

SUPPLEMENT NO. 2 DATED 22 JUNE 2018 TO THE BASE PROSPECTUS DATED 14 DECEMBER 2017



ICCREA BANCA S.p.A.

(incorporated with limited liability as a società per azioni under the laws of the Republic of Italy)

EUR 3,000,000,000

Euro Medium Term Note Programme

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 14 December 2017 as supplemented by the supplement dated 23 January 2018 (the "**Base Prospectus**") prepared by ICCREA Banca S.p.A. (the "**Issuer**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 3,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, as a base prospectus supplement issued in compliance with Article 16 of the Prospectus Directive and relevant implementing measures in Luxembourg, including Article 13.1 of Chapter 1 of Part II of the the *Loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 as amended (the "**Luxembourg Prospectus Law**").

This Supplement has been prepared in order to (a) incorporate by reference the Issuer's audited non-consolidated and consolidated financial statements as at and for the year ended 31 December 2017; (b) update certain risk factors contained in the section entitled "*Risk Factors - Factors that may affect the Issuer's ability to fulfil its obligations under the Notes*"; and (c) update the paragraphs respectively headed "No material adverse change" and "No significant change" under the section "General Information".

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus. This Supplement may only be used for the purposes for which it has been published.

The date of this Supplement is 22 June 2018.

A. RISK FACTORS

The information set out below supplements the section in the Base Prospectus entitled "Risk Factors - Factors that may affect the Issuer's ability to fulfil its obligations under the Notes" on pages 7 – 21 therein.

- (i) On pages 9-11 of the Base Prospectus the paragraph entitled "*Changes in regulatory framework and accounting policies*" shall be integrated by adding at the end of this risk factor the following:

"Finally, it should be noted that the European authorities have adopted and finalised two new regulations related to securitisation (being Regulation (EU) 2017/2402 and Regulation (EU) 2017/2401) which will apply in general from 1 January 2019. Amongst other things, the regulations include provisions intended to implement the revised securitisation framework developed by the Basel Committee (with adjustments) and provisions intended to harmonise and replace the risk retention and due diligence requirements (including the corresponding guidance provided through technical standards) applicable to certain EU regulated investors. There are material differences between the coming new requirements and the current requirements including with respect to the matters to be verified under the due diligence requirements, as well as with respect to the application approach under the retention requirements and the originator entities eligible to retain the required interest. Further differences may arise under the corresponding guidance which will apply under the new risk retention requirements, which guidance is to be made through new technical standards."

- (ii) On pages 13-16 of the Base Prospectus the paragraph entitled "*Risks relating to the Bank Recovery and Resolution Directive*" shall be integrated by adding the following before the last paragraph:

"Moreover, the European Commission, in the context of the proposed new package, has proposed a harmonised national insolvency ranking of unsecured debt instruments to facilitate credit institutions' issuance of such loss absorbing debt instruments, by creating, *inter alia*, a new asset class of "non-preferred" senior debt instruments with a lower rank than ordinary senior unsecured debt instruments in insolvency. In such perspective, the proposed amendments to article 108 of the BRRD aim to enhance the implementation of the bail-in tool provided for under BRRD and to facilitate the application of the Minimum Requirement for Own Funds and Eligible Liabilities or MREL requirement concerning the loss absorption and recapitalisation capacity of credit institutions and investment firms. As such, the amendments provide an additional means for credit institutions and certain other institutions to comply with the forthcoming MREL requirements and improve their resolvability, without constraining their respective funding strategies. The proposal of the European Commission resulted in the adoption of Directive (EU) 2017/2399 of 12 December 2017 amending the BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy which was published in the Official Journal of the EU on 27 December 2017 and must be transposed into national law by the Member States by 29 December 2018. In this regard, the Italian Law n. 205/2017, approved by the Italian Parliament on 27 December 2017, contains the implementing provisions pertaining to "non-preferred" senior debt instruments."

B. INFORMATION INCORPORATED BY REFERENCE

The information set out below supplements the section in the Base Prospectus entitled "Documents incorporated by reference" on pages 38 – 40 therein.

"On 11 June 2018, the Issuer published its audited non-consolidated annual financial statements as at and for the year ended 31 December 2017, together with the accompanying notes and auditors' report dated 24 April 2018 and its audited consolidated annual financial statements as at and for the year ended 31 December 2017, together with the accompanying notes and auditors' report dated 24 April 2018 (the "**2017 Annual Financial Statements**").

The 2017 Annual Financial Statements have been published and filed with the CSSF, are incorporated in full by reference into this Supplement and shall, by virtue of this Supplement, be deemed to be incorporated by reference in full into, and form part of, the Base Prospectus.

The following table shows where the information required under Annex IX, paragraph 11.1 of Commission Regulation (EC) No. 809/2004 can be found in the above-mentioned 2017 Annual Financial Statements incorporated by reference in the Base Prospectus.

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The information incorporated by reference that is not included in the cross-reference list above is considered as additional information and is not required by the relevant schedules of Regulation (EC) 809/2004 (as amended)."

C. GENERAL INFORMATION

The information set out below supplements the section in the Base Prospectus entitled "General Information" on pages 144-147 therein.

- (iii) On page 145 of the Base Prospectus the paragraph entitled "*No material adverse change*" shall be replaced with the following:

"Since 31 December 2017 (being the last day of the financial period in respect of which the most recent published annual financial statements of the Issuer have been prepared) there has been no material adverse change in the financial condition or prospects of the Issuer or its subsidiaries."

- (iv) On page 145 of the Base Prospectus the paragraph entitled "*No significant change*" shall be replaced with the following:

"Since 31 December 2017 (being the last day of the financial period in respect of which the most recent published financial statements of the Issuer have been prepared) there has been no significant change in the financial or trading position of the Issuer and its group."

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A copy of this Supplement and the 2017 Annual Financial Statements which are incorporated herein by reference can be obtained, without charge, at the specified office of the Issuer and/or the Fiscal Agent (see page 149 of the Base Prospectus) and are also available on the website of the Luxembourg Stock Exchange (www.bourse.lu).