

Financial results for the first half of 2020
FCA Bank recorded a net profit of €225 million

In the six months ended 30 June 2020 the FCA Bank Group posted a net profit of €225 million, affected by the Covid-19 outbreak and its unpredictable consequences for the world economy.

Operating income amounted to €314 million. The average outstanding portfolio totalled €26.3 billion, compared to €26.1 billion for the first half of 2019. FCA Bank's support to FCA (thanks to a commercial penetration of 44.6% of total sales in Europe) translated into total financing in the amount of €4.7 billion.

Key figures

Operating performance Highlights
 (€ million)

FCA Bank Group	30.06.2020	30.06.2019	FY 20 vs FY 19	Change %
Average Portfolio	26,262	26,122	140	1%
End-of-period Portfolio	25,578	27,676	(2,098)	-8%
Net banking income and Rental margin	487	510	(23)	-5%
Net operating expenses	(133)	(145)	12	-8%
Cost of risk	(40)	(33)	(7)	21%
Operating income	314	332	(18)	-5%
Other income / (expenses)	(13)	(18)	5	ns
Profit before tax	301	314	(13)	-4%
Net income	225	238	(13)	-5%

Business volumes

Total new volumes financed in the first half of 2020, including rental activities, amounted to €4.7 billion, down 37% compared to the first half of 2019, as a result of the drop in the financed volumes during the lockdown.

The outstanding portfolio at period-end amounted to €25.6 billion, reflecting an 8% decrease from the comparable year-earlier figure. Obviously, commercial activities and financing levels were impacted by the Covid-19, but FCA Bank was still able to achieve a high commercial penetration rate, which for the FCA brands was 44.6%.

Net banking income and rental margin

Net banking income and rental margin for the first half of 2020 declined slightly with respect to the first half of 2019 (-5%), settling at €487 million and representing 3.7% of the average outstanding portfolio.

Operating costs

In the first half of 2020 the Group implemented cost containment actions which led to an 8% reduction in operating costs and to a cost/income ratio of 27.4%, with an improvement of over 100 basis points, compared to the first half of 2019.

Cost of risk

The FCA Bank Group's cost of risk reached, in absolute terms, €40 million, representing 0.30% of the average outstanding portfolio, which was slightly higher than the comparable year-earlier metric (+ 4 basis points).

Funding

Also in the first half of 2020 the Group continued to rely on the lines of credit made available by the banking shareholder, Crédit Agricole Consumer Finance, and to pursue the diversification of its funding sources, accessing the bond and the Euro Commercial Paper markets, interbank loans and taking deposits from the public via the online Conto Deposito which, in the period under review, grew by approximately €300 million.

Moreover, in an accommodative monetary context, FCA Bank borrowed from the ECB at attractive interest rates under the TLTRO-II, putting up as collateral the ABSs held in portfolio as well as the credit portfolio under the ABACO program activated with the Bank of Italy.

Capitalization

FCA Bank has a top-notch equity level, with Regulatory Capital in the amount of approximately €3.3 billion, a Core Tier 1 Ratio of 15.34% and a Total Capital Ratio of 17.10% at the consolidated level (estimated data).

Rating

In April, as a result of a similar action on the rating of Crédit Agricole, Fitch changed to negative (from stable) the outlook on FCA Bank's rating. Moody's followed suit, after the spread of the coronavirus, changing to negative (from stable) the outlook on FCA Bank's long-term rating but leaving unchanged (stable) the outlook on the deposit rating.

Turin, 6 August 2020

FCA Bank

FCA Bank S.p.A. is a bank engaging mainly in car finance, with the aim to meet all mobility requirements. It is an equally-held joint venture between FCA Italy S.p.A., a company of the global automotive company Fiat Chrysler Automobiles N.V., and Crédit Agricole Consumer Finance, a leading consumer credit company of the Crédit Agricole group. FCA Bank S.p.A. provides financing products to drive the sales of prestigious car brands in Italy and in Europe. The loan, lease, rental and mobility financing programs provided by FCA Bank S.p.A. are specifically designed for dealer networks, private customers and corporate fleets. FCA Bank S.p.A. is operational in 17 European countries and in Morocco, directly or through branches. At 30 June 2020 FCA Bank managed assets of approximately €30 billion.

For more information:
www.fcabankgroup.com