Fitch Ratings

Non-Bank Financial Institutions
Captive Car Finance Companies
Italy and Western Europe

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 Ratings (IDR) on Rating Watch Positive (RWP) in January 2022 due to the reorganisation of Stellantis N.V.'s (BBB-/Positive) 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 (about 15% of total assets), while keeping its short-term business.

Support Drives Ratings: FCA Bank's IDR is based on the availability of potential support from CA Consumer Finance (CACF; A+/Negative), 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-2022 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 lower 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 was 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	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	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (January 2022)

Bank Rating Criteria (November 2021)

Related Research

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

Fitch Places FCA Bank's 'BBB+' IDR on Watch Positive (January 2022)

Credit Agricole – Update (March 2022)

Global Economic Outlook (March 2022)

Major European Banks Face Weaker Profits After Strong 2021 (March 2022)

French Banks' Downside Risks from Russia-Ukraine War Manageable (March 2022)

CA Consumer Finance (February 2022)

Fitch Upgrades Italy to 'BBB'; Outlook Stable (December 2021)

Fitch Ratings 2022 Outlook: EMEA Developed Markets Finance and Leasing (December 2021)

Fitch Revises Credit Agricole's Outlook to Stable; Affirms at 'A+' (October 2021)

Analysts

Gianluca Romeo
+39 0294 756 214
gianluca.romeo@fitchratings.com

Luca Vanzini
+49 69 768076 143
luca.vanzini@fitchratings.com

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

Rating level	Rating
Senior unsecured	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 Colours – Influence on final VR

- Higher influence
- Moderate influence
- Lower influence

Significant Changes

Reorganisation of Stellantis' Captive Finance Providers

Stellantis announced on 17 December 2021 a reorganisation of its captive finance JVs with CA, BNP Paribas S.A. (A+/Stable) and Santander Consumer Finance S.A. (A-/Stable). The relevant agreements were signed in April 2022 and the reorganisation should be completed during 1H23 once the required authorisations have been obtained.

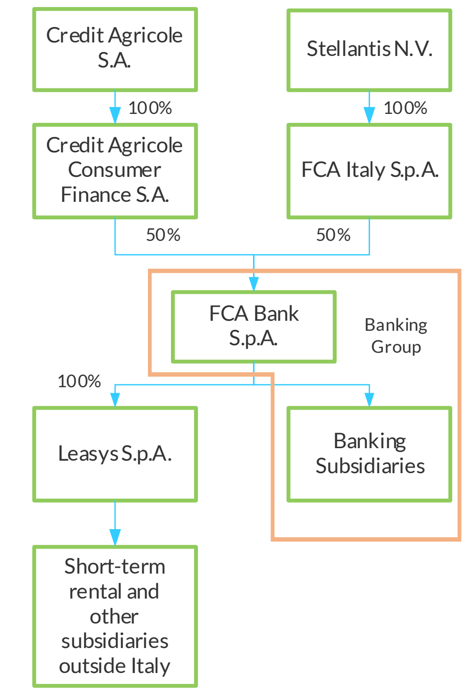
Following the reorganisation, FCA Bank will become a wholly-owned subsidiary of CA and will be renamed, remaining legally domiciled in Italy. FCA Bank will also spin off its long-term fleet leasing operations (Leasys S.p.A., BBB+/RWP), that will become a separate JV between CA and Stellantis. However, FCA Bank will retain its short-term rental and mobility operations (Leasys Rent's business accounting for about 27,000 cars and 7% of the fleet on balance at end-2021).

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 (about 15% of FCA Bank's current loan portfolio) and on mobility solutions via Leasys Rent.

In Fitch's view, the reorganisation will put FCA Bank's standalone profile under pressure. Loan origination should decrease by about 70% in the absence of new partnerships. This is 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 total portfolio of EUR10 billion at end-2026 (EUR25 at end-2021), after running down its legacy portfolios.

In Fitch's view, the execution risks of this new strategy outside Stellantis are material because this strategy relies on partnering with niche original equipment manufacturers (e.g. caravan makers) and with new entrants in the European market without a local captive lender (e.g. car manufacturers from Asia). New loans origination from these two sources is untested and will remain well below its current level in the medium term, while FCA Bank will also spin off Leasys, its fastest-growing segment. However, Fitch views more positively FCA Bank's plans for car dealer finance, where it can build on existing relationships.

Company Structure at End-1Q22



Source: Fitch Ratings

Italy Upgraded on Improved Economic Performance and Prospects

In December 2021, Fitch upgraded Italy's Long-Term IDR by one notch to 'BBB' with a Stable Outlook. Fitch expects Italy's GDP to grow by 2.7%, despite the economic impact of the Russian-Ukrainian war, and to reach pre-pandemic levels in 3Q22. High vaccination rates, high levels of private sector savings and the use of EU funds should support growth dynamics. However, disruption in the form of higher energy costs, supply-chain disruption, and the suspension of some Russian activities due to sanctions and the war in Ukraine, is likely to subdue Italian business activity during the months ahead.

Fitch's assessment of the operating environment for Italian lenders has also improved based on improved macroeconomic prospects, better-than-expected asset quality and lower pandemic risks. Government support measures in response to Covid-19 have largely shielded lenders from asset quality deterioration and the uncertainties due to the pandemic have significantly decreased.

Asset quality in the banking sector has improved materially (with a gross impaired loan ratio of about 5% at end-3Q21, the lowest in more than a decade) because banks have actively worked out existing non-performing loans while inflows of new impaired loans are low. Loans under moratoriums had fallen to about 3% of total loans to residents in December 2021. Default rates on these loans have been low, easing concerns over lending quality trends in 2022.

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 a FCA Bank default. As a result, Fitch will reduce the notching between the IDRs of CA and FCA Bank to two from three notches. A further reduction is unlikely while Italy's sovereign rating remains 'BBB'/Stable because Fitch normally limits the uplift of Long-Term IDRs driven by Shareholder Support Rating to two notches above the sovereign rating.

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 question marks over 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.

Company Summary

Captive Lender, with Moderate Portfolio of Non-FCA Brands

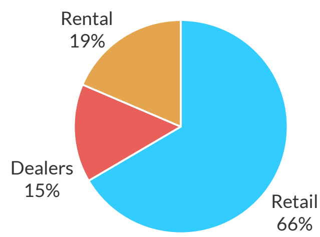
Until the completion of the reorganisation, FCA Bank remains a captive lender of Stellantis, with Banque PSA and Opel Bank, offering financing solutions to support its car sales. It caters to the former FCA brands and dealer network. FCA Bank's core businesses are retail financing (66% of loans at end-2021) and dealer financing (15%, mainly for working capital needs).

FCA Bank originates most of its new loans from Stellantis, but has been gradually increasing the number of brands to which it provides financial services as a non-captive bank. Jaguar Land Rover represents the bulk of the non-captive operations (14% by financed volume), followed by Ferrari (6%). Other brands account for a marginal, but growing, share.

Rental Solutions

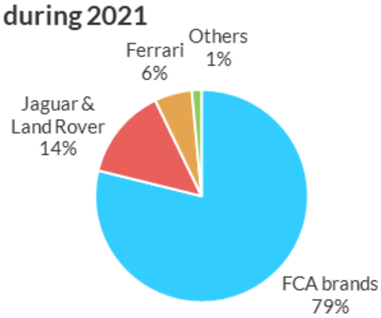
FCA Bank also owns the group's rental company, Leasys, which offers long-term rental services (total fleet of about 390,000 vehicles at end-2021). Leasys is still a small contributor to profits, but has a high growth potential owing to the transition from asset financing to the provision of mobility services. Leasys' market share is just over 20% by number of new cars leased in Italy, but is a niche player in other European countries.

Business Lines by Portfolio at End-2021



Source: Fitch Ratings, FCA Bank

Financed Volumes by Brand during 2021



Source: Fitch Ratings, FCA Bank

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 western 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, the 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 Northeuropean 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.

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 partially mitigated this owing to a larger average loan size.

Management and Strategy

Integrated Corporate Culture, Experienced Management Team

Under the JV agreement between CA and Stellantis, Stellantis appoints the chief executive (general manager Giacomo Carelli) and CA the chief financial officer and the head of credit. FCA Bank's long-serving CFO, Franco Casiraghi, retired in early 2022 and was succeded internally by Luca Caffaro. Fitch views this governance structure positively as 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.

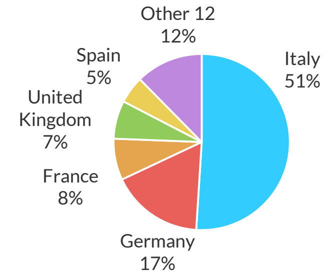
Risk Appetite

Robust Risk Governance, Driven by CA

FCA Bank's risk framework mirrors CA's and is monitored at CA's level. FCA Bank's credit policies and scorecards are decided 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 granular portfolio is collectively impaired 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 in highly liquid derivative markets and CA's standards encompass a conservative policy on liquidity matching.

Outstanding Exposures by Country at End-2021



Source: Fitch Ratings, FCA Bank

Financial Metrics

Asset Quality

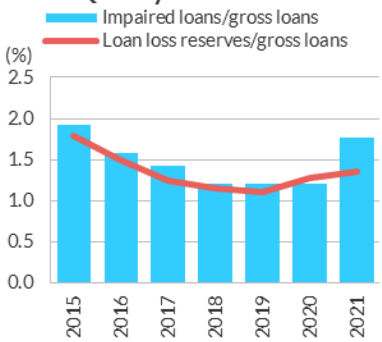
Generation of New Impaired Loans Stays Low During Pandemic

Impaired loans increased modestly to 1.8% of gross loans at end-2021 (1.6% if gross loans had not contracted), from 1.2% at end-2020. However, loan migration to Stage 3 remains contained (0.5% of opening balance) and, in Fitch's view, will continue in line with the historical record in 2022 and then during the amortisation of the portfolio generated until 1H23. The impact of the Russian-Ukrainian war should be limited and the last moratoriums on loans expired at end-2021.

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. Residual value risk should remain in line with the strong historical record owing to strong risk controls. This is despite the now higher car

Asset Quality



Source: Fitch Ratings, FCA Bank

prices at the time of the origination of new exposures, but the performance of new and niche brands is untested.

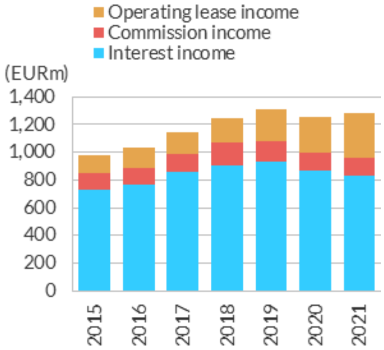
Earnings and Profitability

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 (EUR494 million in 2021) will contract after the 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 healthy appetite for FCA Bank's secured and unsecured issuance programmes among wholesale investors.

Revenue Composition



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

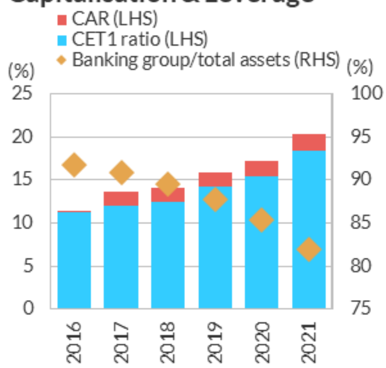
Capitalisation and Leverage

Strong Capital, Above Long-Term Trend

FCA Bank's capitalisation is strong (common equity Tier 1, CET1, ratio of 18.37% at end-2021) 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. large legal provisions, now reversed, and the corporate reorganisation). Fitch expects that FCA Bank will target a CET1 ratio of about 12% and this, with the contraction of risk-weighted assets after 1H23, will likely lead to large capital distributions in the medium term.

In Fitch's view, the capitalisation of FCA bank 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 only the book value of Leasys' equity is included in its RWAs (the assets of the banking group were 82% of total assets at end-2021).

Capitalisation & Leverage



Source: Fitch Ratings, FCA Bank

Funding and Liquidity

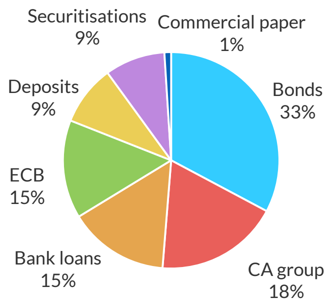
Diversified Wholesale Funding, Small Portion of Deposits

FCA Bank's funding and liquidity are underpinned by the JV with CA, which provided 18% of total debt at end-2021. 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 till 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). Since 2015, when it received a full bank status, the bank collects customer deposits, which by end-2021 had grown but remained small (9% of non-equity funding). FCA Bank also has access to ECB funding (i.e. 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 frequent issuer and the consequent benefits in terms of funding profile (e.g. diversification by source and instrument).

Funding Sources at End-2021



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.

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.

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.

Income Statement

(EURm)	2021	2020	2019	2018	2017	2016	2015
Revenues							
Interest income	835	864	930	903	855	764	729
Interest expense	-197	-209	-237	-242	-266	-263	-285
Commission income	128	133	148	164	133	123	120
Commission expense	-49	-43	-46	-55	-49	-43	-40
Net Interest income	**716**	**745**	**795**	**771**	**672**	**581**	**524**
Income from operating leasing, net	321	259	231	178	156	150	133
Labour and administrative costs	-286	-274	-278	-268	-252	-245	-227
Depreciation & amortisation	-26	-29	-25	-14	-12	-7	-6
Other operating expenses	-12	48	0	-76	5	-11	-6
Other income, net	3	-15	-39	-22	-16	-5	19
Impairment expenses	-30	-71	-47	-21	-33	-47	-77
Pre-tax income	**685**	**663**	**638**	**548**	**521**	**417**	**359**
Income tax	-191	-162	-171	-159	-139	-105	-110
Net income	**494**	**501**	**467**	**388**	**383**	**312**	**249**

Source: Fitch Ratings, FCA Bank S.p.A.

Balance Sheet

(EURm)	2021	2020	2019	2018	2017	2016	2015
Assets							
Cash & equivalents	2,259	572	585	363	0	0	0
Due from banks & financial assets	858	2,069	2,093	2,230	2,180	1,645	1,490
Gross receivables	**20,190**	**22,366**	**24,176**	**23,862**	**21,521**	**18,839**	**15,735**
Memo: impaired receivables included above	358	268	299	288	308	298	302
Less: receivable loss allowances	-275	-286	-271	-274	-267	-283	-281
Net receivables	**19,915**	**22,080**	**23,905**	**23,588**	**21,254**	**18,556**	**15,454**
Goodwill and intangible assets	322	296	263	247	237	226	218
Tax assets	359	360	300	274	269	259	281
Fixed assets	4,197	3,461	3,197	2,547	1,959	1,491	1,168
Insurance reserves	9	9	13	10	11	16	22
Other assets	1,540	1,330	1,350	1,279	1,276	1,091	876
Total assets	**29,459**	**30,177**	**31,706**	**30,536**	**27,187**	**23,284**	**19,509**
Liabilities							
Deposits from clients	2,495	2,100	1,799	1,823	1,483	702	454
Deposits from banks	11,411	10,372	10,278	9,807	8,556	8,022	7,651
Debt securities	9,948	12,438	14,857	14,577	13,336	11,088	8,244
Tax liabilities	317	311	238	192	167	131	109
Other liabilities	1,233	1,146	1,121	997	932	870	709
Total liabilities	**25,403**	**26,366**	**28,293**	**27,396**	**24,474**	**20,812**	**17,166**
Total equity	**4,056**	**3,811**	**3,413**	**3,140**	**2,713**	**2,471**	**2,343**
Total liabilities and equity	**29,459**	**30,177**	**31,706**	**30,536**	**27,187**	**23,284**	**19,509**

Source: Fitch Ratings, FCA Bank S.p.A.

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).

Summary Analytics

	2021	2020	2019	2018	2017	2016	2015
Asset quality metrics (%)							
Impaired loans/gross loans	1.8	1.2	1.2	1.2	1.4	1.6	1.9
Loans loss allowances/impaired loans	76.6	106.9	90.5	95.2	86.8	94.9	92.9
Origination of new stage 3 loans	0.5	0.3	0.5	0.6	n.a.	n.a.	n.a.
Loans impairment charges/average gross loans	0.1	0.1	0.1	0.1	0.1	0.3	0.2
Growth of gross loans	-9.7	-7.5	1.3	10.9	14.2	19.7	15.4
Earnings and profitability metrics (%)							
Pre-tax income/average assets	2.3	2.1	2.1	1.9	2.1	1.9	2.0
Pre-tax income/average equity	12.5	13.9	6.7	15.2	13.8	15.1	13.4
Operating expenses/net revenues	40.1	37.1	35.2	34.8	37.7	42.4	43.6
Depreciation expenses/total revenues	83.9	71.0	57.1	48.6	47.7	49.8	50.9
Interest income/average gross loans	4.2	3.9	4.1	4.3	4.5	4.7	5.4
Interest expense/average debt	1.0	1.0	1.1	1.2	1.5	1.7	2.1
Capitalization and leverage metrics							
Debt/tangible equity (x)	7.1	7.9	9.4	10.0	10.6	10.0	8.9
Capital adequacy ratio (%)	20.33	17.21	15.82	14.02	13.69	11.34	10.46
CET1 ratio (%)	18.37	15.43	14.20	12.45	11.98	11.31	10.45
Impaired receivables less loss allowances/equity (%)	2.4	-0.6	0.9	0.5	1.5	0.7	1.3
Assets of banking group/total assets (%)	82.0	85.3	87.7	89.4	90.8	91.8	n.a.
Funding and liquidity metrics (%)							
Unsecured debt/total debt	91.6	86.2	79.0	78.0	81.0	82.1	80.6
Parental funding/total funding	17.2	16.7	13.1	11.6	11.7	14.4	16.9
Unsecured debt/total non-Parental DEBT	89.8	83.4	75.9	75.1	78.4	79.0	76.7
Deposits/total funding	9.7	6.1	4.1	3.5	2.2	1.0	0.0

Source: Fitch Ratings, FCA Bank S.p.A.

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.