ANNUAL REPORT 2021

FCA CAPITAL SUISSE SA

Zürcherstrasse 111

8952 – Schlieren

FCA CAPITAL Suisse

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FCA Capital Suisse SA

Zürcherstrasse 111
8952 – SCHLIEREN
Share capital CHF 24,100,000
Identification number CH-106.002.558

DIRECTORS REPORT

The Directors present the audited Financial Statements of FCA Capital Suisse SA ("the Company") for the year ended 31 December 2021.

OVERVIEW

FCA Capital Suisse SA is a company incorporated in Switzerland with offices located in Zürcherstrasse 111, Schlieren (CH). The Company offers specialised financial services in Switzerland since early nineties, providing:

- **Retail financing**: a wide range of financial and insurance services mainly for cars to private and commercial customers of the brands Fiat, Alfa Romeo, Fiat Professional, Abarth, Jeep, Maserati, Erwin Hymer Group brands ("EHG") and Aston Martin. The Company offers leasing or financing products and services mainly through dealers of FCA Switzerland SA ("FCAS"), Maserati (Schweiz) AG ("Maserati"), EHG and Aston Martin. The Finplus Brand is mainly used by other dealers.
- **Dealer financing**: Stock financing for new, used and demo cars for the dealer networks of FCA, Maserati, Ferrari, Lotus, EHG.

The Company is a fully owned subsidiary of FCA Bank S.pA., the holding company of one of the largest car finance and leasing groups in Europe.

The Parent company's shareholders are FCA Italy S.p.A., a Stellantis Group company operating in the automotive sector and Crédit Agricole Consumer Finance SA, a wholly-owned subsidiary of Crédit Agricole SA operating in the consumer credit sector. FCA Italy and Crédit Agricole Consumer Finance each hold 50 per cent of the issued share capital of FCA Bank S.p.A. pursuant to a joint venture agreement recently extended to 2024.

The most important activities of the FCA Bank Group in terms of size and profitability are located in Italy, Germany and the UK.

The FCA Bank Group currently has different sources of funding including debt capital markets, credit facilities with banks, securitisations, funding from the Crédit Agricole Group and deposits. The Group's Treasury department ensures liquidity and financial risk management at group level, in accordance with the FCA Bank Group's risk management policies maintaining a stable and diversified structure of sources of finance, pursuing the objective of a fully funded position in all maturity brackets and minimising exposure to counterparty, interest rate and foreign exchange risks.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

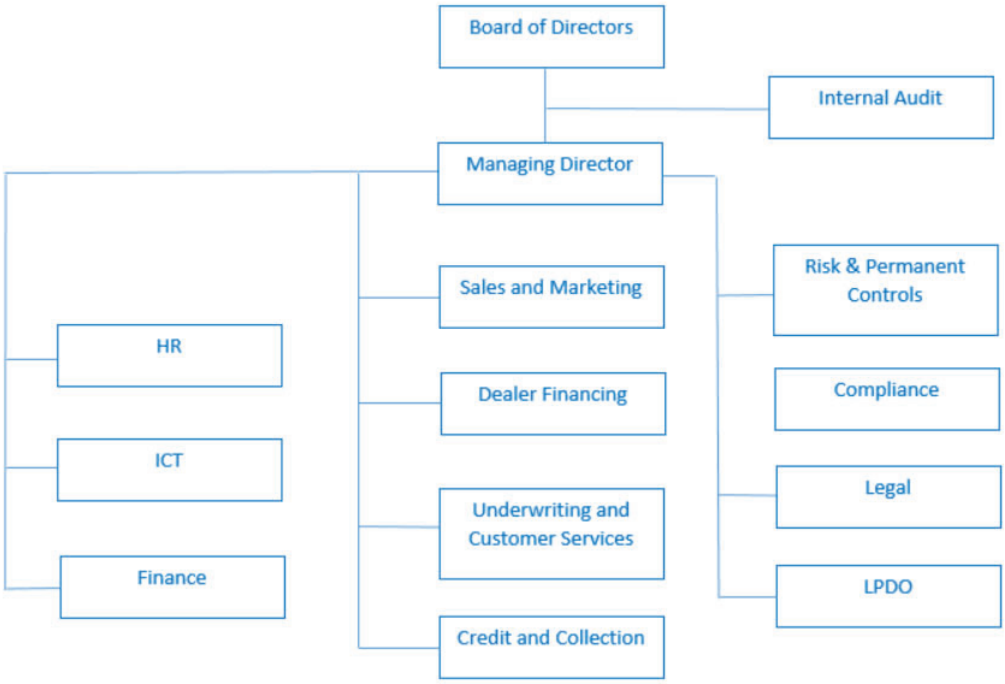
The composition of the Board of Directors of the Company at 31/12/2021 is described in the table below

Name	First Appointment to the Board of Directors	Other relevant positions
G. Carelli (Chairman)	2014	FCA Bank S.p.A., Chief Executive Officer and General Manager
F. Berra (Managing Director)	First appointed from 2013 to 2019, then again from 2021	FCA Capital Suisse SA, Managing Director. FCA Bank Deutschland gmbH, CEO
S. Rizzuto	2019	FCA Capital Suisse SA, Sales and Marketing Manager
J.M. Pino Dronet	2020	FCA Bank S.p.A, Head of Sales & Marketing

The Board of Directors meets at least on an annual basis and have, among others, the following powers and duties:

- Oversight and control on Company's management;
- Issuing the necessary directives;
- Determine the Company's organization and internal control system;
- Approve the Company's Regulation
- Define the Company's risk appetite.
- Adopt FCA Bank Spa normative addressed to its Subsidiaries,
- Implement the Company normative also implementing FCA Bank Spa requirements,
- Define the structure of meetings and committees,
- Recommend for approval the Annual Report (Financial Statements and Directors Report),
- Delegate of corporate powers,
- Approve the Budget and the transactions classified as "Reserved Matters to the Board"

The current Company's structure is regarded as adequate for the management of the Company's business and associated risks. The organisational chart is represented in the table below:


Board of Directors
Internal Audit
Managing Director
Sales and Marketing
Risk & Permanent Controls
HR
Dealer Financing
Compliance
ICT
Legal
Underwriting and Customer Services
Finance
LPDO
Credit and Collection

MARKET AND PERFORMANCE

The automotive market was strongly impacted by the COVID emergency.
The relevant car market in Switzerland remained overall stable compared to 2020, as detailed in the table below:

	2019	2020	2021	20 vs '21
LCV	40’282	34’959	37’781	8.1%
Passenger cars	311’466	236’828	238’481	0.7%
Total	**351’748**	**271’787**	**276’262**	**1.6%**

The relevant FCA brands posted overall a 6.9% decrease versus last year. Details are provided in the table below:

	2019	2020	2021	20 vs '21
Fiat Professional	4’620	3’680	4’008	8.9%
Alfa Romeo	2’883	1’816	1’368	-24.7%
Fiat	8’387	6’298	5’719	-9.2%
Jeep	5’142	3’426	2’934	-14.4%
Lancia	0	0	0	0.0%
Total FCA	**21’032**	**15’220**	**14029**	**-7.8%**
Maserati	376	208	327	57.2%
Total	**21’408**	**15’428**	**14356**	**-6.9%**

The above market trend includes registrations performed by both the national sales company and the parallel importers of vehicles from other countries, thus negatively impacting on the national sales company’s turnover.

As a consequence of the automotive market performance and the decrease of the registrations for the relevant FCA brands, from the Company registered a decrease in volumes on both business lines, as detailed in the following sections.

The Company originated about 7’950 financing contracts in 2021, showing a -6,78% decrease compared to the prior year. The number of contracts paid out by product in each year is detailed in Figure 1:

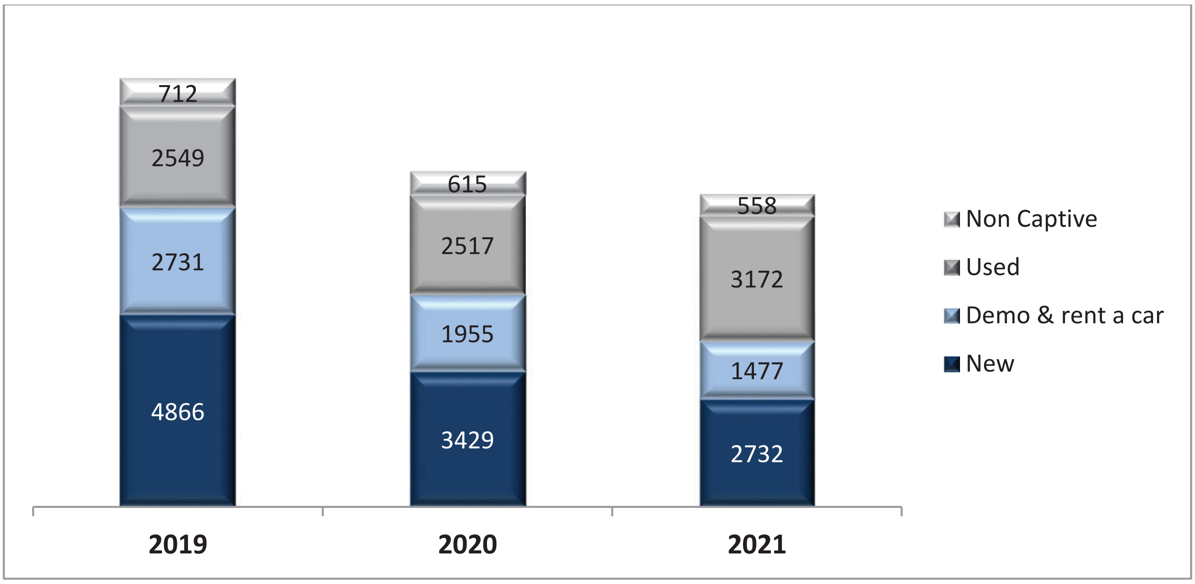


Figure 1 – New contracts (units)

The Company financed in 2021 customers for an amount of CHF 135 million, excluding rent a car companies and financings to dealers, decreasing by 4% compared to 2020 (Figure 2).

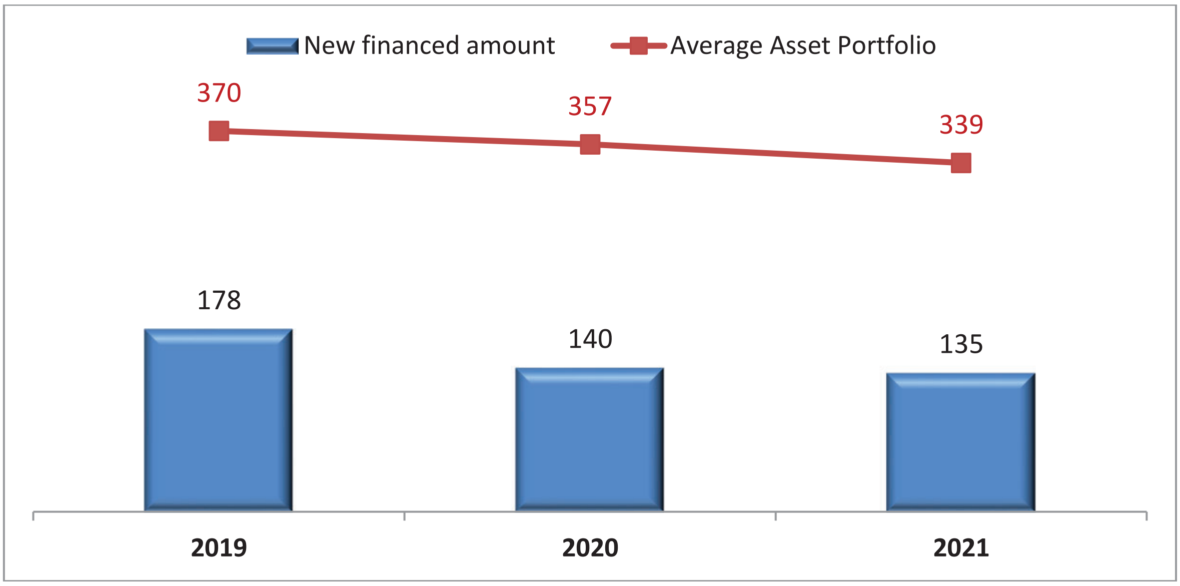


Figure 2 - Retail portfolio and new business (CHF/m)

The total average portfolio financed (as a result of a monthly average over the last year) decreased. The Dealer Financing business line showed a decrease compared to last year. The global Company's portfolio is detailed in Figure 3, showing an average loan portfolio in 2021 of CHF 442 million.

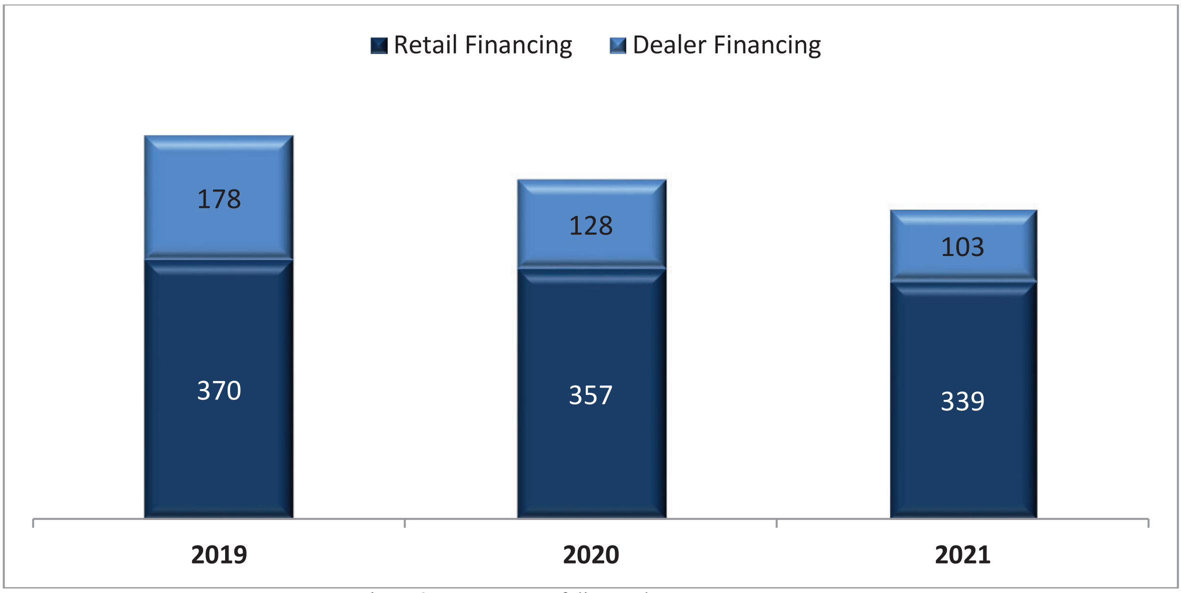


Figure 3 - Average portfolio trend

The graph in Figure 4 shows a breakdown of the Company's retail contracts in portfolio in terms of active Hire Purchase contracts (HP, payment by instalments to finance the purchase of a vehicle), Personal Contract Plan (PCP financing repaid in instalments with a final balloon payment), personal loans (loans granted to customers for their financing needs, not necessarily linked to a vehicle) and Leasing contracts. Leasing confirms to be the most important line of business, representing at the end of 2021 above 95% of the total contracts in portfolio, which is 19'587.

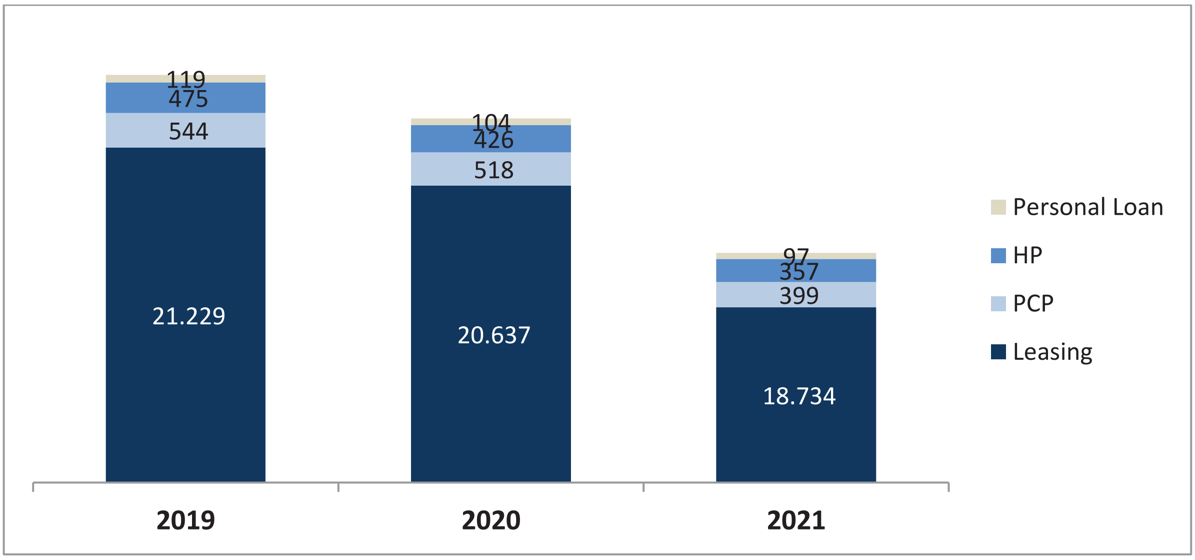


Figure 4 - Retail portfolio breakdown by contract type

In terms of volumes, at the end of 2021, the Company's net receivables from financial leases and retail and from financing to dealers totalled CHF 410 million, showing a decreasing trend compared to the end of 2020 (Figure 5).

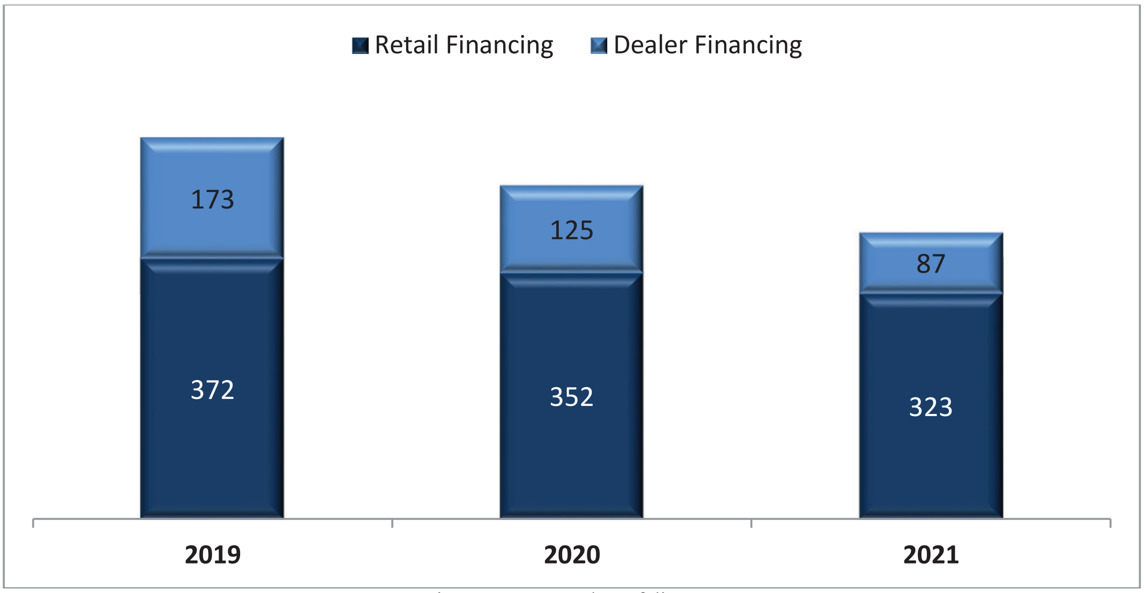


Figure 5 – Year end Portfolio

The Company's assets are funded by bilateral facilities amounting to CHF 345 million at 31/12/2021, of which CHF 20 million from third party banks and capital market funds for CHF 325 million. The notes are listed at the SIX stock exchange and are due to mature in October 2023 for CHF 125 million and in December 2024 for 200 CHF million.
The Company is also part of a Pan-European cash pooling system in place among FCA Bank Group companies, where funds in excess can be deposited and an overdraft facility is available to finance the Company's short term funding needs. The company was depositing CHF 26 million from the cash pooling facility at 31/12/2021.

The following table summarises the Company's key performance indicators based on the Statutory accounts as at 31 December 2021 and a comparison with previous year's results.

Statutory	2021	2020
Average portfolio	**441'378**	**485'089**
Net Financial Income	26'913	29'251
Other operating costs	-2'782	-3'263
Net operating expenses	-10'525	-10'251
Cost of risk	-4'329	-427
Non-operating income/expenses	125	35
Profit before tax	**9'402**	**15'346**
Direct taxes	-1'947	-3'431
Net profit	**7'455**	**11'915**

The average portfolio and the net financial income decreased in 2021, compared to 2020, following the strong decrease in volumes.

The increase in the cost of risk during the year 2021 is affected by specific provisions on certain dealers, deriving from concerns about their financial structure, and by additional allowances following the revision of the portfolio guarantee coverage.

Nevertheless costs structure was maintained at very low levels, leading to a positive performance.

The Directors regard the financial performance of the Company in the financial year as satisfactory.

During the year under review, FCA Capital Suisse employed 55 fulltime employees on average.

The Company is subject to certain claims and is party to a number of legal proceedings relating to its business. Although it is difficult to predict the outcome of such claims and proceedings with certainty, the Company believes that liabilities related to such claims and proceedings are unlikely to have, in the aggregate, material effects on its financial position or profitability and has therefore recognized provisions to cover the expected losses.

On June 26, 2019 the Swiss Competition Commission imposed a fine of CHF 4'421'232 against FCA Capital Suisse SA for allegedly infringing the Swiss Cartel Act. FCA Capital Suisse SA has challenged this decision before the Federal Administrative Court, and this appeal is still pending. Hence, the fine is, at least for the time being, not payable by FCA Capital Suisse SA. Nonetheless, given the risk that the fine is likely to become legally binding, FCA Capital Suisse SA has raised a provision of CHF 4'549'041 accounting for the fine as well as the estimated future costs of the ComCo proceeding.

RISK ASSESSMENT

Once a year, a risk assessment is being carried out by the management of the Company in order to identify significant risks to which the Company is exposed and assess their probability of occurrence and their potential impact. On the basis of appropriate measures adopted by the Board of Directors, the identified risks can be either taken, according to the Company's risk appetite, or avoided, reduced or transferred to third parties.

The Company's operating results, financial conditions and cash flows are primarily affected by several macroeconomic factors including changes in GDP, consumer and business confidence, interest-rate trends and unemployment.

Therefore, according to the nature of the Company's activities the Directors have identified the following risks:

TYPE OF RISK	Relevant
Credit	Yes
Operational	Yes
Concentration	Yes
Interest rate	Yes
Liquidity	Yes
Strategic	Yes
Reputational	Yes
Exchange rate	Yes
Compliance	Yes
Market	No

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. The level of credit risk on the portfolio is influenced primarily by the following factors: the total number of contracts that might default and the amount of loss per occurrence, which in turn are influenced by various economic factors.

Credit risk management is organized on the basis of the model and procedures approved by FCA Bank S.p.A.'s Board of Directors and generally applicable to the subsidiaries.

Coherently, the Company manages the credit risk through a system of local Committees, credit policies, authority levels and operational limits according to the Group requirements.

Specifically, the following Committees have been established with the aim to monitor and control the credit risk:

- The Credit Committee, with governance on the credit risk policies, credit scorecards, credit approval limits, review and analysis of risk performance and credit approval requests, within its delegation of power.
- The Residual Value Committee, with the mission to determine the applicable Residual value for the financed vehicles' models.
- The Bad Debt Provisioning Internal Committee, approving the bad loans provisions and the resulting total cost of risk.

With reference to the tools implemented to mitigate the Credit risk, the Company adopts systems of Credit scoring both for the Dealer Financing business and for the Retail Financing, together with the management and monitoring of a watch list for critical counterparties.

Finally, the Local Credit Manual embodies the guidelines of the Central Credit Manual and specifies the definition of the criteria and standards concerning credit rules, customer requirements, credit analysis, documentation and disbursement, the administration and credit enhancements necessary to help decision-makers to select customers suited to the type of instalment loan offered by the Company.

Operational risk

The Company is exposed to the operational risk which is the risk of losses arising from the inadequacy or failure of procedures, resources and internal systems or external events. It includes legal risk but not strategic and reputation risk.

The Company manages its operational risks with processes and procedures to identify, monitor and mitigate such risks: operational risks are mapped and specific actions are taken to minimize them.

In particular, the operational risk management model consists of the following processes:

- mapping of operational risks by process,
- recording of loss events with quarterly frequency
- analysis and classification of risk and loss events and definition, where necessary, of risk control and mitigation actions.

Concentration risk

The Concentration risk is the risk associated with the exposure to counterparties, groups of related counterparties and counterparties operating in the same industry or carry out the same activity or belonging to the same geographical area.

The Company measures its concentration risk to counterparties or groups of related counterparties for its loan portfolio by monitoring on a monthly basis its largest exposures.

Furthermore, within the yearly risk assessment process, the so-called Granularity Adjustment (GA) method is applied to measure the portfolio concentration.

Interest rate risk

The interest rate risk is defined as the risk associated with potential changes in interest rates.

More specifically, it arises from any mismatch between the re-pricing dates of assets and liabilities (the date on which interest rates are reset is the maturity date for fixed-rate loans and the end of the interest period for floating-rate loans).

To manage interest rate risk, the Company operates in coordination to Central Treasury to neutralize/minimize the impact of interest rate volatility on the Company's assets and liabilities.

Interest rate risk is monitored through the duration gap analysis – by comparing the duration of the Company's asset portfolio with that of its financial liabilities – to ensure that the difference between the two is kept within pre-established limits.

Liquidity risk

Liquidity risk refers to the Company's inability to meet its financial obligations as they come due and payable.

The Company identifies and manages the liquidity risk in coordination with Central Treasury which is responsible for all of the Group companies' cash management activities and funding transactions.

Coherently, the Company covers the liquidity risk by matching the maturities of its assets and its liabilities by amounts and tenor, according to the Group Policy and guidance.

Exchange rate risk

The exchange rate risk is defined as the risk associated with potential changes in cross currency exchange rates to the extent that part of the Company's economic results is recognized in currencies other than Swiss Francs.

The Company manages its foreign exchange risk exposures aligning assets and liabilities denominated in currencies other than Swiss Francs or through the use of financial hedging instruments.

Strategic risk

The strategic risk is the risk related to the capacity of the Company to accomplish its goals.

The Company's business is substantially and mainly dependent upon the sales of vehicles produced by FCA and Maserati and upon its ability to offer competitive financing in its market place.

The Company monitors the Strategic risk with a set of qualitative scorecards in order to assess and mitigate such risks.

The management Committee reviews regularly the commercial, risk and financial results and the status of significant projects.

Reputational risk

The reputational risk is defined as the risk related to potential losses resulting from damages to the Company's image by customers, counterparties, shareholders, investors or supervision authorities.

The Company feels that reputation risk might be considered a "subordinated" risk, i.e. a consequence that might result from different types of risk with an impact also on its image.

In setting out its operating procedures, the Company takes into account possible reputational consequences.

Non-compliance risk

Non-compliance risk refers to the risk of incurring into judicial or administrative sanctions, significant financial losses or reputational damages following a breach of imperative norms (laws, rules, regulations) or self-regulation (e.g. bylaws, codes of conduct, codes of ethics).

The Compliance function of the Company oversees the compliance risk management of the whole company's rules and regulations according to a risk based approach and taking into account any expected regulatory evolution, best practices and shareholders' guidelines. It establishes second level controls in order to verify that rules and regulations are properly implemented in the company.

Market risk

Market risk refers to the risk that fair value of investments in the company's books changes due to the performance of financial markets, generating unexpected income or losses on the Company's results. As the Company does not hold investments in securities or derivatives for trading purposes, it is not exposed to such risk.

POST BALANCE SHEET EVENTS

No relevant events occurred since the closing of accounts for 2021 which might have material impact on 2021 financial position.

FUTURE PROSPECTS

The Directors expect a satisfactory profitability also in 2022, notwithstanding the risks above to which the Company is exposed, mainly the trend of demand in the relevant automotive car market which will be impacted by the pandemic crisis and the potential lockdowns, the competition from other players on the Swiss Car financing market and the credit risk performance.

The Stellantis Group, under the holding company Stellantis N.V., was created in 2021 from the merger of the FCA Group (Fiat, Abarth, Fiat Professional, Alfa Romeo, Jeep, Maserati, Lancia, RAM, Dodge, Chrysler) with the PSA Group (Peugeot, Citroen, DS and Opel).
In Switzerland, the Stellantis Group sold its subsidiary FCA Switzerland SA to the Spanish Astara Group. FCA Capital SA entered into a cooperation with the Astara Group in order to continue offering leasing and dealer financing in the Swiss market for the brands Fiat, Abarth, Alfa Romeo, Jeep and Fiat Professional.

On December 17th, 2021, Crédit Agricole announced that CA Consumer Finance intends to establish on a stand-alone basis a pan-European, multi-brand operator in automotive financing, leasing and mobility, acquiring the 50% stakes in FCA Bank and Leasys Rent currently owned by Stellantis. Leveraging on the expertise provided by FCA Bank and Leasys Rent, the new wholly owned entity would offer white-label services and also target platforms, car-dealerships and short-term leasing operators. The proposed transactions should be completed during the first half of 2023 once the required authorization has been obtained from the relevant antitrust authorities and market regulators.

The Directors regard the current organization as appropriate to sustain the business organic growth.

RESULTS AND DIVIDENDS

The results for the year are set out in the Statement of Comprehensive Income. A dividend was paid during the year (CHF 19’300’000).

DIRECTORS’ AND OFFICERS’ INTERESTS

None of the Directors nor the Company secretary has any interests in the share capital of the Company at the beginning or end of the year ended 31 December 2021.

Signed on behalf of the Board of Directors:

(Giacomo Carelli)

(Federico Berra)

Date: 18 March 2022

FINANCIAL STATEMENTS

FCA CAPITAL SUISSE SA

Zürcherstrasse 111

8952 – Schlieren

31 December 2020

FCA CAPITAL SUISSE SA, SCHLIEREN

BALANCE SHEET AS OF 31 DECEMBER 2021

(in Swiss francs)

ASSETS	**Note**	**31.12.2021**	**31.12.2020**
Current assets			
Cash		26'461	225'824
Current receivables towards Group companies & shareholders	7.	27'848'099	0
Trade receivables		195'012'858	238'268'837
due from third parties		194'778'201	234'345'136
from financial leases & retail	4.	122'027'011	119'291'772
from financing to dealers	3.	72'223'648	115'041'733
other trade receivables *		527'542	11'631
due from Group companies & shareholders		234'657	3'923'701
from financial leases & retail	4.	130'896	2'182'040
from financing to dealers	3.	0	840'830
other trade receivables *		103'761	900'832
Accrued income and prepaid expenses		5'280'051	5'310'776
Financial assets designated at fair value	5.	2'353'791	838'261
Total current assets		**230'521'260**	**244'643'697**
Non-current assets			
Financial assets		0	5'000
Receivables from financial leases & retail	4.	201'241'895	222'938'550
due from third parties		201'241'895	221'070'687
due from Group companies & shareholders		-	1'867'863
Tangible assets		544'857	663'900
Intangible assets		43'935	78'624
Total non-current assets		**201'830'686**	**223'686'074**
TOTAL ASSETS		**432'351'946**	**468'329'771**

** remapping of VAT receivables and payables*

FCA CAPITAL SUISSE SA, SCHLIEREN

BALANCE SHEET AS OF 31 DECEMBER 2021

(in Swiss francs)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31.12.2021	31.12.2020
Short-term liabilities			
Trade payables		1'905'220	4'535'390
due to third parties*		1'836'368	4'486'383
due to Group companies, shareholders and members of the governing bodies		68'852	49'007
Short-term interest-bearing liabilities		21'512'129	225'211'113
due to third parties		20'000'000	115'000'000
Bank overdraft to third parties		0	0
Short term loans to third parties		20'000'000	15'000'000
Bonds issued	6.	0	100'000'000
due to Group companies and shareholders		1'512'129	110'211'113
Bank overdraft	7.	1'512'129	15'211'113
Short term loans		0	95'000'000
Financial liabilities designated at fair value	5.	2'353'791	838'261
Other short-term liabilities third parties	9.	321'704	416'524
Accrued expenses and deferred income		10'659'605	9'828'774
Short-term provisions	15.	4'549'041	4'549'041
Total short-term liabilities		**41'301'490**	**245'379'103**
Long-term liabilities			
Long-term interest-bearing liabilities		325'000'000	145'000'000
Bonds issued	6. / 8.	325'000'000	125'000'000
Loans due to third parties	8.	0	20'000'000
Long-term provisions		111'169	166'531
Total long term liabilities		**325'111'169**	**145'166'531**
Total liabilities		**366'412'659**	**390'545'635**
Shareholders' equity			
Shareholder capital		24'100'000	24'100'000
Statutory retained earnings		12'050'000	10'513'914
Voluntary retained earnings		29'789'287	43'170'223
Balance brought forward		22'334'137	31'255'584
Profit for the year		7'455'151	11'914'640
Total shareholders' equity		**65'939'286**	**77'784'137**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**432'351'946**	**468'329'771**

** remapping of VAT receivables and payables*

FCA CAPITAL SUISSE SA, SCHLIEREN

PROFIT AND LOSS STATEMENT 2021

(in Swiss francs)

Profit & Loss Statement	**Note**	**2021**	**2020**
Financial income from leasing	10.	23'725'779	24'306'614
Financial income from dealer financing		4'852'980	6'918'884
Other income from leasing & retail		719'814	452'060
Financial income		**29'298'573**	**31'677'557**
Financial costs		-2'385'375	-2'426'342
Net financial income		**26'913'198**	**29'251'215**
Commission expenses		-2'275'350	-2'566'802
Losses and provision for bad debts, net		-4'329'615	-426'894
Other operating costs		-506'323	-695'846
Gross Profit		**19'801'910**	**25'561'672**
Personnel expenses		-6'133'860	-5'935'364
General and administrative costs	11.	-4'045'908	-3'919'922
Depreciation & valuation adjustment of tangible and intangible assets		-344'814	-395'812
Non-operating income		137'461	43'533
Non-operating expenses		-12'492	-8'294
PROFIT/LOSS BEFORE TAXES		**9'402'297**	**15'345'814**
Direct taxes		-1'914'080	-3'300'159
Withholding taxes		-33'066	-131'016
PROFIT FOR THE YEAR		**7'455'151**	**11'914'640**

FCA CAPITAL SUISSE SA, SCHLIEREN

CASH FLOW STATEMENT 2021

(in Swiss francs)

Cash flow statement		**2021**	**2020**
Profit for the year (loss)		**7'455'151**	**11'914'640**
Depreciation and valuation adjustments to tangible and intangible assets		344'814	395'812
Net increase/decrease in long-term provisions		-55'362	-24'672
Net increase/decrease in receivables from financial leases &retail	4.	21'012'560	18'425'040
Net increase/decrease in receivables from financing to dealers	3.	43'658'915	39'667'486
Net increase/decrease in other trade receivables*		281'159	-284'480
Net increase/decrease in financial assets		5'000	-4'700
Net increase/decrease in accrued income and prepaid expenses		30'724	1'503'572
Net increase/decrease in accounts payable trade*		-2'630'170	385'188
Net increase/decrease in other short-term liabilities (excluding financial liabilities)		-94'820	-69'606
Net increase/decrease in accrued expenses and deferred income		830'830	-7'653
Profit / loss on sale of tangible and intangible assets		-135'742	-40'289
Cash flow from operating activities		**70'703'060**	**71'860'337**
Purchases of tangible assets		-320'696	-548'837
Proceeds from tangible assets		273'887	105'354
Purchases of intangible assets		-8'531	-19'755
Cash flow from investing activities		**-55'340**	**-463'238**
Increase in current receivables and decrease in short-term liabilities towards group companies & shareholders **	7.	-137'532'938	-7'597'800
Decrease in current receivables and increase in short-term liabilities towards group companies & shareholders **	7.	985'315	132'677'949
Decrease in short-term and long term financial liabilities - Third Parties**	8.	-15'000'000	-2'239
Increase in short-term and long-term financial liabilities - Bond	6. / 8.	200'000'000	0
Decrease in short term and long-term financial liabilities - Bond	6. / 8.	-100'000'000	-175'000'000
Payment of dividends		-19'300'000	-21'500'000
Cash flow from financing activities		**-70'847'623**	**-71'422'090**
Net increase/decrease in cash and cash equivalents		**-199'903**	**-24'992**
Statement of net increase/decrease in cash and cash equivalents			
As at January 1		225'824	250'815
As at December 31		26'461	225'824
Net increase/decrease in cash and cash equivalents		**-199'363**	**-24'992**

** remapping of VAT receivables and payables*
*** grouping of short term and long term liabilities*

FCA CAPITAL Suisse

FCA CAPITAL SUISSE SA, SCHLIEREN

NOTES AS OF 31 DECEMBER 2021

1. General

FCA Capital Suisse SA, located in Zurcherstrasse 111, Schlieren (CH), is a wholly owned subsidiary of FCA Bank S.p.A., Italy, which is a 50-50 joint-venture between FCA Italy S.p.A. and Crédit Agricole Consumer Finance SA. The Company provides specialized financial services to customers and dealers (mainly of the brands Fiat, Abarth, Fiat Professional, Alfa Romeo, Jeep, Maserati, Ferrari, Erwin Hymer Group, Lotus and Aston Martin) and its principal activities are leasing and stock financing of cars.
The Stellantis Group, under the holding company Stellantis N.V., was created in 2021 from the merger of the FCA Group (Fiat, Abarth, Fiat Professional, Alfa Romeo, Jeep, Maserati, Lancia, RAM, Dodge, Chrysler) with the PSA Group (Peugeot, Citroen, DS and Opel).
In Switzerland, the Stellantis Group sold its subsidiary FCA Switzerland SA to the Spanish Astara Group. FCA Capital SA entered into a cooperation with the Astara Group in order to continue offering leasing and dealer financing in the Swiss market for the brands Fiat, Abarth, Alfa Romeo, Jeep and Fiat Professional.

On December 17th, 2021, Crédit Agricole announced that CA Consumer Finance intends to establish on a stand-alone basis a pan-European, multi-brand operator in automotive financing, leasing and mobility, acquiring the 50% stakes in FCA Bank and Leasys Rent currently owned by Stellantis. Leveraging on the expertise provided by FCA Bank and Leasys Rent, the new wholly owned entity would offer white-label services and also target platforms, car-dealerships and short-term leasing operators. The proposed transactions should be completed during the first half of 2023 once the required authorization has been obtained from the relevant antitrust authorities and market regulators.

2. Accounting principles

The financial statements are prepared in accordance with the provisions of the Swiss Code of Obligations.
According to Art. 30 ARB, the Company is exempted from preparing the financial statements according to International standards as the Bonds issued by the Company are guaranteed by the Shareholder, FCA Bank S.p.A.

Financial income from leasing and dealer financing
Financial income from contracts with customers is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount can be reliably quantified. In particular, for all financial instruments measured at amortized cost, such as loans and receivables to customers, interest income is recorded using the effective interest rate, whereas the Residual Values are based on the best estimate of the value of the asset at the end of the contract.
The Company is also offering insurance products to its customers, acting as an agent to insurance companies. The Company receives from the insurance companies commissions for each transaction, while the customers are charged a monthly premium. Commissions and premiums are recognized monthly when the insurance services are rendered.

Non operating income and non operating expenses
The income or the expenses deriving from the sale of tangible assets is recognized as non operating income and non operating expenses.

Tangible and Intangible assets
The goods purchased by the Company are recognized as assets when it is likely that the future economic benefits associated with them will flow to the entity, and the cost of the asset can be measured reliably.
Tangible assets are related to Company's equipment, electronic devices and company cars, while Intangible assets refer to ICT softwares and licenses.
The amortization scheme foresees a standard amortization period of 3 years for Tangible assets; for Intangible assets the standard amortization period is 3 years, a 5 years' period applies in case of significant ICT investments.

Hedging positions

Hedging positions and the hedged items they are referring to are presented at fair value in the financial statements. The resulting fair values of the hedging positions and the changes of fair values for hedged items (portfolios of trade receivables, bonds) are stated as financial assets or financial liabilities designated at fair value. The hedge-effectiveness is checked by the Company on an annual basis. We refer to note 5 for additional information.

Witholding taxes
Within the standard dealer financing business model, the Company is financing certain invoices for new cars issued from companies located outside Switzerland. The invoices issued by the Company for the interests charged are in certain cases subject to wiholding tax duties in the home country of the customer invoiced.

Bonds issued
The bonds issued are recorded at the nominal value. The debt issuance costs are deferred and amortized over the duration of the debt instrument.

3. Receivables from financing to dealers

	31.12.2021	31.12.2020
Gross receivables	78'109'541	118'430'784
Less: Allowance for doubtful debtors	-5'885'893	-2'548'221
Trade Receivables from financing to dealers	72'223'648	115'882'563

The increase in the amount of allowances during the year 2021 is affected by specific provisions on certain dealers, deriving from concerns about their financial structure, and by additional allowances following the revision of the portfolio guarantee coverage.

4. Receivables from financial leases & retail

	31.12.2021	31.12.2020
Leasing contract	202'864'510	224'051'509
Residual value of leased vehicle	161'291'589	164'843'376
Leasing deposit	-36'064	-60'451
Unearned income	-32'087'693	-35'677'696
Less: Allowance for doubtful debtors	-8'632'540	-8'744'375
Receivables from financial leases & retail, net	323'399'802	344'412'362
thereof:		
- current financial lease assets	122'157'907	121'473'812
- non-current financial lease assets	201'241'895	222'938'550

5. Hedging positions

	31.12.2021	31.12.2020
Assets - Fair value of derivates used for hedging	2'288'852	246'167
Assets - Fair value changes of hedged items portfolio	64'939	592'093
Financial assets designated at fair value	2'353'791	838'261
Liabilities - Fair value of derivates used for hedging	64'939	673'812
Liabilities - Fair value changes of hedged items portfolio	596'618	18'766
Liabilities - Fair value adjustment hedged bonds	1'692'235	145'683
Financial liabilities designated at fair value	2'353'791	838'261

6. Bonds issued

	31.12.2021	31.12.2020
Interest rate: p.a. 0.75% Issue date: 29.06.2016 Maturity date: 29.11.2021	-	100'000'000
Interest rate: p.a. 0.1% Issue date: 23.10.2019 Maturity date: 23.10.2023	125'000'000	125'000'000
Interest rate: p.a. 0.0519% Issue date: 15.07.2021 Maturity date: 20.12.2024	200'000'000	
Total bonds issued	325'000'000	225'000'000

7. Cash pooling

The Company is part of a Pan-European "zero balancing" cash pooling system in place among FCA Bank Group companies, where funds in excess can be deposited and an overdraft facility is available to finance the Company's short term funding needs. The Company is the contractual counterparty of several accounts on Citibank N.A. London Branch ("Citibank"). At the end-of-day processing, the balances of these accounts are transferred to the master accounts of FCA Bank S.p.A. Irish branch, Ireland (Irish branch of the Company's Parent Company) at Citibank and are stated as"short term receivables towards Group companies & shareholders" in the Company's balance sheet, and withdrawals are credited accordingly.

	31.12.2021	31.12.2020
Current receivables towards Group companies & shareholders	27'848'099	-
Short-term interest-bearing liabilities due to Group companies and shareholders	1'512'129	15'211'113

FCA CAPITAL Suisse

8. Maturity structure of the long term interest bearing liabilities

	31.12.2021	31.12.2020
bonds issued (maturity refer to note 6)	325’000’000	125’000’000
due to third parties (maturity < 5 year)	-	20’000’000
Total long-term interest-bearing liabilities	325’000’000	145’000’000

9. Payable to the pension fund

	31.12.2021	31.12.2020
	151’748	163’336

10. Financial income from leasing

	31.12.2021	31.12.2020
Interest income from leasing	21’115’006	22’181’198
Income from insurance services	2’610’772	2’125’416
	23’725’779	**24’306’614**

11. General and administrative costs

	31.12.2021	31.12.2020
Administration costs	-402’586	-444’596
Consultancy	-318’068	-305’491
Facility Management	-497’739	-456’256
Marketing costs	-217’368	-150’052
Training & Recruiting	-27’690	-29’474
Travel expenses	-134’907	-120’898
Underwriting Costs Commissions	-280’961	-366’818
Costs for services (insurance, maintenance)	-1’388’923	-1’132’056
Information technology	-589’202	-741’600
Collection fees	-188’464	-172’681
	-4’045’908	**-3’919’922**

12. Fees paid to the auditor

	31.12.2021	31.12.2020
Audit services	155’800	143’250
Other services	7’500	-

13. Full-time positions

As of 31 December 2021 FCA Capital Suisse SA employed 53 fulltime employees. On average FCA Capital Suisse SA employed 55 FTEs in 2021, in line with the average of year 2020.

14. Long term obligations

	31.12.2021	31.12.2020
1 to 5 years	1’452’575	
> 5 years		1’743’090

Renting costs of the Company's premises with next right of termination as of December 2026.

15. Legal disputes

On June 26, 2019 the Swiss Competition Commission (referred to "ComCo") imposed a fine of CHF 4'421'232 against FCA Capital SA for allegedly infringing the Swiss Cartel Act. FCA Capital Suisse SA has challenged the wording of this decision before the Federal Administrative Court, and this appeal is still pending. Given the risk that the fine is likely to become legally binding, FCA Capital Suisse SA raised in prior years a provision of CHF 4'549'041 accounting for the fine as well as the estimated future costs of the ComCo proceeding.

16. The impact of Covid-19 on FCA Capital Suisse SA

The first half of the year 2021 showed a gradual normalization of the economic picture, with clear signs of recovery in the last few months.

During the lockdown the Swiss Government implemented new measures to support companies which had to introduce short-time work. The Company applied in the first quarter of year 2021 a new working plan in order to reduce to the workload and make savings on the labour cost side.
Almost 100% of staff were affected by short-time work and the Company received a contribution by the Swiss Government of CHF 51'130 for these measures. This contribution was accounted for as a reduction of personnel expenses.

FCA CAPITAL SUISSE SA, SCHLIEREN

APPROPRIATION OF AVAILABLE EARNINGS
(Proposal by the Board of Directors)

APPROPRIATION OF AVAILABLE EARNINGS

	31.12.2021	**31.12.2020**
Balance brought forward	43'170'223	31'255'584
Extraordinary dividend paid in 22.09.2021	-19'300'000	-
Allocation to statutory retained earnings in 22.09.2021	-1'536'087	-
Profit for the year	7'455'151	11'914'640
Available earnings	**29'789'287**	**43'170'223**
Dividend	-	-
Allocation to statutory retained earnings	-	-
Balance to be carried forward	**29'789'287**	**43'170'223**

Signed on behalf of the Board of Directors:

Date: 18 March 2022

FCA Capital Suisse SA
Schlieren

Report of the statutory auditor
to the General Meeting

on the financial statements 2021

Report of the statutory auditor

to the General Meeting of FCA Capital Suisse SA

Schlieren

Report on the audit of the financial statements

Opinion

We have audited the financial statements of FCA Capital Suisse SA, which comprise the balance sheet as at 31 December 2021, profit and loss statement, cash flow statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements pages 16 to 23 as at 31 December 2021 comply with Swiss law and the company's articles of incorporation.

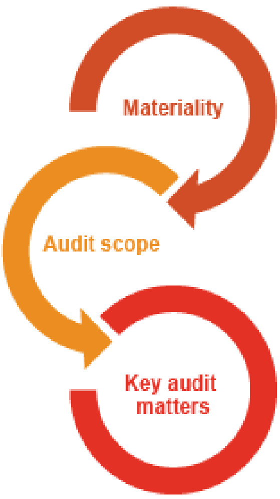
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 2 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As a key audit matter the following area of focus has been identified:

Recoverability of current and non-current receivables from financial leases & retail and financing to dealers

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 2 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the entity is most commonly measured and it is a generally accepted benchmark.

We agreed with the Board of Directors that we would report to them misstatements above CHF 0.1 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of current and non-current receivables from financial leases & retail and financing to dealers

Key audit matter	How our audit addressed the key audit matter
FCA Capital Suisse SA offers various financial services, predominantly financing vehicles to private and commercial customers. In this context, current and non-current receivables from financial leases & retail and financing to dealers totalling CHF 395.6 million are reported in the financial statements as at the balance sheet date (approximately 91.5 % of total assets). Allowance for doubtful debtors amounting to CHF 5.9 million (financing to dealers) and CHF 8.6 million (financial leases & retail) recognised on these receivables as at the balance sheet date are disclosed in the note 3 and 4 to the financial statements. The company's disclosures on the applied accounting policies, assumptions, judgments and estimations are contained in the notes to the financial statements under note 2. In order to determine the amount of the necessary allowance for doubtful debtors to be recognised with respect to receivables from financial leases & retail and financing to dealers, FCA Capital Suisse SA, among others, evaluates the creditworthiness of the private and commercial customers, as well as any loss ratios and risk provisioning parameters which are derived based on historical default probabilities and loss ratios from a FCA Bank groupwide implemented tool. Furthermore, the necessity for specific risk factors is assessed locally on a scenario basis. The determination of the allowance for doubtful debtors by the executive directors is subject to a significant degree of judgment due to several value-influencing factors such as the mentioned estimation involved and was therefore of particular relevance in the context of our audit.	As part of our audit, we obtained a comprehensive understanding of the development of receivables from financial leases & retail and financing to dealers, the associated default related risks as well as the business processes for the identification, management, monitoring and measurement of default risks, among other things, by inquiries and inspection of documents on the internal calculation methods. Furthermore, we evaluated the appropriateness and effectiveness of the internal control system regarding the determination of the allowance for doubtful debtors. In this context, we also evaluated the relevant IT systems and internal processes. The evaluation included an assessment by our IT specialists of the appropriateness of the systems concerned. As part of our audit of the calculation of the allowance for doubtful debtors, we analysed the macroeconomic scenarios, tested the calculation and analysis of model sensitivity and assured the quality of data used in the calculation by a substantive sample testing, third party confirmations and testing of the relevant IT system associated functionalities. We consider management's assessment of the recoverability of current and non-current receivables from financial leases & retail and financing to dealers, including assumptions used, to be reasonable.

Other matter

The financial statements of FCA Capital Suisse SA for the year ended 31 December 2020 were audited by another firm of auditors whose report, dated 9 March 2021, expressed an unmodified opinion on those statements.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Leonardo Bloise	Severin Merkle
Audit expert Auditor in charge	Audit expert

Zürich, 18 March 2022