Company Financial Statements

AT DECEMBER 31, 2016

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Income Statement

(in € million)

		Years Ended December 31	
	Note	2016	2015
Result from investments	(1)	€ 2,237	€ 630
Other operating income	(2)	31	32
Personnel costs	(3)	(11)	(14)
Other operating costs	(4)	(162)	(173)
Net financial expenses	(5)	(301)	(400)
Profit before taxes		**1,794**	**75**
Income taxes	(6)	9	8
Profit from continuing operations		**1,803**	**83**
Profit from discontinued operations		—	251
Profit		**€ 1,803**	**€ 334**

The accompanying notes are an integral part of the Company Financial Statements.

Statement of Financial Position

(in € million)

	Note	At December 31 2016		2015[1]	
Assets					
Property, plant and equipment	(7)	€	27	€	28
Investments in Group companies and other equity investments	(8)		25,238		22,236
Other financial assets	(9)		3,670		3,658
Total Non-current assets			**28,935**		**25,922**
Current financial assets	(10)		560		1,565
Trade receivables	(11)		17		14
Other current receivables	(12)		216		373
Cash and cash equivalents	(13)		1		2
Total Current assets			**794**		**1,954**
Total Assets		**€**	**29,729**	**€**	**27,876**
Equity and liabilities					
Equity	(14)				
Share capital		€	19	€	17
Capital reserves			5,766		3,805
Legal reserves			12,936		13,182
Retained profit/(loss)			(1,356)		(533)
Profit for the year			1,803		334
Total Equity			**19,168**		**16,805**
Provisions for employee benefits and other provisions	(15)		39		34
Non-current debt	(16)		4,079		2,928
Other non-current liabilities	(17)		13		15
Total Non-current liabilities			**4,131**		**2,977**
Provisions for employee benefits and other current provisions	(18)		2		3
Trade payables	(19)		15		24
Current debt	(20)		6,081		7,271
Other financial liabilities	(9)		47		285
Other debt	(21)		285		511
Total Current liabilities			**6,430**		**8,094**
Total Equity and liabilities		**€**	**29,729**	**€**	**27,876**

(1) *Amounts at December 31, 2015, for Investments in Group companies and other equity investments, Legal reserves and Retained profit/(loss) have been adjusted. Refer to Note 2, Basis of Preparation - Reclassifications and adjustment, within the Consolidated Financial Statements for a discussion on the prior period adjustment.*

The accompanying notes are an integral part of the Company Financial Statements.

Notes to the Company Financial Statements

PRINCIPAL ACTIVITIES

The FCA merger

On January 29, 2014, the Board of Directors of Fiat SpA ("Fiat") approved a proposed corporate reorganization resulting in the formation of Fiat Chrysler Automobiles N.V. ("FCA" or the "Company") as a fully integrated global automaker. The Board determined that a redomiciliation into the Netherlands with a listing on the NYSE and an additional listing on the Mercato Telematico Azionario ("MTA") would be the structure most suitable to Fiat's profile and its strategic and financial objectives. FCA's principal executive offices were established in London, United Kingdom.

FCA was incorporated as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands on April 1, 2014, under the name Fiat Investments N.V.. On June 15, 2014, the Board of Directors of Fiat approved the merger plan of Fiat into Fiat Investments N.V., and, at the extraordinary general meeting held on August 1, 2014, the shareholders of Fiat approved the merger that was completed and became effective on October 12, 2014. The merger, which took the form of a reverse merger, resulted in Fiat Investments N.V. being the surviving entity which was then renamed Fiat Chrysler Automobiles N.V.. On October 13, 2014, FCA common shares commenced trading on the NYSE and on the MTA.

Ferrari Spin-off and Discontinued Operations

On October 26, 2015, Ferrari N.V., a subsidiary of FCA, completed its initial public offering ("IPO") in which FCA sold 10 percent of Ferrari N.V. common shares ("Ferrari IPO") and received net proceeds of approximately €0.9 billion, which resulted in FCA owning 80 percent of Ferrari N.V. common shares, Piero Ferrari owning 10 percent of common shares and public shareholders owning the remaining 10 percent of common shares. The Ferrari IPO was accounted for as an equity transaction.

In October 2015, in connection with the Ferrari IPO and in preparation for the spin-off of the remaining common shares of Ferrari N.V.. owned by FCA, FCA carried out an internal corporate restructuring. As part of this reorganization, FCA transferred its shares of Ferrari S.p.A. to Ferrari N.V. and provided a capital contribution to Ferrari N.V., while Ferrari N.V. issued a note payable to FCA in the amount of €2.8 billion. This internal restructuring was a common control transaction and did not have an accounting impact on FCA's Financial Statements. As a result and in connection with the transactions in which Piero Ferrari exchanged his shares in Ferrari S.p.A. for Ferrari N.V. shares, FCA paid €280 million to Piero Ferrari as consideration for the dilution of his share value due to the issuance of the €2.8 billion note payable.

On December 3, 2015, an extraordinary general meeting of FCA shareholders was held, whereby the transactions intended to separate FCA's remaining ownership interest in Ferrari N.V. and to distribute that ownership interest to holders of FCA shares and mandatory convertible securities were approved. The transactions to separate Ferrari N.V. from the Group were completed on January 3, 2016.

As the spin-off of Ferrari N.V. became highly probable with the aforementioned shareholders' approval and since it was available for immediate distribution at that date, the results of Ferrari have been excluded from continuing operations, and are shown as a single line item in the Profit from discontinued operations line item for the year ended December 31, 2015.

ACCOUNTING POLICIES

Basis of preparation

The 2016 Company Financial Statements represent the separate financial statements of the parent company, Fiat Chrysler Automobiles N.V., and have been prepared in accordance with the legal requirements of Title 9, Book 2 of the Dutch Civil Code. Section 362 (8), Book 2, Dutch Civil Code, allows companies that apply IFRS as adopted by the European Union in their consolidated financial statements to use the same measurement principles in their company financial statements. The accounting policies are described in a specific section, *Significant accounting policies*, of the Consolidated Financial Statements included in this Annual Report. However, as allowed by the law, investments in subsidiaries, joint ventures and associates are accounted for using the net equity value in the Company Financial Statements.

Format of the financial statements

Given the activities carried out by FCA, presentation of the Company Income Statement is based on the nature of revenues and expenses. The Consolidated Income Statement for FCA is classified according to function (also referred to as the “cost of sales” method), which is considered more representative of the format used for internal reporting and management purposes and is in line with international practice in the industry.

FCA financial statements are prepared in Euros, also the Company’s functional currency, representing the currency in which the main transactions of the Company are denominated.

The Statements of Income and of Financial Position and Notes to the Financial Statements are presented in millions of Euros, except where otherwise stated.

As parent company, FCA has also prepared consolidated financial statements for FCA Group for the year ended December 31, 2016.

COMPOSITION AND PRINCIPAL CHANGES

1. Result from investments

The following table summarizes the Result from investments:

	Years Ended December 31	
	2016	2015
	(€ million)	
Share of the profit/(loss) of Group companies	€ 2,234	€ 625
Dividends from other companies	3	5
Total Result from investments	**€ 2,237**	**€ 630**

Result from investments relates primarily to the Company's share in the net profit or loss of subsidiaries and associates, in addition to dividends received from CNH Industrial N.V. ("CNHI").

The share of the profit of Ferrari in 2015 was recognized separately within the line Profit from discontinued operations within the Income Statement.

2. Other operating income

The following table summarizes Other operating income:

	Years Ended December 31	
	2016	2015
	(€ million)	
Revenues from services rendered to, and other income from, Group companies and other related parties	€ 31	€ 30
Other revenues and income from third parties	—	2
Total Other operating income	**€ 31**	**€ 32**

Revenues from services rendered to Group companies of €31 million consisted of services rendered to the principal subsidiaries of the Group, in line with 2015.

3. Personnel costs

Personnel costs during the year ended December 31, 2016, of €11 million (€14 million in 2015) primarily related to wages and salaries. The average number of employees in 2016 was 51, in line with 2015 (53).

4. Other operating costs

Other operating costs primarily includes costs for services rendered by Group companies (support and consulting in administration, IT systems, press activities, payroll, security and facility management), costs for legal, administrative, financial and IT services in addition to the compensation component from Share-based compensation plans representing the notional cost of the Long Term Incentive Plan awarded to the Chief Executive Officer and Executives (net of the portion already attributed to the relevant subsidiaries), which was recognized directly in the equity reserve, as reported in Note 18, *Share-based compensation*, within the Consolidated Financial Statements.

5. Net financial expenses

The following table summarizes Net financial expenses:

	Years Ended December 31	
	2016	2015
	(€ million)	
Financial income	€ 293	€ 269
Financial expense	(582)	(668)
Currency exchange (losses)/gains	(29)	191
Net gains/(losses) on derivative financial instruments	17	(192)
Total Net financial expenses	**€ (301)**	**€ (400)**

Financial income relates to interest on loans extended to Fiat Chrysler Automobiles North America Holdings LLC ("FCA NAH LLC"), as included within Other financial assets and Current financial receivables. The increase in financial income related primarily to the higher average outstanding amounts of these loans during 2016 as compared to 2015.

Financial expense relates to interest payable on the intercompany debt included within Current debt, in addition to the interest on the unsecured senior debt securities of U.S. $3.0 billion issued in April 2015 and €1.25 billion issued in March 2016. The decrease in financial expense related to the reduction in the average debt exposure during 2016 as compared to 2015.

Currency exchange losses and net gains on derivative financial instruments primarily related to the U.S.$1.5 billion loan, repaid in September 2016 and previously reported in Current financial receivables, which was fully hedged into Euro.

6. Income taxes

Income taxes were a gain of €9 million in 2016 (gain of €8 million in 2015) and primarily relate to compensation receivable for tax losses carried forward contributed to the United Kingdom tax consolidation scheme.

The Company reported losses for tax purposes as the result from investments resulting from the adoption of the equity method is tax neutral.

7. Property, plant and equipment

At December 31, 2016, the carrying amount of property, plant and equipment was €27 million (€28 million at December 31, 2015), consisting of the gross carrying amount of assets of €68 million (€68 million at December 31, 2015) and accumulated depreciation of €41 million (€40 million at December 31, 2015), of which €25 million related to land and buildings, mainly consisting of the Company's property in Turin (€24 million at December 31, 2015). No buildings were subject to liens, pledged as collateral or restricted in use.

Depreciation of property, plant and equipment is recognized in the Income statement within Other operating costs.

8. Investments in Group companies and other equity investments

The following table summarizes Investments in Group companies and other equity investments:

	At December 31					
		2016		2015[(1)]		Change
			(€ million)			
Investments in Group companies	€	25,087	€	22,033	€	3,054
Other equity investments		151		203		(52)
Total Investments in Group companies and other equity investments	**€**	**25,238**	**€**	**22,236**	**€**	**3,002**

Investments in Group companies were subject to the following changes during 2016 and 2015:

		2016		2015[(1)]
		(€ million)		
Balance at beginning of year	€	22,033	€	22,742
Capital injection into joint ventures		82		99
Transactions related to Ferrari reorganization		(52)		(2,509)
Net Acquisition/(Disposal) of subsidiaries from/to Group companies		43		(726)
Net contributions made to subsidiaries		1,471		10
Dividends received from subsidiaries		(1,293)		—
Result from investments in continuing operations		2,234		625
Result from investments in discontinued operations		—		251
Cumulative translation adjustments and other OCI movements		556		1,608
Other		13		(67)
Balance at end of year	**€**	**25,087**	**€**	**22,033**

(1) *Amounts at December 31, 2015, for Investments in Group companies have been adjusted. Refer to Note 2, Basis of Preparation - Reclassifications and adjustment, within the Consolidated Financial Statements for a discussion on the prior period adjustment.*

The increase from 2016 relates primarily to the Result from investment in continuing operations of €2,234 million and net contributions made to subsidiaries of €1,471 million, partially offset by dividends received from FCA North America Holdings LLC and Fiat Chrysler UK LLP of €1,293 million.

The main change for 2015 related to the transactions carried on the investments in Ferrari where, before the IPO, FCA sold the original 90 percent ownership held in Ferrari S.p.A. to Ferrari N.V., then subscribing a capital increase in the same company. The sale originated a capital gain which was eliminated in the equity valuation of the investment (refer to Principal Activities in the Consolidated Financial Statements for further detail on the Ferrari transactions). The other significant movement in 2015 was the disposal of US subsidiaries acquired in 2014.

At December 31, 2016, Other equity investments primarily related to the investment of 15,948,275 common shares in CNHI of €132 million (€101 million at December 31, 2015).

9. Other financial assets

At December 31, 2016, Other financial assets amounted to €3,670 million (€3,658 million at December 31, 2015), primarily represented by U.S. $3.9 billion of intercompany loans extended to to FCA NAH LLC.

In January 2015, a loan of U.S. $881.6 million, expiring December 2022, was extended to fund the acquisition of certain subsidiaries based in the US. The carrying amount of €836 million at December 31, 2016 (€810 million at December 31, 2015), related only to the outstanding principal, with no accrued interest receivable due. In April 2015, a further U.S. $2.97 billion was extended in two loans of $1,485 million, expiring in April 2020 and April 2023. The carrying amount of €2,850 million at December 31, 2016 (€2,831 million at December 31, 2015) includes principal of €2,818 million and accrued interest of €32 million, separately reported within Current financial assets.

These loans are hedged into Euro by currency swaps with Fiat Chrysler Finance S.p.A. and Fiat Chrysler Finance Europe S.A., resulting in €47 million of intercompany derivative liabilities at December 31, 2016 reported within Other financial liabilities (€285 million at December 31, 2015).

10. Current financial assets

At December 31, 2016, Current financial assets primarily related to a short-term intercompany deposit of €500 million with Fiat Chrysler Finance Europe S.A. and accrued interest of €32 million receivable on the intercompany loans to FCA NAH LLC reported within Other financial assets.

At December 31, 2015, Current financial assets related primarily to a loan of U.S. $1.5 billion extended to FCA NAH LLC in January 2014 to partially fund the acquisition of 41.5 percent of FCA US, which was repaid in September 2016.

11. Trade receivables

At December 31, 2016, trade receivables totaled €17 million (of which €16 million related to Group companies), in line with year-end 2015.

The carrying amount of trade receivables is deemed to approximate their fair value. All trade receivables are due within one year and there are no overdue balances.

12. Other current receivables

At December 31, 2016, Other current receivables amounted to €216 million, a net decrease of €157 million compared to December 31, 2015, and consisted of the following:

						At December 31
		2016		2015		Change
			(€ million)			
Receivable from Group companies for consolidated Italian corporate tax	€	112	€	227	€	(115)
VAT receivables		63		88		(25)
Italian corporate tax receivables		18		38		(20)
Other		23		20		3
Total Other current receivables	**€**	**216**	**€**	**373**	**€**	**(157)**

Receivables from Group companies for consolidated Italian corporate tax relates to taxes calculated on the taxable income contributed by Italian subsidiaries participating in the domestic tax consolidation program. The decrease from 2015 of €115 million primarily relates to amounts receivable from Ferrari included in 2015.

VAT receivables relate primarily to VAT credits for Italian subsidiaries participating in the VAT tax consolidation.

Italian corporate tax receivables include credits transferred to FCA by Italian subsidiaries participating in the domestic tax consolidation program in 2016 and prior years.

13. Cash and cash equivalents

At December 31, 2016, Cash and cash equivalents totaled €1 million (€2 million as at December 31, 2015) and is primarily represented by amounts held in Euro. The carrying amount of Cash and cash equivalents is deemed to be in line with their fair value.

Credit risk associated with Cash and cash equivalents is considered limited as the counterparties are leading national and international banks.

14. Equity

Changes in Shareholders' equity during 2016 were as follows:

(€ million)	Share Capital	Capital Reserves	Legal Reserves: Cumulative translation adjustment reserve / OCI	Legal Reserves: Other	Retained profit/(loss)	Profit/(loss) for the year	Total equity
At December 31, 2014[(1)]	**17**	**3,742**	**(205)**	**10,816**	**(874)**	**568**	**14,064**
Allocation of prior year result	—	—	—	—	568	(568)	**—**
Distributions	—	(17)	—	—	—	—	**(17)**
Share-based compensation	—	80	—	—	—	—	**80**
Ferrari initial public offering	—	—	—	—	866	—	**866**
Net profit for the year	—	—	—	—	—	334	**334**
Current period change in OCI, net of taxes	—	—	1,643	—	—	—	**1,643**
Legal Reserve	—	—	—	928	(928)	—	**—**
Other changes	—	—	—	—	(165)	—	**(165)**
At December 31, 2015[(1)]	**17**	**3,805**	**1,438**	**11,744**	**(533)**	**334**	**16,805**
Allocation of prior year result	—	—	—	—	334	(334)	**—**
Mandatory Convertible Securities	2	1,908	—	(1,910)	—	—	**—**
Share-based compensation	—	98	—	—	—	—	**98**
Net profit for the year	—	—	—	—	—	1,803	**1,803**
Current period change in OCI, net of taxes	—	—	632	—	—	—	**632**
Legal Reserve	—	—	—	1,032	(1,032)	—	**—**
Other changes	—	(45)	—	—	(125)	—	**(170)**
At December 31, 2016	**19**	**5,766**	**2,070**	**10,866**	**(1,356)**	**1,803**	**19,168**

(1) *Amounts at December 31, 2015 and 2014 for Legal reserves and Retained profit/(loss) have been adjusted. Refer to Note 2, Basis of Preparation - Reclassifications and adjustment, within the Consolidated Financial Statements for a discussion on the prior period adjustment.*

Shareholders' equity increased by €2,363 million in 2016, primarily due to profit for the year of €1,803 million, and movements in OCI of €632 million relating to foreign exchange differences and the remeasurement of defined benefit plans.

Shareholders' equity increased by €2,741 million in 2015, primarily due to movements in OCI of 1,643 million relating to foreign exchange differences and the remeasurement of defined benefit plans, the impact of the Ferrari 10 percent initial public offering of €866 million, and profit for the year of €334 million.

Share capital

At December 31, 2016, the fully paid-up share capital of FCA amounted to €19 million (€17 million at December 31, 2015) and consisted of 1,527,965,719 common shares and 408,941,767 special voting shares, all with a par value of €0.01 each (1,288,956,011 common shares and 408,941,767 special voting shares at December 31, 2015).

Capital reserves

At December 31, 2016, capital reserves amounting to €5,766 million (€3,805 million at December 31, 2015)consisted mainly of the effects of the Merger, resulting in a different par value of FCA common shares (€0.01 each) as compared to Fiat S.p.A. ordinary shares (€3.58 each) where the consequent difference between the share capital before and after the Merger was recognized as an increase to the capital reserves. In December 2016, capital reserves increased €1,908 million as a result of conversion of the equity component of the Mandatory Convertible Securities issued in 2014.

Legal reserves

Pursuant to Dutch law, limitations exist relating to the distribution of shareholders' equity up to at least the total amount of the legal reserve. By their nature, unrealized losses relating to OCI components reduce shareholders' equity and thereby distributable amounts.

At December 31, 2016, legal reserves amounted to €10,866 million (€11,744 million at December 31, 2015) and mainly related to development costs capitalized by subsidiaries of €9,359 million (€8,358 million at December 31, 2015), the earnings of subsidiaries subject to certain restrictions to distributions to the parent company of €1,503 million (€1,472 million at December 31, 2015), and the reserve in respect of special voting shares of €4 million (€4 million at December 31, 2015). Legal reserves also included unrealized currency translation gains and losses and other OCI components of €2,070 million (€1,438 million at December 31, 2015).

Dividends

In order to further fund the capital requirements of the Group's five-year business plan, the Board of Directors has decided not to recommend a dividend on FCA common shares for 2016.

15. Provisions for employee benefits and other provisions

At December 31, 2016, provisions for employee benefits and other provisions totaled €39 million, a €5 million increase over year-end 2015, primarily due to actuarial gains and losses. At December 31, 2016, provisions consisted primarily of post-employment benefits accruing to employees, former employees and Directors under supplemental company or individual agreements, which are unfunded.

16. Non-current debt

At December 31, 2016, non-current debt totaled €4,079 million, representing an increase of €1,151 million over December 31, 2015, and consisted of the following:

						At December 31
		2016		2015		Change
			(€ million)			
Third-party debt:						
- Unsecured senior debt securities	€	4,064	€	2,730	€	1,334
Total third-party debt	**€**	**4,064**	**€**	**2,730**	**€**	**1,334**
Intercompany debt:						
- Intercompany financial payables	€	16	€	198	€	(182)
Total intercompany debt	**€**	**16**	**€**	**198**	**€**	**(182)**
Total Non-current debt	**€**	**4,079**	**€**	**2,928**	**€**	**1,151**

As described in more detail in Note 21 Debt to the Consolidated Financial Statements, FCA issued a 3.75 percent note at par in March 2016 with a principal value of €1,250 million due March 2024, under the Global Medium Term Note ("GMTN") Programme.

In April 2015, FCA issued €1.4 billion (U.S.$1.5 billion) principal amount of 4.5 percent unsecured senior debt securities due April 15, 2020 (the “Initial 2020 Notes”) and €1.4 billion (U.S.$1.5 billion) principal amount of 5.25 percent unsecured senior debt securities due April 15, 2023 (the “Initial 2023 Notes”) at par. The Initial 2020 Notes and the Initial 2023 Notes, collectively referred to as “the Initial Notes”, rank pari *passu* in right of payment with respect to all of FCA’s existing and future senior unsecured indebtedness and senior in right of payment to any of FCA’s future subordinated indebtedness and existing indebtedness, which is by its terms subordinated in right of payment to the Initial Notes.

On June 17, 2015, subject to the terms and conditions set forth in our prospectus, FCA commenced an offer to exchange up to €1.4 billion (U.S.$1.5 billion) aggregate principal amount of new 4.5 percent unsecured senior debt securities due 2020 (“2020 Notes”), for any and all of our outstanding Initial 2020 Notes issued on April 14, 2015, and up to €1.4 billion (U.S.$1.5 billion) aggregate principal amount of new 5.25 percent unsecured senior debt securities due 2023 (“2023 Notes”), for any and all of the outstanding Initial 2023 Notes issued on April 14, 2015. The 2020 Notes and the 2023 Notes, collectively referred to as “the Notes”, were identical in all material respects to the Initial Notes, except that the Notes did not contain restrictions on transfer. The exchange offer expired on July 23, 2015. Substantially all of the Initial Notes were tendered for the Notes.

Intercompany financial payables at December 31, 2015 primarily related to the Euro-denominated loans entered into with Magneti Marelli S.p.A. (€162 million), Comau S.p.A. (€19 million) and FCA Italy S.p.A. (€0.2 million) following the acquisition of certain subsidiaries based in the US, which were repaid in early 2016.

17. Other non-current liabilities

At 31 December 2016, other non-current liabilities totaled €13 million:

	At December 31					
		2016		2015		Change
			(€ million)			
Other non-current liabilities	€	13	€	15	€	(2)
Total Other non-current liabilities	**€**	**13**	**€**	**15**	**€**	**(2)**

Other non-current liabilities relate to non-current post-employment benefits, being the present value of future benefits payable to a former CEO and management personnel that have left the Company.

18. Provisions for employee benefits and other current provisions

Employee benefit provisions primarily reflect the best estimate for variable components of compensation:

	At December 31					
		2016		2015		Change
			(€ million)			
Provisions for employee benefits and other current provisions	€	2	€	3	€	(1)
Total Provisions for employee benefits and other current provisions	**€**	**2**	**€**	**3**	**€**	**(1)**

19. Trade payables

At December 31, 2016, trade payables totaled €15 million, a decrease of €9 million from December 31, 2015, and consisted of the following:

	At December 31		
	2016	2015	Change
	(€ million)		
Trade payables due to third parties	€ 8	€ 13	€ (5)
Intercompany trade payables	7	11	(4)
Total trade payables	**€ 15**	**€ 24**	**€ (9)**

Trade payables are due within one year and their carrying amount at the reporting date is deemed to approximate their fair value.

20. Current debt

At December 31, 2016, current debt totaled €6,081 million, a €1,190 million decrease over December 31, 2015 and related to:

	At December 31		
	2016	2015	Change
	(€ million)		
Intercompany debt:			
- Current account with Fiat Chrysler Finance S.p.A.	€ 84	€ 3,663	€ (3,579)
- Current account with Fiat Chrysler Finance Europe S.A.	5,932	3,357	2,575
Total intercompany debt	**€ 6,016**	**€ 7,020**	**€ (1,004)**
Third party debt:			
- Mandatory Convertible Securities liability component	€ —	€ 199	€ (199)
- Advances on factored receivables	—	24	(24)
- Accrued interest payable	65	28	37
Total third party debt	**€ 65**	**€ 251**	**€ (186)**
Total current debt	**€ 6,081**	**€ 7,271**	**€ (1,190)**

Current intercompany debt of €6,016 million (€7,020 million at December 31, 2015) is denominated in Euro and the carrying amount is in line with fair value.

Current account with Fiat Chrysler Finance Europe S.A. represents the overdraft as part of the Group's centralized treasury management.

On December 16, 2014, FCA issued aggregate notional amount of U.S.$2,875 million (€2,293 million) of mandatory convertible securities. The obligation to pay coupons as required by the mandatory convertible securities met the definition of a financial liability as it was a contractual obligation to deliver cash to another entity. The fair value amount determined for the liability component at issuance of the mandatory convertible securities was U.S.$419 million (€335 million), calculated as the present value of the coupon payments due less allocated transaction costs of U.S.$9 million (€7 million) that were accounted for as a debt discount. Subsequent to issuance, the financial liability for the coupon payments was accounted for at amortized cost. In December 2015, the first coupon payment of U.S.$225 million was paid and in December 2016 the second coupon payment of U.S.$226 million was paid, extinguishing the remaining liability.

Accrued interest payable of €65 million relates to the unsecured senior debt securities referred to in Note 16, *Non-current debt.*

21. Other debt

At December 31, 2016, Other debt totaled €285 million, a net decrease of €226 million over December 31, 2015, and included the following:

	At December 31					
		2016		2015		Change
			(€ million)			
Intercompany other debt:						
- Consolidated Italian corporate tax	€	113	€	209	€	(96)
- Consolidated VAT		158		167		(9)
- Other		3		50		(47)
Total intercompany other debt	**€**	**274**	**€**	**426**	**€**	**(152)**
Other debt and taxes payable:						
- Distribution payable	€	—	€	17	€	(17)
- Taxes payable		2		2		—
- Accrued expenses		4		8		(4)
- Other payables		5		58		(53)
Total Other debt and taxes payable	**€**	**11**	**€**	**85**	**€**	**(74)**
Total Other debt	**€**	**285**	**€**	**511**	**€**	**(226)**

At December 31, 2016, intercompany debt relating to consolidated VAT of €158 million (€167 million at December 31, 2015) consisted of VAT credits of Italian subsidiaries transferred to FCA as part of the consolidated VAT regime.

Intercompany debt relating to consolidated Italian corporate tax of €113 million (€209 million at December 31, 2015) consisted of compensation payable for tax losses and Italian corporate tax credits contributed by Italian subsidiaries participating in the domestic tax consolidation program for 2016 for which the Italian branch of FCA N.V. is the consolidating entity.

Other debt and taxes payable are all due within one year and their carrying amount is deemed to approximate their fair value.

22. Guarantees granted, commitments and contingent liabilities

Guarantees granted

At December 31, 2016, guarantees issued totaled €11,823 million (€14,095 million at December 31, 2015) wholly provided on behalf of Group companies. The decrease of €2,272 million compared to 31 December 2015 related principally to the repayment of bonds from Fiat Chrysler Finance Europe S.A.

The main guarantees outstanding at 31 December 2016 were as follows:

- €8,326 million for bonds issued;
- €1,903 million for borrowings, of which €719 million in favor of the subsidiaries in Brazil mainly related to the construction of the new plant in Pernambuco and the remaining primarily to Fiat Chrysler Finance S.p.A
- €1,593 million for VAT reimbursements related to the VAT consolidation scheme in Italy.

In addition, in 2005, in relation to the advance received by FCA Partecipazioni S.p.A. on the consideration for the sale of the aviation business, FCA as the successor of Fiat S.p.A. is jointly and severally liable with the fully owned subsidiary FCA Partecipazioni S.p.A. to the purchaser, Avio Holding S.p.A., should FCA Partecipazioni S.p.A. fail to honor (following either an arbitration award or an out-of-court settlement) undertakings provided in relation to the sale and purchase agreement signed in 2003.

Other commitments, contractual rights and contingent liabilities

FCA has important commitments and rights derived from outstanding agreements in addition to contingent liabilities that are described in the notes to the Consolidated Financial Statements at December 31, 2016 to which reference should be made.

23. Audit fees

The following table reports fees paid to the independent auditor Ernst & Young, or entities in their network, for audit and other services:

	Years Ended December 31	
(€ thousand)	2016	2015
Audit of the (consolidated and company) financial statements	€ 19,180	€ 22,107
Other audit	761	791
Tax advice	241	696
Total	**€ 20,182**	**€ 23,594**

Audit fees of Ernst & Young Accountants LLP amounted €260 thousand. No other services were performed by Ernst and Young Accountants LLP.

24. Board remuneration

Detailed information on Board of Directors compensation (including their shares and share options) is included in the Remuneration of Directors section of this Annual Report.

25. Subsequent events

The Group has evaluated subsequent events through February 28, 2017, which is the date the financial statements were authorized for issuance, as described in Note 32, *Subsequent Events*, within the Consolidated Financial Statements.

February 28, 2017

The Board of Directors

John Elkann
Sergio Marchionne
Andrea Agnelli
Tiberto Brandolini d'Adda
Glenn Earle
Valerie A. Mars
Ruth J. Simmons
Ronald L. Thompson
Patience Wheatcroft
Stephen M. Wolf
Ermenegildo Zegna

Other Information

Independent Auditor's Report

The report of the Company's independent auditor, Ernst & Young Accountants LLP, the Netherlands is set forth following this Annual Report.

Dividends

Dividends will be determined in accordance with the articles 23 of the Articles of Association of Fiat Chrysler Automobiles N.V. The relevant provisions of the Articles of Association read as follows:

1. The Company shall maintain a special capital reserve to be credited against the share premium exclusively for the purpose of facilitating any issuance or cancellation of special voting shares. The special voting shares shall not carry any entitlement to the balance of the special capital reserve. The Board of Directors shall be authorized to resolve upon (i) any distribution out of the special capital reserve to pay up special voting shares or (ii) re-allocation of amounts to credit or debit the special capital reserve against or in favor of the share premium reserve.
2. The Company shall maintain a separate dividend reserve for the special voting shares. The special voting shares shall not carry any entitlement to any other reserve of the Company. Any distribution out of the special voting rights dividend reserve or the partial or full release of such reserve will require a prior proposal from the Board of Directors and a subsequent resolution of the meeting of holders of special voting shares.
3. From the profits, shown in the annual accounts, as adopted, such amounts shall be reserved as the Board of Directors may determine.
4. The profits remaining thereafter shall first be applied to allocate and add to the special voting shares dividend reserve an amount equal to one percent (1%) of the aggregate nominal value of all outstanding special voting shares. The calculation of the amount to be allocated and added to the special voting shares dividend reserve shall occur on a time-proportionate basis. If special voting shares are issued during the financial year to which the allocation and addition pertains, then the amount to be allocated and added to the special voting shares dividend reserve in respect of these newly issued special voting shares shall be calculated as from the date on which such special voting shares were issued until the last day of the financial year concerned. The special voting shares shall not carry any other entitlement to the profits.
5. Any profits remaining thereafter shall be at the disposal of the general meeting of Shareholders for distribution of profits on the common shares only, subject to the provision of paragraph 8 of this article.
6. Subject to a prior proposal of the Board of Directors, the general meeting of Shareholders may declare and pay distribution of profits and other distributions in United States Dollars. Furthermore, subject to the approval of the general meeting of Shareholders and the Board of Directors having been designated as the body competent to pass a resolution for the issuance of shares in accordance with Article 6, the Board of Directors may decide that a distribution shall be made in the form of shares or that Shareholders shall be given the option to receive a distribution either in cash or in the form of shares.
7. The Company shall only have power to make distributions to Shareholders and other persons entitled to distributable profits to the extent the Company's equity exceeds the sum of the paid in and called up part of the share capital and the reserves that must be maintained pursuant to Dutch law and the Company's Articles of Association. No distribution of profits or other distributions may be made to the Company itself for shares that the Company holds in its own share capital.
8. The distribution of profits shall be made after the adoption of the annual accounts, from which it appears that the same is permitted.

9. The Board of Directors shall have power to declare one or more interim distributions of profits, provided that the requirements of paragraph 7 hereof are duly observed as evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 of the Dutch Civil Code and provided further that the policy of the Company on additions to reserves and distributions of profits is duly observed. The provisions of paragraphs 2 and 3 hereof shall apply *mutatis mutandis*.
10. The Board of Directors may determine that distributions are made from the Company's share premium reserve or from any other reserve, provided that payments from reserves may only be made to the Shareholders that are entitled to the relevant reserve upon the dissolution of the Company.
11. Distributions of profits and other distributions shall be made payable in the manner and at such date(s) - within four weeks after declaration thereof - and notice thereof shall be given, as the general meeting of Shareholders, or in the case of interim distributions of profits, the Board of Directors shall determine.
12. Distributions of profits and other distributions, which have not been collected within five years and one day after the same have become payable, shall become the property of the Company.

Disclosures pursuant to Decree Article 10 EU-Directive on Takeovers

In accordance with the Dutch ***Besluit artikel 10 overnamerichtlijn*** (the ***Decree***), the Company makes the following disclosures:

a. For information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, please refer to Note 14 to the Company Financial Statements in this Annual Report. For information on the rights attached to the common shares, please refer to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to common shares comprise pre-emptive rights upon issue of common shares, the entitlement to attend the general meeting of Shareholders and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to reserves. For information on the rights attached to the special voting shares, please refer to the Articles of Association and the Terms and Conditions for the Special Voting Shares which can both be found on the Company's website and more in particular to the paragraph "Loyalty Voting Structure" of this Annual Report in the chapter "Corporate Governance". As at 31 December 2016, the issued share capital of the Company consisted of 1,527,965,719 common shares, representing 79 per cent. of the aggregate issued share capital and 408,941,767 special voting shares, representing 21 per cent. of the aggregate issued share capital.

b. The Company has imposed no limitations on the transfer of common shares. The Articles of Association provide in Article 13 for transfer restrictions for special voting shares.

c. For information on participations in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (***Wet op het financieel toezicht***) notification requirements apply, please refer to the chapter "Major Shareholders" of this Annual Report. There you will find a list of Shareholders who are known to the Company to have holdings of 3% or more at the stated date.

d. No special control rights or other rights accrue to shares in the capital of the Company.

e. The Company does not operate an employee share participation scheme as mentioned in article 1 sub 1(e) of the Decree.

f. No restrictions apply to voting rights attached to shares in the capital of the Company, nor are there any deadlines for exercising voting rights. The Articles of Association allow the Company to cooperate in the issuance of registered depositary receipts for common shares, but only pursuant to a resolution to that effect of the Board of Directors. The Company is not aware of any depository receipts having been issued for shares in its capital.

g. The Company is not aware of the existence of any agreements with Shareholders which may result in restrictions on the transfer of shares or limitation of voting rights.

h. The rules governing the appointment and dismissal of members of the Board of Directors are stated in the Articles of Association of the Company. All members of the Board of Directors are appointed by the general meeting of Shareholders. The term of office of all members of the Board of Directors is for a period of approximately one year after appointment, such period expiring on the day the first Annual General Meeting of Shareholders is held in the following calendar year. The general meeting of Shareholders has the power to suspend or dismiss any member of the Board of Directors at any time. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the general meeting of Shareholders which can only be passed pursuant to a prior proposal of the Board of Directors.

i. The general powers of the Board of Directors are stated in the Articles of Association of the Company. For a period of five years from October 12, 2014, the Board of Directors has been irrevocably authorized to issue shares and rights to subscribe for shares up to the maximum aggregate amount of shares as provided for in the Company's authorized share capital as set out in Article 4.1 of the Articles of Association, as amended from time to time. The Board of Directors has also been designated for the same period as the authorized body to limit or exclude the rights of pre-emption of shareholders in connection with the authority of the Board of Directors to issue common shares and grant rights to subscribe for common shares as referred to above. In the event of an issuance of special voting shares, shareholders have no right of pre-emptions. The Company has the authority to acquire fully paid-up shares in its own share capital, provided that such acquisition is made for no consideration. Further rules governing the acquisition of shares by the Company in its own share capital are set out in article 8 of the Articles of Association.

j. The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Acts (*Wet ophet financieel toezicht*), provided that some of the loan agreements guaranteed by the Company and certain bonds guaranteed by the Company contain clauses that, as it is customary for such financial transactions, may require early repayment or termination in the event of a change of control of the guarantor or the borrower. In certain cases, that requirement may only be triggered if the change of control event coincides with other conditions, such as a rating downgrade.

k. Under the terms of the Company's Equity Incentive Plan (EIP) and employment agreements entered into with certain executive officers, executives may be entitled to receive severance payments of up to two times annual cash compensation and accelerated vesting of awards under the EIP if, within 24 months of a Change of Control (as defined therein), the executive's employment is involuntarily terminated by the Company (other than for Cause -as defined therein-) or is terminated by the participant for Good Reason (as defined).