SECOND SUPPLEMENT DATED 12 AUGUST 2015 TO THE BASE PROSPECTUS DATED 31 MARCH 2015

FCA CAPITAL IRELAND P.L.C.

(*incorporated with limited liability in Ireland*)
€6,000,000,000
Euro Medium Term Note Programme
unconditionally and irrevocably guaranteed by

FCA BANK S.p.A.
(*incorporated with limited liability in the Republic of Italy*)

This second Supplement (the **Supplement**) to the Base Prospectus dated 31 March 2015, as previously supplemented by the supplement dated 3 July 2015 (the **Base Prospectus**), 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 relating to the Euro Medium Term Note Programme (the **Programme**) established by FCA Capital Ireland p.l.c. (the **Issuer**) and unconditionally and irrevocably guaranteed by FCA Bank S.p.A. (the **Guarantor**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer and Guarantor.

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 this 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 contained in this Supplement. To the best of the knowledge and belief of the Issuer and, in respect of the information relating to itself 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.

Purpose of the Supplement

The purpose of this Supplement is to (a) disclose the Guarantor's unaudited consolidated interim financial statements for the six month period ended 30 June 2015, (b) update the information contained in the Base Prospectus regarding the long-term rating assigned by Fitch Ratings Ltd. to the Guarantor and (c) include a new "Significant or Material Change" statement.

GUARANTOR FINANCIAL STATEMENTS

On 22 July 2015 the Guarantor's unaudited consolidated interim financial statements for the six months ended 30 June 2015, which have been subjected to a limited review by Reconta Ernst & Young S.p.A. (the **Guarantor Financial Statements**), were presented to the Guarantor's board of directors.

The Guarantor Financial Statements are set out in Annex 1 to this Supplement, at pages F-1 to F-31.

UPDATE OF THE INFORMATION REGARDING THE LONG-TERM RATING ASSIGNED BY MOODY'S TO THE GUARANTOR

The text which appears on page 2, second paragraph of the Base Prospectus is no longer correct and the current position is set out below.

The second paragraph appearing on page 2 of the Base Prospectus is hereby deleted in its entirety and replaced as follows:

"The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) will be disclosed in the Final Terms. Such credit rating agency will be included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation). The Guarantor has been assigned a long-term rating of Baa2 (outlook stable) by Moody's Investors Service Ltd. (**Moody's**), BBB (outlook positive) by Fitch Ratings Ltd. (**Fitch**) and BB+ (outlook stable) by Standard & Poor's Credit Market Services Italy S.r.l., a division of the McGraw-Hill Companies Inc. (**S&P**). Each of Moody's, Fitch and S&P is established in the European Union and registered under the CRA Regulation, and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority referenced above. Please also refer to "*Credit ratings may not reflect all risks*" in the "*Risk Factors*" section of this Base Prospectus."

SIGNIFICANT OR MATERIAL CHANGE

The paragraph "Significant or Material Change" on page 109 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 FCA Bank Group since 30 June 2015 or in the financial or trading position of the Issuer since 31 December 2014, and there has been no material adverse change in the financial position or prospects of the Issuer, the Guarantor or the FCA Bank Group since 31 December 2014."

GENERAL

To the extent that there is any inconsistency between (a) any statement in 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.

ANNEX 1

INDEX TO THE GUARANTOR FINANCIAL STATEMENTS

FCA BANK

FCA Bank S.p.A.

CONSOLIDATED HALF YEAR FINANCIAL REPORT

JUNE 30, 2015

NINETY YEARS OF DEDICATION TO DRIVERS

The company's history began exactly ninety years ago, on 25 April 1925, with the foundation of SAVA Società Anonima Vendita Autoveicoli. In the same year Fiat launched the 509, the first car sold on credit. Thanks to constant work and effort, the dream of many Italian families to own a car became reality.

Fast forward to 1957: this is the year when the Fiat 500 was born and SAVA's financing solutions helped buyers, contributing to change, in a short period of time, this car to an icon of style and of the Italian "economic miracle".

As SAVA firmed up its position in Italy, markets beyond the national borders beckoned, especially European ones. Germany paved the way, followed by France, United Kingdom, Spain, Greece and Poland. Thanks to its determination and professionalism, in the space of few decades the Company became a major player in 16 European Countries.

In all the Markets in which it operates, the Company's financing services support the sales of Fiat Chrysler Automobiles brands: Fiat, Fiat Professional, Chrysler, Alfa Romeo, Jeep, Lancia and Abarth. Eventually, the Company expanded the market served with the addition of such prestigious brands as Jaguar, Land Rover and Maserati.

However, the Company's history was marked by two recent crucial developments. In 2006, an agreement was signed to set up an equally-owned joint venture between Fiat Group Automobiles and Crédit Agricole Consumer Finance, with the Company changing its name to FGA Capital. Lastly, on 14 January 2015 a new major event occurred: FGA Capital became FCA Bank S.p.A.. For the Company, which is now a Bank, the future is here.

On 25 April 2015 the new-born banking Group FCA Bank stood tall on its ninety years of experience and professionalism at the service of drivers. The Company decided to celebrate this anniversary with the creation of a dedicated logo and claim, which encapsulate its energetic and contemporary spirit. The recent partnerships with Ferrari in different European Countries and with the industrial German Group Erwin Hymer, Europe's largest manufacturer of motorcaravans and caravans, allowed our Company to diversify the offer and to consolidate the dynamic nature and innovation that have always been a mark of distinction for the Company.

CONSOLIDATED HALF YEAR FINANCIAL REPORT AS AT JUNE 30, 2015

FCA Bank S.p.A.

Registered Office: Corso G. Agnelli, 200 - 10135 Turin - www.fcabankgroup.com – Paid-up Share Capital: Euro 700,000,000 - Turin Companies Register no. 08349560014 - Tax and VAT Code 08349560014 – Entered in the Bank Register no. 5764 – Holding of FCA Bank Banking Group - Register RUI no. D000164561

BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND EXTERNAL AUDITORS

Board of Directors

Chairman

Philippe Dumont

Managing Director
and General Maager

Giacomo Carelli

Directors

Alfredo Altavilla
Mario Matteo Busso*
Andrea Faina
Andrea Giorio*
Christophe Grave
Giampiero Maioli
Bernard Manuelli
Richard Keith Palmer

External Auditors

Reconta Ernst & Young S.p.A.

*independent directors

Board of Statutory Auditors

Chairman

Piergiorgio Re

Statutory Auditors

Vincenzo Maurizio Dispinzeri
Francesco Pisciotta

Alternate Statutory Auditors

Pietro Bernasconi
Vittorio Sansonetti

PROFILE OF THE FCA BANK GROUP

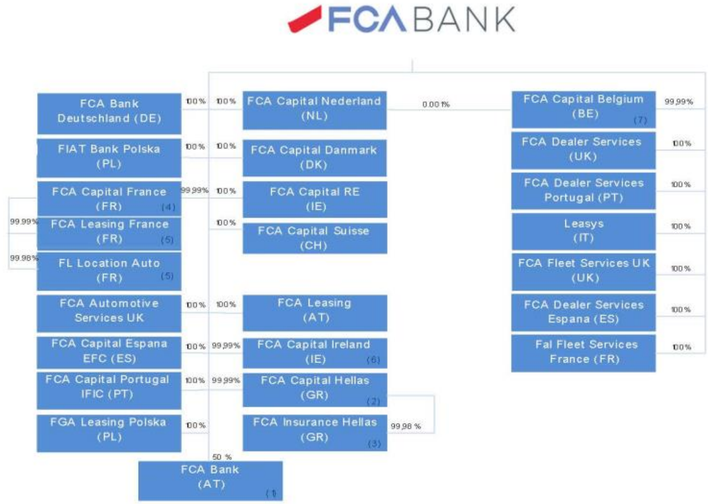
FIAT Chrysler Automobiles

The Group designs, engineers, manufactures, distributes and sells vehicles for the mass market under the Fiat, Alfa Romeo, Lancia, Abarth and Fiat Professional brands and Chrysler brands such as Chrysler, Jeep, Dodge and Ram brand vehicles and vehicles with the SRT vehicle performance designation, as well as premium and luxury cars under the Maserati and Ferrari brands.
Fiat Chrysler also operates in the components sector, through Magneti Marelli and Teksid, and in the production systems sector, through Comau and in after-sales services and products under the Mopar brand name. In addition, the Group provides retail and dealer finance, leasing and rental services in support of the car business through subsidiaries, joint ventures and commercial agreements with specialized financing services providers.
Fiat Chrysler is an international auto group engaged in industrial activities in the automotive sector through companies located in 40 Countries and has commercial relationships with customers in approximately 150 Countries.

Crédit Agricole Consumer Finance

Crédit Agricole Consumer Finance is a major consumer credit provider in Europe, with outstanding loans of € 69.1 billion at the end of March 2015. Operating in 21 countries and offering a wide range of finance and insurance solutions in all lines of consumer credit business, it supports customers by providing the financing they need to make their plans a reality.
Crédit Agricole Consumer Finance is a key player in car financing and operates this segment in three ways: joint ventures with car manufacturers, specific partnership agreements and point-of-sale financing.
Its strategy is structured around the central core of service quality, customer and partner satisfaction, innovation and operational efficiency. This makes CA Consumer Finance highly competitive in the market.
A subsidiary of Crédit Agricole, one of the largest banking groups in Europe, Crédit Agricole Consumer Finance is well-positioned on all distribution channels, including direct sales, point-of-sale financing, e-commerce, partnerships and brokerage.

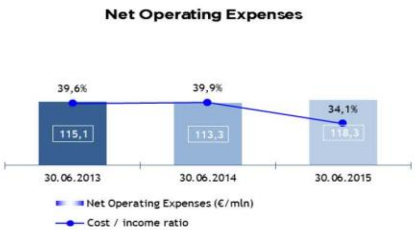
GROUP STRUCTURE

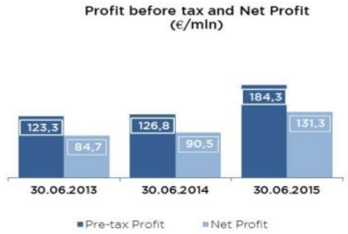


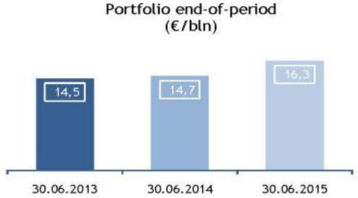
Notes:
(1) Fidis S.p.A. holds 25% while the remaining 25% is held by CA Consumer Finance S.A..
(2) 1 share is held by individual.
(3) 1 share is held by individual.
(4) 6 shares are held by individuals.
(5) Remaining shareholding interest is held by Fal Fleet Services S.A.S.
(6) 6 shares are held by individuals.
(7) FCA Capital Nederland BV holds 0.00067%

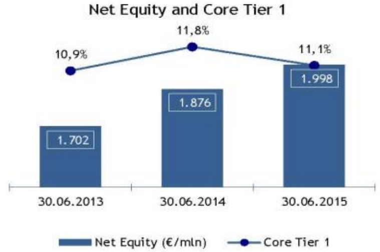
FCA BANK GROUP

KEY FIGURES









"Core Tier 1" at 30/06/2015 - Preliminary amount

"Core Tier 1" 2013 and 2014 -Basel II Simulation

SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2015

Banking license

On 14 January 2015 FGA Capital S.p.A. obtained its banking license and changed its name to FCA Bank S.p.A..
In the meantime FCA Bank S.p.A. has become the parent company of an international banking group with direct operations in 16 Countries.
The project to change FGA Capital to FCA Bank began in 2012 and, in December 2013, an application for a banking license was submitted to the Supervision Authority, within the scope of the growth plans set out for the company in the Joint Venture Agreement between the Crédit Agricole group and Fiat Chrysler Automobiles, an agreement that was renewed in 2013.

The partnership with ERWIN HYMER GROUP

On 10 June 2015 FCA Bank and Erwin Hymer Group (EHG) entered into a Commercial Cooperation agreement which gives rise to ERWIN HYMER GROUP FINANCE, a brand that will offer a wide range of financing services dedicated to the EHG dealer network and the retail customers of motorhome and caravans manufactured by the German multinational.
EHG is European leader in the leisure vehicle business and was looking for a single financial partner with a long experience in automotive captive finance and a large presence in the European Markets in which EHG operates. FCA Bank turned out to be the ideal partner in all those areas, so both parties entered into the agreement with mutual satisfaction.
The agreement will become operational starting in the second half of 2015 in Germany and Italy and in the other Markets between the end of 2015 and the beginning of 2016.
EHG currently distributes its products in the markets in which it operates under nine brands: Bürstner, Carado, Dethleffs, Hymer, Laika, LMC, Niesmann+Bischoff, Sunlight and 3DOG. Moreover, it has manufacturing plants in Germany, France and Italy. EHG is an important customer of the FCA Group for the purchase of Fiat Ducato chassis for the convertion in motorhomes.
The agreement will last five years, renewable for 5 more, and will allow EHG to organize in a more effective manner its current, comprehensive range of agreements with other finance companies.
FCA Bank will act as a true captive company for EHG, thus expanding its customer base and increasing its revenues and profits.

The new European rules on the management of the crisis (BRRD)

The BRRD (Bank Recovery and Resolution Directive) introduced new harmonized rules to prevent and manage the crisis of banks and investment firms. In this context, banks are required to contribute for the establishment of a Single European Resolution Fund.
To this end, starting in the first half of 2015, FCA Bank has made specific provisions to that effect.

Other significant events

In June significant attention was paid to the management of Greece's sovereign debt.
In particular, the "capital control" measure adopted by the Greek authorities, on 28 June, and the overall complexity of the negotiations in Brussels, made financial markets highly volatile.

COMPANY PERFORMANCE

Volumes of activity first half of 2015

FCA Bank operates in 16 Markets as a partner of reference in the provision of financing to the dealers and customers of Fiat Chrysler (for the Fiat, Lancia, Alfa Romeo, Fiat Professional, Abarth, Maserati, Ferrari, Chrysler and Jeep brands), Jaguar and Land Rover.
Thus, The Group's volumes of activity are closely related to trends in the European automotive market which, overall, saw 7.2 million new car registrations in the period under review, up 9% on the first half of 2014.
New financing provided by the FCA Bank Group in 2015 amounted to €4.8 billion, with a substantial increase on the first half of 2014 (18%). Of this amount, financing related to Jaguar and Land Rover (in 8 countries) totaled €0,6 million for the first six months of the year.
FCA Bank global penetration rate, as a share of Fiat Chrysler's new car registrations, was 45% for the first half of 2015, with 44% in Italy and 46% in foreign Markets.

Financial and operating performance

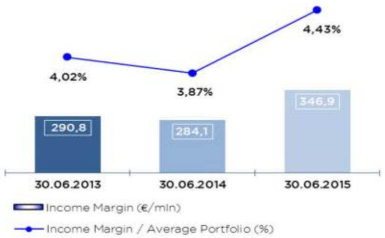
The average portfolio amount rose on the first half of 2014 and 2013 as a whole, thanks to favorable market conditions and the marketing effectiveness of the financing services to support the industrial partners.

Average portfolio (€/bln)

FCA Bank Group	30.06.2013	30.06.2014	30.06.2015
Average Portfolio	14.484,9	14.671,2	15.666,1
Net banking income and Rental margin	290,8	284,1	346,9
Net operating expenses	(115,1)	(113,3)	(118,3)
Cost of risk	(52,5)	(44,0)	(42,3)
Profit before tax	123,3	126,8	184,3
Net income	84,7	90,5	131,3

(€mln)

Income and Rental Margin



FCA Bank's marketing strategy, which focuses on the profitability of its projects, is reflected by the analysis of the net banking income for the first half of 2015. Net banking income amounted to €346.9 million, accounting for 4.43% of the average portfolio amount, showing a remarkable increase on the previous half year.
This performance is quite remarkable, at a time of volatility in financial markets and relative uncertainty in automotive, confirming the soundness of the JV business model, which is based on the financial support of the banking shareholder, Crédit Agricole Group, and the special relationship with the industrial shareholder, Fiat Chrysler Automobiles, and the other industrial partners.
Management's focus on the constant improvement of operating efficiency, so as to curb costs, resulted in a cost/income ratio of 34.1% in 2015, with a 5% improvement on the previous year, nevertheless a slightly increase of costs, in absolute value, mainly due to the growth of the portfolio.

Net Operating Expenses

Cost of risk

Despite the effects of the difficulties experienced by the European economy, the cost of risk continued to improve, compared to the same period of the previous two years, thanks to a prudent underwriting policy.

Profit before tax and Net Profit (€/mln)

Pre-tax profit for the first half of 2015 amounted to €184.3 million while net profit totalled €131.3 million, reflecting an improvement on the comparable amounts for the previous first half of 2014.

Automotive market and Fiat Chrysler Automobiles

In the first half of 2015, new car sales totaled 7.2 million (up 8.7% on the same period of the previous year) in the relevant perimeter. All the markets showed increases on the preceding year, with Spain (up 23.5%) and Italy (up 14.5%) the best performers. The Fiat Chrysler brand had a 7.3% market share, which was slightly better than the previous year. Fiat Chrysler showed approximately 525,000 new car registrations (FCA Bank perimeter) in the first half of 2015, with a 12.2% increase on 2014, which was better than the average for the market.

From an industrial point of view, the first half of 2015 saw the launch of 500X, Doblò and Panda K-Way for the Fiat Brand and Doblò Cargo for the Fiat Professional Brand.

For the second half, expected new launches include Nuova Fiat 500, Nuova Lancia Ypsilon and Nuova Alfa Romeo Giulia, in the Quadrifoglio Verde version, which marks the beginning of a new era for Alfa Romeo Brand. FCA Bank supports the launch of the new models with its financing offering.

FCA Bank for Maserati

In the first half of 2015, Maserati delivered 2,800 cars, up 11% on the comparable year-earlier period.

FCA Bank's commercial penetration as a share of total Maserati deliveries was 30%, with total financing amounting to €62 million in the period under review.

FCA Bank for Jaguar and Land Rover

In the first half of 2015 Jaguar and Land Rover had 44,000 (FCA Bank perimeter) new car registrations. The prestigious British Brands reported 38,000 in the first half of 2014.

In the period under review, the two brands had a market share of 0.92%, up on the preceding year (0.87%). FCA Bank continues to support actively the growth of Jaguar Land Rover, with the portfolio amount generated with the cooperation with the company reaching €2.6 billion at the end of the first half of 2015, accounting for 16% of the total portfolio.

Credit Policies

The traditional attention paid to credit approval allowed the Group to develop a high quality portfolio, obtaining excellent results in terms of non-performing loans (NPL) and cost of risk.
In the political and economic context in Europe, marked by recovery signs in both the labour markets and the economy as a whole, the Group's credit policies are unchanged, based on an approach that is prudent and cautious in the credit approval phase and well-aimed in collection actions.
The Group has control and monitoring tools in place to facilitate the prompt identification of any deterioration of the portfolio's credit performance.
In the first half of 2015 the cost of credit risk is 0.54%, reflecting continuing improvement of the trend that had set in in the previous first half year of 2014.

Moreover, the FCA Bank Group, which operates historically and successfully in Greece through its subsidiaries, undertook several actions designed to mitigate the risks associated with the recent economic and political development and a credit portfolio that, in any case, had been progressively shrinking over the years. Total Greek exposure accounts now for 0,6% of the entire consolidated portfolio.
Against a backdrop that, to this date, has not yet fully stabilized, FCA Bank made a bad debt provision considered sufficient to cover the deterioration of the quality of its portfolio.

Sustainability in FCA Bank

Transparency in managing communication is one of the main tenets of FCA Banks mission in its relationships with the final customers, in keeping with privacy rules.
FCA Bank (FCAB) helps its customer base - which consists of individuals, companies and dealers - in their purchase of used and new cars by providing a wide range of financing and leasing services customized to their different needs.
In the 16 European Markets in which FCAB operates, customers can choose from a wide range of financing products as well as insurance solutions (e.g. protected credit, theft & fire insurance, extended warranty insurance etc.). The products and services provided are structured in a way that customers can easily understand them, thanks to clear and accessible language.
FCAB, which in the first half of 2015 signed approximately 310,000 financing contracts, undertakes to provide its customers with "sustainable" credit based on the principles of fairness, responsibility and integrity, through constant and transparent relationships, to ensure acceptable terms and conditions which comply with applicable laws and regulations.
To allow access to responsible credit to everyone, starting in 2012, FCAB has made available specific financial tools on its web sites, which permit customers to simulate personalized financing plans that best fit their budgets.
The first accessible tool is a "financial calculator where customers - based on the brand and the selected model, the customer is free to choose from different financing methods (e.g. instalment, leasing, etc.) - can simulate the monthly payment and identify the solution that best fits their budgets. In addition, there is a car configurator for each automotive brand. In the first half of 2015, total simulations amounted to 215,000[1], up about 63.64% on 2014.
The second tool, "Find the Car", is an easy simulator, which, based on available income entered by the customer, can identify car models available indicating the recommended maximum and sustainable installment by the customer. In the first half of 2015, the number of accesses to this tool has reached 40,000[1] simulations, about 67.43% more than in 2014.

[1] Source: Google Analytics (GA), a service made available by Google, which provides detailed statistics on web site accesses. Perimeter of the statistics related to the financial calculator: Italy, Austria, France, Germany, Greece, Portugal, Spain, Switzerland, The Netherlands. Perimeter of the statistics related to the tool "Find the Car": Italy, Austria, France, Greece, Netherlands, Portugal, Spain, Switzerland.

Financial Strategy

The Treasury department ensures that cash and financial risks are managed at Group level in accordance with the risk management policies approved by the Board of Directors.

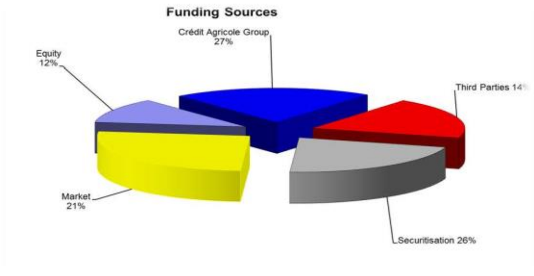
The Group's financial strategy is designed to:

- Maintain a stable and diversified funding structure;
- Manage liquidity risk;
- Minimize exposure to interest rate and foreign exchange volatility as well as counterparty risk.

In the first half of 2015, Treasury obtained the funds necessary to finance the Group's activities, at a competitive cost, so as to boost net banking income.

The structure of the sources of funds at 30 June 2015 was as follows:

- Funding provided by the Crédit Agricole Group – of which the banking shareholder CA Consumer Finance SA is part – representing 21% of the financial structure;
- Notes issued in connection with securitization transactions and placed with external investors, representing 22% of the total;
- Bonds issued under the EMTN program, accounting for 26% of the total;
- Borrowings from banks and other lenders, equal to 19% of the total;
- Equity amounting to 12% of the total.



The most important activities for the first half of 2015 were:

- A bond issue for a total of €1,000 million completed in April in two tranches - one for €700 million maturing in 5 years and a fixed rate of 1,375% and one for €300 million maturing in 2.5 years and a floating interest rate equal to 3-month Euribor + 0,900% - by FCA Capital Ireland Plc under the EMTN Program guaranteed by FCA Bank SpA;
- Two private bond placements - for a total amount of €150 million each, completed in May and June, maturing in 2 years and both with a floating interest rate - by FCA Capital Ireland Plc under the EMTN Program guaranteed by FCA Bank SpA;
- New securitization transaction of retail receivables in Germany, called A-Best 11, finalized in March for a total amount of €515 million in receivables assigned;
- New bilateral medium-term lines of credit obtained from banks for a total amount of over €800 million.

In the first half of the current year the Group continued to fund the assets maturing in every maturity bucket so as to manage liquidity risk.

Interest rate risk management policies, which are intended to hedge net banking income against the impact of changes in interest rates, call for the alignment of the maturity buckets of liabilities (on the basis of the interest rate reset dates) with the maturity buckets of assets.

Maturity matching is achieved through the use of the most liquid financial instruments (interest rate swaps). It is worthy of note that the Group's risk management policies do not permit use of instruments other than plain vanilla swaps.

The strategy pursued by the FCA Bank Group, led to hedge nearly the entire portfolio, offsetting the effects of interest rate volatility.

In terms of exchange rate risk, the Group's policy does not allow for the creation of foreign currency positions. Therefore the portfolio in currencies other than the euro is funded in local currency. In some cases this was achieved also through the use of foreign exchange swaps (the Group's risk management policies allow the use of swaps only for risk hedging purposes).

Counterparty risk exposure is minimized, according to the criteria set by the Group's risk management policies, through transactions with primary banking counterparties, the use of very short-term financial instruments and, for interest rate and currency derivatives, the use of standard contracts (ISDA).

Rating

As at today, FCA Bank's credit ratings were:
- Fitch Ratings: "BBB-" long term and "F3" short term, (Positive Outlook)
- Moody's Investors Service: "Baa3" long term (Stable Outlook)
- Standard&Poor's: "BB+" long term and "A-3" short term (Stable Outlook)

Attention is called to the following events occurred until 30 June 2015.
On 22 June 2015, following a change in its methodology to rate banks, Moody's Investors Services upgraded the long-term rating of FCA Bank SpA from "Baa3" to "Baa2" and the short-term rating from "P3" to "P2". Meanwhile, the outlook was changed from "Under review for possible upgrade" to "Stable".

Attention is called to the following subsequent events-
On 8 July 2015 Fitch upgraded the long-term rating of FCA Bank SpA from "BBB-" to "BBB" and the short-term rating from "F3" to "F2". Meanwhile, following a similar action undertaken with shareholder Crédit Agricole SA, the outlook was changed from "Stable" to "Positive".

In April FCA BANK completed a placement of senior unsecured bonds in two tranches for a total of €1 billion, with total orders for over €5 billion.
The first tranche was for €700 million, with maturity in five years, while the second tranche was for €300 million, maturity in two years and a half.
The €700 million tranche was priced at a fixed rate, with a coupon of 1.375%, the lowest interest ever for FCA Bank. The €300 million tranche was priced at a floating rate, with a spread of 90 bps. over 3-month Euribor.
FCA Bank's placement occurred through BofA Merrill Lynch, Credit Agricole Cib, Citi, JP Morgan and Unicredit.

INTERNAL CONTROL SYSTEM

The FCA Bank Group adopts sound and prudent management practices, pursuing profitability by underwriting risk in an informed manner and conducting operating activities in a spirit of integrity.
Therefore, the Group created an internal control system (SCI) suited to identify, measure and check on an on-going basis the risks associated with its activity, involving Governance Bodies, control functions and committees, the Supervisory Body, Senior Management and the staff as a whole.
Group internal controls are governed centrally by the Internal Audit, Risk and Permanent Control, Compliance & Supervisory Relations functions.
These functions - which are separated in organizational terms - operate at Company and Group level, liaising with the corresponding functions of the subsidiaries.
In particular, Compliance & Supervisory Relations and Risk & Permanent Control report directly to the Managing Director and General Manager (CEO) whilst Internal Audit reports directly to the Board of Directors.
From an operational point of view, the types of control adopted include:
- First-level controls, intended to ensure that day-to-day operations and individual transactions are performed properly; these are by the operational units or embodied in IT procedures;
- Second-level controls, which are designed to help to define risk measurement methodologies and to check that operations are consistent with the risk objectives set. These are conducted by departments other than operational department, particularly "Risk & Permanent Control" and "Compliance & Supervisory Relations";
- Third-level controls, performed by the Internal Audit department, are conducted to identify unusual trends and breaches of procedures and regulations as well as to evaluate the functioning of the overall internal control system.

Committees involved in the internal control system

To supplement the SIC, the Group established the above functions as well as the following committees:

Risk & Audit Committee

Pursuant to the latest supervisory provisions on corporate governance, the Risk & Audit Committee (RAC) provides support to the Board of Directors on risks and the internal control system as well as the proper use of accounting standards for the preparation of the separate and consolidated financial statements.
With reference to risk management and control, the Committee supports the Board of Directors in:
- defining and approving risk management strategies and policies; in connection with the Risk Appetite Framework (RAF), the Committee evaluates, and makes the necessary recommendations on, the risk appetite and the risk tolerance levels to be set by the Board of Directors;
- verifying the proper implementation of risk management strategies and policies and RAF;
- defining the policies and processes to evaluate corporate activities;

- the preliminary review of the audit plan, the activity plans of second-level control functions and the periodic reports of the control functions to the Board of Directors.
- checking the adequacy of corporate risk control functions, the internal control procedures and the reports necessary to ensure that the Board of Directors is properly and exhaustively informed.

The Committee, which was established in September 2014 by the Board of Directors, following the disbandment of the Audit Committee, consists of two independent Directors, who serve alternatively every other year as its chair. The meetings of the Committee are attended, without voting rights, by the chairman of the board of statutory auditors and the head of Internal Audit, who acts as secretary.
Meetings of the Committee can also be attended, without voting rights, by two other directors and by the heads of the second-level control functions.

Internal Control Committee

The mission of the Internal Control Committee - "ICC" - is to monitor the results of the activities performed by the Company's functions responsible for the internal control system; the results are reported to, and discussed by, the Committee to:

- Review the latest audit results.
- Give a progress report on action plans.
- Submit the Audit Plan and related progress reports.
- Analyze problems and issues arising from the internal control system.

Moreover, it acts as the Anti-fraud Committee with the objective to monitor fraud events, the effectiveness of the fraud prevention systems in place and the adequacy of the control systems related to fraud detection.
The ICC's meetings take place on a quarterly basis, with the participation of the internal control representatives from the respective shareholders as well.
Such meetings are a time where reports are made to Senior Management on the results of second- and third-level activities and on progress with action plans implemented as a result of findings and recommendations, including findings and recommendations made after inspections by local supervision authorities.
The involvement of the Managing Director and General Manager guarantees the high degree of effectiveness of the internal control system, given that - in implementing the necessary corrective or remedial actions in cases of flaws or anomalies - he has a full and integrated overview of the results of the audits performed.

Group Internal Risk Committee

The Group Internal Risk Committee - "GIRC" - engages in policy-setting and monitoring to ensure that the Group's internal control system prevents and manages risks effectively.
The activity carried out is more analytical than that of the other control committees, as it explores in great detail the Risk Strategy that every Head of the Group companies develops and submits to the GIRC every year, pursuant to the Group Risk Management policy approved by the Board of Directors.

In addition, the GIRC is convened whenever the market or the Company faces a liquidity crisis and - in its restricted form, which is referred to as NPA committee - evaluates and approves proposals of new products and activities coming from the Markets.
Meetings of the GIRC - which are chaired by the Managing Director and General Manager - are open to senior managers and - when called upon - to the Heads of the Group companies.
Attendance is open also to the heads of the three internal control functions, as observers and without voting rights but with the authority, for Risk & Permanent Control, to provide an opinion on risk levels in the various areas and any hedging and mitigation thereof. In addition, in case of approval of new products and activities, Compliance & Supervisory Relations may exercise veto rights in relation to aspects falling within its purview.
Participation of the control functions in this committee fosters critical interaction with the business units; accordingly such participation is both necessary and appropriate, also to prevent the creation of an excessive distance between the control functions and the operational context, without prejudice to the indispensable professional autonomy of the control functions.
The absence of voting rights for the control functions within the GIRC is further evidence, among others, to the separation between operational and control functions.

Supervisory Body under Legislative Decree 231/01

With reference to the function for the prevention of administrative liability pursuant to legislative decree 231/01, a Supervisory Body - "OdV", Organismo di Vigilanza - was established for the Parent Company and for the Italian subsidiary Leasys S.p.A. to oversee the proper application of the Compliance Program and the Code of Conduct.
The Supervisory Body:

- meets at least quarterly and reports from time to time to the Managing Director and General Manager, the Board of Directors and the Board of Statutory Auditors;
- reviews periodically the ability of the Compliance Program to prevent the perpetration of offences, relying typically on FCA Bank's Compliance function, Internal Audit and Risk & Permanent Control and using support from such internal functions as are necessary from time to time.

The Parent Company's Supervisory Body is made up of the Head of Compliance and Supervisory Relations, who serves also as Chair, and the heads of Human Resources, Internal Audit and Legal Affairs.
The Supervisory Body of the Italian subsidiary Leasys SpA consists of the Head of the Parent Company's Compliance and Supervisory Relations, acting as chair, and the heads of company's Finance, Human Resources and Legal Affairs functions.

Internal control functions

Internal Audit

The Internal Audit department reports directly to the Board of Directors and is responsible for third-level controls. It checks, based on the annual audit plan approved by the Board of Directors, the adequacy of the SIC and provides the Board of Directors

and management with a professional and impartial opinion on the effectiveness of internal controls.
The head of Internal Audit is responsible for preparing the audit plan, on the basis of a periodic risk assessment, and participates in audit missions. He reports on the results and progress of the audit plan from time to time to the Board of Directors, the Audit Committee, the Internal Control Committee and the Board of Statutory Auditors.
Internal Audit is responsible for the internal review, at least once a year, of the ICAAP process - to check that it works properly and is adequate to comply with the applicable rules - and the periodic examination of the process to evaluate individual risks.
The internal audit process calls for each Company to map its own risks on an annual basis, by using a common methodology issued by the Parent Company. The subsidiaries that do not have an internal audit function locally, risk mapping is performed by the Parent Company.
Monitoring of the individual companies' internal audit activities takes place through a system of quarterly reports on:

- the progress of the audit plan and any deviations;
- all the audits carried out during the quarter under review;
- the percentage of recommendation implementation.

The Board of Directors is apprised from time to time of the audit results, the action plans undertaken, the progress of the plan and the level of implementation of the recommendations to the individual companies.

Risk and Permanent Control

The department is tasked with the planning and implementation of a risk prevention and control system. Risk & Permanent Control at the Parent Company level includes staff dedicated to permanent controls that are not involved in business activities. Second-level controls performed by Risk & Permanent Control focus on the following risks:

- Credit,
- Market,
- Financial,
- Operational.

In addition, this function manages the ICAAP process.
The Risk & Permanent Control (R&PC) has a representative in every Group company.
The result of the second-level controls performed by Risk and Permanent Control are reported every quarter during the Internal Control Meeting and included in the six-monthly and annual Internal Control Reports.

Compliance & Supervisory Relations

The objective of the Compliance & Supervisory Relations function is to monitor Compliance and Money-laundering risks and to manage relations with the Supervision Authorities.
In addition, the head of the function is in charge of Anti-money laundering and responsible for the reports of suspicious transactions. This manager chairs also the Supervisory Body of both the Company and its subsidiary Leasys S.p.A.

ORGANIZATION AND HUMAN RESOURCES

The first half of 2015 saw the introduction of an innovative compensation system for employees in Italy, within the Specific Collective Labour Agreement (CCSL) and in line with the rationale whereby employees can benefit from company results.
In fact, during a meeting with the trade unions, an ad hoc agreement was signed for FCA Bank which represents a strong incentive for employees' involvement in the Company's operating processes and reiterates, with greater emphasis, the importance of everyone's contribution in achieving company objectives as well as the alignment of the Bank's long-term interest with that of its employees.
The system calls for two additional payments for clerks and professionals of FCA Bank and Leasys SpA:

- a bonus for efficiency (as measured on an annual basis) with reference in particular to NOE (net operating expenses) in Italy;
- a bonus related to the attainment of the objectives of FCA Banks 2015-2015 strategic plan, with reference in particular to the normalized return on equity of the Group FCA Bank.

The former is an annual bonus calculated on the costs to manage the company. It will be payable at the beginning of the year following that of measurement and is equal to 5% of the base salary, in case the objectives are achieved, and may reach as much as 7.2% in cases of over performance.
The latter is related to the Company's net profit, measured as a percentage of the supervisory capital required by Bank of Italy to cover all of the company's risks (calculated according to rules defined by Bank of Italy). Total compensation for the four-year period is equal to 12% of the base salary, in case the objectives are achieved, and may reach as much as 20% in cases of over performance. Considering the time horizon of the plan, part of the bonus (6% of the base salary) will be paid on a quarterly basis starting in June 2015 and will be guaranteed in any case to the employee.

At 30 June 2015, the FCA Bank Group had 1936 employees, up 16 resources on 31 December 2014, partly due to the transformation into a bank and partly due to specific business requirements in certain markets links to the increase of the portfolio.

From the point of view human resources management, the following activities took place in the first half of 2015:

- Organizational development: the implementation of a single information system of the variable pay system related to commercial incentives in Europe. In fact, the new LTSA system became operational, which has made it possible manage an adequate monitoring and reporting system in all the phases of the process (from assignment of the objectives to payment). Attention is called, moreover, to the entry into force in February of the remuneration policy and the relevant publication on the web site of Group in accordance with the applicable rules;
- Training: attention is called to the specific training provided to the members of the Board of Directors on communication with Supervision Authorities, Responsibility of Directors and role of the Board of Directors in the internal control system (ICS). Moreover, an on-line training course was held for all employees to explain the main

ORGANIZATION AND HUMAN RESOURCES

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- Training: attention is called to the specific training provided to the members of the Board of Directors on communication with Supervision Authorities, Responsibility of Directors and role of the Board of Directors in the internal control system (ICS). Moreover, an on-line training course was held for all employees to explain the main changes occurred with the transformation into a Bank in terms of regulatory framework, corporate organization, governance and operations;
- Internal communication: the period under review saw the continuation of what had been started with the Convention of December 2014 - to celebrate the success of the project to transform the company into a bank - through communication activities related to the new visual identity, also at work, bringing to the forefront the Company's key values including, among others, involvement, challenge and innovation. Moreover, all employees in Italy were given the kit that marked the birth of FCA Bank containing, the launch press release, in addition to the video of the cited Convention, that has been let available of the whole employees in Europe. Lastly, following a survey of the Company's climate at the end of 2014 - which was extended to the entire Group - the people of the various central departments and the markets were involved, in the first half of 2015, in the preparation of an action plan which will eventually be validated by management.

PRINCIPAL RISKS TO WHICH THE GROUP IS EXPOSED

The specific risks that might give rise to future obligations for the Company are evaluated when provisions are made. These risks and significant contingent liabilities are mentioned in the accompanying notes. Below, reference is made to risk and uncertainty factors - pertaining essentially to the economic, regulatory, and market environment - which can affect the Company's performance.

The Company's operating results, financial conditions and cash flows are affected primarily by several macroeconomic factors in the markets in which it operates – including changes in GDP, consumer and business confidence, interest-rate trends and unemployment.
The Eurozone's economies, and Italy's in particular, continue to be weak, which causes uncertainty levels to remain high. In the last two years, governments and the ECB have taken steps to stabilize financial markets, thus helping the hardest-hit countries to refinance their sovereign debt and reducing the risk of default. Considering the diversity of the economic and political contexts of the Member States of the Eurozone, there are still doubts on the ability of the weakest countries to honor their future obligations, with consequent risks of the overall stability of the euro. These potential negative developments might enhance downside risks for the Company's business and results.

Furthermore, the weak economic trend in Europe creates uncertainty about the outlook of the global economy, which suggests that countries currently enjoying favorable economic conditions might relapse into a slump or a recession. The continuing challenging conditions of the economies or markets in which it operates (including through its subsidiaries) might have an adverse impact on the Company's operating results, financial conditions and cash flows.

The Group's activities relate principally to the automotive market, which is typically cyclical. Considering the difficulty of predicting the magnitude and length of the various economic cycles, any macro-economic event (such as a significant downturn in a key market, the solvency of counterparties, volatility in financial markets and fluctuations of interest rates) could potentially affect the Group's prospects and operating performance, financial conditions and cash flows.

OTHER INFORMATIONS

Direction and coordination activities

FCA Bank S.p.A. is not subject to direction and coordination of other companies or entities. Companies under the control (direct or indirect) FCA Bank have identified it as the entity that performs direction and coordination activities, pursuant to Article 2497-bis of the Italian Civil Code. This activity involves setting the general strategic and operating guidelines for the Group, which then are translated into the implementation of general policies for the management of human and financial resources, the sourcing of factors of production and marketing/communication. Furthermore, coordination of the Group includes centralized treasury management, corporate/legal affairs and internal audit services. This allows the subsidiaries, which retain full management and operational autonomy, to achieve economies of scale by availing themselves of professional and specialized services with increasing levels of quality and to concentrate their resources on the management of their core business.

Dividends and reserves paid

In the first half of 2015, FCA Bank S.p.A. paid a dividend to its shareholders in the amount of Euro 91,576,426.

Turin, 22th July 2015

On behalf of the Board of Directors
Chief Executive Officer and General Manager
Giacomo Carelli

CONSOLIDATED ACCOUNTS

Consolidated Balance Sheet

BALANCE SHEET - ASSETS (Thousands of euro)

BALANCE SHEET - ASSETS	30/06/2015	31/12/2014 (*)
10. Cash and cash balances	25	22
20. Financial assets held for trading	2.854	13.155
50. Held-to-maturity investments	9.807	9.715
60. Loans and receivables with banks	1.051.985	761.663
70. Loans and receivables with customers	14.578.721	13.677.250
80. Hedging derivatives	85.009	83.603
90. Changes in fair value of portfolio hedged items (+/-)	42.344	59.106
100. Investments in associates and joint ventures	79	79
110. Insurance reserves attributable to reinsures	27.869	34.007
120. Property, plant and equipment	1.173.049	1.041.574
130. Intangible assets	215.567	217.507
- of which: - goodwill	180.338	180.338
140. Tax assets	295.785	250.614
a) current tax assets	128.992	81.284
b) deferred tax assets	166.793	169.330
160. Other assets	948.747	785.920
TOTAL ASSET	18.431.841	16.934.215

(*) Comparable amounts have been restated after the adoption of banking financial statements according to Bank of Italy circular n. 262.

LIABILITIES AND SHAREHOLDERS' EQUITY (Thousands of euro)

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY	30/06/2015	31/12/2014 (*)
10. Deposits from banks	6.674.481	6.788.256
20. Deposits from customers	393.754	169.382
30. Debt securities in issue	8.153.638	7.069.598
40. Financial liabilities held for trading	4.705	16.140
60. Hedging derivatives	79.366	80.818
80. Tax liabilities	99.497	86.027
a) current tax liabilities	44.008	39.979
b) deferred tax liabilities	55.489	46.048
100. Other liabilities	772.320	547.758
110. Provision for employee severance pay	13.306	13.001
120. Provisions for risks and charges	208.183	207.419
a) post retirement benefit obligations	38.392	33.777
b) Other reserves	169.791	173.642
130. Insurance reserves	34.221	41.840
140. Revaluation reserves	60.380	16.880
170. Reserves	898.489	807.789
180. Share premium	192.746	192.746
190. Issued capital	700.000	700.000
210. Minorities (+/-)	16.220	15.413
220. Net Profit (Loss) for the year (+/-)	130.535	181.149
Total liabilities and Shareholders' Equity	18.431.841	16.934.215

(*) Comparable amounts have been restated after the adoption of banking financial statements according to Bank of Italy circular n. 262.

Consolidated Income Statement

Item	30/06/2015		30/06/2014 (*)	
10. Interest income and similar revenues		371.694		376.678
20. Interest expenses and similar charges		(147.213)		(191.649)
30. Net interest margin		**224.481**		**185.029**
40. Fee and commission income		59.118		60.771
50. Fee and commission expense		(18.537)		(9.711)
60. Net fees and commissions		**40.581**		**51.060**
80. Gains and losses on financial assets and liabilities held for trading		(200)		(29)
90. Fair value adjustments in hedge accounting		(367)		-
120. Operating income		**264.495**		**236.060**
130. Net losses/recoveries on impairment:		(42.249)		(43.420)
a) loans	(42.249)		(43.420)	
140. Net profit from financial activities		**222.246**		**192.640**
150. Premium earned (net)		387		821
160. Other income (net) from insurance activities		2.323		1.368
170. Net profit from financial and insurance activities		**224.956**		**194.829**
180. Administrative costs:		(114.427)		(107.056)
a) staff expense	(73.436)		(67.670)	
b) other administrative expense	(40.991)		(39.386)	
190. Net provisions for risks and charges		121		(24.802)
200. Impairment/write-backs on property, plant and equipment		(126.880)		(124.475)
210. Impairment/write-backs on intangible assets		(2.823)		(2.635)
220. Other net operating income		203.337		190.928
230. Operating costs		**(40.672)**		**(68.040)**
280. Total profit or loss before tax from continuing operations		**184.284**		**126.789**
290. Tax expense (income) related to profit or loss from continuing operations		(52.945)		(36.293)
300. Total profit or loss after tax from continuing operations		**131.339**		**90.496**
320. Net profit or loss for the year		**131.339**		**90.496**
330. Minorities		804		621
340. Profit (Loss) for the year attributable to the Parent Company		**130.535**		**89.875**

(*) Comparable amounts have been restated after the adoption of banking financial statements according to Bank of Italy circular n. 262.

Consolidated Statement of Comprehensive Income

(euro thousands)

		30/06/2015	30/06/2014
10.	**Net Profit (Loss) for the year**	131.339	90.496
	Other comprehensive income after tax not to be recycled to income statement	-	-
	Other comprehensive income after tax to be recycled to income statement		
80.	Exchange differences	40.518	12.628
90.	Cash flow hedges	2.982	(476)
130.	**Total of other comprehensive income after tax**	43.500	12.152
140.	**Comprehensive income (Item 10+130)**	174.839	102.648
150.	Consolidated comprehensive income attributable to minorities	804	621
160.	Consolidated comprehensive income attributable to Parent Company	174.035	102.027

(*) Comparable amounts have been restated after the adoption of banking financial statements according to Bank of Italy circular n. 262.

Consolidated Statement of Changes in Equity as of 30/06/2015 and 30/06/2014

(euro thousands)

	Balance at 31/12/2014	Initial balance changes	Balance at 01/01/2015	Allocation of previous year's results		Changes during the period								Comprehensive income 2015	Shareholders' equity at 30/06/2015	Group shareholders' equity at 30/06/2015	Minority shareholders' equity at 30/06/2015
							Transactions on shareholders' equity										
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares	Stock options				
Share capital:																	
a) ordinary shares	700.000		700.000													700.000	
b) other shares																	
Share premium reserve	192.746		192.746													192.746	
Reserves:																	
a) profit	807.789		807.789	89.573												897.362	
b) other																	
Valuation reserves	16.880		16.880											44.627		61.507	
Capital instruments																	
Own Shares																	
Profit (loss) for the period	181.149		181.149	(89.573)	(91.576)									130.535		130.535	
Shareholders' equity	**1.913.977**		**1.913.977**		**(91.576)**	**3**								**175.162**	**1.998.378**		
Group shareholders' equity	1.898.564		1.898.564		(91.576)	-								174.358		1.982.150	
Minority shareholders' equity	15.413		15.413			3								804			16.220

(euro thousands)

	Balance at 31/12/2013	Initial balance changes	Balance at 01/01/2014	Allocation of previous year's results		Changes during the period								Comprehensive income 2014	Shareholders' equity at 30/06/2014	Group shareholders' equity at 30/06/2014	Minority shareholders' equity at 30/06/2014
							Transactions on shareholders' equity										
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of own shares	Extraordinary dividend distribution	Extraordinary dividend distribution	Changes in capital instruments	Derivatives on own shares	Stock options				
Share capital:																	
a) ordinary shares	700.000		700.000													700.000	
b) other shares																	
Share premium reserve	192.746		192.746													192.746	
Reserves:																	
a) profit	719.746		719.746	141.744												861.490	
b) other																	
Valuation reserves	5.335		5.335											12.152		17.487	
Capital instruments																	
Own Shares																	
Profit (loss) for the period	170.330		170.330	(141.744)	(28.586)									89.875		89.875	
Shareholders' equity	**1.882.249**		**1.882.249**		**(28.586)**									**102.648**	**1.976.311**		
Group shareholders' equity	1.788.157		1.788.157		(28.586)									102.027		1.861.598	
Minority shareholders' equity	14.092		14.092											621			14.713

Consolidated Statement of Cash Flows (Direct Method)

	30/06/2015	30/06/2014 (*)
A. OPERATING ACTIVITIES		
1. Operations	**367.329**	**262.199**
- cashed interest income (+)	394.895	376.235
- paid interest expenses (-)	(147.610)	(176.439)
- dividend income and similar revenue (+)		-
- net commission (+/-)	40.581	51.613
- payroll costs (-)	(66.475)	(63.192)
- cashed net premiums (+)	254	821
- other incomes and expenses from insurance activities	3.703	1.368
- other expenses (-)	(164.808)	(233.291)
- other incomes (+)	348.351	345.319
- tax (-)	(41.562)	(40.235)
- disposal groups classified as held for sale (+/-)	-	-
2. Liquidity generated/absorbed by financial assets	**(1.469.257)**	**205.598**
- financial assets held for trading	10.301	7.239
- financial assets at fair value	-	-
- available-for-sale financial assets	-	-
- loans and receivables with customers	(999.547)	167.096
- loans and receivables with banks: on demand	-	-
- loans and receivables with banks: other loans	(290.320)	112.694
- other assets	(189.691)	(81.431)
3. Liquidity generated/absorbed by financial liabilities	**1.452.836**	**(285.352)**
- deposits from banks: on demand	(105.377)	(1.251.572)
- deposits from banks: other deposits	-	-
- deposits from customers	196.070	21.724
- debt certificates including bonds	1.104.341	856.624
- financial liabilities held for trading	(11.435)	(7.497)
- financial liabilities designated at fair value	-	-
- other liabilities	269.237	95.369
Net liquidity generated/absorbed by operating activities	**350.908**	**182.445**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by:	**-**	**-**
- sales of equity investments	-	-
- collected dividends on equity investments	-	-
- sales or reimbursement of held to maturity assets	-	-
- sales of tangible assets	-	-
- sales of intangible assets	-	-
- sales of subsidiaries and divisions	-	-
2. Liquidity absorbed by:	**(259.329)**	**(153.883)**
- purchases of equity investments	-	-
- purchases of financial assets held to maturity	(92)	(43)
- purchases of tangible assets	(258.354)	(151.865)
- purchases of intangible assets	(883)	(1.975)
- purchases of sales/purchases of subsidiaries and divisions	-	-
Net liquidity generated/absorbed by investment activities	**(259.329)**	**(153.883)**
C. FUNDING ACTIVITIES		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- distribution of dividends and other scopes	(91.576)	(28.586)
Net liquidity generated/absorbed by funding activities	**(91.576)**	**(28.586)**
NET LIQUIDITY GENERATED / ABSORBED DURING THE PERIOD	3	(24)

(*) Comparable amounts have been restated after the adoption of banking financial statements according to Bank of Italy circular n. 262.

Reconciliation

	30/06/2015	31/12/2014
Cash and cash equivalents at the beginning of the period	22	48
Net liquidity generated/absorbed during the period	3	(24)
Cash and cash equivalents: effect of exchange rate variations	-	-
Cash and cash equivalents at the end of the period	25	24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance with IFRS

The consolidated financial statements 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 30st June 2015 (SIC and IFRIC included), as endorsed by the EU Commission.

The consolidated financial statements were prepared in compliance with Bank of Italy circular n. 262 dated December 22, 2005 (the last update dated December 22, 2014).

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.

These consolidated financial statements were prepared on the basis of the same accounting policies adopted to prepare the consolidated financial statements for the year ended 31 December 2014 with the exception of the new accounting standards on consolidated financial statements which, however, had no effect on these accounts.

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 half year report have been reviewed by Reconta Ernst & Young S.p.A..

Scope and methods of consolidation

The consolidated financial statements for the half year ended 30 June 2015 include the accounts of the parent company, FCA Bank S.p.A., and its direct and indirect Italian and foreign subsidiaries, jointly controlled entities and companies subject to significant influence, as specifically provided for by IFRS 10 which replaces partially IAS 27, "Separate and Consolidated Financial Statements", and totally SIC-12, "Consolidation - Special Purpose Entities". IFRS 10 introduces also a single consolidation model applicable to all companies, including SPEs under SIC-12. SPEs/SPVs, in particular, continue to be consolidated when there is actual control, regardless of the existence of any equity interest.
The following table lists the companies included the scope of consolidation. It shows company name, registered office, country of incorporation, if different from registered office, type of relationship, percentage of ownership and, if different, percentage of votes exercisable at general meetings.

NAME	REGISTERED OFFICE	COUNTRY OF INCORPORATION (*)	TYPE OF RELATIONSHIP (**)	SHARING %
FCA Bank S.p.A.	Turin - Italy			
Leasys S.p.A.	Turin - Italy	Rome - Italy	1	100,00
FCA Capital France S.A.S.	Trappes - France		1	99,99
Fal Fleet Services S.A.S.	Trappes - France		1	100,00
FCA Bank Deutschland GmbH	Heilbronn - Germany		1	100,00
FCA Automotive Services UK Ltd	Slough - UK		1	100,00
FCA Dealer Services UK Ltd	Slough - UK		1	100,00
FCA Fleet Services Uk Ltd	Slough - UK		1	100,00
FCA Capital España EFC S.A.	Alcala de Henares - Spain		1	100,00
FCA Dealer Services España S.A.	Alcala de Henares - Spain		1	100,00
FCA Capital Portugal IFIC S.A.	Lisbon - Portugal		1	100,00
FCA Dealer Services Portugal S.A.	Lisbon - Portugal		1	100,00
FCA Capital Suisse S.A.	Schlieren - Switzereland		1	100,00
FGA Leasing Polska Sp. Zo.o.	Warsaw - Poland		1	100,00
Fiat Bank Polska S.A.	Warsaw - Poland		1	100,00
FCA Capital Nederland B.V.	Lijnden - Netherlands		1	100,00
FCA Capital Danmark A/S	Glostrup - Denmark		1	100,00
FCA Capital Belgium S.A.	Auderghem - Belgium		1	100,00
FCA Bank GmbH	Vienna - Austria		2	50,00
FCA Leasing GmbH	Vienna - Austria		1	100,00
FCA Capital Hellas S.A.	Athens - Greece		1	99,99
FCA Insurance Hellas S.A.	Athens - Greece		1	99,99
FCA Capital Ireland Plc	Dublin - Ireland		1	99,99
FCA Capital Re Limited	Dublin - Ireland		1	100,00

(*) If different from Registered Office
(**) Relation Type:
1= majority of voting rights at ordinary meetings
2 = dominant influence at ordinary meeting

Starting from:
- 14 January 2015, FGA Capital S.p.A. has changed its company name in FCA Bank S.p.A.;
- 19 January 2015, FGA Capital Danmark S.A. has changed its company name in FCA Capital Danmark S.A.;
- 28 January 2015, Finance Suisse S.A. has changed its company name in FCA Capital Suisse S.A.;
- 30 January 2015, FGA Capital Netherlands BV has changed its company name in FCA Capital Nederland BV;
- 11 February 2015, FGA Capital Ireland Plc has changed its company name in FCA Capital Ireland Plc;
- 17 February 2015, FGA Capital Spain EFC SA has changed its company name in FCA Capital Espana EFC SA;
- 17 February 2015, FGA Bank Germany Gmbh has changed its company name in FCA Bank Deutschland Gmbh;
- 23 February 2015, FGA Capital Belgium SA has changed its company name in FCA Capital Belgium SA;
- 3 March 2015, FGA Capital Re Ltd has changed its company name in FCA Capital Re Ltd.
- 5 March 2015, FGA Capital Services Spain SA has changed its company name in FCA Dealer Services Espana SA;
- 10 March 2015, FGA Bank Gmbh has changed its company name in FCA Bank Gmbh;
- 12 March 2015, FGA Leasing Gmbh has changed its company name in FCA Leasing Gmbh.
- 20 March 2015, FGA Capital Hellas SA. has changed its company name in FCA Capital Hellas SA;
- 26 March 2015, FGA Insurance Hellas SA has changed its company name in FCA Insurance Hellas SA;
- 8 April 2015, FGA Capital UK Ltd has changed its company name in FCA Automotive Services UK Ltd;
- 8 April 2015, FGA Wholesale UK Ltd has changed its company name in FCA Dealer Services UK Ltd;
- 8 April 2015, FGA Contracts UK Ltd has changed its company name in FCA Fleet Services UK Ltd;

- 16 April 2015, FGA Distribuidora Portugal SA has changed its company name in FCA Dealer Services Portugal SA;
- 1 June 2015, FC France SA ha variato la propria denominazione sociale in FCA Capital France SA;
- 1 June 2015, FL Auto has changed its company name in FCA Leasing France SNC;
- 23 June 2015, FGA Capital IFIC SA has changed its company name in FCA Capital Portugal IFIC SA.

The scope of consolidation includes 50% held FGA Bank GmbH (Austria) because FCA Bank S.p.A. has a dominant influence on the company.

The scope of consolidation includes also the SPEs, or structured entities, used to securitise receivables, when there is actual control, even if there is no ownership.

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 Seven S.r.l.	Milan - ItalY
A-Best Eight PLC	London - UK
A-Best Nine S.r.l.	Conegliano (TV) - Italy
A-Best Ten S.r.l.	Conegliano (TV) - Italy
A-Best Eleven UG	Frankfurt am Main - Germany
FCT Fast 2	Courbevoie - France
Nixes Three Plc	Dublin - Ireland
Nixes Four S.r.l.	Milan - Italy
Nixes Five Ltd	Jersey
Nixes Six PLC	London - UK
STAR	London - UK

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.
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 half year consolidated financial statements are indicated below:

	30/06/2015	Medium 30/06/2105	30/06/2014	Medium 30/06/2104
Polish Zloty (PLN)	4,191	4,140	4,338	4,177
Danish Crown(DKK)	7,460	7,456	7,459	7,457
Swiss Franc (CHF)	1,041	1,057	1,234	1,23
GB Pound (GBP)	0,711	0,732	0,857	0,851

Main Items in the Financial Statement

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.

Valuation method
After initial recognition, financial assets and liabilities held for trading are measured at their fair value, that normally corresponds to the consideration paid.
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
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, different from derivatives, 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.
Short term loans, being negligible the time effect, 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.

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 – Securitised portfolio
Securitisation 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 FCA Bank Group companies.
Pursuant to IFRS 10, SPEs are included in the scope of consolidation as investment in junior asset-backed securities and the involvement of the originator company in arranging the programs and 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.
FCA Bank Group applies, with the aim of covering its exposure to changes in future cash flows, with reference to retail financing portfolio and bond issued, hedging instruments designated as Fair Value Hedge.
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 are applied hedging instruments designated as Cash Flow Hedge.
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, FCA Bank 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).

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

Interests held in associated companies are recorded using the equity method.
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. 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
After initial recognition, tangible assets are stated at cost, net of cumulative depreciation and impairment.
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.
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.

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.

Goodwill is the positive difference between the acquisition cost of the investment (including incidental charges) and the fair value of the net asset value of the business acquired.

Classification criteria
The item mainly comprise Goodwill, "intellectual property rights" and software applications for long term use.

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, that is equal to the expected discounted cash flows. 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 securitisation 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 paid.

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
FCA Bank 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.
In Italy, the Employee Severance Fund is recognized as "post-employment benefits", which are treated as:

a "defined contribution plan" for the provisions to the employee severance fund made after 1 January 2007 (date on which the supplementary pension reform under Legislative Decree no. 252 of 5 December 2005 came into force), whether the individual employees elect to have the sums attributable to them deposited in a supplementary pension fund or in the Treasury fund established by INPS, the Italian social security agency. These provisions are accounted for as personnel expenses, on the basis of the contributions payable, without any actuarial calculations;
a "defined benefit plan" for the provisions to the employee severance fund made until 31 December 2006; the plan is recognized on the basis of its actuarial value by using the "projected unit credit" method. These provisions are recognized on the basis of their actuarial present value by using the projected unit credit method. The discount rate used to calculate the present value of the provisions is set on the basis of the yields of bonds issued by prime corporates, taking into account the average terms to maturity of the liability, as weighted by the amounts paid or advanced, for each maturity date, as a percentage of the total payments to be made or advanced to extinguish the liability.

Costs related to post-employment benefits are expensed as incurred and are accounted for in line item 180. a) "Administrative expenses: personnel expenses" and include, for the portion related to the defined benefit plan, (i) service costs for companies with less than 50 employees; (ii) interest accrued for the year (interest cost), for the portion attributable to the defined contribution plan; (iii) the provisions made during the year to either the supplementary pension fund selected by the employee or, in the absence of such selection, to INPS's Treasury fund. On the asset side of the balance sheet, line item 110 "Employee severance fund" reflects the balance of the fund at 31 December 2006 minus all the payments made until 30 June 2015. On the liability side, line item 100 "Other liabilities - Due to social security entities" reflects the debt accrued as of the reporting date toward supplementary pension funds and INPS in relation to post-employment benefits.
Actuarial gains and losses, resulting from the difference between the carrying amount and the present value of the liability at year-end, are recognized in equity in the Valuation reserve pursuant to IAS19 Revised.

Post-employment plans other than pensions
The FCA Bank 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.

PROVISIONS FOR RISKS AND CHARGES

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.
The liability associated with these plans and the social security costs for current employees are recognized on the basis of actuarial assumptions by applying he projected unit credit method. Actuarial gains and losses arising from the valuation of the defined benefit plans are recognized in equity in the Valuation reserve.
The discount rate adopted to calculate the present value of post-employment benefits varies, depending on the country or the currency in which the liability is denominated, and is set by reference to yields, as of the reporting date, of bonds issued by prime companies with an average term to maturity consistent with that of the liability.

OTHER FUNDS

Other 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:

there is a current obligation (legal or constructed) as a result of a past event;
it is likely that fulfilment of the obligation will involve a cost;
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.

The item includes also long-term employee benefits, whose costs are calculated with the same actuarial criteria described for pension plans. Actuarial gains and losses are recognized through profit or loss.

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.

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.

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 characterized 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 contingencies 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 recognized 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
FCA Bank 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 2015

The following new standards and amendments that are applicable from January 1, 2015 were adopted by the Group for the purpose of the preparation of the Interim Consolidated Financial Statements.

- The Group adopted the narrow scope amendments to IAS 19 - Employee benefits entitled "Defined Benefit Plans: Employee Contributions" which apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. There was no effect from the adoption of these amendments.
- The Group adopted the IASB's Annual Improvements to IFRSs 2010 - 2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 - Share-based payments, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 - Operating Segments, the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 - Related Party disclosures, the extension of the exclusion from the scope of IFRS 3 - Business Combinations to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 - Fair value Measurement. There was no significant effect from the adoption of these amendments.
- IFRIC 21 - Levies: on 20 May 2013 IFRIC 21 - Levies was published, which provides guidance on when to recognize a liability for a levy (other than income tax) imposed by a government, establishing in particular the obligating event and the timing for the recognition of the liability. The Group applied the interpretation as of 1 January 2015, in connection with the recognition of a liability related to the payment of contributions to the EU's Single Resolution Fund (under the BRRD).

At the date of these Interim Consolidated Financial Statements, the IASB had not issued any new standards, amendments or interpretations. Reference should be made to the section - New standards and amendments not yet effective - within the FCA Consolidated Financial Statements at December 31, 2014 included within the 2014 Annual Report for a detailed description of new standards not yet effective as of March 31, 2015.

Disclosure on portfolio transfers

During the year no portfolio transfers occurred.

Disclosure on Fair Value

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:

- Level 1 (L1): quoted prices (without adjustments) in an active market - as defined by IAS 39 - for the assets and liabilities to be measured;
- 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;
- 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 subsidiaries in Ireland, Poland and Switzerland under, the Euro Medium Term Notes program and listed in regulated markets (Caption: bonds outstanding);
- Bonds issued in connection with securitisation transactions, placed with the public or with private investors, by different Group entities (Caption: bonds outstanding).

For listed bonds issued in connection with securitisation 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 securitisation transactions,
- OTC derivatives entered into to hedge Group companies' receivables,
- trade receivable portfolio (Caption: Receivables),
- borrowings,
- ABS notes issued in connection with securitisation 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.
In accordance with IFRS 13, to determine fair value, the FCA Bank Group considers default risk, which includes changes in the creditworthiness of the entity and its counterparties.
In particular:

- a CVA (Credit Value Adjustment) is a negative amount that takes into account scenarios in which the counterparty fails before the company and the company has a positive exposure to the counterparty. Under these scenarios, the company incurs a loss equal to the replacement value of the derivative;
- a DVA (Debt Value Adjustment) is a positive amount that takes into account scenarios in which the company fails before the counterparty and the company has a negative exposure to the counterparty. Under these scenarios, the company obtains a gain for an amount equal to the replacement cost of the derivative.

At 30 June 2015, the impact of CVAs and DVAs on the fair value of the derivatives on the books was Euro 884 thousand and Euro 1.389 thousand respectively.

Outstanding bonds are measured according to the prices published by Bloomberg. For unlisted bonds reference is made to quoted prices for comparable transactions.

For bonds issued in connection with private securitisation transactions, 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.

A.4.5.1 Assets an liabilities measure at fair value on a recurring basis: breakdown by fair value levels

	30/06/2015			31/12/2014		
	L1	L2	L3	L1	L2	L3
1. Financial assets held for trading		2.854			13.155	
2. Financial assets at fair value through P&L						
3. Available for sale financial assets						
4. Hedging derivative assets		85.009			83.603	
5. Property, plant and equipment						
6. Intangible assets						
Total		87.863			96.758	
1. Financial liabilities held for trading		4.705			16.140	
2. Financial liabilities at fair value through P&L						
3. Hedging derivative liabilities		79.366			80.818	
Total		84.071			96.958	

L1 = Livello 1
L2 = Livello 2
L3 = Livello 3

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: distributions for levels of fair value

	30/06/2015				31/12/2014			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Held-to-maturity investments	9.807	10.364			9.715	10.631		
2. Loans and receivables with banks	1.051.984		1.051.984		761.663		761.663	
3. Loans and receivables with customers	14.578.722		14.621.066		13.677.250		13.736.356	
4. Available for sale financial assets								
5. Non current assets classified as held for sale								
Total	15.640.513	10.634	15.673.050		14.448.628	10.631	14.498.019	
1. Deposits from banks	6.674.481		6.715.726		6.788.256		6.793.821	
2. Deposits from customers	393.754		400.170		169.382		188.127	
3. Debt certificates including bonds	8.153.638	4.600.885	2.477.174		7.097.688	4.186.488	2.962.974	
4. Liabilites included in disposal group classified as hfs								
Total	15.221.873	4.600.885	9.593.070		14.055.236	4.186.488	9.944.922	

BV = Book Value
L1 = Level 1
L2 = Level 2
L3 = Level 3

Related Parties Transactions

Starting from January 1, 2011, according to UE Regulation n. 632/200 as of July 19, 2010, the new release of IAS 24 has been applied. The standard simplifies and makes more explanatory the related party definition and the criteria to correctly identify correlation relationship. According to IAS 24, related parties comprehend:

- The Group' Companies and controlled companies but not consolidated;
- Associated companies and joint venture;
- Key executives Directors;
- Family members closed to key executives Directors;
- Pension plans and other post retirement benefits.

Significant details are provided in the following tables:

Transactions with related parties: Balance Sheet

	AMOUNTS AT 30/06/2015			
	SHAREHOLDERS	OTHER RELATED PARTIES	TOTAL	% OF TOTAL LINE ITEM
Hetd for trading financial assets		2.295	2.295	80%
Loans and receivables with Banks		24.914	24.914	2%
Loans and receivables with Customers	6.209	57.308	63.517	0%
Hedging Derivatives		29.535	29.535	35%
Other Assets	267.420	101.697	369.117	39%
Total Assets	273.629	215.749	489.378	3%
Deposits from Banks		1.065.123	1.065.123	16%
Deposits from Customers		42.314	42.314	11%
Debt securities in issue	186.195		186.195	2%
Financial liabilities held for trading		4.102	4.102	87%
Hedging Derivatives		32.644	32.644	41%
Other liabilities	178.005	66.963	244.968	32%
Total liabilities	364.200	1.211.146	1.575.346	9%

Transactions with related parties: Income Statement

	AMOUNTS AT 30/06/2015			
	SHAREHOLDERS	OTHER RELATED PARTIES	TOTAL	% OF TOTAL LINE ITEM
Interest and similar income	34.722	52.810	87.532	24%
Interest and similar expense	-21.296	-16.886	-38.182	22%
Fee and commission income	1.987	21.263	23.250	39%
Fee and commission expense	-1.053	-796	-1.849	10%
Administrative expenses	-3.170	-1.984	-5.154	5%
Other operating income (expenses)	7.102	18.681	25.783	13%

INDEPENDENT AUDITORS' LIMITED REPORT ON THE HALF YEAR CONSOLIDATED REPORT

Building a better working world

Auditors' review report on the consolidated half-year financial report
(Translation from the original Italian text)

To the Shareholders of
FCA Bank S.p.A.

1. We have reviewed the consolidated half-year financial report, comprising the Consolidated Balance Sheet, 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 notes of FCA Bank S.p.A. and its subsidiaries (the "FCA Bank Group") as of June 30, 2015. Directors of FCA Bank S.p.A. are responsible for the preparation of the consolidated half-year financial report in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the consolidated half-year financial report and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in this consolidated half-year financial report. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the consolidated half-year financial report, as we expressed on the annual consolidated financial statements.

   With respect to the consolidated financial statements of the prior year and the consolidated half-year financial report of the corresponding period of the prior year, presented for comparative purposes and restated, as described in the related notes, as a result of the adoption of banking financial schemes according to Bank of Italy circular n. 262, reference should be made to our reports issued on March 4, 2015 and July 28, 2014. We have examined the methods used to restate the comparative financial data and the information presented in the notes in this respect for the purposes of issuing this review report.

3. Based on our review, nothing has come to our attention that causes us to believe that the consolidated half-year financial report of the FCA Bank Group as of June 30, 2015 is not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, July 29, 2015

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