

Financial results for the semester ended 30th June 2019
Net Income reached €238.5 million

Operating Income stood at €332 million, whereas Net Income reached €238.5 million, up 18% compared to 2018. The increase is mainly due to the growth of the end-of-period outstanding to €27.7 billion compared to €25.7 in June 2018. FCA Bank's support to FCA (thanks to a penetration rate of 47.7% on total sales in Europe) resulted in total new financing of €7.4 billion, up 7.3% on the first half of 2018. The cost of risk stood at €33 million, equal to 0.26% of the average outstanding.

Financial and operating highlights (€ million)

FCA Bank Group	30.06.2019	30.06.2018	FY '19 vs FY '18	Change %
Average Portfolio	26,122	23,828	2,294	10%
End-of-period Portfolio	27,676	25,737	1,939	8%
Net banking income and Rental margin	510	462	48	10%
Net operating expenses	(145)	(136)	(9)	7%
Cost of risk	(33)	(24)	(9)	38%
Operating income	332	302	30	10%
Other income / (expenses)	(18)	(21)	3	ns
Profit before tax	314	281	33	12%
Net income	238	201	37	18%

Volumes of activity

Total new financing in 2019 amounted to €7.4 billion, including the rental activities. FCA Bank achieved a penetration rate of 47.7% of total new FCA vehicle registrations.

Total portfolio at the end of period amounted to €27.7 billion, with a 8% increase on the first half of 2018.

Net banking income and rental margin

Net banking income and rental margin for the period rose by 10% on the first half of 2018, reaching €510 million, driven by the growth of the outstanding balances and the portfolio profitability, which was stable at 4%.

Operating costs

Operating efficiency reduced the cost/income ratio to 28.4%, continuing along the improvement path undertaken starting from the transformation into a bank. The €9 million increase in absolute terms of net operating costs compared to 2018 is mainly due to the portfolio growth.

Cost of risk

FCA Bank's cost of risk, in absolute terms, stood at €33 million, equal to 0.26% of the average portfolio. The performance achieved on the cost of risk, thanks to the traditionally careful acceptance policies, were substantially in continuity with the previous years.

Funding

Also in the first semester 2019 the Group strengthened its policy aimed at diversifying the sources of funding, with access to the bond and interbank refinancing markets and through online deposit-taking with Conto Deposito, with a collection that has now exceeded €1.1 billion. Specifically, the Group continued to be active in capital markets and, with its "Euro Medium Term Notes" program, raised more than €1.9 billion thanks to two public and two private placements of senior unsecured notes. Another significant source of funding in the first half of 2019 was bank lending, which rose by about €0.4 billion in the period under review.

Capitalization

FCA Bank maintains a first rate capitalization level, with Supervisory Capital in the amount of €3.2 billion, a Core Tier 1 Ratio of 13.0% and a Total Capital Ratio of 14.54% at the consolidated level (estimated figures).

Rating

On 9 May 2019, Fitch raised FCA Bank's short-term rating.

Turin, 2nd August 2019

FCA Bank

FCA Bank is a financial institution engaging mainly in car financing, with the objective of meeting all mobility requirements. It is an equally-held joint venture of FCA Italy S.p.A., a company of global car manufacturer Fiat Chrysler Automobiles N.V. and Crédit Agricole Consumer Finance, a company of the Crédit Agricole group, leader in consumer credit. FCA Bank S.p.A. provides financial products to support the sales of prestigious car brands in Italy and in Europe. Loan, leasing financing and rental products provided by FCA Bank are specifically designed for the sale networks, for private customers and corporate fleets. FCA Bank has a presence in 17 European countries and in Morocco, directly or through subsidiaries. At 30 June 2019, FCA Bank had a credit portfolio of €27.7 billion.

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