

Financial results for the semester ended 30th June 2017 Another six-month record performance for FCA Bank

- **Pre-tax profit for the first half of 2017 amounted to €259.6 million while net profit totalled €189.7 million, up 30% on the first half of 2016.**
- **End-of-period financing portfolio reached €22.67 billion, compared to €18.97 billion in June 2016.**
- **The increase in new car registrations and FCA Bank's growing support to FCA resulted in total new financing of €6.5 billion, up 8% on the first half of 2016.**
- **The cost of risk continued to decline also in 2017, settling at 0.25% of the average financing portfolio, compared to 0.32% for the corresponding period of 2016.**

"FCA Bank continued to grow and expanded its international footprint in the new mobility world – said Giacomo Carelli, CEO and General Manager – through the internationalisation of Leasys, the Group's Mobility and Long-Term Rental company, which opened affiliates and branches in Germany, United Kingdom, France and Spain and is about to establish a presence, in the second half of the year, in Belgium and the Netherlands. The diversification of the activities has been acknowledged also by the rating agencies, which have confirmed or, in the case of Fitch, upgraded the Bank's ratings".

i. Key figures

FCA Bank Group (€ millions)	30.06.2016	30.06.2017	H1 '17 vs. H1 '16	% change
Average portfolio	17,756	21,247	3,491	19.7%
End-of-period portfolio	18,973	22,672	3,699	19.5%
Net banking income and rental margin	355.3	415.5	60.2	17.0%
Net operating costs	(121.4)	(131.9)	(10.5)	8.6%
Cost of risk	(28.3)	(26.9)	1.4	-4.9%
Operating income	205.6	256.7	51.1	24.9%
Other income/(expenses)	(3.0)	2.3	5.3	N/A
Pre-tax profit	203.2	259.6	56.4	27.8%
Net profit	145.9	189.7	43.8	30.0%

Business volumes

In the first half of 2017, total new volumes financed by FCA bank, including long-term rentals, amounted to €6.5 billion. FCA Bank supported sales of new FCA vehicles, with a penetration rate for new car registrations of 42.8%.

In addition, the end-of-period portfolio rose to €22.7 billion, up 19.5% on the first half of 2016.

Net banking income and rental margin

Net banking income and rental margin for the six months ended 30th June 2017 increased by 17.0% on the comparable year-earlier amount, reaching €415.5 million, driven by the growth of volumes financed and by a stable spread income on the portfolio of around 4%.

Operating costs

The constant attention to efficiency reflects on the Bank's ability to keep operating costs in check, as they decreased by 0,13 p.p., to 1.24% of the average portfolio. The slight increase in absolute terms of net operating costs, to €131.9 million, in the period under review was due mainly to the substantial increase of the portfolio and Leasys's internationalisation process.

Cost of risk

FCA Bank's cost of risk declined further, in line with the trend already shown in 2016. In absolute terms, the cost of risk amounted to €26.9 million, or 0.25% of the average portfolio.

II. Funding

As at 30th June 2017, the Group's financial liabilities amounted to approximately €20 billion. In the six months under review, the Group pursued further its funding diversification strategy, by accessing the bond and securitisation markets.

Specifically, in the early months of 2017 FCA Bank issued, and placed publicly and privately, over €1.5 billion in senior unsecured notes under the MTN programme. On the other hand, after two years, FCA Bank returned to the public securitisation market with two placements, A-BEST 11 and A-BEST 12, one right after the other, taking advantage of a window of opportunities between May and June and raising over €1 billion at an extremely competitive price.

III. Capitalisation

FCA Bank maintains a good capitalisation level. As at 30th June 2017, Equity totalled approximately €2.4 billion, with a Core Tier 1 Ratio of 11.41%. During the first half of the year, FCA Bank obtained a TIER 2 10NC5 subordinated loan of euro 126 million, in order to strengthen own funds and lead Total Capital Ratio to 12.11%.

IV. Conto Deposito

The new online savings product developed by FCA Bank, Conto Deposito, continued its positive trend, with total deposit inflows of over €360 million.

V. Rating

In the first half of 2017, the rating agencies confirmed or upgraded FCA Bank's rating, based on the continuing good results achieved by the Group:

- Moody's confirmed the long-term rating of Baa1 with stable outlook and A3 for long-term deposits on 19th June 2017;
- Fitch upgraded its long-term rating to BBB+ with stable outlook on 31st May 2017;
- Standard&Poor's confirmed its BBB- with stable outlook since its last action of 19th May 2016.

VI. The internationalisation of Leasys SpA

Leasys, FCA Bank's Mobility and Long-term Rental company established in Italy in 2001, started a European expansion plan that will lead it to provide its services in the countries where the Group is already operational.

In the first half of 2017, the company opened a branch in each of Spain and Germany while FCA Bank took over the Group's investments in the long-term rental companies in France and the United Kingdom.

The international expansion is the natural consequence of Leasys's success in the domestic market. In fact, the company has been ranking first for several years in the industry in terms of car registrations and hit record sales in 2016.

This internationalisation process is part of a broader growth and diversification strategy of the FCA Bank Group, which aims to gain market share by offering more aggressively to the market of fleets and private rentals FCA's upgraded range of products, thanks to Leasys's direct presence in the geographies concerned.

Turin, 2nd August 2017

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, a company of global car manufacturer Fiat Chrysler Automobiles, and Crédit Agricole Consumer Finance, a leader in consumer credit. The company provides financial products to support the sales of prestigious car brands in Europe. Loan and leasing financing products provided by FCA Bank are specifically designed for the sale networks, for private customers and corporate fleets. FCA Bank SpA has a presence in 17 European countries and in Morocco, directly or through subsidiaries. At 30 June 2017, FCA Bank had a credit portfolio of €22.7 billion.

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