FitchRatings

Leasys S.p.A.

Ratings

Foreign Currency

Long-Term IDR	BBB+
Short-Term IDR	F1
Support Rating	2

Sovereign Risk

Long-Term Foreign-Currency IDR	BBB-
Long-Term Local-Currency IDR	BBB-
Country Ceiling	AA-

Outlooks

Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Non-Bank Financial Institutions Rating Criteria (February 2020)

Related Research

Fitch Rates Leasys 'BBB+'/Negative on Parental Support (December 2020)
Fitch Affirms FCA Bank S.p.A. at 'BBB+'; Outlook Negative (May 2020)
FCA Bank S.p.A. (July 2020)
Fitch Ratings 2021 Outlook: EMEA Developed Markets Finance and Leasing (November 2020)
The Next Phase: Megatrends and Financial Institutions' Ratings (November 2020)
Economics Dashboard: Global GDP Forecast Update (November 2020)
Coronavirus Impact Will Test EMEA NBFIs' Business Models (March 2020)

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Key Rating Drivers

Support Drives IDRs: Leasys S.p.A.'s Issuer Default Ratings (IDRs) are based on the availability of potential extraordinary support from its ultimate parent, Credit Agricole (CA; A+/Negative), as part of FCA Bank S.p.A. (BBB+/Negative) and as CA's only group-wide competence centre for long-term car rental. Leasys is wholly owned by FCA Bank, a 50/50 joint venture (JV) between CA and Fiat Chrysler Automobiles N.V. (FCA; BBB-/Stable). FCA and Peugeot SA will merge into Stellantis N.V. on 16 January 2021, but this will not affect Leasys' IDRs in the short term

IDR Aligned with FCA Bank: Fitch Ratings equalises Leasys' IDRs to FCA Bank's rating to reflect its view that any extraordinary support from CA to Leasys would be part of and would not be over and above that provided by CA to the FCA Bank group as a whole. This considers Leasys' high operational integration into FCA Bank as well as cross-default clauses, Leasys' explicit inclusion in the JV agreements and Leasys' strategic role for the group. The Negative Outlook on Leasys' IDR mirrors that on CA's and FCA Bank's IDRs.

Rating Above the Sovereign: Fitch rates Leasys two notches above the sovereign rating of Italy as the company has no direct exposure to Italian sovereign risk. However, Fitch is unlikely to widen the notching difference between Leasys' and Italy's IDRs to above two notches, in line with our approach for FCA Bank.

CA's Fleet Lessor: Leasys is the rental and mobility services provider of the FCA Bank Group and the only such entity within CA. It is Italy's leader in long-term car rental and is present in eight other European markets, with a fleet of about 290,000 vehicles at end-1H20. Leasys plans to grow domestically and internationally, supported by the long-term market trend from direct car ownership towards leasing and rental alternatives. Leasys is not prudentially regulated and sits outside FCA Bank's regulatory perimeter.

High Operational Integration: FCA Bank is highly involved in defining Leasys' overall strategy and in coordinating its access to funding. Leasys benefits from several centralised functions and seconded personnel from FCA Bank, which highlight its close relation and importance for the immediate parent. Leasys' planned diversification of its funding sources, away from parental funding, mirrors CA's and FCA Bank's strategy in the last years.

Leverage, Funding Constrain Standalone View: Fitch believes Leasys' standalone profile is constrained by its high leverage. This also means that Leasys' independent access to capital markets would not be at terms as competitive as those it achieves as part of CA. Leasys' sound profitability, moderate credit risk and medium-term growth prospects highlight its contribution to the parent's performance, underpinning our assessment of the support willingness.

Rating Sensitivities

Change in FCA Bank's IDR: Fitch would mirror changes in FCA Bank's IDR with similar changes in Leasys' IDR. This means that Fitch would revise the Outlook on Leasys' Long-Term IDR to Stable, if the Outlook on FCA Bank was revised to Stable, which would likely require an Outlook revision to Stable on CA. Likewise, Fitch would downgrade Leasys' Long-Term IDR if FCA Bank's IDR was downgraded, due inter alia to a possible downgrade of CA or the Italian sovereign.

Change in Institutional Arrangements: Fitch could reduce the notching between Leasys' and CA's IDRs if Leasys becomes so important for CA that CA would support it directly and independently from FCA Bank, although we do not consider this likely in the medium term. Fitch could notch Leasys' Long-Term IDR down from FCA Bank's IDR if the institutional arrangements (cross-default clauses, JV and funding agreements) were removed, leading to a lower expectation of support.

Ratings Navigator

Institutional Support			Value
Parent IDR			A+
Total Adjustments (notches)			-3
Institutional Support:			**BBB+**
Support Factors (negative)	**Equalised**	**1 Notch**	**2+ Notches**
Parent ability to support and subsidiary ability to use support			
Parent/group regulation		✓	
Relative size		✓	
Country risks			✓
Parent Propensity to Support			
Role in group		✓	
Potential for disposal		✓	
Implication of subsidiary default		✓	
Integration		✓	
Size of ownership stake			✓
Support track record		✓	
Subsidiary performance and prospects	✓		
Branding			✓
Legal commitments		✓	
Cross-default clauses			✓

Bar Chart Legend

Tick Colors – Influence on final VR
- Higher influence
- Moderate influence
- Lower influence

Institutional Support Assessment

Key Role for FCA Bank's Growth Underpins Support from CA

CA's support willingness towards Leasys is due to FCA Bank strategical importance for CA. The implications of a potential default by Leasys would include high reputational risk for FCA Bank and cross-default clauses on its third-party debt, but would also be detrimental due to Leasys' role as key growth driver for FCA Bank (3x growth since 2014, compared with 1.6x for the other business lines).

Leasys contributes 14% of FCA Bank's outstanding (at end-1H20), but this is growing fast (26% CAGR between 2016 and 2019). FCA Bank's growth is targeted to come from this segment, as FCA Bank transitions from asset financing to the provision of mobility services. Leasys and other subsidiaries are referred to in cross-default clauses in some of FCA Bank's funding agreements with third parties.

Developing Role as CA's Competence Centre for Long-Term Rental

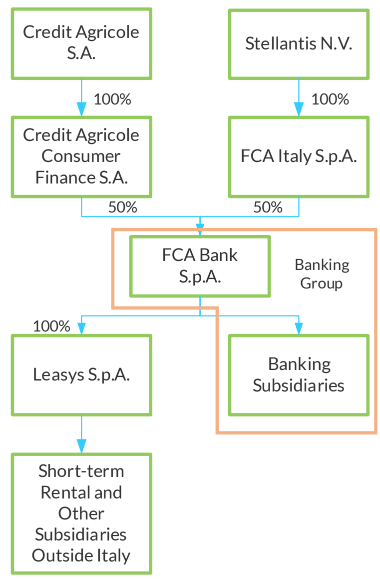
Leasys is the only competence centre for long-term car rental within the CA group. Long-term car rental is not a core product offer for CA, but is strategically important given the increasing competition across major French banks in this segment (Société Générale S.A. through ALD S.A. (BBB+/Stable), BNP Paribas through Arval Service Lease). Leasys' role in CA's product offering was illustrated in CA's 2022 strategic plan, which aims at increasing Leasys' annual new business origination in terms of new gross leases to EUR3.8 billion from 2022. Leasys already offers its products through selected CA's branches in Italy and we expect Leasys and CA to gradually replicate this model also in other countries.

Merger of Fiat Chrysler and Peugeot SA Group

The merger between FCA and Peugeot SA may entail a re-organisation of their respective captive lenders. However, Stellantis' priority seems to be to achieve industrial synergies first. We expect no changes, at least until the expiration of FCA Bank's shareholders' agreement (end-2024); the non-renewal beyond 2024 is subject to a notice provided by any shareholder by end-2021. Positively, there is no comparable long-term car lessor within the Peugeot group.

Once the transaction is completed and the strategy for the financial services of the resulting group is clarified, Fitch will assess the potential impact on the ratings of Leasys and FCA Bank.

Company Structure



Source: Fitch Ratings

Brief Company Summary

Captive, but Not Exclusive FCA's Car Lessor

Leasys is FCA's captive long-term car lessor in western Europe (FCA's brands account for about 80% of its fleet, not including Peugeot's ones). Fleet management solutions for SMEs have been offered by FCA (then FIAT) since 1995, but the current organisational structure was put in place between 2010 and 2013. Leasys' business origination still leverages on FCA's dealers and on FCA Bank, but it is increasing its autonomous outreach, including also non-FCA brands (Peugeot and other non-Stellantis brands account for about a fifth of its fleet).

In recent years, FCA Bank has reorganised its rental operations under Leasys' sub-holding. Operations outside Italy are organised as either subsidiaries and branches, reflecting legacy structures and recent M&A activities. Leasys aims at simplifying its legal structure, but this is less urgent than within FCA Bank's regulated perimeter, where the process is on-going in consideration of its immediate advantages.

Multi-Channel, Multi-Product Offer

Leasys offers different mobility solutions and related products. Leasys' core offer is traditional long-term leasing (96% of the fleet by book value) to corporates and individual clients (48% and 52% of the fleet, respectively). Different products are independently branded depending on target (i.e. retail or corporate) and on the format (e.g. immediate delivery, fleet-wide management systems). Clients are mainly corporates or self-employed professionals, but the individual retail segment is growing quickly (about 12% of the total fleet).

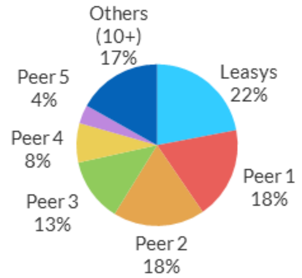
Leasys offers short-term rental at airports but it also diversifies into other short-term products like car sharing and car subscriptions. Subscription services allow clients access to various vehicles in multiple locations for a fixed monthly rent, with different car types, availability and usage type (exclusive up to 90 days or for a few hours only).

Market Leader in Italy, Growing International Profile

Leasys is the market-leading car lessor in Italy (22% share by new cars leased between 2017 and 2019), slightly ahead of its three main competitors (top four market share of 71%). This partly reflects Stellantis' franchise in Italy, but also strong growth and investments in long-term leasing in recent years (Leasys' fleet in Italy grew from 128,000 cars at end-2014 to about 200,000 at end-1H20).

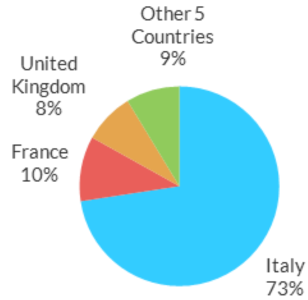
Since 2017, Leasys has been expanding outside of Italy, exploiting the pre-existing presence of FCA Bank. Leasys is now present in eleven foreign markets in western Europe, accounting for about 30% of its fleet (Spain, France, the UK, Belgium, Germany, the Netherlands, Denmark, Portugal and Poland; Austria and Greece since end-2020). Leasys plans to expand further in 2021. Leasys does not have a leading position abroad yet, but partnership with CA may help to build its franchise abroad, especially in France. We expect foreign markets to represent about half of its fleet in the medium term.

Market Share



Data: Market share by cumulative new leased cars between 2017 and 2019
Source: Fitch Ratings

Geographic Presence



Data: Country exposure by average portfolio outstanding in 1H20
Source: Fitch Ratings

Qualitative Assessment Factors

Operating Environment

Growing Adoption of Operational Leasing

European companies are increasingly adopting operational leasing (i.e. long-term rental) to finance their car fleets, as this allows the externalisation of non-core costs and risks stemming from the companies' fleet. Retail clients are also shifting to long-term rental for similar reasons and due to a diminishing need of direct car ownership in large urban areas. We expect that adoption of long-term rental by retail clients will increase after the crisis, as more clients will shift from asset ownership to mobility services with a lower initial monetary commitment. The post-pandemic decrease of large urban areas could threathen this trend, but we believe that such decrease may happen only over a much longer horizon, if at all.

Pandemic Has Limited Impact on Operational Leasing

Fitch expects that the pandemic's impact on long-term car rental will materialise mostly through lower demand, in line with lower car sales (new car registrations fell by 39.5% year-on-year in Europe in 1H20). We expect that unrealised car sales will be postponed in 2H20 or 2021 only partially, as the appetite of consumers to make big-ticket purchases may be limited in such an uncertain economic environment. New car sales should gradually recover over the next two to three years and long-term leasing should capture a higher share of these sales than before.

We expect a modest impact on credit risk as cars remain an essential good for both corporate and individual lessees, although to a lower extent for retail clients than in the 2008 crisis. This could materialise in 1H21, when key government support mechanisms end (e.g. prohibition of employee dismissal, loan payment moratoriums), affecting mainly small businesses, self-employed people and precarious workers.

Used car sales showed stable prices , despite the economic shock, which can be explained by co-movements in supply and demand, whereby lower demand is mitigated by a volume of used cars advertised for sale materially below normal levels. This signals stress in the re-sale market and increases residual value risk, as reflected in higher inventory levels and extraordinary fleet depreciation provisions. We expect this trend to continue in 2021, but used cars may become more attractive after the pandemic due to their cheaper price.

Unregulated Business

Leasys is neither prudentially regulated nor included in FCA Bank's banking perimeter, although included in the consolidated financial statements. Regulatory requirements of FCA Bank are related to the "related party" nature of Leasys (e.g. FCA Bank's risk-weighted assets include the book value of Leasys' equity) and mainly affect the extent of FCA Bank's refinancing exposure to Leasys (as the sum of equity and non-equity funding from FCA Bank to Leasys is capped to 15% of FCA Bank's capital). Leasys' requirements include mostly clients' data protection and car maintenance.

Management & Strategy

Close Integration with FCA Bank

There is close integration with and supervision from FCA Bank, in view of its key role in the group strategy. Leasys' management has a good degree of depth, experience and credibility, but strategy is mainly defined at FCA Bank's level for the whole group. CA and Stellantis are directly involved with one representative each on the four-person board of Leasys (the other two are Leasys' and FCA Bank's chief executives) and Leasys' finance and risk functions are closely supervised by FCA Bank, where CA appoints the chief financial officer and the head of credit.

Growth, Digitalisation and Electrification

Leasys plans a modest, organic growth of its long-term rental business, in line with a secular trend away from car ownership. This would then be complemented by new mobility ecosystems, such as short-term rental and car sharing. Leasys expects sound growth in the retail segment, although from a low base. Further expansion outside Italy and modest M&A activity in short-term rental will also support growth in the medium term.

Leasys aims at leveraging digitalisation and electrification to further expand its franchise. It cooperates with Amazon and it invests on various digital channels (e.g. online onboarding of new customers). Leasys is also increasingly offering electric solutions and this is envisaged to become a major portion of its fleet in the medium term, so that Leasys has installed its own network of re-charging stations.

Risk Appetite

FCA Bank and CA Lead Risk Management Framework

Leasys' risk management function is highly integrated into FCA Bank's, which is monitored at CA's level and whose risk appetite framework mirrors CA's. Leasys' policies and scorecards are decided centrally for the FCA Bank group. Leasys' risk controls focus on operational and credit risk, in line with its less complex business model. Residual-value risk is assessed quarterly against the evolution of the market for used cars, ensuring that FCA Bank can resell them on the secondary market. Low specific provisions for residual-value risk reflect a consistent track record of positive re-valuation gains upon the sale of used cars (10% gain on disposal in 2019).

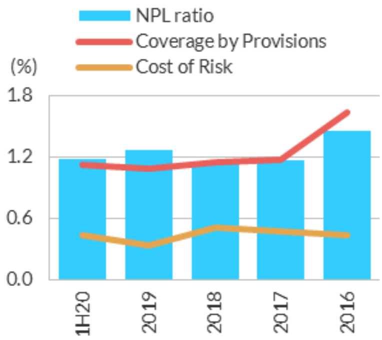
Financial Metrics

Asset Quality

Moderate Impact from Coronavirus-Induced Crisis

Impaired leases were 1.2% of the total at end-1H20 and we expect a modest increase to 2%-3%, especially once key state support measures end in 1H21. However, Leasys' portfolio is by nature backed by hard collateral, ensuring a swift repossession upon the borrower's default (cost of risk of 0.4% on average between 2016 and 2019). Coverage of problem leases by reserves is high (95% at end-1H20), which we deem adequate given the presence of marketable collateral (i.e. vehicles). The portfolio is also sufficiently granular (largest exposure was 4.3% of total fleet, and the top 10 and top 20 represented 13% and 15%, respectively, at end-1H20).

Asset Quality



Data: NPL ratio and Coverage by Provisions based on end-period outstanding, while Cost of Risk on average outstanding during period.
Source: Fitch Ratings

Adequate Management of Residual-Value Risk

Leasys uses conservative impairment policies, which consistently result in gains on disposal of used cars (EUR9.6 million in 2019). Portfolio exposed to residual value risk amounts to EUR1.8 billion, of which 85% is directly borne by Leasys and 15% by the car manufacturers. Impairments cover 1.4% of residual-value risk at end-1H20, which is appropriate in our view, as conservative impairment policies reduce the impact of fluctuations in used cars sale prices.

Earnings & Profitability

Pandemic Constrains Earnings Growth

The pandemic will limit new business origination and in turn reduce the growth of earnings-generating assets, as Leasys benefits from a slow portfolio amortisation. The company expects net profit for 2020 in line with 2019, notwithstanding Covid-19. Still, pre-tax income to average assets should remain stable, due to low impairment charges and a lean cost base. Portfolio yield, net of depreciation, remains high (5.2% in 1H20) and we do not expect material pressure on it despite a modestly increasing competition in the sector. We expect commission income to increase in the medium term (29% of gross operating income in 2019), as Leasys widens its offer of mobility services with low usage of its own balance sheet.

Capitalisation & Leverage

Capital Optimisation and Regulation Lead to High Leverage

Leasys' high leverage reflects FCA Bank's centralised capital management, which optimises its capital allocation in favour of the regulated banking group. However, Leasys' equity base is also limited by regulation from the Central Bank of Italy in terms of related parties exposures, since Leasys is outside the regulatory perimeter of FCA Bank. This means that the equity base of Leasys plus any direct non-equity funding from FCA Bank cannot exceed 15% of FCA Bank's capital. FCA Bank has refrained from excessive capital distributions, in Fitch's view, and Leasys' large EUR150 million dividend payment in October 2020 addressed primarily a possible breach of said regulation (Leasys' equity was EUR470 million at end-1H20).

Funding & Liquidity

CA Underpins Funding, but Promotes Diversification

Leasys sources about 70% of its total non-equity funding from CA (EUR2.5 billion out of total EUR3.6 billion at end-1H20), but plans to diversify away in 2021, in line with CA's group-wide strategy for its subsidiaries.

At the same time, Fitch believes funding support from CA, if needed, would be timely and adequate, since Leasys is explicitly mentioned in FCA Bank's funding agreement (part of the JV agreements) as an eligible party to draw up to 60% of the total CA's funding available for the FCA Bank group. The funding agreement states that CA's funding will be constant and available throughout the duration of the JV agreement (until end-2024 at least), priced at market terms and sized to fill the needs of the company even in the most stressful scenarios.

Environmental, Social and Governance Considerations

Credit-Relevant ESG Derivation

Leasys s.p.a. has 6 ESG potential rating drivers

- Leasys s.p.a. has exposure to regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc. but this has very low impact on the rating.
- Leasys s.p.a. has exposure to fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	6	issues	3
not a rating driver	5	issues	2
	3	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	3	Regulatory risks, emissions fines or compliance costs related to owned equipment, which could impact asset demand, profitability, etc.	Operating Environment	5
Energy Management	2	Investments in or ownership of assets with below-average energy/fuel efficiency which could impact future valuation of these assets	Risk Appetite	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Fair lending practices; pricing transparency; repossession/foreclosure/collection practices; consumer data protection; legal/regulatory fines stemming from any of the above	Operating Environment; Risk Appetite; Asset Quality	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy; Earnings & Profitability; Capitalization & Leverage; Funding, Liquidity & Coverage	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core activities	Company Profile; Earnings & Profitability	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Priniciples for Responsible Investing (PRI) and the Sustainability Accounting Standards Board(SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. ESG issues are credit neutral or have only a minimal credit impact on Leasys, either due to their nature or the way in which they are being managed. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

As support-driven issuers have strong linkages to their support providers, the ESG Credit-Relevance Score assigned to the 'supported' subsidiaries often mirror those of their corporate and FI parents. This reflects our opinion that many of the ESG elements at the parent level are credit relevant for the subsidiary.

Leasys' scores mirror thus those of FCA Bank, which in turn are mostly aligned with those of CA. Both Leasys and FCA Bank differ from CA with scores for "GHG Emissions" at '3' and "Energy Management" at '2', reflecting their focus on the automotive industry.

Income Statement

(EURm)	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15
Total revenue	903.2	762.6	662.2	644.3	582.1
Interest expenses	-20.4	-17.1	-14.6	-17.5	-20.0
Fleet depreciation	-362.1	-303.5	-272.4	-236.4	-196.8
Costs of production	-297.4	-243.9	-213.0	-217.5	-215.5
Labour and administrative costs	-28.0	-27.7	-24.1	-24.2	-22.9
Operating profit	**195.4**	**170.4**	**138.1**	**148.8**	**126.8**
Depreciation and amortisation	-13.7	-17.4	-10.1	-13.0	-21.1
Impairments for risk	-1.0	-0.4	-1.0	-6.2	-0.3
Financial income	2.2	2.8	1.2	0.7	1.3
Other costs	-108.2	-81.8	-64.4	-93.1	-88.6
Earnings before taxes	**74.8**	**73.4**	**63.8**	**37.2**	**18.0**
Taxes	6.7	11.1	-1.9	-3.6	-6.6
Net income	**81.5**	**84.5**	**62.0**	**33.5**	**11.4**

Source: Fitch Ratings, Fitch Solutions, Leasys S.p.A

Leasys publishes annually its audited standalone financial statements under Italian local GAAP, which are reported in this and in the following two pages. These consolidate about 86% of total group assets at end-2019 and represent the main operating entity (Italy plus Spain, Germany, Denmark and Belgium). Some subsidiaries outside of Italy are instead captured only through the book value of their equity.

Leasys also prepares IFRS-compliant consolidated financial data, which are used as an input in FCA Bank's audited financial statements (published on a semi-annual basis). We expect Leasys to publish IFRS-compliant consolidated audited financial statements.

Balance Sheet

(EURm)	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15
Cash and equivalents	10.4	15.3	5.0	4.4	5.6
Net fleet and tangible assets	2,688.6	2,091.7	1,586.8	1,136.0	902.7
Trade receivables from clients	307.0	371.0	365.7	362.2	291.8
Intra-group credits and receivables	337.6	325.2	238.4	12.7	74.4
Accrued receivables and prepayments	125.6	101.2	69.8	50.5	36.3
Financial assets	129.3	9.5	16.5	14.5	25.3
Intangible assets	21.3	19.6	18.8	17.1	20.2
Equity participations	99.4	86.0	69.9	0.0	0.0
Tax assets	87.8	52.0	51.1	19.9	21.9
Other receivables	9.3	7.8	13.0	10.5	11.6
Total assets	**3,816.5**	**3,079.3**	**2,435.1**	**1,628.0**	**1,389.8**
Debt	3,025.4	2,463.8	1,902.5	1,160.0	1,007.1
Intra-group payables and debts	23.6	4.0	41.2	9.0	41.3
Trade payables	335.8	277.1	201.1	246.8	173.8
Accrued payables and prepayments	91.1	72.9	52.1	38.2	36.0
Provisions	15.1	11.8	8.4	16.5	4.8
Pension liabilities	2.5	2.5	2.7	2.8	2.8
Tax liabilities	3.2	3.7	3.3	4.9	8.3
Other liabilities	46.1	48.1	39.6	30.9	25.3
Total liabilities	**3,542.7**	**2,883.8**	**2,250.8**	**1,509.0**	**1,299.4**
Equity	**273.8**	**195.5**	**184.3**	**118.9**	**90.4**

Source: Fitch Ratings, Fitch Solutions, Leasys S.p.A

Summary Analytics

	Dec 19	Dec 18	Dec 17	Dec 16
Asset quality (%)				
Non-performing loan ratio	1.3	1.1	1.2	1.5
Cost of risk	0.3	0.5	0.5	0.4
Non-performing loan coverage	86.0	100.0	100.0	112.0
Earnings and profitability (%)				
Pre-tax income/average assets	2.2	2.7	3.1	2.5
Pre-tax income/average equity	34.7	44.5	40.9	32.1
Residual value gains (losses)/pre-tax income	10.0	13.5	21.4	38.2
Operating expenses/total net revenue	48.1	46.4	45.7	52.9
Depreciation expenses/total revenue	10.7	11.4	13.3	13.5
Depreciation expenses/average lease portfolio	15.2	16.8	20.5	23.2
Cost of funds	-0.7	-0.8	-0.9	-1.6
Capitalisation and leverage				
Debt/tangible equity (x)	14.9	17.7	13.5	14.3
Debt/equity (x)	11.1	12.6	10.5	9.8
Tangible equity/tangible assets (%)	5.5	4.6	6.0	5.1
Debt/EBITDA (x)	6.5	6.0	5.4	3.8
Funding, liquidity and coverage (%)				
Unsecured debt/total debt	88.6	84.6	76.2	85.7
Short-term debt/total debt	83.7	52.7	46.0	20.9
Parental funding/total debt	60.0	57.7	47.6	42.9

Source: Fitch Ratings, Fitch Solutions, Leasys S.p.A.

Asset-quality and funding ratios are based on Leasys' consolidated management accounts.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.