

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

**ANNUAL ACCOUNTS
AS AT 31 DECEMBER 2015
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 annual accounts

Following our appointment by the General Meeting of the Shareholders dated 26 February 2015, we have audited the accompanying annual accounts of Fiat Chrysler Finance Europe S.A., which comprise the balance sheet as at 31 December 2015 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

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

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

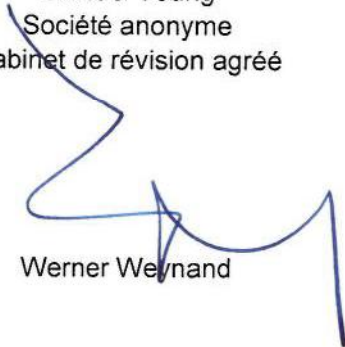
Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Fiat Chrysler Finance Europe S.A. as of 31 December 2015, 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 annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Werner Weyland

Luxembourg, 17 February 2016

Management Report

OPERATING ENVIRONMENT

GENERAL ECONOMIC ENVIRONMENT AND PERFORMANCE OF FINANCIAL MARKETS

In 2015 the growth of advanced economies and the scenario of the principal emerging economies have remained weak, contributing to a slowdown of the growth rate that is expected to be around 3.1%, compared to 3.3% reported in the previous year.

In United States the development of economic activity was in line with the previous year with growth rate expected to be 2.5% (+2.4% in 2014). The Federal Reserve ended the zero per cent interest policy adopted back in December 2008, raising the target Federal Funds rate by 25 basis points (to 0.25 - 0.50 per cent) thus making a start on the monetary policy normalization process. The yield curve continued to steepen, though less distinctly than in the previous year. Long-term yields dropped slightly, the 10-year swap rate standing at 2.18% at year-end (from 2.15% at the end of 2014) whilst the 3-month Libor increased to 0.62%.

In the Eurozone economic growth continues but remains fragile. In 2015, growth in the Eurozone area should rise by 1.5% compared to the previous year 0.9%. Inflation remains extremely low and the ECB decided to cut its key deposit rate with the Eurosystem by 10 basis points (down to -0.30%) and extended its Asset Purchase Programme until at least March 2017. The Eonia and the 3-month Euribor hit new all-time-lows. Compared to the end of 2014, the interest rate curve has moderately steepened, with the 3-month Euribor dipping at year end to -0.13% (down from 0.08%) and the 10-year swap rate rising to 1.0% (up from 0.8%).

The economic activity of emerging countries is expected to grow by 4% on average (a decrease compared to 4.6% of the previous year), with China growth expected to stand at 6.9% (down from 7.3% in 2014), Brazil down 3.8% (+0.1% in 2014) and Russia that should register a 3.7% drop (+0.6% in 2014). India is still witnessing a positive economic scenario and growth is expected to confirm last year's considerable improvement (+7.3%). Poland's economic cycle remains healthy and annual growth should increase by 3.4% compared to the previous year.

Global inflation in all advanced economies remained very low also in 2015 suffering from the prolonged drop in commodity prices and the slowdown in the international cycle and should register a 0.3% increase compared to the previous year.

The depreciation of the Euro continued in 2015. The more expansionary monetary policy by the ECB and the new interest rate increases in the United States had a negative impact on the single currency; in fact the Euro to US dollar exchange rate fell from 1.204 at the start of the year to 1.089 at the end of the year. With regards to the main currencies, the Euro reported losses also against the Swiss Franc (-10%) and the Japanese Yen (-8%), whilst at the end of the year it gained against the British Pound (5.7%). With respect to the currencies of emerging countries, the Euro weakened against the Polish Zloty (-12%) and the Chinese Yuan (-4%) whereas it strengthened against the Rouble (+13%) and the Turkish Lira (+14%).

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.

FIAT CHRYSLER FINANCE EUROPE S.A.
Management Report
31 December 2015

CORPORATE GOVERNANCE STATEMENT

Fiat Chrysler Finance Europe S.A. ("FCFE", "the Company") acts, both directly and through its branches, 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.

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. 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.

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..

FIAT CHRYSLER FINANCE EUROPE S.A.
Management Report
31 December 2015

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.

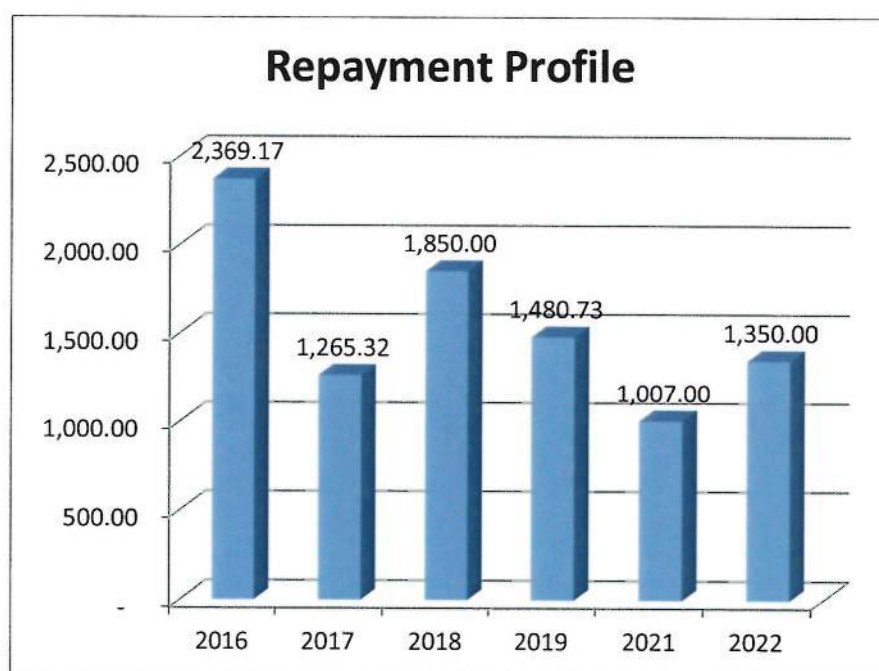
FCFE is also active on the financial market in order to finance its activity or refinance position coming to maturity.

In 2015 FCFE repaid two notes coming to maturity in February and September, while no new notes were issued. The net cash flow related to capital market operation was negative for approximately EUR 1,9 billion:

Bonds repayment

ISIN	Type	Distribution	Currency	Issue date	Maturity	Ccy Outstanding
XS0465889912	MTN	Syndicated	EUR	13-Nov-09	13-Feb-15	1,500,000,000
CH0148606178	MTN	Syndicated	CHF	07-Mar-12	07-Sep-15	425,000,000

Schedule of bonds maturities at 31 December 2015 (in EUR million)



All Fiat Chrysler Finance Europe S.A. bonds issues are guaranteed by Fiat Chrysler Automobiles N.V..

At year-end, there were other securities outstanding for EUR 95.3 million (Billets de Trésorerie).

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.

FIAT CHRYSLER FINANCE EUROPE S.A.
Management Report
31 December 2015

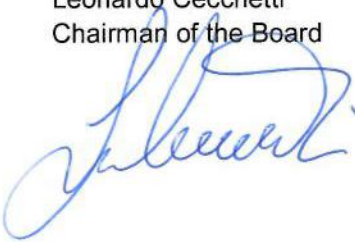
From a financial point of view all derivatives are entered into for hedging purposes; derivatives that do not apply for hedge accounting treatment have always a hedge rational.

The Company closed the year with a loss of EUR 0.9 million compared with a profit of EUR 0.1 million in 2014. The drop is mainly attributable to the low interest rate environment that has had a notable impact on the revenue derived from the investments of the available cash and to some extraordinary non-recurring charges relating to external consultancies.

For the year 2016, we do not expect any 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 2015

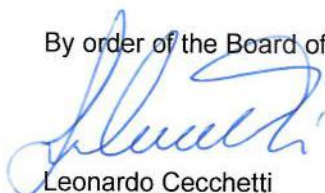
Legal and Financial Information

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 2015; 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 2015 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 17th, 2016

FIAT CHRYSLER FINANCE EUROPE S.A.

BALANCE SHEET

AS AT 31 DECEMBER 2015 AND 31 DECEMBER 2014

<u>ASSETS</u>	Note	31.12.2015 EUR	31.12.2014 EUR
FIXED ASSETS			
Intangible fixed assets	1	247,950	378,315
Tangible fixed assets			
<i>Other fixtures and fittings, tools and equipment</i>	2	2,179	33,203
Financial fixed assets	3	<u>165,244,409</u>	<u>165,244,409</u>
TOTAL FIXED ASSETS		165,494,538	165,655,927
CURRENT ASSETS			
Debtors			
Amounts owed by affiliated undertakings	4		
<i>Becoming due and payable within one year</i>		9,835,997,155	9,099,571,229
<i>Becoming due and payable after more than one year</i>		-	245,371,843
Other receivables			
<i>Becoming due and payable within one year</i>		1,404,783	767,501
Transferable securities and other financial instruments			
<i>Other transferable securities and other financial instruments</i>	5	728,335,312	1,284,322,131
Cash at bank and in hand	6	<u>1,015,407,182</u>	<u>3,023,427,976</u>
TOTAL CURRENT ASSETS		11,581,144,432	13,653,460,680
PREPAYMENTS	7	228,064,249	115,248,213
<u>TOTAL ASSETS</u>		<u>11,974,703,219</u>	<u>13,934,364,820</u>

The accompanying notes form an integral part of the annual accounts

FIAT CHRYSLER FINANCE EUROPE S.A.

BALANCE SHEET

AS AT 31 DECEMBER 2015 AND 31 DECEMBER 2014 (continued)

<u>LIABILITIES</u>	<i>Note</i>	31.12.2015 EUR	31.12.2014 EUR
CAPITAL AND RESERVES			
Subscribed capital		251,494,000	251,494,000
Reserves			
<i>Legal reserve</i>		13,443,832	13,438,000
<i>Other reserves</i>		5,347,440	4,412,000
Profit or loss brought forward		19,670,506	20,495,147
Profit or loss for the financial year		<u>(972,701)</u>	<u>116,631</u>
TOTAL SHAREHOLDER'S EQUITY	8	288,983,077	289,955,778
PROVISIONS			
Provisions for taxation	9	278,711	284,075
NON SUBORDINATED DEBTS			
Debenture loans			
<i>Non convertible loans</i>			
<i>Becoming due and payable within one year</i>	10	2,752,016,653	2,262,371,277
<i>Becoming and due payable after more than one year</i>		6,953,054,453	9,221,836,993
Amounts owed to credit institutions			
<i>Becoming due and payable within one year</i>	11	64,824,700	273,189,728
Amounts owed to affiliated undertakings			
<i>Becoming due and payable within one year</i>	12	1,873,811,545	1,841,648,480
Other creditors			
<i>Becoming and due payable within one year</i>		<u>260,437</u>	<u>46,965</u>
TOTAL NON SUBORDINATED DEBTS		11,643,967,788	13,599,093,443
TAX AND SOCIAL SECURITY DEBTS		1,268,315	592,041
DEFERRED INCOME	13	40,205,328	44,439,483
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>		<u>11,974,703,219</u>	<u>13,934,364,820</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 2015 AND 31 DECEMBER 2014

<u>CHARGES</u>	<i>Note(s)</i>	31.12.2015 EUR	31.12.2014 EUR
Other external charges	15	2,225,443	1,876,704
Staff costs			
<i>Salaries and wages</i>		1,030,471	697,174
<i>Social security on salaries and wages</i>		125,496	153,323
		<u>1,155,967</u>	<u>850,497</u>
Value adjustments			
<i>On formation expenses and on tangible and intangible fixed assets</i>	1-2	161,389	187,500
Other operating charges		437,790	351,168
Interest and other financial charges	16		
<i>Concerning affiliated undertakings</i>		19,928,333	22,487,250
<i>Other interest and similar financial charges</i>		666,661,220	804,328,338
		<u>686,589,553</u>	<u>826,815,588</u>
Income Tax		42,910	398,967
Other taxes not included in the previous caption		628,677	345,030
Profit for the financial year		-	116,631
		<u>691,241,729</u>	<u>830,942,085</u>
<u>TOTAL CHARGES</u>		<u>691,241,729</u>	<u>830,942,085</u>
<u>INCOME</u>			
Income from financial current assets	17		
<i>Derived from affiliated undertakings</i>		676,577,417	815,721,893
<i>Other income from financial current assets</i>		1,537,345	5,149,054
		<u>678,114,762</u>	<u>820,870,947</u>
Other interests and other financial income	18		
<i>Derived from affiliated undertakings</i>		212,984	241,078
<i>Other interest and similar financial income</i>		11,941,282	9,830,060
		<u>12,154,266</u>	<u>10,071,138</u>
Loss for the financial year		<u>972,701</u>	<u>972,701</u>
		<u>691,241,729</u>	<u>830,942,085</u>
<u>TOTAL INCOME</u>		<u>691,241,729</u>	<u>830,942,085</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 2015 AND 31 DECEMBER 2014 (Expressed in EUR, unless otherwise stated)

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 14 below. The Company has branches in the UK (London) and Spain (Madrid). The aim of the branches is to assist the Company in managing financial services for the Group subsidiaries.

In 2011 the Company acquired the entire (aggregate 100%) stakes in Fiat Chrysler Finance North America Inc., and the entire (100%) stakes in Fiat Chrysler Finance Canada Ltd. . The Company prepares Consolidated Financial Statements in Luxembourg in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The Company shares are held for 60.003% by Fiat Chrysler Finance S.p.A. and for 39.997% by Fiat Chrysler Automobiles N.V., which is also ultimate parent company of Fiat Chrysler Automobiles Group ("the Group"). 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..

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (Expressed in EUR, unless otherwise stated) (continued)

SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements for the year ended 31 December 2015 have been prepared in accordance with accounting principles generally accepted and rules and regulations in force in the Grand Duchy of Luxembourg.

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.

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 spot 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. In particular during 2011 part of the IRS covering outstanding bonds have been unwound via new off-setting IRS ("mirror swaps"). In those cases both of them have been subsequently classified as trading derivatives.

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.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (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.

Forward rate agreements (FRA's)

FRA contracts are stated at their notional values at the balance sheet date in the off balance sheet accounts.

The interest income and expense on settled FRA contracts are deferred and recognised net in the profit and loss account on an accruals basis, under the item net result on off-balance sheet items.

The notional amounts denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the balance sheet date.

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 deferred charges.

Titres de créances négociables (TCNs programme)

Starting on 12 December 2005 the Company relieved Fiat Chrysler France S.A. in the TCNs 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.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (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 recognition

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

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 1 - INTANGIBLE FIXED ASSETS

	31 December 2014	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2015
Gross carrying amount	651,822	-	-	-	651,822
Cumulated amortization	(273,507)	-	(130,365)	-	(403,872)
Net carrying amount	378,315	-	(130,365)	-	247,950

	1 January 2014	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2014
Gross carrying amount	648,814	32,275	-	(29,267)	651,822
Cumulated amortization	(174,024)	-	(128,750)	29,267	(273,507)
Net carrying amount	474,790	32,275	(128,750)	-	378,315

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

NOTE 2 - TANGIBLE FIXED ASSETS

	31 December 2014	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2015
Gross carrying amount	362,320	-	-	(255,645)	106,675
Accumulated	(329,117)	-	(31,024)	255,645	(104,496)
Net carrying amount	33,203	-	(31,024)	-	2,179

	1 January 2014	Additions of the year	Amortization of the year	Reductions and other changes of the year	31 December 2014
Gross carrying amount	359,163	3,157	-	-	362,320
Accumulated amortization	(270,367)	-	(58,750)	-	(329,117)
Net carrying amount	88,796	3,157	(58,750)	-	33,203

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

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 3 - FINANCIAL FIXED ASSETS

Fully-controlled subsidiaries	Carrying amount	% of share capital	% voting shares	Registered office
FIAT FINANCE CANADA LTD.	15,830,469	100.00%	100.00%	Calgary (Canada)
FIAT FINANCE NORTH AMERICA INC.	149,413,940	100.00%	100.00%	Wilmington (USA)
Total	165,244,409			

Art.65, paragraph (1) 2° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings ("the law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with art. 67 (3) of the law these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts and the related consolidated management report and auditor's report thereon have been lodged with the Luxembourg Trade Registry.

As at 31 December 2015 and 2014, The Directors of the Company assessed that no impairment deemed necessary.

NOTE 4 - AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

	31.12.2015	31.12.2014
	EUR	EUR
Current accounts		
<i>Nominal</i>	9,559,307,929	6,837,573,988
<i>Accrued interest</i>	19,705,583	1,463,306
Receivable, short term portion		
<i>Nominal</i>	254,778,890	2,193,289,880
<i>Accrued interest</i>	2,204,753	67,244,055
Receivable, long term portion		
<i>Nominal</i>	-	245,371,843
	<hr/>	<hr/>
Total receivable	9,835,997,155	9,344,943,072

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.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 5 – TRANSFERABLE SECURITIES AND OTHER FINANCIAL INSTRUMENTS

	31.12.2015 EUR	31.12.2014 EUR
Other transferable securities and other financial instruments		
<i>Nominal</i>	728,272,130	1,284,228,747
<i>Accrued interest</i>	63,182	93,384
	<u>728,335,312</u>	<u>1,284,322,131</u>

NOTE 6 - CASH AT BANK AND IN HAND

	31.12.2015 EUR	31.12.2014 EUR
Bank current accounts		
<i>Nominal</i>	119,989,095	760,981,777
<i>Accrued interest</i>	21,898	59,613
Short term deposits		
<i>Nominal</i>	895,374,345	2,262,282,865
<i>Accrued interest</i>	21,844	103,721
	<u>1,015,407,182</u>	<u>3,023,427,976</u>

NOTE 7 –PREPAYMENTS

	31.12.2015 EUR	31.12.2014 EUR
Accrued income		
<i>Unrealized gain on forward foreign exchange contracts</i>	8,919,050	3,754,760
<i>Accrued interest on interest rate swaps</i>	7,002,253	7,054,390
<i>Accrued interest and exchange difference on interest rate and cross currency swaps</i>	<u>115,862,561</u>	<u>21,816,350</u>
	131,783,864	32,625,500

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 7 –PREPAYMENTS (continued)

Deferred charges

Deferred expenses on issued bonds and credit lines

Prepaid expenses

Other

	96,214,291	82,562,246
	2,900	34,681
	<u>63,194</u>	<u>25,786</u>
	96,280,385	82,622,713
	<u>228,064,249</u>	<u>115,248,213</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 16.

NOTE 8 - SHAREHOLDERS' EQUITY

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

	Subscribed Capital	Legal Reserve	Other Reserves	Retained Earnings	Result for the year	TOTAL SHAREHOLDERS' EQUITY
Balance at 01.01.2014	<u>251,494</u>	<u>13,380</u>	<u>2,205</u>	<u>21,614</u>	<u>1,146</u>	<u>289,839</u>
Allocation to retained earnings				1,146	(1,146)	-
Allocation to legal reserve		58		(58)		-
Allocation to other reserves			2,207	(2,207)		-
Result for the financial year					117	117
Balance at 31.12.2014	<u>251,494</u>	<u>13,438</u>	<u>4,412</u>	<u>20,495</u>	<u>117</u>	<u>289,956</u>
Allocation to retained earnings				117	(117)	-
Allocation to legal reserve		6		(6)		-
Allocation to other reserves			935	(935)		-
Result for the financial year					(973)	(973)
Balance at 31.12.2015	<u>251,494</u>	<u>13,444</u>	<u>5,347</u>	<u>19,671</u>	<u>(973)</u>	<u>288,983</u>

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 8 - SHAREHOLDERS' EQUITY (continued)

Subscribed capital

The share capital of the Company amounts to EUR 251,494,000 represented by 13,416 shares 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 9 - PROVISIONS FOR TAXATION

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

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 10 - 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 N.V.

		31.12.2015	31.12.2014
		EUR	EUR
<i>EUR</i>		-	1,500,000,000
<i>CHF</i>	425,000,000	-	353,459,747
<i>EUR</i> - Billet de trésorerie (TCNs) due within one year		-	25,351,462
<i>EUR</i> – accrued interest on bonds and TCNs		-	373,013,164
<i>CHF</i> – accrued interest on bonds	12,681,597	-	10,546,904
Repayable in year 2015		-	2,262,371,277
<i>EUR</i>		2,000,000,000	2,000,000,000
<i>CHF</i>	400,000,000	369,173,973	332,667,998
<i>EUR</i> - Billet de trésorerie (TCNs) due within one year		95,293,195	-
<i>EUR</i> – accrued interest on bonds and TCNs		282,001,300	-
<i>CHF</i> – accrued interest on bonds	6,011,458	5,548,185	-
Repayable in year 2016		2,752,016,653	2,332,667,998
<i>EUR</i>		850,000,000	850,000,000
<i>CHF</i>	450,000,000	415,320,720	374,251,497
Repayable in year 2017		1,265,320,720	1,224,251,497
<i>EUR</i>		1,850,000,000	1,850,000,000
Repayable in year 2018		1,850,000,000	1,850,000,000
<i>EUR</i>		1,250,000,000	1,250,000,000
<i>CHF</i>	250,000,000	230,733,733	207,917,498
Repayable in year 2019		1,480,733,733	1,457,917,498
<i>EUR</i>		1,007,000,000	1,007,000,000
Repayable in year 2021		1,007,000,000	1,007,000,000
<i>EUR</i>		1,350,000,000	1,350,000,000
Repayable in year 2022		1,350,000,000	1,350,000,000
Total repayable after more than one year		6,953,054,453	9,221,836,993

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 10 - NON CONVERTIBLE LOANS (continued)

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. All issuances are guaranteed by Fiat Chrysler Automobiles N.V..

TCNs Programme is, with a maximum aggregate nominal amount of EUR 1 billion, still in place and totally guaranteed by Fiat Chrysler Automobiles N.V..

NOTE 11 - AMOUNTS OWED TO CREDIT INSTITUTIONS

	31.12.2015	31.12.2014
	EUR	EUR
Short term borrowings		
<i>Nominal</i>	64,815,607	273,154,472
<i>Accrued interest</i>	9,093	35,256
Long term borrowings	-	-
	<u>64,824,700</u>	<u>273,189,728</u>

Short term borrowings relate to draw downs of medium term committed credit lines, long term borrowings relates to term loans expiring after more than one year.

NOTE 12 - AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

	31.12.2015	31.12.2014
	EUR	EUR
Current accounts		
<i>Nominal</i>	972,947,313	987,242,577
<i>Accrued interest</i>	582,753	646,115
Short term borrowings		
<i>Nominal</i>	899,990,102	853,235,370
<i>Accrued interest</i>	291,377	524,418
	<u>1,873,811,545</u>	<u>1,841,648,480</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.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 13 - DEFERRED INCOME

	31.12.2015 EUR	31.12.2014 EUR
Accrued expenses		
<i>Unrealized loss on forward foreign exchange contracts</i>	10,565,584	8,891,450
<i>Accrued interest on interest rate swaps</i>	4,671,330	4,684,128
<i>Accrued interest and difference exchange on cross currency swaps</i>	871,179	2,272,868
<i>Other</i>	6,088,815	1,275,913
	<u>22,196,908</u>	<u>17,124,359</u>
Other deferred income	18,008,420	27,315,124
	<u>40,205,328</u>	<u>44,439,483</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.

NOTE 14 - 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 2015 AND 31 DECEMBER 2014

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

NOTE 14 - 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 counter-party 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)

	31.12.2015	31.12.2014
	EUR	EUR
Forward foreign exchange contracts	2,192,706	1,986,821
Interest rate swaps	964,000	964,000
Cross currency swaps	1,015,228	1,268,297
	<hr/>	<hr/>
	4,171,934	4,219,118

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 14 - FINANCIAL INSTRUMENTS AND DERIVATIVES (continued)

Fair value of off balance sheet financial instruments and derivatives as at 31 December 2015 (in EUR million)

	Nominal value	Carrying value	Gross fair value	Difference
Forward foreign exchange contracts	2,192,706	(1,647)	(1,647)	-
Interest rate swaps	964,000	2,331	9,342	7,011
Cross currency swaps	1,015,228	114,991	126,009	11,018
	<u>4,171,934</u>	<u>115,675</u>	<u>133,704</u>	<u>18,029</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
Forward rate agreements	Discounted cash flow of expected interest differential

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 2015, 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.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 15 - OTHER EXTERNAL CHARGES

	31.12.2015 EUR	31.12.2014 EUR
Rental and additional charges	214,927	224,609
Services acquired	223,535	321,760
Audit fees	84,776	80,959
IT maintenance, legal and consulting fees	1,702,205	1,249,376
	<hr/>	<hr/>
	2,225,443	1,876,704

NOTE 16 - INTEREST AND OTHER FINANCIAL CHARGES

	31.12.2015 EUR	31.12.2014 EUR
Interest and other financial charges		
<i>Derived from affiliated undertaking (NOTE 12)</i>	19,928,333	22,487,250
Other interest and similar financial charges		
<i>Banks (NOTE 11)</i>	356,509	1,130,010
<i>Bonds (NOTE 10)</i>	594,027,197	726,755,131
<i>Amortized commissions on credit lines (NOTE 7)</i>	50,832,573	46,934,649
<i>Amortized commissions on bond issues (NOTE 7)</i>	18,271,394	21,519,335
<i>Bonds' guarantee costs and other fees and commissions</i>	3,173,547	3,616,123
	<hr/>	<hr/>
	666,661,220	799,955,248
Net result on off-balance sheet items (NOTE 14)		
<i>Interest rate swaps (NOTES 7 AND 13)</i>	-	(4,621,925)
<i>Cross currency swaps (NOTES 7 AND 13)</i>	-	8,534,547
	<hr/>	<hr/>
	-	3,912,622
Foreign Exchange loss (NOTES 7 AND 13)	-	460,468
	<hr/>	<hr/>
	666,661,220	804,328,338
	<hr/>	<hr/>
	686,589,553	826,815,588

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 16 - INTEREST AND OTHER FINANCIAL CHARGES (continued)

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 17 - INCOME FROM FINANCIAL CURRENT ASSETS

	31.12.2015 EUR	31.12.2014 EUR
Interest receivable		
<i>Derived from affiliated undertakings (NOTE 4)</i>	<u>676,577,417</u>	<u>815,721,893</u>
	676,577,417	815,721,893
Other income from financial current asset		
<i>Banks (NOTE 6)</i>	1,054,077	4,840,199
<i>Other investments (NOTE 5)</i>	<u>483,268</u>	<u>308,855</u>
	1,537,345	5,149,054
	<u>678,114,762</u>	<u>820,870,947</u>

For the year ended 31 December 2015, income from other investments is composed of interest on Liquidity Funds.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014

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

NOTE 18 - OTHER INTERESTS AND OTHER FINANCIAL INCOME

	31.12.2015 EUR	31.12.2014 EUR
Derived from affiliated undertakings	212,984	241,078
	<u>212,984</u>	<u>241,078</u>
Other income from financial current asset		
<i>Premiums on bonds</i>	9,306,705	9,819,950
<i>Other (NOTES 7 AND 13)</i>	4,563	10,110
Net result on off-balance sheet items (NOTE 14)		
<i>Interest rate swaps (NOTES 7 AND 13)</i>	3,899,091	-
<i>Cross currency swaps (NOTES 7 AND 13)</i>	(1,818,645)	-
Foreign Exchange gain (NOTES 7 AND 13)	549,568	-
	<u>11,941,282</u>	<u>9,830,060</u>
	<u><u>12,154,266</u></u>	<u><u>10,071,138</u></u>

NOTE 19 - STAFF

The number of persons employed by the Company as at 31 December 2015 amounts to 11: 7 in Luxembourg, 3 in United Kingdom, 1 in Spain.

NOTE 20 - COMMITMENTS AND CONTINGENCIES

As of 31 December 2014, the Company has issued guarantees in favour of Group Companies for a total amount of EUR 4,094,894 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. The decision requires Fiat Chrysler Finance Europe S.A. to deposit in an escrow account the amount of approximately 23 million, covering the years 2012 and 2013, pending resolution of the case.

FIAT CHRYSLER FINANCE EUROPE S.A.

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEARS ENDED 31 DECEMBER 2015 AND 31 DECEMBER 2014 (Expressed in EUR, unless otherwise stated) (continued)

NOTE 20 - COMMITMENTS AND CONTINGENCIES (continued)

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.

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.

NOTE 21 – SUBSEQUENT EVENTS

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