FitchRatings

Financial Institutions

Financial Services / Italy

FGA Capital S.p.A

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BBB-
Short-Term IDR	F3
Support Rating	2

Sovereign Risk

Foreign-Currency Long-Term IDR	BBB+
Local-Currency Long-Term IDR	BBB+

Outlooks

Foreign-Currency Long-Term IDR	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

Financial Data

FGA Capital S.p.A

	31 Dec 13	31 Dec 12
Total assets (USDm)	20,815	19,676
Total assets (EURm)	16,562	15,741
Total equity (EURm)	1,802	1,660
Operating profit (EURm)	273.5	282.2
Published net income (EURm)	171.7	166.1
Comprehensive income (EURm)	163.4	172.7
Operating ROAA (%)	1.70	1.72
Operating ROAE (%)	15.89	17.45
Internal capital generation (%)	7.83	10.0
Tier 1 ratio (%)[a]	11.0	10.6

a: FGAC's estimates

Related Research

Fitch Affirms FGA Capital S.p.A. at 'BBB-', Outlook Stable (July 14)

Fitch Affirms Credit Agricole at 'A'; Stable Outlook (July 2014)

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Key Rating Drivers

IDRs Based on Support: FGA Capital's (FGAC) ratings are based on potential support from Credit Agricole (CA; A/Stable), which through its subsidiary CA Consumer Finance (CACF; A/Stable) holds a 50% stake in FGAC. The four-notch difference reflects Fitch's assessment of the strategic importance of FGAC to CA and the part-ownership. The Stable Outlook mirrors that of CACF and CA. The other shareholder's (Fiat Group Automobile (FGA)) ratings do not directly influence FGAC's as it is a pure industrial partner from a rating perspective.

JV Agreement Underpins Funding: FGAC's funding and liquidity benefit from the joint venture (JV) agreement under which CA undertakes to make funding and liquidity constant and available to FGAC. Funding and liquidity are to be priced at market terms and their size to meet the needs of FGAC, including under the most stressful scenarios. The agreement was renewed in July 2013, ahead of its expiry, and will expire in 2021.

Funding Diversification: FGAC's increasing self-sufficiency in funding is an important part of the JV agreement. At end-2013, CA's contribution to total non-equity funding declined to 36% (end-2012: 40%) and the remainder was primarily raised through securitisations (29%) and wholesale bonds (16%).

Ability to Generate Capital Organically: Shareholders are committed to keeping FGAC adequately capitalised. FGAC's tangible equity/tangible assets ratio has steadily improved since the beginning of the JV in 2006, through regular internal capital generation. FGAC estimated a consolidated Core Tier 1 ratio of 11% at the same date. Fitch considers this level adequate. Capital is of good quality as it consists entirely of equity and retained earnings.

Resilient Performance: FGAC's performance has been resilient since the onset of the car market crisis in Europe in 2008. Its operating ROAE declined slightly to about 16% in 2013, underpinned by resilient interest and commissions income, strict control over operating expenses and access to funding from CA.

Commercial Dependence on FGA: FGAC's performance is influenced by the performance of FGA brands, but FGAC's growing cooperation with non-FIAT brands and revenue diversification from accessory services are increasingly contributing to profitability.

Sound Asset Quality: Growing activity in the wealthier UK and German markets are compensating for volume deterioration in the weaker Italian market. FGAC's gross impaired loans/gross total loans ratio was a low 2.11% at end-2013 and coverage levels close to 100%. Both factors should help FGAC's performance in a still challenging European car market.

Rating Sensitivities

Changes in Support: FGAC's IDRs, senior debt ratings and Support Rating are sensitive to changes in Fitch's assumptions about the ability and propensity of CACF, and ultimately of CA, to provide support. A downgrade of CA's IDRs, albeit unlikely given the Stable Outlook, would imply a reduced ability to provide support to FGAC and would be reflected in FGAC's ratings. Pressure would also arise if CACF reduced its stake in FGAC.

An upgrade would require an upgrade of CA. FGAC's Outlook is linked to that of CA and is likely to move in tandem, provided the strategic importance of FGAC for CA remains unchanged.

Support

IDRs Based on Institutional Support

FGAC's IDRs and Support Rating are based on potential support from CA, through CACF. CA and CACF's ability to provide support to FGAC is expressed by their LT IDRs of 'A'/Stable, which were reviewed on 03 July 2014. The four-notch difference between the LT IDR of FGAC and that of CACF reflects its status as a strategically important but not core subsidiary in Fitch's opinion and the limited 50% ownership. The ratings of FGA, which holds the remaining 50% shares of FGAC, do not have a direct influence on FGAC's ratings as Fitch regards FGA only as an industrial partner. However, Fitch acknowledges that FGAC's business volumes are strictly linked with the commercial effectiveness of FGA.

The early renewal of the JV agreement in July 2013 reinforces Fitch's opinion that the propensity of CA to provide support to FGAC remains high. At end-2021, the agreement will be renewable on a three-year basis. Bilateral termination is allowed, but with a notice period of three years.

We believe Italy, where FGAC's central group functions are based and which still represents FGAC's largest market, is a strategically important geography to the CA group. The CA group is directly present in Italy through three investments, including FGAC: CACF owns a 61% stake in Agos Ducato (BBB+/Stable), a leading consumer finance company, and CA fully owns Cariparma, a commercial retail bank. Presently, FGAC is CA's most remunerative investment in Italy. Geographic diversification outside Italy for FGAC's operations also means that the JV is strategically significant for the broader CA strategy in consumer finance.

Fitch believes that a default of FGAC would trigger a reputational risk for CA, given CA's presence in Italy and the significance that consumer finance activities have for the CA group's strategy. This however would be containable.

Integration of risk management and reporting tools is high. The presence of CA representatives on the board and the appointment of top management roles by CA mean that the relationship with the JV is strong.

Operating Environment

FGAC operates in 14 European countries through 25 legal entities subject to different types of regulatory controls. The bulk of operations are concentrated in Italy (BBB+/Stable), UK (AA+/Stable), Germany (AAA/Stable) and France (AA+/Stable). The degree of development and sophistication of the regulatory framework is high in all FGAC's major markets.

Company Profile

Originally the captive finance arm of the FIAT group, FGAC has operated in its current form since 2006, when CA acquired a 50% stake in the company. The company is active in 14 countries with FGA brands, including eight countries in which it operates with Jaguar and Land Rover (JLR).

FGAC's strategy of brand diversification (FGAC operates with 10 brands) underpins performance and risk mitigation. In 2013, FGAC sold its products and services to 35% of JLR's total new matriculations. However, the agreement with JLR as the sole provider in the UK was not renewed in 2014. The agreement signed in 2013 with Maserati should further support geographic expansion in Europe.

Italy still represents FGAC's largest market (see Figure 1) but the proportion of its activities in wealthier economies, specifically Germany and the UK, is growing. In 2013, about 70% of FGAC's pre-tax income was generated outside Italy (55% in Germany and the UK alone).

Retail financing is FGAC's largest business. Retail loans are offered to individuals and small

Related Criteria

Global Financial Institutions Rating Criteria (January 2014)

Evaluating Corporate Governance (December 2012)

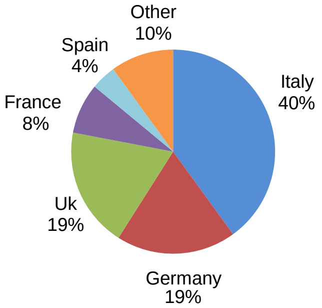
Finance and Leasing Companies Rating Criteria (December 2012)

Rating FI Subsidiaries and Holding Companies (August 2012)

Figure 1

Average Portfolio 2013

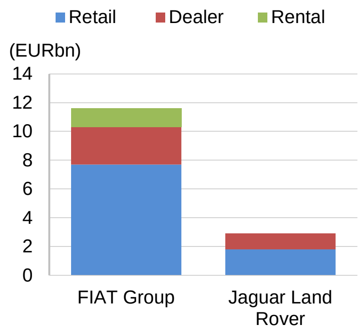
Geographical distribution



Source: FGAC

Figure 2

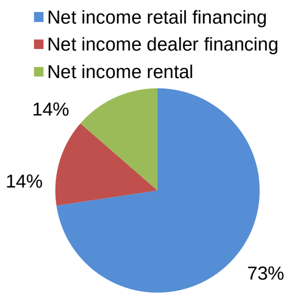
Average Portfolio 2013



Source: FGAC

Figure 3

Revenue Breakdown 2013



Source: FGAC, management accounts

businesses through a network of more than 2,000 dealers. Out of EUR7bn of new lending granted in 2013, about 49% was concentrated in the UK and Germany, and 29% in Italy.

FGAC also finances dealers' inventories, and to a lesser extent provides them with short- and long-term lending. Average dealer financing volumes declined only slightly in 2013 and remained concentrated in Italy (33%), but with growing shares in the UK (19%) and Germany (18%). The constant contact of FGAC with the network of 1,850 FGA dealers and 450 JLR dealers means that it has a competitive advantage over banks and non-captive financial companies in this business and that it can react early when a dealer is in financial difficulties.

FGAC rents out fleets, which it directly owns, and provides management services, typically for periods of 12-48 months. It also offers management services to fleets owned by third parties. FGAC undertakes this business largely in Italy, where about 77% of the fleet resides. The number of active contracts declined to 135,700 in 2013 (2011: 146,900) partly reflecting FGAC's strategy to select more remunerative counterparties/contracts, but also the general weakness of the Italian economy, which is keeping demand for fleets subdued.

The organisational structure of the group has a moderate level of complexity. The legal entities are a mix of banks, non-bank FIs and commercial companies, meaning that the group is subject to several tiers and types of controls, regulation and supervision. The tight integration of the subsidiaries and their small size means that visibility of the parent is high.

The parent FGAC is supervised by the Italian bank regulator as a non-bank FI under Article 107 of the Italian banking law. In December 2013, FGAC submitted a formal application to the Bank of Italy to be transformed into a bank (See Strategic Objectives).

Management

Management's effectiveness benefits from the presence of CA in the ownership structure as the risk and control systems of FGAC mirror those of CA. At the same time, the 50% ownership by FGA means that FGAC benefits from its knowledge of the car market and its dynamics and the manufacturer's dealer network.

FGAC's main strategic objective for 2015-2016 is the transformation into a bank. According to the management, being a bank would contribute to diversifying funding sources, initially through direct access to ECB funding and gradually through the collection of deposits. It would also allow FGAC to exploit the potential of the Italian full banking license in other countries.

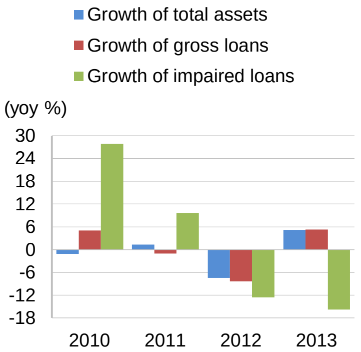
Fitch considers FGAC's execution capacity as high for a group of its size and geographical presence. Since the inception of the JV in 2006 the group expanded organically in wealthy northern European car markets and maintained stable profitability despite the eurozone crisis and the overall decline of car sales in Europe. Commercial strategies, including the diversification into luxury brands in 2008 (JLR) and 2013 (Maserati), have been effectively implemented and in line with the planned schedule. FGAC has selectively targeted borrowers with strong credit profile, which is resulting in a low and declining level of NPLs.

Risk Appetite

FGAC's credit policies are decided centrally by collective bodies and are influenced by CA's expertise. Other risk policies and procedures are integrated and coordinated with CACF and CA. The bank's main risk resides in its loan book (See Asset Quality) but FGAC is also exposed to residual value and, to a lesser extent, operational risk. Fitch believes the company's long and well established relationships with a network of well-known and monitored dealers mitigate credit risk.

The growth of total assets is largely driven by the growth of gross loans as FGAC does not invest in securities. The securities portfolio of EUR9.6m at end-2013 entirely consisted of HTM

Figure 4
Growth



Source: FGAC

bonds issued by the Austrian government, which FGAC's Austrian subsidiary is obliged to hold as a statutory deposit. The overall decline in car sales in Europe in 2012 resulted in the shrinkage of FGAC's loans in the same year. However, increased market penetration in dynamic markets such as the UK and Germany sustained moderate growth in 2013.

Residual value risk is low and well controlled and risk-monitoring is prudent and effective. In the long-term rental business vehicles exposed to residual value risk are largely in Italy. The stock of vehicles available for sale but still unsold is typically low. The residual value risk of UK PCP agreements is small and fully provisioned for, which compares well with FGAC's international peers.

The group's risk management policy is to keep exposure to interest-rate risk at a minimum through the alignment of asset and liability maturities for which FGAC uses reset gap analysis and duration analysis. Derivatives are interest-rate swaps and forward agreements for hedging. At end-2013 interest-rate risk was almost entirely neutralised. FX risk is also minimal. FGAC funds non-euro portfolios in the same currency. In a more limited number of cases it uses foreign-exchange swaps or interest rate and currency swaps to neutralise FX risks.

FGAC is exposed to some operational (frauds and thefts) and reputational risks, but Fitch considers these to be adequately controlled. The company reported no loss from operational risks in 2013.

Financial Profile

Asset Quality

Fitch considers FGAC's asset quality sound. The portfolio is well diversified as a result of the large share of retail lending. Approval authority at each group's company level is limited; for larger tickets central bodies are responsible for final approval while retail lending is largely based on scorecards. The concentration of the loan book is low, with the 20 largest outstanding exposures, typically dealers, accounting for 60% of Fitch core capital (end 2012: 80%), equal to less than 7% of gross loans, which Fitch considers acceptable.

Fitch believes the risk associated with dealer financing is mitigated by the vast majority of the portfolio being accompanied by ownership documentation with FGAC being the owner. Physical repossession of the vehicles in case of insolvency of the dealer is rapid. In addition, insurance, bank and personal guarantees cover about one third of the portfolio.

Figure 5
Asset Quality End-2013

(%) IDR/Outlook	FGAC (BBB-/Stable)	RCI Banque (not rated)	Ford MCC (BBB-/Positive)
Growth of gross loans	5.25	0.88	11.22
Impaired loans/gross loans	2.11	3.41	n.a.
Reserves for impaired loans/impaired loans	98.98	79.12	0.38
Impaired loans less reserves for impaired loans/Fitch core capital	0.19	6.85	n.a.
Loan impairment charges/average gross loans	0.91	0.56	0.15

Source: Fitch' reclassification on companies' financial statements; Ford MCC: Ford Motor Credit Company

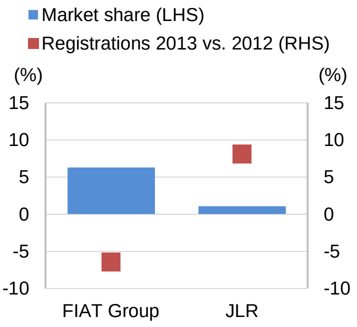
Figure 6
Impaired Loans

(%)	2013	2012
Doubtful loans/gross loans	1.2	1.2
Specific reserves for doubtful loans	64.9	69.2
Watchlist loans/gross loans	0.9	1.4
Specific reserves for watchlist loans	23.3	25.7
MEMO (EURm)		
Gross doubtful loans	163	160
Gross watchlist loans	131	189

Source: Fitch on FGAC's financial statements

FGAC writes off problematic exposures that are fully provisioned, which keeps impaired loans at a relatively low level. Doubtful and watchlist loans ("sofferenze" and "incagli") declined by 16% yoy in 2013. Since 2012, FGAC has adopted a more conservative approach for the classification of watchlist loans, which is based on counterparty exposure rather than on individual transactions and is consistent with the rule followed by Italian banks. The coverage of gross impaired loans has always been adequate in Fitch's opinion. It improved close to 100% at end-2013, in line with CA's guidelines for FGAC and meaning that FGAC's core capital is not

Figure 7
New Car Registrations 2013



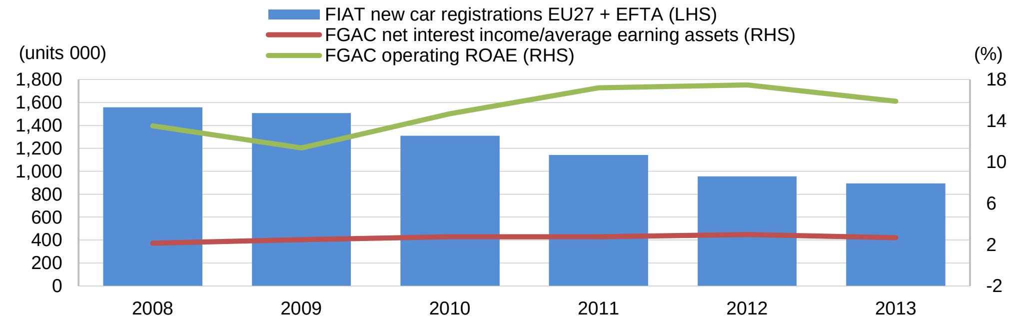
Source: ACEA (perimeter: EU+ EFTA)

burdened by non-yielding exposures.

Earnings and Profitability

FGAC's performance is driven by car sales but the company has proved resilient against the car market cycle and the fluctuations experienced by FGA's sales volumes. However, the significance of FGA cars financed by FGAC is high and the performance of FGA brands remains an important element.

Figure 8
Profitability
FIAT sales vs. FGAC's performance

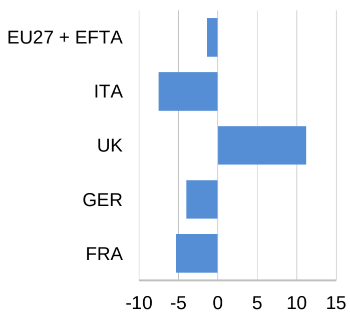


Source: ACEA, Fitch's reclassification on FGAC's annual financial statements

FGAC's operating ROAE declined slightly to about 16% in 2013 (2012: 17.5%) but remained underpinned by resilient interest and commissions income, strict control over operating expenses and access to funding from CA. Fitch believes FGAC's performance is sensitive to a drop in revenues while operating costs are successfully kept low. Funding costs should remain controlled, especially if the transformation into a bank allows FGAC access to cheaper funding.

Loan impairment charges (LICs) are declining and eroded 32% of pre-impairment operating profit in 2013. FGAC's revision of its lending policies and enhancement of credit collection procedures supports the decline of the LICs over gross loans, which fell to 0.9% at end-2013 in Fitch's reclassification. This reflects stricter lending policies that are compensating for the weaker operating environment and the delay of GDP recovery in some of FGAC's core markets. In Fitch's view FGAC's response to the weaker operating environment was quick and adequate.

Figure 9
New Car Registrations
2013 vs. 2012 (% change)



Source: ACEA

Figure 10
Performance

LT IDR /Outlook	FGAC (BBB-/Stable)		RCI Banque (not rated)		Ford MCC (BBB-/Positive)	
(%)	2013	2012	2013	2012	2013	2012
Net interest income/average earning assets	2.68	2.97	3.33	3.72	5.44	5.15
Non-interest expense/gross revenues	34.64	33.27	31.34	30.94	64.71	67.08
Loans and securities impairment charges/pre-impairment operating profit	31.19	33.90	12.06	10.53	7.68	0.41
Operating profit/average total assets	1.70	1.72	2.55	2.76	1.60	1.67
Net income/average equity	9.97	10.27	18.27	20.19	14.63	13.12

Source: Fitch's reclassification on companies' financial statements; Ford MCC: Ford Motor Credit Company

Capitalisation and Leverage

Fitch considers FGAC's capitalisation as adequate, in light of the minimal level of unreserved impaired loans. Its tangible equity/tangible assets ratio increased to 9.7% at end-2013, from 8.4% average of 2010-2012. The increase of equity over time was the result of internal capital generation, reflecting a dividend pay-out in the range of 50%. Under the JV agreement both shareholders are committed to keeping FGAC adequately capitalised.

The company does not publish consolidated risk-weighted figures. However, it estimated at end-2013 a Basel II consolidated Core Tier 1 ratio of 11% which would equal an 11.22% Fitch Core Capital ratio. FGAC uses the standard approach for credit risk and market risk, and the basic indicator approach for operational risk to report its unconsolidated capital ratios. The eight subsidiaries subject to Basel II requirements were adequately capitalised at end-2013. The liabilities/equity ratio at consolidated level improved to 8.1x at end-2013, down from 10.4x at end-2010.

Funding and Liquidity

FGAC's funding and liquidity are underpinned by the JV agreement. Under the original agreement, which is valid until 31 December 2014, CA undertakes to cover up to 100% of FGAC's funding and liquidity needs through CACF. Under the new agreement, which will become effective from January 2015, CA undertakes to make funding and liquidity constant and available to FGAC; funding and liquidity is to be priced on market terms and its size is to fill the needs of FGAC, including under the most stressful scenarios. While the language of the agreement has slightly changed to adapt to the current liquidity and funding market, Fitch believes the substance of CA's commitment is unchanged.

FGAC's increasing self-sufficiency in funding, which is an important part of the JV agreement, is in line with CA's policies for foreign subsidiaries and reflects widespread market practice. Fitch believes funding support from the CA group, if needed, would be timely and adequate.

FGAC finalised two new securitisation transactions in 2013, after the sharp decline of 2012, for GBP260m and GBP900m respectively. Both transactions were backed by UK car loans. FGAC's use of its EMTN programme has been frequent since 2011. Investors' appetite for FGAC's debt heavily depends on the existence of CA's support through the JV agreement. Depending on market conditions unsecured bond issuance is likely to be a recurrent source of funding, as reflected by the two EUR750m issues in January and April 2014. In 2H14 FGAC tapped the domestic Swiss and Polish markets with two small local-currency denominated issues.

Figure 11
Funding End-2013

(%) LT IDR/Outlook	FGAC (BBB-/Stable)	RCI Banque (not rated)	Ford MCC (BBB-/Positive)
Loans/customer deposits	16,576.64	530.72	n.a.
Interbank assets/interbank liabilities	10.21	35.95	n.a.
Customer deposits/ total funding (excluding derivatives)	0.61	20.72	n.a.

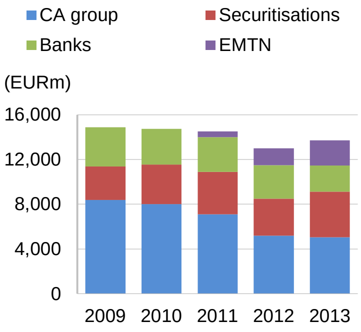
Source: Fitch's reclassification on companies' financial statements; Ford MCC: Ford Motor Credit Company

Fitch considers FGAC's liquidity to be sound as the company benefits from access to funds from CA through CACF. The FGAC group adopts a centralised liquidity management system and the subsidiaries negotiate with the holding company the most appropriate funding tools to cover their funding needs. FGAC's group manages its liquidity risk by matching the maturity profile of its liabilities and assets and monitors the liquidity risk for each single currency monthly.

Debt Ratings

The ratings of FGAC's senior unsecured debt, including its EUR4bn EMTN programme, are at the same level of FGAC's IDR of 'BBB-'. Fidis Finance SA's CHF125m senior unsecured notes (ISIN: CH0248542877) maturing in July 2017 are also rated 'BBB-'. The notes are unconditionally and irrevocably guaranteed by FGAC.

Figure 12
Funding Sources Evolution



Source: FGAC

Spreadsheets

FGA Capital S.p.A
Income Statement

	31 Dec 2013 Year End EURm Unqualified	31 Dec 2012 Year End EURm Unqualified	31 Dec 2011 Year End EURm Unqualified	31 Dec 2010 Year End EURm Unqualified
1. Interest Income on Loans	773.3	888.8	883.3	894.1
2. Other Interest Income	1.9	4.3	7.9	4.9
3. Dividend Income	n.a.	n.a.	n.a.	n.a.
4. Gross Interest and Dividend Income	**775.2**	**893.1**	**891.2**	**899.0**
5. Interest Expense on Customer Deposits	0.6	0.8	0.9	n.a.
6. Other Interest Expense	380.4	446.5	468.1	478.3
7. Total Interest Expense	**381.0**	**447.3**	**469.0**	**478.3**
8. Net Interest Income	**394.2**	**445.8**	**422.2**	**420.7**
9. Net Gains (Losses) on Trading and Derivatives	(1.4)	(2.0)	(2.1)	(1.7)
10. Net Gains (Losses) on Other Securities	n.a.	0.9	n.a.	n.a.
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	n.a.	n.a.
12. Net Insurance Income	n.a.	n.a.	n.a.	n.a.
13. Net Fees and Commissions	100.0	89.7	92.1	89.3
14. Other Operating Income	115.4	105.3	141.8	99.4
15. Total Non-Interest Operating Income	**214.0**	**193.9**	**231.8**	**187.0**
16. Personnel Expenses	136.3	134.8	125.4	123.4
17. Other Operating Expenses	74.4	78.0	105.8	116.5
18. Total Non-Interest Expenses	**210.7**	**212.8**	**231.2**	**239.9**
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	n.a.	n.a.
20. Pre-Impairment Operating Profit	**397.5**	**426.9**	**422.8**	**367.8**
21. Loan Impairment Charge	124.0	144.7	158.2	155.2
22. Securities and Other Credit Impairment Charges	0.0	0.0	0.0	0.0
23. Operating Profit	**273.5**	**282.2**	**264.6**	**212.6**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	n.a.	n.a.
25. Non-recurring Income	n.a.	n.a.	n.a.	n.a.
26. Non-recurring Expense	n.a.	n.a.	n.a.	n.a.
27. Change in Fair Value of Own Debt	n.a.	n.a.	n.a.	n.a.
28. Other Non-operating Income and Expenses	(26.0)	(25.9)	(35.6)	n.a.
29. Pre-tax Profit	**247.5**	**256.3**	**229.0**	**212.6**
30. Tax expense	75.8	90.2	76.1	66.0
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	n.a.	n.a.
32. Net Income	**171.7**	**166.1**	**152.9**	**146.6**
33. Change in Value of AFS Investments	n.a.	n.a.	n.a.	n.a.
34. Revaluation of Fixed Assets	n.a.	n.a.	n.a.	n.a.
35. Currency Translation Differences	(5.8)	11.1	(1.9)	14.3
36. Remaining OCI Gains/(losses)	(2.5)	(4.5)	2.8	6.1
37. Fitch Comprehensive Income	**163.4**	**172.7**	**153.8**	**167.0**
38. Memo: Profit Allocation to Non-controlling Interests	1.3	1.4	1.1	0.6
39. Memo: Net Income after Allocation to Non-controlling Interests	170.4	164.7	151.8	146.0
40. Memo: Common Dividends Relating to the Period	30.6	n.a.	n.a.	n.a.
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	n.a.	n.a.
Exchange rate	USD1 = EUR0.725	SD1 = EUR0.7579	USD1 = EUR0.77290	D1 = EUR0.748

FGA Capital S.p.A
Balance Sheet

	31 Dec 2013		31 Dec 2012		31 Dec 2011		31 Dec 2010	
	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets								
A. Loans								
1. Residential Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	13,907.8	83.97	13,213.6	83.94	14,415.5	84.78	14,569.8	84.55
6. Less: Reserves for Impaired Loans	291.0	1.76	307.0	1.95	399.0	2.35	390.6	2.27
7. Net Loans	**13,616.8**	**82.21**	**12,906.6**	**81.99**	**14,016.5**	**82.44**	**14,179.2**	**82.29**
8. Gross Loans	**13,907.8**	**83.97**	**13,213.6**	**83.94**	**14,415.5**	**84.78**	**14,569.8**	**84.55**
9. Memo: Impaired Loans included above	294.0	1.78	349.0	2.22	399.1	2.35	363.8	2.11
10. Memo: Loans at Fair Value included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets								
1. Loans and Advances to Banks	755.7	4.56	534.6	3.40	775.9	4.56	766.6	4.45
2. Reverse Repos and Cash Collateral	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Derivatives	101.9	0.62	208.7	1.33	100.3	0.59	114.0	0.66
5. Available for Sale Securities	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Held to Maturity Securities	9.7	0.06	10.4	0.07	10.9	0.06	11.1	0.06
7. Equity Investments in Associates	0.1	0.00	0.1	0.00	0.1	0.00	0.1	0.00
8. Other Securities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	**111.7**	**0.67**	**219.2**	**1.39**	**111.3**	**0.65**	**125.2**	**0.73**
10. Memo: Government Securities included Above	9.7	0.06	10.4	0.07	10.9	0.06	11.1	0.06
11. Memo: Total Securities Pledged	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	1,022.8	6.18	1,041.4	6.62	1,152.4	6.78	n.a.	-
13. Insurance Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**15,507.0**	**93.63**	**14,701.8**	**93.39**	**16,056.1**	**94.43**	**15,071.0**	**87.46**
C. Non-Earning Assets								
1. Cash and Due From Banks	0.0	0.00	0.1	0.00	0.1	0.00	0.5	0.00
2. Memo: Mandatory Reserves included above	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	17.7	0.11	13.3	0.08	5.6	0.03	1,274.7	7.40
5. Goodwill	180.3	1.09	180.3	1.15	181.2	1.07	180.4	1.05
6. Other Intangibles	34.9	0.21	27.3	0.17	16.8	0.10	7.3	0.04
7. Current Tax Assets	29.9	0.18	33.6	0.21	50.8	0.30	65.3	0.38
8. Deferred Tax Assets	154.1	0.93	143.9	0.91	141.4	0.83	139.9	0.81
9. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	638.9	3.86	641.6	4.08	550.9	3.24	492.7	2.86
11. Total Assets	**16,562.8**	**100.00**	**15,741.9**	**100.00**	**17,002.9**	**100.00**	**17,231.8**	**100.00**
Liabilities and Equity								
D. Interest-Bearing Liabilities								
1. Customer Deposits - Current	83.9	0.51	51.0	0.32	56.7	0.33	n.a.	-
2. Customer Deposits - Savings	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Total Customer Deposits	**83.9**	**0.51**	**51.0**	**0.32**	**56.7**	**0.33**	**0.0**	**0.00**
5. Deposits from Banks	7,399.8	44.68	8,219.7	52.22	10,225.1	60.14	11,236.5	65.21
6. Repos and Cash Collateral	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Other Deposits and Short-term Borrowings	n.a.	-	n.a.	-	n.a.	-	57.9	0.34
8. Total Deposits, Money Market and Short-term Funding	**7,483.7**	**45.18**	**8,270.7**	**52.54**	**10,281.8**	**60.47**	**11,294.4**	**65.54**
9. Senior Debt Maturing after 1 Year	6,366.6	38.44	4,871.4	30.95	4,312.4	25.36	3,538.8	20.54
10. Subordinated Borrowing	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Other Funding	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	**6,366.6**	**38.44**	**4,871.4**	**30.95**	**4,312.4**	**25.36**	**3,538.8**	**20.54**
13. Derivatives	108.6	0.66	216.6	1.38	118.4	0.70	161.6	0.94
14. Trading Liabilities	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
15. Total Funding	**13,958.9**	**84.28**	**13,358.7**	**84.86**	**14,712.6**	**86.53**	**14,994.8**	**87.02**
E. Non-Interest Bearing Liabilities								
1. Fair Value Portion of Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	179.3	1.08	157.2	1.00	142.8	0.84	107.1	0.62
4. Current Tax Liabilities	41.1	0.25	38.6	0.25	59.0	0.35	49.9	0.29
5. Deferred Tax Liabilities	45.5	0.27	43.0	0.27	39.6	0.23	39.9	0.23
6. Other Deferred Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	535.8	3.23	484.1	3.08	480.0	2.82	524.2	3.04
10. Total Liabilities	**14,760.6**	**89.12**	**14,081.6**	**89.45**	**15,434.0**	**90.77**	**15,715.9**	**91.20**
F. Hybrid Capital								
1. Pref. Shares and Hybrid Capital accounted for as Debt	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
2. Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
G. Equity								
1. Common Equity	1,782.8	10.76	1,640.9	10.42	1,556.0	9.15	1,505.1	8.73
2. Non-controlling Interest	14.1	0.09	12.8	0.08	11.4	0.07	10.3	0.06
3. Securities Revaluation Reserves	n.a.	-	n.a.	-	n.a.	-	0.5	0.00
4. Foreign Exchange Revaluation Reserves	14.3	0.09	20.1	0.13	9.1	0.05	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	(9.0)	(0.05)	(13.5)	(0.09)	(7.6)	(0.04)	n.a.	-
6. Total Equity	**1,802.2**	**10.88**	**1,660.3**	**10.55**	**1,568.9**	**9.23**	**1,515.9**	**8.80**
7. Total Liabilities and Equity	**16,562.8**	**100.00**	**15,741.9**	**100.00**	**17,002.9**	**100.00**	**17,231.8**	**100.00**
8. Memo: Fitch Core Capital	1,587.0	9.58	1,452.7	9.23	1,370.9	8.06	1,328.2	7.71
9. Memo: Fitch Eligible Capital	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate	USD1 = EUR0.72510		USD1 = EUR0.75790		USD1 = EUR0.77290		USD1 = EUR0.74840	

FGA Capital S.p.A
Summary Analytics

	31 Dec 2013 Year End	31 Dec 2012 Year End	31 Dec 2011 Year End	31 Dec 2010 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	5.67	6.38	6.08	6.13
2. Interest Expense on Customer Deposits/ Average Customer Deposits	0.89	1.48	3.17	n.a.
3. Interest Income/ Average Earning Assets	5.27	5.94	5.83	5.93
4. Interest Expense/ Average Interest-bearing Liabilities	2.79	3.19	3.18	3.12
5. Net Interest Income/ Average Earning Assets	2.68	2.97	2.76	2.77
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.84	2.00	1.73	1.75
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Asset	2.68	2.97	2.76	2.77
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	35.19	30.31	35.44	30.77
2. Non-Interest Expense/ Gross Revenues	34.64	33.27	35.35	39.48
3. Non-Interest Expense/ Average Assets	1.31	1.30	1.36	1.37
4. Pre-impairment Op. Profit/ Average Equity	23.09	26.40	27.50	25.42
5. Pre-impairment Op. Profit/ Average Total Assets	2.47	2.61	2.48	2.10
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	31.19	33.90	37.42	42.20
7. Operating Profit/ Average Equity	15.89	17.45	17.21	14.69
8. Operating Profit/ Average Total Assets	1.70	1.72	1.55	1.21
9. Taxes/ Pre-tax Profit	30.63	35.19	33.23	31.04
10. Pre-Impairment Operating Profit / Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
11. Operating Profit / Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	9.97	10.27	9.95	10.13
2. Net Income/ Average Total Assets	1.07	1.01	0.90	0.84
3. Fitch Comprehensive Income/ Average Total Equity	9.49	10.68	10.01	11.54
4. Fitch Comprehensive Income/ Average Total Assets	1.01	1.05	0.90	0.95
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
7. Fitch Comprehensive Income/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
D. Capitalization				
1. Fitch Core Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	9.71	9.35	8.16	7.79
4. Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
5. Total Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	10.88	10.55	9.23	8.80
8. Cash Dividends Paid & Declared/ Net Income	17.82	n.a.	n.a.	n.a.
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	18.73	n.a.	n.a.	n.a.
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Internal Capital Generation	7.83	10.00	9.75	9.67
E. Loan Quality				
1. Growth of Total Assets	5.21	(7.42)	(1.33)	(1.15)
2. Growth of Gross Loans	5.25	(8.34)	(1.06)	5.07
3. Impaired Loans/ Gross Loans	2.11	2.64	2.77	2.50
4. Reserves for Impaired Loans/ Gross Loans	2.09	2.32	2.77	2.68
5. Reserves for Impaired Loans/ Impaired Loans	98.98	87.97	99.97	107.37
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	0.19	2.89	0.01	(2.02)
7. Impaired Loans less Reserves for Impaired Loans/ Equity	0.17	2.53	0.01	(1.77)
8. Loan Impairment Charges/ Average Gross Loans	0.91	1.04	1.09	1.06
9. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Ass	2.11	2.64	2.77	2.50
F. Funding				
1. Loans/ Customer Deposits	16,576.64	25,909.02	25,424.16	n.a.
2. Interbank Assets/ Interbank Liabilities	10.21	6.50	7.59	6.82
3. Customer Deposits/ Total Funding (excluding derivatives)	0.61	0.39	0.39	0.00

FGA Capital S.p.A
Reference Data

	31 Dec 2013		31 Dec 2012		31 Dec 2011		31 Dec 2010	
	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items								
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Acceptances and documentary credits reported off-balance sheet	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Committed Credit Lines	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Contingent Liabilities	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	16,562.8	100.00	15,741.9	100.00	17,002.9	100.00	17,231.8	100.00
8. Memo: Risk Weighted Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Fitch Adjustments to Risk Weighted Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Risk Weighted Assets	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet								
Average Loans	13,641.7	82.36	13,929.6	88.49	14,538.8	85.51	14,576.6	84.59
Average Earning Assets	14,714.7	88.84	15,026.4	95.45	15,273.7	89.83	15,165.0	88.01
Average Assets	16,111.0	97.27	16,382.5	104.07	17,034.6	100.19	17,518.9	101.67
Average Managed Securitized Assets (OBS)	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	13,640.3	82.36	14,024.3	89.09	14,755.9	86.78	15,315.6	88.88
Average Common equity	1,706.0	10.30	1,598.7	10.16	1,525.5	8.97	1,443.5	8.38
Average Equity	1,721.4	10.39	1,617.3	10.27	1,537.2	9.04	1,447.0	8.40
Average Customer Deposits	67.5	0.41	53.9	0.34	28.4	0.17	0.0	0.00
C. Maturities								
Asset Maturities:								
Loans & Advances < 3 months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:								
Retail Deposits < 3 months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation								
1. Equity	1,802.2	10.88	1,660.3	10.55	1,568.9	9.23	1,515.9	8.80
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Add: Other Adjustments	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
4. Published Equity	1,802.2	10.88	1,660.3	10.55	1,568.9	9.23	1,515.9	8.80
E. Fitch Eligible Capital Reconciliation								
1. Total Equity as reported (including non-controlling interests)	1,802.2	10.88	1,660.3	10.55	1,568.9	9.23	1,515.9	8.80
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	180.3	1.09	180.3	1.15	181.2	1.07	180.4	1.05
5. Other intangibles	34.9	0.21	27.3	0.17	16.8	0.10	7.3	0.04
6. Deferred tax assets deduction	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	**1,587.0**	**9.58**	**1,452.7**	**9.23**	**1,370.9**	**8.06**	**1,328.2**	**7.71**
10. Eligible weighted Hybrid capital	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Government held Hybrid Capital	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Fitch Eligible Capital	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
Exchange Rate	USD1 = EUR0.72510		USD1 = EUR0.75790		USD1 = EUR0.77290		USD1 = EUR0.74840	

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.