FitchRatings

FCA Bank S.p.A.

Key Rating Drivers

Reorganisation of Stellantis' Captive Lenders: Fitch Ratings placed FCA Bank S.p.A.'s 'BBB+' Long-Term Issuer Default Rating (IDR) on Rating Watch Positive (RWP) in January 2022 due to the reorganisation of Stellantis N.V.'s (BBB/Stable) captive finance providers. FCA Bank will become a wholly-owned subsidiary of Credit Agricole S.A. (CA; A+/Stable) and will spin-off its long-term rental business, Leasys S.p.A. (BBB+/RWP; 18% of outstanding earning assets). FCA Bank will retain its retail-focused rental business, Drivalia, offering multiple mobility solutions.

Support Drives Ratings: FCA Bank's IDR is based on the availability of potential support from CA Consumer Finance (CACF; A+/Stable), and ultimately from CA. The latter holds a 50% stake in FCA Bank through CACF and supports FCA Bank, mostly through funding and liquidity, under a joint-venture (JV) agreement with FCA Italy S.p.A, a wholly-owned subsidiary of Stellantis. The RWP reflects Fitch's anticipation that FCA Bank's Long-Term IDR will be upgraded to 'A-' after the completion of the transaction in 1H23.

Rating Higher than the Sovereign: Fitch rates FCA Bank one notch above the sovereign rating (BBB/Stable) because it has no direct exposure to Italian sovereign risk and because, in Fitch's view, FCA Bank is less exposed than universal banks to the risk of restrictions being imposed on its ability to service its obligations should Italy's operating environment materially worsen. Still, Fitch is unlikely to widen the notching difference between FCA Bank's and Italy's IDRs to above two notches, capping FCA Bank's Long-Term IDR at 'A-', despite full ownership by CA.

Post-Stellantis Strategic Challenge: FCA Bank's standalone profile will be under pressure after the reorganisation due to a weaker franchise and to execution risks in the new strategy outside Stellantis. FCA Bank's business and balance sheet should remain in line with pre-reorganisation performance until end-1H23, and then shrink to about a third of its present size over a three-year period. White-label agreements with new car manufacturers and larger dealer-financing volumes are feasible, but execution is key and volumes will remain limited in the short term.

Parent's Funding Gradually Reducing: FCA Bank's funding sources are sufficiently diversified, with access to various wholesale funding instruments and investor bases. FCA Bank will adjust its funding plans to its lowered needs after the reorganisation, but we do not expect a reduction in funding availability. CA's propensity to provide funding remains high, in our view, despite the reduction in CA's contribution to non-equity funding since 2010. This is part of CA's strategy to increase the autonomy of its subsidiaries' funding profiles.

Rating Sensitivities

Completion of the Reorganisation: Fitch expects to upgrade FCA Bank's Long-Term IDR and SSR to 'A-' and 'a-', respectively, after the completion of the reorganisation. Fitch could resolve the Rating Watch and affirm FCA Bank's ratings at their current level if the reorganisation of Stellantis' captive finance providers is not implemented. Fitch would also review the ratings if the reorganisation plan changed significantly from what has been communicated so far.

IDR Changes for CA, CACF: In the short term, before the completion of the reorganisation, Fitch could upgrade FCA Bank's Long-Term IDR if the IDRs of CA and CACF were upgraded, while Italy's IDR was affirmed, the Italian operating environment remained stable, and FCA Bank's exposure to Italian sovereign risk was limited. A downgrade of the IDRs of CA and CACF would result in a downgrade of FCA Bank's IDR.

Retail Deposits in Funding Mix: Fitch would narrow the notching difference between the IDRs of FCA Bank and the Italian sovereign to one notch if the deposit base increased and became a material source of funding, although this is not considered likely in the medium term.

Ratings

Foreign Currency	
Long-Term IDR	BBB+
Short-Term IDR	F1
Shareholder Support Rating (SSR)	bbb+
Sovereign Risk	
Long-Term Foreign-Currency IDR	BBB
Long-Term Local-Currency IDR	BBB
Country Ceiling	AA
Outlooks and Watches	
Long-Term Foreign-Currency IDR	Watch Positive
Shareholder Support Rating	Watch Positive
Sovereign Long-Term Foreign-Currency IDR	Outlook Stable
Sovereign Long-Term Local-Currency IDR	Outlook Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (January 2022)

Bank Rating Criteria (September 2022)

Related Research

Fitch Maintains FCA Bank's 'BBB+' IDR on Watch Positive (November 2022)

Fitch Maintains Leasys' 'BBB+' IDR on Watch Positive (November 2022)

Global Economic Outlook (December 2022)

EMEA Developed Finco Outlook Deteriorating; Funding Tightens (November 2022)

Fitch Affirms Italy at 'BBB'; Outlook Stable (November 2022)

Credit Agricole (October 2022)

Gas Prices Unleash Huge Inflation Shock on Eurozone (October 2022)

Fitch Affirms Credit Agricole's Long-Term IDR at 'A+'; Stable Outlook (October 2022)

European Automotive Manufacturers - Peer Comparison (September 2022)

Fitch Upgrades Stellantis N.V. to 'BBB'; Outlook Stable (September 2022)

FCA Bank S.p.A. (May 2022)

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FCA Bank S.p.A. (Irish Branch) and FCA Capital Suisse SA – Debt Rating Classes

Rating level	Rating
Senior unsecured debt	BBB+/RWP

Source: Fitch Ratings

FCA Bank S.p.A. (Irish Branch)'s senior unsecured notes rank pari passu with FCA Bank's senior unsecured obligation. FCA Capital Suisse SA's senior unsecured notes are unconditionally and irrevocably guaranteed by FCA Bank, and rank pari passu with the guarantor's senior unsecured obligations.

Fitch rates FCA Bank S.p.A. (Irish Branch)'s and FCA Capital Suisse SA's senior unsecured debt ratings at 'BBB+'. This is in line with the Long-Term IDR of FCA Bank because we do not believe that internal resolution debt and equity buffers would offer obvious incremental protection over and above the institutional support benefit already factored into the bank's IDRs.

Ratings Navigator

Institutional Support			Value
Parent IDR			A+
Total Adjustments (notches)			-3
Institutional Support:			**BBB+**
Support Factors (negative)	**Equalised**	**1 Notch**	**2+ Notches**
Parent ability to support and subsidiary ability to use support			
Parent/group regulation		✓	
Relative size	✓		
Country risks		✓	
Parent Propensity to Support			
Role in group		✓	
Potential for disposal		✓	
Implication of subsidiary default		✓	
Integration		✓	
Size of ownership stake			✓
Support track record		✓	
Subsidiary performance and prospects	✓		
Branding			✓
Legal commitments		✓	
Cross-default clauses			✓

Bar Chart Legend

Tick Colour – Influence on final SSR

- Higher influence
- Moderate influence
- Lower influence

Significant Changes

Reorganisation of Stellantis' Captive Finance Providers

Stellantis's management expects that the reorganisation of its captive finance JVs with CA, BNP Paribas S.A. (A+/Stable) and Santander Consumer Finance S.A. (A-/Stable) should be completed during 1H23 once the required authorisations will have been obtained.

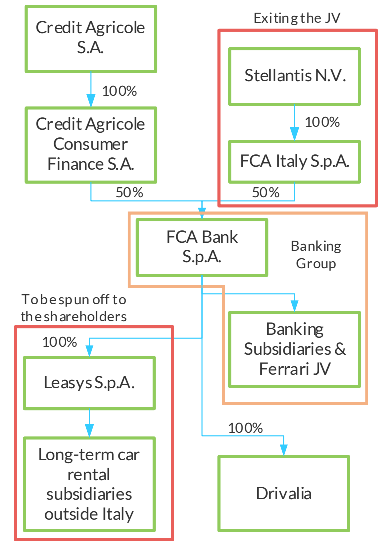
Following the reorganisation, FCA Bank will become a wholly-owned subsidiary of CA and will be renamed, remaining legally domiciled in Italy. FCA Bank will also spin off its long-term fleet leasing operations (Leasys S.p.A.; BBB+/RWP), that will become a separate JV between CA and Stellantis. However, FCA Bank will retain its short-term rental and mobility operations (Drivalia, accounting for about 30,000 cars and EUR621 million managed portfolio at end-1H22).

FCA Bank will continue to originate loans from the sales of Stellantis' former FCA brands until 1H23, before running down this portfolio. FCA Bank will then focus on financing retail sales as an independent bank (partnering with new car manufacturers), on car dealer financing (15% of FCA Bank's loan portfolio at end-1H22) and on mobility solutions via Drivalia (such as car sharing).

In Fitch's view, the reorganisation will put FCA Bank's standalone profile under pressure. Loan origination should decrease by about 70%, because financing Stellantis' car sales and dealers accounted for about 80% of new business origination in 2021, and because the partnership with Jaguar Land Rover Automotive plc (14% of new loans by volume in 2021) will not be renewed when it expires at end-2022. The resulting entity aims to have a total portfolio of EUR10 billion at end-2026 (end-1H22: EUR26 billion) after running down its legacy portfolios.

In Fitch's view, the execution risks of this new strategy outside Stellantis are material because it relies on partnering mainly with niche original equipment manufacturers (e.g. caravan makers) and with new entrants in the European market without a local captive lender (e.g. carmakers from Asia). The recently announced partnership with Tesla could, in Fitch's view, originate large new loan volumes, but new loans origination from the other sources is untested and will remain well below FCA Bank's current level in the medium term. Fitch also believe there are high execution risks in the Leasys' spin-off, FCA Bank's fastest-growing segment, and in the possible

Company Structure



Source: Fitch Ratings

competition between the spun-off Leasys and the retained Drivalia. Fitch views FCA Bank's plans for car dealer finance as less risky, where it can build on existing relationships.

Mild Recession on the Horizon

The European energy crisis, together with high inflation and a sharp monetary policy tightening, are taking a toll on Italy's economic prospects. Since Russia's invasion of Ukraine, Fitch lowered Italy's GDP growth forecasts for 2022 to 3.7% and it expects the economy to contract by 0. 1% in 2023. The effective deployment of NextGenerationEU (NGEU) funds and the implementation of the recovery and resiliency plan (RRP) by the incoming right-of-centre coalition government remain important to improving growth prospects and debt sustainability.

This backdrop and uncertainty over geopolitical developments are likely to reduce loan demand and heighten borrower default rates, resulting in a deteriorating banking sector outlook for 2023. However, Fitch expects the recession to be short-lived and economic growth in the country to rebound by 1.5% in 2024, which we consider supportive of banks' performance and risk profiles over the medium term. State support made available during the pandemic mitigated credit risk, while default metrics remained benign in 2022. Approximately one quarter of loans to non-financial companies benefit from state guarantees, which should mitigate potential future asset quality pressure.

Car Sales Hit by Pandemic and Supply Bottlenecks

Car loans have historically been more resilient than other bank lending, due to a higher portfolio granularity and strong payment discipline by borrowers. Credit risk is therefore lower than at other banks, but lower disposable income, delayed consumption and supply bottlenecks have reduced car sales since the onset of the pandemic. This has reduced the origination of new loans, although high car prices have mitigated this due to a larger average loan size.

Shareholder Support Rating

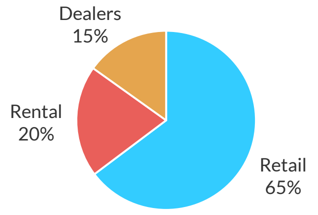
Full Ownership, Reputational Risk Drive RWP

In Fitch's view, CA's propensity to support FCA Bank will increase after acquiring full ownership of FCA Bank, partly due to the higher reputational risk for CA in event of FCA Bank default. As a result, Fitch will reduce the notching between the IDRs of CA and FCA Bank to two from three notches. Fitch normally limits the uplift of Long-Term IDRs driven by Shareholder Support Rating to two notches above the sovereign rating, which is currently 'BBB' for Italy.

FCA Bank's Performance and Role in the CA Group

In Fitch's view, FCA Bank remains attractive for CA despite the end of its distribution agreement with Stellantis because car finance (including dealer finance) remains strategically important for CA. However, a failure to execute its new strategy and uncertainty surrounding its long-term viability could lead to a wider notching between the IDRs of CA and FCA Bank as the benefits of a separate standalone legal entity within CA for these activities will have decreased.

Business Lines by Portfolio



Data at end-1H22
Source: Fitch Ratings, FCA Bank

Company Summary

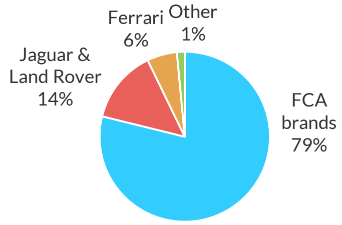
Captive Lender, with Moderate Portfolio of Non-FCA Brands

Until the completion of the reorganisation, FCA Bank remains a captive lender of Stellantis, with Banque PSA and Opel Bank, offering financing solutions to support its car sales. It caters to the former FCA brands and dealers in Europe. FCA Bank's core businesses are retail financing (65% of loans at end-1H22) and dealer financing (15%, mainly for working-capital needs). The volume of dealer financing has halved in the past four years, because dealers reduced their inventory due to car supply constraints.

FCA Bank still originates most of its new loans from Stellantis. The non-captive origination was represented primarily by Jaguar Land Rover (14% of the total financed volume, but to be discontinued since 2023), followed by Ferrari (6%) through a 50/50 JV. Other brands account for a marginal, but growing, share.

Financed Volumes by Brand

In 2021



Source: Fitch Ratings, FCA Bank

Rental Solutions

FCA Bank owns the group's rental company, Leasys, which is to be sold by end-2022. Leasys offers long-term rental services (with a total fleet of about 400,000 vehicles at end-2021). Its market share is just over 20% by the number of new cars leased in Italy, but is a niche entity in other European countries.

Qualitative Assessment Factors

Operating Environment

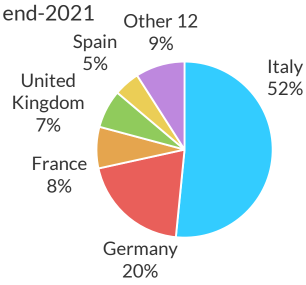
Pan-European Presence Will Remain, Focus on Italy Will Reduce

FCA Bank promotes car sales of former FCA brands across Europe (17 countries) and Morocco, so the distribution of its loan portfolio mirrors the sales volumes of said brands in the various countries. Italy is the largest market (51% of outstanding loans at end-2021), followed by Germany, UK, France and Spain (37% in total). Fitch expects that the focus on Italy will reduce materially, as the legacy portfolio from Stellantis amortises, because the north European and French markets are more attractive for FCA Bank's target partners (i.e. car manufacturers from Asia and large dealer networks).

FCA Bank obtained its banking licence in 2015. It is regulated directly by the Bank of Italy and indirectly (through CA) by the ECB.

Outstanding Exposures by Country

At end-2021



Source: Fitch Ratings, FCA Bank

Management and Strategy

Governance Benefits from Dual Ownership

Fitch views FCA Bank's governance structure as positive for the bank because it integrates CA's risk governance and Stellantis' industry expertise. The senior management team has been with FCA Bank for a considerable period and has a high degree of depth and experience, in Fitch's view.

Risk Appetite

Robust Risk Governance, Driven by CA

FCA Bank's risk appetite mirrors CA's, is monitored at CA's level, and we do not expect it to change due to the corporate reorganisation. FCA Bank's credit policies and scorecards are set centrally, while approval authority at each operating entity is limited. Scorecards are tailored for each product and country, with regular calibration and no possibility of manual override. Impairment policy is prudent, in Fitch's view, and the general loss provision is accrued according to statistical models. Residual value risk is assessed quarterly against the evolution of the market for used cars, ensuring that FCA Bank can resell them on the secondary market.

Foreign exchange and interest rates are hedged with derivatives and CA's standards encompass a conservative policy on liquidity-matching.

Financial Metrics

Asset Quality

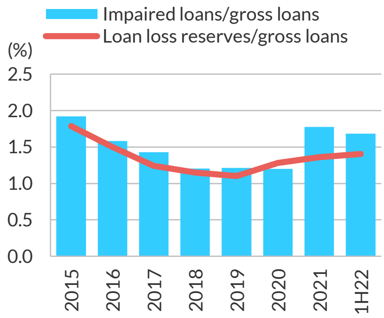
Low Impaired Loans Generation

Impaired loans were a modest 1.7% of gross loans at end-1H22 (1.5% on average between 2015 and 2021). Loan migration to Stage 3 remains contained (0.5% of opening balance in 2021) and, in Fitch's view, will continue in line with the historical record during the amortisation of the portfolio generated until 1H23. The impact of the cost-of-living crisis should be limited.

High Car Prices Reduce Residual Value Risk

Higher prices for used cars since early 2020 have mitigated residual value risk, which is related mostly to fleet leasing in Italy and car loans in the UK. We expect that FCA Bank's strong risk controls will help to contain residual value risk, despite the higher car prices at the origination of new exposures. However, the residual value performance of new and niche brands is untested and a source of execution risk, in Fitch's view.

Asset Quality



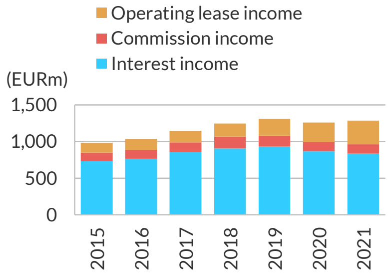
Source: Fitch Ratings, FCA Bank

Earnings and Profitability

Resilient Margins, but Profit Volume Will Reduce

Fitch expects margins to remain stable in the next two years (pre-tax income to average assets of 2.1% between 2016 and 2021), owing to good cost control and to the absence of a proprietary outlet network. However, the net income volume (2021: EUR494 million) will contract after the

Revenue Composition



Note: Operating Lease Income is net of operating costs and depreciation charges.
Source: Fitch Ratings, FCA Bank

corporate reorganisation given Leasys' spin-off (net income of EUR123 million in 2021) and the gradual contraction of earning assets to about a third of their present value. Loan margins after 1H23 are difficult to ascertain and will depend on the financed asset as well as clients, which are still being defined. The revenue contribution by new mobility services and short-term rental will increase from the current low level, but their profitability at scale is uncertain.

FCA Bank's profitability is modest through the cycle, reflecting the low credit risk in its portfolio. Funding costs benefit from access to ECB facilities and from the consistent appetite for FCA Bank's secured and unsecured issuance programmes among wholesale investors. In Fitch's view, FCA Bank can channel higher funding costs into higher loan rates more efficiently than its consumer finance peers, given the lower initial loan rates.

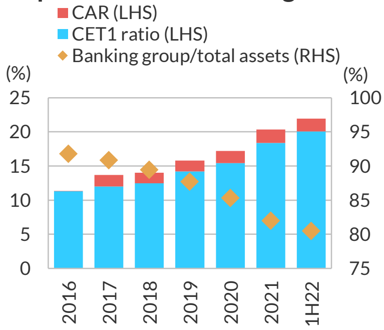
Capitalisation and Leverage

Strong Capital, Above Long-Term Trend

FCA Bank's capitalisation is strong, with a common equity Tier 1 (CET1) ratio of 20% at end-1H22, and it is further supported by a secured loans portfolio with low credit risk. However, this level is well above industry standards and, in Fitch's view, reflects short-term contingencies (i.e. provisions, now reversed, and the corporate reorganisation). Fitch expects that FCA Bank will target a CET1 ratio of about 15% in the medium term and this, with the contraction of risk-weighted assets after 1H23, will likely be executed via large capital distributions.

In Fitch's view, the capitalisation of FCA bank at end-1H23 will depend on the terms of Leasys' spin-off as the latter is highly leveraged due to Italy's regulation on exposures to related parties (the sum of Leasys' equity and intercompany loans cannot be more than 15% of FCA Bank's capital). FCA Bank's capitalisation reflects the fact that Leasys is consolidated by equity method and thus its assets are not included in FCA Bank's risk-weighted assets (i.e. the assets of FCA Bank's regulated banking group, from which the risk-weighted assets are calculated, were 80% of FCA Bank's total assets at end-1H22).

Capitalisation & Leverage



Source: Fitch Ratings, FCA Bank

Funding and Liquidity

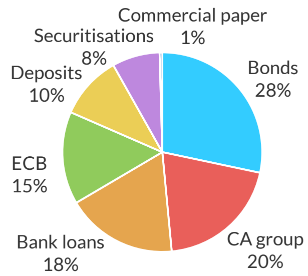
Diversified Wholesale Funding, Small Portion of Deposits

FCA Bank's funding and liquidity are underpinned by the JV with CA, which provided 20% of total debt at end-1H22. Under the agreement, CA is committed to provide funding and liquidity to FCA Bank at market rates and in sufficient amounts to meet the bank's needs even in the most stressful scenarios. The agreement will last until the completion of the corporate reorganisation. Fitch believes funding support from CA, if needed, would be timely and adequate, but we also expect an increasingly autonomous funding profile.

The bank's funding is largely wholesale (e.g. bonds, bank debt, ECB loans). The bank collects customer deposits since 2015, when it received a full bank status. Deposits have grown but comprise a small 10% of non-equity funding at end-1H22. FCA Bank also has access to ECB funding (such as targeted longer-term refinancing operations) and issues European commercial paper.

FCA Bank has significantly diversified its wholesale funding, both in terms of counterparties and instruments. It regularly taps the debt capital markets through its EUR12 billion medium-term note programme and its securitisations. However, Fitch expects that FCA Bank will reduce the scale of its funding activities after 1H23, in line with its portfolio amortisation. This should not impair its access to funding, but FCA Bank may lose its status as a large and frequent issuer and the consequent benefits in terms of funding profile, including reduced diversification by source and instrument.

Funding Sources at End-1H22



Source: Fitch Ratings, FCA Bank

Environmental, Social and Governance Considerations

FitchRatings **FCA Bank S.p.A.**

Non-Bank FI Ratings Navigator
Finance & Leasing Companies

Credit-Relevant ESG Derivation

FCA Bank S.p.A. has 6 ESG potential rating drivers

- FCA Bank S.p.A. has exposure to regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc. but this has very low impact on the rating.
- FCA Bank S.p.A. has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	5	issues	2
	3	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	3	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Operating Environment	5
Energy Management	2	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Appetite	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above	Operating Environment; Risk Appetite; Asset Quality	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy; Earnings & Profitability; Capitalization & Leverage; Funding,	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities	Company Profile; Earnings & Profitability	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

As support-driven issuers have strong linkages to their support providers, the ESG Credit-Relevance Score assigned to the 'supported' subsidiaries often mirrors those of their corporate and FI parents. This reflects our opinion that many of the ESG elements at the parent level are credit relevant for the subsidiary.

Therefore, FCA Bank's scores are mostly aligned with those of CA. Both Leasys and FCA Bank differ from CA with scores for 'GHG Emissions' at '3' and 'Energy Management' at '2', reflecting their focus on the automotive industry.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. ESG issues are credit neutral or have only a minimal credit impact on FCA Bank, either due to their nature or the way in which they are being managed. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Income Statement

(EURm)	1H22	2021	1H21	2020	2019	2018	2017	2016	2015
Revenues									
Interest income	391	835	420	864	930	903	855	764	729
Interest expense	-67	-197	-98	-209	-237	-242	-266	-263	-285
Commission income	66	128	66	133	148	164	133	123	120
Commission expense	-27	-49	-24	-43	-46	-55	-49	-43	-40
Net interest income	**363**	**716**	**365**	**745**	**795**	**771**	**672**	**581**	**524**
Income from operating leasing, net	0	321	154	259	231	178	156	150	133
Labour and administrative costs	-120	-286	-149	-274	-278	-268	-252	-245	-227
Depreciation & amortisation	-19	-26	-16	-29	-25	-14	-12	-7	-6
Other operating expenses	-3	-12	-2	48	0	-76	5	-11	-6
Other income, net	60	3	-10	-15	-39	-22	-16	-5	19
Impairment expenses	-31	-30	1	-71	-47	-21	-33	-47	-77
Pre-tax income	**250**	**685**	**342**	**663**	**638**	**548**	**521**	**417**	**359**
Income tax	-66	-191	-88	-162	-171	-159	-139	-105	-110
Net income of continuing operations	**184**	**494**	**254**	**501**	**467**	**388**	**383**	**312**	**249**
Net income of subsidiaries held for disposal	46	0	0	0	0	0	0	0	0
Net income	**230**	**494**	**254**	**501**	**467**	**388**	**383**	**312**	**249**
Net income attributable to minority shareholders	5	9	4	7	7	5	5	3	1
Net income for shareholders of the holding company	**225**	**485**	**250**	**494**	**460**	**383**	**378**	**309**	**248**

Net income of subsidiaries held for disposal reflects Leasys' net income, due to the upcoming spin-off. Prior to 2022 the respective amounts were reflected in net income from operating leasing.
Source: Fitch Ratings, FCA Bank S.p.A.

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Balance Sheet

(EURm)	1H22	2021	1H21	2020	2019	2018	2017	2016	2015
Assets									
Cash & equivalents	1,631	2,259	286	572	585	363	0	0	0
Due from banks & financial assets	209	858	2,153	2,069	2,093	2,230	2,180	1,645	1,490
Gross client receivables	**20,586**	**20,190**	**22,328**	**22,366**	**24,176**	**23,862**	**21,521**	**18,839**	**15,735**
Memo: impaired receivables included above	346	358	359	268	299	288	308	298	302
Less: receivable loss allowances	-289	-275	-265	-286	-271	-274	-267	-283	-281
Net client receivables	**20,122**	**19,915**	**22,063**	**22,080**	**23,905**	**23,588**	**21,254**	**18,556**	**15,454**
Goodwill and intangible assets	213	322	294	296	263	247	237	226	218
Tax assets	221	359	388	360	300	274	269	259	281
Fixed assets	252	4,197	3,903	3,461	3,197	2,547	1,959	1,491	1,168
Insurance reserves	12	9	9	9	13	10	11	16	22
Assets of subsidiaries held for disposal	6,150	0	0	0	0	0	0	0	0
Other assets	782	1,540	1,577	1,330	1,350	1,279	1,276	1,091	876
Total assets	**29,592**	**29,459**	**30,673**	**30,177**	**31,706**	**30,536**	**27,187**	**23,284**	**19,509**
Liabilities									
Deposits from clients	2,767	2,495	2,618	2,100	1,799	1,823	1,483	702	454
Loans and deposits from banks	7,608	11,411	10,800	10,372	10,278	9,807	8,556	8,022	7,651
Debt securities	7,871	9,948	11,833	12,438	14,857	14,577	13,336	11,088	8,244
Tax liabilities	247	317	311	311	238	192	167	131	109
Liabilities of subsidiaries held for disposal	6,041	0	0	0	0	0	0	0	0
Other liabilities	879	1,387	1,466	1,303	1,363	1,260	1,133	1,104	954
Total liabilities	**25,413**	**25,557**	**27,029**	**26,523**	**28,535**	**27,659**	**24,675**	**21,046**	**17,411**
Total equity	**4,179**	**3,902**	**3,645**	**3,654**	**3,171**	**2,878**	**2,512**	**2,238**	**2,098**
Total liabilities and equity	**29,592**	**29,459**	**30,673**	**30,177**	**31,706**	**30,536**	**27,187**	**23,284**	**19,509**

Starting from 2021, bank deposits have been reclassified into "Cash & equivalents" from "Due from banks & financial assets", in line with the new directive of the Bank of Italy (7th update of Circolare n°262, dated 21 December 2021).
Source: Fitch Ratings, FCA Bank S.p.A.

Summary Analytics

(%)	1H22	2021	2020	2019	2018	2017	2016	2015
Asset quality metrics								
Impaired loans/gross loans	1.7	1.8	1.2	1.2	1.2	1.4	1.6	1.9
Loans loss allowances/impaired loans	83.5	76.6	106.9	90.5	95.2	86.8	94.9	92.9
Origination of new stage 3 loans	n.a.	0.5	0.3	0.5	0.6	n.a.	n.a.	n.a.
Loans impairment charges/average gross loans	n.a.	0.1	0.1	0.1	0.1	0.1	0.3	0.2
Growth of gross loans (YTD)	2.0	-9.7	-7.5	1.3	10.9	14.2	19.7	15.4
Earnings and profitability metrics								
Pre-tax income/average assets (TTM)	2.2	2.3	2.1	2.1	1.9	2.1	1.9	2.0
Net income/average equity (TTM)	11.6	13.1	14.7	15.5	14.5	16.2	14.4	12.4
Operating expenses/net revenues (TTM)	36.2	40.1	37.1	35.2	34.8	37.7	42.4	43.6
Depreciation expenses/total revenues (TTM)	48.1	83.9	71.0	57.1	48.6	47.7	49.8	50.9
Interest income/average gross loans (TTM)	4.6	4.5	4.3	4.5	4.7	4.9	5.1	5.8
Interest expense/average debt (TTM)	1.0	1.0	1.0	1.1	1.2	1.5	1.7	2.1
Capitalization and leverage metrics								
Debt/tangible equity (x)	4.9x	7.4x	8.3x	10.3x	11.1x	11.7x	11.3x	10.2x
Capital adequacy ratio	21.96	20.33	17.21	15.82	14.02	13.69	11.34	10.46
Cet1 ratio	20.09	18.37	15.43	14.20	12.45	11.98	11.31	10.45
Impaired receivables less loss allowances/equity	1.4	2.4	-0.6	0.9	0.5	1.5	0.7	1.3
Assets of banking group/total assets	80.5	82.0	85.3	87.7	89.4	90.8	91.8	n.a.
Funding and liquidity metrics								
Unsecured debt/total debt	92.3	91.6	86.2	79.0	78.0	81.0	82.1	80.6
Parental funding/total non-equity funding	20.2	17.2	16.7	13.1	11.6	11.7	14.4	16.9
Unsecured debt/total non-parental debt	90.3	89.8	83.4	75.9	75.1	78.4	79.0	76.7
Deposits/total non-equity funding	10.3	9.7	6.1	4.1	3.5	2.2	1.0	0.0

Ratios are calculated on a trailing-12-month (TTM) or year-to-date (YTD) basis, as indicated above
Source: Fitch Ratings, FCA Bank S.p.A.

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The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.