SECOND SUPPLEMENT DATED 4 APRIL 2014 TO THE BASE PROSPECTUS DATED 27 SEPTEMBER 2013

FGA CAPITAL IRELAND P.L.C.

(incorporated with limited liability in Ireland)

€4,000,000,000
Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by

FGA CAPITAL S.p.A.

(incorporated with limited liability in the Republic of Italy)

This second Supplement (the **Supplement**) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 27 September 2013, as previously supplemented by the supplement dated 9 January 2014 (together, the **Base Prospectus**) relating to the €4,000,000,000 Euro Medium Term Note Programme established by FGA Capital Ireland p.l.c. (the **Issuer**) and unconditionally and irrevocably guaranteed by FGA Capital S.p.A. (the **Guarantor**). This Supplement constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the **Prospectus Regulations**) and is prepared in order to update the Base Prospectus. Unless otherwise stated herein, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is for the purposes of (i) updating the "Documents Incorporated by Reference" section of the Base Prospectus in order to incorporate by reference the Issuer's audit report and audited annual financial statements for the financial year ended 31 December 2013, (ii) disclosing the Guarantor's consolidated financial results for the financial year ended 31 December 2013, and (iii) updating the paragraph headed "2. History and Development" in the "Description of the Guarantor" section of the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland (the **Central Bank**), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

The language of the Supplement is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

The Issuer accepts responsibility for the information contained in this Supplement and the Guarantor accepts responsibility for the information relating to itself and the Guarantee contained in this Supplement. To the best of the knowledge and belief of the Issuer and, in respect of the information relating to itself and the Guarantee only, the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

DOCUMENTS INCORPORATED BY REFERENCE – ISSUER FINANCIAL STATEMENTS

On 12 February 2014, the Issuer's board of directors approved its financial statements for the financial year ended 31 December 2013, which have been audited by Ernst & Young (the **Issuer Financial Statements**). The Issuer Financial Statements were presented to the Issuer's shareholders at the Issuer's shareholders' meeting held on 14 March 2014. A copy of the Issuer Financial Statements has been filed with the Irish

Stock Exchange. By virtue of this Supplement, the information set out in the cross-reference table below, which is contained in the Issuer Financial Statements, is incorporated in, and forms part of, the Base Prospectus.

Any information contained in the Issuer Financial Statements but not included in the cross-reference table below is not incorporated by reference in the Base Prospectus and should be read for information purposes only. Any information contained in the Issuer Financial Statements which is not expressly incorporated by reference in this Supplement does not form part of this Supplement and is either not relevant to investors or is covered elsewhere in this Supplement or the Base Prospectus.

Documents	**Information incorporated**	**Page Reference**
Financial statements of FGA Capital Ireland p.l.c. for the financial year ended 31 December 2013	Statement of Comprehensive Income for the year ended 31 December 2013	Page 15
	Statement of Financial Position as at 31 December 2013	Page 16
	Statement of Changes in Equity for the year ended 31 December 2013	Page 17
	Statement of Cash Flows for the year ended 31 December 2013	Page 18
	Notes to the Financial Statements for the year ended 31 December 2013	Pages 19 to 40
	Statement of Accounting Policies	Pages 9 to 14
	Independent Auditors' Report to the Members of FGA Capital Ireland plc	Pages 7 to 8

Copies of all documents incorporated by reference in the Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London, as described on page 22 of the Base Prospectus. The Issuer Financial Statements can also be found on the following website: http://www.ise.ie/debt_documents/FGA%20Capital%20Ireland%20plc%20%20-%20Annual%202013%20Financial%20Statements(12227947_1)_21e087ce-87df-4fdb-9d9e-31e977a22c26.PDF.

GUARANTOR'S SUMMARY CONSOLIDATED FINANCIAL RESULTS

On 17 February 2014, the Guarantor's board of directors approved the Guarantor's consolidated financial results for the financial year ended 31 December 2013 (the **Guarantor Financial Results**), which have been audited by Reconta, Ernst & Young S.P.A. The Guarantor Financial Results were approved at the Guarantor's shareholders' meeting held on 20 March 2014.

The Guarantor Financial Results are set out at pages F-1 to F-61 of this Supplement.

UPDATE TO THE SECTION DESCRIPTION OF THE GUARANTOR

Further to the execution of a co-operation agreement between Maserati S.p.A. and the Guarantor and the extension of the term of the co-operation agreement entered into in July 2008 by the Guarantor, Jaguar and

Land Rover, the paragraph entitled "2. History and Development" on page 58 of the Base Prospectus in the section "Description of the Guarantor" is hereby deleted in its entirety and replaced as follows:

"**2. HISTORY AND DEVELOPMENT**

The FGA Capital Group resulted from the de-merger and the subsequent sale of a 50 per cent. interest in the European financial services division of Fiat Group Automobiles to Crédit Agricole Consumer Finance, as further described below.

The FGA Capital Group comprises subsidiaries that have been operating in the financing business for a number of years. Fiat Group Automobiles has extended credit to its customers directly since the early part of the 1920s. Until the mid-1980s, the existing international retail and wholesale finance activities were carried out by Fiat Credit International and its European subsidiaries. In Italy, the financial services activities were carried out by various companies, headed by Fiat Sava S.p.A.

Prior to 1996, the activities now conducted by the FGA Capital Group were part of Fidis S.p.A., which was a publicly-listed company. Fiat was its major shareholder with a 52 per cent. shareholding, while the remaining 48 per cent. of the shares was held by the public. In February 1996, Fiat launched a public tender offer for the publicly-held portion and subsequently de-listed Fidis S.p.A. In the same year, Fiat Group reorganised and transferred control of Fidis S.p.A. to Fiat Auto S.p.A. (currently Fiat Group Automobiles), its car division.

In May 2003, FRI, then a recently-incorporated corporation, was de-merged from Fiat Group Automobiles, with a 51 per cent. stake transferred to Synesis Finanziaria S.p.A., a company owned by a pool of major Italian banks. FRI managed, through its subsidiaries, the retail financing activities of Fiat Group Automobiles in Europe.

A new partnership (the **Joint Venture**) between Fiat Group Automobiles and Crédit Agricole was announced on 24 July 2006, signed on 14 October 2006 and approved by the European Antitrust Commission on 5 December 2006. On 28 December 2006 the Joint Venture became effective, when on the same date:

- FGA exercised a call option on the 51 per cent. stake of FRI formerly owned by Synesis Finanziaria S.p.A.;
- FRI's wholly-owned Italian subsidiary, Fiat SAVA S.p.A., was merged into FRI;
- FRI was included in the special register of financial intermediaries held by the Bank of Italy under Article 107 of Italian Legislative Decree No. 385 of 1 September 1993, as amended (the Italian Banking Law);
- all of FGA's equity interests in companies operating in the dealer network financing and fleet rental sectors in Europe were brought together under FRI;
- FGA financed a share capital increase in order to provide the Joint Venture with financial resources adequate for the increased portfolio and in line with the foreseen expansion of volumes; and
- FGA sold to Sofinco S.A. (now Crédit Agricole Consumer Finance) 50 per cent. of the share capital of FRI.

The name of the Guarantor was then changed the day after to Fiat Auto Financial Services S.p.A and subsequently to Fiat Group Automobiles Financial Services S.p.A., when Fiat Auto S.p.A changed its name to Fiat Group Automobiles S.p.A.

On 1 January 2009, the Guarantor changed its name to FGA Capital S.p.A.

The Guarantor is both the holding company and the Italian operational arm of the FGAC Group.

In July 2008, the FGAC Group signed a co-operation agreement with Jaguar and Land Rover, on the basis of which it has gradually been developing a comprehensive range of financial products (both retail financing and dealer network financing) for Jaguar and Land Rover dealers and customers in certain European countries, with a minimum term up to 31 January 2014 which has been extended up to 31 December 2017. The FGA Capital Group provides financial services for Jaguar Land Rover in Austria, Belgium, France, Germany, Italy, the Netherlands, Portugal and Spain.

Since October 2009 and in connection with the global alliance between Fiat and Chrysler LLC (Chrysler), the FGAC Group has entered into an agreement to finance the Chrysler group retail financing and dealer network financing business in Europe. On 21 January 2014, Fiat announced the acquisition of the remaining equity interests in Chrysler Group LLC from VEBA Trust. Chrysler Group is now a wholly-owned subsidiary of Fiat.

In December 2013, Maserati S.p.A. announced a co-operation agreement with FGAC in the field of car financing concerning all of Maserati's financing activities for its distribution network, end customers and rental fleets, which will be effective in the countries in which the FGAC Group operates."

SIGNIFICANT OR MATERIAL CHANGE

The paragraph "Significant or Material Change" on page 85 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

"There has been no significant change in the financial or trading position of the Guarantor or the FGAC Group since 31 December 2013 or in the financial or trading position of the Issuer since 31 December 2013, and there has been no material adverse change in the financial position or prospects of the Issuer, the Guarantor or the FGAC Group since 31 December 2013."

GENERAL

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

INDEX TO THE GUARANTOR'S FINANCIAL RESULTS

Page

CONSOLIDATED FINANCIAL STATEMENTS
at December 31, 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€/thousands)

	DESCRIPTION	31/12/2013	31/12/2012 (*)	01/01/2012 (*)
10.	Cash and cash equivalents	48	63	60
20.	Financial assets held for trading	36,823	58,690	15,397
40.	Financial assets held for sale	-	-	-
50.	Financial assets held to maturity	9,665	10,437	10,937
60.	Receivables	14,372,526	13,441,237	14,792,365
70.	Hedging derivatives	17,958	19,119	17,365
80.	Adjustments to hedged financial assets (macrohedge) (+/-)	47,141	130,842	67,499
90.	Investments	108	108	108
100.	Property, plant and equipment	1,040,508	1,054,705	1,157,990
110.	Intangible assets	215,216	207,680	198,005
120.	Tax assets	183,999	177,531	192,191
	a) current	29,889	33,626	50,765
	b) deferred	154,110	143,905	141,426
	law 214/2011			
140.	Other assets	638,788	641,481	550,971
	TOTAL ASSETS	**16,562,780**	**15,741,893**	**17,002,888**

(*) Following application of the amendment to IAS 19, figures for prior periods have been restated. Compared to the figures reported in the Consolidated Financial Statements at 31 December 2012, equity was reduced by €2,92 million.

LIABILITIES AND EQUITY (€/thousands)

	DESCRIPTION	31/12/2013	31/12/2012 (*)	01/01/2012 (*)
10.	Payables	7,483,711	8,270,706	10,281,872
20.	Notes issued	6,366,608	4,871,420	4,312,418
30.	Financial liabilities held for trading	38,643	59,865	15,938
50.	Hedging derivatives	69,971	156,736	102,549
70.	Tax liabilities	86,605	81,584	99,439
	a) current	41,139	38,594	59,026
	b) deferred	45,466	42,990	40,413
90.	Other liabilities	535,713	484,107	479,754
100.	Post-employment benefits	12,630	13,190	12,599
110.	Provisions for risks and charges	166,650	144,007	128,278
	a) retirement and similar obligations	29,220	24,929	19,059
	b) other	137,430	119,078	109,219
	TOTAL LIABILITIES	**14,760,531**	**14,081,615**	**15,432,846**
120.	Share capital	700,000	700,000	700,000
150.	Share premium reserve	192,746	192,746	192,746
160.	Reserves	719,746	583,467	510,825
170.	Valuation reserve	5,335	6,614	3,255
180.	Profit (loss) for the period	170,330	164,692	151,824
190.	Non-controlling interests	14,092	12,759	11,392
	TOTAL EQUITY	**1,802,249**	**1,660,278**	**1,570,042**
	TOTAL LIABILITIES AND EQUITY	**16,562,780**	**15,741,893**	**17,002,888**

(*) Following application of the amendment to IAS 19, figures for prior periods have been restated. Compared to the figures reported in the Consolidated Financial Statements at 31 December 2012, equity was reduced by €2,92 million.

CONSOLIDATED INCOME STATEMENT

(€/thousands)

	DESCRIPTION		2013		2012 (*)
10.	Interest and similar income		752.179		858.767
20.	Interest and similar expenses		(380.992)		(447.432)
	NET INTEREST INCOME (EXPENSE)		**371.187**		**411.335**
30.	Fee and commission income		153.001		143.609
40.	Fee and commission expense		(53.041)		(53.936)
	NET FEE AND COMMISSION INCOME (EXPENSE)		**99.960**		**89.673**
60.	Profit (loss) from trading activities		(1.407)		(2.020)
70.	Gains (losses) on hedging activities		-		-
90.	Gains (lossis) on sale or repurchase:		-		860
	a) Available-for-sale assets	-		860	
	BANKING INCOME		**469.740**		**499.848**
100.	Impairment/reinstatement of value of:		(101.041)		(110.301)
	a) financial assets	(101.041)		(110.301)	
110.	Administrative expenses		(218.868)		(224.448)
	a) personnel expenses	(136.304)		(134.788)	
	b) other administrative expenses	(82.564)		(89.660)	
120.	Depreciation-Impairment/Reinstatement of value of PP&E		(259.678)		(291.953)
130.	Amortization-Impairment/Reinstatement of value of intangible assets		(4.855)		(3.878)
150.	Provisions for risks and charges		(17.065)		(15.433)
160.	Other operating income (expenses)		379.284		402.393
	OPERATING INCOME		**247.517**		**256.228**
	PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**247.517**		**256.228**
190.	Income tax on continuing operations		(75.848)		(90.167)
	PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**171.669**		**166.061**
	PROFIT (LOSS) FOR THE YEAR		**171.669**		**166.061**
210.	Profit (loss) attributable to non-controlling interests		1.339		1.369
220.	Profit (loss) attributable to the Parent Company's shareholders		170.330		164.692

(*) Following application of the amendment to IAS 19, figures for year 2012 have been restated. The changes are as follows: a reduction in profit of 783 thousand euro consisting of increase in costs for personnel expenses.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€/thousands)

	DESCRIPTION	2013	2012 (*)
10.	**Profit (loss) for the year**	**171,669**	**166,061**
	Other items of comprehensive income after taxes that will not be reclassified to profit or loss		
40.	Defined-benefit plans	(2,436)	(3,234)
	Other items of comprehensive income after taxes that may be reclassified to profit or loss		
80.	Exchange rate differences	(5,804)	11,086
90.	Cash flow hedge	6,961	(4,493)
130.	**Total other items of comprehensive income after taxes**	**(1,279)**	**3,359**
140.	**Comprehensive income (loss) (items 10+130)**	**170,390**	**169,420**
150.	Total comprehensive income (loss) attributable to non-controlling interests	1,339	1,369
160.	**Total comprehensive income (loss) attributable to owners of the parent**	**169,051**	**168,051**

(*) Following application of the amendment to IAS 19, figures for 2012 have been restated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS OF 31/12/2012 AND 31/12/2013

(€/thousands)

	Closing balance at 31.12.12	Changes in opening balance	Balance at 1.1.13	Allocation of profit from previous year		Changes during the year						Consolidated comprehensive income for 2013	Equity attributable to Parent Company's shareholders at 31.12.2013	Non-controlling interests at 31.12.2013
							Equity transactions							
				Reserves	Dividends and other allocations	Changes in reserves	New share issues	Share buyback	Special dividends paid	Changes in equity instruments	Other changes			
Share capital	700,000		700,000										700,000	
Share premium reserve	192,746		192,746										192,746	
Reserves	584,206	(739)	583,467	164,692	(30,554)	-			-		2,141	-	719,746	
a) retained earnings	*584,206*	*(739)*	*583,467*	*164,692*	*(30,554)*	-			-		*2,141*		*719,746*	
b) other	-		-										-	
Valuation reserve	8,012	(1,398)	6,614									(1,279)	5,335	
Equity instruments	-		-										-	
Treasury shares	-		-										-	
Profit (loss) for the year	165,475	(783)	164,692	(164,692)								170,330	170,330	
Equity attributable to Parent Company's shareholders	1,650,439	(2,920)	1,647,519	-	(30,554)	-	-	-	-	-	2,141	169,051	1,788,156	-
Non-controlling interest	12,759		12,759			(6)						1,339		14,092
TOTAL EQUITY	**1,663,198**	**(2,920)**	**1,660,278**	**-**	**(30,554)**	**(6)**	**-**	**-**	**-**	**-**	**2,141**	**170,390**	**1,802,249**	

(*) Following application of the amendment to IAS 19, figures for 2012 have been restated.

(€/thousands)

	Closing balance at 31.12.11	Changes in opening balance	Balance at 1.1.12	Allocation of profit from previous year		Changes during the year						Consolidated comprehensive income for 2012	Equity attributable to Parent Company's shareholders at 31.12.2012	Non-controlling interests at 31.12.2012
							Equity transactions							
				Reserves	Dividends and other allocations	Changes in reserves	New share issues	Share buyback	Special dividends paid	Changes in equity instruments	Other changes			
Share capital	700,000		700,000										700,000	
Share premium reserve	192,746		192,746										192,746	
Reserves	511,563	(739)	510,824	151,824	(39,182)	-			(40,000)			-	583,467	
a) retained earnings	*511,563*	*(739)*	*510,824*	*151,824*	*(39,182)*	-			*(40,000)*				*583,467*	
b) other	-		-										-	
Valuation reserve	1,419	1,836	3,255									3,359	6,614	
Equity instruments	-		-										-	
Treasury shares	-		-										-	
Profit (loss) for the year	151,824		151,824	(151,824)								164,692	164,692	
Equity attributable to Parent Company's shareholders	1,557,552	1,097	1,558,649	-	(39,182)	-	-	-	(40,000)	-	-	168,051	1,647,519	-
Non-controlling interest	11,392		11,392			(2)						1,369		12,759
TOTAL EQUITY	**1,568,944**	**1,097**	**1,570,041**	**-**	**(39,182)**	**(2)**	**-**	**-**	**(40,000)**	**-**	**-**	**169,420**	**1,660,278**	

(*) Following application of the amendment to IAS 19, figures for 2012 have been restated.

CONSOLIDATED STATEMENT OF CASH FLOWS (DIRECT METHOD)

(€/thousands)

A. OPERATING ACTIVITIES	2013	2012 (*)
1. BUSINESS OPERATIONS	549,715	528,280
- interest income	720,102	768,985
- interest expense	(385,146)	(427,058)
- fee and commission income (expense)	99,960	89,673
- personnel expenses	(126,015)	(127,198)
- other expenses	(355,915)	(421,607)
- other revenues	684,259	733,041
- taxes and levies	(87,530)	(87,556)
2. CASH FLOWS FROM INCREASE/DECREASE OF FINANCIAL ASSETS	(886,184)	1,145,154
- financial assets held for trading	21,867	(43,293)
- receivables - due from banks	(223,113)	181,770
- receivables - due from financial institutions	5,031	58,977
- receivables - due from customers	(782,171)	1,089,861
- other assets	92,202	(142,161)
3. CASH FLOWS FROM INCREASE/DECREASE OF FINANCIAL LIABILITIES	623,251	(1,395,885)
- payables - due to banks	(71,418)	(2,796,112)
- payables - due to financial institutions	(710,770)	792,516
- payables - due to customers	(3,013)	(5,750)
- notes issued	1,497,548	536,808
- financial liabilities held for trading	(21,222)	43,927
- other liabilities	(67,874)	32,726
CASH FLOWS GENERATED BY/(USED FOR) OPERATING ACTIVITIES (A)	286,782	277,548
B. INVESTING ACTIVITIES		
1. CASH FLOWS GENERATED BY	772	500
- disposals/repayments of financial assets held to maturity	772	500
2. CASH FLOWS USED FOR	(257,871)	(202,220)
- purchases of property,plant and equipment	(245,480)	(188,667)
- purchases of intangible assets	(12,391)	(13,553)
CASH GENERATED BY/(USED FOR) INVESTING ACTIVITIES (B)	(257,099)	(201,720)
C. FINANCING ACTIVITIES		
- dividend and other distributions	(29,698)	(75,825)
CASH GENERATED BY/(USED FOR) FINANCING ACTIVITIES (C)	(29,698)	(75,825)
CASH GENERATED/(USED) DURING THE YEAR (A+B+C)	(15)	3

RECONCILIATION		(*)
Cash and cash equivalents - opening blance	63	60
Cash generated (used) during the year	(15)	3
Cash and cash equivalents - closing balance	48	63

(*) Following application of the amendment to IAS 19, figures for 2012 have been restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A – ACCOUNTING POLICIES

A.1 GENERAL INFORMATION

SECTION 1 – STATEMENT OF COMPLIANCE WITH IFRS

IThe consolidated financial statements as of and for the year ended 31st December 2011 have been prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB) and the related official interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU Commission with Regulation no 1606 of 12 th July, 2002.
The consolidated financial statements were prepared by using IAS/IFRS as of 31st December 2013 (SIC and IFRIC included), as endorsed by the EU Commission.

SECTION 2 – BASIS OF PREPARATION

The consolidated financial statements were prepared in compliance with Bank of Italy Instructions dated 21 January 2014 (Instructions for the preparation of financial statements of Financial Institutions entered in Bank of Italy's "Special Register").
The consolidated financial statements comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements.
They are accompanied by the Directors' Report on Operations with regard to the Group as a whole.
The consolidated financial statements have been prepared on a going-concern basis and in accordance with the accrual basis of accounting, and on a going-concern accounting gaap.

The consolidated financial statements have been prepared in thousands of Euros.

The consolidated financial statements are audited by Reconta Ernst & Young S.p.A..

SECTION 3 – SUBSEQUENT EVENTS

As to STAR, on 15 January 2014 all the parties involved in this securitization transaction signed a "Deed of release and termination" which provides for the termination of the securitization transaction on the last Payment Date, the repurchase of the portfolio by FGA Wholesale and the corresponding repayment of principal to the bondholders by the STAR vehicle.

SECTION 4 – OTHER INFORMATION

There was no further information to be reported at year-end.

SECTION 5 – SCOPE AND METHODS OF CONSOLIDATION

Scope of consolidation

The consolidated financial statements include the financial statements of FGA Capital S.p.A., the parent company, and those of its Italian and foreign subsidiaries. As defined in IAS 27 – Consolidated and Separate Financial Statements, control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Similarly, The Group consolidates the accounts of special purpose entities (SPE) established to carry out securitization transactions, in the presence of effective control, regardless of any investment in them.
The following table lists the companies included the scope of consolidation. It shows company name, registered office, type of relationship, percentage of ownership and, if different, percentage of votes exercisable at general meetings:

NAME	REGISTERED OFFICE	TYPE OF RELATIONSHIP	SHARING %
FGA Capital S.p.A.	Turin - Italy		
Leasys S.p.A.	Turin - Italy	1	100.00
FC France S.A.	Trappes - France	1	99.99
FAL Fleet Services S.A.S.	Trappes - France	1	100.00
FGA Bank Germany GmbH	Heilbronn - Germany	1	100.00
FGA Capital UK Ltd	Slough - UK	1	100.00
FGA Wholesale UK Ltd.	Slough - UK	1	100.00
FGA Contracts UK Ltd.	Slough - UK	1	100.00
FGA Capital Spain EFC SA	Alcala de Henares - Spain	1	100.00
FGA Capital Services Spain SA	Alcala de Henares - Spain	1	100.00
FGA Capital IFIC S.A.	Lisbon - Portugal	1	100.00
FGA Distribuidora Portugal S.A.	Lisbon - Portugal	1	100.00
Fidis Finance S.A.	Schlieren - Switzerland	1	100.00
FGA Leasing Polska Sp. Zo.o.	Warsaw - Poland	1	100.00
Fiat Bank Polska S.A.	Warsaw - Poland	1	100.00
FGA Capital Netherland B.V.	Lijnden - The Netherlands	1	100.00
FGA Capital Danmark A/S	Glostrup - Denmark	1	100.00
FGA Capital Belgium SA	Auderghem - Belgium	1	100.00
FGA Bank GmbH	Vienna - Austria	2	50.00
FGA Leasing GMBH	Vienna - Austria	1	100.00
FGA Capital Hellas SA	Athens - Greece	1	99.99
FGA Insurance Hellas SA	Athens - Greece	1	99.99
FGA Capital Ireland Plc	Dublin - Ireland	1	99.99
FGA Capital Re Ltd	Dublin - Ireland	1	100.00

Type of relationship:
1 = majority of voting rights at ordinary meetings
2 = dominant influence at ordinary meetings

The scope of consolidation includes 50% held FGA Bank GmbH (Austria) because FGA Capital S.p.A. has a dominant influence on the company.
Attention is called to the winding up under way of FL Location snc, an FC France subsidiary, a process that should be completed by 2014.

Below, details are provided of the vehicles included in the scope of consolidation:

NAME	REGISTERED OFFICE
A-Best Four S.r.l.	Conegliano (TV) - Italy
A-Best Five S.A.	Luxembourg
A-Best Seven S.r.l.	Milan - Italy
A-Best Eight Plc	London - UK
Erasmus Finance Limited	Dublin - Ireland
FCT Fast 2	Courbevoie - France
Nixes Three Plc	Dublin - Ireland
Nixes Four S.r.l.	Milan - Italy
Nixes Five Ltd	Island of Jersey
Nixes Six Plc	London - UK
STAR	London - UK

The STAR securitization transaction was completed in January 2014. For more details, reference is made to part A - Section 3 - on subsequent events.

Consolidation methods

In preparing the consolidated financial statements, the financial statements of the parent company and its subsidiaries (approved by each Board and prepared according to IAS/IFRS) are consolidated on a line-by-line basis by adding together like items of assets, liabilities, equity, income and expenses.

The book value of the parent's investment in each subsidiary company and the corresponding portion of the equity of each subsidiary of the parent company are eliminated.

Any differences arising from the consolidation process are stated – after allocating amounts to the assets and liabilities of the consolidated subsidiary, where possible – as goodwill at the date of the first time consolidation and, subsequently, as other reserves.

Non-controlling interests in the net profit of consolidated subsidiaries for the reporting period are identified and adjusted against the profit of the Parent Company's shareholders so as to arrive at the net profit attributable to the shareholders of the parent company.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and presented in the consolidated balance sheet separately from liabilities and equity attributable to the parent company shareholders.

Intercompany balances and transactions and related unrealized profits are eliminated in full.

The financial statements of the parent company and of other companies used to prepare the consolidated financial statements are prepared as at the same reporting date.

When the financial statements of foreign companies are prepared in a currency other than the Euro, assets and liabilities are translated at the spot rate at the reporting date while income and expense items are translated at the average exchange rate for the period.

In translating the financial statements of a foreign subsidiary, income and expense items are translated at the average exchange rates while assets and liabilities are translated at the spot exchange rate prevailing on and the reporting date spot.

All resulting exchange differences are recorded under equity until the disposal of the net investment.

The exchange rates used for the consolidated financial statements are set out in a Section 7 – Additional information of these notes.

A.2 MAIN ITEMS IN THE FINANCIAL STATEMENTS

FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

Recognition method

Financial assets and liabilities are initially recognized on the settlement date.

Financial assets and liabilities held for trading are initially recognized at their fair value, without considering transaction costs or income directly attributable to the instrument.

Classification criteria

This item only includes the positive and negative value of derivative financial instruments held for trading, including those relating to securitization transactions.

Valuation method

After initial recognition, financial assets and liabilities held for trading are measured at their fair value.

The fair value of the derivative contracts is determined using valuation models that take account of risks relating to the instruments and that are based on information available on the market such as interest rate.

Derecognition criteria

Financial assets and liabilities held for trading are derecognized when the contractual rights to the cash flows deriving therefrom expire or when the financial asset or liability is sold, substantially transferring all related risks and rewards.

FINANCIAL ASSETS AVAILABLE FOR SALE

Recognition method

Financial assets held for sale are recognized on the date of settlement.

They are initially recorded at fair value, inclusive of directly attributable costs or revenues. Instruments reclassified out of Financial assets held to maturity are measured at their fair value at the time they are transferred.

Classification criteria

This item includes debt securities that are not classified as "Financial assets held for trading", "Financial assets held to maturity" or as "Receivables". In addition to bonds not held for trading, bonds not accounted for as "Financial assets held to maturity" or as "Receivables", this item includes shares that are not held for trading or that might not be qualified as controlling interests or investments in associates or joint ventures.

Valuation method Recognition of gains and losses

After the initial recognition, Available-for-sale financial assets are measured at fair value, with the corresponding amortized cost reported in the income statement and gains and losses resulting from changes in fair value recognized in Other comprehensive income, until the asset is either disposed of or impaired. When the asset is sold or impaired, the relevant cumulative gain or loss is reversed to profit or loss. Fair value is measured on the basis of the criteria already illustrated for Financial assets held for trading.

The existence of objective evidence of impairment is checked at fiscal year-end or at half-year end. In the presence of any such evidence, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using the asset's original effective interest rate.

Reversals of impairment are recognized in profit or loss, in case of debt instruments, and in equity, in case of shares. Reversals cannot result in a carrying amount that exceeds what the amortized cost would have been had no impairment been recognized.

FINANCIAL ASSETS HELD TO MATURITY

Recognition method

Financial assets held to maturity are recognized on the date of settlement.
They are initially recorded at fair value, inclusive of directly attributable costs or revenues.

Classification criteria

This item includes debt securities with fixed or determinable payments and a fixed maturity date that the entity has the intention and ability to hold until maturity.

Valuation method

After initial recognition, financial assets held to maturity are stated at amortized cost, using the effective interest rate method. Gains or losses relating to financial assets held to maturity are recorded in the income statements when the assets are derecognized or impaired and through the amortization of the difference between book value and the amount repayable at maturity.
As part of year-end and interim closing procedures, a test is performed to determine whether there is objective evidence of possible impairment.
If such evidence exists, the loss is measured as the difference between the book value of the asset and the present value of estimated future cash flow, as discounted at the original effective rate of interest. Any such losses are recorded in the income statement.
If the reasons for impairment cease to exist because of events taking place after impairment losses were recorded, the value of the asset may be restored through profit and loss.

Derecognition criteria

Financial assets held to maturity are derecognized when the contractual rights to cash flow from the assets expire or when the financial asset is sold, substantially transferring all related risks and rewards.

RECEIVABLES

Recognition method

Initial recognition of a receivable occurs at disbursement date. They are initially recorded at fair value, that is normally equivalent to the amount disbursed, inclusive of costs/revenues directly attributable to the single receivable and which can be determined right from the start of the transaction, even if they are liquidated at a later date.

Classification criteria

Receivables include financial instruments with fixed and determinable payments that are not listed on an active market and are not classified as "Financial assets held for trading", "Financial assets held for sale" and "Financial assets held to maturity". "Due from customers" includes receivables arising from retail finance and finance lease transactions and loans assigned on a recourse basis. Receivables assigned on a non-recourse basis are reported after it is determined that there are no contractual clauses precluding their recognition.

Lease contracts are classified as finance leases when the terms of the contract transfer substantially all the risks and benefits of ownership to the lessee. All other leases are considered operating leases.
Amounts due from lessees under finance lease contracts are recognized as receivables for the amount of the Group's investment in the leased assets.

Valuation method

After initial recognition, receivables are measured at amortized cost, equal to the initial value plus/minus principal repayments, write-downs/write-backs of value and amortization – calculated using the effective interest rate method – of the difference between the amount disbursed and the amount to be reimbursed at maturity, considering also the costs/revenues directly related to each loan.
The effective rate of interest is determined as the rate that equals the present value of future cash flow from the receivable – for principal and interest – as applied to the amount disbursed net of costs/revenues attributable to the loan.
By focusing on the cash movements, this accounting method allows the effect of the costs/revenues to be spread over the expected residual life of the loan.
The amortized cost method is not used for short-term loans, given that the effect of applying the discounting method to them is negligible. Such loans are stated at historical cost.

Receivables are regularly tested for impairment to check whether their estimated realizable value has decreased. This is performed by applying a statistical method to measure collectively, in homogeneous categories, groups of loans that are not meaningful individually. The estimated cash flows from the assets are reduced by expected losses as determined based on historical data, taking account of corrective measures derived from the qualitative analysis of the loans.
Significant individual receivables are tested separately.
The impairment adjustment is determined as the difference between the book value and the amount expected to be collected.
Collective adjustments are recorded in the income statement.
Financial income is recognized in the various periods so as to smooth out the return.

Derecognition criteria

Loans are derecognized in part or in full when they are no longer considered recoverable. The losses are recorded in the income statement net of write-downs/provisions previously made.
Amounts recovered on loans previously written down are recorded against the item "net adjustments to non-performing loans".
Loans sold are derecognized if the transaction involves the substantial transfer of all risks and benefits relating to the loans. However, if the risks and benefits relating to the loans sold remain with the Group, the loans continue to be reported, even though title to them has actually been transferred.
If it is not possible to determine whether or not all risks and benefits have been substantially transferred, the loans are derecognized if no form of control has been maintained over them. Meanwhile, if some form of control has been maintained, the loans continue to be reported in proportion to the remaining control, as measured based on the Group's exposure to changes in the value of the loans sold and to changes in cash flows from the loans. Finally, the loans sold are derecognized if the contractual rights to receive related cash flows have been retained while a commitment has been made to pay said cash, and only it, to other third parties.

Other information – Securitized portfolio

Certain companies of FGA Capital Group take part in securitization programmes as issuers of and investors in securities from such transactions. Other companies take part in third party securitization transactions solely as investors in the securities issued.
Securitization transactions involve the sale of a portfolio of receivables, on a non-recourse basis, to a special purpose entity that finances the purchase of the receivables by issuing Asset Backed Securities i.e. securities whose repayment and interest flow depend on the cash flow generated by the portfolio of receivables.
Asset-backed securities are divided into different classes depending on their seniority and rating: the senior ones are issued on the market and subscribed by investors; the junior ones, which are redeemed after the senior ABS, are subscribed by FGA Capital Group companies.
Pursuant to SIC 12 – Consolidation – Special Purpose Entities (SPE), SPEs are included in the scope of consolidation as investment in junior asset-backed securities and the involvement of the originator company in drafting the contracts imply substantial control over the SPE.

HEDGING TRANSACTION

Types of hedges

Hedging transactions are intended to neutralize potential losses on a specific item or group of items, attributable to a specific risk, through the gains generated on another instrument or group of instruments in the event that the specific risk in question materializes.

FGA Capital Group applies, with the aim of covering its exposure to changes in future cash flows, with reference to retail financing portfolio. the Fair Value Hedge method. Starting in 2011, this methodology is applied to derivative financial instruments with the purpose of hedging the interest rate risk associated with bonds issued.

This approach is not applied to derivative financial instruments with the purpose of hedging the interest rate risk associated with the funding related to long term rental activity, on which it is applied the Cash Flow Hedge methodology.

Only those entered into with a counterparty not belonging to the Group may be treated as hedging instruments.

Valuation method

Hedging derivatives are stated at fair value and changes in their fair value are allocated, for the effective portion of the hedge, to a specific equity reserve in the case of Cash Flow Hedge, while in the case of Fair Value Hedge they are recognized through profit and loss.

Fair value is calculated on the basis of interest rates and exchange rates quoted on the market and represents the discounted cash flows on single contracts.

A derivative instrument is designated to be a hedge if the relationship between the hedged item and the hedging instrument is documented and if it is effective from the time the hedge starts and throughout the entire period of the hedge.

In the case of Cash Flow Hedge, the effectiveness of the hedge depends on the extent to which variations in the fair value of the hedged item or related expected cash flows are offset by those of the hedging instrument. Therefore, effectiveness is appraised by comparing the aforementioned variations, considering the intent of the entity at the time it entered into the hedging transaction. A hedge is effective (in a range between 80% and 125%) when the changes in the fair value (or cash flows) of the hedging financial instrument almost entirely offset the changes in hedged item with regard to the risk being hedged.

In the case of Fair Value Hedge, FGA Capital Group applies the so-called Macrohedge to homogeneous risk groups. The risk exposure is determined by comparing the nominal amount of underlying receivable portfolio with the notional amount of hedging derivatives until the next re-pricing date (maturity date for fixed-rate positions). The effectiveness of the hedge is based on a comparison between the remaining notional amount of the hedging derivatives and the remaining nominal amount of the hedged portfolio.

In both cases, if these tests do not confirm the effectiveness of the hedge, hedge accounting is discontinued and the hedging derivative is reclassified to instruments held for trading.

EQUITY INVESTMENTS

This item includes interests held in:

- associated companies – recorded using the equity method;
- joint ventures, which the Group opted to account for with the equity method;
- certain equity investments that, due to their being immaterial, are recognized at cost.

If there is any evidence that the value of an investment has been impaired, the recoverable value of the investment is estimated, taking account of the future cash flows that it will generate, including its disposal value.

If the recovery value is lower than book value, the difference is recorded in the income statement.

In later periods, if the reasons for the impairment cease to exist, the original value may be restored through the income statement.

PROPERTY, PLANT AND EQUIPMENT

Recognition method

Property, plant and equipment are recognized at cost. This includes the purchase price paid and all incidental charges directly attributable to the purchase and to make the asset fully operational. Property, plant and equipment are not revalued. Costs incurred after purchase are only capitalized if they lead to an increase in the future economic benefits deriving from the asset to which they relate. All other costs are recorded in the income statement as incurred.

Classification criteria

Tangible assets include land, buildings, furniture, fittings, plants, other machinery and equipment.

These are tangible assets held for use in the production or supply of goods and services, for rental to third parties or for administrative purposes and which are expected to be used during more than one accounting period.

Leased assets include vehicles given to clients under operating leases by the Group's leasing companies. Trade receivables under operating lease agreements that are being collected or are subject to recovery procedures are classified under "Other assets". Operating lease agreements with buyback clauses are also classified under "Other assets".

Valuation method

Depreciation is calculated on a straight line basis considering the remaining useful life and value of the asset.

At every reporting date, if there is any evidence that an asset might be impaired, the book value of the asset is compared with its realizable value – equal to the higher of fair value, net of any selling costs, and the value in use of the asset, defined as the net present value of future cash flows generated by the asset. Any impairment losses and adjustments are recorded in the income statement.

Operating lease income is recorded in equal instalments over the period of the contract. Initial direct costs incurred when negotiating and agreeing on the operating lease are added to the value of the leased assets in equal instalments over the duration of the contract.

The costs relating to operating lease agreements are recorded on a straight line basis in the income statement over the period of the operating lease contract.

Derecognition criteria

Property, plant and equipment are derecognized when they are disposed of or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal.

INTANGIBLE ASSETS

Recognition method

Intangible assets are recognized when it is likely that their use will generate future economic benefits and the cost of the asset can be reliably measured.

An intangible asset may be recorded as goodwill when the positive difference between and the acquisition cost of the investment (including incidental charges) and the fair value of the net asset value of the business acquired is representative of the future profitability of the investment (goodwill). If the goodwill is not justified by the future profitability of the company or investment acquired, the difference is charged directly to the income statement.

Classification criteria

The item mainly comprise Goodwill, "intellectual property rights" and software applications for long term use.
Goodwill represents the positive difference between the cost and the fair value of the assets and liabilities of the business acquired.

Valuation method

Intangible assets are valued at purchase or production cost and amortized except for goodwill on a straight line basis over their estimated useful lives.
At every reporting date, where there is evidence of impairment losses, the recovery value of the intangible asset is estimated. The impairment loss, recorded in the income statement, is equal to the difference between the book value of the assets and its recovery value.
Goodwill is subjected to an impairment test every year (or whenever there is evidence that its value has been impaired). The cash generating unit to which to allocate the goodwill is identified for this purpose. The amount of any impairment is determined based on the book value of the goodwill and its recovery value. The recovery value is equal to the greater of the fair value of the cash generating unit, net of any selling costs, and the related value in use. Resulting impairment losses are recorded in the income statement and reversal are prohibited.

Derecognition criteria

Intangible assets are derecognized upon disposal or if no future economic benefits are expected.

PAYABLES, SECURITIES ISSUED AND OTHER LIABILITIES

Recognition method

Initial recognition is based on the fair value of the liabilities. This normally equals the amount collected or the issue price, considering any transaction costs and income that may be directly allocated to the instrument.

Classification criteria

Borrowings from banks and other lenders and securities issued mainly include the various forms of funding used by the Group. In particular, securities issued comprise bonds issued by Special Purpose Entities in relation to securitization transactions.

Valuation method

After initial recognition, financial liabilities are measured at amortized cost as calculated with the effective interest method. On the other hand, short term liabilities where the time factor has a negligible effect are recorded at amount collected.

Derecognition criteria

Financial liabilities are derecognized when they expire or are extinguished. Derecognition also takes place upon the repurchase of securities previously issued. The difference between the book value of the liability and the amount paid to repurchase it is recorded in the income statement.

POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

Pension Plans

FGA Capital Group employees take part in several different defined benefit and defined contribution pension plans in accordance with local conditions and practice in the countries in which the Group operates. Defined benefit pension plans are based on the employees' years of service and the remuneration earned by the employee during a pre-determined period of service.

The obligation to fund defined benefit pension plans and the annual cost recorded in the income statement are determined by independent actuaries using the projected unit credit method.

The post-employment benefit obligation recorded in the statement of financial position the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses and costs related to past service not previously recognized, reduced by the fair value of plan assets.
Any net assets arising from this calculation are recognized at the lower of their amount and the total of any cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan and reductions in future contributions to the plan. Payments relating to defined contribution plans are recorded in the income statement as incurred.

Post-employment plans other than pensions

The FGA Capital Group provides certain defined benefit post-employment schemes, mainly healthcare plans. The applicable accounting method and the frequency of their calculation are similar to those used for defined-benefit pension plans.
The employee severance indemnity (TFR) reserve for Italian companies is considered a defined benefit plan and is accounted for accordingly.

Retirement funds and similar obligations

Internal retirement funds are set up in accordance with company specific agreements and classified as defined benefit plans. Under these plans, employees leaving the company with the minimum period of service defined therein are entitled to a loyalty bonus equal to a number of months' salary.
Liabilities under these funds and the related employment cost are determined based on actuarial assumptions.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are intended to cover costs and charges of a determinate nature and which are certain or probable but whose amount and due date were uncertain at the reporting date. Provisions for risks and charges are only created when:
a) there is a current obligation (legal or constructed) as a result of a past event;
b) it is likely that fulfilment of the obligation will involve a cost;
c) the amount of the obligation can be reliably estimated.
Where time value is significant, the provision is stated at the present value of the cost expected to be incurred to fulfil the obligation.

REVENUE RECOGNITION

Revenues are recognized when they are collected or, in any case, when it is probable that future benefits will be received and they can be reliably quantified. In particular, interest income on receivables and commissions from customers and interest income on receivables from banks are classified under "Interest and similar income" and recorded on an amortized cost basis.
Commission and interest received or paid in relation to financial instruments are accounted for on an accruals basis.
Income from services is recorded when the services are rendered.

Dividends payable are shown as movements in equity in the year they are approved by the Shareholders in the General Meeting.

COST RECOGNITION

Costs are recognized when they are incurred. In particular, interest expenses on financial instruments accounted at amortized cost and determinable from the start, regardless of when they are paid, are recognized through profit and loss.
Write-downs are recognized in the year they are incurred.

INSURANCE ASSETS AND LIABILITIES

IFRS 4 describes an insurance contract as a contract under which one party (the issuer) accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.
The Group's insurance activity is related to the reinsurance of life and non-life policies sold to retail customers in order to protect the repayment of their debt.
The financial and operating effects of the reinsurance contracts issued and held were accounted, as required by Paragraph 2 of IFRS 4, in the items described below.

Other assets – Item 140 in Assets

This item includes reinsurance assets under contracts entered into by Group companies.

Other liabilities – Item 90 in Liabilities

This item includes reinsurance liabilities under contracts entered into by Group companies.

Fees and commissions income – Item 30 in Income Statement

This item includes:
- premiums received during the period in relation to insurance contracts, net of cancellations;
- commission income and other revenues received in connection with re-insurance activities.

Fees and commissions expenses – Item 40 in Income Statements

This item includes:
- costs related to premiums ceded to reinsurers;
- commissions expenses and others expenses related to the insurance activity.

TAXATION

Corporate income tax is calculated in accordance with current tax law.
The tax charge (income) for the period represents the sum of both current and deferred tax charges included in determining the result for the year.
Current taxation represents the corporate income tax due (recoverable) on the taxable income (tax loss) for the year.
Deferred tax liabilities represent corporate income taxes due in future tax periods on taxable timing differences. Deferred tax assets regard corporate income tax that may be recovered in future tax periods and relate to:
a) deductible timing differences;
b) unused tax losses carried forward;
c) unused tax credits carried forward.

Timing differences relate to differences between the book value of an asset or a liability and the corresponding tax base. They may relate to:
a) taxable timing differences i.e. timing differences that, in determining taxable income (tax loss) in future years, will give rise to taxable amounts when the book value of the assets or liabilities is realized or extinguished;
b) deductible timing differences i.e. timing differences that, in determining taxable income (tax loss) in future years, will give rise to deductible amounts when the book value of the assets or liabilities is realized or extinguished.

The tax base of an asset or liability is the value attributed to the asset or liability under applicable tax law. Deferred tax liabilities are recorded in respect of all taxable timing differences in accordance with IAS 12. Deferred tax assets are recognized for all deductible timing differences under IAS 12 only if it is probable that there will be taxable income against which to utilize the deductible timing difference.
Tax assets and liabilities for deferred tax assets and liabilities are calculated using the tax rate in force in the periods in which the asset will be realized or the liability extinguished.
Current and deferred taxes are recorded in the income statement except for that relating to gains or losses on available-for-sale financial assets and to changes in the fair value of derivative hedging instruments (cash flow hedges), which they are recognized, net of taxation, directly in equity.

USE OF ESTIMATES

The consolidated financial statements are prepared in accordance with IFRS which require the use of estimates, judgements and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period.
The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant.
In this respect, the situation caused by the continuing difficulties of the economic and financial environment, in particular in the Eurozone, led to the need to make assumptions regarding future performance which are characterised by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise in the future which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are non- current assets (tangible and intangible assets), deferred tax assets, provision for employee benefits, and allowances for contingendes liabilities.
The estimates and underlying assumptions are reviewed periodically and continuously by the Group. If the items considered in this process perform differently, then the actual results could differ from the estimates, which would accordingly require adjustment. The effects of any changes in estimate are recognised in profit or loss in the period in which the adjustment is made if it only affects that period, or in the period of the adjustment and future periods if it affects both current and future periods.
The following are the critical measurement processes and key assumptions used by the Group in applying IFRSs which may have significant effects on the amounts recognised in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future.

Recoverability of non-current assets

Non-current assets include property, plant and equipment, goodwill, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value.
The estimates and assumptions used as part of that analysis reflect the current state of the Group's available knowledge as to the expected future development of the business of the various sectors and are based on a realistic assessment of the future development
of the markets and the car industry, which remain subject to a high degree of uncertainty due to the continuation of the economic and financial crisis and its effects on that industry. Although current Group estimates do not indicate any other situations concerning possible impairment losses on non-current assets, any different developments in the economic environment or Group performance could result in amounts that differ from the original estimates, needing the carrying amount of certain non-current assets being adjusted.

Recoverability of deferred tax assets

At 31 December 2013, the Fiat Group had deferred tax assets on deductible temporary differences and theoretical tax benefits arising from tax loss carryforwards. The Group has recorded these valuation because it believes it is probable will be recovered. In the definition of this amount, management has taken into consideration figures from budgets and forecasts consistent with those used for impairment testing and discussed in the preceding paragraph relating to the recoverable amount of non-current assets. Moreover, the adjustments that have been recognised are considered to be sufficient to protect against the risk of a further deterioration of the

assumptions in these forecasts, taking account of the fact that the net deferred assets accordingly recognised relate to temporary differences and tax losses which, to a significant extent, may be recovered over a very long period, and are therefore consistent with a situation in which the time needed to exit from the crisis and for an economic recovery to occur extends beyond the term implicit in the above-mentioned estimates.

Pension plans and other post-retirement benefits

Employee benefit liabilities with the related assets, costs and net interest expense are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net liability or net asset. The actuarial method takes into consideration parameters of a financial nature such as the discount rate and the expected long term rate of return on plan assets, the growth rate of salaries and the growth rates of health care costs and the likelihood of potential future events by using demographic assumptions such as mortality rates, dismissal or retirement rates. In particular, the discount rates selected are based on yields curves of high quality corporate bonds in the relevant market. The expected returns on plan assets are determined considering various inputs from a range of advisors concerning long-term capital market returns, inflation, current bond yields and other variables, adjusted for any specific aspects of the asset investment strategy. Salary growth rates reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in health care costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

Contingent liabilities

The Group makes a provision for pending disputes and legal proceedings when it is considered probable that there will be an outflow of funds and when the amount of the losses arising from such can be reasonably estimated. If an outflow of funds becomes possible but the amount cannot be estimated, the matter is disclosed in the notes. The Group is the subject of legal and tax proceedings covering a range of matters which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the outflow of funds which will result from such disputes with any certainty. Moreover, the cases and claims against the Group often derive from complex and difficult legal issues which are subject to a different degree of uncertainty, including the facts and circumstances of each particular case, the jurisdiction and the different laws involved. In the normal course of business the Group monitors the stage of pending legal procedures and consults with legal counsel and experts on legal and tax matters. It is therefore possible that the provisions for the Group's legal proceedings and litigation may vary as the result of future developments of the proceedings in progress.

ACCOUNTING STANDARDS AND AMENDMENTS APPLIED SINCE JANUARY THE FIRST 2013

On 16 June 2011, the IASB issued an amendment to IAS 19 – **Employee Benefits** applicable retrospectively for the year beginning 1 January 2013. The amendment modifies the requirements for recognizing defined benefit plans and termination benefits. The main changes concerning defined benefit plans regard the recognition of the entire plan deficit or surplus in the balance sheet, the introduction of net interest expense and the classification of net interest expense arising from defined benefit plans. In detail:

- ***Recognition of the plan deficit or surplus***: The amendment removes the previous option of being able to defer actuarial gains and losses under the off balance sheet "corridor method", requiring these to be recognized directly in Other comprehensive income. In addition, the amendment requires the immediate recognition of past service costs in profit or loss.
- ***Net interest expense***: The concepts of interest expense and expected return on plan assets are replaced by the concept of net interest expense on the net plan deficit or surplus, which consists of:
  - the interest expense calculated on the present value of the liability for defined benefit plans,
  - the interest income arising from the valuation of the plan assets, and
  - the interest expense or income arising from any limits to the recognition of the plan surplus.

Net interest expense is calculated for all above components by using the discount rate applied for valuing the obligation for defined benefit plans at the beginning of the period.

In accordance with the transitional rules included in paragraph 173 of IAS 19, the Group applied this amendment to IAS 19 retrospectively from 1 January 2013, adjusting the opening balance sheet at 1 January 2012 and 31 December 2012 as well as the income statement for 2012 as if the amendment had always been applied.

In more detail, the Group has calculated the following retrospective effects resulting from the adoption of the amendment to IAS 19:

	Effects on Statement of financial position	31/12/2012 Amounts as previously reported	IAS 19 revised adoption effect		31/12/2012 Amounts as restated
			on opening balances at 1/1/2012	2012	
	Assets				
120.	Tax assets	177,084		447	177,531
	a) current	*33,626*			*33,626*
	b) deferred	*143,458*		*447*	*143,905*
	Liability and Equity				
70.	Tax liability	81,945	792	(1,153)	81,584
	a) current	*38,594*			*38,594*
	b) deferred	*43,351*	*792*	*(1,153)*	*42,990*
100.	Post-employment benefits	13,336	(367)	220	13,190
110.	Provision for risks and charges	140,133	(1,522)	5,396	144,007
	a) retirement and similar obligations	*21,055*	*(1,522)*	*5,396*	*24,929*
	b) other	*119,078*			*119,078*
160.	Reserves	584,206	(738)		583,468
170.	Valuation Reserve	8,012	1,836	(3,234)	6,614
180.	Profit (loss) for the period	165,475		(783)	164,692

Effects on Statement of comprehensive income	Half a year 2012 Amounts as previously reported	IAS 19 revised adoption effect	Half a year 2012 amounts as restated
110. Administrative expenses	(223,665)	(783)	(224,448)
a) personnel expenses	*(134,005)*	*(783)*	*(134,788)*
b) other administrative expenses	*(89,660)*		*(89,660)*
Profit (loss) before tax from continuing operations	257,011	(783)	256,228
190. Income tax on continuing operations	(90,167)		(90,167)
Net Profit (loss) after tax from continuing operations	166,844	(783)	166,061
Profit (loss) for the year	166,844	(783)	166,061

Taking into account the limited impact on the reported amounts, there was no need to add a column to the financial statements to show the changes made in the comparative data which, as a result, are shown with the above changes already incorporated.

ACCOUNTING STANDARDS AND AMENDMENTS APPLIED BY THE GROUP SINCE JANUARY THE FIRST 2013

IFRS 13 – Fair Value Measurement, clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. Moreover, IFRS 13 includes extensive disclosure requirements on the fair value measurements. In accordance with the transitional provision included in appendix C of IFRS 13, the Group adopted the new fair value measurement guidance prospectively since 1 January 2013 applying the new disclosure requirements in the standard for comparative information reported in this Annual report. The standard is effective prospectively from 1 January 2013 and its adoption had required new disclosures and limited effect on the measurement of the derivatives included in this Annual Report.

Amendments to IFRS 7 – Financial Instruments: Disclosures. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after 1 January 2013, and interim periods within those annual periods. The required disclosures should be provided retrospectively. The adoption of the amendments had no impacts on the disclosure in this Annual report.

Amendments to IAS 1 – Presentation of Financial Statements

The amendments clarifies the way in which comparative information should be presented when an entity changes accounting policies or retrospectively restates or reclassifies items in its financial statements and when an entity provides comparative information in addition to the minimum comparative financial statements. The amendment was applied for the restatement of the balance sheet figures as a result of applying the amendment to IAS 19; the effects of this are shown in the above tables.

ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS NOT YET APPLICABLE AND NOT EARLY ADOPTED BY THE GROUP ARE:

In May 2011, a package three standards: IFRS 10 – **Consolidated Financial Statements**, IFRS 11 – **Joint Arrangements**, and IFRS 12 – **Disclosure of Interests in Other Entities**. IAS 27 – **Consolidated and Separate Financial Statements** (which has been renamed IAS 27 – **Separate Financial Statements**) and IAS 28 – **Investments in Associates** (which has been renamed IAS 28 – **Investments in Associates and Joint Ventures**) were consequently revised. Subsequently, other amendments were issued to clarify transitional guidance on the first-time adoption of the standards. The new standards are effective for annual periods beginning on or after 1 January 2013, and must be applied retrospectively. The European Union endorsed these standards by postponing their effective date to 1 January 2014, allowing early adoption from 1 January 2013. The Group will apply the new standards from 1 January 2014. In particular:

IFRS 10 – Consolidated Financial Statements replacing SIC-12 – Consolidation - Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (subsequently reissued as IAS 27 - Separate Financial Statements which addresses the accounting treatment of investments in separate financial statements). The new standard introduces control model applicable to all the units, included special purpose entities. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective retrospectively from 1 January 2014 but permitting early application from 1 January 2013. At the date of this Annual report no effects would arise from the adoption of this new standard as no changes will be made to the control conclusions reached before and after the adoption of the new standard.

IFRS 11 – Joint Arrangements superseding IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly-controlled Entities - Non-Monetary Contributions by Venturers. The adoption of this new standard for the Group will require the reclassification of investments classified as jointly controlled entities under IAS 31 between joint ventures (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) and joint operations (if the Group has right only to the net assets of an arrangement). The classification will focus on the rights and obligations of the arrangements, rather than their legal form

IFRS 12 – Disclosure of Interests in Other Entities, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The standard is effective for annual periods beginning after 1 January 2013.The effects of applying the new standard are limited to the disclosures for investments in other companies to be provided in the Notes to year end Consolidated financial statements.

Amendments to IAS 32 – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

The European Union had not yet completed its endorsement process for these standards and amendments at the date of this Quarterly report:

IFRS 9 – Financial Instruments issued by IASB in 2009 subsequently amended. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities and the hedge accounting. It replaces the relevant parts of IAS 39 – **Financial Instruments: recognition and measurement**. As part of the November 2013 amendments, among other, the IASB removed the standard's mandatory effective date, previously set on 1 January 2015. This date will be added to the standard all phases of the IFRS 9 project will be completed and a final complete version of the standard will be issued.

IAS 39 – Financial Instruments: Recognition and Measurement entitled "Novation of Derivatives and Continuation of Hedge Accounting". The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in **IFRS 9 – Financial Instruments**. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014.

A.3 DISCLOSURE ON FAIR VALUE

A.3.1 PORTFOLIO TRANSFERS

During the year no portfolio transfers occurred.

A.4.5 HIERARCHY OF FAIR VALUE

A.4.5.1. Assets and liabilities held at fair value: breakdown by level of fair value

FINANCIALASSETS/LIABILITIES HELD AT FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
1. Financial assets held for trading		36,823		36,823
2. Financial assets at fair value				
3. Available-for-sale financial assets				
4. Hedging derivatives		17,958		17,958
5. Property, plant and equipment				
6. Intangible assets				
TOTAL	-	**54,781**	-	**54,781**
1. Financial liabilities held for trading		38,643		38,643
2. Financial liabilities held at fair value				
3. Hedging derivatives		69,971		69,971
TOTAL	-	**108,614**	-	**108,614**

A.4.5.4 Assets and liabilies non held at fair value: breakdown by level of fair value

	31/12/2013				31/12/2012			
	VB	L1	L2	L3	VB	L1	L2	L3
1. Financial assets held to maturity	9,665	9,213			10,437	10,376		
2. Receivables	14,372,526	-	14,419,667	-	13,441,237	-	13,572,079	-
3. Investments	108		108		108		108	
4. Fixed assets held for investment								
5. Non-current assets held for sale								
TOTAL	**14,382,299**	**9,213**	**14,419,775**	-	**13,451,782**	**10,376**	**13,572,187**	-
1. Payables	7,483,711	-	7,625,574	-	8,270,706	-	8,400,304	-
2. Notes issued	6,366,608	2,655,827	3,745,370	-	4,871,420	1,986,710	2,827,819	-
3. Non-current liabilities held for sale								
TOTAL	**13,850,319**	**2,655,827**	**11,370,944**	-	**13,142,126**	**1,986,710**	**11,228,123**	-

CA = Carryng Amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

According to IFRS 13, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). IFRS 7 introduces instead the definition of "fair value hierarchy". This standard calls for fair value to be determined in accordance with a three-level hierarchy based on the significance of the inputs used in such measurement. The objective is to set the price at which the asset can be sold.
The three levels are as follows:

a) Level 1 (L1): quoted prices (without adjustments) in an active market – as defined by IAS 39 – for the assets and liabilities to be measured;
b) Level 2 (L2): inputs other than quoted market prices included within Level 1 that are observable either directly (prices) or indirectly (derived from prices) in the market;
c) Level 3 (L3): inputs that are not based on observable market data.

Below, the methods adopted by the Company to determine fair value are illustrated:

Financial instruments **classified as (L1)**, whose fair value is their market price (securities traded in an active market), refer to:

- Austrian government bonds purchased by the Austrian subsidiary, quoted in regulated markets (Caption: assets held to maturity);
- Bonds issued by the subsidiary FGAC IE under the Euro Medium Term Notes programme and listed in regulated markets (Caption: bonds outstanding);
- Bonds issued in connection with securitization transactions, placed with the public or with private investors, by different Group entities (Caption: bonds outstanding).

For listed bonds issued in connection with securitization transactions, reference to prices quoted by Bloomberg.

Financial assets and liabilities **classified as (L2)**, whose fair value is determined by using inputs other than quoted market prices that are observable either directly (prices) or indirectly (derived from prices) in the market, refer to:

- OTC trading derivatives to hedge securitization transactions,
- OTC derivatives entered into to hedge Group companies' receivables,
- trade receivable portfolio (Caption: Receivables),
- borrowings,
- bonds issued in connection with securitization transactions, placed with the public or with private investors, by different Group entities.

Derivatives are measured by discounting their cash flows at the rates plotted on the yield curves provided by Bloomberg. Receivables and payables are measured in the same way.
Bonds outstanding reflect the prices published by Bloomberg. For unlisted bonds reference is made to quoted prices for comparable transactions.

For listed bonds issued in connection with private securitization transaction, reference is provided by prime banks active in the market taking as reference equivalent transactions, or made to the nominal value of the bonds or the fair value attributed by the banking counterparty that subscribed to them.

The Group uses measurement methods (mark to model) in line with those generally accepted and used by the market. Valuation models are based on the discount of future cash flows and the estimation of volatility; they are reviewed both when they are developed and from time to time, to ensure that they are fully consistent with the objectives of the valuation.
These methods use inputs based on prices prevailing in recent transactions on the instrument being measured and/or prices/quotations of instruments with similar characteristics in terms of risk profile.

PART B – NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

SECTION 1 - CASH AND CASH EQUIVALENTS - ITEM 10

This item includes cheques, cash and cash equivalent items.

SECTION 2 - FINANCIAL ASSETS HELD FOR TRADING - ITEM 20

2.1 Financial assets held for trading: Breakdown by type

(€/thousands)

DESCRIPTION/AMOUNT	TOTAL 31/12/2013			TOTAL 31/12/2012		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. Cash instruments	-	-	-	-	-	-
1. Debt securities						
- structured securities						
- other debt securities						
2. Equity instruments and UCITS shares/units						
3. Loans						
TOTAL A	-	-	-	-	-	-
B. Derivatives	-	36,823	-	-	58,690	-
1. Financial derivatives		36,823			58,690	
2. Credit derivatives						
TOTAL B	-	36,823	-	-	58,690	-
TOTAL A+B	-	36,823	-	-	58,690	-

This item includes the positive valuation of financial derivative instruments related to the securitization transactions, which were entered into with the banks involved in such transactions.

2.2 Derivative instruments

TYPE/ UNDERLYINGS	INTEREST RATES	CURRENCIES	EQUITY INSTRUMENTS	OTHER	31/12/2013	31/12/2012
1. Over the counter						
Financial derivatives						
- *Fair value*	36,823				36,823	58,690
- Notional amount	3,058,490				3,058,490	2,714,388
Credit derivatives						
- *Fair value*					-	-
- Notional amount						-
TOTAL	**36,823**	**-**	**-**	**-**	**36,823**	**58,690**
2. Other						
Financial derivatives						
- *Fair value*					-	
Credit derivatives						
- *Fair value*					-	
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**36,823**	**-**	**-**	**-**	**36,823**	**58,690**

2.3 Financial assets held for trading: breakdown by debtor/issuer

DESCRIPTION/AMOUNTS	TOTALE 31/12/2013	TOTALE 31/12/2012
Cash instruments	-	-
a. Governments and central banks		
b. Other public entities		
c. Banks		
d. Financial entities		
e. Other issuers		
Derivative instruments	36,823	58,690
a. Banks	36,823	58,690
b. Other counterparties		
TOTAL	**36,823**	**58,690**

The derivate instruments were entered into with primary banks and concerned over-the-counter Interest Rate Swaps.

2.4 Financial assets held for trading: changes for the year

CHANGES/TYPE	Bonds and other debt securities	Equity instruments and UCITS shares/units	Loans	Financial derivatives	TOTAL
A. Opening balance	-	-	-	58,690	58,690
B. Increases	-	-	-	3,466	3,466
B.1 Purchases				3,466	3,466
B.2 Positive changes in *fair value*					-
B.3 Other changes					-
C. Decreases	-	-	-	(25,333)	(25,333)
C.1 Sales					
C.2 Repayments				(227)	(227)
C.3 Negative changes in *fair value*				(25,106)	(25,106)
C.4 Transfers to other portfolios					
C.5 Other changes					
D. Closing balance	-	-	-	36,823	36,823

SECTION 4 – FINANCIAL ASSETS HELD FOR SALE – ITEM 40

This item reflects the net amount of equity instruments underwritten in 2009 by FGA Capital S.p.A., for a total of €639 thousand, in connection with the restructuring of a dealer's payables. This amount was written off in 2009."

SECTION 5 – FINANCIAL ASSETS HELD FOR MATURITY – ITEM 50

5.1 Financial assets held to maturity: breakdown by debtor/issuer

DESCRIPTION/AMOUNT	CARRYNG AMOUNT 31/12/2013	FAIR VALUE			CARRYNG AMOUNT 31/12/2012	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
1. Bonds and other debt securities	9,665	9,213	-	-	10,437	10,376	-	-
1.1 Structured securities	9,665	9,213	-	-	10,437	10,376	-	-
a) Governments and central banks	9,665	9,213			10,437	10,376		-
b) Other public entities								
c) Banks								
d) Financial institutions								
e) Other issuers								
1.2 Other securities	-	-	-	-	-	-	-	-
a) Governments and central banks								
b) Other public entities								
c) Banks								
d) Financial institutions								
e) Other issuers								
2. Loans	-	-	-	-	-	-	-	-
a) Banks								
b) Financial institutions								
c) Other customers								
TOTAL	**9,665**	**9,213**	**-**	**-**	**10,437**	**10,376**	**-**	**-**

L1 = Level 1
L2 = Level 2
L3 = Level 3

This item includes in essence listed bond issued by the austrian government and held by FGA Bank GmbH (austria); these are deposits required by the local Central Bank.

5.2 Financial assets held to maturity: changes for the year

CHANGES/TYPE	DEBT SECURITIES	LOANS	TOTAL
A. Opening balance	10,437	-	**10,437**
B. Increases	38	-	**38**
B.1 Purchases			
B.2 Writebacks			
B.3 Transfers from other portfolios			
B.4 Other changes	38		**38**
Decreases	(810)	-	**(810)**
C. C.1 Sales	(810)		**(810)**
C.2 Repayments			
C.3 Writedowns			
C.4 Transfers to other portfolios			
C.5 Other changes			
D. Closing balance	9,665	-	**9,665**

The decreases mainly concern the Polish subsidiary, which reduced its exposure to financial assets to match the decline of the associated financial liabilities.

SECTION 6 - RECEIVABLES - ITEM 60

	31/12/2013	31/12/2012
Due from banks	737,004	513,891
Due from financial institutions	18,711	20,722
Due from customers	13,616,811	12,906,624
Total receivables	**14,372,526**	**13,441,237**

6.1 Due from banks

DESCRIPTION	31/12/2013				31/12/2012			
	CARRYING AMOUNT	*FAIR VALUE*			CARRYING AMOUNT	*FAIR VALUE*		
		L1	L2	L3		L1	L2	L3
1. Deposits and current accounts	737,004		737,004		513,891		513,891	
2. Loans								
2.1 Purchase and resale agreements								
2.2 Finance leases								
2.3 Factoring								
- with recourse								
- without recourse								
2.4 Other loans								
3. Debt securities								
- structured securities								
- other debt securities								
4. Other assets								
TOTAL	**737,004**		**737,004**		**513,891**		**513,891**	

L1 = Level 1
L2 = Level 2
L3 = Level 3

Compared to 31 December 2012, "Due from banks" is increased for €223.1 million.

Bank deposits and current accounts include funds available on current accounts or deposited by SPEs totalling €369 million (Euro 301.7 million at December 31 2012). Liquidity is restricted as per each relevant securitization contract. A breakdown by SPE is provided below:

SPV	BANK DEPOSITS	TOTAL 31/12/13	TOTAL 31/12/12
A-Best Four Srl	66,471	66,471	114,675
A-Best Five SA	5,609	5,609	13,310
A-Best Six Plc	-	-	17,226
A-Best Seven Srl	39,418	39,418	29,222
A-Best Eight Plc	15,548	15,548	-
Nixes Three Plc	27,486	27,486	24,119
Nixes Four Srl	17,805	17,805	29,577
Nixes Five Plc	24,147	24,147	15,604
Nixes Six Plc	60,374	60,374	-
Erasmus Finance Ltd	58,920	58,920	57,956
Star	53,192	53,192	-
TOTALE	**368,970**	**368,970**	**301,688**

The liquidity reserve is designed to meet any cash shortfalls for the payment of interest on senior securities and certain specific expenses.

The funds held in current accounts or as bank deposits are intended for:
a. acquisition of new portfolio of receivables/loans;
b. repayment of notes;
c. payment of interest on "senior" notes;
d. SPE operating costs.

Bank deposits and current accounts also include short term deposits held temporarily with banks and year-end current account balances resulting from ordinary operating activities.

6.2 Due from financial institutions

DESCRIPTION	31/12/2013						31/12/2012					
	CARRYING AMOUNT			*FAIR VALUE*			CARRYING AMOUNT			*FAIR VALUE*		
		NON-PERFORMING						NON-PERFORMING				
	BONIS	BOUGHT	OTHER	L1	L2	L3	BONIS	BOUGHT	OTHER	L1	L2	L3
1. Loans	18,711	-	-		18,711		12,470	-	-		12,470	
1.1 Purchase and resale agreements												
1.2 Finance leases	145						112					
1.3 Factoring	3,463						-					
- with recourse												
- without recourse	3,463											
1.4 Other loans	15,103						12,358					
2. Debt securities	-	-	-				-	-	-			
- structured securities												
- other debt securities												
3. Other assets	-						8,252				8,252	
TOTAL CARRYING AMOUNT	**18,711**	**-**	**-**		**18,711**		**20,722**	**-**	**-**		**20,722**	

L1 = Level 1
L2 = Level 2
L3 = Level 3

"Due from Financial Institutions" fell by €2 million compared to 31 December 2012.

"Loans" includes receivables related to the Italian subsidiary Leasys S.p.A. for an amount of €15.1 milion.

6.3 Due from customers

DESCRIPTION	31/12/2013						31/12/2012					
	CARRYING AMOUNT			FAIR VALUE			CARRYING AMOUNT			FAIR VALUE		
		NON-PERFORMING						NON-PERFORMING				
	BONIS	BOUGHT	OTHER	L1	L2	L3	BONIS	BOUGHT	OTHER	L1	L2	L3
1. Loans	13,397,066		219,745		13,663,952		12,645,441		261,183		13,037,466	
1.1 Finance leases	1,736,647		19,670				1,722,137		18,617			
of which: without finalpurchase option												
1.2 Factoring	3,323,345		161,020				3,112,493		184,483			
- with recourse	78,456		-				58,436		-			
- without recourse	3,244,889		161,020				3,054,057		184,483			
1.3 Consumer credit	6,684,501		16,750				6,532,122		28,388			
1.4 Credit cards												
1.5 Financing provided in connection with payment services rendered												
1.6 Other loans	1,652,574		22,305				1,278,689		29,695			
of which: sums to be collected under guarantees and commitments												
2. Debt securities												
2.1 structured securities												
2.2 other debt securities												
3. Other assets												
TOTAL	**13,397,066**	**-**	**219,745**	**-**	**13,663,952**	**-**	**12,645,441**	**-**	**261,183**	**-**	**13,037,466**	**-**

L1 = Level 1
L2 = Level 2
L3 = Level 3

Finance leases

Finance lease activities are mainly carried out by a FGA Capital S.p.A. and by subsidiaries in Germany and Switzerland.

Factoring

This item includes:

a) receivables arising from sales to the dealer network for €78.4 million factored on a non-recourse basis by the FGA Group; however, since this amount was in excess of the lines of credit available, the associated risk was not transferred to the factors;

b) receivables arising from sales to the dealer network for €3,404.7 million, factored on a recourse basis to the commercial partners of the dealer financing companies of Group FGA CAPITAL; of which, assets of SPE Star for €446 million and Erasmus for €311 million, consolidated in accordance with SIC 12; FGA Bank Germany GmbH (Germany), FC France S.A. (France) and FGA Capital Services Spain S.A. (Spain) are the originators of Erasmus securitization transaction, FGA Wholesale Uk is the originator of Star.

Retail financing

Retail financing mainly concerns fixed instalment car loans and personal loans.

The receivables comprise the amount of transaction costs/fees calculated in relation to the individual loans by including the following:

- grants received in relation to promotional campaigns;
- fees received from customers;
- incentives and bonuses paid to the dealer network;
- commissions on the sale of ancillary products.

Receivables include €3,986 million relating to SPEs for the securitization of receivables, as reported in accordance with IAS 27, SIC 12.

Other loans

This item includes loans granted to the FGA Group dealer network to fund network development, commercial requirements in handling used vehicles and to meet specific short/medium term borrowing requirements.

Non-performing assets

This item includes doubtful, substandard, restructured and overdue loans according to Bank of Italy instructions for non-banking financial entities as at 16 December 2009 and subsequent updates.

Loan and receivable impairment

This item reflects the impairment of loans and receivables. The following table shows changes during the year for each business line:

	LEASING FINANCING	FACTORING	RETAIL FINANCING	OTHER FINANCING	TOTAL
Risk Fund Provision 31/12/2012	**44,125**	**66,985**	**133,189**	**62,731**	**307,030**
Impairments	22,269	17,278	52,779	28,596	120,922
Writebacks	(10,715)	(9,832)	(7,917)	(7,895)	(36,359)
Utilization	(18,406)	(2,508)	(55,251)	(23,043)	(99,208)
Other Changes	2,470	(132)	991	(4,689)	(1,360)
Risk Fund Provision 31/12/2013	**39,743**	**71,791**	**123,791**	**55,700**	**291,025**

For further information please refer to "8.1 Impairment losses and recoveries".

SECTION 7 – HEDGING DERIVATIVES – ITEM 70

7.1 Breakdown of item 70 "Hedging derivatives"

VALORE NOZIONALE/ LIVELLI DI *FAIR VALUE*	31/12/2013				31/12/2012			
	FAIR VALUE				*FAIR VALUE*			
	L1	L2	L3	VN	L1	L2	L3	VN
A. Financial derivatives	-	17,958	-	4,520,234	-	19,119	-	1,667,821
1. Fair value		17,771		4,246,226		19,074		1,642,821
2. Cash flows		187		274,008		45		25,000
3. Foreign investments								
TOTAL A	-	17,958	-	4,520,234	-	19,119	-	1,667,821
B. Credit derivatives	-	-	-	-	-	-	-	-
1. Fair value								
2. Cash flows								
TOTAL B	-	-	-	-	-	-	-	-
TOTAL (A+B)	-	17,958	-	4,520,234	-	19,119	-	1,667,821

L1 = Level 1
L2 = Level 2
L3 = Level 3
NV = Notional Value

This item reflects the fair value of the derivative contracts entered into to hedge interest rate and exchange rate risks. The amounts include any interest accrued at year-end.

7.2 "Derivati di copertura": portafogli coperti e tipologia di copertura

TRANSACTION/TYPE OF HEDGE	Fair Value						Cash flows		
	Specific								
	Interest rate risk	Exchange rate risk	Credit risk	Price risk	Sundry risks	Generic	Specific	Generic	Foreign investm.
1. Available-for-sale of financial assets									
2. Loans									
3. Financial assets held to maturity									
4. Portfolio						7,850			
5. Other transactions									
TOTAL ASSETS	-	-	-	-	-	7,850	-	-	
1. Financial liabilities	9,921							-	
2. Portfolio									
TOTAL LIABILITY	9,921	-	-	-	-	-	-	-	
1. Expected transactions									
2. Financial asset and liability portfolio								187	

The generic column shows the amount of derivative instruments used to hedge the retail receivable portfolio. Such instruments have been accounted for as fair value hedges (macrohedge).
The cash flow hedges refer to derivative instruments hedging interest rate risk. Such instruments, which are used for long-term rental activities, are accounted for as cash flow hedges.

SECTION 8 – CHANGES IN VALUE OF FINANCIAL ASSETS UNDERLYING A GENERIC HEDGE - ITEM 70

8.1 Details of item 80 "Changes in value of the financial assets underlying a generic hedge"

CHANGES IN VALUE OF HEDGED ITEM	31/12/2013	31/12/2012
1. Positive change	47,141	130,842
1.1 of specific portfolios		
a) receivables		
b) available-for-sale financial assets		
1.2 overall	47,141	130,842
2. Negative change		
2.1 of specific portfolios		
a) receivables		
b) available-for-sale financial assets		
2.2 overall		
TOTAL	47,141	130,842

This item includes the changes in value of the receivables underlying the hedging instruments accounted for as fair value hedges (macrohedge).

SECTION 9 – INVESTMENTS - ITEM 90

9.1 Investments: Details of equity investments

DENOMINAZIONI IMPRESE	Consolidated carrying amount	Description		Headquarters
		Investor	% held	
C. Companies subject to dominant influence				
1. CODEFIS SCPA	36	FGA Capital	30%	Turin, Italy
2. SIRIO - SICUREZZA INDUSTRIALE	0.26	FGA Capital	0.21%	Turin, Italy
3. ORIONE	0.25	FGA Capital	0.22%	Turin, Italy
4. CAR CITY CLUB	35	Leasys	33%	Turin, Italy
5. SIRIO - SICUREZZA INDUSTRIALE	0.15	Leasys	0.13%	Turin, Italy
6. LIQUIDITÄTS- UND KONSORTIALBANK GMBH	29	FGA Bank	0.02%	Frankfurt am Main, Germany
7. OSEO	7	FC France	0.003%	Paris, France
TOTAL	108			

9.2 Changes in investments for the year

	AMOUNT
A. Opening balance	108
B. Increases	
B.1 Purchases	-
B.2 Writebacks	
B.3 Revaluations	
B.4 Other changes	
C. Decreases	
C.1 Disposals	-
C.2 Writebacks	
C.3 Other changes	
D. Closing balance	108

SECTION 10 – PROPERTY, PLANT AND EQUIPMENT - ITEM 100

	31/12/2013	31/12/2012
Assets for use in production	7,025	8,824
Assets reffering to finance lease contracts and operating lease contracts	10,658	4,456
Assets provided under operating leases	1,022,825	1,041,425
TOTAL	**1,040,508**	**1,054,705**

10.1 Property held for use in the production or supply of goods and services : composition of assets recognized at cost

DESCRIPTION/AMOUNT	31/12/2013	31/12/2012
1. Assets for use in production	6,449	8,198
a) land	-	-
b) buildings	-	-
c) furniture	4,847	7,160
d) electronic equipment	815	735
e) other	787	303
2. Assets held under finance lease	576	626
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) electronic equipment	-	-
e) other	576	626
TOTAL	**7,025**	**8,824**

10.2 Property held for investment: composition of assets recognized at cost

The Group does not hold property or assets under finance leases for investment purposes. However, it does hold assets under Finance Leases and assest provided under operating lease arrangements, whose details are as follow:

DESCRIPTION/AMOUNT	CARRYNG AMOUNT	
	31/12/2013	31/12/2012
2.1 Unopted assets	698	881
2.2 Asset returned after termination	4,523	1,920
2.3 Other assets	5,437	1,655
TOTAL: ASSETS RELATED TO FINANCE LEASES	**10,658**	**4,456**
Assets provided under operating leases	1,022,825	1,041,425
TOTAL: GOODS PROVIDED UNDER OPERATING LEASES	**1,022,825**	**1,041,425**
TOTAL (1+2)	**1,033,483**	**1,045,881**

The item "Assets related to finance leases" reflects vehicles in the company's possession as a result of:
- unopted assets: unexercised options to purchase by customers or contacts terminated other than mutual agreement;
- assets returned after termination: contract termination due to customer default;
- other assets: related to the vehicles amount waiting for the leasing contract enhancement.

Operating leases fell by €18,6 million compared to the previous year. This was due mainly to lower business volumes by the Italian subsidiary, Leasys.

10.5 Property held for use in the production or supply of goods and services: annual changes

	LAND	BUILDINGS	FURNITURE	ELECTRONIC EQUIPMENT	OTHER	TOTAL
A. Gross opening balance			54,121	1,367	1,310	56,798
A.1 Net reduction of total value			(46,961)	(632)	(381)	(47,974)
A.2 Net openig balance	-	-	7,160	735	929	8,824
B. Increases	-	-	2,464	684	1,111	4,260
B.1 Purchases			2,464	684	609	3,758
B.2 Expenses for capitalized improvements					-	-
B.3 Writebacks					-	-
B.4 Positive changes in fair value through:						-
a) equity						-
b) profit and loss						-
B.5 Positive exchange rate differences			-	-	502	502
B.6 Transfers from investment property						-
B.7 Other changes			-			-
C. Decreases	-	-	(4,202)	(604)	(1,253)	(6,059)
C.1 Disposals			(1,266)	-	(779)	(2,045)
C.2 Depreciation			(1,128)	(221)	(325)	(1,674)
C.3 Impairment through:						-
a) equity						-
b) profit and loss						-
C.4 Negative changes in fair value through:						-
a) equity						-
b) profit and loss						-
C.5 Negative exchange rate differences			(1,667)	(12)	-	(1,679)
C.6 Transfers to:						-
a) investment property						-
b) assets held for sale and discontinuing operations						-
C.7 Other changes			(141)	(371)	(149)	(661)
D. Ending inventories, net	-	-	5,422	815	787	7,025
D.1 Net reduction of total value	-	-	(39,655)	(857)	(378)	(40,890)
D.2 Gross ending inventories			45,078	1,672	1,165	47,915
E. Recognition at cost	-	-	5,422	815	787	7,025

10.6 Investment property: annual changes

	LAND	BUILDINGS	ASSETS REFFERING TO FINANCE LEASE CONTRACTS	ASSETS REFFERING TO OPERATING LEASE CONTRACTS	TOTAL
A. Opening balance	-	-	4,456	1,041,425	1,045,881
B. Increases	-	-	6,384	599,868	606,253
B.1 Purchases			6,384	599,194	605,578
B.2 Expenses for capitalized improvements					-
B.3 Positive variations of fair value					-
B.4 Writebacks					-
B.5 Positive exchange rate differences			-	674	674
B.6 Transfer of real estate functionally utilized					
B.7 Other changes					-
C. Decreases	-	-	(183)	(618,467)	(618,650)
C.1 Disposal			(183)	(360,463)	(360,646)
C.2 Depreciation			-	(258,004)	(258,004)
C.3 Negative variations of fair value					-
C.4 mpairment adjustments					-
C.5 Negative exchange rate differences			-	-	-
C.6 Different portfolio transfers:					
a) Property held for use in the production or supply of goods and services					
b) non-current assets held for sale and discontinuing operations					
C.7 Other changes					-
D. Ending inventories	-	-	10,658	1,022,826	1,033,484
E. Fair Value measurement	-	-	X	X	X

SECTION 11 - INTANGIBLE ASSETS - ITEM 110

11.1 Breakdown of item 110 "Intangible assets"

DESCRIPTION		31/12/2013		31/12/2012	
		Cost	Fair value	Cost	Fair value
1. Good	TOTAL 1	180,339		180,339	
2. Other intangible assets					
2.1 own		34,877		27,341	
- generated internally		2,358		1,425	
- other		32,519		25,916	
2.2 acquired under finance lease		-		-	
	TOTAL 2	34,877		27,341	
3. Assets under finance leases					
3.1 unpoted assets		-		-	
3.2 assets withdrawn following termination		-		-	
3.3 other assets		-		-	
	TOTAL 3	-		-	
4. Assets under operating leases		-		-	
	TOTAL (1+2+3+4)	215,216		207,680	
	TOTAL	215,216		207,680	

The item "Goodwill" includes €78.5 million relating to the Italian subsidiary Leasys S.p.A. and €101.9 million arising on the reorganization of the FGA CAPITAL Group occurred in 2006 and 2007. In particular:

- €50.1 million relate to the recognition - by the subsidiary Fidis Servizi Finanziari S.p.A., which merged into the Holding FGA Capital on March 1st, 2008 - of goodwill arising on the transfer of the "Network finance and other financing" business and the acquisition of the "Holding Division" from Fidis S.p.A.;
- €36.8 million relate to the first-time consolidation of certain European companies engaged in dealer financing;
- €15 million relate to the first-time consolidation of the Fidis Servizi Finanziari S.p.A. Group, which was eventually merged into the parent Company;

On the reporting date, goodwill was tested for impairment.

The impairment test entailed a review of the individual cash generating units (CGU) with the "Free cash flow to equity" method, that is by discounting to present value the net operating cash inflows available to the shareholders and the terminal value of each such CGU with the method used to determine the present value of a perpetuity.

The assumptions adopted to calculate the recoverable value of the CGUs reflect past experience and are consistent with the external sources of information. Specifically:

- Net operating cash inflows are calculated over a 5-year horizon;
- The discount rate of 11.9% reflects the cost of capital, considering a risk-free rate of 1.81%, a premium for company risk of 7.16% and a beta of 1.41;
- The growth rate is estimated at 1.9%, in line with a five-year inflation forecast;
- The cash flows take into consideration the capital adequacy level for each CGU, in line with the conditions of the market in which the company operates.

The item "Other intangible assets" mainly refers to:

- licences and software of the subsidiary Leasys S.p.A. for €16.5 million and of the parent company, FGA Capital, for €15.4 million;
- royalties from the subsidiary FGA Bank Germany GmbH for €1.3 million.

11.2 Intangible assets: changes for the year

	TOTAL
A. Opening balance	207,680
B. Increases	12,585
B.1 Purchases	11,545
B.2 Writebacks	
B.3 Positive changes in fair value through:	
- equity	
- profit and loss	
B.4 Other changes	1,040
C. Decreases	(5,049)
C.1 Disposals	(194)
C.2 Amortization	(4,855)
C.3 Impairment through:	
- equity	
- profit and loss	
C.4 Negative changes in fair value through:	
- equity	
- profit and loss	
C.5 Other changes	
D. Final balance	215,216

SECTION 12 – TAX ASSETS AND LIABILITIES

12.1 Breakdown of item 120 "Tax assets: current and deferred"

BREAKDOWN	31/12/2013	31/12/2012 (*)
a) current	29,889	33,626
b) deferred	154,110	143,905
- through profit and loss	150,853	137,240
- through equity	3,257	6,665
TOTAL	183,999	177,531

(*) Following application of the amendment to IAS 19

Current tax assets include direct and indirect tax credits, mainly referring to the Parent Company for €14.8.

12.2 Breakdown of item 70 "Tax liabilities: current and deferred"

DESCRIPTION	31/12/2013	31/12/2012 (*)
a) current	41.139	38.594
b) deferred	45.466	42.990
- through profit and loss	*45.466*	*42.990*
- through equity	-	-
TOTAL	**86.605**	**81.584**

(*) Following application of the amendment to IAS 19

Current taxes include direct and indirect taxes payable by, mainly, FGA Bank Germany GmbH for €9.5 million, FGA Capital S.p.A. for €8.7 milion, FGA Capital UK for €6.5 million, Fidis Finance S.A. for €4.5 million and FC France S.A. for €3.7 million.

12.3 Changes in deferred tax assets (through profit and loss)

	31/12/2013	31/12/2012
1. Opening balance	**137,240**	**137,427**
2. Increases	**36,690**	**21,153**
2.1 Deferred tax assets recognized during the year	36,690	20,298
a) in relation to previous financial years	*811*	*174*
b) due to changes in accounting standards		
c) writebacks		
d) other	*35,879*	*20,124*
2.2 New taxes or increases of tax rates		
2.3 Other increases		855
3. Decreases	**(23,077)**	**(21,340)**
3.1 Deferred tax assets derecognized during the year	(20,210)	(17,109)
a) reversals	*(20,210)*	*(17,109)*
b) written off as no longer recoverable		
c) due to changes in accounting standards		
d) other		
3.2 Reduction of tax rates		
3.3 Other decreases	(2,867)	(4,231)
a) change to tax credits under Law no. 21/2011		
b) other	(2,867)	(4,231)
4. Final balance	**150,853**	**137,240**

Line item 3.3 "other decreases", includes the exchange rate differences arising from the translation of current tax assets denominated in foreign currencies.

The amount at 31 December 2013 mainly includes deferred tax assets originated from the timing differences between the book base and the tax base of:
- tax loss carryforwards (€28.5 million);
- other risks and charges;
- allowance for bad debts;
- depreciation of long-term rental vehicles.

12.4 Changes in deferred tax liabilities (through profit and loss)

	31/12/2013	31/12/2012 (*)
1. Opening balance	**42,990**	**40,413**
2. Increases	**10,412**	**8,871**
2.1 Deferred tax assets recognized during the year	10,412	8,871
a) related to previous financial years		
b) due to changes in accounting standards		
c) other	10,412	8,686
2.2 New taxes or increases of tax rates		
2.3 Other increases		186
3. Decreases	**(7,936)**	**(6,294)**
3.1 Deferred tax liabilities derecognized during the year	(5,614)	(2,886)
a) reversals	(5,614)	(2,886)
b) due to changes in accounting standards		
c) other		
3.2 Reduction of tax rates		
3.3 Other decreases	(2,323)	(3,408)
4. Final balance	**45,466**	**42,990**

(*) Following application of the amendment to IAS 19

Line item 3.3 "Other decreases" includes the exchange rate differences arising from the translation of deferred tax assets denominated in foreign currencies.

The amount at 31 December 2013 mainly includes deferred taxes originated from the timing differences between the book base and the tax base of:
- prepaid incentives to dealer network;
- depreciation related to finance leases related to certain foreign subsidiaries.

12.5 Changes in deferred tax assets (through equity)

	31/12/2013	31/12/2012 (*)
1. Opening balance	6,665	3,999
2. Increases	474	2,666
2.1 Deferred tax assets recognized during the year	-	2,666
a) in relation to previous financial years		
b) due to changes in accounting standards		
c) other		2,666
2.2 New taxes or increases of tax rates		
2.3 Other increases	474	
3. Decreases	(3,882)	
3.1 Deferred tax assets derecognized during the year	(3,882)	
a) reversals		
b) written off as no longer recoverable		
c) due to changes in accounting standards		
d) other	(3,882)	
3.2 Reduction of tax rates		
3.3 Other decreases		
4. Final balance	3,257	6,665

(*) Following application of the amendment to IAS 19.

This item includes deferred tax assets recognized through equity as calculated on the cash flow hedge reserve relating to the future cash flows of hedging derivatives and the fiscal effect on the AOCI reserve.

SECTION 14 – OTHER ASSETS - ITEM 140

14.1 Breakdown of "Other assets"

DESCRIPTION	31/12/2013	31/12/2012
1. Due from employees	3,258	823
2. Receivables arising from sales and services	240,825	202,636
3. Sundry receivables	115,996	145,897
receivables arising from insurance services	49,523	36,114
receivables in the process of collection	1,592	26,261
security deposits	1,827	2,152
reinsurance assets	57,221	54,812
other	5,833	26,558
4. Operating lease receivables	278,709	292,125
TOTAL	**638,788**	**641,481**

In addition to brand grants and services, starting in 2012 "Receivables arising from sales and services" include a total of €104.5 million due to FGA by Leasys S.p.A. in connection with vehicles used in buybacks already invoiced.
The item "Receivables arising from insurance services" relates mainly to the Parent Company and includes sums due from insurance companies for the payment of commissions.
The item "Receivables in the process of collection" refers to pending collection items, relating mainly to the Parent Company and the Italian subsidiary Leasys S.p.A..

"Reinsurance activities" relate to the Irish subsidiary. Compared with 2012, receivables rose mainly due to such activities.

Operating lease receivables reflect mainly payments already billed, but not yet collected from customers, for a total of €189.3 million and related to operating lease buybacks for €78.8 million.

LIABILITIES AND EQUITY

SECTION 1 – PAYABLES – ITEM 10

1.1 Payables

(Amounts in thousands of euros)

DESCRIPTION	31/12/2013			31/12/2012		
	BANKS	FINANCIAL INSTITUTIONS	CUSTOMERS	BANKS	FINANCIAL INSTITUTIONS	CUSTOMERS
1. Borrowings					-	
1.1 Sale and repurchase agreements						
1.2 Other borrowings	7,356,314	43,467		7,425,878	793,842	
2. Other payables			83,930	-		50,986
TOTAL	**7,356,314**	**43,467**	**83,930**	**7,425,878**	**793,842**	**50,986**
Fair Value - livello 1						
Fair Value - livello 2	7,496,614	44,994	83,966	7,541,720	807,598	50,986
Fair Value - livello 3						
TOTAL FAIR VALUE	**7,496,614**	**44,994**	**83,966**	**7,541,720**	**807,598**	**50,986**

This item includes mainly borrowings from banks, of which €4,054.7 million from the Crédit Agricole Group at arm's length.
In addition, this item includes interest accrued for €26 million.

Other payables include:
- security deposits by dealers for €30.8 million with the Parent Company and €4.8 million with the Polish subsidiary;
- Retail liabilities and security deposits privately issued in relation to the leasing.

SECTION 2 – NOTES ISSUED – ITEM 20

2.1 Breakdown of item 20 "Notes issued"

LIABILITIES	31/12/2013				31/12/2012			
	CARRYING AMOUNT	FAIR VALUE			CARRYING AMOUNT	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
1. Securities								
- bonds	6,365,583	2,655,827	3,744,345	-	4,870,391	1,986,710	2,826,790	-
- structured								
- other	6,365,583	2,655,827	3,744,345		4,870,391	1,986,710	2,826,790	
- other securities	1,025	-	1,025	-	1,029	-	1,029	-
- structured								
- other	1,025		1,025		1,029		1,029	
TOTAL	**6,366,608**	**2,655,827**	**3,745,370**	**-**	**4,871,420**	**1,986,710**	**2,827,819**	**-**

"Other securities" refer to bonds issued by the SPEs in connection with securitization transactions and to bonds issued by the Irish subsidiary for €2,250 million of nominal amount.
This item includes also interest accrued as at year-end by the SPEs for €1.8 million (€1.3 million at 31 December 2012) and on the bond for €37.8 million.

Following in details the nominal value of bonds issued in the securitization operations:

SPE	TOTAL 31/12/13	TOTAL 31/12/12
A-Best Four Srl	950,718	1,322,000
A-Best Five SA	6,005	108,717
A-Best Six Plc	-	78,433
A-Best Seven Srl	168,200	285,000
A-Best Eight Plc	148,849	-
Nixes Three Plc	401,970	401,136
Nixes Four Srl	47,150	319,360
Nixes Five Plc	285,574	229,242
Nixes Six Plc	1,079,525	-
FCT Fast 2	369,988	283,678
Erasmus Finance Ltd	291,969	285,439
STAR	319,458	-
TOTAL NOTES	**4,069,406**	**3,313,005**

SECTION 3 – FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 30

3.1 Breakdown of item 30 "Financial liabilities held for trading"

LIABILITIES	31/12/2013					31/12/2012				
	FAIR VALUE			FV*	VN	FAIR VALUE			FV*	VN
	L1	L2	L3			L1	L2	L3		
A. Cash instruments	-	-	-	-	-	-	-	-	-	-
1. Debt										
2. Debt securities	-	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-	-
- structured										
- other bonds										
- other securities	-	-	-	-	-	-	-	-	-	-
- structured										
- other securities										
B. Derivative instruments	-	38,643	-	38,643	3,058,490	-	59,865	-	59,865	2,714,388
1. Financial derivatives		38,643		38,643	3,058,490		59,865		59,865	2,714,388
2. Credit derivatives										
TOTAL	-	**38,643**	**-**	**38,643**	**3,058,490**	**-**	**59,865**	**-**	**59,865**	**2,714,388**

L1= Level 1
L2= Level 2
L3= Level 3
NV= Nominal7notional value
FV*= Fair Value calculated excluding changes in the issuer's credit rating since issue date

This item reflects the negative change in the derivative financial instruments hedging the securitization transactions, entered into with the same banks as those involved in such transactions.

3.3 "Financial liabilities held for trading": derivative financial instruments

TYPES/UNDERLYINGS	INTEREST RATES	CURRENCIES	EQUITY INSTRUMENTS	OTHER	31/12/2013	31/12/2012
1. Over the counter						
Financial derivatives						
- Fair value	38,643				38,643	59,865
- Notional amount	3,058,490				3,058,490	2,714,388
Credit derivatives	-	-	-	-	-	-
- Fair value					-	-
- Notional amount					-	-
TOTAL A	**38,643**	**-**	**-**	**-**	**38,643**	**59,865**
2. Other	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-
- Fair value					-	-
- Notional amount					-	-
Credit derivatives	-	-	-	-	-	-
- Fair value					-	-
- Notional amount					-	-
TOTAL B	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B)	**38,643**	**-**	**-**	**-**	**38,643**	**59,865**

SECTION 5 – HEDGING DERIVATIVES – ITEM 50

5.1 Breakdown of item 50: Hedging derivatives

NOTIONAL VALUE/ FAIR VALUE LEVELS	31/12/2013				31/12/2012			
	FAIR VALUE				FAIR VALUE			
	L1	L2	L3	VN	L1	L2	L3	VN
A. Financial derivatives	-	69,971	-	5,598,198	-	156,736	-	7,916,988
- Fair value		60,509		4,957,142		136,461		6,994,657
- Cash flows		9,462		641,056		20,275		922,331
- Foreign investments								
TOTAL A	**-**	**69,971**	**-**	**5,598,198**	**-**	**156,736**	**-**	**7,916,988**
B. Credit derivatives	-	-	-	-	-	-	-	-
- Fair value								
- Cash flows								
TOTAL B	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B)	**-**	**69,971**	**-**	**5,598,198**	**-**	**156,736**	**-**	**7,916,988**

L1= Level 1
L2= Level 2
L3= Level 3
VN= Notional value

This item reflects the fair value of the derivative contracts entered into to hedge interest rate risks and includes interest accrued as at year-end.
Changes in value in these contracts, according to the fair value method, are reported through profit and loss, in item 70 "Gains (losses) on hedging activities" of the income statement.

5.2 Breakdown of item 50 "Hedging derivatives": portfolios hedged and type of hedge

TRANSACTION/TYPE OF HEDGE	FAIR VALUE						CASH FLOWS		FOREIGN INVESTMENTS
	SPECIFIC					GENERIC	SPECIFIC	GENERIC	
	INTEREST RATE RISK	EXCHANGE RATE RISK	CREDIT RISK	PRICE RISK	SUNDRY RISKS				
1. Available-for-sale financal assets									
2. Receivables									
3. Financial assets held tomaturity									
4. Portfolio									
5. Other transactions									
TOTAL ASSETS	-	-	-	-	-	-	-	-	-
1. Financial liabilities									
2. Portfolio								-	
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
1. Expected transactions								-	
2. Financial asset and liability portfolio						60,509		9,462	

The generic column shows the amount of derivative contracts hedging the retail receivable portfolio. Such contracts have been accounted for with the fair value hedge (macrohedge).
The cash flow hedges refer to derivative contracts hedging interest rate risk. Such contracts, which are used for long-term rental activities, are recognized in accordance with the cash flow hedge method.

SECTION 7 – TAX LIABIALITIES – ITEM 70

A breakdown of this item is provided in section 12 on the asset side - Tax assets and liabilities.

SECTION 9 - OTHER LIABILITIES - ITEM 90

9.1 Breakdown of "Other liabilities"

DESCRIPTION	31/12/2013	31/12/2012
1. Due to employees	3,558	4,332
2. Operating lease payables	214,594	210,357
3. Debiti vs Istituto di previdenza	10,646	9,942
4. Sundry payables	306,915	259,476
Payables for goods and services	219,509	*170,378*
Due to insurance companies	27,526	*25,577*
Due to customers	6,872	*17,898*
Reinsurance activities	53,008	*45,623*
TOTAL	**535,713**	**484,107**

The item "Operating lease payables" mainly includes payables for the purchase of cars and for services rendered to the Group's long-term-rental companies.

Line item "Payables for goods and services" includes:
- the provision of administrative, tax and payment services at arm's length by companies of the FGA Group;
- incentives payable to the FGA Group's dealer network;
- charges payable to dealers and banks, mainly in connection with the Parent Company's operations.

The item "Due to insurance companies" mainly relates to sums due by the parent company and the subsidiary Leasys.

SECTION 10 – POST-EMPLOYMENT BENEFITS – ITEM 100

10.1 "Post-employment benefits": yearly changes

	31/12/2013	31/12/2012 (*)
A. Opening balance	13,190	12,599
B. Increases	953	1,613
B.1 Provisions for the year	*366*	*375*
B.2 Other increases	587	1,238
C. Decreases	(1,513)	(1,022)
C.1 Payments made	*(877)*	*(942)*
C.2 Other decreases	*(636)*	*(80)*
D. Closing balance	12,630	13,190

(*) Following application of the amendment to IAS 19

This item reflects the residual obligation for severance indemnities which was required until 31 December 2006 under Italian legislation to be paid to employees of Italian companies with more than 50 employees upon termination of employment. This severance can be paid in part to employees during their working lives, if certain conditions are met.

Post-employment benefits, as reported in the statement of financial position, represent the present value of this defined benefit obligation, as adjusted for actuarial gains and losses and for costs relating to labour services not previously recorded. Provisions for defined benefit pension plans and the annual cost recorded in the income statement are determined by independent actuaries using the projected unit credit method.

Post-employment benefits and other long-term employee benefits are calculated on the basis of the following actuarial assumptions:
Discount rate 2.53%
Future salary increase 2.35%
Inflation rate 2.00%
Expected retirement age in keeping with the latest law provisions
Mortality table: SI02 (modified on the basis of historical data)
Turnover average rates: 10.01%

SECTION 11 - PROVISIONS FOR RISKS AND CHARGES - ITEM 110

11.1 Breakdown of item 110 "Provisions for risks and charges

COMPOSITION	31/12/2013	31/12/2012 (*)
1. Provisions for retirement benefits and similar obligations	29,220	24,929
2. Other provisions for employee	14,743	9,537
3. Provisions for tax risks	10,393	10,266
4. Provisons for legal risks	3,083	3,452
5. Provisions for risks and charges related to operating leases	31,919	30,156
6. Provisions for sundry risks	77,292	65,667
TOTAL	166,650	144,007

(*) Following application of the amendment to IAS 19

Provisions for retirement benefits and similar obligations
This item includes provisions for pension plans set up by foreign subsidiaries for €23.2 million (mainly FGA Bank Germany GmbH for €17.9 million), other provisions for long-term employee benefits for €5.9 million. Other provisions reflect employee bonuses for €12.8 million.

Provisions for risks and charges related to operating leases
This provision mainly consists of provisions for future maintenance and insurance costs for cars provided under operating lease contracts.

Provisions for tax disputes
This item refers to provisions in connection with tax litigation and related charges.

Provisions for sundry risks
These provisions include €39 million related to risks associated, in the UK market, with the residual value of vehicles financed through PCPs (Personal Contract Purchase) and the customer's voluntary termination option, as permitted by local legislation. The remaining provisions are attributable in the various markets to risks related to the residual value of vehicles and, more generally, to commercial risks.

11.2 Change during the year in item 110 "Provisions for risks and charges"

	31/12/2013	31/12/2012 (*)
A. Opening balance	144,007	128,278
B. Increases	43,437	42,398
B.1 Provisions for the year	26,475	27,934
B.2 Other increases	16,962	14,464
C. Decreases	(20,793)	(26,669)
C.1 User	(20,793)	(26,669)
C.2 Other decreases		
D. Final balance	166,651	144,007

(*) Following application of the amendment to IAS 19

The item "Other increases" reflects mainly exchange rate differences.

SECTION 12 – EQUITY – ITEMS 120 – 130 – 140 – 150 – 160 AND 170

12.1 Breakdown of item "Share capital"

DESCRIPTION	AMOUNT
1. Share capital	
1.1 Ordinary shares	700,000
1.2 Other share	
TOTAL	**700,000**

Share capital is fully paid in. It consists of 700,000,000 shares with a nominal value of €1 each and, at year-end 2013, was unchanged from the previous year.

12.4 Breakdown and change in item 150 "Share premium reserve"

This item, amounting to €192,746,000, did not change from the previous year.

12.5 Other information

12.5.1 Breakdown and change in item 160 "Reserves"

	LEGAL	OTHER	RETAINED EARNINGS	TOTAL
A. Opening balance	21,366		562,101	583,467
B. Increases	1,608		165,225	166,833
B.1 Allocation of profit	1,608		163,084	164,692
B.2 Other changes			2,141	2,141
C. Decreases			(30,554)	(30,554)
C.1 Uses			(30,554)	(30,554)
- loss coverage				
- distribution			*(30,554)*	(30,554)
- capitalization				
C.2 Other changes				
D. Final balance	22,974		696,772	719,746

12.5.2 Breakdown and changes in item 170 "Valuation reserve"

	AVAILABLE-FOR-SALE FINANCIAL ASSETS	PROPERTY, PLANT AND EQUIPMENT	INTANGIBLE ASSETS	CASH FLOW HEDGES	SPECIAL REVALUATION LAWS	SPECIAL REVALUATION LAWSI	TRANSLATION RESERVE	TOTAL
A. Opening balance				(12,586)	456	(1,398)	20,142	6,614
B. Increases				6,961		1,349		8,310
B.1 Positive changes in fair value				6,961		1,349		8,310
B.2 Other changes								
C. Decreases						(3,785)	(5,804)	(9,589)
C.1 Negative changes in fair value						(3,785)	(5,804)	(9,589)
C.2 Other changes								
D. Final balance				(5,625)	456	(3,834)	14,338	5,335

The cash flow hedge reserve reflects the cumulative changes in fair value of the derivatives designated as cash flow hedges.

The translation reserve refers to exchange rate differences arising from the translation of the financial statements of foreign subsidiaries with a reporting currency other than the euro.

SECTION 13 - NON-CONTROLLING INTERESTS- ITEM 190

13.1 Breakdown of item 190 "Non-controlling interests"

ITEMS	31/12/2013	31/12/2012
1. Share capital		
2. Treasury shares		
3. Equity instruments		
4. Share premium reserve		
5. Reserves	12,749	11,390
6. Valuation reserve	4	
7. Profit (loss) for the year	1,339	1,369
TOTAL	14,092	12,759

Non-controlling interests mainly consisted of the 50% interest held by third parties in FGA Bank GmbH . The remainder consists of small non-controlling interests, mainly in FC France S.A., FGA Capital Hellas S.A., FGA Insurance Hellas (Greece) and FGA Capital Ireland Plc (Ireland).

RECONCILIATION OF CONSOLIDATED EQUITY WITH FGA CAPITAL S.P.A.'S

The table below reconciles FGA Capital S.p.A.'s equity with the consolidated equity.

	EQUITY	OF WHICH PROFIT FOR THE YEAR
FGA Capital S.p.A. - Separate financial statements	1,079,950	30,091
Recognition of equity and profit by consolidated subsidiaries, after eliminations Group owners' equity and profit	1,728,944	146,276
Consolidation adjustments:	-	-
Elimination of investments reported in FGA Capital S.p.A.'s financial statements	(1,033,051)	-
Elimination of intercomany dividends	-	(10,000)
Other consolidation adjustments	12,314	3,963
Group owners' equity and profit	1,788,157	170,330
Non-controlling interests	14,092	1,339
Total as per consolidated financial statements	1,802,249	171,669

PART C – NOTES TO THE CONSOLIDATED INCOME STATEMENTS

SECTION 1 – INTEREST AND SIMILAR INCOME - ITEMS 10 AND 20

1.1 Breakdown of item 10 "Interest and similar income"

DESCRIPTION/INSTRUMENTS	DEBT SECURITIES	LOANS	OTHER	31/12/2013	31/12/2012
1. Financial assets held for trading					
2. *Financial assets at fair value*					
3. Available-for-sale financial assets					
4. *Financial assets held to maturity*	145			145	407
5. Receivables		750,387	1,647	752,034	858,360
5.1 Due from banks			1,647	1,647	3,805
5.2 Due from financial institutions		136		136	136
5.3 Due from customers		750,251		750,251	854,419
6. Other assets					
7. Hedging derivatives					
TOTAL	145	750,387	1,647	752,179	858,767

The amount due from banks under "Other" refers mainly to interest accrued in the current accounts of the SPEs.

1.3 Breakdown of item 20 "Interest and similar expense"

DESCRIPTION/INSTRUMENTS	DEBT SECURITIES	LOANS	OTHER	31/12/2013	31/12/2012
1. Due to banks	(192,753)			(192,753)	(259,345)
2. Due to financial institutions					
3. Due to customers	(50)		(498)	(548)	(818)
4. Notes issued		(110,034)		(110,034)	(102,292)
5. Financial liabilities held for trading					
6. *Financial liabilities at fair value*					
7. Other liabilities					
8. Hedging derivatives			(77,657)	(77,657)	(84,977)
TOTAL	(192,803)	(110,034)	(78,155)	(380,992)	(447,432)

Interest to customers refers to interest accrued on the security deposits posted by dealers with the Parent Company.

SECTION 2 - FEE AND COMMISSION INCOME AND EXPENSE - ITEMS 30 AND 40

2.1 Breakdown of item 30 "Fee and commission income"

DESCRIPTION	31/12/2013	31/12/2012
1. Finance lease transactions	8,397	7,518
2. Factoring transactions	16,839	16,948
3. Retail finance transactions	88,982	75,756
4. Merchant banking activities		
5. Guarantees provided		
6. Services:		
- fund management on behalf of third parties g		
- currency trading		
- product distribution		
- other		
7. Payment and collection services		
8. *Servicing of securitization transactions*		
9. Other commissions	38,783	43,387
TOTAL	**153,001**	**143,609**

Commissions on retail financing transactions reflect mainly:
- 61.7 million on insurance products not attributable to a single loan contract;
- 23.3 million in recoveries of collection charges from customers;
- 2.6 million in commissions for early repayments.

The item Other commissions refers to the Irish subsidiary for revenues received in connection with re-insurance activities.

2.2 Breakdown of item 40 "Fee and commission expense"

DESCRIPTION	31/12/2013	31/12/2012
1. Guarantees received	(13)	(33)
2. Services received from third parties	(16,571)	(14,432)
3. Payment and collection services	(3,417)	(6,226)
4. Other fees and commissions	(33,040)	(33,245)
TOTAL	**(53,041)**	**(53,936)**

The item "Services received from third parties" mainly represents costs for services supplied to customers in the insurance and finance lease businesses.
The item "Payment and collection services" mainly represents cost for the collection of finance lease payments and retail loan installments.
The item "Other fees and commissions" represents commission expenses and other expenses related to the insurance activity.

SECTION 4 - PROFIT (LOSS) FROM TRADING ACTIVITIES - ITEM 60

4.1 Breakdown of item 60 "Profit (loss) from trading activities"

DESCRIPTION/ RESULT	GAINS	TRADING INCOME	LOSS	TRADING LOSS	PROFIT (LOSS)
1. Financial assets					
1.1 Debt securities					
1.2 Equity instruments and UCITS shares/ units					
1.3 Loans					
1.4 Other assets					
2. Financial liabilities					
2.1 Debts securities					
2.2 Payables					
2.3 Other liabilities					
3. Financial assets and liabilities: exchange rate differences					
4. Financial derivatives	21,375		(22,782)		(1,407)
5. Credit derivatives					
TOTAL	**21,375**		**(22,782)**		**(1,407)**

The items reflects changes in the fair value of assets and liabilities held for trading.

SECTION 5 - GAINS (LOSSES) ON HEDGING ACTIVITIES - ITEM 70

5.1 Breakdown of item 70 "Gains (losses) on hedging activities"

DESCRIPTION	31/12/2013	31/12/2012
1. Income from:		
1.1 Hedging items at fair value	64,706	
1.2 Hedged assets (fair value hedge)		45,465
1.3 Hedged liabilities (fair value hedge)	9,921	7,262
1.4 Cash flow hedges		
1.5 Other		
TOTAL INCOME FROM HEDGING ACTIVITIES (A) ACTIVITIES (A)	**74,627**	**52,727**
2. Expenses related to:		
2.1 Hedging items at fair value		(52,727)
2.2 Hedged assets (fair value hedge)	(74,617)	-
2.3 Hedged liabilities (fair value hedge)	(10)	
2.4 Cash flow hedges		
2.5 Other		
TOTAL LOSES FROM HEDGING ACTIVITIES (B)	**(74,627)**	**(52,727)**
GAINS (LOSSES) ON HEDGING ACTIVITIES (A-B)	**-**	**-**

This item reflects the changes in fair value of derivative contracts recognized as financial assets and liabilities held for trading.

SECTION 7 - GAIN (LOSS) ON SALE OR REPURCHASE - ITEM 90

7.1 Breakdown of item 90 "Gain (loss) on sale or repurchase"

DESCRIPTION	31/12/2013			31/12/2012		
	GAIN	LOSS	NET RESULT	GAIN	LOSS	NET RESULT
1. Financial Assets						
1.1 Receivables						
1.2 Available for sale assets	-		-	860		860
1.3 Held to maturity assets						
TOTAL (1)	-	-	-	860	-	860
2. Financial liabilities						
2.1 Borrowings						
2.2 Bonds outstanding						
TOTAL (2)	-	-				
TOTAL (1)+(2)	-	-	-	860	-	860

The item 2012 reflected a gain on disposal in connection with A-Best Seven securitization originated by Holding FGA Capital.

SECTION 8 - IMPAIRMENT/REINSTATEMENT OF VALUE OF FINANCIAL ASSETS - ITEM 100

8.1 "Net provision for risk of non performing provision"

DESCRIPTION/ADJUSTMENTS	IMPAIRMENTS		WRITEBACKS		31/12/2013	31/12/2012
	SPECIFIC	PORTFOLIO	SPECIFIC	PORTFOLIO		
1. Due from banks	-	-	-	-	-	
- leasing					-	
- factoring					-	
- other receivables					-	
2. Due from financial institutions	-	-	-	-	-	
Non-performing loans purchased						
- leasing					-	
- factoring					-	
- other receivables					-	
Other Receivables						
- leasing					-	
- factoring					-	
- other receivables					-	
3. Due from customers	(109,068)	(28,332)	22,989	13,370	(101,041)	(110,301)
Non-performing loans purchased						
- leasing	-	-	-	-	-	-
- factoring	-	-	-	-	-	-
- retail financing	-	-	-	-	-	-
- other receivables	-	-	-	-	-	-
Other Receivables						
- leasing	(17,861)	(4,408)	5,729	4,986	(11,554)	(10,696)
- factoring	(7,256)	(10,022)	8,540	1,292	(7,446)	(7,318)
- retail financing	(58,024)	(11,233)	3,626	4,291	(61,340)	(75,522)
- other receivables	(25,927)	(2,669)	5,094	2,801	(20,701)	(16,765)
TOTALE	**(109,068)**	**(28,332)**	**22,989**	**13,370**	**(101,041)**	**(110,301)**

Compared with the previous year, the cost of risk was better than in the previous year.

SECTION 9 - ADMINISTRATIVE EXPENSES - ITEM 110

9.1 Breakdown of item 110.a "Personnel expenses"

VOCI/SETTORI	31/12/2013	31/12/2012 (*)
1. Employees	(130,862)	(130,769)
a) wages and salaries	(87,911)	(88,357)
b) insurance and social contributions	(22,649)	(22,070)
c) post-employment benefits	(2,253)	(2,415)
d) social security contributions	-	-
e) provisions for post-employment benefits	(366)	(319)
f) provision for retirement benefits and similar obligations:	(1,647)	(2,602)
- defined contribution	(150)	(174)
- defined benefits	(1,497)	(2,428)
g) payments to external supplementary pension funds:	(2,066)	(3,621)
- defined contribution	(2,066)	(3,621)
- defined benefits		
h) other expenses	(13,969)	(11,385)
2. Other employees in service	(5,141)	(3,833)
3. Directors and statutory auditors	(301)	(186)
4. Retired employees		
5. Expense recoveries for employees seconded to other companies		
6. Reimbursements for employees seconded to other companies		
TOTAL	**(136,304)**	**(134,788)**

(*) Following application of the amendment to IAS 19

9.2 Specific and average headcount by category

	AVERAGE 2013	31/12/2013	AVERAGE 2012	31/12/2012
Managers	67	66	70	68
Clerks	1,858	1,869	1,877	1,861
TOTAL	**1,925**	**1,935**	**1,947**	**1,929**

9.3 Breakdown of item 110.b "Other administrative expenses"

DESCRIPTION/AREAS	31/12/2013	31/12/2012
1. Consulting and professional services	(25,191)	(26,888)
2. EDP costs	(27,377)	(24,577)
3. Rents and utilities	(11,117)	(11,327)
4. Indirect and other taxes	(10,134)	(10,700)
5. Advertising and promotion expenses	(4,808)	(6,818)
6. Other expenses	(3,937)	(9,350)
TOTAL	(82,564)	(89,660)

SECTION 10 - AMORTIZATION -IMPAIRMENT/REINSTATEMENT OF VALUE OF TANGIBLE ASSETS ITEM 120

10.1 Amortization-Impairment/Reinstatement of value of tangible assets

DESCRIPTION	DEPRECIATION	IMPAIRMENT	REINSTATEMENT OF VALUE	NET RESULT
1. Assets used in production	(1,674)			(1,674)
1.1 own				
a) land				
b) buildings				
c) furniture	(924)			(924)
d) equipment	(221)			(221)
e) other	(325)			(325)
1.2 under finance lease				
a) land				
b) buildings				
c) furniture				
d) equipment				
e) other	(203)			(203)
2. Assets held for investment purposes	(258,004)			(258,004)
of which provided under operating lease contracts	(258,004)			(258,004)
TOTAL	(259,678)			(259,678)

This item reflect mainly changes in value of assets under operating lease contract.

SECTION 11 - AMORTIZATION - IMPAIRMENT/REINSTATEMENT OF VALUE OF INTANGIBLE ASSETS ITEM 130

11.1 Amortization-Impairment/Reinstatement of value of intangible assets

DESCRIPTION	AMORTIZATION	IMPAIRMENT	REINSTATEMENT OF VALUE	NET RESULT
1. Goodwill				
2. Other intangible assets	(4,855)			(4,855)
2.1 own	(4,855)			(4,855)
2.2 under finance lease contracts				
3. Assets under finance lease				
4. Assets provided under operating lease contracts				
TOTAL	(4,855)			(4,855)

Reserves to provisions for risks and charges related to leasing include the reserves (negative value) and profits (positive value) in connections with future maintenance and insurance provisions.

SECTION 13 - PROVISIONS FOR RISKS AND CHARGES - ITEM 150

13.1 Breakdown of item 150 "Provisions for risks and charges"

ITEMS	31/12/2013		31/12/2012	
	IMPAIRMENT	REINSTATEMENT OF VALUE	IMPAIRMENT	REINSTATEMENT OF VALUE
1. Provisions for risks and charges related to operating leases	(13,503)	2,051	(12,823)	12,405
1.1 Future maintenance provision	*(12,997)*	*1,590*	*(10,796)*	*9,837*
1.2 Self-insurance provisions	*(506)*	*460*	*(2,027)*	*2,569*
2. Provisions to other risks and charges	(5,501)	506	(18,073)	3,330
3. Technical insurance reserve	(5,266)	4,650	(2,719)	2,447
TOTAL	(24,271)	7,206	(33,615)	18,183
NET AMOUNT	(17,065)		(15,433)	

SECTION 14 - OTHER OPERATING INCOME AND EXPENSES - ITEM 160

DESCRIPTION	31/12/2013	31/12/2012
1. Other operating income	695,374	730,967
2. Other operating expenses	(316,090)	(328,574)
TOTAL	379,284	402,393

14.1 Breakdown of item 160 "Other operating income"

DESCRIPTION	31/12/2013	31/12/2012
1. Expense recoveries	31,771	33,960
2. Income from operating leases	656,516	685,833
3. Income fron finance lease	3,752	3,643
4. Sundry income	3,335	7,531
TOTAL	**695,374**	**730,967**

Expense recoveries reflect mainly the chargeback to customers by the Parent Company for legal and tax costs, credit collection costs and operating costs incurred on their behalf.

Income from operating leases refers mainly to:
- €366.9 million in fees from car leases;
- €182.9 million in fees from services related to car rentals;
- €68.5 million expenses recovered from customers on car rentals;
- €10.8 million for subsidies and discounts received by the FGA Group and dealers;
- €26.9 million in gains on disposals of rental cars.

14.2 Breakdown of item 160 "Other operating expenses"

DESCRIPTION	31/12/2013	31/12/2012
1. Credit collection expenses	(16,561)	(20,609)
2. Information charges	(1,790)	(4,716)
3. Other expenses:	(297,739)	(303,249)
3.1 finance lease charges	*(283,058)*	*(291,510)*
3.2 operating lease charges	*(3,337)*	*(3,349)*
3.3 contract expenses	*(6,674)*	*(6,047)*
3.4 sundry charges	*(4,670)*	*(2,343)*
TOTAL	**(316,090)**	**(328,574)**

The item "Other charges – Long term rental charges" mainly includes costs related to rental customer assistance (€132.5 million), insurance costs (€54.9 million) and losses from the sale of cars (€34 million).

SECTION 17 - TAX ON INCOME FROM CONTINUING OPERATIONS - ITEM 190

17.1 Breakdown of item 190 "Income tax on continuing operations"

ITEMS	31/12/2013	31/12/2012
1. Current taxes	(90,646)	(86,340)
2. Changes in taxes of previous years	3,116	(1,216)
3. Decrease in current taxes for the year		
3bis. Reduction of current taxes for the period due to tax credits under Law 214/2011		
4. Change in deferred tax assets	16,481	3,188
5. Change in deferred tax liabilities	(4,799)	(5,799)
TAX ON INCOME FROM CONTINUING OPERATIONS	**(75,848)**	**(90,167)**

This item reflects taxes for the year and the change in deferred tax assets and liabilites occurred during the sale period.

The consolidated tax rate rose from 35.1% in 2012 to 30.6% in 2013, due in essence to the increased deferred taxes related to the regulation change, depreciation and credit losses.

SECTION 19 - INCOME STATEMENT: ADDITIONAL INFORMATION

19.1 - Breakdown of interest and commission income

DESCRIPTION/SOURCE OF INCOME	INTEREST INCOME			COMMISSION INCOME				
	BANKS	FINANCIAL INSTITU-TIONS	CUSTOMERS	BANKS	FINANCIAL INSTITU-TIONS	CUSTOMERS	31/12/2013	31/12/2012
1. Finance leases	-	-	115,711	-	-	8,397	124,108	137,470
- real estate								
- movable property			115,711			8,397	124,108	137,470
- equipment								
- intangible assets								
2. Factoring	-	-	143,077	-	-	16,839	159,916	202,898
- current receivables								
- future receivables								
- purchased on non-recourse basis			85,622			16,839	102,461	139,626
- receivables purchased below their par value								
- other receivables			57,455				57,455	63,272
3. Retail financing	-	-	491,462	-	-	88,982	580,444	614,273
- personal loans								
- special purpose loans			491,462			88,982	580,444	614,273
- wage assignment loans								
4. Guarantees and commitments	-	-	-		-	-	-	-
- of a commercial nature								
- of a financial nature								
TOTAL	-	-	750,250	-	-	114,218	864,468	954,641

PART D – OTHER INFORMATION

SECTION 1 – DESCRIPTION OF THE GROUP'S MAIN BUSINESS ACTIVITIES

A. FINANCE LEASES

The following table contains a breakdown of receivables arising from finance lease contracts by due date.

A2. - Distribution of non-performing assets, minimum payments and gross investment by maturity range

MATURITY RANGE	31/12/2013						31/12/2012					
		MINIMUM PAYMENTS			GROSS INVESTMENTS			MINIMUM PAYMENTS			GROSS INVESTMENTS	
	NON-PERFORMING ASSETS	PRINCIPAL	of which secured residual amount	INTEREST		of which unsecured residual amount	NON-PERFORMING ASSETS	PRINCIPAL	of which secured residual amount	INTEREST		of which unsecured residual amount
- on demand	236	1,968		136	2,204		256	5,543		475	5,799	
- up to 3 months	4,647	158,301		22,583	162,948		2,724	144,181		25,949	146,905	
- between 3 months and 1 year	6,511	471,811		64,312	478,322		9,808	383,487		56,713	393,295	
- between 1 and 5 years	7,860	1,080,953		81,113	1,088,813		5,821	1,185,800		101,525	1,191,621	
- over 5 years	416	23,613		2,274	24,029		8	3,126		105	3,134	
- unspecified maturity												
TOTAL	19,670	1,736,646		170,418	1,756,316		18,617	1,722,137		184,767	1,740,754	

A3. - Distribution of lease finance contracts by qualty and type of asset leased

	PERFORMING		NON-PERFORMING			
			31/12/2013		31/12/2012	
	31/12/2013	31/12/2012		OF WHICH DOUBTFUL		OF WHICH DOUBTFUL
A. Real estate						
- Land						
- Buildings	2,106	6,910				
B. Equipment						
C. Movable property:						
- Motor vehicles	*1,734,541*	*1,715,227*	*19,670*	*7,369*	*18,617*	*10,121*
- Aircraft and rolling stock						
- Other						
D. D. Intangible assets						
- Trademarks						
- Software						
- Other						
TOTAL	1,736,647	1,722,137	19,670	7,369	18,617	10,121

Finance leases refer mainly to financing provided for motor vehicles of the FGA Group's brands.

Non-performing receivables are considered uncollectible, in whole or in part, on the basis of objective evidence and, as such, have been written down.

Bad loans refer to receivables that, based on objective evidence, are considered uncollectible.

A4. - Classification of assets covered by finance lease contracts

	UNOPTED ASSETS		ASSETS RETIRED FOLLOWING TERMINATION		OTHER ASSETS	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
A Real estate						
- *Land*						
- *Buildings*						
B Equipment						
C Movable property:	698	881	4,523	1,920	5,437	1,655
- *Motor vehicles*	*698*	*881*	*4,523*	*1,920*	*5,437*	*1,655*
- *Aircraft and rolling stock*						
- *Other*						
D Intangible assets						
- *Trademarks*						
- *Software*						
- *Other*						
TOTAL	**698**	**881**	**4,523**	**1,920**	**5,437**	**1,655**

A5. - Details of value adjustments

DESCRIPTION		INCREASES				DECREASES					
	OPENING AMOUNT	VALUE ADJUSTMENTS	LOSSES FROM SALES	TRANSFER FROM OTHER STATUS	OTHER INCREASES	WRITEBACKS	GAINS FROM SALES	TRANSFER TO OTHER STATUS	WRITE-OFFS	OTHER DECREASES	CLOSING AMOUNT
Specifically on non-performing assets											
Real estate	-	-		-		-		-	-	-	-
- Delinquent											-
- Doubtful											-
- Restructured											-
- Overdue											-
Equipment	-	-		-	-	-		-	-	-	-
- Delinquent											-
- Substandard											-
- Restructured											-
- Overdue											-
Movable property	31,795	17,861	-	3,827	701	(5,729)		(7,030)	(15,827)	(742)	24.856
- Delinquent	17,378	11,295		1,727	701	(1,934)		(1,422)	(13,346)	-	14.399
- Substandard	9,608	3,607		102	-	(2,084)		(4,410)	(1,589)	(586)	4.648
- Restructured	-	6		-	-	-		-	-		6
- Overdue	4,809	2,953		1,998		(1,711)		(1,198)	(892)	(156)	5.803
Intangible assets	-	-		-		-		-	-	-	-
- Delinquent	-										-
- Substandard	-										-
- Restructured	-										-
- Overdue	-										-
TOTAL	**31,795**	**17,861**	**-**	**3,827**	**701**	**(5,729)**	**-**	**(7,030)**	**(15,827)**	**(742)**	**24,856**
Portfolio on other assets											
- Real estate	16	-		-	981	(6)		-	-		991
- Equipment											-
- Movable property	12,314	4,408		3,372	1,530	(4,980)		(169)	(2,579)		13,896
- Intangible assets	-										-
TOTAL	**12,330**	**4,408**	**-**	**3,372**	**2,511**	**(4,986)**	**-**	**(169)**	**(2,579)**	**-**	**14,887**
TOTAL	**44,125**	**22,269**	**-**	**7,199**	**3,212**	**(10,715)**	**-**	**(7,199)**	**(18,406)**	**(742)**	**39,743**

B. FACTORING AND SALE OF RECEIVABLES

B.1 - Gross and carrying amount

B.1.1 - Factoring transactions

DESCRIPTION/AMOUNT	31/12/2013			31/12/2012		
	GROSS AMOUNT	ADJUSTMENTS	CARRYING AMOUNT	GROSS AMOUNT	ADJUSTMENTS	CARRYING AMOUNT
1. Performing receivables	3,372,898	(49,553)	3,323,345	3,147,647	(35,154)	3,112,493
- Exposure toward assignors (with recourse)	78,456	-	78,456	58,436	-	58,436
- Sales of future receivables						
- Other	78,456		78,456	58,436		58,436
- Exposure toward assigned debtors (without recourse)	3,294,442	(49,553)	3,244,889	3,089,211	(35,154)	3,054,057
2. Non-performing receivables	183,258	(22,238)	161,020	216,314	(31,831)	184,483
2.1 Doubtful loans	52,420	(13,954)	38,466	28,578	(10,610)	17,968
- Exposure toward assignors (with recourse)	-	-	-	-	-	
- Sales of future receivables						
- Other						
- Exposure toward assigned debtors (without recourse)	52,420	(13,954)	38,466	28,578	(10,610)	17,968
- Purchases at less than nominal value						
- Other	52,420	(13,954)	38,466	28,578	(10,610)	17,968
2.2 Substandard	93,146	(6,596)	86,550	137,978	(14,684)	123,294
- Exposure toward assignors (with recourse)	-	-		-	-	
- Sales of future receivables						
- Other						
- Exposure toward assigned debtors (without recourse)	93,146	(6,596)	86,550	137,978	(14,684)	123,294
- Purchases at less than nominal value						
- Other	93,146	(6,596)	86,550	137,978	(14,684)	123,294
2.3 Restructured	32,046	(203)	31,843	35,227	(694)	34,533
- Exposure toward assignors (with recourse)	-			-	-	
- Sales of future receivables						
- Other						
- Exposure toward assigned debtors (without recourse)	32,046	(203)	31,843	35,227	(694)	34,533
- Purchases at less than nominal value						
- Other	32,046	(203)	31,843	35,227	(694)	34,533
2.4 Overdue	5,646	(1,485)	4,161	14,531	(5,843)	8,688
- Exposure toward assignors (with recourse)	-			-	-	
- Sales of future receivables						
- Other						
- Exposure toward assigned debtors (without recourse)	5,646	(1,485)	4,161	14,531	(5,843)	8,688
- Purchases at less than nominal value						
- Other	5,646	(1,485)	4,161	14,531	(5,843)	8,688
TOTAL	3,556,156	(71,791)	3,484,365	3,363,961	(66,985)	3,296,976

Non-performing loans, overdue receivables excepted, are based on the entire position of counterparties with overdue amounts.

B.2 - Maturity ranges

B.2.1 - Factoring transactions with recourse: advances and receivables

MATURITY RANGES	ADVANCES		RECEIVABLES	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
- On demand	-	1,652	-	1,652
- Up to 3 months	50,393	43,832	50,393	43,832
- Between 3 and 6 months	10,770	5,717	10,770	5,717
- From 6 months to 1 year	17,293	7,235	17,293	7,235
- Over 1 year			-	-
- Unspecified maturity			-	-
TOTAL	78,456	58,436	78,456	58,436

B.2.2 - Factoring transactions non recourse: exposures

MATURITY RANGE	EXPOSURES	
	31/12/2013	31/12/2012
- On demand	32,733	31,438
- Up to 3 months	1,688,704	1,700,767
- Between 3 and 6 months	669,288	581,087
- From 6 months to 1 year	1,014,986	925,074
- Over 1 year	198	174
- Unspecified maturity		
TOTAL	3,405,909	3,238,540

B.3 - Adjustments

B.3.1 Factoring transactions

DESCRIPTION	OPENING AMOUNT	INCREASES				DECREASES					CLOSING AMOUNT
		ADJUSTMENT	LOSSES FROM SALES	TRANSFER FROM OTHER STATUS	OTHER POSITIVE CHANGES	WRITEBACK	GAINS FROM SALES	TRANSFER TO OTHER STATUS	WRITE-OFFS	OTHER NEGATIVE CHANGES	
Specifically on non-performing assets	31,831	7,256		6,748	-	(8,540)		(3,879)	(2,441)	(8,737)	22,238
Exposure toward assignors	-	-		-	-	-		-	-	-	-
- Doubtful	-										-
- Substandard	-										-
- Restructured	-										-
- Overdue	-										-
Exposure toward assigned debtors	31,831	7,256		6,748	-	(8,540)		(3,879)	(2,441)	(8,737)	22,238
- Doubtful	10,610	5,731		6,748		(3,093)		(538)	(2,435)	(3,069)	13,954
- Substandard	14,684	1,504				(5,395)		(2,886)	-	(1,311)	6,596
- Restructured	694	-		-		-		(34)	-	(457)	203
- Overdue	5,843	21				(52)		(421)	(6)	(3,900)	1,485
Portfolio other activities	35,154	10,022		146	8,846	(1,292)		(3,015)	(67)	(241)	49,553
- Exposure toward assignors	-										-
- Exposure toward assigned debtors	35,154	10,022		146	8,846	(1,292)		(3,015)	(67)	(241)	49,553
TOTAL	66,985	17,278		6,894	8,846	(9,832)		(6,894)	(2,508)	(8,978)	71,791

C. RETAIL FINANCING

The table below contains a breakdown of receivables arising from retail financing. For each category, it shows the allowance made against the loans receivable.

"Gross value" is the sum of all future repayments, including principal and interest, minus transaction costs and revenues, in accordance with the amortized cost method.

C.1 Breakdown by type

	31/12/2013			31/12/2012		
	GROSS AMOUNT	ADJUSTMENTS	NET AMOUNT	GROSS AMOUNT	ADJUSTMENTS	NET AMOUNT
1 Performing receivables	6,731,771	(47,270)	6,684,501	6,578,882	(46,760)	6,532,122
- personal loans	2,438,569	(23,156)	2,415,413	1,985,209	(15,972)	1,969,237
- special-purpose loans	4,293,202	(24,114)	4,269,088	4,593,673	(30,788)	4,562,885
- wage-assignment loans			-			-
2. Non-performing receivables	93,271	(76,521)	16,750	114,817	(86,429)	28,388
Personal loans	18,850	(15,074)	3,776	24,488	(19,289)	5,199
- doubtful	8,294	(7,462)	832	8,163	(7,416)	747
- substandard	5,982	(4,590)	1,392	10,600	(7,992)	2,608
- restructured	1,836	(1,355)	481	937	(786)	151
- overdue	2,738	(1,667)	1,071	4,788	(3,095)	1,693
Special-purpose loans	74,421	(61,447)	12,974	90,329	(67,140)	23,189
- doubtful	46,445	(42,243)	4,202	63,975	(51,453)	12,522
- substandard	10,732	(9,057)	1,675	9,917	(6,975)	2,942
- restructured	334	(13)	321	684	(158)	526
- overdue	16,910	(10,134)	6,776	15,753	(8,554)	7,199
Wage-assignment loans	-	-	-	-	-	-
- doubtful			-			-
- substandard			-			-
- restructured			-			-
- overdue			-			-
TOTAL	6,825,042	(123,791)	6,701,251	6,693,699	(133,189)	6,560,510

Special-purpose loans involve a close connection with the purchase of goods. The Group companies pay the amount financed directly to the dealer that provides the product or service to the customer.

Personal loans include all categories of general loans. In these cases, the receivables arise from a direct relationship between the Group subsidiary and the customer in relation to such customer's general spending needs.

C.2 Classification by maturity and quality

MATURITY RANGE	PERFORMING		NON PERFORMING	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
- up to 3 months	680,548	764,313	3,611	3,729
- between 3 months and 1 year	1,717,616	1,833,148	3,982	12,702
- between 1 and 5 years	4,128,286	3,824,175	8,966	11,687
- over 5 years	158,051	110,486	191	270
- unspecified maturity				
TOTAL	**6,684,501**	**6,532,122**	**16,750**	**28,388**

Non-performing receivables are considered uncollectible, in whole or in part, on the basis of objective evidence and, as such, have been written down.

Bad loans refer to receivables that, based on objective evidence, are considered uncollectible.

C.3 Adjustments

DESCRIPTION	OPENING AMOUNT	VARIAZIONI IN AUMENTO				VARIAZIONI IN DIMINUZIONE					CLOSING AMOUNT
		ADJUSTMENT	LOSSES FROM SALES	TRANSFER FROM OTHER STATUS	OTHER POSITIVE CHANGES	WRITE-BACK	GAINS FROM SALES	TRANSFER TO OTHER STATUS	WRITE-OFFS	OTHER NEGATIVE CHANGES	
Specifically on non-performing assets	**86,429**	**41,546**	**-**	**3,755**	**14**	**(3,626)**	**-**	**(1,385)**	**(49,666)**	**(545)**	**76,521**
Personal loans	18,221	7,979	-	2,417	11	(1,111)	-	-	(12,397)	(45)	15,074
- Doubtful	7,416	2,928		580	2	-		-	(3,442)	(22)	7,462
- Substandard	7,992	781		478	5	(224)		-	(4,419)	(23)	4,590
- Restructured	786	909		-	1	-		-	(341)	-	1,355
- Overdue	2,027	3,361		1,359	2	(887)		-	(4,195)	-	1,667
Special-purpose loans	68,208	33,567	-	1,338	3	(2,515)	-	(1,385)	(37,269)	(500)	61,447
- Doubtful	51,453	28,409		970		(2,163)		791	(36,717)	(500)	42,243
- Substandard	6,975	3,300		368	3	(352)		(875)	(362)	-	9,057
- Restructured	158	-		-		-		(145)	-	-	13
- Overdue	9,622	1,858		-		-		(1,156)	(190)	-	10,134
Wage-assignment loans	-										-
- Doubtful	-										-
- Substandard	-										-
- Restructured	-										-
- Overdue	-										-
Portfolio and other activities	**46,760**	**11,233**	**-**	**1,105**	**4,173**	**(4,291)**	**-**	**(3,475)**	**(5,585)**	**(2,650)**	**47,270**
- Personalloans	15,972	8,336			4,173	(331)		(857)	(4,137)		23,156
- Special-purpose loans	30,788	2,897		1,105		(3,960)		(2,618)	(1,448)	(2,650)	24,114
- Wage-assignment loans											-
TOTAL	**133,189**	**52,779**	**-**	**4,860**	**4,187**	**(7,917)**	**-**	**(4,860)**	**(55,251)**	**(3,196)**	**123,791**

L. OTHER ASSETS

L.1 - Other Loans: Gross amount and carrying amount

	31/12/2013			31/12/2012		
	GROSS AMOUNT	ADJUSTMENTS	CARRYING AMOUNT	GROSS AMOUNT	ADJUSTMENTS	CARRYING AMOUNT
Specifically on non-performing assets	66,257	(43,952)	22,305	79,264	(49,569)	29,695
- Doubtful	34,700	(28,296)	6,404	31,955	(23,922)	8,033
- Substandard	9,721	(5,620)	4,101	14,136	(9,388)	4,748
- Restructured	17,146	(7,853)	9,293	15,516	(7,718)	7,798
- Overdue	4,690	(2,183)	2,507	17,657	(8,541)	9,116
Portfolio on other activities	1,664,322	(11,748)	1,652,574	1,291,851	(13,162)	1,278,689
TOTAL	**1,730,579**	**(55,700)**	**1,674,879**	**1,371,115**	**(62,731)**	**1,308,384**

L.2 - OTHER LOANS: Classification by maturity and quality

	OTHER LOANS -PERFORMING		OTHER LOANS- NON PERFORMING			
	31/12/2013	31/12/2012	31/12/2013		31/12/2012	
				OF WHICH DOUBTFUL		OF WHICH DOUBTFUL
- on demand	176.751	1.484				
- up to 3 months	322.869	275.415	8.420	2.147	11.792	2.308
- between 3 and 6 months	87.192	77.666	1.638	1.599	1.174	526
- between 6 months and 1 year	280.432	131.923	5.196	1.633	4.567	39
- over 1 year	785.330	792.201	7.051	1.025	12.162	5.159
- unspecified maturity						
TOTAL	**1.652.574**	**1.278.689**	**22.305**	**6.404**	**29.695**	**8.032**

L.3 - Other loans: adjustaments

		OTHER LOANS IN BONIS				OTHER LOANS - NON PERFORMING					
	OPENING AMOUNT	ADJUSTMENT	LOSSES FROM SALES	TRANSFER FROM OTHER STATUS	OTHER POSITIVE CHANGES	WRITE-BACKS	GAINS FROM SALES	TRANSFER TO OTHER STATUS	WRITE-OFFS	OTHER NEGATIVE CHANGES	CLOSING AMOUNT
Specifically on non-performing assets	49,569	25,927	-	6,172	1,183	(5,094)	-	(4,033)	(22,555)	(7,217)	43,952
- Doubtful	23,922	24,492		6,071	855	(4,404)		(600)	(22,040)		28,296
- Substandard	9,388	718		-		(690)		(2,745)	(241)	(810)	5,620
- Restructured	7,718	500		-	328	-		(688)	(5)		7,853
- Overdue	8,541	217		101		-		-	(269)	(6,407)	2,183
Portfolio on other activities	13,162	2,669		2,110	1,345	(2,801)		(4,249)	(488)		11,748
TOTAL	**62,731**	**28,596**	**-**	**8,282**	**2,528**	**(7,895)**	**-**	**(8,282)**	**(23,043)**	**(7,217)**	**55,700**

SECTION 2 – SECURITIZATION TRANSACTIONS AND SALES ON RECEIVABLES

C.1 - Securitization transactions and sales of receivables

QUALITATIVE INFORMATION

Strategy and processes underpinning receivables securitization transactions

The Group companies enter into securitization transactions and sales of receivables with a view to achieving three objectives:

1) diversification of funding sources: securitization is an important source of funding for the Group, as an alternative to traditional bank financing;
2) enhancement of the liquidity position: the Group's ability to securitize receivables represents an important support to the Group's liquidity position. The excellent performance of the securitization transactions entered into to date, coupled with the sound reputation of the Group companies operating as "servicers", allows access to this financial instrument, even in case of uncertainty in the financial markets;
3) optimization of cost of funding: the structuring of securitization transactions and the quality of the receivable portfolio sold make it possible – thanks also to the highest rating for the portfolio – to access funding at a very attractive cost.

Types of securitization transaction

There are essentially three different types of securitization transactions:

a) "Warehouse + ABS revolving or amortizing" transactions
b) "ABS revolving or amortizing" transactions
c) "Conduit" transactions.

Securitization transactions under a) above involve two distinct phases:

Warehousing phase

During this phase, the securitized portfolio is gradually built– up to the pre-established amount – through the Special Purpose Vehicle (SPV) making a number of successive purchases of receivables over a predetermined time frame.

The SPV finances the purchase of these receivables by issuing series of asset-backed securities in two different classes: the Senior Notes, subscribed in full by banks or Conduit entities which finance the purchase of such Notes by issuing commercial paper, and the Junior Notes, which are subscribed in full by the Originator company or by another company of the Group.

ABS phase (optional)

If this course of action is taken, the ABS phase commences - when the securitized portfolio reaches a level considered appropriate and market conditions are considered favourable - with the issuance and placement of different classes Asset Backed Securities (ABS securities) with European professional investors. ABSs placed in the market can be issued either by the same SPV used during the Warehousing phase of the Programme or by a new SPV, in this case after the transfer of the portfolio upon repayment of the Notes issued during the Warehousing phase.

ABS Notes issued during the ABS phase are assigned a public rating by at least one Rating Agency and are normally listed on a regulated stock exchange.

The ABS Phase can be either "revolving" - where the Originator can assign, from time to time, new receivables in accordance with the restrictions set out by the securitization contract, for a pre-set period of time, so as to maintain the existing portfolio equal to that at the time of issue – or "amortizing", with the portfolio declining in size, since the Originator cannot assign additional receivables.
At the end of the revolving period, or since the issuance of the ABSs - in case the ABS phase is amortizing - the amortization of the portfolio will determine the repayment of the issued securities according to the priority of payments contractually determined.
This type of structure was adopted for NIXES THREE and NIXES FOUR (these are currently in the amortizing phase, given that the warehousing phase, which ended in December 2011, was not followed by an ABS phase) and NIXES FIVE.

"ABS revolving or amortizing" transactions under b) above are structured in such a way as to perform a single sale of receivables only by the Originator Company to the Special Purpose Vehicle (SPV) created for the transaction. The SPV then issues several classes of Asset Backed Securities, placing them with European professional investors, and uses the proceeds to purchase the portfolio.
Also in this case, the ABS phase may be either "revolving" or "amortizing", with effects on the repayment of the ABSs issued as described under a) above.

This structure has been adopted also for the following transactions:
A-BEST FOUR, A-BEST FIVE, A-BEST SEVEN and A-BEST EIGHT.

These transactions are structured to allow for the sale of receivables – up to the maximum limit of a programme – to an SPV purchasing the receivables over a pre-determined period of time.

The purchase of these portfolios of receivables is financed by the proceeds of the issue of two different classes of securities: Senior securities subscribed by banks and Conduit entities which, in turn, finance the purchase through the issue of short term securities such as commercial papers, typically with the help of the arranger banks; Senior securities subscribed by the Originator Company or by another company so as to make up the difference between the receivables sold and the maximum amount subscribed by Conduits or banks; and Junior securities subscribed by the Originator Company or by another Group company.

The Originator may, from time to time, sell new receivables that fulfil the terms of the securitization transaction contract for up to a pre-determined amount, over a period that is typically longer than three years. Unlike the transactions described under a) and b) above, at the end of the revolving period the securities are not placed with investors, thus the portfolio starts amortizing and repayment of the securities issued begins, according to the priority set by contract.
The ERASMUS, FCT FAST 2 and STAR securitizations reflect that structure.

Revolving structure
The revolving transactions described above can also provide, for a limited period of time, for the SPV to purchase additional portfolios containing receivables of the same legal type and business origin and similar risk profile, funding such purchases solely with the collection of the receivables held in the portfolio existing at the time the ABSs were issued and which had been previously assigned by the Originator.
The revolving structure makes it possible to cover the fixed costs of the transaction over a longer period, thus optimizing the cost of the transaction. At the end of the revolving phase, the ABSs issued are repaid according to the repayment profile of the underlying receivables.

Liquidity management (liquidity line)
The Originator may be requested in every transaction, and in manners that can be formally different from one another, to allocate a liquidity line or a cash deposit to support the SPV.
The amount of the line of liquidity is contractually determined (typically as a percentage of the receivable portfolio) and is intended to ensure that the SPV can meet temporary cash shortfalls (typically, at payment dates) that might arise under the payment "waterfall" described below.

"Waterfall" structure
The "waterfall" structure identifies the priorities for the allocation of the cash available within the SPV. Typically, securitization transactions adopt similar waterfall structures, providing for a pre-defined order of payments on each payment date.

In case of securitizations originated from retail financing receivables, a distinction is generally made between the "Income" (equivalent to the discount rate calculation applied to the sale of the receivables) and "Principal" components of the funds received by the SPV, providing, in essence, for the following categories of payment:

INCOME
(a) SPV expenses (mainly costs relating to Service Providers of the transaction)
(b) Swaps (contracts agreed to hedge the SPV's interest rate risk)
(c) Payments to the Servicer
(d) Interest on securities
(e) Reinstatement/remuneration of Liquidity line
(f) Provision for overdue receivables
(g) Other payments

PRINCIPAL
(a) Coverage of any payments required but not made under INCOME waterfall as above
(b) Purchase of receivables (during revolving period)
(c) Repayment of securities issued (at end of any revolving period)
(d) Other payments

In the case of securitizations originated from dealer financing receivables, due to the different features of the portfolio, the SPV usually manages the following inflows:

(a) Current account balances
(b) Release of funds from the Cash Reserve structure
(c) Collection of receivables
(d) Issuance of new Senior Notes
(e) Issuance of new Junior Notes

to make the following payments:
(a) SPV expenses
(b) Interests on the Senior Notes
(c) Provision to Cash Reserve
(d) Purchase of receivables (during revolving period)
(e) Repayment of Senior Notes (if any)
(f) Interests on Junior Notes
(g) Repayment of Junior Notes (if any)

Servicing activity
Within the FGA Capital Group, the Originator acts always as the Servicer in securitization transactions. In addition, FGA Capital acts as Coordinator in the ERASMUS transaction and as Performance Guarantor in the ERASMUS, NIXES FIVE, NIXES SIX and A-BEST EIGHT transactions.
The role of Servicer requires compliance with a series of qualitative standards regarding proper management of the assets backing the securities issued by the SPV, and an appropriate organizational structure in terms of operations and skills.
The Servicer's operational responsibilities include:
a) handling contracts in accordance with its Credit and Collection Policies and applicable laws and regulations, in agreement with the SPV and with the Trustee / Representative of Noteholders of the transactions. The Servicer is also required to inform the Rating Agencies of any relevant event;
b) recording collections of instalments and recoveries, transferring the amounts to the SPV. The collected amounts are transferred by the Servicer of each transaction to the SPV with the frequency applicable under each transaction (normally daily) and the amounts collected are held in interest bearing current accounts until the first available payment date, when they are used to make payments in accordance with the waterfall, or alternatively, in case of transactions in the Warehousing or ABS Revolving phases, until they are used to purchase additional receivables;
c) monitoring, reporting and control of the transaction (the Paying Agent/Calculation Agent/Agent Bank activities are assigned to an independent bank).

The rating agencies' assessment of the Servicer's activities contributes to the rating of the securities issued on the market.
The SPV usually pays a servicing fee to the Servicer, at arm's length.

Rating Agencies
The securitization transactions have been structured in such a way as to obtain, in case of public placements, the highest rating for the senior bonds issued by the SPV. The Group has obtained a rating from at least two of the three major rating agencies (Standard&Poors, Moody's and Fitch) for all of its transactions (ABSs).
In private placements, instead, senior bonds may or may not have a rating (if they do, the rating is private), depending on the lender's requirements.
Junior securities have no rating.

Performance of securitization transactions
The securitized portfolios have performed extremely well as shown by the reports produced by the Servicer and in the quarterly reports prepared by the Cash Manager/Agent Bank for the Investors (in the case of public operations).
This is also highlighted in some cases by the positive review (upgrade) of the rating assigned by the Rating Agencies to the securities.
Following the downgrading of the sovereign rating assigned by the agencies to the bonds issued by the Republic of Italy, and as a result of the application of internal methodologies at the rating agencies, recently the rating of senior bonds issued by the Group in transactions backed by receivable originated in Italy were revised negatively by some agencies.

All the Group's securitized receivables portfolios have performed well within the parameters laid down for each transaction. The portfolio has never failed to respect the "trigger events" used to monitor them.

"Trigger events" related to the portfolio are monitored, in the retail financing transactions, at each new receivables sale date during the Warehousing and Revolving phases. Monitoring does not take place in the event of "amortizing" transactions as, given its "static" nature, the portfolio is not subject to changes due to revolving sales but only to the initial assessment by the Rating Agencies. Therefore, performance measurement is for information purposes only.
The portfolio performance is monitored on a quarterly basis.

Similarly, the triggers and the portfolio performance in transactions originated by dealer financing receivables are monitored on a monthly basis. The receivables sold show a regular performance.

QUANTITATIVE INFORMATION

The tables attached herewith contain summary information relating to the main securitization transactions originated by the FGA Capital Group and in place at 31 December 2013.

The following transactions, originated by Group Companies, have been terminated during this or the previous financial years, through the Originator's exercise of the clean-up option at the end of amortization phase. The clean-up option is contractually defined in the transaction documents in order to allow the Originator to decide whether or not to repurchase the residual portfolio, when such portfolio falls to a minimum pre-defined level.

SPV	DATE OF CLEAN -UP
FIRST ITALIAN AUTO TRANSACTION S.P.A.	28/07/2006
SECOND ITALIAN AUTO TRANSACTION S.P.A.	29/09/2006
ABSOLUTE FUNDING S.R.L.	22/02/2008
FCC FAST	27/11/2008
A-BEST THREE PLC	10/07/2009
NIXES/ABEST	21/04/2011
QUASAR	13/05/2011
NIXES TWO/ABEST TWO	01/10/2011
A-BEST SIX	15/07/2013

Terms and conditions of the securitization transactions and sales of receivables

	A-BEST EIGHT			A-BEST SEVEN		
Warehousing start date		NA			NA	
Warehousing period (months)		NA			NA	
ABS Notes issue date		Apr-13			Jun-12	
Transaction type		Public			Public	
Originator		FGA CAPITAL UK Ltd,			FGA CAPITAL S,p,A,	
Servicer		FGA CAPITAL UK Ltd,			FGA CAPITAL S,p,A,	
Arranger		Unicredit / BAML / Crédit Agricole - CIB			Unicredit / RBS / Crédit Agricole-CIB	
Underlying assets		UK AutoLoans			Italian AutoLoans	
Currency (CCY)		GBP			EUR	
Transfer of collections (frequency)		daily			daily	
Programme Amount CCY/000		NA			NA	
Notes outstanding	**Amount**	**%**	**Coupon (bps)**	**Amount**	**%**	**Coupon (bps)**
Class A (Senior)	82,795	50,5%	1M L+47	138,700	71,4%	1M E+230
Classe B (Mezzanine)	41,300	25,2%	1M L+115	29,500	15,2%	NA
Classe C (Mezzanine)	-	0,0%	NA	-	0,0%	NA
Junior Tranche (Subordinated)	39,700	24,2%	VR	26,100	13,4%	VR
ABS Tranches at issue	**Amount**	**%**	**WAL (aa)**	**Amount**	**%**	**WAL (aa)**
Class A (Senior)	218,800	73,0%	NA	314,400	85,0%	NA
Classe B (Mezzanine)	41,300	13,8%	NA	29,500	8,0%	NA
Classe C (Mezzanine)	-	0,0%	NA	-	0,0%	NA
Junior Tranche (Subordinated)	39,700	13,2%	VR	26,100	7,1%	VR
Current rating	**S&P**	**DBRS**		**S&P**		
Class A (Senior)	AAA	AAA		AA	AAA	
Classe B (Mezzanine)	A	A+		A+	A	
Classe C (Mezzanine)		NA			NA	
Junior Tranche (Subordinated)		Unrated			Unrated	
Assets details						
Max. Used Cars		NA			NA	
Max. Corporate Customers		NA			NA	
ABS Revolving period (months)		NA			NA	

NOTE
(1) Programme limit
NA = Not applicable
WAL (aa) = Weighted Average Life (years)
1M E = Euribor 1 month
1M L = Libor 1 month
Coupon (bps) = base rate + margin
VR = Variable Return

	A-BEST FIVE			A-BEST FOUR		
Warehousing start date		Jan-05			NA	
Warehousing period (months)		70			NA	
ABS Notes issue date		Oct-10			Dec-09	
Transaction type		Public			Public	
Originator		FGA BANK GERMANY GmbH			FGA CAPITAL S.p.A.	
Servicer		FGA BANK GERMANY GmbH			FGA CAPITAL S.p.A.	
Arranger		IntesaSanpaolo / Crédit Agricole - CIB			Crédit Agricole-CIB	
Underlying assets		German AutoLoans			Italian AutoLoans	
Currency (CCY)		EUR			EUR	
Transfer of collections (frequency)		daily			daily	
Programme Amount CCY/000		NA			NA	
Notes outstanding	**Amount**	**%**	**Coupon (bps)**	**Amount**	**%**	**Coupon (bps)**
Class A (Senior)	-	0,0%	1M E+90	950,717	80,7%	1M E+40
Classe B (Mezzanine)	6,004	12,0%	1M E+200	-	0,0%	-
Classe C (Mezzanine)	-	0,0%	-	-	0,0%	-
Junior Tranche (Subordinated)	44,000	88,0%	VR	228,000	19,3%	VR
ABS Tranches at issue	**Amount**	**%**	**WAL (yy)**	**Amount**	**%**	**WAL (yy)**
Class A (Senior)	627,000	89,7%	1,24	1,322,000	85,3%	4,64
Classe B (Mezzanine)	28,000	4,0%	3,27	-	0,0%	-
Classe C (Mezzanine)	-	0,0%	-	-	0,0%	-
Junior Tranche (Subordinated)	44,000	6,3%	NA	228,000	14,7%	NA
Current rating	**Fitch**	**S&P**		**S&P**	**DBRS**	
Class A (Senior)	AAA	AAA		AA	AAA	
Classe B (Mezzanine)	A+	A+			NA	
Classe C (Mezzanine)		NA			NA	
Junior Tranche (Subordinated)		Unrated			Unrated	
Assets details						
Max. Used Cars		NA			10,0%	
Max. Corporate Customers		NA			15,0%	
ABS Revolving period (months)		NA			42 months since the ABS Notes Issue Date	

NOTE
(1) Programme limit
NA = Not applicable
WAL (aa) = Weighted Average Life (years)
1M E = Euribor 1 month
1M L = Libor 1 month
Coupon (bps) = base rate + margin
VR = Variable Return

Terms and conditions of the securitization transactions and sales of receivables

	NIXES SIX			NIXES FIVE		
Warehousing start date		Dec-13			Nov-12	
Warehousing period (months)		NA			NA	
Transaction type		Private			Private	
Originator		FGA CAPITAL UK Ltd			FGA BANK GERMANY GmbH	
Servicer		FGA CAPITAL UK Ltd			FGA BANK GERMANY GmbH	
Arranger		Citibank / BAML / JPMorgan / Crédit Agricole-CIB			Citibank / BAML	
Underlying assets		UK AutoLoans			German AutoLoans	
Currency (CCY)		GBP			EUR	
Transfer of collections (frequency)		daily			daily	
Programme Amount CCY/000		900,000,000 (1)			350,000,000 (1)	
Notes outstanding	**Amount**	**%**	**Coupon (bps)**	**Amount**	**%**	**Coupon (bps)**
Class A (Senior)	900,000	65,7%	NA	285,574	77,3%	NA
Classe B (Mezzanine)	NA	0,0%	NA	NA	0,0%	NA
Classe C (Mezzanine)	NA	0,0%	NA	NA	0,0%	NA
Junior Tranche (Subordinated)	469,914	34,3%	VR	84,007	22,7%	VR
Current rating (private)				**S&P**		
Class A (Senior)		UNRATED		AAA		
Classe B (Mezzanine)		NA		NA		
Classe C (Mezzanine)		NA		NA		
Junior Tranche (Subordinated)		Unrated			Unrated	
Assets details						
Max. Used Cars		25,0%			30,0%	
Max. Corporate Customers		NA			NA	

NOTE
(1) Programme limit
NA = Not applicable
WAL (aa) = Weighted Average Life (years)
1M E = Euribor 1 month
1M L = Libor 1 month
Coupon (bps) = base rate + margin
VR = Variable Return

	NIXES FOUR			NIXES THREE		
Warehousing start date	Jul-06			May-11		
Warehousing period (months)	NA			NA		
Transaction type	Private			Private		
Originator	FGA CAPITAL S.p.A.			FGA BANK GERMANY GmbH		
Servicer	FGA CAPITAL S.p.A.			FGA BANK GERMANY GmbH		
Arranger	HVB / RBS			Crédit Agricole-CIB / LBBW		
Underlying assets	Italian AutoLoans			German AutoLoans		
Currency (CCY)	EUR			EUR		
Transfer of collections (frequency)	daily			daily		
Programme Amount CCY/000	800,000,000 (1)			500,000,000 (1)		
Notes outstanding	Amount	%	Coupon (bps)	Amount	%	Coupon (bps)
Class A (Senior)	47,150	32,3%	NA	401,970	89,1%	NA
Classe B (Mezzanine)	NA	0,0%	NA	NA	0,0%	NA
Classe C (Mezzanine)	NA	0,0%	NA	NA	0,0%	NA
Junior Tranche (Subordinated)	99,000	67,7%	VR	48,950	10,9%	VR
Current rating (private)	Fitch	Moody's				
Class A (Senior)	AA+	A2		Unrated		
Classe B (Mezzanine)	NA	NA		NA	NA	NA
Classe C (Mezzanine)	NA	NA		NA	NA	NA
Junior Tranche (Subordinated)	Unrated			Unrated		
Assets details						
Max. Used Cars	25%			NA		
Max. Corporate Customers	25%			NA		

NOTE
(1) Programme limit
NA = Not applicable
WAL (aa) = Weighted Average Life (years)
1M E = Euribor 1 month
1M L = Libor 1 month
Coupon (bps) = base rate + margin
VR = Variable Return

	FCT FAST 2			ERASMUS FINANCE			STAR		
Warehousing start date	Apr-09			Jun-06			Feb-13		
Warehousing period (months)	NA			NA			NA		
Transaction type	Private			Private			Privata		
Originator	FGA CAPITAL S.p.A.			FGA BANK GERMANY GmbH FC FRANCE S.A. FGA CAPITAL SPAIN EFC S.A.			FGA CAPITAL UK Ltd.		
Servicer	FGA CAPITAL S.p.A.			FGA BANK GERMANY GmbH FC FRANCE S.A. FGA CAPITAL SPAIN EFC S.A.			FGA CAPITAL UK Ltd.		
Arranger	Crédit Agricole-CIB			Crédit Agricole-CIB			Credit Suisse		
Underlying assets	Italian Dealers' Payables			German / French / Spanish Dealers' Payables			Uk Dealers' Payables		
Currency (CCY)	EUR			EUR			GBP		
Transfer of collections (frequency)	daily			daily			daily		
Programme Amount CCY/000	480,000,000 (1)			340,000,000 (1)			300,000,000 (1)		
Notes outstanding	Amount	%	Coupon (bps)	Amount	%	Coupon (bps)	Ammontare	%	Coupon (bps)
Class A (Senior)	369,988	70,5%	NA	291,969	77,8%	NA	266,332	64,1%	NA
Classe B (Mezzanine)	NA	0,0%	NA	NA	0,0%	NA	NA	0,0%	NA
Classe C (Mezzanine)	NA	0,0%	NA	NA	0,0%	NA	NA	0,0%	NA
Junior Tranche (Subordinated)	154,506	29,5%	VR	83,263	22,2%	VR	149,096	35,9%	VR
Current rating (private)									
Class A (Senior)	Unrated			Unrated			Unrated		
Classe B (Mezzanine)	NA			NA			NA		
Classe C (Mezzanine)	NA			NA			NA		
Junior Tranche (Subordinated)	Unrated			Unrated			Unrated		
Assets details									
Max. Used Cars	NA			NA			NA		
Max. Corporate Customers	NA			NA			NA		

NOTE
(1) Programme limit
NA = Not applicable
WAL (aa) = Weighted Average Life (years)
1M E = Euribor 1 month
1M L = Libor 1 month
Coupon (bps) = base rate + margin
VR = Variable Return

C.2.1 Financial assets sold not derecognised: value and full value

PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING			FINANCIAL ASSETS AT FAIR VALUE			FINANCIAL ASSETS HELD FOR SALE			FINANCIAL ASSETS HELD TO MATURITY			RECEIVABLES			TOTAL	
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	2013	2012
A Assets	-	-	-	-	-	-	-	-	-	-	-	-	5,147,146	-	-	5,147,146	3,808,054
1. Debt securities																	
2. Equity instruments																	
3. UCITS																	
4. Loans													5,147,146			5,147,146	3,808,054
B. Derivates																	
TOTAL 2013	-	-	-	-	-	-	-	-	-	-	-	-	5,147,146	-	-	5,147,146	
of which non performing													15,546			15,546	
TOTAL 2012	-	-	-	-	-	-	-	-	-	-	-	-	3,808,054	-	-		3,808,054
of which non performing													39,919				39,919

A- Financial assets sold not fully derecognised (balance sheet value)

B- Financial assets sold not partially derecognised (balance sheet value)

C- Financial assets sold not partially derecognised (full value)

C.2.2 Financial liabilities referred to financial activities sold not derecognised: balance sheet value

LIABILITIES/ PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING	FINANCIAL ASSETS AT FAIR VALUE	FINANCIAL ASSETS HELD FOR SALE	FINANCIAL ASSETS HELD TO MATURITY	RECEIVABLES	TOTAL
1. Payables						
a. toward assets fully recognized						-
b. toward assets partially recognized						-
2. Notes issued						
a. toward assets fully recognized					(4,069,406)	(4,069,406)
b. toward assets partially recognized						
TOTAL 2013	-	-	-	-	(4,069,406)	(4,069,406)
TOTAL 2012					(3,313,005)	(3,313,005)

C.2.3 Sale transactions with liabilities with recourse only to the assets sold: fair value

PORTFOLIO	FINANCIAL ASSETS HELD FOR TRADING		FINANCIAL ASSETS AT FAIR VALUE		FINANCIAL ASSETS HELD FOR SALE		FINANCIAL ASSETS HELD TO MATURITY		RECEIVABLES		TOTAL	
	A	B	A	B	A	B	A	B	A	B	2013	2012
A. Assets	-	-	-	-	-	-	-	-	5,147,146	-	5,147,146	3,808,054
1. Debt securities											-	
2. Equity instruments											-	
3. UCITS											-	
4. Loans									5,147,146		5,147,146	3,808,054
B. Derivates	-	-	-	-	-	-	-	-		-		-
TOTAL ASSETS	-	-	-	-	-	-	-	-	5,147,146	-	5,147,146	3,808,054
A. Associated payables												
1. Payables												
2. Notes issued									(4,068,041)		(4,068,041)	(3,298,104)
TOTAL LIABILITIE	-	-	-	-	-	-	-	-	(4,068,041)	-	(4,068,041)	(3,298,104)
TOTAL									1,079,104		1,079,104	509,950

A- Financial assets sold not fully derecognised

B- Financial assets sold not partially derecognised

The value of the receivables shown in the table is referred to the accounting amount because it has not been possible to estimate the fair value.

SECTION 3 – INFORMATION ON RISKS AND RELATED RISK MANAGEMENT POLICIES

3.1 CREDIT RISK

QUALITATIVE INFORMATATION

1 General information

The Group's commercial activities unfold along the following activities:
- Factoring and Financing activities with the FGA Group and JLR dealer networks;
- Loans to finance the purchase of automobiles and commercial vehicles – retail car loans repayable in fixed instalments or Personal Contract Purchase (PCP) loans repayable with a bullet payment;
- Finance lease transactions to finance purchases of automobiles and commercial vehicles;
- Other forms of finance, including personal loans for a specific purpose or otherwise;
- Long term rental activities with professionals and businesses.

The main credit risk factors are as follows:
- customer selection and approval;
- credit collection activities;
- monitoring of exposure.

Customer selection and approval

In the dealer financing sector, every year, every FGA and Jaguar Land Rover dealer is given a personalized credit limit (plafond) to finance inventories of new and used vehicles.
The extent of the potential risk is determined at the approval stage as the difference between the amount of the line of credit granted and the bank and insurance guarantees provided (increasing based on scoring classes A-B-C-D).
The credit quality is measured using a scoring model that classifies the dealer's financial strength and financial and performance ratios taken from audited financial statements and the actions of the dealer (payment punctuality, stock audits, reports to the central credit register); each dealer is given a score based on this process.
Finally, the concentration of risk on the various business Groups is measured.

In the retail financing sector, loan applications undergo an advanced assessment process that uses "Credit Scoring systems" for around 90% of applications. The systems vary for each market and for each product and guarantee a high level of automation and an objective approach to the entire approval process.
The approval process also includes rules approved by the Board of Directors and monitored by the Credit Policy Department taking account of enquiries made of various databases and the results obtained from application of the relevant score cards.
A total of 34 score cards are currently in use in 12 markets. They are constantly monitored to check their effectiveness in identifying possible bad payers. The score cards tend to be renewed every 2/3years on average, based on the results of the monitoring process.

In the Long Term Rental sector, during the approval process, the client's ability to pay is assessed the basis of information obtained from the Risk Centre and from internal and external databases and on specific assessments in the case of companies or groups. In some cases, approval of the customer may be subject to the issue of various types of specific guarantees. Repayments made by customers are monitored constantly and, in the event of default, the Credit Recovery Department is immediately involved.

Credit collection activities

In the dealer finance business, the credit collection procedures are essentially activated through termination of the dealership agreement and notification of the end of the relationship with implementation of reserves of title and subsequent repossession of the vehicles.
The indicators used to measure credit risk exposure are credit time (average credit period), ageing of overdue balances, concentration of risk by business group, utilization of linen of credit and defaulted automated payments (RID).

In the retail finance sector, the Group companies perform credit collection activities through a process organized into three broad areas of collection.
The first area involves making phone calls to establish an initial contract with the customer to ascertain the reasons for non-payment and ask for payment of the debt. The action resulting from the telephone collection process depends on the nature and amount of the default.
The second area – in turn divided into several phases of collection based on the age of the overdue receivables – involves extra-judicial collection activities, essentially using external credit collection companies, as coordinated by Group personnel.
The third area is represented by legal action. The Group companies follow different credit collection strategies and a different mix of credit collection methods depending on the situation they operate in.
The process to make collection measures more effective and more efficient is a constant one, performed by the Group companies and coordinated and directed by the parent company.

Monitoring of risk

All the Group companies monitor their exposure to risk relating to financing granted by measuring overdue balances by group of past due loans. The exposure is monitored by determining movements on loans by group of past due loans between two different dates.

2 Credit risk policies management

2.1 Organizational structure and management, measuring and monitoring systems

Credit risk management is organized on the basis of a common model for the three lines of business. FGA Capital S.p.A.'s Board of Directors has approved its modus operandi for both Headquarters and the Markets.

The modus operandi approved by FGA Capital S.p.A.'s Board of Directors has been adopted by headquarters and the individual markets.
A Credit Committee will be set up in every operating company for the three lines of business (Dealer Financing, Retail and Rental) made up as follows:
- Credit department for the business line;
- Sales department;
- Administration, Finance and Control department;
- Market manager.

The local Credit Committee, in the case of credit applications for amounts exceeding their limits, will send the relevant application packages with the necessary remarks and signatures to the FGAC Headquarter Internal Credit Committee, which is the next higher level for the review and credit decision, indicating the applicat's business, credit and profitability aspects.
This Committee, within the limits of the powers assigned to it, adopts a decision on the transaction, notifying the market concerned.

If the exposure to the transaction falls within the purview of the Credit Committee or the Board of Directors, as the relevant amount exceeds FGAC Headquarter Internal Credit Committee's limit, the latter will submit the application package with its views to the next higher level.

In case the customer is part of an international group the application has to be sent to the central level, regardless of the application amount. This step ensures the Group's awareness of risk concentration toward the same business group.

2.2 Credit risk mitigation methods

Dealer Financing

The dealers undergo a credit analysis process. The process uses computer procedures that can assess the following for each dealer:

- credit limit;
- outstanding credit;
- overdue receivables.

When credit is granted, the following are also analysed:

- the quality of the guarantees provided;
- financial soundness;
- information on general conduct (results of stock audit, dishonoured payments, past due invoices).

The dealer's operating and financial situations are monitored on a continuous basis.
The guarantees currently accepted for Network/Dealer Finance activities are as follows:

- guarantees in the form of a lien on the vehicle (in certain countries);
- secured, bank and insurance guarantees;
- guarantee deposits from dealers.

Retail financing

Applications for loans are assessed – through an acceptance process - based on the ability of the customer to fulfil the commitments it intends to take on.

The guarantees currently accepted by the Group in the retail finance sector include the following (they depend on the individual business):

- secured guarantees (mortgage/charge on assets), the value of which affects recovery rate of loans in case of default;
- personal guarantees (sureties, endorsement of notes), with an impact on the probability of default as it means the debtor is given a rating equal to that of the guarantor in relation to the exposure covered by the guarantee;
- guarantee in the form of a lien on the vehicle (in certain countries).

Portfolio assessment based on "VAL FONDI" system

The group method of monitoring exposure to credit risk is based on changes in loans by group of past due amounts between two given dates (Probability of Default) and the quantification of the final loss for each contract (Loss on Default).
This system, known internally as "VAL FONDI", makes it possible to determine the Probability of Default (PdP), i.e. the probability, over a given period of time, that the contracts included in the portfolio will be included in the group of loans past due for over 240 days, the default band. It also estimates the Loss on Default (AdP) i.e. the possible loss obtained as the ratio between historical losses incurred and the initial sum of the contract instalments.

The "VAL FONDI" System performs a detailed analysis of loans by group of past due amounts. Any provision is allocated on a proportionate basis to all loans in the same group of past due amounts.
The aging summary makes it possible to analyse and control credit risk by age of the past due amounts.

For critical cases, repayment plans and/or specific actions are prepared and submitted to the credit committee.

Long Term Rental

The Long Term Rental business is subject to the remarketing risk i.e. the risk that the market value of the rented asset is less than its book value at the end of the rental contract.
The Company monitors this risk as follows:

- every quarter, the residual value committee determines, for each model, the residual value for use in determining the price of new long term rental contracts. It does so by using local benchmarks of the used car market and historical performance data;
- a specific procedure is followed in order to identify any variances for fleet vehicles between market value and residual value as calculated during the acquisition phase of fleet vehicles; any differences are covered by creating provisions.

2.3 Non-performing loans

The criteria used to classify the credit risk associated with the deteriorated positions, the policies to write off deteriorated assets and write-off policies in general are in keeping with the Regulator's guidelines.

2.4 Retail Financing information

The retail business is mainly designed to finance the purchase of

- vehicles of the FGA Group (Fiat, Lancia, Alfa Romeo)
- vehicles of the JLR brands (Jaguar and Land Rover)

JLR Portfolio at fiscal year-end accounted for 19% of the retail business, rose on the previous year, showing a significant footprint especially in the UK and German markets.

Limited financing was provided also in connection with application originated from channels other than captive: this activity is referred to as non-captive.

The Group's retail receivable portfolio features a high granularity and may be classified in the retail category based on the internal rating criteria prescribed by Basel II.

The exposures towards individual customers or groups are managed at individual operating company level. Each operating company handles the approval of loans in accordance with the regulations and limits described in the Group credit manual, pinpointing the overall risk profile.

All the positions higher than Eur 150,000 euro are quarterly indicated by the entities to the Headquarter.

Attention is called to the following:

- the growing use of longer maturities, a trend under way throughout the credit market;
- the progressive increase of the average tickets financed, due to the growing JLR portfolio.

QUANTITATIVE INFORMATION

1.Distribution of credit exposure by portfolio and quality

PORTFOLIO/QUALITY	DOUBTFUL	SUB STANDARD	RESTRUCTURED	OVERDUE	OTHER	TOTAL
1. Financial assets held for trading					36,823	36,823
2. Financial assets at fair value					-	-
3. Available-for-sale financal assets					-	-
4. Financial assets held to maturity					9,665	9,665
5. Due from banks					737,004	737,004
6. Due from financal institutions					18,711	18,711
7. Due from customers	57,273	100,267	42,305	19,900	13,397,066	13,616,811
8. Hedging derivatives					17,958	17,958
TOTAL 2013	57,273	100,267	42,305	19,900	14,217,227	14,436,972
TOTAL 2012	49,390	140,193	43,022	28,578	13,268,300	13,529,483

2.Credit exposure

2.1 Credit exposure to customers: gross amounts and carrying amounts

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	CARRYING AMOUNT
A. NON-PERFORMING ASSETS CASH EXPOSURE				
- Doubtful	163,627	(106,354)		57,273
- Substandard	126,677	(30,511)		96,166
- Restructured	42,442	(9,430)		33,012
- Overdue	54,566	(21,272)		33,294
OFF-BALANCE-SHEET EXPOSURE	-	-	-	-
- Doubtful				-
- Substandard				-
- Restructured				-
- Overdue				-
TOTAL A	387,312	(167,567)	-	219,745
B. PERFORMING EXPOSURE				
- Overdue	426,024		(18,229)	407,795
- Other exposure	13,094,500		(105,229)	12,989,271
TOTAL B	13,520,524	-	(123,458)	13,397,066
TOTAL (A+B)	13,907,836	(167,567)	(123,458)	13,616,811

2.2 Credit exposure to banks and financial institutions gross amounts and carrying amounts

TYPE OF EXPOSURE/AMOUNT	GROSS EXPOSURE	SPECIFIC ADJUSTMENTS	PORTFOLIO ADJUSTMENTS	CARRYING AMOUNT
A. NON-PERFORMING ASSETS CASH EXPOSURE	-	-	-	-
- Doubtful				-
- Substandard				-
- Restructured				-
- Overdue				-
OFF-BALANCE-SHEET EXPOSURE	-	-	-	-
- Doubtful				-
- Substandard				-
- Restructured				-
- Overdue				-
TOTAL A	-	-	-	-
B. PERFORMING EXPOSURE				
- Overdue				-
- Other exposure	755,715			755,715
TOTAL B	755,715	-	-	755,715
TOTAL A+B	755,715	-	-	755,715

3. Risk concentration

3.1 Receivables from customers - Breakdown by economic agent

€/THOUSANDS	31/12/2013	31/12/2012
1. Receivables from customers		
- Government	528	717
- Non-financial companies	4,000,651	3,827,827
- Households	9,615,632	9,078,080
TOTAL CARRYING AMOUNT	13,616,811	12,906,624

3.2 Receivables from customers - Breakdown by geographic area

€/THOUSANDS	31/12/2013	31/12/2012
1. Receivables from customers		
- Countries in Eurozone	9.855.260	9.806.189
- Other EU countries	3.435.111	2.689.277
- Other countries	326.440	411.158
TOTAL CARRYING AMOUNT	13.616.811	12.906.624

3.2 MARKET RISK

3.2.1 CHANGE/INTEREST RATE RISK

QUALITATIVE DISCLOSURE

1. General description

The Group's financial strategy aims at:

- maintaining a stable and diversified funding structure;
- managing liquidity risk, and
- minimizing exposure to interest rate, currency and counterparty risk.

The Treasury department ensures that liquidity and all other financial risks are correctly managed at Group level, in accordance with the Risk Management Policies approved by the Board of Directors, managing and/or coordinating all funding and operating activities for all of the Group's companies.

In 2013 the Group continued to pursue the goal to fund maturing assets in every time interval; in addition, the Group can rely on the availability of financing by the banking shareholder, Crédit Agricole Consumer Finance, to meet its borrowing requirements, so as to manage any liquidity risk.

Under the interest risk management policies in place, which are designed to protect consolidated interest spreads against the impact of changes in interest rates, the liability maturities (as determined on the basis of the reset dates for interest rates) are matched to asset maturities.

The interest risk exposure is calculated using the following methods:

- Reset Gap Analysis: this method is aimed at identifying the gap between assets and liabilities with reset dates in the same time period – three months in year one and six months in later years;

- Duration Analysis: the objective of this method is to identify the difference between the durations of assets and liabilities by reset date.

Maturity matching is achieved through the use of more liquid derivatives, including interest rate swaps and forward rate agreements (Group risk management policies call specifically for the use of plain vanilla products).

The interest rate risk hedging strategy pursued during the year delivered a substantially fully hedged position thus neutralizing the potential impact of interest rates volatility.

In terms of exchange rate risk, it is Group policy not to hold any position in foreign currency. Accordingly, portfolios in currencies other than Euro are match-funded by currency. In some cases, the necessary funding is arranged synthetically through the use of foreign exchange swaps or a combination of interest rate and currency swaps (Group risk management policies allow the use of foreign exchange transactions solely for hedging purposes).

Counterparty risk is minimized, in accordance with the criteria set by Group risk management policies, through the selection of prime banking counterparties with a high credit rating, the use of short-term investment products and, in relation to derivative products, the use of standardized contracts (ISDA).

QUANTITATIVE DISCLOSURE

1. Financial assets and liabilities analysis by maturity

1. Distribution of financial assets and liabilities by maturity (repricing date)

Currency: Euro (amounts in €/thousands)

DESCRIPTION / MATURITY	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEE 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	UNSPECI-FIED MATURITY	TOTAL
1. Assets	383,979	2,849,594	1,796,590	1,590,701	4,228,387	141,701	-	-	10,990,952
1.1 Receivables	383,979	2,265,939	1,795,387	1,591,904	4,228,387	141,701	-		10,407,297
1.2 Other assets	-	583,655	-	-	-	-	-	-	583,655
2. Liabilities	-	8,816,391	300,800	970,000	800,000	-	-	-	10,887,191
2.1 Payables	-	5,013,895	300,800	220,000	50,000	-	-		5,584,695
2.2 Notes issued	-	3,318,776	-	750,000	750,000	-	-		4,818,776
2.3 Other liabilities	-	483,720	-	-	-		-		483,720
3. Financial derivatives	-	9,021,299	940,550	(3,799,996)	(6,112,603)	(49,250)	-	-	-
Options	-	-	-	-	-	-	-	-	-
3.1 Long positions									-
3.2 Short positions									-
Other derivatives	-	9,021,299	940,550	(3,799,996)	(6,112,603)	(49,250)	-	-	-
3.3 Long positions	-	10,116,707	1,329,550				-	-	11,446,257
3.4 Short positions	-	(1,095,408)	(389,000)	(3,799,996)	(6,112,603)	(49,250)	-	-	(11,446,257)

Currency GBP (amounts in €/thousands)

DESCRIPTION / MATURITY	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEE 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	UNSPECI-FIED MATURITY	TOTAL
1. Assets	77,268	943,326	181,865	440,192	1,570,342	-	-	-	3,212,993
1.1 Receivables	77,268	892,708	181,865	440,192	1,570,342	-	-		3,162,375
1.2 Other assets	-	50,618	-	-	-	-	-	-	50,618
2. Liabilities	-	2,846,137	29,987	11,995	-	-	-	-	2,888,119
2.1 Payables	-	1,257,047	29,987	11,995	-	-	-	-	1,299,029
2.2 Notes issued	-	1,547,832	-	-		-	-	-	1,547,832
2.3 Other liabilities	-	41,258	-	-	-	-	-	-	41,258
3. Financial derivatives	-	4,322,767	(204,510)	(767,291)	(3,350,966)	-	-	-	-
Options	-	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-		-
3.2 Short positions	-	-	-	-	-	-	-	-	-
Other derivatives	-	4,322,767	(204,510)	(767,291)	(3,350,966)	-	-	-	-
3.3 Long positions	-	4,449,911	-	-	-	-	-		4,449,911
3.4 Short positions	-	(127,144)	(204,510)	(767,291)	(3,350,966)	-	-	-	(4,449,911)

Currency CHF									(amounts in €/thousands)
DESCRIPTION / MATURITY	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEE 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	UNSPECI-FIED MATURITY	TOTAL
1. Assets	-	63,839	59,679	53,614	153,903	-	-	-	331,035
1.1 Receivables	-	60,924	59,679	53,614	153,903	-	-	-	328,120
1.2 Other assets	-	2,915	-	-	-	-	-	-	2,915
2. Liabilities	-	249,309	16,292	-	-	-	-	-	265,601
2.1 Payables	-	244,379	16,292	-	-	-	-	-	260,671
2.2 Notes issued	-	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	4,930	-	-	-	-	-	-	4,930
3. Financial derivatives	-	205,686	(32,584)	(46,432)	(126,670)	-	-	-	-
Options	-	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-	-
Other derivatives	-	205,686	32,584	(46,432)	(126,670)	-	-	-	-
3.3 Long positions	-	239,085	-	-	-	-	-	-	239,085
3.4 Short positions	-	(33,399)	(32,584)	(46,432)	(126,670)	-	-	-	(239,085)

Remaining currencies									(PLN, DKK) (amounts in €/thousands)
DESCRIPTION / MATURITY	ON DEMAND	UP TO 3 MONTHS	BETWEEN 3 AND 6 MONTHS	BETWEEN 6 MONTHS AND 1 YEAR	BETWEE 1 AND 5 YEARS	BETWEEN 5 AND 10 YEARS	OVER 10 YEARS	UNSPECI-FIED MATURITY	TOTAL
1. Assets	32,268	29,631	40,786	145,462	158,317	69,871	-	-	476,335
1.1 Receivables	32,268	28,031	40,786	145,462	158,317	69,871	-		474,735
1.2 Other assets	-	1,600	-	-	-	-	-	-	1,600
2. Liabilities	-	345,121	-	-	-	-	-	-	345,121
2.1 Payables	-	339,316	-	-	-	-	-		339,316
2.2 Notes issued	-	-	-	-	-	-	-	-	-
2.3 Other liabilities	-	5,805	-	-	-	-	-	-	5,805
3. Financial derivatives	-	93,974	(3,352)	(20,582)	(69,559)	(481)	-	-	-
Options	-	-	-	-	-	-	-	-	-
3.1 Long positions	-	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-	-
Other derivatives	-	93,974	(3,352)	(20,582)	(69,559)	(481)	-	-	-
3.3 Long positions	-	99,681	-	-	-	-	-	-	99,681
3.4 Short positions	-	(5,707)	(3,352)	(20,582)	(69,559)	(481)	-	-	(99,681)

2. Distribution of assets, liabilities and derivatives by currency

DESCRIPTION	CURRENCIES					
	USD	GBP	JPY	CAD	CHF	OTHER
1. Financial assets	-	3,162,375	-	-	328,120	497,603
1.1 Debt securities	-	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-	-
1.3 Receivables	-	2,984,426	-	-	327,060	474,735
1.4 Other financial assets	-	177,949	-	-	1,060	22,868
2. Other assets	-	50,618	-	-	2,915	1,600
3. Financial liabilities	-	2,846,861	-	-	260,826	339,322
3.1 Payables	-	1,299,029	-	-	260,671	339,316
3.2 Debt securities	-	1,547,832	-	-	-	-
3.3 Other financial liabilities	-	-	-	-	155	6
4. Other liabilities	-	41,258	-	-	4,930	5,805
5. Derivatives	-	4,322,767	-	-	-	-
3.1 Long positions	-	4,449,911	-	-	239,085	99,681
3.2 Short positions	-	(127,144)	-	-	(239,085)	(99,681)
TOTAL ASSETS	-	3,212,993	-	-	331,035	499,203
TOTAL LIABILITIES	-	2,888,119	-	-	265,756	345,127
DIFFERENCE	-	324,874	-	-	65,279	154,076

3.3 OPERATIONAL RISKS

1. General Description

FGA Capital Group has an organizational structure for the control of the operational risks in line with the Basel II principles.

This organization is based on:
- the creation of an independent function of Operational Risk Management (currently inserted in the RPC structure);
- the identification, collection and measurement of the main events of operating loss (with the storage of the necessary information in a common data base to monitor periodic trends);
- the set-up of a management reporting system to support corrective actions and prevention;
- the periodic check of the ORM process by Internal Audit.

The activities carried on by FGA S.p.A. is inspired by the following guidelines:
- Classification of the operational loss events under control based on the tables set out by Basel II as adapted to FGA Capital's business;
- Role description and adoption of IT tools that make up the ORM's framework;
- Loss data Collection LDC.

CLASSIFICATION OF OPERATIONAL RISK EVENTS

The classification of operational risk events has been adapted over the years to FGA Capital's. business requirements. It focuses on the monitoring and analysis of the following risk categories:

- Theft and fraud (internal and external)
- Employment practices and workplace safety
- Customers, products and business practices
- Damage to physical assets
- Business disruption and system failure
- Execution, delivery and process management.

The Group as a whole pays special attention to risk issues:

EXTERNAL FRAUDS: in connection with loan applications, frauds are perpetrated mainly through the submission of false or altered documentation. Therefore, the group launched in 2008 a specific training initiative on this item for all employees called "KNOW YOUR CUSTOMER"

PRIVACY PROTECTION: in managing customers' personal data in relation to:
- the necessary credit checks
- the storage of customer data
- promotion and marketing activities.

Special attention is paid, in this area, to training (periodically upgraded) of all the group staff in line with the requirements of the Data Protection Code.

PROTECTION OF THE COMPANY'S PROPRIETARY INFORMATION: carried out through the writing of internal procedures and technical instruments that the company and all partners must adopt in order to guarantee the effectiveness of the actions of protection of corporate proprietary data, with special attention to personal data.

RISKS RELATED TO NEW REGULATIONS FOR THE INDUSTRY: this item has been addressed by FGA Capital through the introduction of periodic monitoring, with the involvement of all the business areas and the coordination of the R&PC and Internal Audit.

LEGAL DISPUTES: the constant monitoring of this risk makes it possible to address problems before they become critical.

ORGANIZATIONAL STRUCTURE

The roles and responsibilities of the functions within the Parent Company and FGA Capital involved in the management of operational risks can be summarized as follows:

OPERATIONAL RISK COMMITTEE (PARENT COMPANY): this body meets during the internal control meeting on a quarterly basis, providing guidelines and policies to manage operational risk at group level. It coordinates and approves the action plans set out by each legal entity of the group, to mitigate and prevent the identified risks, monitoring the relevant progress.

OPERATIONAL RISK MANAGEMENT (PARENT COMPANY): this function is part of the R&PC. It defines and upgrades the overall operational risk management Framework at the Group level, providing support to local risk managers as they implement the Operational risk management model, ensuring the appropriate progress reports to the Parent Company's management.

LOCAL OPERATIONAL RISK COMMITTEE: at least quarterly, for the individual group company. It evaluates and approves mitigating actions, reviews progress in the corrective actions agreed with the operational areas.

LOCAL OPERATIONAL RISK MANAGER: with the new R&PC structure it is one of the responsibilities taken on by the R&PC contact person for each market. Concerning Operational Risk Management issues, this Manager implements the Framework in the company, defining and applying risk measurement and Loss Data Collection (LDC) methodologies.
Moreover, this Manager submits the LDC measurements to central Risk Management and identifies the actions to mitigate risk by getting the local management involved.
The Manager is supported by a number of contacts within the individual operational areas. These figures are responsible for identifying and reporting, in agreement with their superiors, operational loss events occurred in the period and any changes in the processes under their responsibility, analysing any possible risk associated with them.

As a support to the Operational Risk Management framework, FGA Capital has developed software to collect, analyse and report operational loss data. This procedure consists of two modules to map the risks in the different corporate processes and the collection of operational loss data.

The database so created makes it possible to prepare loss reports by individual company, company area and type of event.

LOSS DATA COLLECTION

The Loss Data Collection process in FGA Capital is essentially intended to:
- be compliant with BASEL II;
- define and comply with a set of standards and principles to support a uniform map of corporate processes;
- define standards for the observation, measurement and mitigation of operational risks;
- decentralize operational risk management, resulting in more effective preventive actions;
- promote an operational risk culture, so as to improve processes by completing the analysis phases with a more focused approach on risk issues.

3.4 LIQUIDITY RISK

QUALITATIVE DISCLOSURE

1.General Description, liquidity policies management, measuring and monitoring systems.

The Company's liquidity risk is associated with its inability to meet its financial obligations as they come due.
Specifically, this risk would materialize if the Company were unable to renew/extend/refinance at maturity – in whole or in part for every future date on the horizon considered – parts of its funding profile (in its more or less structured forms).

To facilitate the proper identification and management of liquidity risk, it is worthy of note that:

- The Holding is responsible for the Group's cash management, as its Treasury department coordinates the borrowing requirements of all its subsidiaries. Moreover, all structured finance transactions are centrally managed;
- The Company is the only Group entity with a credit rating assigned individually by Fitch Ratings, Moody's e Standard&Poor's. In this sense, all bank accounts and lines of credit are managed centrally;
- All the Group companies refer to the Holding to meet their financing requirements through the selection of the most appropriate funding instruments.

In essence, treasury management takes place at the consolidated level.
The Group manages this risk by matching its liabilities with its assets, by amount and maturity.
This approach, which relies also on the approval and availability of significant lines of credit (including from the banking shareholder Crédit Agricole), allows the Company and its subsidiaries to minimize their exposure to liquidity risk.

In addition, liquidity is measured monthly by currency (Euro, British pound, Swiss franc, Danish krone and Polish zloty).

The model to manage liquidity risk, rests on a number of key pillars, such as:

- Management of cash flow from operating activities and structural liquidity, also throughout a financial planning reviewed and updated;
- Constant monitoring of cash inflows/outflows and adoption of metrics to measure and control exposure to liquidity risk (maturity mismatch approach);
- Setting of supervisory limits to risk exposure;
- Stress tests to evaluate risk exposure and set under stress situations;
- Preparation of the Contingency Funding Plan, which is designed to define roles and responsibilities, actions to be taken and the identification of risk-mitigation instruments to be adopted in the event of a sudden liquidity crisis signalled by early warning indicators (EWI).

Based on the measurement carried out on the reporting date (31 December 2012), it is confirmed that the actions taken by central treasury, thanks also to the significant lines of credit available (mainly related to the arrangements with the banking shareholder to meet the Group's borrowing requirements and the presence of revolving securitization programs that can still be used to carry out additional receivable assignments), were effective in managing liquidity risk.

QUANTITATIVE DISCLOSURE

1. Distribution of financial assets and liabilities by contract date

Currency: EURO (amounts in €/thousands)

DESCRIPTION / MATURITY	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	UP TO 15 DAYS TO 1 MONTH	UP TO 1 MONTH TO 3 MONTHS	UP TO 3 MONTHS TO 6 MONTHS	UP TO 6 MONTHS TO 1 YEAR	UP TO 1 YEAR TO 3 YEARS	OVER 3 YEARS	UNSPECIFIED MATURITY
Financial assets - cash exposure	**1,049,701**	**130,535**	**193,388**	**736,882**	**1,903,830**	**1,392,246**	**1,862,200**	**3,353,573**	**1,151,899**	**-**
A.1 Bonds										
A.2 Other debt securities										
A.3 Receivables	1,049,701	127,416	192,115	616,154	1,839,033	1,375,232	1,831,284	3,336,544	1,137,689	-
A.4 Other financial assets	-	3,118	1,273	120,728	64,797	17,014	30,917	17,029	14,210	-
Liabilities - cash exposure	**43,601**	**500**	**118,210**	**989,119**	**922,500**	**1,149,367**	**2,567,445**	**2,040,714**	**2,618,612**	**-**
B.1 Payables toward										
- Banks	8,691	500	118,210	989,119	389,191	778,277	1,210,444	2,040,714	15,000	-
- Financial institutions										
- Customers	33,880	-	-	-	-	-	-	-	-	-
B.2 Notes issued	1,030	-	-	-	533,309	371,090	1,357,001	-	2,603,612	-
B.3 Other liabilities										
"Off-balance sheet" transactions	**(1,142)**	**-**	**(129)**	**(3,997)**	**(4,747)**	**(10,401)**	**(13,147)**	**-**	**-**	**-**
C.1 Financial derivatives with exchange of capital										
- Long Position										
- Short Position										
C.2 Financial derivatives without exchange of capital										
- Positive differences	33,356	-	28	95	5,328	1,184	10,164	-	-	-
- Negative differences	(34,498)	-	(158)	(4,092)	(10,075)	(11,585)	(23,311)	-	-	-
C.3 Loans to be received										
- Long Position										
- Short Position										
C.4 Irrevocable commitments to disburse funds										
- Long Position										
- Short Position										
C.5 Financial guarantees issued										

Currency: GBP										(amounts in €/thousands)
DESCRIPTION / MATURITY	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	UP TO 15 DAYS TO 1 MONTH	UP TO 1 MONTH TO 3 MONTHS	UP TO 3 MONTHS TO 6 MONTHS	UP TO 6 MONTHS TO 1 YEAR	UP TO 1 YEAR TO 3 YEARS	OVER 3 YEARS	UNSPECIFIED MATURITY
Financial assets - cash exposure	**178,071**	**13,161**	**13,161**	**29,091**	**535,440**	**374,651**	**418,757**	**1,213,761**	**416,728**	**-**
A.1 Bonds										
A.2 Other debt securities										
A.3 Receivables	178,071	13,161	13,161	28,936	535,073	374,623	417,830	1,213,761	416,728	-
A.4 Other financial assets	-	-	-	154	367	28	927	-	-	-
Liabilities - cash exposure	**-**	**-**	**-**	**181,288**	**425,989**	**265,778**	**304,864**	**467,794**	**1,228,374**	**-**
B.1 Payables toward										
- Banks										
- Financial institutions	-	-	-	181,288	106,531	265,778	304,864	467,794	-	-
- Customers										
B.2 Notes issued	-	-	-	-	319,458	-	-	-	1,228,374	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
"Off-balance sheet" transactions	(679)	-	(148)	(601)	(1,288)	(1,644)	(1,666)	-	-	-
C.1 Financial derivatives with exchange of capital										
- Long Position										
- Short Position										
C.2 Financial derivatives without exchange of capital										
- Positive differences	3,466	-	-	5	2	14	261	-	-	-
- Negative differences	(4,145)	-	(148)	(606)	(1,289)	(1,658)	(1,926)	-	-	-
C.3 Loans to be received										
- Long Position										
- Short Position										
C.4 Irrevocable commitments to disburse funds										
- Long Position										
- Short Position										
C.5 Financial guarantees issued										

Currency: CHF										(amounts in €/thousands)
DESCRIPTION / MATURITY	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	UP TO 15 DAYS TO 1 MONTH	UP TO 1 MONTH TO 3 MONTHS	UP TO 3 MONTHS TO 6 MONTHS	UP TO 6 MONTHS TO 1 YEAR	UP TO 1 YEAR TO 3 YEARS	OVER 3 YEARS	UNSPECIFIED MATURITY
Financial assets - cash exposure	**1,060**	**12,625**	**12,625**	**25,250**	**38,171**	**34,457**	**54,446**	**122,014**	**34,279**	**-**
A.1 Bonds										
A.2 Other debt securities										
A.3 Receivables	1,060	12,625	12,625	25,250	38,171	34,457	54,446	122,014	34,279	-
A.4 Other financial assets	-	-	-	-	-	-	-	-	-	-
Liabilities - cash exposure	**-**	**-**	**-**	**69,705**	**13,080**	**58,072**	**66,668**	**57,022**	**-**	**-**
B.1 Payables toward										
- Banks	-	-	-	69,705	13,080	58,072	66,668	57,022	-	-
- Financial institutions										
- Customers	-	-	-	-	-	-	-	-	-	-
B.2 Notes issued	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities										
"Off-balance sheet" transactions	-	-	(36)	(54)	(129)	(167)	(225)	-	-	-
C.1 Financial derivatives with exchange of capital										
- Long Position										
- Short Position										
C.2 Financial derivatives without exchange of capital										
- Positive differences	-	-	-	3	3	5	4	-	-	-
- Negative differences	-	-	(36)	(57)	(132)	(172)	(229)	-	-	-
C.3 Loans to be received										
- Long Position										
- Short Position										
C.4 Irrevocable commitments to disburse funds										
- Long Position										
- Short Position										
C.5 Financial guarantees issued										

Valute residuali (PLN, DKK) (amounts in €/thousands)

DESCRIPTION / MATURITY	ON DEMAND	BETWEEN 1 AND 7 DAYS	BETWEEN 7 AND 15 DAYS	UP TO 15 DAYS TO 1 MONTH	UP TO 1 MONTH TO 3 MONTHS	UP TO 3 MONTHS TO 6 MONTHS	UP TO 6 MONTHS TO 1 YEAR	UP TO 1 YEAR TO 3 YEARS	OVER 3 YEARS	UNSPECIFIED MATURITY
Financial assets - cash exposure	23,158	8,406	2,251	10,141	21,292	37,007	146,109	116,875	129,827	-
A.1 Bonds										
A.2 Other debt securities										
A.3 Recevables	23,158	8,406	2,251	10,141	21,292	37,007	146,109	116,875	129,827	-
A.4 Other financial assets	-	-	-	-	-	-	-	-	-	-
Liabilities - cash exposure	14,269	22	23,110	44,019	153,248	10,674	1,930	97,489	-	-
B.1 Payables toward										
- Banks	9,556	22	23,110	44,019	153,248	10,674	1,930	97,489	-	-
- Financial institutions										
- Customers	4,713	-	-	-	-	-	-	-	-	-
B.2 Notes issued	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities										
"Off-balance sheet" transactions	-	-	-	(51)	(185)	(193)	(292)	-	-	-
C.1 Financial derivatives with exchange of capital										
- Long Position										
- Short Position										
C.2 Financial derivatives without exchange of capital										
- Positive differences	-	-	-	-	-	-	-	-	-	-
- Negative differences	-	-	-	(51)	(185)	(193)	(292)	-	-	-
C.3 Loans to be received										
- Long Position										
- Short Position										
C.4 Irrevocable commitments to disburse funds										
- Long Position										
- Short Position										
C.5 Financial guarantees issued										

The profile depicted in the Quantitative Information can be interpreted also in light of the fact that the Group continued to pursue its objective to fund maturing assets for every time bucket. In addiction, the Group can rely on its banking shareholders - CA Consumer Finance - for its borrowing requirements, to manage its liquidity risk.

The due dates related to financial liabilities are exposed in according to law dispositions, not necessarily reflect the real reimbursement outline.

SECTION 4 – INFORMATION ON EQUITY

Please refer to FGA Capital S.p.A.'s financial statements.

SECTION 5 – ANALYTICAL STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

	ITEMS	PROFIT BEFORE TAXES	INCOME TAX FOR THE PERIOD	NET AMOUNT
10.	Profit (loss) for the period	247,517	(75,848)	171,669
	Comprehensive income without realease to income	(2,106)	(330)	(2,436)
20.	Property, plant and equipment			
30.	Intangible assets			
40.	Defined Pension Plan	(2,106)	(330)	(2,436)
50.	Non-current assets held for sale	-	-	-
60.	Share of valuation reserve covering gains/losses on investments recognized through equity	-	-	-
	Comprehensive income with realease to income	4,596	(3,439)	1,157
70.	Foreign investment hedges			
	a) changes in fair value			
	b) release to income			
	c) other changes			
80.	Cash flow hedges	(5,804)	-	(5,804)
	a) changes in fair value			
	b) release to income			
	c) other changes	(5,804)	-	(5,804)
90.	Exchange rate differences	10,399	(3,439)	6,961
	a) changes in fair value	942	(311)	630
	b) release to income	9,458	(3,128)	6,330
	c) other changes			
100.	Available-for-sale financial assets			-
	a) changes in fair value			
	b) release to income			
	- impairments			
	- gains/losses on increase			
	c) other changes			
110.	Non-current assets held for sale			-
	a) changes in fair value			
	b) release to income			
	c) other changes			
120.	Share of valuation reserve covering gains/losses on investments recognized through equity			-
	a) changes in fair value			
	b) release to income			
	- impairments			
	- gains/losses on increase			
	c) other changes			
130.	Total after-tax gains (losses)			
140.	COMPREHENSIVE INCOME (ITEM 10+130)	250,007	(79,617)	(170,390)
150.	Consolidated comprehensive income attributable to non-controlling interests	1,339	-	1,339
160.	COMPREHENSIVE INCOME ATTRIBUTABLE TO GROUP'S SHAREHOLDERS	248,668	(79,617)	169,051

SECTION 6 – RELATED-PARTY TRANSACTIONS

6.1 Compensation to key executive directors

The statutory auditors of FGA Capital S.p.A. and Leasys S.p.A received fees for €247 thousand.

6.2 Loans or Guarantees to key executive directors and statutory auditors

No loans or guarantees have been granted to key executives Directors and statutory auditors.

6.3 Information on related-party transactions

FGA Capital Group entered into transactions with associated companies and other related parties at arm's length.

Significant details are provided in the following table:

BALANCE SHEET

Assets

NAME	ITEMS	SHAREHOLDERS	OTHER RELATED PARTIES	TOTAL RELATED PARTIES	% OF TOTAL LINE ITEM
20	Financial assets held for trading	-	30,896	30,896	83,9%
60	Receivables	80,155	306,673	386,828	2,7%
70	Hedging derivatives	-	8,348	8,348	46,5%
140	Other assets	210,845	132,732	343,577	53,8%

Transactions with shreholders

The relevant items are:

	2013
60 RECEIVABLES	80,155
Credit Agricole Consumer Finance	36,682
Fiat Group Automobiles S.P.A.	43,473
140 OTHER ASSETS	210,845
Fiat Group Automobiles S.P.A.	210,845

Transactions with other related parties

The relevant items are:

	2013
20 FINANCIAL ASSETS HELD FOR TRADING	30,896
Other CAS.A. group companies	30,896
60 RECEIVABLES	306,673
Other CAS.A. group companies	11,164
Other Fiat Group Automobile S.p.A.	116,528
Other Fiat S.p.A. companies	176,115
Other CNH Industrial S.p.A. companies	2,866
70 HEDGING DERIVATIVES	8,348
Other CAS.A. group companies	8,348
140 OTHER ASSETS	132,732
Other CAS.A. group companies	61,157
Other Fiat Group Automobile S.p.A.	63,956
Other Fiat S.p.A. companies	4,015
Other CNH Industrial S.p.A. companies	3,604

Liabilities

NAME	ITEMS	SHAREHOLDERS	OTHER RELATED PARTIES	TOTAL RELATED PARTIES	% OF TOTAL LINE ITEM
10	Payables	4,054,747	1,010,578	5,065,325	67,7%
20	Notes issued	950,718	-	950,718	14,9%
30	Financial liabilities held for trading	-	32,158	32,158	83,2%
50	Hedging derivatives	-	28,646	28,646	40,9%
90	Other liabilities	31,620	74,329	105,949	19,8%

Transactions with shreholders

The relevant items are:

	2013
10 DEBITI	4,054,747
Crédit Agricole Consumer Finance	4,054,747
20 TITOLI IN CIRCOLAZIONE	950,718
Crédit Agricole Consumer Finance	950,718
90 ALTRE PASSIVITÀ	31,620
Crédit Agricole Consumer Finance	5,364
Fiat Group Automobile S.p.A.	26,256

Transactions with other related parties

The relevant items are:

	2013
10 PAYABLES	1,010,578
Other CAS.A. group companies	1,000,000
Other Fiat Group Automobile S.p.A.	10,532
Other CNH Industrial S.p.A. companies	46
30 FINANCIAL LIABILITIES HELD FOR TRADING	32,158
Other CAS.A. group companies	32,158
50 HEDGING DERIVATIVES	28,646
Other CAS.A. group companies	28,646
90 OTHER LIABILITIES	74,329
Other CAS.A. group companies	7,177
Other Fiat Group Automobile S.p.A.	66,736
Other Fiat S.p.A. companies	415

INCOME STATEMENT

NAME	ITEMS	SHAREHOLDERS	OTHER RELATED PARTIES	TOTAL RELATED PARTIES	% OF TOTAL LINE ITEM
10	Interest and similar income	63,402	98,792	166,975	22,2%
20	Interest and similar expenses	(118,562)	(29,592)	(148,154)	38,9%
30	Fees and commission income	-	51,668	51,668	33,8%
40	Fees and commission expenses	-	(2,019)	(2,027)	3,8%
110	Administrative expenses	(11,879)	(7,979)	(19,858)	9,1%
160	Other operating expenses	(16,452)	(470)	(16,921)	5,4%
160	Other operating income	14,273	26,911	41,184	5,9%

Transactions with shareholders

The relevant items are:

	2013
10 INTEREST INCOME	63,402
Fiat Group Automobiles S.P.A.	63,402
20 INTEREST EXPENSES	(118,562)
Credit Agricole Consumer Finance	(118,562)
110 ADMINISTRATIVE EXPENSES	(11,879)
Fiat Group Automobiles S.P.A.	(7,635)
Credit Agricole Consumer Finance	(4,244)
160 OTHER OPERATING EXPENSES	(16,452)
Fiat Group Automobiles S.P.A.	(16,452)
160 OTHER OPERATING INCOME	14,273
Fiat Group Automobiles S.P.A.	14,273

Transactions with other related parties

The relevant items are:

	2013
10 INTEREST INCOME	**98,792**
Other CA.S.A. group companies	15,800
Other Fiat Group Automobile S.p.A.	70,190
Other Fiat S.p.A. companies	9,961
Other CNH Industrial S.p.A. companies	2,842
20 INTEREST EXPENSES	**(29.592)**
Other CA.S.A. group companies	(29,588)
Other Fiat S.p.A. companies	(4)
30 FEES AND COMMISSION INCOME	**51,668**
Other CA.S.A. group companies	46,005
Other Fiat Group Automobile S.p.A.	5,663
40 FEES AND COMMISSION EXPENSES	**(2,019)**
Other CA.S.A. group companies	(2,006)
Other Fiat Group Automobile S.p.A.	(13)
110 ADMINISTRATIVE EXPENSES	**(7,979)**
Other CA.S.A. group companies	(29)
Other Fiat Group Automobile S.p.A.	(4,475)
Other Fiat S.p.A. companies	(3,475)
160 OTHER OPERATING EXPENSES	**(470)**
Other Fiat Group Automobile S.p.A.	(432)
Other CNH Industrial S.p.A. companies	(38)
160 OTHER OPERATING INCOME	**26,911**
Other CA.S.A. group companies	2,791
Other Fiat Group Automobile S.p.A.	6,492
Other Fiat S.p.A. companies	9,468
Other CNH Industrial S.p.A. companies	8,160

SECTION 7 – ADDITIONAL INFORMATION

TRANSLATION OF FINANCIAL STATEMENT OF FOREIGN SUBSIDIARIES

The table below shows the exchange rates used to translate foreign currency financial statements at 31 December 2013 into Euro. For information purposes, the exchange rates used for 2012 are also shown.

	31/12/13	Average 2013	31/12/12	Average 2012
Polish Zloty(PLN)	4,154	4,197	4,074	4,185
Danish Crown (DKK)	7,459	7,458	7,461	7,444
Swiss Franc (CHF)	1,228	1,231	1,207	1,205
GB Pound (GBP)	0,834	0,849	0,816	0,811

DISCLOSURE ON AUDIT RELATED SERVICES

As required by Legislative Decree 39/10, details of audit-related services provided are as follows:

SERVICES	SERVICE PROVIDER	COMPANY	AMOUNT €/000
Audit	Reconta Ernst & Young S.p.A.	FGA Capital S.p.A.	310
	Reconta Ernst & Young S.p.A.	SPE originated by FGA Capital S.p.A. and Leasys S.p.a	200
	Reconta Ernst & Young S.p.A.	Foreign Subsidiares	1,275
Attestation	Reconta Ernst & Young S.p.A.	FGA Capital S.p.A.	456
	Reconta Ernst & Young S.p.A.	SPE originated by FGA Capital S.p.A. and Leasys S.p.a	-
	Reconta Ernst & Young S.p.A.	Foreign Subsidiares	97
Other services	Reconta Ernst & Young S.p.A.	FGA Capital S.p.A.	111
	Reconta Ernst & Young S.p.A.	Foreign Subsidiares	231
TOTAL			**2,680**

Turin, 17 February 2014
On behalf of the Board of Directors

Chief Executive Officer and General Manager
Gian Luca De Ficchy

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AS

at December 31, 2013

Building a better working world

FGA Capital S.p.A.

Consolidated Financial Statements at December 31, 2013

Independent auditor's report pursuant to artt. 14 and 16 of Legislative Decree n.39 dated 27 January 2010

Building a better working world

Reconta Ernst & Young S.p.A.
Via Confienza, 10
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Independent auditor's report pursuant to article artt. 14 and 16 of Legislative Decree n.39 dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of FGA Capital S.p.A.

1. We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes, of FGA Capital S.p.A. and its subsidiaries (the "FGA Capital Group") as of and for the year ended December 31, 2013. The preparation of these consolidated financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 are the responsibility of FGA Capital S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was performed in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   With respect to the comparative data related to the consolidated financial statements of the prior year and the statement of financial position at January 1, 2012, derived from the consolidated financial statements at December 31, 2011, all restated as a result of the retrospective application of the amendment to IAS 19, as described in the related explanatory notes, reference should be made, respectively, to our report issued on March 4, 2013 and to the report of other auditors issued on March 2, 2012. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect for the purposes of issuing this opinion.

3. In our opinion, the consolidated financial statements of FGA Capital Group at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of FGA Capital Group for the year then ended.

4. The management of FGA Capital S.p.A. is responsible for the preparation of the Report on Operations, in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations is consistent with the consolidated financial statements of FGA Capital Group as of December 31, 2013.

Turin, March 4, 2014

Reconta Ernst & Young S.p.A.
Signed by: Ettore Abate, partner

This report has been translated into the English language solely for the convenience of international readers