

FINANCIAL STATEMENTS

Fiat Chrysler Finance Canada, Ltd.
Years Ended December 31, 2014 and 2013
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

Fiat Chrysler Finance Canada, Ltd.
(A Subsidiary of Fiat Chrysler Finance Europe S.A.)

Financial Statements

Years Ended December 31, 2014 and 2013

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Report of Independent Auditors

Board of Directors and Stockholders
Fiat Chrysler Finance Canada, Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Fiat Chrysler Finance Canada, Ltd. (a subsidiary of Fiat Chrysler Finance Europe S.A., whose ultimate parent is Fiat Chrysler Automobiles NV) (the Company) which comprise the statement of financial position as of December 31, 2014 and 2013, and statements of comprehensive income, statement of changes in equity and statement of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards.

Ernst + Young LLP

February 13, 2015

Fiat Chrysler Finance Canada, Ltd.
(A Subsidiary of Fiat Chrysler Finance Europe S.A.)

Statements of Financial Position
(Canadian Dollars in Thousands, Except Share Information)

	December 31	
	2014	2013
Assets		
Cash and cash equivalents	C\$ 21,768	C\$ 21,637
Other deferred and current tax assets	–	2
Prepaid expenses	12	14
Total assets	C\$ 21,780	C\$ 21,653
 Liabilities and stockholder's equity		
Liabilities:		
Current tax liabilities	C\$ 14	C\$ –
Accrued expenses and other liabilities	17	26
Total liabilities	31	26
 Stockholder's equity:		
Capital stock (no par value; unlimited authorized shares; 493 shares outstanding at assigned value)	10,100	10,100
Retained earnings	11,649	11,527
Total stockholder's equity	21,749	21,627
Total liabilities and stockholder's equity	C\$ 21,780	C\$ 21,653

See accompanying notes.

Fiat Chrysler Finance Canada, Ltd.
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Statements of Comprehensive Income
(Canadian Dollars in Thousands)

	Year Ended December 31	
	2014	2013
Revenues:		
Interest income	C\$ 263	C\$ 255
Total revenues	263	255
Expenses:		
General and administrative expenses	64	90
Other expenses	37	37
Total expenses	101	127
Income before provision for income taxes	162	128
Provision for income taxes	40	32
Net income	C\$ 122	C\$ 96

See accompanying notes.

Fiat Chrysler Finance Canada, Ltd.
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Statements of Changes in Stockholder's Equity
(Canadian Dollars in Thousands, Except Per Share Information)

	Capital Stock		Retained Earnings	Total Stockholder's Equity
	Shares	Amount		
Balance – January 1, 2013	493	C\$ 10,100	C\$ 11,431	C\$ 21,531
Net income	–	–	96	96
Balance – December 31, 2013	493	10,100	11,527	21,627
Net income	–	–	122	122
Balance – December 31, 2014	493	C\$ 10,100	C\$ 11,649	C\$ 21,749

See accompanying notes.

Fiat Chrysler Finance Canada, Ltd.
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Statements of Cash Flows
(Canadian Dollars in Thousands)

	Year Ended December 31	
	2014	2013
Operating activities		
Net income	C\$ 122	C\$ 96
Adjustments to reconcile net income to cash flows provided by (used in) operating activities:		
Net (increase)/decrease in operating assets:		
Decrease/(increase) in other deferred and current tax assets	2	(2)
Decrease/(increase) in prepaid expense	2	(2)
Increase/(decrease) in current tax liabilities	14	(10)
Decrease/(increase) in accrued expenses and other liabilities	(9)	10
Net cash flow provided by operating activities	131	92
Net increase in cash and cash equivalents	131	92
Cash and cash equivalents at beginning of the year	21,637	21,545
Cash and cash equivalents at end of the year	C\$ 21,768	C\$ 21,637
Operational cash flows from interest and income tax		
Interest received	C\$ 268	C\$ 240
Income taxes	C\$ 51	C\$ 45

See accompanying notes.

Fiat Chrysler Finance Canada, Ltd
(A Subsidiary of Fiat Chrysler Finance Europe S.A.)

Notes to Financial Statements

December 31, 2014
(Expressed in Canadian Dollars in Thousands)

1. Business Description and Organization

Fiat Chrysler Finance Canada, Ltd. (the Company), a wholly owned subsidiary of Fiat Chrysler Finance Europe, S.A., was incorporated on May 2, 1991, under the Business Corporation Act of the Province of Alberta and began operations on May 6, 1991. The Company is ultimately controlled by Fiat Chrysler Automobiles N.V. (formerly known as Fiat S.p.A.), incorporated in the Netherlands. The Company's registered office is located at 3500, 855-2 Street S.W. Calgary, Alberta T2P 4J8 Canada. On October 12, 2014, Fiat S.p.A. merged with and into Fiat Chrysler Automobiles N.V. which resulted in changes to the names of the group and its subsidiary companies. The company formerly known as "Fiat Finance Canada Ltd." is now known as "Fiat Chrysler Finance Canada Ltd." as of November 14, 2014 and the shareholder "Fiat Finance and Trade Ltd. S.A." is now known as "Fiat Chrysler Finance Europe S.A." as of October 29, 2014. The Company performs cash management, investment and corporate finance services and working capital financing for all Fiat Group companies in Canada. On February 13, 2015, the Board of Directors authorized the issuance of the Company's financial statements.

2. Basis of Accounting and Summary of Significant Accounting Policies

The Company's financial statements are prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Company's financial statements consist of the statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows, with related notes. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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

Fiat Chrysler Finance Canada, Ltd
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Notes to Financial Statements

(Expressed in Canadian Dollars in Thousands)

2. Basis of Accounting and Summary of Significant Accounting Policies (continued)

Interest income and interest expense are recognized using the effective interest method.

3. Cash and Cash Equivalents

Cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value due to interest rate, quoted price, or penalty on withdrawal. Amounts on deposit and available upon demand, or negotiated to provide for daily liquidity without penalty, are classified as cash and cash equivalent. Time deposits and current accounts that meet the above criteria are reported at par value on our balance sheet.

4. Estimated Fair Value of Financial Instruments

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

	Nominal Value	Carrying Value	Fair Value	Difference
December 31, 2014				
Assets:				
Cash and cash equivalents	C\$ 21,768	C\$ 21,768	C\$ 21,768	C\$ –
Total	C\$ 21,768	C\$ 21,768	C\$ 21,768	C\$ –

December 31, 2013				
Assets:				
Cash and cash equivalents	C\$ 21,637	C\$ 21,637	C\$ 21,637	C\$ –
Total	C\$ 21,637	C\$ 21,637	C\$ 21,637	C\$ –

Financial Instrument	Fair Value Method
Cash and cash equivalents	Carrying value for short term and variable interest instruments.

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Notes to Financial Statements

(Expressed in Canadian Dollars in Thousands)

5. Information on Financial Risks

The Company is exposed to various financial risks in the course of its operations. The Company regularly monitors and manages its exposure in a conservative and prudent manner, as required by the Fiat Chrysler Automobiles Group's financial risk management policy.

The quantitative data reported in the following does not have any value of a prospective nature and the Company is unable to reflect the complexity of the market and its related reaction which may result from every change which may occur.

Credit Risk

The credit risk of the Company is represented by the investments of excess cash in the market.

Management believes the credit risk to be extremely low. The assets solely consist of cash and cash equivalents.

Market investments are made according to strict regulations and policies which define minimum counterparty rating requirements and limits to amounts invested in single counterparties in order to avoid concentration of risk.

Liquidity Risk

Liquidity risk arises if the Company is unable to obtain under acceptable economic conditions the funds needed to carry out its operations.

The Company's liquidity position for December 31, 2014 and 2013, are as follows (in nominal value):

	On Demand	Less Than 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Total
December 31, 2014						
Assets:						
Cash and cash equivalents	C\$ 3	C\$ 21,765	C\$ –	C\$ –	C\$ –	C\$ 21,768
Net	C\$ 3	C\$ 21,765	C\$ –	C\$ –	C\$ –	C\$ 21,768
December 31, 2013						
Assets:						
Cash and cash equivalents	C\$ 22	C\$ 21,615	C\$ –	C\$ –	C\$ –	C\$ 21,637
Net	C\$ 22	C\$ 21,615	C\$ –	C\$ –	C\$ –	C\$ 21,637

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Notes to Financial Statements

(Expressed in Canadian Dollars in Thousands)

6. Income Taxes

The components of income tax expense for the years ended December 31, 2014 and 2013 are as follows:

	Year Ended December 31	
	2014	2013
	<i>(CAD in Thousands)</i>	
Current tax expense:		
Federal	C\$ 23	C\$ 20
State and local	16	13
Deferred tax expense	1	(1)
Total income tax expense	<u>C\$ 40</u>	<u>C\$ 32</u>

7. Stockholder's Equity

The share capital of the Company amounts to CAD 10,100 represented in thousands by 493 shares fully subscribed and paid up with no nominal value. The Company is not subject to any specific constraints on equity within its course of business. Management believes that the capital structure of the Company is fully adequate to its operations.

8. Subsequent Events

Management has evaluated subsequent events through February 13, 2015, the date these financial statements were available to be issued.

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