if it does not possess the status of taxpayer therein.

In order to ensure gross payment, non-Italian resident Noteholders above must: (a) deposit, in due time, directly or indirectly, the Notes with a resident bank or a SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Italian Ministry of Economy and Finance having appointed an Italian representative for the purposes of Decree No. 239 (Euroclear and Clearstream qualify as such latter kind of depositary); and (b) file with the relevant depository a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not required for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign central banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

Failure of a non-Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementing rules will result in the application of *imposta sostitutiva* on interest payments to such non resident holder of the Notes.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any, and subject to timely filing of the required documentation) in respect to interest accrued in the hands of Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy not included in the White List.

Atypical securities

Interest payments relating to the Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, bonds or debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty, provided all conditions for its application are met.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the holder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident holder of the Notes is (i) an individual not holding the Notes in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such holder of the Notes from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Holders of the Notes may set off losses with gains.

In respect of the application of *the imposta sostitutiva*, taxpayers under (i) to (iii) above may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss of the same kind, realised by the investor pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same kind, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) or those intermediaries have in any case been entrusted to collect proceeds and operate as Italian tax agents for securities held abroad within the limits set out by the Italian tax authorities; and (b) an express election for the *risparmio amministrato* regime being made in writing by the relevant holder of the Notes in a timely manner. The Italian depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the holder of the Notes or using funds provided by the holder of the Notes for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the holder of the Notes is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the holder of the Notes is not required to declare the capital gains realised in its annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

Any capital gains realised by a holder of the Notes which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Fund may be subject to the Collective Investment Fund Withholding Tax.

Any capital gains realised by a holder of the Notes which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

Any capital gains realised from the disposal of the Notes by the Real Estate Funds are subject neither to substitute tax nor to any other income tax in the hands of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders and income realised by the unitholders or shareholders in the event of redemption or sale of the units or shares in the Real Estate Fund may be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate

Fund is subject to taxation in the hands of the unitholder or the shareholder regardless of distribution and in proportion to the percentage of ownership of units or shares on a tax transparency basis.

The 26 per cent. *imposta sostitutiva* may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held or deemed to be held in Italy.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes issued by an Italian resident issuer, which are traded on regulated markets in Italy or abroad (and, in certain cases, subject to filing of required documentation) are neither subject to the *imposta sostitutiva* nor to any other Italian income tax, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty. The Italian tax authorities have clarified that the notion of multilateral trading facility (**MTF**) under MiFID II can be assimilated to that of "regulated market" for income tax purposes; conversely, organized trading facilities (OTF), not falling in the definition of MTF under MiFID II, cannot be assimilated to "regulated market" for Italian income tax purposes.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets and held in Italy are not subject to the *imposta sostitutiva*, provided that the Noteholder is the beneficial owner of the capital gain (certain types of institutional investors are deemed to be beneficial owners by operation of law) and is: (a) resident for income tax purposes in a country included in the White List; or (b) an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is established in a country included in the White List, even if it does not possess the status of taxpayer therein, in any case, to the extent all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time, if applicable. In this case, if the non-Italian Noteholders have opted for the *risparmio amministrato* regime or the *risparmio gestito* regime, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets and held in Italy may be subject to the *imposta sostitutiva* at the current rate of 26 per cent. On the contrary, as indicated above, should the Notes be traded on regulated markets, capital gains realised by non-Italian resident Noteholders would not be subject to Italian taxation, even if such Notes are held in Italy.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes, provided all the conditions for its application are met. In this case, if the non-Italian resident Noteholders have opted for the *risparmio amministrato* regime or the *risparmio gestito* regime, exemption from Italian capital gains tax will apply upon the condition that they file in due course with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement issued by the competent tax authorities of the country of residence of the non-Italian Noteholders.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006 converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

- transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

- any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above on the value exceeding, for each beneficiary, €1,500,000.

The *mortis causa* transfers of financial instruments included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) – that meets the requirements from time to time applicable set forth under Italian law – are exempt from inheritance taxes.

Transfer tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of €200; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax only in "case of use" (*caso d'uso*) or in case of "explicit reference" (*enunciazione*) or voluntary registration.

Stamp duties on financial instruments

Pursuant to Article 13(2-ter) of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended (**Decree no. 642**), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.2 per cent. and, for taxpayers different from individuals, cannot exceed €14,000. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount or, if the nominal or redemption values cannot be determined, on the purchase value, of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 29 July 2009, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which it is not mandatory the deposit, the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

Stamp duty applies both to Italian resident and to non-Italian resident investors, to the extent that the relevant securities (including the Notes) are held with an Italian-based financial intermediary (and not directly held by the investor outside Italy), in which case Italian wealth tax (see below under "*Wealth tax on financial products held abroad*") applies to Italian resident Noteholders only.

Wealth tax on financial products held abroad

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**). 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.

Tax monitoring obligations

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return) the amount of investments directly or indirectly held abroad. The disclosure requirements are not due if, *inter alia*, the foreign financial investments (including the Notes) are held through an Italian resident intermediary (on the condition that the items of income derived from the Notes have been subject to tax by the same intermediary) or are only comprised of deposits and/or bank accounts having an aggregate value not exceeding an €15,000 threshold throughout the year.

The disclosure requirement applies also where the persons above, being not the direct holder of the financial instruments, are the beneficial owner of such instruments."

UPDATE OF THE "*GENERAL INFORMATION*" SECTION OF THE BASE PROSPECTUS

On page 163 of the Base Prospectus, the paragraph entitled "*Significant or Material Change*" in the "*General Information*" section is hereby deleted in its entirety and replaced as set out below:

"**Significant or Material Change**

There has been no significant change in the financial performance or financial position of FCA Bank or the FCA Bank Group since 31 December 2022 and there has been no material adverse change in the prospects of FCA Bank or the FCA Bank Group since 31 December 2022."

UPDATE OF THE LEGAL NAME OF THE ISSUER AND CERTAIN OF ITS SUBSIDIARIES

With effect from 3 April 2023, the legal name of FCA Bank S.p.A. is CA Auto Bank S.p.A.. As from such date, all references to the legal name of the Issuer in the Base Prospectus shall be deemed to be the new legal name, as applicable, of the Issuer.

With effect from 3 April 2023, the legal name of FCA Bank S.p.A., Irish branch is CA Auto Bank S.p.A., Irish Branch. As from such date, all references to the legal name of FCA Bank S.p.A., Irish branch in the Base Prospectus shall be deemed to be the new legal name, as applicable, of FCA Bank S.p.A., Irish branch.

With effect from 3 April 2023, the legal name of FCA Bank S.p.A., Polish branch is CA Auto Bank S.p.A. S.A. Oddział w Polsce. As from such date, all references to the legal name of FCA Bank S.p.A., Polish branch in the Base Prospectus shall be deemed to be the new legal name, as applicable, of FCA Bank S.p.A., Polish branch.

With effect from 3 April 2023, the legal name of FCA Bank Niederlassung Deutschland is CA Auto Bank S.p.A. Niederlassung Deutschland. As from such date, all references to the legal name of FCA Bank Niederlassung Deutschland in the Base Prospectus shall be deemed to be the new legal name, as applicable, of FCA Bank Niederlassung Deutschland.

With effect from 17 April 2023, the legal name of FCA Capital Suisse S.A. is CA Auto Finance Suisse SA. As from such date, all references to the legal name of FCA Capital Suisse S.A. in the Base Prospectus shall be deemed to be the new legal name, as applicable, of FCA Capital Suisse S.A..

With effect from 3 April 2023, the legal name of FCA Automotive Services UK Ltd is CA Auto Finance UK Ltd.. As from such date, all references to the legal name of FCA Automotive Services UK Ltd in the Base Prospectus shall be deemed to be the new legal name, as applicable, of FCA Automotive Services UK Ltd.

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.