FCA

CAPITAL MARKETS DAY
BALOCCO – JUNE 1, 2018

US Finco Opportunity

RICHARD PALMER
CHIEF FINANCIAL OFFICER

SAFE HARBOR STATEMENT

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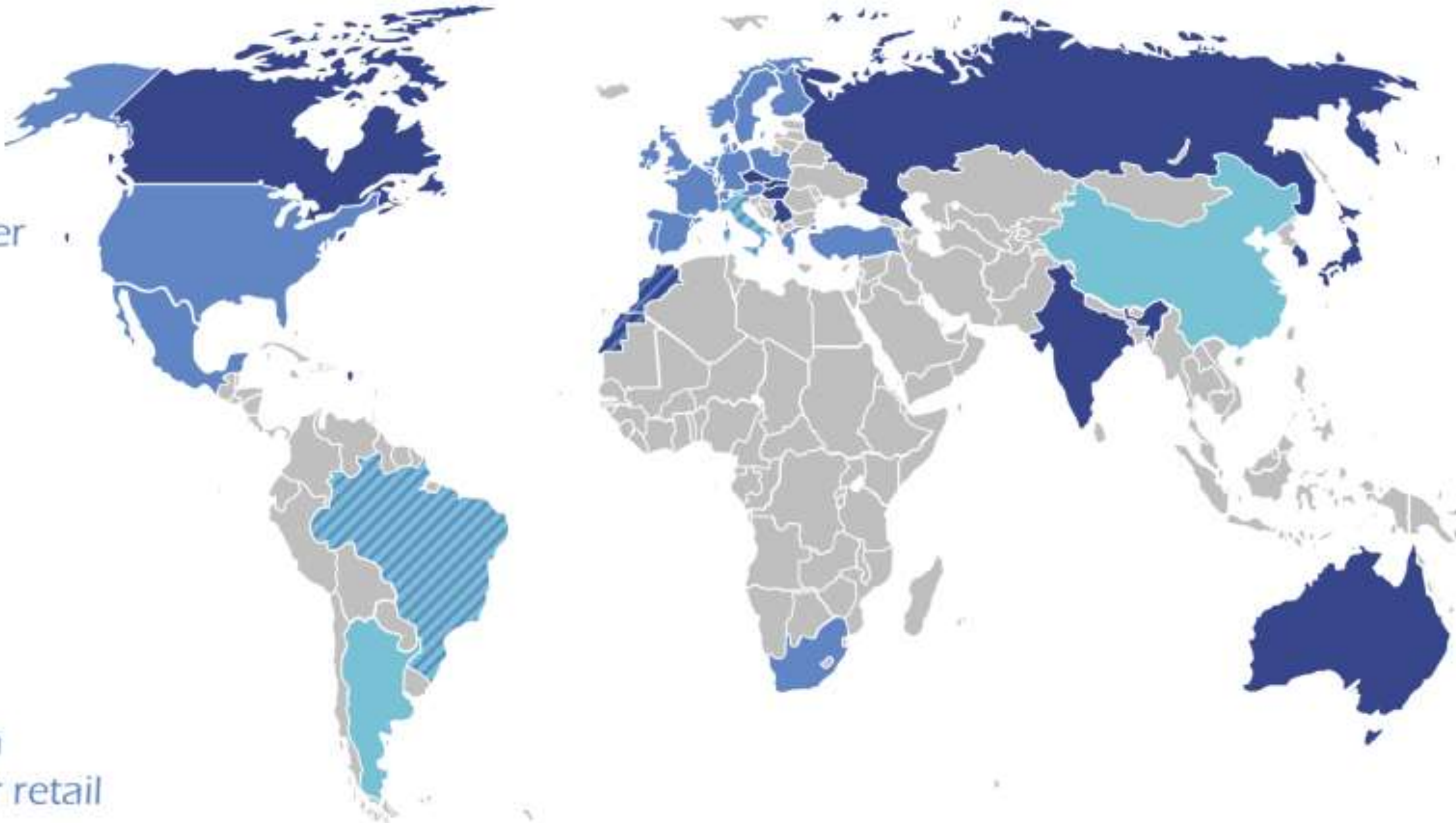
Existing Financial Services Landscape

NAFTA

- USA & Mexico:
  White labels with Santander Consumer & Banco Inbursa
- Canada: Bank Agreements

LATAM

- Brasil
  - White labels with Itau/Bradesco for retail
  - Owned captive for dealer financing
- Argentina: owned captive



Partnership model successfully implemented

EMEA

- EU28: Joint venture with Credit Agricole.
  Turkey: covered by JV captive
  S.Africa: White label with WesBank
- Other markets: White label & Bank agreements

APAC

- China: Owned captive
- Other markets: White label & Bank agreements

US Finco Opportunity

FCA is the only **major OEM** operating in the **US without a captive Finco**

All Fincos are significant profit contributors.

Owning a captive US Finco is a **white space opportunity for FCA**, and should be **accretive to our business**

Given our strong financial performance and improving credit profile, we believe the time is right to pursue a captive Finco strategy in the US

Fincos offer many **strategic and financial benefits**

A captive Finco can also be an important **enabler for participation in emerging TaaS (Transportation as a Service) business**

FCA intends to establish a US captive Finco either through a transaction or through a greenfield start-up

FCA has a contractual option to acquire the equity in the Chrysler Capital (CCAP) business from our partner SCUSA (in whole or in part)

Current FCA Vehicle Financing Landscape in US

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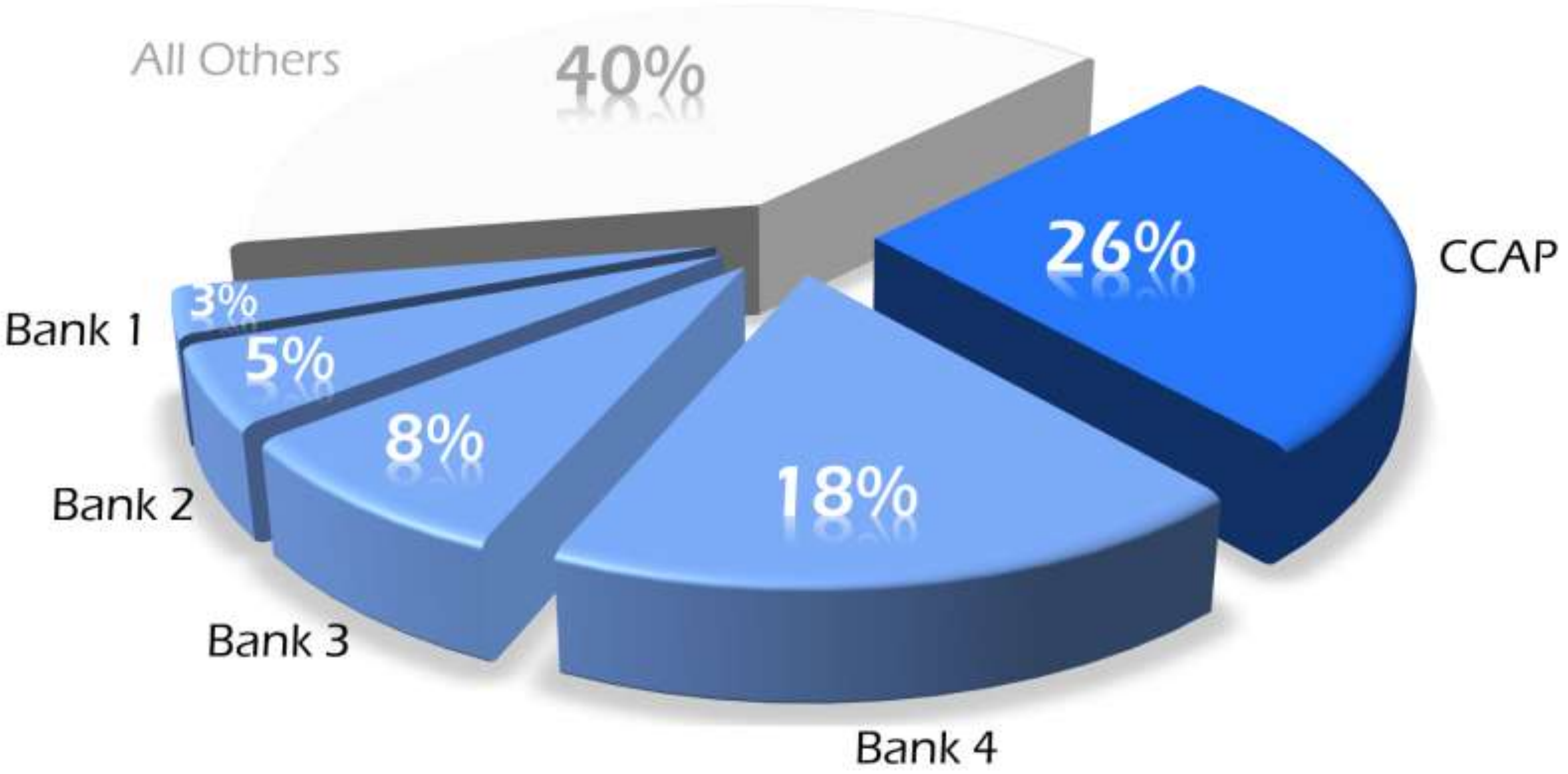
FCA US Retail Financing



FCA retail sales are financed by a variety of banks – CCAP achieved 26% share of financed deals in 2017

Other US captive Fincos achieve **~50-75% share**

Chart includes 2017 financed deals only. Cash deals were ~15% for FCA
Source: JD PIN Navigator

Opportunity to increase market share and sales support through the cycle

Finco Contribution to Earnings of OEM in US

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	OEM 1	OEM 2	FCA Pro-forma		
			Year 4		Steady State
			Greenfield	Acquisition	
NAFTA Asset Portfolio EoP	$88B	$125B	~$10B	~$50B	~$75 – 100B
Pre-tax Earnings	$0.9B	$1.8B	~$100M	~$500 – 800M	~$1.0 – 1.3B
Total Equity	$9B	$12B	~$1B	~$5B	~$7.5B

Builds incremental earnings of 10 – 25% of AutoCo base

Source: company filings, FCA projections
Note: Total equity for OEM 1 and OEM 2 is pro-rata for North America based on percentage of assets in North America. Total equity for all regions for OEM 1 is $10.3bn and % assumed is 90%; total equity for all regions for OEM 2 is $15.9bn and % assumed is 78%

TaaS Value Chain Grouped in 6 Business Models

Expect auto OEMs and captive Fincos to capture value from

VEHICLE INTEGRATION AND MANUFACTURING

FINANCING AND INSURANCE

ADAS TECHNOLOGY

AV SERVICES ECOSYSTEM

FLEET OPERATIONS

MOBILITY PLATFORM

Traditional components

AV components

HD Map

AV services

ADAS integration and vehicle development

Vehicle manufacturing

Financing

Insurance

Fleet management

Vehicle maintenance

Mobility services

Meta/ aggregator platform

Facilitates participation in new business areas

Conclusion

FCA intends to **establish a US captive finance company**

This could be **through a transaction** or through a **greenfield start-up**

FCA will have adequate capital to fund the equity needed, and the **credit rating** to make the Finco funding competitive

The **earnings** from the eventual Finco are **not included** in the **2018–2022 business plan target**, and represent a further opportunity