

FIAT CHRYSLER FINANCE EUROPE S.A.
(SOCIÉTÉ ANONYME)

**ANNUAL ACCOUNTS
AS AT 31 DECEMBER 2018
AND
INDEPENDENT AUDITOR'S REPORT**

**24 BOULEVARD ROYAL
L-2449 LUXEMBOURG**

R.C.S. Luxembourg: B 59500

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Independent auditor's report

To the Shareholders of
Fiat Chrysler Finance Europe S.A.
24, Boulevard Royal
L-2449 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fiat Chrysler Finance Europe S.A. (the "Company"), which comprise the balance sheet as at 31 December 2018, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under those Regulation, Law and standards are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Evaluation of recoverability of Amounts Owed by Affiliated Undertakings as presented in Note 7 of the accompanying annual accounts

Matter

As of 31 December 2018, the Amounts Owed by Affiliated Undertakings amounted to EUR 7,771,308,343 which represents 92% of Company's total assets. As detailed in Note 7 of the annual accounts, the Amounts owed by Affiliated Undertakings are valued at nominal value including the expenses incidental thereto and value adjustments are made in case of a durable depreciation in value. A solvency analysis is performed at year end by the Management in order to assess whether a durable depreciation exists on Amounts Owed by Affiliated Undertakings.

Given the significance of Amounts Owed by Affiliated Undertakings and the important judgment involved regarding the assessment of the collectability of these receivables, the evaluation of the recoverability of Amounts Owed by Affiliated Undertakings is a key audit matter.

Response

We have performed the following audit procedures over the evaluation of the recoverability of Amounts Owed by Affiliated Undertakings:

- We inspected the solvency analysis prepared by the Management
- We analysed the methods and assumptions retained by Management in the solvency analysis
- We compared the nominal value of Amounts Owed by Affiliated Undertakings reported in the annual accounts to the intercompany reconciliation performed by the Company.
- We assessed the adequacy of the Company's disclosures in respect of the accounting policies on Amounts Owed by Affiliated Undertakings as disclosed in Note 7 of the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and of those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 23 February 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

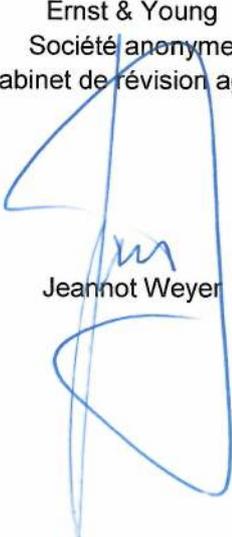
The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Other matter

The corporate governance statement includes, when applicable, the information required by article 68ter paragraph (1) points a), b), e), f) and g) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Jeannot Weyer

Luxembourg, 12 February 2019

FIAT CHRYSLER FINANCE EUROPE S.A.
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Management Report

OPERATING ENVIRONMENT

GENERAL ECONOMIC ENVIRONMENT AND PERFORMANCE OF FINANCIAL MARKETS

Global economy has remained vigorous in 2018, even if there is inhomogeneity between geographical areas and signs of global economic downturn are emerging. The maturing global economic cycle, impact of tariffs between the United States and China and a number of other uncertainties about future trade relations are weighing on global activity, undermining the growth outlook. Nonetheless, global GDP is expected to grow by 3.7%, in line with the previous year.

In the U.S., the economic growth was underpinned by the effects of tax cuts, consumer spending and investments boost. GDP is expected to grow by 2.9% over the year, up from 2.2% in 2017. The escalation in trade tensions between the US and China, and the recently introduced trade tariffs are expected to weigh on the activity in the two countries, yet their global impact is expected to remain relatively contained.

Inflation in U.S. at December 2018 recorded at 2.5% year on year, up from 2.1% of previous year, with the Federal Reserve that continued its monetary policy normalization process and raised the Federal Funds rates by 25 basis points to 2.25-2.50%.

US growth is expected to soften at 2.5% in 2019, although strong domestic demand is projected to push the economy above full employment, increase imports and the current account deficit.

In the Euro Area, the economy marked a slowdown compared to 2017. GDP is projected to rise by 1.8% in 2018, down from 2.4% of the previous year, but supported by continued growth in private consumption and investment. Inflation continued to increase gradually, closing the year at 1.7%. Interest rates are expected to remain at present levels for a prolonged period of time.

In the UK, GDP growth in 2018 is estimated at 1.4%, down from 1.8% in the previous year. Household consumption increased at a slow pace and fixed investment slowed down, due to the continued uncertainty from the progress of the Brexit negotiations.

Developing economies continue to grow at rapid pace. In 2018, the average growth for developing countries is estimated at 4.6%, slightly down from previous year. The average inflation rate is expected to grow by 4.9%, up from 4.3% in 2017.

In China, among domestic imbalances and rising trade tensions, economic growth remained strong but the outlook for years to come is worsening. Annual GDP in 2018 is estimated at 6.6% year on year, down from 6.9% of the previous year. The increase in retail prices has remained limited at 2.1%.

Brazil confirmed its positive momentum. The annual economic output is forecasted at 1.3% in 2018, from 1.1 of previous year, while inflation is stable at 3.7%.

During 2018, the improvement in the U.S. labour market has allowed the Federal Reserve to continue its monetary policy normalization process, raising the Federal Funds range up to 2.25-2.5%. The yield curve flattened significantly with short-term end of the yield curve being inverted. Long-term yields rose parallel to the rate hikes, and the 10-year swap rate closed the year at 2.7% whilst the 3-month Libor rate closed at 2.8% (from 1.7% of the previous year). The forward rate curve forecasts approximately an increase of the Libor rate by 50 basis points at the end of 2019.

In the Euro Area, the European Central Bank confirmed its accommodating position, keeping unchanged the refinancing and deposit rate at 0% and -0.4% respectively. The Eonia and 3-month Euribor rates remained low. Compared to the end of 2017, the rate curve has remained stable, with the 3-month Euribor rate and the 10-year swap rate fixed at -0.31% and 0.9% respectively at the end of 2018. The short-term forward rates quoted by the market for the end of 2019 show stable expectations compared to the current level.

2018 has been a negative year for the Euro, which weakened significantly against the major currencies. Against the U.S. dollar, the Euro opened the year at 1.21, closing at 1.15 by the end of the year (down 5%). The Euro has depreciated against both the Japanese yen (7%) and the Swiss franc (4%), and only marginally strengthened against the British pound (1%). Regarding emerging market

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currencies, the Euro has gained significantly against the Turkish lira (33%) and the Brazilian real (12%), while its gains have been limited against the Polish zloty (3%), and the Chinese Yuan (1%).

MAIN RISKS AND UNCERTAINTIES TO WHICH THE COMPANY IS EXPOSED

Fiat Chrysler Finance Europe S.A. ("FCFE", "the Company") provides cash management and treasury services mainly to Fiat Chrysler Automobiles N.V. Group subsidiaries ("Group Companies") based in Europe. FCFE's primary goal is to ensure that funds are available to support the operations of Group Companies, and that liquidity, cash flows and the exposure to financial risks are properly managed. As a consequence, FCFE earnings and financial position may be impacted by various macroeconomic factors including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit within the various countries in which it operates.

CORPORATE GOVERNANCE STATEMENT

Fiat Chrysler Finance Europe S.A. ("FCFE", "the Company") acts, both directly and through its branch, in accordance with general strategic guidelines issued by its ultimate parent company, Fiat Chrysler Automobiles N.V..

Direction and coordination activities consist in the definition and updating of Group-wide models for the system of internal control, corporate governance and organizational structure, the dissemination of a Code of Conduct, which is adopted throughout the Group, and the establishment of general policies for the management of human and financial resources. Group coordination also includes centralized management of corporate, administrative, tax and internal audit services through specialized companies.

Consistent with the above, the Company, which retains full management and operating autonomy, adopted a Code of Conduct that sets out the principles of professional conduct adhered to by the Company and the Group. The Company has also established a model of corporate governance and internal control through its organizational and reporting structure, a Compliance Program, which is continually revised to reflect legislative changes.

Starting from 2017 FCFE's Shareholder has formed an Audit Committee in compliance with Art. 52 of the law of 23 July 2016 on the audit profession, transposing European Directive 2014/56 and implementing European Regulation 537/2014 applicable to Public Interest Entities (PIEs). FCFE qualifies as PIE being an entity governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of a Member State. The new committee is independent from the administrative body and has assigned duties and responsibilities in accordance with article 52 (6) of the Audit Law and the EC Regulation.

INTERNAL CONTROL SYSTEM

The various corporate departments, with the support of Group Internal Audit, acted to ensure compliance with best management practices and the adequacy of the organizational structure and internal procedures (COSO Framework for Internal Controls). The Compliance Officer and the Compliance Program Supervisory Body at Group level (the institutional roles with responsibility for control) perform their activities in close collaboration with the management keeping them constantly apprised of the outcome of audits conducted and any need for improvement.

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Overall, the Internal Control System operated alongside core business processes to enhance operating activities and manage the related risks, supporting management in the pursuit of its corporate objectives, in accordance with law and internal policies and procedures.

CODE OF CONDUCT

The Board of Directors formally adopted the Group's Code of Conduct that reinforces the principles of sustainability, making express reference to compliance with the United Nations' Universal Declaration of Human Rights, the principal Conventions of the International Labor Organization (I.L.O.), the OECD Guidelines for Multinational Enterprises, and the United States Foreign Corrupt Practices Act (FCPA). Greater attention has been dedicated to issues relating to health and safety in the workplace and protection of the environment, with an emphasis on preventive risk assessment together with definition of the specific responsibilities of employees. The main issues addressed in the Code are set out in specific guidelines. The Code can be publicly consulted on the internet web site of Fiat Chrysler Automobiles N.V..

OPERATING PERFORMANCE AND ANALYSIS OF THE FINANCIAL POSITION

Fiat Chrysler Finance Europe S.A. ("FCFE", "the Company") acts as the treasury and financing vehicle of the Fiat Chrysler Automobiles N.V. Group ("The Group") companies mainly based in Europe, providing cash management and treasury services. FCFE manages cash pooling structures in Austria, Belgium, Denmark, Germany, Ireland, the Netherlands, Spain, Switzerland, Slovakia and the United Kingdom.

As of December 31, 2018 Inter-company loans stood at EUR 7.8 billion with a cyclical decrease compared to EUR 8.4 billion of the previous year (note 6).

FCFE is also active on the financial market in order to finance its activity or refinance position coming to maturity.

In 2018 FCFE repaid two notes coming to maturity, while no new notes were issued. The net cash flow related to capital market operation was negative for approximately EUR 1,8 billion:

Bonds repayment

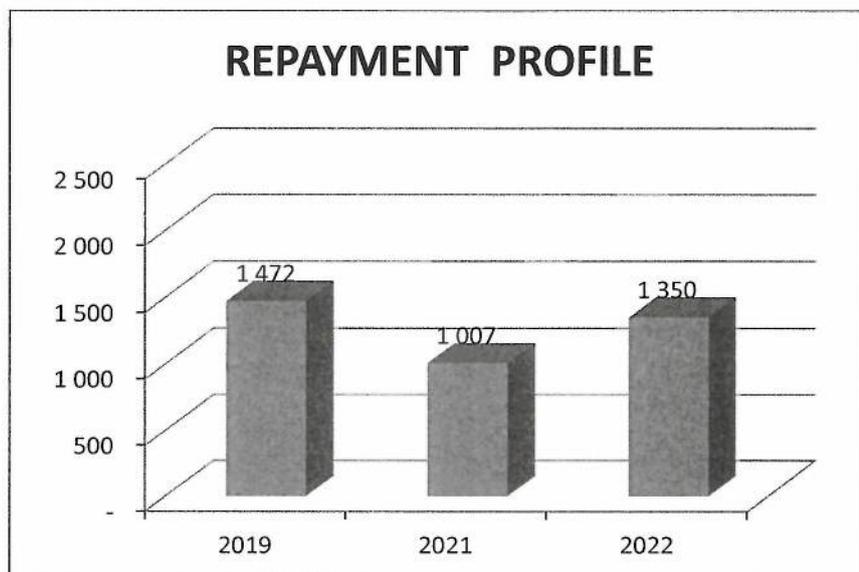
ISIN	Type	Distribution	Currency	Issue date	Maturity	Ccy Outstanding
XS0906420574	MTN	Syndicated	EUR	15-Mar-13	15-Mar-18	1,250,000,000
XS0647264398	MTN	Syndicated	EUR	8-Jul-11	9-Jul-18	600,000,000

All Fiat Chrysler Finance Europe S.A. bonds were issued under the Euro Medium Term Note (EMTN) Programme (previously known as Global Medium Term Note). The EMTN and relating issuance are guaranteed by Fiat Chrysler Automobiles N.V. which is guarantor and issuer in the same programme.

On December 31st 2018 the Company had outstanding notes for a total amount of EUR 3.829 billion as detailed in note 13.

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Schedule of bonds maturities at 31 December 2018 (in EUR million)



As far as the management of financial risks is concerned (liquidity, exchange and interest rates), the Company follows the guidelines set out in the relative policy. More specifically for the management of liquidity, the primary object of the investments is the safeguarding and the accessibility of the invested capital, as well as an acceptable diversification of the investment portfolio.

In light of these general guidelines, the liquidity available over the year has been mainly invested in short term bank deposits with a wide number of reputable financial institutions.

From a financial stand point all derivatives are entered into for hedging purposes; derivatives that do not apply for hedge accounting treatment have always a hedge rational.

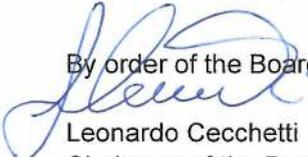
The Company closed the year with a loss of EUR 1,7 million compared to the profit of 36.3 million of 2017. The previous year result was characterized by an extraordinary income derived from the sale of financial fixed assets EUR 37 million.

Earnings generated from the ordinary activity are still weak due to the current financial environment characterized by either negative or very low level of short term interest rates that influenced the return on liquid assets. In line with previous years, also in 2018 the Company incurred in additional extraordinary charges relating to external consultancies in the context of the ongoing legal procedure with the General Court of the European Commission for the annulment of the European Commission's decision dated 21 October 2015 as discussed in the notes 6 and 21 of the financial statements.

No events that requires consideration has occurred since December 2018.

For the year 2019, we do not expect relevant changes in the companies' activities and results

By order of the Board of Directors


Leonardo Cecchetti
Chairman of the Board

FIAT CHRYSLER FINANCE EUROPE S.A.

31 December 2018

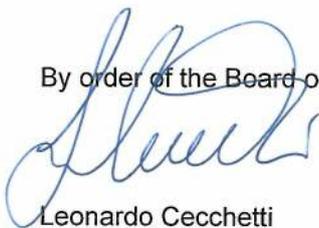
Legal and Financial Information

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

1. the annual accounts of Fiat Chrysler Finance Europe S.A. presented in this Annual Report and established in conformity with measurement and recognition criteria of the financial reporting framework in Luxembourg give a true and fair view of the assets, liabilities, financial position and profit of Fiat Chrysler Finance Europe S.A. at 31 December 2018; and
2. the management report includes a fair review of the development and performance of the business and position of Fiat Chrysler Finance Europe S.A. at 31 December 2018 and a description of the principal risks and uncertainties they face.

By order of the Board of Directors



Leonardo Cecchetti
Chairman of the Board

February 12th, 2019

FIAT CHRYSLER FINANCE EUROPE S.A.

BALANCE SHEET

AS AT 31 DECEMBER 2018 AND 31 DECEMBER 2017

<u>ASSETS</u>	Note	31.12.2018 EUR	31.12.2017 EUR
FIXED ASSETS			
Intangible assets			
<i>Concessions, patents, licences, trade marks and similar rights and assets</i>	3	52,490	97,304
Tangible fixed asset			
<i>Other fixtures and fittings, tools and equipment</i>	4	4,360	6,140
Other Loans			
<i>Escrow account</i>	5	57,462,436	46,075,083
		<hr/>	<hr/>
TOTAL FIXED ASSETS		57,519,286	46,178,527
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings	6		
<i>Becoming due and payable within one year</i>		7,749,173,814	8,371,374,692
<i>Becoming due and payable after more than one year</i>		22,134,529	29,755,531
Other receivables			
<i>Becoming due and payable within one year</i>		2,513,671	35,172,027
Investments			
<i>Other investments</i>	7	395,764,562	64,254,590
Cash at bank and in hand	8	192,560,316	315,241,279
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		8,362,146,892	8,815,798,119
PREPAYMENTS	9	71,175,290	94,246,140
		<hr/>	<hr/>
<u>TOTAL ASSETS</u>		<u>8,490,841,468</u>	<u>8,956,222,786</u>

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

BALANCE SHEET

AS AT 31 DECEMBER 2018 AND 31 DECEMBER 2017 (continued)

LIABILITIES

	Note	31.12.2018 EUR	31.12.2017 EUR
CAPITAL AND RESERVES			
Subscribed capital		86,494,000	86,494,000
Reserves			
<i>Legal reserve</i>		8,649,400	8,649,400
<i>Other not available reserves</i>		5,347,441	5,347,440
<i>Distributable Reserves</i>		-	169,794,432
Interim Dividend		-	(201,000,000)
<i>Profit or loss brought forward</i>		19,745,600	14,619,802
<i>Profit or loss for the financial year</i>		<u>(1,741,228)</u>	<u>36,331,367</u>
TOTAL SHAREHOLDER'S EQUITY	10	118,495,213	120,236,441
PROVISIONS			
Provisions for taxation	11	13,788	18,573
CREDITORS			
Debtenture loans			
<i>Non convertible loans</i>			
<i>Becoming due and payable within one year</i>	12	1,558,599,354	2,023,867,360
<i>Becoming and due payable after more than one year</i>		2,357,000,000	3,820,638,694
Amounts owed to affiliated undertakings			
<i>Becoming due and payable within one year</i>	13	4,424,659,770	2,940,809,441
Other creditors			
<i>Tax authorities</i>		1,320,472	1,323,672
<i>Social security authorities</i>		15,537	10,343
<i>Other creditor</i>			
<i>Becoming and due payable within one year</i>		<u>11,689,133</u>	<u>11,518,515</u>
TOTAL CREDITORS		8,353,284,266	8,798,168,025
DEFERRED INCOME	14	19,048,201	37,799,747
<u>TOTAL CAPITAL, RESERVES AND LIABILITIES</u>		<u>8,490,841,468</u>	<u>8,956,222,786</u>

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

PROFIT AND LOSS ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

	<i>Note</i>	31.12.2018 EUR	31.12.2017 EUR
Other operating income		98,260	148,468
Raw materials and consumables and other external expenses			
<i>Other external expenses</i>	16	(2,464,382)	(1,407,783)
Staff costs			
<i>Wages and salaries</i>		(732,153)	(807,591)
<i>Social security costs relating to pensions</i>		(48,103)	(31,559)
<i>other social security costs</i>		(41,190)	(61,662)
<i>Other Staff costs</i>		(16,628)	(9,082)
Value adjustments in respect of formation expenses and of tangible and intangible fixed assets		(46,594)	(108,905)
Other operating expenses		(469,286)	(270,320)
Income from other investments and loans forming part of the fixed assets		-	36,982,956
Other interest receivable and similar income derived from affiliated undertakings	17	273,955,624	408,125,880
<i>other interest and similar income</i>		61,675,936	14,317,659
Interest payable and similar expenses derived from affiliated undertakings	18	(60,931,999)	(20,053,309)
<i>other interest and similar expenses</i>		(272,114,958)	(399,855,645)
Tax on profit or loss		(9,160)	(16,085)
Profit or loss after taxation		(1,144,633)	36,953,022
Other taxes not shown under previous items		(596,595)	(621,655)
Profit or loss for the financial year		(1,741,228)	36,331,367

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

Note 1 - GENERAL INFORMATION

Fiat Chrysler Finance Europe S.A. ("the Company"), was incorporated on 18 June 1997 under the laws of Luxembourg for an unlimited period of time.

The Company's registered office is at 24 Boulevard Royal, L-2449 Luxembourg and is registered in the Luxembourg trade register under the number B 59500, TVA LU20771477.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The Company acts as the treasury and financing vehicle of the Group companies outside Italy and operates on the international financial markets. The Company main activity is the funding of Group companies and the management of surplus cash. The Company finances its activity with public issue of debt (bonds) and lines of credit with banks. It is the intention of the Company's management to optimise the centralisation of funds. The Company administers the centralised treasury and financing functions of the Group by effectively managing risk, as explained in note 15 below.

The Company has a branch in the UK (London) which takes part to the cash management and treasury activity and a Branch in Spain that has been closed in December 2018 in reason of a restructuring process.

On September 29, 2017 Fiat Chrysler Automotive N.V. (FCA N.V.) acquired from Fiat Chrysler Finance S.p.A. 60.003% of the outstanding shares in Fiat Chrysler Finance Europe S.A. and obtained 100% of the outstanding shares of the company. The Company's accounts are included in the consolidated accounts of Fiat Chrysler Automobiles N.V. a public limited liability company (naamloze vennootschap) organized under the laws of the Netherlands and are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. A copy of the mentioned consolidated financial statements are available on the internet web site of Fiat Chrysler Automobiles N.V..

Note 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements for the year ended 31 December 2018 have been prepared in accordance with accounting principles generally accepted and rules and regulations in force in the Grand Duchy of Luxembourg.

Some figures of the 2017 financial statements have been reclassified in order to facilitate the comparison with the presentation adopted in 2018.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

Tangible and intangible assets

Tangible and intangible assets are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to reduce the carrying value over its useful economic life.

Financial Assets

Financial assets are recorded at the cost value. Value adjustments, if any, are made of any permanent impairment in value.

Foreign currency transactions

The accounting records of the Company are maintained in Euro (EUR), which represents the main functional currency of the Company; the financial statements are denominated in this currency.

Assets and liabilities denominated in currencies other than EUR are translated into EUR at the exchange rates prevailing at the balance sheet date. Income and expenses denominated in foreign currencies are converted into EUR at the exchange rates prevailing on the transaction date. Both unrealised and realised foreign exchange differences are recognised in the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of recognition.

Derivatives financial instruments

From a financial point of view all derivatives are entered into for hedging purposes; derivatives that do not apply for hedge accounting treatment have always a hedge rational.

Forward foreign exchange contracts

All forward foreign exchange contracts are accounted for as notional loans and deposits in the off balance sheet accounts. The Mark-to-Market on these notional loans and deposits is accrued in the balance sheet as accrued income or accrued expenses and included in the profit and loss account on a net basis.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

Swaps

Swaps comprise interest rate swaps and currency swaps which are stated at their notional values at the balance sheet date in the off balance sheet accounts.

The notional values serve as a reference for determining the interest streams. The interest streams receivable and payable are recognised in the profit and loss account on an accruals basis.

The notional amounts denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the balance sheet date. Translation differences are recorded on the balance sheet as accrued income or other creditors or liabilities and are included in the profit and loss account.

Non convertible loans

Bonds are disclosed at their repayment value. Costs associated with issuing debt (such as, for example, fees and commissions paid to banks, law firms, auditors and regulators) are capitalised and reflected in the balance sheet as an asset, and amortised over the remaining life of the underlying debt instrument. The unamortised amounts are included in the prepayments.

Negotiable European Commercial Paper (NEU CP)

Starting on 12 December 2005 the Company relieved Fiat Chrysler France S.A. in the NEU CP Programme with a maximum aggregate nominal amount of EUR 1 billion totally guaranteed by Fiat Chrysler Automobiles N.V..

Societe Generale S.A., with registered office at 29 boulevard Haussmann in Paris, is appointed as issuing and paying agent, without exclusion of other financial institution authorised by Banque de France.

The interest payable is recognised in the income statement on an accrual interest basis.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

Debtors

Debtor balances are recorded at nominal amount. Value adjustments, if any, are made for any permanent impairment in value.

Other assets and liabilities

Unless otherwise stated, all other assets and liabilities are stated at their nominal values.

Investments

Other investments are composed of liquidity funds. Rated AAAm by S&P and/or AAA by Moody's these funds invest in short term high quality money market instruments. The product offers same value day liquidity and an attractive yield compared with time deposits.

Cash and cash equivalents

Cash and cash equivalents comprise amounts due from banks with an original average maturity up to 3 months.

Income and expenses recognition

Income and expenses are recognised when earned or incurred on an accruals basis.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 3 - INTANGIBLE FIXED ASSETS

	31 December 2017	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2018
Gross carrying amount	741,094	-	-	-	741,094
Cumulated amortization	(643,790)	-	(44,814)	-	(688,604)
Net carrying amount	97,304	-	(44,814)	-	52,490

	1 January 2017	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2017
Gross carrying amount	699,034	42,060	-	-	741,094
Cumulated amortization	(536,923)	-	(106,867)	-	(643,790)
Net carrying amount	162,111	42,060	(106,867)	-	97,304

The intangible assets are mainly constituted of software licenses and systems` implementation costs.

NOTE 4 - TANGIBLE FIXED ASSETS

	31 December 2017	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2018
Gross carrying amount	89,185	-	-	(76,895)	12,290
Accumulated amortization	(83,045)	-	(1,780)	76,895	(7,930)
Net carrying amount	6,140	-	(1,780)	-	4,360

	1 January 2017	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2017
Gross carrying amount	110,400	4,139	-	(25,354)	89,185
Accumulated amortization	(106,361)	-	(2,038)	25,354	(83,045)
Net carrying amount	4,039	4,139	(2,038)	-	6,140

The tangible assets are mainly constituted of IT infrastructure, furniture's and office equipment

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 5 – ESCROW ACCOUNT

On 21 October 2015, the European Commission issued a decision addressed to the Grand Duchy of Luxembourg (“Luxembourg”) in case SA.38375 (2014/C ex 2014 NN) stating that the tax ruling issued on 3 September 2012 in favour of FCFE constitutes state aid which is incompatible with the internal market being in breach of Article 108(3) of the TFEU.

Fiat Chrysler Finance Europe and Luxembourg brought an action seeking the annulment of the Contested Decision. This action has been heard by the Court under case number T-755/ on June 21st 2018. As of today the Court has not yet pronounced its decision.

Waiting for the outcome of the appeal in order to fulfil Luxembourg’s recovery obligation under Article 2(1) of the Contested Decision FCFE paid into an escrow account the amount of the alleged state aid that has been evaluated as follows:

2012	EUR 11,588,861
2013	EUR 11,538,263
2014	EUR 11,482,716
2015	EUR 11,465,243
2016	EUR 11,360,987
TOTAL	EUR 57,436,070*

**the difference with the amount exposed in the balance sheet is represented by the interests accrued on the balance deposited in the escrow account (EUR 23,366)*

The amount related to 2016 has been reclassified as of December 31st and has been paid on Escrow account on January 3rd 2019.

The fiduciary assets including any interest accrued will be retained until the General Court or the Court of Justice renders the final judgment.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 6 - AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	31.12.2018 EUR	31.12.2017 EUR
Current accounts		
<i>Nominal</i>	7,477,601,475	8,109,870,641
<i>Accrued interest</i>	24,173,504	17,008,871
Receivable, short term portion		
<i>Nominal</i>	246,505,357	242,106,788
<i>Accrued interest</i>	893,478	2,388,392
	<hr/>	<hr/>
	7,749,173,814	8,371,374,692
Receivable, long term portion		
<i>Nominal</i>	22,134,529	29,755,531
	<hr/>	<hr/>
Total receivable	<u>7,771,308,343</u>	<u>8,401,130,223</u>

All transactions with affiliated undertakings have been concluded at market conditions and relate to treasury services provided to the Group subsidiaries as per the Company by-laws.

NOTE 7 – INVESTMENTS

	31.12.2018 EUR	31.12.2017 EUR
Other investments		
<i>Nominal</i>	395,607,251	64,244,897
<i>Accrued interest</i>	157,311	9,693
	<hr/>	<hr/>
	<u>395,764,562</u>	<u>64,254,590</u>

Other investments are composed of liquidity funds. Rated AAAm by S&P and/or AAA by Moody's these funds invest in short term high quality money market instruments. The product offers same value day liquidity and an attractive yield compared with time deposits.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 8 - CASH AT BANK AND IN HAND

	31.12.2018 EUR	31.12.2017 EUR
Bank current accounts		
<i>Nominal</i>	192,560,316	315,241,279
<i>Accrued interest</i>	-	-
	<u>192,560,316</u>	<u>315,241,279</u>

NOTE 9 –PREPAYMENTS

	31.12.2018 EUR	31.12.2017 EUR
Accrued income		
<i>Unrealized gain on forward foreign exchange contracts</i>	8,934,712	24,881,865
<i>Accrued interest on interest rate swaps</i>	328,871	4,949,842
<i>Accrued interest and exchange difference on interest rate and cross currency swaps</i>	<u>16,368,072</u>	<u>8,095,088</u>
	25,631,655	37,926,795
Deferred charges		
<i>Deferred expenses on issued bonds and credit lines</i>	44,567,014	56,302,331
<i>Prepaid expenses</i>	-	-
<i>Other</i>	<u>976,621</u>	<u>17,014</u>
	<u>45,543,635</u>	<u>56,319,345</u>
	<u>71,175,290</u>	<u>94,246,140</u>

Deferred expenses are related to the non-amortised costs directly associated with the issuance of bonds and bank credit lines. For detail of the costs amortised during the year, please refer to NOTE 18.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 10 - SHAREHOLDERS' EQUITY

The movements of shareholder's equity are summarised as follows (amounts expressed in EUR thousands):

	Subscribed Capital	Legal Reserve	Other Reserves	Distribut. Reserves	Interim dividend	Retained Earnings	Result for the Year	TOTAL SHAREHOLDERS' EQUITY
Balance at 01.01.2017	251,494	13,444	5,347	-	-	18,698	(4,078)	284,905
Allocation to retained earnings	-	-	-	-	-	(4,078)	4,078	-
Allocation to legal reserve	-	-	-	-	-	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation to distrib. Res	(165,000)	(4,795)	-	169,795	-	-	-	-
Interim dividend	-	-	-	-	(201,000)	-	-	(201,000)
Result for the financial year	-	-	-	-	-	-	36,331	36,331
Balance at 31.12.2017	86,494	8,649	5,347	169,795	(201,000)	14,620	36,331	120,236
Allocation to retained earnings	-	-	-	31,205	-	5,126	(36,331)	-
Allocation to legal reserve	-	-	-	-	-	-	-	-
Allocation to other reserves	-	-	-	-	-	-	-	-
Allocation to distrib. Res	-	-	-	-	-	-	-	-
Interim dividend	-	-	-	(201,000)	201,000	-	-	-
Result for the financial year	-	-	-	-	-	-	(1,741)	(1,741)
Balance at 31.12.2018	86,494	8,649	5,347	-	-	19,746	(1,741)	118,495

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 10 - SHAREHOLDERS' EQUITY (continued)

Subscribed capital

The share capital of the Company amounts to EUR 86,494,000 represented by 13,416 fully subscribed and paid up with no nominal value.

Legal reserve

Under Luxembourg Law the Company must appropriate to a legal reserve a minimum of 5% of the annual net profit until such reserve is equal to 10% of the issued share capital. The legal reserve is not available for distribution.

Other reserves

In accordance with the provisions of the Luxembourg tax law, the Company opted for the reduction of the net wealth tax by posting an amount equivalent to five times the net wealth tax due to "Other Reserves". This reserve is to be maintained for a period of five years following the year in which the net wealth tax was reduced.

NOTE 11 - PROVISIONS FOR TAXATION

The Company is subject to all taxes applicable to commercial companies in Luxembourg.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 12 - NON CONVERTIBLE LOANS

The Company issues long term debt securities at mainly fixed interest rates. The bonds and notes are unconditionally and irrevocably guaranteed by the ultimate parent company Fiat Chrysler Automobiles NV.

	31.12.2018	31.12.2017
	EUR	EUR
<i>EUR</i>		1,850,000,000
<i>EUR – accrued interest on bonds</i>	-	172,198,307
<i>CHF – accrued interest on bonds</i>	-	1,669,053
Repayable in year 2018	<u>-</u>	<u>2,023,867,360</u>
<i>EUR</i>	1,250,000,000	1,250,000,000
<i>CHF</i>	250,000,000	213,638,694
<i>EUR– accrued interest on bonds</i>	85,018,624	-
<i>CHF– accrued interest on bonds</i>	1,733,184	-
Repayable in year 2019	<u>1,558,599,354</u>	<u>1,463,638,694</u>
<i>EUR</i>	1,007,000,000	1,007,000,000
Repayable in year 2021	<u>1,007,000,000</u>	<u>1,007,000,000</u>
<i>EUR</i>	1,350,000,000	1,350,000,000
Repayable in year 2022	<u>1,350,000,000</u>	<u>1,350,000,000</u>
Total repayable after more than one year	<u>2,357,000,000</u>	<u>3,820,638,694</u>

All bonds and notes have been issued under a Global Medium Term Note Programme (GMTN) which increased from EUR 3 billion to EUR 6 billion on 21 February 2000, to EUR 10 billion on 27 July 2000, to EUR 15 billion on 18 May 2001 and to EUR 20 billion on 19 December 2014. Global Medium Term Note Programme was updated and converted into Euro Medium Term Note Programme on March 31st 2017. All issuances are guaranteed by Fiat Chrysler Automobiles N.V..

NEU CP Programme is still in place with a maximum aggregate nominal amount of EUR 1 billion and totally guaranteed by Fiat Chrysler Automobiles N.V. There are no outstanding notes under this programme as of December 31st 2018.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 13 - AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	31.12.2018 EUR	31.12.2017 EUR
Current accounts		
<i>Nominal</i>	977,092,670	836,534,354
<i>Accrued interest</i>	160,669	95,779
Short term borrowings		
<i>Nominal</i>	3,442,805,539	2,101,613,059
<i>Accrued interest</i>	4,600,892	2,566,249
	<u>4,424,659,770</u>	<u>2,940,809,441</u>

All transactions with affiliated undertakings have been concluded at market conditions and relate to treasury services provided to the Group subsidiaries as per the Company by-laws.

NOTE 14 - DEFERRED INCOME

	31.12.2018 EUR	31.12.2017 EUR
Accrued expenses		
<i>Unrealized loss on forward foreign exchange contracts</i>	7,666,399	18,619,415
<i>Accrued interest on interest rate swaps</i>	-	3,406,622
<i>Accrued interest and difference exchange on cross currency swaps</i>	-	39,680
<i>Other</i>	3,276,568	4,519,833
	<u>10,942,967</u>	<u>26,585,550</u>
Other deferred income	8,105,234	11,214,197
	<u>19,048,201</u>	<u>37,799,747</u>

Other deferred income refers to the future remaining portion of the income achieved with the unwinding of some hedging instruments; this income is amortized over the residual life of the previously hedged financial instruments.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 15 - FINANCIAL INSTRUMENTS AND DERIVATIVES

Treasury activity

As required by the Group's financial risk management policy, the Company regularly assesses and manages its exposure to financial risks. The Group's risk management programs do not use complex or leveraged instruments and future contracts are not part of the programs. Accordingly, management believes that these risks are managed in a conservative and prudent manner as follows:

Investment activity

The Company's treasury activity comprises investing surplus liquidity received either from other Group companies or from the market through debt instruments.

All investments entered into by the Company are made according to the Group conservative investment policy, with the objective of effectively managing the financial risks incurred by the Company.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 15 - FINANCIAL INSTRUMENTS AND DERIVATIVES (continued)

Foreign currency risk

Exposure to foreign currency risk arises mainly due to the geographical diversity of the Group's activities and Group companies to which cash management and other treasury services are provided.

The Company seeks to minimise this exposure mainly by the use of forward foreign exchange contracts and currency swaps.

Interest rate risk

Exposure to interest rate risk arises mainly due to the different maturities and interest rate structures of assets and liabilities.

The Company seeks to remove any undesired exposure mainly by the use of interest rate swaps and forward rate agreements.

Credit risk

Exposure to third party credit risk is managed by the establishment and monitoring of counterparty limits which are largely functions of the counter-party rating. Financial instruments are distributed among financial institutions, which have a high credit rating.

Liquidity risk

Liquidity risk arises if the Company is unable to obtain, at economical terms, the funding needed to carry out its operating activities.

It is the Company's policy to maintain liquidity in demand or short-term deposits and negotiable money market instruments, dividing such investments over an appropriate number of counterparties, primarily banking institutions, with the principal purpose of having ready availability to those investments. Counterparties are selected according their creditworthiness, reliability and the quality of service provided.

Notional amounts of off balance sheet financial instruments and derivatives are presented below:

(Amounts expressed in EUR thousands)

	31.12.2018	31.12.2017
	EUR	EUR
Forward foreign exchange contracts	3,973,472	3,705,987
Interest rate swaps	14,000	764,000
Cross currency swaps	221,610	213,401
	<hr/>	<hr/>
	4,209,082	4,683,388

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017
(Expressed in EUR, unless otherwise stated) (continued)

NOTE 15 - FINANCIAL INSTRUMENTS AND DERIVATIVES (continued)

Fair value of off balance sheet financial instruments and derivatives as at 31 December 2018 (in EUR thousands)

	Nominal value	Carrying value	Gross fair value	Difference
Forward foreign exchange contracts	3,973,472	1,268	1,268	-
Interest rate swaps	14,000	329	-	(329)
Cross currency swaps	221,610	16,368	16,662	294
	<u>4,209,082</u>	<u>17,965</u>	<u>17,930</u>	<u>(35)</u>

The above fair values have been determined by reference to available market information and the following methodologies:

<u>Financial instrument</u>	<u>Fair value method</u>
Forward foreign exchange contracts	Forward exchange rate estimated on the basis of the forward exchange and interest rates at year end
Interest rate swaps and forward start swaps	Discounted cash flow of expected interest streams
Cross currency swaps	Discounted cash flow of expected interest streams

Due to management judgement required in interpreting market information, the estimates presented above may approximate the amounts that the Company could realise in a current market transaction.

In applying discounted cash flow techniques, a discount rate commensurate with market conditions at 31 December 2018, the relevant currency and the risk of the underlying instrument was used.

In all cases, fair values were translated into EUR using the exchange rates ruling at the balance sheet date.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 16 –OTHER EXTERNAL EXPENSES

	31.12.2018 EUR	31.12.2017 EUR
Rental and additional charges	128,210	168,416
Services acquired	201,571	180,898
Audit fees*	80,000	90,298
IT maintenance, legal and consulting fees	2,054,601	968,171
	<u>2,464,382</u>	<u>1,407,783</u>

*Audit fees are related to audit of Statutory Annual Account.

NOTE 17 - OTHER INTERESTS RECEIVABLE AND SIMILAR INCOME

	31.12.2018 EUR	31.12.2017 EUR
Other interest receivable and similar income		
Derived from affiliated undertakings	273,955,624	408,125,880
Other interest and similar income:		
Other income from financial current asset		
<i>Premiums on bonds</i>	3,108,962	3,097,597
<i>Other (NOTES 9 and 14)</i>	3,259	2,558
Net result on off-balance sheet items (NOTE 15)		
<i>Interest rate swaps (NOTES 9 and 14)</i>	1,752,829	2,925,773
<i>Cross currency swaps (NOTES 9 and 14)</i>	(306,934)	(2,356,504)
Foreign Exchange gain (NOTES 9 and 14)	56,711,069	10,080,202
Other income from financial current asset		
<i>Banks (NOTE 8)</i>	26,210	327,107
<i>Other investments (NOTE 7)</i>	380,541	240,926
	<u>61,675,936</u>	<u>14,317,659</u>
	<u>335,631,560</u>	<u>422,443,539</u>

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 17 - OTHER INTERESTS RECEIVABLE AND SIMILAR INCOME (continued)

For the year ended 31 December 2018, income from other investments is composed of interest on Liquidity Funds.

As of 31 December 2018, foreign exchange result is off-set by valuation gains on foreign exchange derivatives and by items included in the interest payable and receivable. Therefore the impact on revaluation of foreign currency financial assets and liabilities and the impact on revaluation of outstanding exchange currency derivatives represent an economic hedge.

NOTE 18 – INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.2018	31.12.2017
	EUR	EUR
Interest and other financial charges		
<i>Derived from affiliated undertaking (NOTE 13)</i>	60,931,999	20,053,309
Other interest and similar financial charges		
<i>Banks</i>	18,440	10,164
<i>Bonds (NOTE 12)</i>	243,205,178	357,089,880
<i>Amortized commissions on credit lines (NOTE 9)</i>	20,052,566	30,769,291
<i>Amortized commissions on bond issues (NOTE 9)</i>	7,328,578	9,959,027
<i>Bonds' guarantee costs and other fees and commissions</i>	1,510,196	2,027,283
	<hr/>	<hr/>
	272,114,958	399,855,645
	<hr/> 333,046,957	<hr/> 419,908,954

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 19 - STAFF

The number of persons employed by the Company as at 31 December 2018 amounts to 10: 7 in Luxembourg, 3 in United Kingdom.

NOTE 20 - COMMITMENTS AND CONTINGENCIES

As of 31 December 2018, the Company has issued guarantees in favour of Group Companies for a total amount of EUR 4,627,668 to different banks.

On June 11, 2014 the European Commission announced the opening of an investigation against the Grand Duchy of Luxembourg into the five years tax ruling issued by the Luxembourg Tax Authorities in 2012, regarding the calculation of the taxable basis of the financing activities carried out by Fiat Chrysler Finance Europe S.A. for the benefit of the FCA Group's European operations, on the ground that such ruling could yield a tax treatment for company's income in alleged violation of EU state aid rules.

On October 21, 2015 the European Commission issued a decision finding that the tax ruling granted by Luxembourg represented a state aid to Fiat Chrysler Finance Europe S.A.

On December 29, 2015 Fiat Chrysler Finance Europe S.A. appealed against the decision with the General Court of the European Union. Luxembourg state has also filed an appeal against the decision with the General Court of the European Union.

Waiting for the outcome of the appeal in order to fulfil Luxembourg's recovery obligation under Article 2(1) of the Contested Decision, FCFE paid into an escrow account the amount of the alleged state aid (NOTE 5).

Fiat Chrysler Finance Europe S.A. believes its and Luxembourg's appeals raise very strong arguments against the EC's position, that the tax ruling is consistent with OECD principles and that no provision is necessary at this stage.

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2018 AND 31 DECEMBER 2017

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 21 – DIRECTORS’ AND ASSIMILATED FEES

In 2018 the Company recorded EUR 37,500 in respect of fees due to the independent director and to the independent members of the audit committee.

NOTE 22 – SUBSEQUENT EVENTS

There have been no events subsequent to the balance sheet date which require adjustment or disclosure in the annual accounts or notes.

The accompanying notes form an integral part of the annual accounts