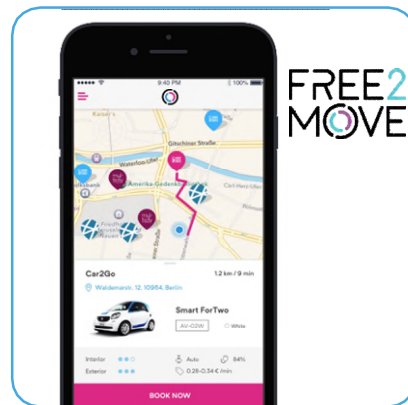


# 2020

## HALF-YEAR REPORT



*"LIFETIME MOBILITY FINANCE & SERVICES PROVIDER"*

**PSA**  
GROUPE

BANQUE PSA FINANCE



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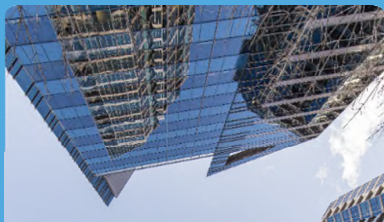
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## 1.1 BPF GOVERNANCE

### BOARD OF DIRECTORS

Chairman

Member of the Appointments Committee  
Member of the Wages and Salaries Committee

**OLIVIER BOURGES**

Director

Chief Executive Officer

**RÉMY BAYLE**

Director

**BRIGITTE COURTEHOUX**

Director

Chairman of the Appointments Committee  
Chairman of Wages and Salaries Committee  
Member of the Audit & Risk Committee

**CATHERINE PARISET**

Director

Chairman of the Audit & Risk Committee  
Member of the Appointments Committee  
Member of Wages and Salaries Committee

**LAURENT GARIN**

Director

**PEUGEOT S.A.**

Permanent Representative Member of the  
Audit & Risk Committee

**PHILIPPE de ROVIRA**

Director

**AUTOMOBILES PEUGEOT**

Permanent Representative

**JEAN-PHILIPPE IMPARATO**

### EXECUTIVE COMMITTEE

Director

Chief Executive Officer

**RÉMY BAYLE**

Executive Managing Officer

**ARNAUD de LAMOTHE**

### AUDITORS

Statutory auditors

**ERNST & YOUNG  
AUDIT  
MAZARS**

Substitute auditors

**PICARLE & ASSOCIES  
GUILLAUME POTEL**

Position as of June 30, 2020

#### BANQUE PSA FINANCE

*Société anonyme* (limited company). Share capital: €199,619,936. Registered office - 68, avenue Gabriel Péri - 92230 Gennevilliers - France R.C.S. (Trade and Companies Register Number) Nanterre 325 952 224 - Siret 325 952 224 00021 – APE business identifier code: 6419Z – Interbank code: 13168N

[www.banquepsafinance.com](http://www.banquepsafinance.com)

Telephone: +33 (1) 46 39 66 33

Registered with the Register of Insurance Intermediaries (ORIAS) under No. 07 008 501, which may be consulted at [www.orias.fr](http://www.orias.fr)

## 1.2 KEY FIGURES

**17**

COUNTRIES



**3500**

EMPLOYEES IN THE WORLD  
AT THE END OF DECEMBER 2019



**405 000**

FINANCED VEHICLES

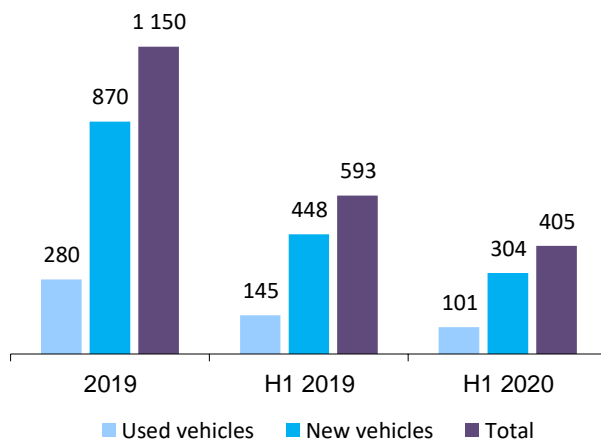


**710 000**

INSURANCE AND SERVICES CONTRACTS SOLD

### KEY FIGURES BPF (OUT OF CHINA)

End-user financed vehicles\*,  
(In thousands of vehicles)



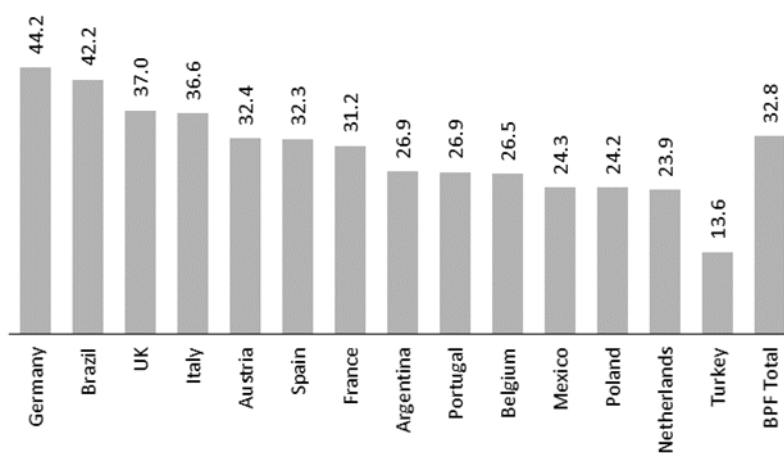
(\* ) integration of retail financing (sale on credit/operational lease and financial lease) to dealers' network; impact on volumes is +7.852 loans in H1 2019 and + 5.495 loans in H1 2020

## 1.2 KEY FIGURES

### BPF KEY FIGURES (OUT OF CHINA)

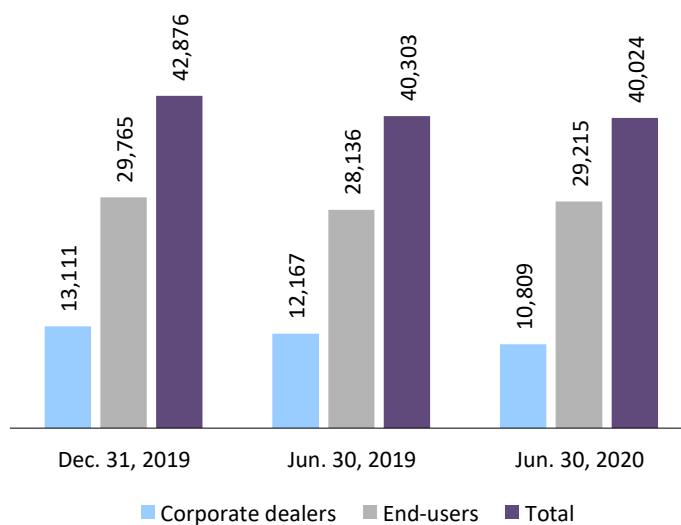
#### Penetration rates by country (in %) at June 30, 2020

(Financed new vehicles\* BPF/Registered new vehicles for PSA brands)



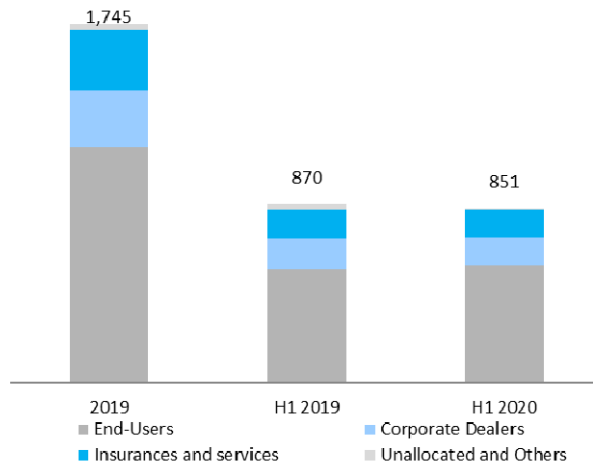
(\*) integration of retail financing (sale on credit/operational lease and financial lease) to dealers' network; impact on penetration rate is +0.5 point in H1 2019 and +0.6 points in H1 2020

#### Evolution of loans outstanding by customer segment, in IFRS 8 (in million euros)

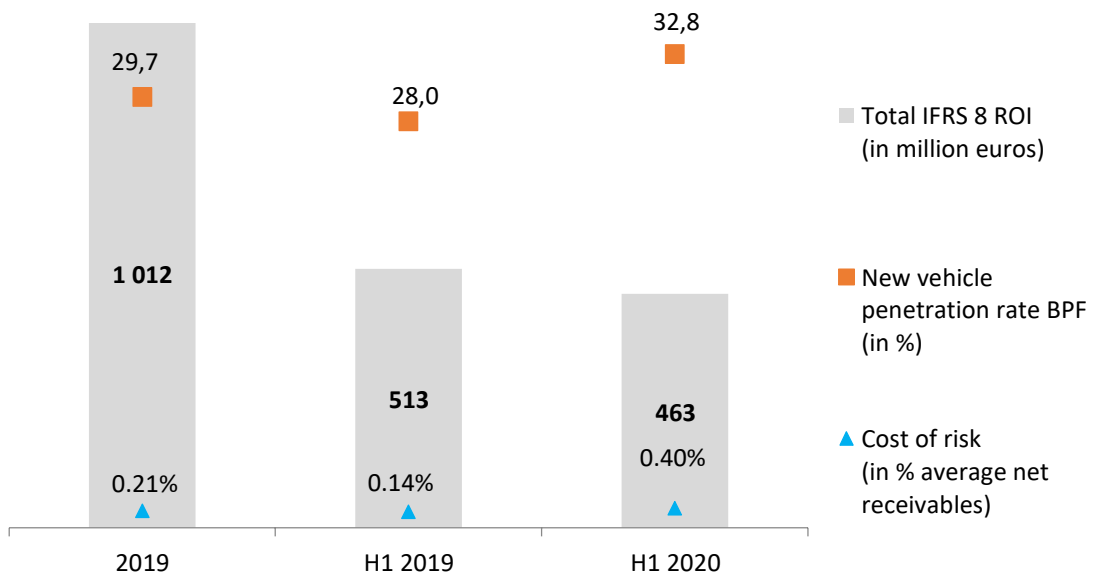


## 1.2 KEY FIGURES

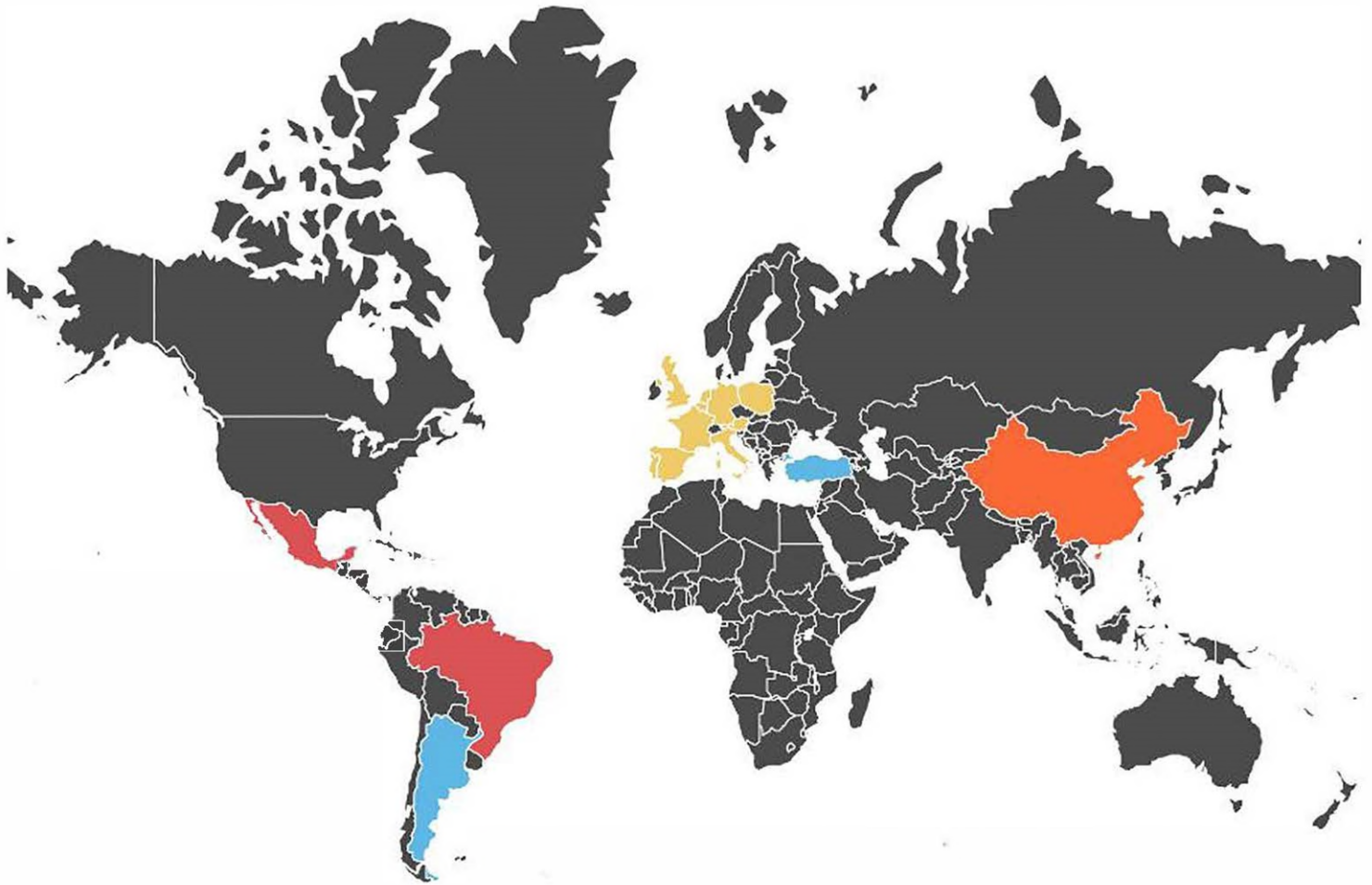
**BPF KEY FIGURES (OUT OF CHINA)**  
**Evolution of Net Banking Revenue, in IFRS 8**  
**(In millions euros)**



**Recurring Operating Incomes, New vehicles financing penetrations, Cost of risk, In IFRS 8**



## 1.3 LOCATIONS & PARTNERSHIPS\*



Cooperation with :

- Santander
- Dongfeng Peugeot Citroën Automobiles and Dongfeng Motor Group
- 8NPP PF & Santander
- Other partners for commercial agreement or outsourced management

\* Implantations seen on July 1st

### BPF: A partnership strategy



A solid partnership with Santander Consumer Finance and BNP Paribas Personal Finance.





## 1.4 BUSINESS ANALYSIS

### 1.4.1 VEHICLES SALES FOR PEUGEOT, CITROËN, DS, OPEL ET VAUXHALL

#### Worldwide sales at 1 m units in the 1<sup>st</sup> semester

- Global sales almost doubled in June versus May, in the context of the coronavirus crisis.
- Electrification of the PC and LCV range at high pace: 13 new models launched since beginning of 2019 and one innovative mobility solution with Citroën Ami.
- The Group is among the best performing OEMs and is compliant with 2020 European CO2 objectives, year to date.

#### The electrified strategy in motion

Groupe PSA is launching a 100% electric innovative mobility object, Citroën Ami - 100% electric, and has put to the market 131 new electrified models. All new models now come with either an all-electric or a plug-in hybrid powertrain and the Group is on the trajectory to be compliant with European 2020 CO2 target from Day 1.

This global strategy is in line with the Group's roadmap to offer a 100% electrified range from 2025, of which 50% will be electrified by the end of 2021.

The Group strategy remains driven by B2C and B2B customers' expectations and aims to offer a competitive line-up, with easy and state-of-the-art services for day-to-day life.

#### Europe: on the road to recovery while committed to 2020 European CO2 standards

The Group's sales recovered strongly in June (sales doubled and deliveries up 71% versus May) in a European market down by 39% in the first half of 2020, in particular in Southern Europe where the Group has a strong position, impacting negatively the market mix. The Group's performance was also affected by the transition of the Opel/Vauxhall portfolio to future-proof models with improved CO2 emissions.


The Group remains focused on CO2 performance and confirms its forecast to meet European standards by the end 2020. The electrified offensive across the brands shows first results, since the Group market share grew by 10pts on this market in the first five months of the year.

**Peugeot** is increasing its order portfolio by 42%, while maintaining its prices, its upmarket move and electrification strategy in a declining market. Peugeot is number one in sales in Spain and Portugal and improves its market share in France (+0.2 pt), Italy (+0.3 pt) and Austria (+0.2 pt). Peugeot is experiencing a lightning start of its new range of electrified passenger and commercial vehicles.

**Citroën** has launched its electrification offensive in 2020 with the mobility object Ami - 100% electric and models such as SUV C5 Aircross Hybrid, ë-Jumpy, ë-SpaceTourer and new ë-C4 - 100% electric just revealed in June.

**DS Automobiles** performance was in particular supported by new electrified models (33% of sales), and the brand is leader among the premium multi-energy brands with the lowest CO2 emissions. DS Automobiles market share increased by 0.4pt in Europe on its market.

**Opel/Vauxhall** reshaped its product portfolio to future-proof models and engines and achieved significant reductions of CO2 emissions, while experiencing an impact on sales due to the withdrawal of some high emitting CO2 models. On the other hand, the sales of the new line-up like the Grandland X and the new Corsa – both also available in electrified versions – showed a solid development despite the challenging market conditions in the first half of 2020. The same applies to LCV sales.



### **Middle East – Africa: High agility and resilience for a strong market share increase**

Despite strong headwinds due to the global pandemic and regional markets declining by 26.4%, Groupe PSA's overall sales remain ahead of 2019 and the regional market share increased by 46%.

Strong breakthroughs in market shares were achieved across the region, such as Turkey (+5.4pt), Egypt (+3.9pt), Morocco (+0.8pt) and the Group remains market leader in French overseas countries. The agility and dynamic demonstrated during the second quarter, the most impacted by Covid-19 crisis, allowed the region to accelerate even more this growth, with a 9.1% market share during the past three months.

The production capacity of Kenitra plant, in Morocco, will be doubled to reach 200,000 vehicles as of September 2020.

### **China: the Group recovers from the COVID-19 and starts its New Energy Vehicles offensive**

Although business in China has been greatly affected by the coronavirus crisis, the Group still pushes forward its NEV offensive as planned. The first Group NEV, the PEUGEOT e2008 was launched in China on May 20th, followed by the PEUGEOT 4008 PHEV, 508L PHEV and CITROEN C5 Aircross Hybrid in the second half of 2020. DS Automobiles is committed to the Chinese market with its new business model and a new strategic plan is about to be released soon. DPCA has fully resumed its production since the end of March and its sales performance follows a good trend.

### **Latin America: contracting markets**

In a region particularly hit by coronavirus crisis, with partial lockdowns still in force in many countries in July, Groupe PSA market share is above 3% for the second month in a row, with the second quarter 2020 higher than the first and higher than the second quarter 2019. It gained market shares in Chile, Mexico, Colombia, Ecuador and Peru. In Argentina, the Group maintained a double-digit market share (10%) and expects it to increase soon with the launch of the New PEUGEOT 208 to be produced in its Palomar plant, using the state of the art CMP global platform. Its LCV market share also increased in Latin America (to 3.5%), in particular in Brazil. DS Automobiles and Opel are improving their performances in the markets where they operate.

### **India & Asia Pacific: increase in Group market share**

Consolidated sales for the region followed the -27% downward market trend with a decline compared to the first semester 2019, while deliveries were down by only 14%, leading to a market share gain of +14%.

The recurring success in **Japan** continued with all three brands. In **India**, Groupe PSA continues to prepare for the introduction of the Citroën Brand in the first semester 2021 with CITROEN C5 Aircross SUV. In **ASEAN**, market share also increased slightly compared to the first semester 2019 in difficult market conditions.

### **Eurasia: market shares up**

While performance in the region was hit by the coronavirus crisis in the Q2, Group sales were up in Q1 and market shares increased by 0.2 pt in H1 (0.7% to 0.9%). The company increased its market share in all markets reaching 0.4% and 8.9% respectively in the two main countries - Russia and Ukraine.

## 1.4.2 COMMERCIAL PERFORMANCE FOR BANQUE PSA FINANCE

Unless otherwise specified, business data in this management report exclude China.

The figures for China are presented separately.


### PENETRATION RATE BY COUNTRY

Countries	New Vehicle Financing (passenger and utility vehicles) <sup>1</sup>		Penetration rate (in %)	
	H1 2020	H1 2019	H1 2020	H1 2019
France	90,836	127,622	31.2	27.1
United Kingdom	37,848	58,279	37.0	26.4
Germany	55,164	76,798	44.2	36.7
Italy	37,699	56,900	36.6	29.2
Spain	27,799	49,326	32.3	27.3
Belgium	13,755	17,856	26.5	23.1
Netherlands	8,050	10,640	23.9	19.7
Austria	4,645	6,023	32.4	25.1
Switzerland <sup>2</sup>	2,434	5,023	28.3	29.3
Poland	4,701	6,620	24.2	22.8
Portugal	5,026	9,921	26.9	26.9
<b>Europe</b>	<b>287,957</b>	<b>425,008</b>	<b>33.7</b>	<b>28.1</b>
Brazil	4,909	8,726	42.2	36.4
Argentina	3,905	5,088	26.9	20.8
Mexico	940	1,435	24.3	27.1
<b>Latin America</b>	<b>9,754</b>	<b>15,249</b>	<b>32.5</b>	<b>28.4</b>
Russia		874		25.3
Turkey	5,516	3,331	13.6	20.9
<b>Rest of the World</b>	<b>5,516</b>	<b>4,205</b>	<b>13.6</b>	<b>21.7</b>
<b>Total without China</b>	<b>303,227</b>	<b>444,462</b>	<b>32.8</b>	<b>28.0</b>
<b>China<sup>3</sup></b>	<b>9 736</b>	<b>33 440</b>	<b>46,9</b>	<b>44,5</b>

<sup>1</sup> Financing of passenger cars and light commercial vehicles

<sup>2</sup> PSA Finance Switzerland SA included in the scope until June 30, 2020

<sup>3</sup> Penetration of financing for PCD brand vehicles.



In the first half of 2020, 303,227 new vehicle financing contracts were written for the Peugeot, Citroën, DS, Opel and Vauxhall brands, down by 31.77% given the impact of Covid-19.

The development of loyalty products (balloon installment contracts, buyback contracts, long-term

leases) continued and represented 76% of new vehicle financing in the B2C segment (individuals and employees) for European countries and 37% of used vehicle financing. These products bolster renewal rates for the Group's Brands.

## A. MARKETING POLICY AND PERFORMANCE

In the first half of 2020, Banque PSA Finance (BPF) financed 32.8% of Groupe PSA's new vehicle sales. Groupe PSA comprises Peugeot, Citroën, DS Automobiles ("PCD") scope and the Opel, Vauxhall ("OV") scope. Penetration increased by 4.8 points compared with the first half of 2019.

In an environment that was hugely impacted by the health crisis, new vehicle registrations for the Peugeot, Citroën, DS, Opel and Vauxhall brands were down by 43% in European markets. In terms of markets outside of Europe (PCD only), volumes also declined by 51.4% in Brazil and by 40.6% in Argentina.

In this context, total new and used vehicle financing fell by 31.8%.

With business activity severely impacted in March, April and May, significant recovery plans were put in place and facilitated greatly improved performance in June with registrations reaching 925,203 units. The specific financing products introduced made it possible to achieve a volume of 61,300 units, thus confirming the highly attractive nature of the mechanism put in place. Specific services such as unemployment insurance or Covid insurance have been included in new packages.

In terms of both new and used vehicles, the large proportion of loyalty products led to a significant increase in the BPF average-unit-financed amount, which reached almost €16,600 in the first half of 2020 for new vehicles. For used vehicles, the average finance amount during 2020 has been €11,200.

## B. NEW VEHICLE FINANCING

In 2020, BPF financed 303,227 new vehicles distributed by Groupe PSA's dealerships.

### Europe

In Europe, the number of new vehicle financing contracts for the Peugeot, Citroën, DS, Opel and Vauxhall brands was directly impacted by the reduction in registrations related to the healthcare context. In terms of volumes, the number of contracts fell by 28.1% to stand at 287,957 for the five brands.

In terms of geographic areas, the trends were as follows:

- In France: 90,836 contracts representing a penetration of 31.2% i.e. an increase of 4.1 points. The main reason for this increase was the improved B2B performance. At the

same time, the high level of B2C performance was maintained.

- In Germany, performance improved significantly with 44.2% penetration i.e. +7.4 points compared with last year. Improved synergies between the brands, an innovative marketing action plan and sound B2B performance were the principal drivers of these good results.
- In Spain, performance improved after being impacted in 2019 by changes to the legislation on some promotional offers. Overall, penetration stood at 32.3%, i.e. 4.9 points more than last year.

- In Great Britain, in a market which is restarting later because of the staggered end to the lockdown period, penetration increased by 10.6 points to stand at 37.0%. Improved B2B performance and B2C penetration of more than 70% allowed performances to be maximized in this difficult environment.
- In Italy, performance improved significantly with a larger eligible market enabling a penetration of 36.6% (i.e. 7.4 additional points) to be achieved. Note that the proportion of loyalty products continues to grow.
- In Belgium and Luxembourg, in a highly competitive market, performances also improved with a penetration of 26.5%, i.e. +3.4 points. Significant marketing initiatives for new and used vehicles have been introduced to support the recovery in business activity.
- Poland is continuing its improvement with an increased penetration of 1.5 points. Renewed efforts with the Brands and strengthened positions in B2B were the keys to improved performance.

### Latin America (PCD only)

In Argentina the auto market was heavily impacted by the economic situation involving high inflation and very high interest rates. Against this turmoil, financing penetration improved by 6.1 points to 26.9%.

In Brazil, despite the health crisis, penetration was 42.2%, up by 5.8 points thanks in particular to a larger eligible market.

In Mexico, given the significant risk related to some market segments (small businesses, craft and tradespeople), performance declined by 2.8 points. Significant efforts were made to improve commercial initiatives while continuing with a policy that enabled risks to be managed.

### Other countries

Turkey: financing performance declined in a growing market because of a marketing policy that was less focused on services in the first half of 2020. A new marketing scheme with the brands was launched at the

beginning of July and should enable positions to be recaptured.

In this country, outstanding loans are recognized by the partner, and BPF receives a sales commission.

### In China (PCD only)

After a sharp fall related to the impact of Covid-19, the Chinese automobile market has recovered considerably since May. At the end of June, the retail market was estimated at a total of 7.3 million units, down by 2.1 million vehicles, i.e. -22%. Registrations of the Peugeot, Citroën and DS brands contracted sharply to 21,023 units at the end of June 2020 compared with 76,816 in the first half of 2019 (-73%).

The penetration rate of financing granted by DPCAFC was nonetheless able to be maintained at 44.2% compared with 44.5% in mid-2019 with 9,170 financing agreements. The first half of 2020 was marked by continuing high DPCAFC activity in terms of used vehicles and financing for other brands, with a total of 22,319 financing agreements granted compared with 6,159 in the first half of 2019. This largely enabled the lower level of activity related to manufacturer volume to be offset, at least for the retail loans portion. In total, 31,489 contracts were written compared with 39,630 at the midpoint of 2019, i.e. -21%. Against the backdrop of the Covid-19

crisis, DPCAFC has managed to keep strict control over the cost of risk and, in parallel, continually improve its risk selection mechanisms to make them suitable for its new customers.

The leasing company DPCAFLC granted 1,390 new contracts compared with 444 in the first half of 2019 which was notable for its launch in April. A new range of products for end-users was prepared and launched on July 1. Finally, DPCAFC and DPCAFLC will shortly become the preferred contact points for dealer and retail financing for the DS brand, as part of redefining the brand's strategy.

The total loans outstanding of the two entities thus reached €1.1 billion by the end of the period, compared with €1.4 billion at the end of December 2019 (i.e. -17%) due to the lower volume of DPCA, offset partly by the used vehicle business and other brands.



## C. USED VEHICLE FINANCING

Across the PCDOV scope, 101,023 used vehicle financing contracts were written in the first half of 2020, i.e. -30.3% compared to the first half of 2019. Note that the G11 scope represents 95% of production.

As with new vehicle activity, specific products have been introduced from May onwards to support the recovery in business activity. These include improving loyalty products, deferred payments, and promotional campaigns with the brands which have made strong growth possible in June with 25,429 transactions. Significant measures will be continued in the second half-

year in order to maintain the momentum seen since the resumption of business activity. It should be noted that the average financed amount for used vehicles has continued to increase. In terms of production, G5 volumes represented 87% of all contracts written and declined by 31%. Note that used vehicle loyalty products also increased and represented 37% over the first half of 2020.

The set of initiatives introduced to recover some of the volumes is based on a risk management-focused policy.

## D. FREE2MOVE LEASE

In 2020, Free2move Lease (a mutual BPF and PSA entity) accounts for 59,688 long-term leases for all Group brands with a B2B registration penetration rate of 16.70%. The entity operates in all of the European countries where the Peugeot, Citroën, DS, Opel and Vauxhall brands have a subsidiary (France, Great Britain, Germany, Spain, Italy, Belgium, the Netherlands, Portugal, Poland and Austria).

After a promising start to the year (an increase of 2 penetration points at the end of February 2020 over the same period in 2019), F2ML was affected by Covid-19.

The crisis has led to a 13.4% reduction in contract volumes over the first half of 2020 compared with first half of 2019. However, thanks to the full involvement of employees, the implementation of continuity plans together with a business relaunch plan, "Ready to Go", the contract penetration rate is continuing to increase and stood at a total of 16.70% at the end of the June, i.e. 4.9 points more than the same period last year.

These action plans will be kept in place until the end of the year.

### 1.4.3 BPF'S END-USER FINANCING AND SAVINGS BUSINESS

Depending on the market, four types of product are offered by Banque PSA Finance (BPF) for individual customers (B2C) and professional customers (B2B):

- Installment Contracts (IC)
- BuyBack Contracts (BBC)
- Long-Term Leases (LTL)
- Savings accounts.

#### A. NEW AND USED VEHICLE FINANCING

Excluding China, the total production of end-user financing amounted to 399,555 loans at the end of June 2020 (not including 5,495 financing contracts with dealers, including

184 used vehicles), down 31.7% compared with the same period in the previous year.

#### PRODUCTION OF NEW END-USER FINANCING (NEW VEHICLES « NV » + USED VEHICLES « UV »), BY PRODUCT

<i>(in number of contracts)</i>	H1 2020	H1 2019	% change
Installment contracts	219,305	349,128	- 37.2
Leasing activity and other financing	180,250	236,275	- 23.7
<b>TOTAL</b>	<b>399,555</b>	<b>585,403</b>	<b>- 31.7</b>

<i>(in million euros, excluding accrued interests)</i>	H1 2020	H1 2019	% change
Installment contracts	2,759	4,338	- 36.4
Leasing activity and other financing	3,113	3,702	- 15.9
<b>TOTAL</b>	<b>5,872</b>	<b>8,040</b>	<b>- 27.0</b>

#### PRODUCTION OF NEW END-USER FINANCING (NV + UV), SPLIT NV / UV

<i>(in number of contracts)</i>	H1 2020	H1 2019	% change
<b>End-user financing</b>	<b>399,555</b>	<b>585,403</b>	<b>- 31.7</b>
of which new vehicles	298,532	440,537	- 32.2
of which used vehicles	101,023	144,866	- 30.3

<i>(in million euros)</i>	H1 2020	H1 2019	% change
<b>End-user financing</b>	<b>5,872</b>	<b>8,040</b>	<b>- 27.0</b>
of which new vehicles	4,755	6,500	- 26.8
of which used vehicles	1,117	1,540	- 27.5

## PRODUCTION OF NEW END-USER FINANCING (NV + UV), BY COUNTRY

<i>(in number of contracts )</i>	H1 2020	H1 2019	% change
France	122,901	172,820	- 28.9
United Kingdom	60,685	99,840	- 39.2
Germany	73,893	100,546	- 26.5
Italy	42,772	62,443	- 31.5
Spain	31,895	55,589	- 42.6
Belux	15,427	20,252	- 23.8
Portugal	5,650	11,003	- 48.7
Netherlands	9,889	12,795	- 22.7
Switzerland	5,353	8,496	- 37.0
Austria	7,666	9,965	- 23.1
Poland	5,557	7,563	- 26.5
<b>Europe</b>	<b>381,688</b>	<b>561,312</b>	<b>- 32.0</b>
Brazil	6,682	12,034	- 44.5
Argentina	4,168	5,495	- 24.1
Mexico	956	1,450	- 34.1
<b>Latin America</b>	<b>11,806</b>	<b>18,979</b>	<b>- 37.8</b>
Russia		1,038	- 100.0
Turkey	6,061	4,074	+ 48.8
<b>Rest of the World</b>	<b>6,061</b>	<b>5,112</b>	<b>+ 18.6</b>
<b>Total</b>	<b>399,555</b>	<b>585,403</b>	<b>- 31.7</b>

## END-USER FINANCING ACTIVITY IN CHINA AND OUTSTANDING IN CHINA

	S1 2020	S1 2019	% change
<b>End-user loans</b> <i>(including leases)</i>			
Number of vehicles financed (new and used)	32,879	39,630	- 17.0
Amount of financing <i>(in million euros, excluding interests)</i>	306	364	- 15.9

	Jun. 30, 2020	Dec. 31, 2019	% change
<b>Outstanding loans</b> <i>(in million euros)</i>			
End-user loans <i>(including leases)</i>	1,044	1,249	- 16.4
Corporate dealers loans	98	126	- 23.0
<b>Total loans</b>	<b>1,142</b>	<b>1,375</b>	<b>- 17.0</b>



## B. RETAIL SAVING BUSINESS

Retail savings is a business for BPF in France and Germany, owned 50/50 by Banque PSA Finance and Santander Consumer Finance. The retail savings product in France and Germany consists of savings accounts and term deposits. The proportion of outstanding amounts is 87% for savings accounts and 13% for term deposit accounts. In France, the results have been very satisfactory, with deposit volume up from €2,585 million at December 31, 2019 to €2,730 million at June 30, 2020. The increase was attributable to a performant offer. In Germany, individual savings were slightly down compared with December 31, 2019, with marketing initiatives coming to an end. Outstanding loans

represented €1,487 million at June 30, 2020 (of which €126 million in term deposit accounts).

With regards to OVF, the German subsidiary of Opel Bank S.A. (France) is offering deposit accounts through an online platform to its customers. The bank is offering overnight deposits and term deposits (1, 2, 3 years). Total volume of deposits at June 30, 2020 reduced slightly to €1,501 million. Deposit funding continued to be a very stable funding source as following reductions on the offered deposit interest rates in February and the covid-19 crisis.

## SAVINGS BUSINESS

	IFRS8		
	Jun. 30, 2020	Dec. 31, 2019	% change
<b>Outstanding (customers deposits) (in million euros)</b>	<b>5 719</b>	<b>5 684</b>	+ 0,6
<i>Of which France ("Distingo", PCDF perimeter)</i>	2 730	2 585	+ 5,7
<i>Of which Germany (PCDF perimeter)</i>	1 487	1 572	- 5,4
<i>Of which Germany ("Opel Bank Deposits", OVF perimeter)</i>	1 501	1 527	- 1,6

## 1.4.4 CORPORATE DEALER LOANS

### PRODUCTION OF NEW FINANCING FOR CORPORATE DEALERS CUSTOMERS (OUT OF CHINA)

	H1 2020	H1 2019	% change
<b>Number of vehicles</b>	<b>826,731</b>	<b>1,354,875</b>	<b>- 39.0</b>
<b>Amount (in million euros)</b>	<b>21,006</b>	<b>31,274</b>	<b>- 32.8</b>
of which vehicles	19,808	29,853	- 33.6
of which spare parts and other financing	1,198	1,422	- 15.7

### PRODUCTION OF NEW FINANCING FOR CORPORATE DEALERS CUSTOMERS IN CHINA

<b>Corporate dealer loans</b>	S1 2020	S1 2019	% change
Number of vehicles financed	15,948	38,711	- 58.8
Amount of financing (in million euros, including spare parts)	225	475	- 52.6

BPF is a strategic partner of Groupe PSA's five Brands' dealer networks. While ensuring risk control independently, BPF offers financing solutions covering the bulk of dealers' needs (new vehicles, demonstrators' cars, used vehicles and spare parts), short-term cash financing, and even medium and long-term investments allowing business to be sustained long-term.

In China, thanks to the increased penetration of dealer financing which increased from 65.4% to 71.4%, DPCAFC was able to slightly offset the reduction in dealer

In 2020, excluding China, 826,731 vehicles were financed within the Groupe PSA dealership network. This represents a Covid-19-related reduction of 39% compared with 2019 which led to the temporary closure of sales outlets for two to three months in almost all of the countries in which BPF operates. The amount of new financing offered declined by 33%, which was directly related to the impact of Covid-19 on-board.

invoicing by DPCA. As a result, 15,948 vehicles were financed compared with 38,711 in the same period of the previous year (-59%).

## 1.4.5 INSURANCE AND SERVICES

### PRODUCTION OF NEW INSURANCE AND SERVICE CONTRACTS


<i>(in number of contracts)</i>	<b>H1 2020</b>	<b>H1 2019</b>	<b>% change</b>
Financial services	282,699	416,788	- 32,2
Car insurance	102,563	136,073	- 24,6
Vehicle-related services	324,704	458,218	- 29,1
<b>Total</b>	<b>709,966</b>	<b>1,011,079</b>	<b>- 29,8</b>

### PENETRATION RATE ON FINANCING

<i>(In %)</i>	<b>H1 2020</b>	<b>H1 2019</b>	<b>% change</b>
Financial services	69.8	70.3	- 0.5
Car insurance	25.3	22.9	+ 2.4
Vehicle-related services	80.2	77.2	+ 2.8
<b>Total</b>	<b>175.3</b>	<b>170.4</b>	<b>+ 4.8</b>

Very early on, PSA anticipated the need to build high value-added mobility products for the end-user, insurance and services guaranteeing extensive protection and mobility. In this perspective, the Insurance Business Unit

was created, with the mission of piloting insurance matters, monitoring commercial performance and managing insurance companies or brokers owned by PSA in Europe, Turkey, China, Argentina, Mexico and Brazil.



BPF and the Peugeot, Citroën, DS, Opel and Vauxhall Brands offer the retail customer an entire line of insurance and services —personal, automotive and financial—that may or may not be marketed along with the loan (repayment insurance/credit protection, gap insurance, bodywork insurance, car insurance, extended warranty and maintenance agreements, travel insurance, etc.).

Total penetration is nearly 2 contracts per each customer financed for PCDF and also a slight increase vs. last year for OVF with an average of more than 1 contract per customer financed. These increases have not consumed its growth potential, which remains significant for both PCDF and OVF, and has led the Brands, BPF and the Insurance Business Unit to launch 26 New or Product Modifications for PCDF in 2019 and 33 Product Assimilation for OVF in 2019. Within the first half of 2020, 17 New or Product Modifications for PCDF were initiated with 14 being launched. Within OVF, 16 New or Product Modifications were initiated and launched.

Lastly, as a major component of an automotive or mobility line, Car Insurance continues to be the service with

great growth potential. In S1 2020, more than 11% of the registered cars from the Group PSA brands were sold with Car Insurance, and the product is offered in every market where BPF operates. The coming of autonomous vehicles, electric vehicles, car-sharing presents changes that should have a very significant impact on this product. The experience garnered from several years of putting this product into the Brands gives PSA and BPF a definitive advantage in keeping up with changes in this product.

After eight straight years of setting sales records, the insurance and services strategy has proven itself to be effective and well thought out. The insurance business has been developed in all markets where BPF operates and thus incrementally makes a significant contribution to the production of Groupe PSA. In 2019, the BPF insurance margin was up +23.5% compared to 2018. Within the first half of 2020, the BPF insurance margin is €138 million, down by -4.8% compared to the first half of 2019.

## 1.5 ANALYSIS OF FINANCIAL RESULTS

As regards **financial data** (balance sheet, P&L, loans), the management report shows information in two forms:

- **Consolidated** information corresponding to the consolidated financial statements for Banque PSA Finance (BPF) and its fully consolidated subsidiaries, and the companies in the scope of the cooperation between BPF and Santander, the companies in the scope of the cooperation between BPF and BNP Paribas Personal Finance (BNPP PF) and the Chinese companies, Dongfeng Peugeot Citroën Auto Finance Co and Dongfeng Peugeot Citroën Financial Leasing Co., are recognized using the equity method. From July 1, 2019, in line with the assessment of the control of the other partnerships, the Argentinian entity, PSA Finance Argentina

Compania Financiera SA, which is owned in partnership with Banco Bilbao Vizcaya Argentina, is recognized using the equity method.

- **IFRS 8 format segment** information covering BPF with its fully consolidated companies and the full consolidation of the activities of the partnership with Banco Bilbao Vizcaya, those of the partnership with Santander and those of the partnership with BNPP PF. Financial results from China are still recognized using the equity method. Information in IFRS 8 format corresponds to a management outlook.

Note 22.2 of the consolidated financial statements shows the transition between consolidated data and IFRS 8 data.

### STATEMENT OF INCOME

(in million euros)

	Consolidated <sup>1</sup>			IFRS 8 <sup>1</sup>		
	S1 2020	S1 2019	% change	S1 2020	S1 2019	% change
Net banking revenue without OVF PPA <sup>2</sup>	8	28	- 71.4	826	825	+ 0.1
Net banking revenue including OVF PPA <sup>2</sup>	8	28	- 71.4	851	870	- 2.2
General operating expenses and equivalent <sup>3</sup>	-9	-16	- 43.8	-305	-331	- 7.9
Cost of risk	0	1	- 100.0	-83	-26	+ 219.2
<b>Recurring Operating income</b>	<b>-1</b>	<b>13</b>	<b>- 107.7</b>	<b>463</b>	<b>513</b>	<b>- 9.7</b>
Share in net income of associates and joint ventures accounted for using the equity method <sup>4</sup>	168	193	- 13.0	6	10	- 40.0
Other Non operating income	-7			-13	-7	+ 85.7
<b>Pre-tax net income</b>	<b>160</b>	<b>206</b>	<b>- 22.3</b>	<b>456</b>	<b>516</b>	<b>- 11.6</b>
Income taxes	-1	-7	- 85.7	-134	-134	0
<b>Net income</b>	<b>159</b>	<b>199</b>	<b>- 20.1</b>	<b>322</b>	<b>382</b>	<b>- 15.7</b>

<sup>1</sup> - The items on the income statement transitioning from IFRS 8 to Consolidated format can be found in note 22.2 of the consolidated financial statements.

<sup>2</sup> - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had a positive impact on the Net Banking Revenue of €25 million at the end of June 2020, vs €45 million at the end of June 2019, in IFRS 8 format. This effect is mainly allocated to End-user activities.

<sup>3</sup> - Including depreciation, amortization and impairment of intangible and tangible assets, and gains and losses on disposals of fixed assets.

<sup>4</sup> - Joint ventures with the Santander Group with BNPP PF and since July 2019 the argentinian entity PSA Argentina Compania Financiera S.A with Banco Viscaya Argentina accounted for using the equity method in Consolidated format accounts. China, as part of the partnership with Dongfeng Peugeot Citroën Automobiles and Dongfeng Motor Group, has been accounted for using the equity method since 2006, in consolidated and in IFRS 8 format accounts. the branch Dongfeng Peugeot Citroën Financial leasing Co, Ltd settled November 2018 is part of the consolidated perimeter since 2019

## 1.5.1 NET BANKING REVENUE

### NET BANKING REVENUE (« NBR ») BY PORTFOLIO

(in million euros)

	Consolidated			IFRS 8		
	S1 2020	S1 2019	% change	S1 2020	S1 2019	% change
End-users	0	3	- 100,0	571	553	+ 3.3
Corporate dealers	1	1	+ 0,0	134	147	- 8.8
Insurances and Services (including net refinancing costs)	3	19	- 84,2	138	145	- 4.8
Unallocated and other <sup>1</sup>	4	5	- 20,0	8	25	- 68.0
<b>Total NBR including OVF PPA<sup>2</sup></b>	<b>8</b>	<b>28</b>	<b>- 71.4</b>	<b>851</b>	<b>870</b>	<b>- 2.2</b>
<b>Total NBR without OVF PPA<sup>2</sup></b>	<b>8</b>	<b>28</b>	<b>- 71.4</b>	<b>826</b>	<b>825</b>	<b>+ 0.1</b>

<sup>1</sup> - Represents primarily refinancing cost adjustment reflecting the fact that interest expenses are allocated to customer segments based on average financing levels, and on the assumption that loans are financed fully with debt.

<sup>2</sup> - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had a positive impact on the Net Banking Revenue of €25 million at the end of June 2020, vs €45 million at the end of June 2019, in IFRS 8 format. This effect is mainly allocated to End-user activities.

Consolidated net banking revenue was €8 million at June 30, 2020, with a hyperinflation accounting impact in Argentina of -€0.6 million on the NBR compared with -€4 million in the first half of 2019.

Net banking revenue per IFRS 8 fell by 2.2% to €851 million at June 30, 2020, compared with €870 million at June 30, 2019. Net banking revenue is derived

primarily from net interest income on customer loans and leases, income from insurance and other services offered to the brands' customers. In the first half of 2020, the NBR per IFRS 8 also included a €25 million reversal of the Purchase Price Allocation from the Opel Vauxhall Finance acquisition and was mainly allocated to the "End-User" business. Net of this effect, the NBR of operating activities was stable at €826 million

## 1.5.2 GENERAL OPERATING EXPENSES AND EQUIVALENT

At end-June 2020, general operating expenses and equivalents amounted to €9 million in consolidated format.

Per IFRS 8, general operating expenses decreased to €305 million at the end of June 2020 compared with

€331 million at end-June 2019. The level of operating expenses was tailored to the situation and to the reduced business activity. Some expenses were canceled (such as business travel costs, marketing costs, etc.) and others deferred (such as IT projects, etc.).



### 1.5.3 COST OF RISK

The cost of risk in consolidated format was €320 thousand at June 30, 2020.

Per IFRS 8, the cost of risk was -€83 million, or -0.40% of average net outstanding loans, as compared to -€26 million and -0.14% of net outstanding loans in the first half of 2019.

The cost of risk for the end-user business per IFRS 8 (individuals and businesses) was -€84 million or -0.56% of average net outstanding loans.

The cost of risk, which remains healthy overall despite Covid-19, includes an additional provision of €16 million to the provisions arising from the IFRS 9 models used, in order to take account of the exceptional situation

created by the Covid-19 crisis. In addition, the cost of risk includes two positive items in the amount of €3 million namely, the income from a disposal of receivables in Great Britain and a change to the accounting standard for treating defaults in Brazil.

The cost of risk for the Corporate Dealer business per IFRS 8 was reflected in income of €1 million or 0.02% of average net outstanding loans. The cost of risk includes an additional provision of €6 million to the provisions arising from the IFRS 9 models used, in order to take account of the exceptional situation created by the Covid-19 crisis.

### 1.5.4 RECURRING OPERATING INCOME

Consolidated recurring operating income came to -€1 million, down by €14 million compared with 2019 because of a change to the scope of consolidation.

Recurring operating income per IFRS 8 came to €463 million, down 9.7% compared to €513 million in 2019. This change is basically the result of an adjustment to the cost of risk. Net banking revenue at €826 million was resilient despite the crisis period (compared with

€825 million at end-June 2019). Operating expenses were tailored to the situation and the reduction in business activity, decreasing from -€331 million to -€305 million at the end of June 2020. OVF operating earnings were €81 million, including a positive €25 million effect linked to the reversal of the PPA (purchase price allocation). Net of this effect, the end of June 2020 OVF operating income was €56 million.

### 1.5.5 CONSOLIDATED NET INCOME

Net income in consolidated format amounted to €159 million, down by 20.1%.

## 1.6 FINANCIAL POSITION

### 1.6.1 BALANCE SHEET

Assets at June 30, 2020 totaled €46,295 million in IFRS 8 format, down 5.4%, primarily because of the 6.7%

reduction in customer loans and receivables (down -€2.8 billion).

(in million euros)

	Consolidated <sup>1</sup>			IFRS 8 <sup>1</sup>		
	Jun. 30, 2020	Dec. 31, 2019	% change	Jun. 30, 2020	Dec. 31, 2019	% change
<b>Assets</b>						
Financial assets at fair value through profit or loss	312	328	- 4.9	335	348	- 3.7
Loans and advances to credit institutions, at amortized costs	387	366	+ 5.7	3,066	2,876	+ 6.6
Customer loans and receivables, at amortized costs	34	85	- 60.0	40,024	42,876	- 6.7
Deferred tax assets	3	3	+ 0.0	102	108	- 5.6
Investments in associates and joint ventures accounted for using the equity method <sup>(2)</sup>	2,592	2,604	- 0.5	132	127	+ 3.9
Other assets	261	226	+ 15.5	2,636	2,615	+ 0.8
<b>Total assets</b>	<b>3,589</b>	<b>3,612</b>	<b>- 0.6</b>	<b>46,295</b>	<b>48,950</b>	<b>- 5.4</b>
<b>Equity and liabilities</b>						
Deposits from credit institutions	19	40	- 52.5	21,433	22,438	- 4.5
Due to customers	1	1	+ 0.0	6,248	6,089	+ 2.6
Debt securities	226	226	+ 0.0	10,367	12,010	- 13.7
Deferred tax liabilities	2	4	- 50.0	445	396	+ 12.4
Other liabilities	140	152	- 7.9	2,140	2,351	- 9.0
Equity	3,201	3,189	+ 0.4	5,662	5,666	- 0.1
<b>Total equity and liabilities</b>	<b>3,589</b>	<b>3,612</b>	<b>- 0.6</b>	<b>46,295</b>	<b>48,950</b>	<b>- 5.4</b>

<sup>1</sup> The items on the balance sheet transitioning from IFRS 8 to Consolidated accounts can be found in note 22.1 of the consolidated financial statements.

<sup>2</sup> Joint ventures with the Santander Group (with the sale of the Swiss subsidiary to Santander Consumers EFC on June 30, 2020), with BNPP PF and, since July 2019, the Argentinian entity PSA Argentina Compania Financiera S.A owned in partnership with Banco Bibao Viscaya Argentina accounted for using the equity method in consolidated format accounts. China, as part of the partnership with Dongfeng Peugeot Citroën Automobiles and Dongfeng Motor Group, has been accounted for using the equity method since 2006, in consolidated and in IFRS 8 format accounts. The subsidiary Dongfeng Peugeot Citroën Financial Leasing Co., Ltd. (25% owned) was created in November 2018 and is consolidated from 2019.



## 1.6.2 OUTSTANDING LOANS

### OUTSTANDING LOANS BY CUSTOMER SEGMENT

(in million euros)

	Consolidated			IFRS 8		
	Jun. 30, 2020	Dec. 31, 2019	% change	Jun. 30, 2020	Dec. 31, 2019	% change
Corporate dealers	32	75	- 57.3	10,809	13,111	- 17.6
End-users	2	10	- 77.8	29,215	29,765	- 1.8
<b>Total Customer Loans and Receivables</b>	<b>34</b>	<b>85</b>	<b>- 59.7</b>	<b>40,024</b>	<b>42,876</b>	<b>- 6.7</b>

### OUTSTANDING LOANS BY REGION

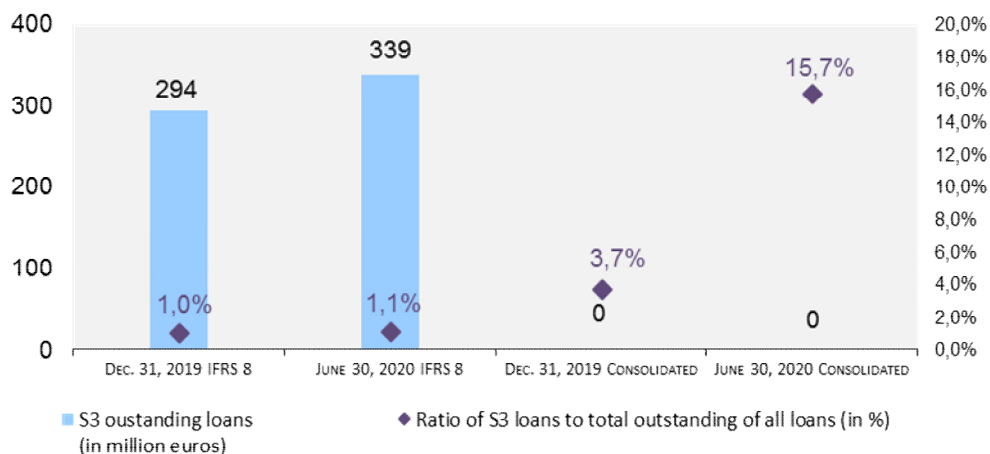
(in million euros)

	Consolidated			IFRS 8		
	Jun. 30, 2020	Dec. 31, 2019	% change	Jun. 30, 2020	Dec. 31, 2019	% change
G5 countries <sup>1</sup>	0		- 31.2	36,376	38,142	- 4.6
Rest of Europe	2	3	- 39.4	3,319	4,230	- 21.5
Latin America	19	32	- 40.1	316	453	- 30.4
Rest of the world	13	50	- 73.5	13	50	- 73.5
<b>Total</b>	<b>34</b>	<b>85</b>	<b>- 59.7</b>	<b>40,024</b>	<b>42,876</b>	<b>- 6.7</b>

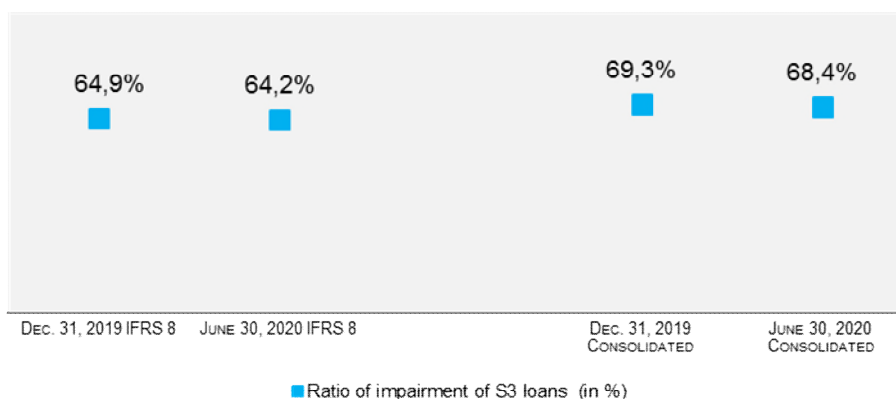
<sup>1</sup> G5 countries: France, United-Kingdom, Germany, Italy, Spain.

### 1.6.3 IMPAIRMENT OF OUTSTANDING LOANS

#### NON PERFORMING ("S3") END-USER LOANS PCDF & OVF PERIMETER IFRS 8 & CONSOLIDATED FORMATS



#### "STAGE 3" ("S3") END-USER LOANS PCDF & OVF PERIMETER IFRS 8 & CONSOLIDATED FORMATS



The ratio of non-performing loans compared to total outstanding loans was stable at 1.1%. This confirms the quality of the Bank's loan portfolio. Extensions to payments granted to end-users on account of the Covid-19 crisis did not concern stage 3 customers.

The ratio of impairment of non-performing loans to total non-performing loans per IFRS 9 was 64.2% across the IFRS 8 scope, and was slightly lower than in 2019 (64.9%).

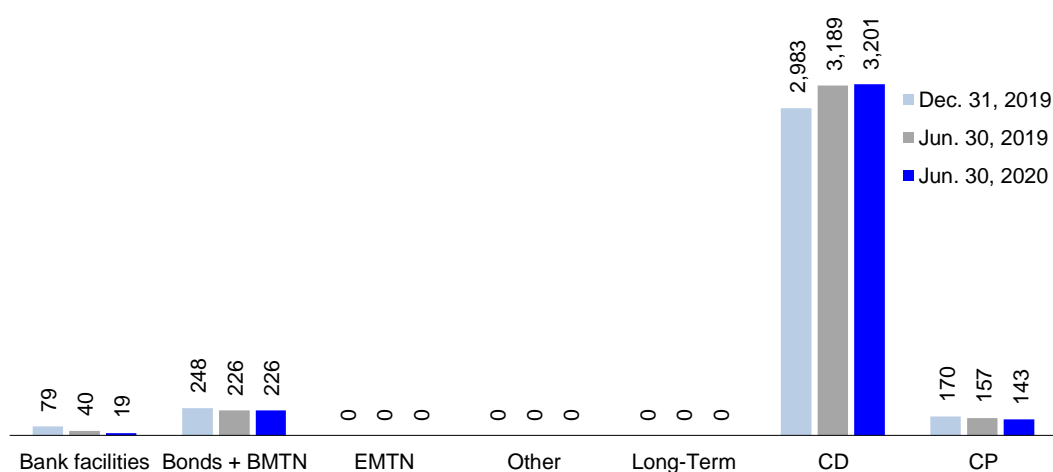
## 1.6.4 REFINANCING

### SOURCES AND TYPES OF FINANCING (IN MILLIONS EUROS)

(in million euros)	Jun. 30, 2020	Jun. 30, 2019	Dec. 31, 2019
<b>Bank facilities</b>	<b>19</b>	<b>40</b>	<b>79</b>
Bonds + BMTN	0	0	22
EMTN	223	223	220
Other	3	3	6
<i>Long-Term</i>	226	226	248
CD	0	0	0
CP	0	0	0
Other	0	0	0
<i>Short-Term</i>	0	0	0
<b>Capital markets</b>	<b>226</b>	<b>226</b>	<b>248</b>
<b>Securitized assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deposits</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other financing</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total external refinancing</b>	<b>245</b>	<b>266</b>	<b>327</b>
Stockholder's equity + subordinated debt	3,201	3,189	2,983
Other liabilities	143	157	170
<b>Total assets</b>	<b>3,589</b>	<b>3,612</b>	<b>3,480</b>

### SOURCES OF FINANCING (IN MILLIONS EUROS)

(EXCLUDING UNDRAWN AND CONFIRMED BANK CREDIT LINES)



For activities in partnership with Santander Consumer Finance and BNPP PF in Europe, with Santander in Brazil, with BBVA in Argentina, the partner is in charge of refinancing.

For the financing of activities not in the scope of these partnerships, BPF relies on a capital structure and

an equity ratio that is in compliance with regulatory requirements. Refinancing is done with the greatest possible diversification in the sources of liquidity, ensuring that the maturities of the sources of financing are matched with those of its outstanding loans.



## 1.6.5 SECURITY OF LIQUIDITY

BPF seeks to maintain an appropriate balance between safeguarding its liquidity position, which is its first priority, and optimization of financing costs.

At June 30, 2020, the liquidity reserve (available invested cash) represented €504 million (see Note 17.2 to the consolidated financial statements) including €80 million of high-quality liquid assets, before weighting for the calculation of the liquidity coverage ratio (LCR). BPF's LCR was 909% at June 30, 2020.

Moreover, at June 30, 2020, BPF had undrawn committed credit facilities totaling €140 million (see Note 20.2 to the consolidated financial statements).

The bank facilities are not affected by any covenants or restrictions outside of standard market practices, however they do have the following three notable elements that could result in their cancellation:

- Groupe PSA's loss of direct or indirect ownership of the majority of BPF shares;
- BPF's loss of its status as a bank;
- the failure to have maintained a minimum 11% ratio of Common Equity Tier One equity.

## 1.6.6 CREDIT RATINGS

From the beginning of 2016, given the gradual establishment of joint ventures with Santander Consumer Finance and the increased financing of businesses, BPF

decided to stop seeking ratings from credit rating agencies.

## 1.7 EQUITY, RISKS, PILAR 3

### 1.7.1 CAPITAL AND CAPITAL REQUIREMENTS

In the context of the implementation of the Basel III regulation, BPF confirms it has a strong financial position. At March 31, 2020, the Basel III solvency ratio in respect of

pillar I amounted to 17.7%, compared with 24.6% at December 31, 2019. Basel III regulatory capital amounted to €147 million and capital requirements stood at €66 million

#### CAPITAL REQUIREMENTS AND RISK WEIGHTED ASSETS

<i>(in million euros)</i>	March 31, 2020		December 31, 2019	
	Weighted assets	Capital requirements	Weighted assets	Capital requirements
<b>Credit risk</b>	<b>578</b>	<b>46</b>	<b>677</b>	<b>54</b>
<b>Standard approach</b>	<b>578</b>	<b>46</b>	<b>677</b>	<b>54</b>
Sovereign	6	0	2	0
Credit institutions	67	5	66	5
Companies	313	25	368	29
Retail customers	1	0	7	1
Other assets	190	15	235	19
<b>Operational risk (standard method)</b>	<b>36</b>	<b>3</b>	<b>36</b>	<b>3</b>
<b>Market risk</b>	<b>216</b>	<b>17</b>	<b>231</b>	<b>18</b>
<b>Total</b>	<b>829</b>	<b>66</b>	<b>944</b>	<b>76</b>
<b>Total regulatory capital</b>		<b>147</b>		<b>232</b>
<b>Solvency ratio</b>		<b>17.7%</b>		<b>24.6%</b>

### 1.7.2 RISK FACTORS AND RISK MANAGEMENT

Risk management and, in particular, of credit risk is subject to improved surveillance in the context of Covid-19.

The principal risk factors to which BPF could be exposed include:

- business risk;
- credit risk on the retail and corporate portfolios;
- financial risks (comprising liquidity risk, interest-rate risk, counterparty risk, and currency risk) and market risk;
- operational risks including "cyber-risk," non-compliance risk, legal and model risk;

- concentration risk;
- reputational risk;
- strategic risks;
- specific risks related to the insurance business and services.

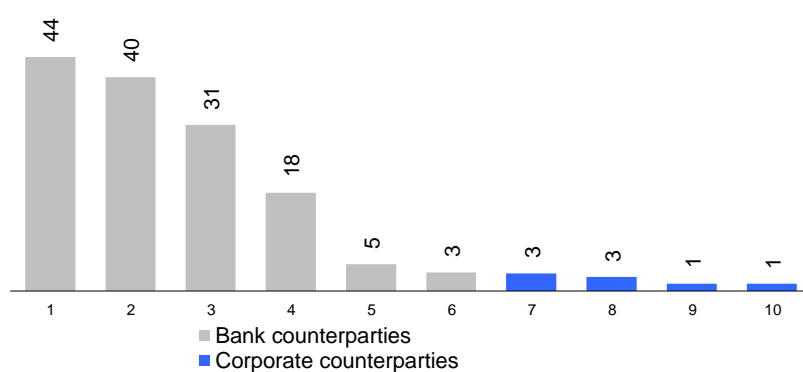
Details of these risk factors and risk management systems are set out in the BPF 2019 Annual Report (section 1.12.3).

Risk management is defined in the context of governance which notably includes identifying risk,

setting the acceptable level of risk and managing these risks as formalized in the BPF Risk Appetite Dashboard, the approval of the measurement methods or models and implementing stress tests and/or periodic risk mitigation measures.

Risk monitoring within the Santander and BNPP PF JVs is carried out by joint Global Risk Committees, and deployed in each JV or local entity by local Risk Committees.

### TOP TEN WEIGHTED EXPOSURES TO CREDIT RISK (IN MILLION EUROS, EXCLUDING FINANCING EXTENDED TO GROUPE PSA ENTITIES)





## 1.8 INTERNAL CONTROL

In line with the order dated November 3, 2014 on internal control levels of credit institutions, BPF's internal control system is organized around the periodic control

function, the permanent control functions and a first tier control performed by the operating units.

### 1.8.1 PERMANENT CONTROLS

#### 1.8.1.1 FIRST-TIER CONTROLS, THE LYNCHPIN OF THE INTERNAL CONTROL SYSTEM

These controls exist within the operating units. The controls are performed by all employees in the normal course of their work, in application of procedures that include various controls to carry out, or they are

performed by agents performing supervisory tasks within the operating units. First-tier controls are themselves monitored by the special-purpose units responsible for permanent controls (second-tier controls).

#### 1.8.1.2 PERMANENT CONTROL

The fundamental principles underpinning the organization and implementation of internal control are set out in an internal control charter. The Bank's internal control charter sets the organization, resources, scope, missions and processes of the Bank's control system.

The special-purpose permanent controls that cover the finance companies, the insurance entities and the central organization, including that of the services provided by Groupe PSA on behalf of BPF are structured around the three following areas:

- compliance control;
- financial and accounting control;
- operational and IT activities control.

The Compliance unit is responsible for preventing, controlling and overseeing compliance risks. It ensures compliance with obligations regarding data protection, the prevention of money laundering and the conformity of new or significantly modified products, and manages the anti-corruption system. It has the appropriate systems and training. It also provides regulatory intelligence and ensures regulatory compliance.

The duties of the two departments tasked with monitoring financial and accounting risks on the one hand, and operating and IT risks on the other, include:

- recurring assessments of the effectiveness of controls over operational risks provided by first-tier controls implemented for the Bank's corporate functions and subsidiaries, as well as for outsourced services;
- the implementation of specific second-tier controls throughout all structures of the Bank and the application of a certification mechanism for first-tier controls whereby operation officers certify the execution and outcome of key controls carried out on major risks, and are then challenged by the operational risk control department;
- issuance of written recommendations and follow-up of their implementation.

These two departments, along with the Compliance function, employ a risk map that inventories all operational and compliance risks to which the Bank is exposed and monitor the robustness of the BPF control system, by monitoring the risks identified, the losses associated with these risks (the identification and monitoring of which are the responsibility of the Risk function), the first-tier controls and the results of the second-tier controls.



## On the scope of the Santander partnership

The fundamentals described above (three control levels, risk mapping approach, implementation of certificates, issuing recommendations, etc.) also apply to the partnership scope.

The compliance control system also includes joint procedures: "Code of Conduct", "Whistleblowing Policy", "Monitoring Inspections and other communications with SCF-PSA JVs' supervisory authorities" (which defines how the JVs should manage their exchanges with regulators and supervisors);

The system implemented in the framework of the partnership is monitored by the monthly Partnership Compliance Committee (which does not replace BPF's own Compliance Committee).

Given that these risk control functions are related to financial and accounting activities on the one hand, and operating and IT activities on the other, a document entitled

"Internal control and operational risk functions reference model" has been drawn up and approved by the Global Risk Committee (GRC) of the partnership. This document notably defines:

- governance (which is overseen, on the one hand, centrally by the Global Risk Committee, which exercises a supervisory role for the system as a whole, and, on the other, at the local level by the regional Risk Committees of each JV);
- the target organization;
- the responsibilities of the Internal Control and Operational Risk functions at central level (BPF and SCF) and local level (JV). The JV's operational activities are controlled by their tier-two control bodies, within the methodological framework defined and monitored by BPF's permanent control function.

## On the scope of the BNPP PF partnership

The internal control of OVF entities is based, in the same manner as described above with regard to BPF, on three lines of defense, including:

- a second line of defense consisting of special controllers working locally in the OVF entities, whose work is overseen by the central control staff of BNP PF and BPF;
- a third line of defense provided by the BNP PF audit team, if need be in cooperation with the BNPP Audit Department and whose findings are shared with BPF.

This system is supervised by the following special bodies created as part of the partnership:

- an Audit Committee;
- a Risk and Collection Committee, which is primarily in charge of managing operational and political risks and the associated controls and corrective measures;
- a Compliance committee.

## 1.8.2 PERIODIC CONTROLS

Periodic or third-tier controls consist of periodically checking transaction compliance, risk levels, compliance with procedures and the effectiveness of recurring controls.

They are performed by the internal auditors, based on an Internal Audit plan that provides for all of our units

and processes (including those that are outsourced) to be audited at least once every three years.

Pursuant to the order dated November 3, 2014 on internal control of credit institutions, the Audit and Risk Committee meets at least four times a year.





### 1.8.3 OVERSIGHT BY EXECUTIVE MANAGEMENT AND THE BOARD

The internal control system is overseen by executive management and the Board, supported by various committees.

The Board of Directors ensures that our main risks are properly managed and obtains assurance about the system's reliability, through the Audit Committee. The Audit and Risk Committee reviews the lessons to be learned from risk monitoring activities and from periodic and permanent controls. The Audit and Risk Committee meets at least four times a year.

Our Audit and Risk Committee sets our priorities based on risks identified. Its duties include the planning, supervision and review of internal audits and the review of the audit plan of the statutory auditors. It is also responsible for the remediation of any weaknesses identified during audits.

The Audit and Risk Committee also ensures our compliance with regulatory requirements and our planning

and implementation of measures to comply with these requirements. Finally, the Audit and Risk Committee reviews our consolidated financial statements and the individual financial statements of our subsidiaries and the accounting methods used.

It may consult with, if necessary, BPF's Chairman, Managing Directors (Directeurs Généraux) and statutory auditors and with any person necessary for its work. Regular meetings between the Chairman of the Audit & Risk Committee and the representatives for periodic and recurring controls and risk management are organized, without the presence of the BPF's executive committee.

Executive management is responsible for defining and implementing the internal control system. It monitors proper functioning and ensures adequacy of missions and means. It oversees the system's efficiency and effectiveness, and ensures that adequate resources are assigned to internal control.

## 1.9 EVENTS AFTER THE REPORTING PERIOD

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The main events of the first half of 2020 are described in Note 1 to the consolidated financial statements hereunder. Subsequent events are described in Note 23 to the consolidated financial statements hereunder.

We and our subsidiaries respect the laws and regulations in force in the countries in which we operate. Most of our legal proceedings consist of disputes relating to non-payments by end-user customers, and to a lesser extent by dealers in the course of our day-to-day business.

We factor the impact and consequences of legal proceedings for and against BPF into our provisions policy, and in consultation with our independent auditors continuously adjust our terms of service to avoid any negative effects on our financial position.

As part of an investigation conducted in May 2017 in respect of different captive finance companies, located

in Italy, including the company Banca PSA Italia S.p.A. and Opel Finance S.p.A., targeting any possible exchanges of sensitive information between those captive finance companies, notably through professional associations, the Italian competition authority expanded this inquiry in October 2017 to BPF as the parent company of Banca PSA Italia S.p.A.

The Italian antitrust authority handed down its decision in January 2019 sanctioning all the captives, along with their parent companies, and the professional associations for a cumulative amount in excess of €678 million. BPF, Banca PSA Italia S.p.A. and Opel Finance S.p.A. were fined respectively about €38.5 million, €6 million and €10 million have appealed. (It should be noted that Opel Finance S.p.A. was sanctioned jointly and severally with General Motors, which was its parent company when the proceedings began.) The decision is expected during the second half of 2020. These matters are taken into consideration in the BPF group's financial statements



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## 2.1 Consolidated Balance Sheet

<i>(in million euros)</i>	Notes	June 30, 2020	Dec. 31, 2019
<b>Assets</b>			
Cash, central banks	3	121	50
Financial assets at fair value through profit or loss	4	312	328
Hedging instruments	5	1	1
Financial assets at fair value through Equity		-	-
Debt securities at amortized cost		-	-
Loans and advances to credit institutions, at amortized cost	6	387	366
Customer loans and receivables, at amortized cost	7, 20	34	85
Fair value adjustments to finance receivables portfolios hedged against interest rate risks		-	-
Current tax assets	21.1	12	12
Deferred tax assets	21.1	3	3
Accruals and other assets	8	56	94
Investments in associates and joint ventures accounted for using the equity method	9	2 592	2 604
Property and equipment		3	3
Intangible assets		68	66
Goodwill		-	-
<b>Total assets</b>		<b>3 589</b>	<b>3 612</b>

<i>(in million euros)</i>	Notes	June 30, 2020	Dec. 31, 2019
<b>Equity and liabilities</b>			
Central banks		-	-
Financial liabilities at fair value through profit or loss		-	-
Hedging instruments		1	1
Deposits from credit institutions	10	19	40
Due to customers	11	1	1
Debt securities	12	226	226
Fair value adjustments to debt portfolios hedged against interest rate risks		5	5
Current tax liabilities	21.1	9	9
Deferred tax liabilities	21.1	2	4
Accruals and other liabilities	13	49	54
Liabilities related to insurance contracts	14.1	68	68
Provisions		8	15
Subordinated debt		-	-
<b>Equity</b>		<b>3 201</b>	<b>3 189</b>
- Equity attributable to equity holders of the parent		3 200	3 188
- Share capital and other reserves		1 160	1 160
- Consolidated reserves		2 240	2 203
- Of which Net income - equity holders of the parent		159	398
- Gains and losses recognized directly in Equity		(200)	(175)
- Of which Net income - equity holders of the parent (share of items recycled in profit or loss)		-	-
- Minority interests		1	1
<b>Total equity and liabilities</b>		<b>3 589</b>	<b>3 612</b>

## 2.2 Consolidated Statement of Income

<i>(in million euros)</i>	<i>Notes</i>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>Dec. 31, 2019</b>
<b>Net interest revenue on customer transactions</b>		<b>7</b>	<b>25</b>	<b>28</b>
- Interest and other revenue on assets at amortized cost	18	3	20	26
- Fair value adjustments to finance receivables hedged against interest rate risks		-	-	-
- Interest on hedging instruments		-	-	-
- Fair value adjustments to hedging instruments		-	-	-
- Interest expense on customer transactions		-	(1)	(1)
- Other revenue and expense		4	6	3
<b>Net gains or losses on financial assets at fair value through profit or loss</b>		<b>-</b>	<b>-</b>	<b>-</b>
- Interest and dividends on marketable securities		-	-	-
- Fair value adjustments to assets valued using the fair value option		-	-	-
- Gains and losses on sales of marketable securities		-	-	-
- Investment acquisition costs		-	-	-
- Dividends and net income on Equities		-	-	-
<b>Net gains or losses on financial assets at fair value through Equity</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net gains or losses on securities valued at amortized cost</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net refinancing cost</b>		<b>(1)</b>	<b>(11)</b>	<b>(14)</b>
- Interest and other revenue from loans and advances to credit institutions		1	-	1
- Interest on deposits from credit institutions		(1)	(6)	(8)
- Interest on debt securities		(5)	(11)	(16)
- Interest on passbook savings accounts		-	-	-
- Expenses related to financing commitments received		-	-	(1)
- Fair value adjustments to financing liabilities hedged against interest rate risks		(1)	(3)	(1)
- Interest on hedging instruments		5	7	12
- Fair value adjustments to hedging instruments		-	2	(1)
- Fair value adjustments to financing liabilities valued using the fair value option		-	-	-
- Debt issuing costs		-	-	-
<b>Net gains and losses on trading transactions</b>		<b>-</b>	<b>-</b>	<b>-</b>
- Interest rate instruments		-	-	-
- Currency instruments		-	-	-
<b>Net gains and losses related to hyperinflation</b>		<b>(1)</b>	<b>(5)</b>	<b>(6)</b>
<b>Margin on sales of Insurance services</b>	14.2	<b>3</b>	<b>19</b>	<b>41</b>
- Earned premiums		8	14	30
- Paid claims and change in liabilities related to insurance contracts		(5)	5	11
<b>Margin on sales of services</b>		<b>-</b>	<b>-</b>	<b>1</b>
- Revenues		-	-	1
- Expenses		-	-	-
<b>Net banking revenue</b>		<b>8</b>	<b>28</b>	<b>50</b>
<b>General operating expenses</b>	19	<b>(3)</b>	<b>(10)</b>	<b>(14)</b>
- Personnel costs		(2)	(4)	(7)
- Other general operating expenses		(1)	(6)	(7)
<b>Depreciation and amortization of intangible and tangible assets</b>		<b>(6)</b>	<b>(6)</b>	<b>(13)</b>
<b>Gains and losses on investments in companies and other disposals of fixed</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Gross operating income</b>		<b>(1)</b>	<b>12</b>	<b>23</b>
Cost of risk	20	-	1	1
<b>Operating income</b>		<b>(1)</b>	<b>13</b>	<b>24</b>
Share in net income of associates and joint ventures accounted for using the equity method	9	168	193	372
Impairment on goodwill		-	-	-
Pension obligation - expense		-	-	-
Pension obligation - income		-	-	-
Other non-operating items		(7)	-	2
<b>Pre-tax income</b>		<b>160</b>	<b>206</b>	<b>398</b>
Income taxes	21.2	(1)	(7)	(1)
<b>Net income for the year</b>		<b>159</b>	<b>199</b>	<b>397</b>
- of which attributable to equity holders of the parent		159	200	398
- of which minority interests		-	(1)	(1)
<b>Net income - Earnings per share (in €)</b>		<b>12,8</b>	<b>16,0</b>	<b>31,9</b>

## 2.3 Net Income and Gains and Losses Recognized Directly in Equity

	June 30, 2020			June 30, 2019			Dec. 31, 2019		
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
<i>(in million euros)</i>									
<b>Net income</b>	160	(1)	159	206	(7)	199	398	(1)	397
- of which minority interests			-			(1)			(1)
<b>Recyclable in profit and loss items</b>									
Fair value adjustments to hedging instruments	-	-	-	-	-	-	-	-	-
- of which revaluation reversed in net income	-	-	-	-	-	-	-	-	-
- of which revaluation directly by equity	-	-	-	-	-	-	-	-	-
Exchange difference	(21)	-	(21)	4	-	4	14	-	14
OCI of joint ventures	-	-	-	(1)	-	(1)	(1)	-	(1)
<b>Total recyclable in profit and loss items</b>	(21)	-	(21)	3	-	3	13	-	13
- of which minority interests			-			(1)			(2)
<b>Not recyclable in profit and loss items</b>									
Actuarial gains and losses on pension obligations	-	-	-	-	-	-	-	-	-
OCI of joint ventures	(7)	2	(5)	(6)	2	(4)	(1)	1	-
<b>Total gains and losses recognized directly in Equity</b>	(28)	2	(26)	(3)	2	(1)	12	1	13
- of which minority interests			-			(1)			(2)
<b>Total net income and gains and losses recognized directly in Equity</b>	132	1	133	203	(5)	198	410	-	410
- of which attributable to equity holders of the parent			133			200			413
- of which minority interests			-			(2)			(3)

## 2.4 Consolidated Statement of Changes in Equity Attributable to Equity Holders of the Parent and Minority Interests

	Share capital and other reserves (1)			Fair value adjustments - equity holders of the parent					Equity attributable to equity holders of the parent	Minority interests	Total equity
	Share capital	Issue, share and merger premiums and liquidation surplus	Legal reserve and other reserves	Consolidated reserves	Fair value adjustments to hedging instruments	Actuarial gains and losses on pension obligations	Exchange difference	OCI of joint ventures			
<i>(in million euros)</i>											
<b>At December 31, 2018</b>	<b>199</b>	<b>643</b>	<b>318</b>	<b>1 898</b>	<b>(1)</b>	<b>-</b>	<b>(142)</b>	<b>(48)</b>	<b>2 867</b>	<b>11</b>	<b>2 878</b>
Distribution of dividends by:											
- Banque PSA Finance				(97)					(97)		(97)
- Other companies				-					-	-	-
Net Income				200	-	-	-	-	200	(1)	199
Gains and Losses Recognized Directly in Equity				-	-	-	5	(5)	-	(1)	(1)
Hyperinflation effects				2	-	-	-	-	2	2	4
Other				-	-	-	-	-	-	-	-
<b>At June 30, 2019</b>	<b>199</b>	<b>643</b>	<b>318</b>	<b>2 003</b>	<b>(1)</b>	<b>-</b>	<b>(137)</b>	<b>(53)</b>	<b>2 972</b>	<b>11</b>	<b>2 983</b>
Distribution of dividends by:											
- Banque PSA Finance				-					-	-	-
- Other companies				-					-	-	-
Net Income (2)				147	-	-	51	-	198	-	198
Gains and Losses Recognized Directly in Equity				-	-	-	1	13	14	-	14
Hyperinflation effects (2)				3	-	-	-	-	3	-	3
Other				50	-	-	-	(49)	1	(10)	(9)
<b>At December 31, 2019</b>	<b>199</b>	<b>643</b>	<b>318</b>	<b>2 203</b>	<b>(1)</b>	<b>-</b>	<b>(85)</b>	<b>(89)</b>	<b>3 188</b>	<b>1</b>	<b>3 189</b>
Distribution of dividends by:											
- Banque PSA Finance				(112)					(112)		(112)
- Other companies				-					-	-	-
Net Income (2)				159	-	-	-	-	159	-	159
Gains and Losses Recognized Directly in Equity				(12)	-	-	6	(31)	(37)	-	(37)
Hyperinflation effects (2)				2	-	-	-	-	2	-	2
Other				-	-	-	-	-	-	-	-
<b>At June 30, 2020</b>	<b>199</b>	<b>643</b>	<b>318</b>	<b>2 240</b>	<b>(1)</b>	<b>-</b>	<b>(79)</b>	<b>(120)</b>	<b>3 200</b>	<b>1</b>	<b>3 201</b>

Share capital amounts to €199 million, made up of 12,476,246 common shares, all fully paid.

(1) Including share capital, premiums and reserves of the parent company.

(2) The implementation of IAS 29 led to a negative impact of €-2 millions in Net Income fully covered by a positive change in Equity (Equity attributable to equity holders of the parent: €2 millions).

In accordance with the Amendment to IAS 1 - Presentation of Financial Statements - Capital Disclosures, the necessary information is given in the paragraph "Capital Requirements" of the Management Report.

## 2.5 Consolidated Statement of Cash Flows

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
<b>Pre-tax income</b>	<b>160</b>	<b>206</b>	<b>398</b>
Net depreciation of tangible and intangible assets	6	6	17
Net provisions and impairment	(7)	(49)	(60)
Share in net income of equity-accounted companies	(168)	(193)	(372)
Net loss/(net gain) on investing activities	-	-	(3)
(Income)/Charges of financing activities	-	-	-
Other movements	3	1	7
<b>Total of non-monetary items included in pre-tax income and other adjustments</b>	<b>(166)</b>	<b>(235)</b>	<b>(411)</b>
Change in credit institutions items	(56)	(37)	(92)
Change in customer items	40	4	32
Change in financial assets and liabilities	15	4	14
Change in non-financial assets and liabilities	23	6	(14)
Dividends received from equity-accounted entities	159	193	211
Tax paid	(2)	(3)	9
<b>Net increase/(decrease) of assets and liabilities provided by operating activities</b>	<b>179</b>	<b>167</b>	<b>160</b>
<b>Net cash provided by operating activities (A)</b>	<b>173</b>	<b>138</b>	<b>147</b>
<b>Change in equity investments</b>	<b>-</b>	<b>1</b>	<b>(43)</b>
- Outflows for the acquisitions of shares in subsidiaries, net of cash transferred	-	-	(47)
- Inflows from disposals of shares in subsidiaries, net of cash transferred	-	1	4
- Outflows for the acquisitions of shares in equity-accounted companies	-	-	-
- Inflows from disposals of shares in equity-accounted companies	-	-	-
- Other change in equity investments	-	-	-
<b>Change in property and equipment and intangible assets</b>	<b>(9)</b>	<b>(8)</b>	<b>(25)</b>
- Outflows for the acquisitions of property and equipment and intangible assets	(9)	(8)	(25)
- Inflows from disposals of property and equipment and intangible assets	-	-	-
<b>Effect of changes in scope of consolidation</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Net cash provided by investing activities (B)</b>	<b>(9)</b>	<b>(7)</b>	<b>(63)</b>
<b>Cash flows from or to shareholders</b>	<b>(112)</b>	<b>(97)</b>	<b>(97)</b>
- Outflows for the dividends paid to:			
- PSA Group	(112)	(97)	(97)
- Minority shareholders	-	-	-
- Inflows from issuance of equity instruments	-	-	-
<b>Other net cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash provided by financing activities (C)</b>	<b>(112)</b>	<b>(97)</b>	<b>(97)</b>
<b>Effect of changes in exchange rates (D)</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Net increase/(decrease) of cash and cash equivalents (A+B+C+D)</b>	<b>53</b>	<b>35</b>	<b>(13)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>449</b>	<b>462</b>	<b>462</b>
Cash, central banks (assets and liabilities)	50	56	56
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	399	406	406
<b>Cash and cash equivalents at the end of the period</b>	<b>502</b>	<b>497</b>	<b>449</b>
Cash, central banks (assets and liabilities)	121	57	50
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	381	440	399



## 2.6 Notes to the Consolidated Financial Statements

### Notes

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## Note 1 Main Events of the period and Group Structure

10 plc has been accounted by the equity method since March 2020.

### A. Main Events of the period

The emergence and expansion of the coronavirus from the beginning of 2020 affect economic and commercial activities worldwide. This situation doesn't impact the continuity of operations of Banque PSA Finance and has no significant impact on the financial statements for the first half of 2020.

Holiday payment have been put in place for customers in entities as a result of the covid-19 crisis. The contracts concerned have not been derecognized. These changes do not generate substantial changes in cash flows (IFRS 9 paragraph 5.4.3). These postponements are carried out within the framework set by the EBA to neutralize the downgrading into forbearance of these so-called "Covid-19" postponement operations.

The most tangible impact identified at this stage affects the cost of risk (see note 9.2.1 and note 9.2.2). At June 30, 2020 additional provisions have been prudently recorded in addition to the existing model of IFRS 9 for an amount of €22 million for entities in partnership with Santander CF in Europe, and €4 million for entities partnership with BNP Paribas PF in Europe in order to take the deterioration of the macroeconomic environment. Given the consolidation under equity method for joint ventures, the impact of the complementary provision booked as share in net income of associates and joint ventures amounts to €13 million.

#### Binding combination agreement between Peugeot SA and Fiat Chrysler Automobiles N.V.

On December 18, 2019, Peugeot S.A. ("Groupe PSA" – as Banque PSA Finance parent company), and Fiat Chrysler Automobiles N.V. ("FCA") signed a binding Combination Agreement providing for a 50/50 merger of their businesses to create the 4th largest global automotive OEM by volume and 3rd largest by revenue (the "Merger"). The new group's Dutch-domiciled parent company will be listed on Euronext (Paris), the Borsa Italiana (Milan) and the New York Stock Exchange.

Preparation of the PSA – FCA Merger is progressing as expected and completion of the proposed combination continues to be expected to take place in the first quarter of 2021, subject to customary closing conditions, including approval by both companies' shareholders at their respective Extraordinary General Meetings and the compliance with regulatory requirements of which antitrust ones.

The proposed PSA –FCA Merger has no significant impact on the Banque PSA Finance consolidated financial statements at 30 June 2020.

### B. Changes in Group Structure

#### Partnership with Santander CF

In June 2020, the Swiss Subsidiary PSA Finance Suisse S.A. has been sold to Santander Consumer E.F.C.

#### Partnership with BNP Paribas PF

In March 2020, the joint venture Vauxhall Finance plc sold €564 million worth of automobile loans to the E-carat 11 plc. The fund issued €408 million worth of A bonds, €39 million worth of B bonds, €28 million worth of C bonds, €23 million worth of D bonds, €18 million worth of E bonds, €10 million worth of F bonds, €10 million worth of G bonds and €28 million worth of H bonds. The joint venture is entitled to the bulk of the operating income generated by the receivables after payment of interest on the bonds. As a consequence, the associated fund E-carat

## Note 2 Accounting Policies

The interim consolidated financial statements for the six months ended June 30, 2020 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows presenting a selection of explanatory notes. The condensed interim consolidated financial statements should be read and understood together with the 2019 consolidated financial statements.

The accounting principles applied to prepare the interim consolidated financial statements for the six months ended June 30, 2020, are identical to those used to prepare the 2019 consolidated financial statements, with the exception of the application of new compulsory standards and interpretations, see section: “New compulsory standards and interpretations applicable on January 1, 2020”.

In accordance with European Council Regulation 1606/2002/EC dated July 19, 2002 on the application of International Accounting Standards from January 1, 2005, Banque PSA Finance’s consolidated financial statements for the year ended December 31, 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable and adopted by the European Union as of that date.

The presentation of Banque PSA Finance’s interim consolidated financial statements for the six months ended June 30, 2020 is prepared according to the recommendation N°2017-02 of June 2, 2017 related to the presentation of the consolidated financial statements of banking institutions on January 1, 2018.

International Financial Reporting Standards (IFRSs) also include International Accounting Standards (IASs) and related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

### New IFRSs and IFRIC Interpretations applicable compulsorily in the fiscal year commencing on January 1, 2020

**There are no new mandatory texts on January 1, 2020, applied by Banque PSA Finance group.**

However, on April 24, 2020, in the exceptional economic context linked to the pandemic, the International Accounting Standards Board (IASB) urgently published an exposure draft entitled “Covid-19-Related Rent Concessions (Proposed amendment to IFRS 16)”, which proposes to amend IFRS 16 in such a way that lessees can benefit from the exemption from assessing whether a reduction in rent corresponds to a modification of the rental contract. The comment period ended on May 8, 2020.

The amendment is expected to be effective for annual reporting periods beginning on or after June 1, 2020, subject to its adoption by the European Union.

#### - Amendment to IFRS 16 - Covid-19-Related Rent Concessions

The changes in Covid-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to:

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;

- require lessees that apply the exemption to disclose that fact; and
- require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

The amendment does not affect lessors and has no impact on the Banque PSA Finance Group.

**Other texts do not present any significant impact for Banque PSA Finance Group.**

### New IFRSs and IFRIC Interpretations non applicable compulsorily in the European Union in the fiscal year commencing on January 1, 2020

Potential impact of texts or projects published by IASB and IFRIC with compulsory application in the European Union from the period after January 1st, 2020, or not yet adopted by the European Union is currently being analyzed; such is especially the case for:

#### IFRS 17 - Insurance Contracts

After about twenty years of work, on 18 May 2017 the IASB published IFRS 17 – Insurance Contracts. IFRS 17 will replace the interim standard IFRS 4, for financial periods commencing on or after 1 January 2021, if adopted by the European Union. To support implementation of the new standard, the IASB has decided to form a Transition Resource Group (TRG). The IASB has launched a call for nominations for the group.

Under the IFRS 17 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. This approach requests complex models provided with numerous hypothesis and could need important changes of the existing models, tools and procedures.

The analysis of impacts of IFRS 17 for Banque PSA Finance is currently in process.

**Other projects and standards do not have significant impacts on Banque PSA Finance Group.**

## Note 3 Cash, Central Banks

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Cash	-	-
Central banks (1)	121	50
- of which compulsory reserves deposited with the Banque de France	-	-
<b>Total</b>	<b>121</b>	<b>50</b>

(1) The reserves deposited with the central banks are included in Banque PSA Finance Group's liquidity reserve (see Note 17.2).

## Note 4 Financial Assets at Fair Value Through Profit or Loss

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Marketable securities booked at fair value through profit or loss</b>	<b>309</b>	<b>325</b>
- Marketable securities	309	325
- Mutual funds	297	302
- Mutual funds qualified as cash equivalents (1)	235	235
- Units held by insurance companies	62	67
- of which accrued interest	(1)	(1)
- Certificates of deposit and Treasury bills	-	-
- Bonds issued by the securitization funds in the Santander joint venture	12	23
- of which held by insurance companies	12	23
- Fair value adjustments	-	-
<b>Foreign exchange hedging instruments</b>	<b>-</b>	<b>-</b>
<b>Accrued interest on trading derivatives</b>	<b>-</b>	<b>-</b>
<b>Fair value of trading derivatives</b>	<b>-</b>	<b>-</b>
<b>Equity securities booked at fair value through profit or loss</b>	<b>3</b>	<b>3</b>
- Equity Securities, gross value	30	30
- PSA UK Number 1 P.L.C. (2)	2	2
- PSA Financial d.o.o. (3)	3	3
- PSA Finance Hungaria Zrt (4)	25	25
- Equity Securities Impairment (3)(4)	(27)	(27)
<b>Total</b>	<b>312</b>	<b>328</b>

Fair value is determined by applying valuation techniques based on observable market data (level 2), except for mutual fund units which are valued at the latest published net asset value (level 1).

The fair value of investments assets is considered as being equal to the most recent transaction price, corresponding to the purchase of the shares. An impairment is recognized in the rare cases when long-term losses are anticipated.

(1) The mutual funds qualified as cash equivalents are included in Banque PSA Finance Group's liquidity reserve (see Note 17.2).

(2) The PSA UK Number 1 P.L.C. 50%-owned subsidiary in United Kingdom, without any operational activity, had been removed from the scope of consolidation at January 1, 2009.

(3) The PSA Financial d.o.o. 100%-owned non-operating subsidiary in Croatia was removed from the scope of consolidation at March 1, 2016. The shares in this subsidiary have been fully impaired.

(4) The PSA Finance Hungaria Zrt 100%-owned non-operating subsidiary in Hungaria was removed from the scope of consolidation at February 1, 2017. The shares in this subsidiary have been fully impaired.

## Note 5 Hedging Instruments - Assets

### 5.1 Analysis by Nature

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Adjustment accounts - commitments in foreign currencies (1)</b>	45	45
- of which related companies	-	-
<b>Accrued income on swaps designated as hedges</b>	3	3
- of which related companies	-	-
<b>Positive fair value of instruments designated as hedges of:</b>	6	6
- Borrowings	-	-
- EMTNs/BMTNs	6	6
- of which due to hedging cross currency swaps' basis spread	(1)	(1)
- Bonds	-	-
- Customer loans (Installment contracts, Buyback contracts and Long-term leases)	-	-
- Variable rate EMTN (Cash Flow Hedge)	-	-
<b>Offsetting positive fair value and received margin calls</b>	(53)	(53)
<b>Total</b>	1	1

Fair value is determined by applying valuation techniques based on observable market data (level 2).

(1) Adjustment accounts are used to record fair value adjustments to currency swaps designated as hedges of foreign currency customer loans refinanced in euros and foreign currency financing liabilities. These fair value adjustments are offset by adjustments arising from the remeasurement of the underlying foreign currency customer loans and financing liabilities at period-end exchange rates (see "A. Operational Positions in Foreign Currencies" in Note 15).

### 5.2 Offsetting swaps with margin call designated as hedges - Assets

#### For 2020

<i>(in million euros)</i>	Asset gross amount		Asset net amount before offsetting	Offsetting with received margin calls	Balance Sheet amount after offsetting
	Swap's winning leg	Swap's losing leg			
<b>Positive valued swaps</b>					
<b>Adjustment accounts - commitments in foreign currencies</b>	223	(178)	45	-	45
- Cross currency swap with margin call	223	(178)	45	-	45
- Other instruments	-	-	-	-	-
<b>Accrued income</b>	3	-	3	-	3
- Swaps with margin call	3	-	3	-	3
- Swaps without margin call	-	-	-	-	-
<b>Positive fair value</b>	187	(181)	6	-	6
- Swaps with margin call	187	(181)	6	-	6
- Swaps without margin call	-	-	-	-	-
<b>Offsetting</b>	-	-	-	(53)	(53)
<b>Total assets</b>	413	(359)	54	(53)	1
Margin calls received on swaps designated as hedges (deferred income - see Note 13)	-	-	53	(53)	-
<b>Total liabilities</b>	-	-	53	(53)	-

#### For 2019

<i>(in million euros)</i>	Asset gross amount		Asset net amount before offsetting	Offsetting with received margin calls	Balance Sheet amount after offsetting
	Swap's winning leg	Swap's losing leg			
<b>Positive valued swaps</b>					
<b>Adjustment accounts - commitments in foreign currencies</b>	223	(178)	45	-	45
- Cross currency swap with margin call	223	(178)	45	-	45
- Other instruments	-	-	-	-	-
<b>Accrued income</b>	3	-	3	-	3
- Swaps with margin call	3	-	3	-	3
- Swaps without margin call	-	-	-	-	-
<b>Positive fair value</b>	189	(183)	6	-	6
- Swaps with margin call	189	(183)	6	-	6
- Swaps without margin call	-	-	-	-	-
<b>Offsetting</b>	-	-	-	(53)	(53)
<b>Total assets</b>	415	(361)	54	(53)	1
Margin calls received on swaps designated as hedges (deferred income - see Note 13)	-	-	56	(53)	3
<b>Total liabilities</b>	-	-	56	(53)	3

## Note 6 Loans and Advances to Credit Institutions, at amortized cost

### Analysis of Demand and Time Accounts

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Demand accounts</b>	<b>148</b>	<b>168</b>
- Ordinary accounts in debit	148	168
- of which allocated to the liquidity reserve (1)	148	168
- of which held by insurance companies	30	49
- of which related companies	3	8
<b>Time accounts</b>	<b>238</b>	<b>198</b>
- Time accounts qualified as cash equivalents (1)	-	-
- Subordinated loans (2)	231	196
- of which related companies	231	196
- Other	7	2
- of which held by insurance companies	3	2
<b>Accrued interest</b>	<b>1</b>	<b>-</b>
- of which related companies	1	-
<b>Total</b>	<b>387</b>	<b>366</b>

(1) The part of ordinary accounts allocated to the liquidity reserve and time accounts qualified as cash equivalents are included in Banque PSA Finance Group's liquidity reserve (see Note 17.2).

(2) In 2020, Banque PSA Finance provided subordinated loans:

- In January 2020, to the French joint venture in partnership with BNP Paribas PF for €35 million.

## Note 7 Customer Loans and Receivables, at amortized cost

### 7.1 Analysis by Type of Financing

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Installment contracts</b>	<b>2</b>	<b>3</b>
<b>Buyback contracts (1)</b>	<b>-</b>	<b>7</b>
Principal and interest	-	7
Unaccrued interest on buyback contracts	-	-
<b>Long-term leases (1)</b>	<b>-</b>	<b>-</b>
Principal and interest	-	-
- Related companies	-	-
- Non-group companies	-	-
Unaccrued interest on long-term leases	-	-
Leasing deposits	-	-
<b>Wholesale financing</b>	<b>32</b>	<b>75</b>
Principal and interest	32	75
- Related companies	-	-
- Non-group companies	32	75
<b>Other finance receivables</b>	<b>-</b>	<b>-</b>
- Related companies	-	-
- Non-group companies	-	-
<b>Ordinary accounts in debit</b>	<b>-</b>	<b>-</b>
- Related companies	-	-
- Cash pooling (2):	-	-
- Before offsetting	2	2
- Offsetting	(2)	(2)
- Other	-	-
- Non-group companies	-	-
<b>Deferred items included in amortized cost - Customers loans and receivables</b>	<b>-</b>	<b>-</b>
- Deferred acquisition costs	-	-
- Deferred loan set-up costs	-	-
- Deferred manufacturer and dealer contributions	-	-
<b>Total Loans and Receivables at Amortized Cost</b>	<b>34</b>	<b>85</b>

(1) Lease financing transactions (buyback contracts and long-term leases) are included in loans and receivables because they fulfill the criteria for classification as finance leases, since the risks and rewards of ownership of the vehicle do not lie with Banque PSA Finance.

(2) Under the cash pooling agreement with PSA International, the asset and liability amounts are offset in accordance with IAS 32 (see Note 11).

## 7.2 Customer Loans and Receivables by Segment

For 2020

<i>(in million euros)</i>	IFRS 8 Segment	Corporate Dealers <small>(A - see B Note 20.1)</small>	End user		Total at June 30, 2020
			Retail <small>(B - see A Note 20.1)</small>	Corporate and equivalent <small>(C - see C Note 20.1)</small>	
<b>Type of financing</b>					
Installment contracts		-	2	-	2
Buyback contracts		-	-	-	-
Long-term leases		-	-	-	-
Wholesale financing		32	-	-	32
Other finance receivables		-	-	-	-
Ordinary accounts in debit		-	-	-	-
Deferred items included in amortized cost		-	-	-	-
<b>Total customer loans by segment (based on IFRS 8)</b>		<b>32</b>	<b>2</b>	<b>-</b>	<b>34</b>

For 2019

<i>(in million euros)</i>	IFRS 8 Segment	Corporate Dealers <small>(A - see B Note 20.1)</small>	End user		Total at Dec. 31, 2019
			Retail <small>(B - see A Note 20.1)</small>	Corporate and equivalent <small>(C - see C Note 20.1)</small>	
<b>Type of financing</b>					
Installment contracts		-	3	-	3
Buyback contracts		-	7	-	7
Long-term leases		-	-	-	-
Wholesale financing		75	-	-	75
Other finance receivables		-	-	-	-
Ordinary accounts in debit		-	-	-	-
Deferred items included in amortized cost		-	-	-	-
<b>Total customer loans by segment (based on IFRS 8)</b>		<b>75</b>	<b>10</b>	<b>-</b>	<b>85</b>

## Note 8 Accruals and Other Assets

(in million euros)	June 30, 2020	Dec. 31, 2019
<b>Other receivables</b>	<b>15</b>	<b>38</b>
- Related companies	12	35
- of which insurance activities	1	6
- Non-group companies	3	3
- of which insurance activities	1	1
<b>Dividends receivable from Joint Ventures</b>	<b>-</b>	<b>9</b>
- of which insurance activities	-	9
<b>Prepaid and recoverable taxes</b>	<b>20</b>	<b>22</b>
- of which insurance activities	14	15
<b>Accrued income</b>	<b>20</b>	<b>23</b>
- Related companies	6	9
- Non-group companies	14	14
- of which insurance activities	14	13
<b>Prepaid expenses</b>	<b>1</b>	<b>2</b>
<b>Other</b>	<b>-</b>	<b>-</b>
- Related companies	-	-
- Non-group companies	-	-
- of which insurance activities	-	-
<b>Total</b>	<b>56</b>	<b>94</b>



## Note 9 Investments in Associates and Joint Ventures Accounted for Using the Equity Method

### 9.1 Investments

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>At the beginning of the period</b>	<b>2 604</b>	<b>2 372</b>
Change in Consolidation perimeter	-	9
Capital increase/(decrease) and contributions to reserves	-	47
Share in net income	168	372
Distribution of dividends	(150)	(210)
Gains and Losses Recognized Directly in Equity	(31)	12
Hyperinflation effects (1)	1	2
<b>At the end of the period</b>	<b>2 592</b>	<b>2 604</b>
- of which goodwill (2)	3	3

### Table of Changes by Geographical Area

<i>(in million euros)</i>	Europe		Brazil	China		Argentina	Total
	Partnership with Santander CF	BNP Paribas PF	Santander	Dongfeng Peugeot Citroën	of which goodwill (2)	Banco Bilbao Vizcaya Argentaria (3)	
<b>At december 31, 2018</b>	<b>1 645</b>	<b>588</b>	<b>37</b>	<b>102</b>	<b>3</b>	<b>-</b>	<b>2 372</b>
Capital increase/(decrease) and contributions to reserves							-
Share in net income	139	43	2	9	-	-	193
Distribution of dividends	(101)	(74)	(8)	-	-	-	(183)
Gains and Losses Recognized Directly in Equity	(2)	(5)	1	1	-	-	(5)
<b>At June 30, 2019</b>	<b>1 681</b>	<b>552</b>	<b>32</b>	<b>112</b>	<b>3</b>	<b>-</b>	<b>2 377</b>
Change in consolidation scope				9			9
Capital increase/(decrease) and contributions to reserves	41					6	47
Share in net income	137	33	2	7	-	-	179
Distribution of dividends	(27)	-	-	-	-	-	(27)
Gains and Losses Recognized Directly in Equity	14	5	(2)	-	-	-	17
Hyperinflation effects (1)	-	-	-	-	-	2	2
<b>At December 31, 2019</b>	<b>1 846</b>	<b>590</b>	<b>32</b>	<b>128</b>	<b>3</b>	<b>8</b>	<b>2 604</b>
Change in consolidation scope				-			-
Capital increase/(decrease) and contributions to reserves	-						-
Share in net income	133	28	1	6	-	-	168
Distribution of dividends	(126)	(22)	(2)	-	-	-	(150)
Gains and Losses Recognized Directly in Equity	(14)	(5)	(9)	(2)	-	(1)	(31)
Hyperinflation effects (1)	-	-	-	-	-	1	1
<b>At June 30, 2020</b>	<b>1 839</b>	<b>591</b>	<b>22</b>	<b>132</b>	<b>3</b>	<b>8</b>	<b>2 592</b>

According to revised IAS 28, the entities in these different geographical areas are joint ventures and were consequently accounted for using the equity method.

(1) The implementation of IAS 29 led a negative impact of €2 million in Net Income, of which €2 million fully covered by a positive change in Equity (Minority interests: €1 million).

(2) Goodwill on the May 25, 2010 acquisition of a further 50% of the Chinese subsidiary Dongfeng Peugeot Citroën Auto Finance Company Ltd by PSA Finance Nederland B.V. amounted to CNY56.7 million.

On December 27, 2012, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY37.8 million and on March 2015, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY18.8 million (€2.4 million at June 30, 2019 and €2.4 million at December 31, 2018).

(3) The Argentina subsidiary PSA Finance Argentina Compania Financiera S.A. in the partnership with Banco Bilbao Vizcaya Argentina is consolidated under equity method from July 1st 2019, consistently with other partnership control analysis.

## 9.2 Detailed information about Associates - Joint ventures

Most of the implemented joint ventures in the framework of the partnerships agreements with Santander and with BNP Paribas PF set up in the past and go on setting up securitization programs. The joint ventures retain the majority of the risks and rewards generated by the funds. Consequently, they fully consolidate the funds, which are though indirectly accounted for by the equity method in Banque PSA Finance's consolidated financial statements.

The following information is given according to IFRS 12:

- 9.2.1 Partnership with Santander CF in Europe
- 9.2.2 Partnership with BNP Paribas PF in Europe
- 9.2.3 Partnership with Santander in Brazil
- 9.2.4 Partnership with Dongfeng in China
- 9.2.5 Partnership with Banco Bilbao Vizcaya Argentaria in Argentina

### 9.2.1 Partnership with Santander CF in Europe

The partnership in Europe has started in February 2015 in France (FR) and United Kingdom (UK) and has been extended chronologically in the following countries: in May 2015 to Malta (MT) ; in October 2015 to Switzerland (CH) and Spain (ES) ; in January 2016 to Italy (IT) ; in February 2016 to the Netherlands (NL) ; in May 2016 to Belgium (BE) ; in July 2016 to Austria (AT) and Germany (DE) and in October 2016 to Poland (PL).

Equity accounted percentage: 50%

### Fully financial information of the combined IFRS financial statements of these entities

#### Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Customer loans and receivables	29 215	31 305
Other assets	3 936	3 652
<b>Total assets</b>	<b>33 151</b>	<b>34 957</b>
Refinancing	22 522	24 421
Other liabilities	6 951	6 844
Equity	3 678	3 692
<b>Total equity and liabilities</b>	<b>33 151</b>	<b>34 957</b>

#### Key Income Statement Items

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	1 121	1 060	2 122
Expenses of banking activities, insurance activities and other services	(494)	(476)	(921)
<b>Net banking revenue (1)</b>	<b>627</b>	<b>584</b>	<b>1 201</b>
General operating expenses and equivalent	(188)	(191)	(382)
<b>Gross operating income</b>	<b>439</b>	<b>393</b>	<b>819</b>
Cost of risk (1)	(60)	(23)	(62)
<b>Operating income</b>	<b>379</b>	<b>370</b>	<b>757</b>
Non-operating items	(5)	-	(6)
<b>Pre-tax income</b>	<b>374</b>	<b>370</b>	<b>751</b>
Income taxes	(107)	(92)	(198)
<b>Net income for the year</b>	<b>267</b>	<b>278</b>	<b>553</b>

(1) The cost of risk include an additional provision of €22 million cf. note 1

## Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	of which exchange difference
<b>At December 31, 2018</b>	<b>3 290</b>	<b>50%</b>	<b>1 645</b>	<b>(1 273)</b>	<b>-</b>	<b>372</b>	<b>(35)</b>
Net income of the period	278		139			139	
Distribution of dividends	(202)		(101)			(101)	
Gains and Losses Recognized Directly in Equity	(3)		(2)			(2)	
<b>At June 30, 2019</b>	<b>3 363</b>	<b>50%</b>	<b>1 681</b>	<b>(1 273)</b>	<b>-</b>	<b>408</b>	<b>(35)</b>
Capital increase/(decrease) and contributions to reserves	81		41	(41)		-	
Net income of the period	275		137			137	
Distribution of dividends	(53)		(27)			(27)	
Gains and Losses Recognized Directly in Equity	26		14			14	10
<b>At December 31, 2019</b>	<b>3 692</b>	<b>50%</b>	<b>1 846</b>	<b>(1 314)</b>	<b>-</b>	<b>532</b>	<b>(25)</b>
Capital increase/(decrease) and contributions to reserves	-		-	-		-	
Net income of the period	267		133			133	
Distribution of dividends	(252)		(126)			(126)	
Gains and Losses Recognized Directly in Equity	(29)		(14)			(14)	(14)
<b>At June 30, 2020</b>	<b>3 678</b>	<b>50%</b>	<b>1 839</b>	<b>(1 314)</b>	<b>-</b>	<b>525</b>	<b>(39)</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance and PSA Services Ltd.

## Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Investments in associates and joint ventures accounted for using the equity method	1 839	1 846
<b>Total assets</b>	<b>1 839</b>	<b>1 846</b>
Equity		
- Historical value of the shares owned (1)	1 314	1 314
- Consolidated reserves - equity holders of the parent	525	532
- of which share in net income accounted for using the equity method	133	276
<b>Total equity and liabilities</b>	<b>1 839</b>	<b>1 846</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance and PSA Services Ltd.

## 9.2.2 Partnership with BNP Paribas PF in Europe

The partnership with BNP Paribas PF began in November 2017 and concerns the main following countries: France (FR), Belgium (BE), Switzerland (CH), Germany (DE), United Kingdom (UK), Italia (IT), Spain (ES), Netherlands (NL) and Austria (AT).

Equity accounted percentage: 50%

### Fully financial information of the combined IFRS financial statements of these entities

#### Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Customer loans and receivables	10 478	11 064
Other assets	1 484	1 593
<b>Total assets</b>	<b>11 962</b>	<b>12 657</b>
Refinancing	8 879	9 444
Other liabilities	1 902	2 033
Equity	1 181	1 180
<b>Total equity and liabilities</b>	<b>11 962</b>	<b>12 657</b>

#### Key Income Statement Items

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	373	371	743
Expenses of banking activities, insurance activities and other services	(170)	(127)	(277)
<b>Net banking revenue (1)</b>	<b>203</b>	<b>244</b>	<b>466</b>
General operating expenses and equivalent	(100)	(117)	(225)
<b>Gross operating income</b>	<b>103</b>	<b>127</b>	<b>241</b>
Cost of risk (2)	(22)	(2)	(19)
<b>Operating income</b>	<b>81</b>	<b>125</b>	<b>222</b>
Non-operating items	(2)	(7)	(13)
<b>Pre-tax income</b>	<b>79</b>	<b>118</b>	<b>209</b>
Income taxes	(23)	(32)	(57)
<b>Net income for the year</b>	<b>56</b>	<b>86</b>	<b>152</b>

(1) Of which a positive impact of €25 million euros at June 30, 2020 (€82 million euros at December 31, 2019) related to the Price Purchase Allocation: see Note 22.2.

(2) The cost of risk include an additional provision of €4 million cf. note 1

#### Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	of which exchange difference
<b>At December 31, 2018</b>	<b>1 178</b>	<b>50%</b>	<b>588</b>	<b>(489)</b>	<b>-</b>	<b>99</b>	<b>(3)</b>
Net income of the period	86		43			43	
Distribution of dividends	(150)		(74)			(74)	
Gains and Losses Recognized Directly in Equity	(10)		(5)			(5)	(1)
<b>At June 30, 2019</b>	<b>1 104</b>	<b>50%</b>	<b>552</b>	<b>(489)</b>	<b>-</b>	<b>63</b>	<b>(4)</b>
Net income of the period	66		33			33	
Distribution of dividends	-		-			-	
Gains and Losses Recognized Directly in Equity	10		5			5	3
<b>At December 31, 2019</b>	<b>1 180</b>	<b>50%</b>	<b>590</b>	<b>(489)</b>	<b>-</b>	<b>101</b>	<b>(1)</b>
Net income of the period	56		28			28	
Distribution of dividends	(44)		(22)			(22)	
Gains and Losses Recognized Directly in Equity	(11)		(5)			(5)	(1)
<b>At June 30, 2020</b>	<b>1 181</b>	<b>50%</b>	<b>591</b>	<b>(489)</b>	<b>-</b>	<b>102</b>	<b>(2)</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance.

#### Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Investments in associates and joint ventures accounted for using the equity method	591	590
<b>Total assets</b>	<b>591</b>	<b>590</b>
Equity		
- Historical value of the shares owned (1)	489	489
- Consolidated reserves - equity holders of the parent	102	101
- of which share in net income accounted for using the equity method	28	76
<b>Total equity and liabilities</b>	<b>591</b>	<b>590</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance.

### 9.2.3 Partnership with Santander in Brazil

The partnership in Brazil began in August 2016.

Equity accounted percentage: 50%

#### Fully financial information of the combined IFRS financial statements of these entities

##### Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Customer loans and receivables	234	383
Other assets	22	36
<b>Total assets</b>	<b>256</b>	<b>419</b>
Refinancing	202	344
Other liabilities	9	11
Equity	45	64
<b>Total equity and liabilities</b>	<b>256</b>	<b>419</b>

##### Key Income Statement Items

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	21	29	56
Expenses of banking activities, insurance activities and other services	(11)	(16)	(30)
<b>Net banking revenue</b>	<b>10</b>	<b>13</b>	<b>26</b>
General operating expenses and equivalent	(5)	(7)	(15)
<b>Gross operating income</b>	<b>5</b>	<b>6</b>	<b>11</b>
Cost of risk	-	(1)	(2)
<b>Operating income</b>	<b>5</b>	<b>5</b>	<b>9</b>
Income taxes	(2)	(2)	(1)
<b>Net income for the year</b>	<b>3</b>	<b>3</b>	<b>8</b>

##### Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	of which exchange difference
<b>At December 31, 2018</b>	<b>74</b>	<b>50%</b>	<b>37</b>	<b>(27)</b>	-	<b>10</b>	<b>(8)</b>
Net income of the period	3		2			2	
Distribution of dividends	(15)		(8)			(8)	
Gains and Losses Recognized Directly in Equity	1		1			1	1
<b>At June 30, 2019</b>	<b>63</b>	<b>50%</b>	<b>32</b>	<b>(27)</b>	-	<b>5</b>	<b>(7)</b>
Net income of the period	5		2			2	
Distribution of dividends	-		-			-	
Gains and Losses Recognized Directly in Equity	(2)		(2)			(2)	(2)
<b>At December 31, 2019</b>	<b>66</b>	<b>50%</b>	<b>32</b>	<b>(27)</b>	-	<b>5</b>	<b>(9)</b>
Net income of the period	3		1			1	
Distribution of dividends	(5)		(2)			(2)	
Gains and Losses Recognized Directly in Equity	(19)		(9)			(9)	(9)
<b>At June 30, 2020</b>	<b>45</b>	<b>50%</b>	<b>22</b>	<b>(27)</b>	-	<b>(5)</b>	<b>(18)</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance and PSA Services Ltd.

##### Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Investments in associates and joint ventures accounted for using the equity method	22	32
<b>Total assets</b>	<b>22</b>	<b>32</b>
Equity		
- Historical value of the shares owned (1)	27	27
- Consolidated reserves - equity holders of the parent	(5)	5
- of which share in net income accounted for using the equity method	1	4
<b>Total equity and liabilities</b>	<b>22</b>	<b>32</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance and PSA Services Ltd.

## 9.2.4 Partnership with Dongfeng in China

The partnership in China concerns the subsidiaries Dongfeng Peugeot Citroën Auto Finance Company Ltd et Dongfeng Peugeot Citroën Financial Leasing Co consolidée depuis novembre 2019 (cf. note 1).

Equity accounted percentage: 25%

### Fully financial information

#### Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Customer loans and receivables	1 142	1 376
Other assets	145	144
<b>Total assets</b>	<b>1 287</b>	<b>1 520</b>
Refinancing	679	926
Other liabilities	90	94
Equity	518	500
<b>Total equity and liabilities</b>	<b>1 287</b>	<b>1 520</b>

#### Key Income Statement Items

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	67	93	172
Expenses of banking activities, insurance activities and other services	(24)	(37)	(64)
<b>Net banking revenue</b>	<b>43</b>	<b>56</b>	<b>108</b>
General operating expenses and equivalent	(9)	(11)	(24)
<b>Gross operating income</b>	<b>34</b>	<b>45</b>	<b>84</b>
Cost of risk	-	5	-
<b>Operating income</b>	<b>34</b>	<b>50</b>	<b>84</b>
Non-operating items	-	1	(1)
<b>Pre-tax income</b>	<b>34</b>	<b>51</b>	<b>83</b>
Income taxes	(8)	(13)	(21)
<b>Net income for the year</b>	<b>26</b>	<b>38</b>	<b>62</b>

#### Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill (2)	Equity after equity method	of which exchange difference
<b>At December 31, 2018</b>	<b>397</b>	<b>25%</b>	<b>99</b>	<b>(33)</b>	<b>3</b>	<b>69</b>	<b>1</b>
Net income of the period	38		9	-	-	9	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	2		1	-	-	1	
<b>At June 30, 2019</b>	<b>437</b>	<b>25%</b>	<b>109</b>	<b>(33)</b>	<b>3</b>	<b>79</b>	<b>1</b>
Variation de périmètre	38		9	(9)	-	-	
Net income of the period	24		7	-	-	7	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(1)		-	-	-	-	1
<b>At December 31, 2019</b>	<b>498</b>	<b>25%</b>	<b>125</b>	<b>(42)</b>	<b>3</b>	<b>86</b>	<b>2</b>
Variation de périmètre	-		-	-	-	-	
Net income of the period	26		6	-	-	6	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(6)		(2)	-	-	(2)	(2)
<b>At June 30, 2020</b>	<b>518</b>	<b>25%</b>	<b>129</b>	<b>(42)</b>	<b>3</b>	<b>90</b>	<b>-</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by PSA Finance Nederland B.V.

#### Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Investments in associates and joint ventures accounted for using the equity method (2)	132	128
<b>Total assets</b>	<b>132</b>	<b>128</b>
Equity		
- Historical value of the shares owned (1)	42	42
- Consolidated reserves - equity holders of the parent	90	86
- of which share in net income accounted for using the equity method	6	16
<b>Total equity and liabilities</b>	<b>132</b>	<b>128</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by PSA Finance Nederland B.V.

(2) The goodwill for 3 millions euros was added to the carrying amount of the investment presented in "Investments in Associates and Joint Ventures Accounted for using the Equity Method".

## 9.2.5 Partnership with Banco Bilbao Vizcaya Argentaria in Argentina

The Argentina subsidiary PSA Finance Argentina Compania Financiera S.A. in the partnership with Banco Bilbao Vizcaya Argentina is consolidated under equity method from July 1st 2019, consistently with other partnership control analysis

Equity accounted percentage: 50%

### Fully financial information

#### Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Customer loans and receivables	62	39
Other assets	5	16
<b>Total assets</b>	<b>67</b>	<b>55</b>
Refinancing	36	25
Other liabilities	15	13
Equity	16	17
<b>Total equity and liabilities</b>	<b>67</b>	<b>55</b>

#### Key Income Statement Items

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	7	15	28
Expenses of banking activities, insurance activities and other services	(6)	(14)	(27)
<b>Net banking revenue</b>	<b>1</b>	<b>1</b>	<b>1</b>
General operating expenses and equivalent	(2)	(2)	(4)
<b>Gross operating income</b>	<b>(1)</b>	<b>(1)</b>	<b>(3)</b>
Cost of risk	-	-	-
<b>Operating income</b>	<b>(1)</b>	<b>(1)</b>	<b>(3)</b>
Non-operating items	-	-	-
<b>Pre-tax income</b>	<b>(1)</b>	<b>(1)</b>	<b>(3)</b>
Income taxes	-	(1)	1
<b>Net income for the year</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>

#### Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (2)	Goodwill	Equity after equity method	of which exchange difference
<b>At December 31, 2018</b>	-	50%	-	-	-	-	-
Capital increase/(decrease) and contributions to reserves	13		6	(13)	-	(7)	(3)
Net income of the period (1)	-		-	-	-	-	-
Distribution of dividends	-		-	-	-	-	-
Gains and Losses Recognized Directly in Equity	-		-	-	-	-	-
Hyperinflation effects (2)	4		2	-	-	2	-
<b>At December 31, 2019</b>	<b>17</b>	<b>50%</b>	<b>8</b>	<b>(13)</b>	<b>-</b>	<b>(5)</b>	<b>(3)</b>
Capital increase/(decrease) and contributions to reserves	-		-	-	-	-	-
Net income of the period	(1)		-	-	-	-	-
Distribution of dividends	-		-	-	-	-	-
Gains and Losses Recognized Directly in Equity	(2)		(1)	-	-	(1)	-
Hyperinflation effects (1)	2		1	-	-	1	(1)
<b>At June 30, 2020</b>	<b>16</b>	<b>50%</b>	<b>8</b>	<b>(13)</b>	<b>-</b>	<b>(5)</b>	<b>(4)</b>

(1) The implementation of IAS 29 led a negative impact of €-2 millions in Net Income, of which €-2 millions fully covered by a positive change in Equity (Minority interests: €1 million).

(2) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance

#### Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
Investments in associates and joint ventures accounted for using the equity method	8	8
<b>Total assets</b>	<b>8</b>	<b>8</b>
Equity		
- Historical value of the shares owned (1)	13	13
- Consolidated reserves - equity holders of the parent	(5)	(5)
- of which share in net income accounted for using the equity method	-	-
<b>Total equity and liabilities</b>	<b>8</b>	<b>8</b>

(1) Elimination of shareholder's equity up to the value of the shares owned by Banque PSA Finance

## Note 10 Deposits from Credit Institutions

### 10.1 Analysis of Demand and Time Accounts

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Demand deposits (non-group institutions)</b>	<b>3</b>	<b>4</b>
- Ordinary accounts in credit	1	2
- Accounts and deposits at overnight rates	2	2
- Other amounts due to credit institutions	-	-
<b>Accrued interest</b>	<b>-</b>	<b>-</b>
<b>Time deposits (non-group institutions)</b>	<b>16</b>	<b>36</b>
- Conventional bank deposits	16	36
<b>Accrued interest</b>	<b>-</b>	<b>-</b>
<b>Total deposits from credit institutions at amortized cost</b>	<b>19</b>	<b>40</b>

## Note 11 Due to Customers

### 11.1 Analysis of Demand and Time Accounts

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Demand accounts</b>	<b>1</b>	<b>-</b>
- Ordinary accounts in credit		
- Dealers' ordinary accounts in credit		
- Non-group companies	1	-
- Cash pooling (1):		
- Before offsetting	2	2
- Offsetting	(2)	(2)
- Other amounts due to Customers		
- Non-group companies	-	-
<b>Accrued interest</b>	<b>-</b>	<b>-</b>
<b>Time deposits</b>	<b>-</b>	<b>1</b>
- Corporate time deposit		
- Related companies	-	-
- Other		
- Non-group companies	-	1
<b>Accrued interest</b>	<b>-</b>	<b>-</b>
<b>Total deposits from credit institutions at amortized cost</b>	<b>1</b>	<b>1</b>

<sup>(1)</sup> Under the cash pooling agreement with PSA International (Related company), the asset and liability amounts are offset in accordance with IAS 32 (see Note 7.1).

## Note 12 Debt Securities

### 12.1 Analysis by Nature

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Interbank instruments and money-market securities (non-group institutions)</b>	<b>223</b>	<b>223</b>
- EMTNs and BMTNs	223	223
- Certificates of deposit and "billets de trésorerie"	-	-
<b>Accrued interest</b>	<b>3</b>	<b>3</b>
<b>Other debt securities</b>	<b>-</b>	<b>-</b>
<b>Total debt securities at amortized cost</b>	<b>226</b>	<b>226</b>



## Note 13 Accruals and Other Liabilities

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Trade payables</b>	<b>24</b>	<b>28</b>
- Related companies (1)	23	24
- of which insurance activities	-	-
- Non-group companies	1	4
- of which insurance activities	1	-
<b>Financial Debts (2)</b>	<b>1</b>	<b>2</b>
- of which insurance activities	1	2
<b>Accrued payroll and other taxes</b>	<b>1</b>	<b>1</b>
<b>Accrued charges</b>	<b>17</b>	<b>17</b>
- Related companies	2	4
- of which insurance activities	-	1
- Non-group companies	15	13
- of which insurance activities	3	6
<b>Other payables</b>	<b>4</b>	<b>3</b>
- Related companies	2	1
- of which insurance activities	2	1
- Non-group companies	2	2
- of which insurance activities	1	1
<b>Deferred income</b>	<b>2</b>	<b>3</b>
- Related companies	2	-
- of which insurance activities	2	-
- Non-group companies	-	3
- of which margin calls received on swaps designated as hedges (3)	-	3
<b>Other</b>	<b>-</b>	<b>-</b>
- Non-group companies	-	-
<b>Total</b>	<b>49</b>	<b>54</b>

(1) Primarily representing the price of vehicles and spare parts payable to the PSA Group' brands.

(2) impact following the application of IFRS 16 at January 1, 2019, recognized as well in Property and equipment on the asset side.

(3) At June 30, 2020, the margin calls received on swaps designated as hedges were offset with the positive fair value for an amount of €53 million, compared to €53 million also at December 31, 2019 (see Note 5.2).

## Note 14 Insurance Activities

### 14.1 Liabilities Related to Insurance Contracts

<i>(in million euros)</i>	Dec. 31, 2019	Written premiums	Earned premiums	Claims paid	Claims incurred	June 30, 2020
Unearned premium reserve (UPR)	15	7	(8)			14
Claims reserve						
- Claims reserve - reported claims	14			(1)	1	14
- Claims reserve - claims incurred but not reported (IBNR)	39			-	1	40
<b>Total liabilities related to insurance contracts</b>	<b>68</b>	<b>7</b>	<b>(8)</b>	<b>(1)</b>	<b>2</b>	<b>68</b>

### 14.2 Income from Activities

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
<b>+ Earned premiums</b>	<b>8</b>	<b>14</b>	<b>30</b>
Written premiums	7	18	41
Change in insurance liabilities (UPR)	1	(4)	(11)
<b>- Cost</b>	<b>(5)</b>	<b>5</b>	<b>11</b>
Claims expenses	(1)	(2)	(4)
Change in insurance liabilities (except for UPR)	(1)	13	25
Other income (expense)	(3)	(6)	(10)
- of which related companies	(3)	(6)	(9)
<b>Margin on sales of Insurance activities</b>	<b>3</b>	<b>19</b>	<b>41</b>

## Note 15 Derivatives

### Group Interest Rate Management Policy

(See the "Risk Factors and Management" section of the Management Report)

#### Interest rate risk:

Bank policy aims at neutralizing the effects of changes in interest rates on each entity's operating margin by using appropriate financial instruments to match interest rate structures between assets and liabilities.

In Banque PSA Finance, the \$250 million cross currency swap is hedging the issued \$250 million EMTN.

#### Currency risk:

Banque PSA Finance does not take currency positions. The assets and liabilities of each entity are matched through the use of appropriate financial instruments.

#### Counterparty risk:

Banque PSA Finance's exposure to counterparty risk is limited to its use of derivatives governed by standard FBF or ISDA agreements and very short term cash investments with leading counterparties. The cross currency swap is stated with weekly margin call. Customer credit risk is discussed in Note 20.

The bank limits the exposure at the minimum from the implementation of its investment policy. Available cash other than interbank loans and reserves deposited with central banks is invested solely in very short-term retail certificates of deposits and in mutual funds.

### Banque PSA Finance Residual Positions in Foreign Currencies

#### A. Operational Positions in Foreign Currencies

These positions are hedged using currency swaps, cross currency swaps and forward foreign exchange contracts. The residual position at the end of June 2020 is not significant (-€0.3 million at June 30, 2020 versus -€0.5 million at the end of 2019).

As a result of the hedging policy, substantial changes in currencies exchange rates will only have a limited impact on the Group net income.

#### B. Structural Positions in Foreign Currencies

Structural positions (investments in subsidiaries after deduction of the provisions for depreciation and the branches dotation capital both labelled in foreign currencies) and future profits and losses are not hedged. As the business of subsidiaries and branches will, by definition, continue for an indefinite period, any such hedges would represent long-term open positions.

(in million euros)	ARS	CNY	GBP	MXN	PLN	RUB	BRL	TOTAL
<b>Position at June 30, 2020</b>	2	42	121	2	13	16	9	<b>205</b>
<i>Note: December 2019</i>	2	43	130	2	15	27	13	<b>232</b>

(1) The structural position of the investments in the argentina, russian and brazilian subsidiaries is based on the fluctuation of the currencies of each countries.

## Note 16 Fair Value of Financial Assets and Liabilities

(in million euros)	Fair value		Book value		Difference	
	June 30, 2020	Dec. 31, 2019	June 30, 2020	Dec. 31, 2019	June 30, 2020	Dec. 31, 2019
<b>Assets</b>						
Cash, central banks	121	50	121	50	-	-
Financial assets at fair value through profit or loss (1)(2)	312	328	312	328	-	-
Hedging instruments (1)	1	1	1	1	-	-
Financial assets at fair value through Equity	-	-	-	-	-	-
Debt securities at amortized cost	-	-	-	-	-	-
Loans and advances to credit institutions, at amortized cost (3)(4)	349	364	387	366	(38)	(2)
Customer loans and receivables, at amortized cost (5)	34	85	34	85	-	-
<b>Equity and liabilities</b>						
Central banks	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss (1)	-	-	-	-	-	-
Hedging instruments (1)	1	1	1	1	-	-
Deposits from credit institutions (6)	19	40	19	40	-	-
Due to customers (3)	1	1	1	1	-	-
Debt securities (6)	231	235	231	231	-	(4)

With the exception of customer loans and receivables, Subordinated loans and Debt securities, the book value is maintained: in this case, the fair value is determined by applying valuation techniques based on observable market data (level 2), except for mutual fund units which are valued at the latest published net asset value (level 1).

- (1) The fair values of financial assets at fair value through profit or loss and hedging instruments are measured based on Euribor or other interbank market rates and on the daily exchange rates set by the European Central Bank.
- (2) The fair value of investments in companies, which are included in "Financial assets at fair value through Equity" since January 1st, 2018, is considered as being equal to the most recent transaction price, corresponding to the purchase of the shares. An impairment is recognized in the rare cases when long-term losses are anticipated.
- (3) With the exception of Subordinated loans, the Loans and advances to credit institutions and Customer loans and receivables are short-term operations at adjustable rate, are accordingly close to their amortized cost.

In accordance with IFRS 13, the calculation of the fair value is presented below:

- For Subordinated loans see footnote (4),
  - For Customer loans and receivables see footnote (5),
  - For Debts see footnote (6).
- (4) Subordinated loans are stated at amortized cost and are not hedged.  
The fair value presented above therefore corresponds mainly to the change in the spread (premium over the risk-free rate) paid by Banque PSA Finance on its financial market borrowings. It is determined by applying valuation based on data from our financial partners. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).
- (5) Customer loans and receivables are stated at amortized cost. They are generally hedged against interest rate risks (fair value hedge) and are therefore remeasured at the hedging rate (swap rate), in accordance with hedge accounting principles. Cumulative gains and losses arising from remeasurement are added to or deducted from their amortized cost.  
The fair value presented above has been estimated by discounting future cash flows at the average customer rate of the three last months. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).
- (6) Financing liabilities are stated at amortized cost. Hedge accounting is applied to liabilities hedged by interest rate swaps (fair value hedge), leading to their remeasurement at the discounted financing cost. Cumulative gains and losses arising from remeasurement are added to or deducted from their amortized cost.  
The fair value presented above therefore corresponds mainly to the change in the spread (premium over the risk-free rate) paid by Banque PSA Finance on its financial market borrowings. It is determined according to two following cases:
- For Debt securities, by applying valuation based on market available quotations (level 1).
  - For Deposits from credit institutions, by applying valuation based on data from our financial partners. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).

## Note 17 Other Commitments

### 17.1 Other Commitments

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Financing commitments</b>		
Commitments received from credit institutions (1)	141	150
Commitments given to credit institutions	-	-
Commitments given to customers	-	-
<b>Guarantee commitments</b>		
Commitments received from credit institutions	3	3
- guarantees received in respect of customer loans	3	3
- guarantees received in respect of securities held	-	-
- other guarantees received from credit institutions	-	-
Guarantees given to credit institutions	1	1
Commitments given to customers	16	15
- Banque PSA Finance	16	15
<b>Other commitments received</b>		
Securities received as collateral	-	-

(1) This refers to undrawn bank facilities (see Note 17.2)

Banque PSA Finance does not record the guarantees received from customers and does not include them in the calculation of credit risk exposure.

### 17.2 Financial Security

Financial security refers to liquidity reserve and undrawn bank facilities

<i>(in million euros)</i>	June 30, 2020	Dec. 31, 2019
<b>Liquidity Reserve</b>	<b>504</b>	<b>453</b>
- Reserves deposited with the central banks (see Note 3)	121	50
- Mutual funds qualified as cash equivalents (see Note 4)	235	235
- Ordinary accounts in debit (see Note 6)	148	168
<b>Undrawn bank facilities</b>	<b>140</b>	<b>150</b>
- Revolving bilateral bank facilities (1)	140	150
- Other bank facilities	-	-
<b>Total</b>	<b>644</b>	<b>603</b>

(1) Correspond to mainly long-term received financing commitments.

## Note 18 Interest and Other Revenue on Assets at Amortized Cost

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
<b>Installment contracts</b>	-	16	18
- of which related companies	-	5	5
<b>Buyback contracts</b>	-	-	1
- of which related companies	-	-	-
<b>Long-term leases</b>	-	-	1
- of which related companies	-	-	-
<b>Wholesale financing</b>	3	4	8
- of which related companies	2	3	5
<b>Other finance receivables</b>	-	-	-
- of which related companies	-	-	-
<b>Commissions paid to referral agents</b>	-	-	(1)
- Installment contracts	-	-	(1)
- Buyback contracts	-	-	-
- Long-term leases	-	-	-
<b>Other business acquisition costs</b>	-	-	(1)
<b>Interest on ordinary accounts</b>	-	-	-
<b>Interest on guarantee commitments</b>	-	-	-
<b>Total</b>	<b>3</b>	<b>20</b>	<b>26</b>

## Note 19 General Operating Expenses

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
<b>Personnel costs</b>	(2)	(4)	(7)
- Wages and salaries	(2)	(4)	(6)
- Payroll taxes	-	-	(1)
- Employee profit sharing and profit-related bonuses	-	-	-
<b>Other general operating expenses</b>	(1)	(6)	(7)
- External expenses	(49)	(56)	(119)
- of which related companies	(46)	(48)	(102)
- Re-invoicing	48	50	112
- of which related companies	48	49	111
<b>Total</b>	<b>(3)</b>	<b>(10)</b>	<b>(14)</b>

Information concerning the compensations of the main executive officers is given in the Corporate Governance Report.

## Note 20 Cost of risk

### 20.1 Cost of risk and changes in Loans

<i>(in million euros)</i>	Dec. 31, 2019	Net new loans and exchange difference (1)	Effect of changes in scope of consolidation	Cost of risk for the period at June 30, 2020	Balance at June 30, 2020
<b>Retail</b>					
Stage 1 loans	9	(7)	-	-	2
Stage 2 loans	-	-	-	-	-
Stage 3 loans	1	(1)	-	-	-
Guarantee deposits (lease financing)	-	-	-	-	-
<b>Total</b>	<b>10</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>2</b>
Impairment of stage 1 loans	-	-	-	-	-
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	-	-	-	-	-
<b>Total impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred items included in amortized cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value (A - see B Note 7.2)</b>	<b>10</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>2</b>
Recoveries on loans written off in prior periods	-	-	-	-	-
<b>Retail cost of risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporate dealers</b>					
Stage 1 loans	74	(44)	-	-	30
Stage 2 loans	2	-	-	-	2
Stage 3 loans	1	-	-	-	1
<b>Total</b>	<b>77</b>	<b>(44)</b>	<b>-</b>	<b>-</b>	<b>33</b>
Impairment of stage 1 loans	(1)	-	-	-	(1)
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	(1)	1	-	-	-
<b>Total impairment</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Deferred items included in amortized cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value (B - see A Note 7.2)</b>	<b>75</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>32</b>
Recoveries on loans written off in prior periods	-	-	-	-	-
<b>Corporate dealers cost of risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporate and equivalent</b>					
Stage 1 loans	-	-	-	-	-
Stage 2 loans	-	-	-	-	-
Stage 3 loans	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Impairment of stage 1 loans	-	-	-	-	-
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	-	-	-	-	-
<b>Total impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred items included in amortized cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value (C - see C Note 7.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Recoveries on loans written off in prior periods	-	-	-	-	-
<b>Corporate and equivalent cost of risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total loans</b>					
Stage 1 loans	83	(51)	-	-	32
Stage 2 loans	2	-	-	-	2
Stage 3 loans	2	(1)	-	-	1
Guarantee deposits	-	-	-	-	-
<b>Total</b>	<b>87</b>	<b>(52)</b>	<b>-</b>	<b>-</b>	<b>35</b>
Impairment of stage 1 loans	(1)	-	-	-	(1)
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	(1)	1	-	-	-
<b>Total impairment</b>	<b>(2)</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Deferred items included in amortized cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value (Note 7.2)</b>	<b>85</b>	<b>(51)</b>	<b>-</b>	<b>-</b>	<b>34</b>
Recoveries on loans written off in prior periods	-	-	-	-	-
<b>Total cost of risk</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

For impaired loans, the cost of risk includes interest invoiced and recognized under "Interest revenue on customer transactions".

(1) The exchange difference is due to the fact that balance sheets of companies using currencies other than the euro are translated at the closing exchange rate whereas their income statement items are translated on a month-by-month basis at the average monthly rate.

## 20.2 Change in cost of risk

<i>(in million euros)</i>	Retail	Corporate dealers	Corporate and equivalent	June 30, 2020	June 30, 2019	Dec. 31, 2019
<b>Stage 1 loans</b>						
Allowances	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
<b>Stage 2 loans</b>						
Allowances	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
<b>Stage 3 loans</b>						
Allowances	-	-	-	-	-	-
Reversals	-	-	-	-	1	1
<b>Credit losses</b>	-	-	-	-	-	-
<b>Recoveries on loans written off in prior</b>	-	-	-	-	-	-
<b>Cost of Risk</b>	-	-	-	-	1	1

## Note 21 Income Taxes

### 21.1 Evolution of Balance Sheet Items

<i>(in million euros)</i>	Dec. 31, 2019	Income	Equity	Payment	Exchange difference and other (1)	June 30, 2020
<b>Current tax</b>						
Assets	12					12
Liabilities	(9)					(9)
<b>Total</b>	<b>3</b>	<b>(3)</b>	-	<b>3</b>	-	<b>3</b>
<b>Deferred tax</b>						
Assets	3					3
Liabilities	(4)					(2)
<b>Total</b>	<b>(1)</b>	<b>2</b>	-	-	-	<b>1</b>

(1) The exchange difference is due to the fact that balance sheets of companies using currencies other than the euro are translated at the closing exchange rate whereas their income statement items are translated on a month-by-month basis at the average monthly rate.

### 21.2 Income taxes of fully-consolidated companies

Income taxes currently payable represent the amounts paid or currently due to the tax authorities for the period, calculated in accordance with the tax rules and rates in effect in the various countries.

Deferred income taxes relate to timing differences between the recognition of certain items of income and expense for consolidated financial reporting and tax purposes. These differences relate principally to the accounting treatment of leasing and long-term rental transactions, and impairment of non-performing loans.

Deferred taxes are determined as described in the 2019 Annual Report, Note 2 Accounting Policies, last paragraph of chapter 2.A.

Since January 1st, 2019, following the application of the 2017 finance law, the tax rate applied by Banque PSA Finance S.A in France has risen from 34,43%, in force since 2016, to 32,023%.

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
<b>Current tax</b>	(3)	(5)	1
<b>Deferred tax</b>	2	(2)	(2)
Deferred taxes arising in the period	3	(2)	(2)
Unrecognized deferred tax assets and impairment losses	(1)	-	-
<b>Total</b>	<b>(1)</b>	<b>(7)</b>	<b>(1)</b>

## 21.3 Banque PSA Finance tax proof

<i>(in million euros)</i>	June 30, 2020	June 30, 2019	Dec. 31, 2019
Pre-tax income	160	197	398
Neutralization of the share in net income of associates and joint ventures accounted for using the equity method	(168)	(184)	(372)
Permanent differences	4	13	14
<b>Taxable Income</b>	<b>(4)</b>	<b>26</b>	<b>40</b>
<i>Legal tax rate in France for the period</i>	<i>32,0%</i>	<i>32,0%</i>	<i>32,0%</i>
<b>Theoretical tax</b>	<b>1</b>	<b>(8)</b>	<b>(13)</b>
Impact of differences in foreign tax rates	-	-	-
Impact of changes in foreign tax rates	-	-	-
Impact of changes in France tax rates	-	-	(2)
Impact of provisional surtax in France	-	-	-
Adjustment related to the previous year	-	1	-
Tax disputes and adjustments	-	-	-
Other	(1)	-	12
<b>Income taxes before impairment of assets on tax loss carry forwards</b>	<b>-</b>	<b>(7)</b>	<b>(3)</b>
<i>Group effective tax rate</i>	<i>6,8%</i>	<i>37,3%</i>	<i>9,2%</i>
Deferred tax assets on tax loss carry forwards:			
- Allowances	(1)	-	-
- Reversals	-	-	2
<b>Income taxes</b>	<b>(1)</b>	<b>(7)</b>	<b>(1)</b>

## 21.4 Deferred Tax Assets on Tax Loss Carry Forwards

<i>(in million euros)</i>	Dec. 31, 2019	New tax losses	Tax losses utilized in the year	Charges / Reversals	Exchange difference and other	June 30, 2020
Deferred tax assets on tax loss carry forwards	28	1	-		(1)	28
Allowances (1)	(27)			(1)	1	(27)
<b>Total</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>1</b>

(1) Banque PSA Finance's deferred tax asset on the tax loss carry forward has been fully written down, for an amount of €25.6 million at end of June 2020.



## Note 22 Segment Information

Segment information is disclosed before the equity method accounting of the joint ventures with Santander and BNP Paribas PF and after elimination of intragroup transactions.

### 22.1 Key Balance Sheet Items

At June 30, 2020

<i>(in million euros)</i>	IFRS 8 segment information Balance Sheet as at June 30, 2020	Equity-method accounting of equity attributable to Group in JV	Consolidated Balance Sheet at June 30, 2020
<b>Assets</b>			
Customer loans and receivables, at amortized cost	40 024	(39 990)	34
- Corporate dealers	10 809	(10 777)	32
- End user	29 215	(29 213)	2
Financial assets at fair value through profit or loss	335	(23)	312
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	166	(166)	-
Loans and advances to credit institutions, at amortized cost	3 066	(2 679)	387
Deferred tax assets	102	(99)	3
Investments in associates and joint ventures accounted for using the equity method (1)	132	2 460	2 592
Other assets	2 470	(2 209)	261
<b>Total Assets</b>	<b>46 295</b>	<b>(42 706)</b>	<b>3 589</b>
<b>Liabilities</b>			
Deposits from credit institutions	21 433	(21 414)	19
Due to customers	6 248	(6 247)	1
Debt securities	10 367	(10 141)	226
Liabilities related to insurance contracts	183	(115)	68
Deferred tax liabilities	445	(443)	2
Other liabilities	1 957	(1 885)	72
Equity	5 662	(2 461)	3 201
<b>Total Liabilities</b>	<b>46 295</b>	<b>(42 706)</b>	<b>3 589</b>

(1) See Note 9 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

At December 31, 2019

<i>(in million euros)</i>	IFRS 8 segment information Balance Sheet as at Dec. 31, 2019	Equity-method accounting of equity attributable to Group in JV	Consolidated Balance Sheet at Dec. 31, 2019
<b>Assets</b>			
Customer loans and receivables, at amortized cost	42 876	(42 791)	85
- Corporate dealers	13 111	(13 036)	75
- End user	29 765	(29 755)	10
Financial assets at fair value through profit or loss	348	(20)	328
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	100	(100)	-
Loans and advances to credit institutions, at amortized cost	2 876	(2 510)	366
Deferred tax assets	108	(105)	3
Investments in associates and joint ventures accounted for using the equity method (1)	127	2 477	2 604
Other assets	2 515	(2 289)	226
<b>Total Assets</b>	<b>48 950</b>	<b>(45 338)</b>	<b>3 612</b>
<b>Liabilities</b>			
Deposits from credit institutions	22 438	(22 398)	40
Due to customers	6 089	(6 088)	1
Debt securities	12 010	(11 784)	226
Liabilities related to insurance contracts	172	(104)	68
Deferred tax liabilities	396	(392)	4
Other liabilities	2 179	(2 095)	84
Equity	5 666	(2 477)	3 189
<b>Total Liabilities</b>	<b>48 950</b>	<b>(45 338)</b>	<b>3 612</b>

(1) See Note 9 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

## 22.2 Key Income Statement Items

At June 30, 2020

(in million euros)	IFRS 8 Income statement excl. PPA at June 30, 2020	OVF PPA impact at June 30, 2020	IFRS 8 Income statement at June 30, 2020	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to Group in JV	Publishable Income Statement at June 30, 2020
<b>Net banking revenue</b>	<b>826</b>	<b>25</b>	<b>851</b>	<b>(1)</b>	<b>(842)</b>	<b>8</b>
- <b>Financing activities</b>	<b>688</b>	<b>25</b>	<b>713</b>	<b>(1)</b>	<b>(707)</b>	<b>5</b>
- Corporate dealers	133	1	134	-	(133)	1
- End user	549	22	571	-	(571)	-
- Unallocated	6	2	8	(1)	(3)	4
- <b>Insurance and services</b>	<b>138</b>	-	<b>138</b>	-	<b>(135)</b>	<b>3</b>
<b>Cost of risk</b>	<b>(85)</b>	<b>2</b>	<b>(83)</b>	-	<b>83</b>	-
- <b>Financing activities</b>	<b>(85)</b>	<b>2</b>	<b>(83)</b>	-	<b>83</b>	-
- Corporate dealers	(1)	2	1	-	(1)	-
- End user	(84)	-	(84)	-	84	-
<b>Net income after cost of risk</b>	<b>741</b>	<b>27</b>	<b>768</b>	<b>(1)</b>	<b>(759)</b>	<b>8</b>
- <b>Financing activities</b>	<b>603</b>	<b>27</b>	<b>630</b>	<b>(1)</b>	<b>(624)</b>	<b>5</b>
- Corporate dealers	132	3	135	-	(134)	1
- End user	465	22	487	-	(487)	-
- Unallocated	6	2	8	(1)	(3)	4
- <b>Insurance and services</b>	<b>138</b>	-	<b>138</b>	-	<b>(135)</b>	<b>3</b>
<b>General operating expenses and equivalent</b>	<b>(305)</b>	-	<b>(305)</b>	-	<b>296</b>	<b>(9)</b>
<b>Operating income</b>	<b>436</b>	<b>27</b>	<b>463</b>	<b>(1)</b>	<b>(463)</b>	<b>(1)</b>
Share in net income of associates and joint ventures accounted for using the equity method (1)	6	-	6	-	162	168
Other items	(13)	-	(13)	-	6	(7)
<b>Pre-tax income</b>	<b>429</b>	<b>27</b>	<b>456</b>	<b>(1)</b>	<b>(295)</b>	<b>160</b>
Income taxes	(128)	(6)	(134)	-	133	(1)
<b>Net income</b>	<b>301</b>	<b>21</b>	<b>322</b>	<b>(1)</b>	<b>(162)</b>	<b>159</b>

(1) See Note 9 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

A June 30, 2019

(in million euros)	IFRS 8 Income statement excl. PPA at June 30, 2019	OVF PPA impact at June 30, 2019	IFRS 8 Income statement at June 30, 2019	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to Group in JV	Publishable Income Statement at June 30, 2019
<b>Net banking revenue</b>	<b>825</b>	<b>45</b>	<b>870</b>	-	<b>(842)</b>	<b>28</b>
- <b>Financing activities</b>	<b>680</b>	<b>45</b>	<b>725</b>	-	<b>(716)</b>	<b>9</b>
- Corporate dealers	147	-	147	-	(146)	1
- End user	515	38	553	-	(550)	3
- Unallocated	18	7	25	-	(20)	5
- <b>Insurance and services</b>	<b>145</b>	-	<b>145</b>	-	<b>(126)</b>	<b>19</b>
<b>Cost of risk</b>	<b>(28)</b>	<b>2</b>	<b>(26)</b>	-	<b>27</b>	<b>1</b>
- <b>Financing activities</b>	<b>(28)</b>	<b>2</b>	<b>(26)</b>	-	<b>27</b>	<b>1</b>
- Corporate dealers	-	2	2	-	(2)	-
- End user	(28)	-	(28)	-	29	1
<b>Net income after cost of risk</b>	<b>797</b>	<b>47</b>	<b>844</b>	-	<b>(815)</b>	<b>29</b>
- <b>Financing activities</b>	<b>652</b>	<b>47</b>	<b>699</b>	-	<b>(689)</b>	<b>10</b>
- Corporate dealers	147	2	149	-	(148)	1
- End user	487	38	525	-	(521)	4
- Unallocated	18	7	25	-	(20)	5
- <b>Insurance and services</b>	<b>145</b>	-	<b>145</b>	-	<b>(126)</b>	<b>19</b>
<b>General operating expenses and equivalent</b>	<b>(331)</b>	-	<b>(331)</b>	-	<b>315</b>	<b>(16)</b>
<b>Operating income</b>	<b>466</b>	<b>47</b>	<b>513</b>	-	<b>(500)</b>	<b>13</b>
Share in net income of associates and joint ventures accounted for using the equity method (1)	10	-	10	-	183	193
Other items	(7)	-	(7)	-	7	-
<b>Pre-tax income</b>	<b>469</b>	<b>47</b>	<b>516</b>	-	<b>(310)</b>	<b>206</b>
Income taxes	(123)	(11)	(134)	-	127	(7)
<b>Net income</b>	<b>346</b>	<b>36</b>	<b>382</b>	-	<b>(183)</b>	<b>199</b>

(1) See Note 9 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

## **Note 23** **Subsequent Events**

No other event occurred between June 30, 2020 and the Board of Directors' meeting to review the financial statement on July 27, 2020 that could have a material impact on business decisions made on the basis of these financial statements.

## 2.7 Statutory Auditors' Review Report on the Half-yearly Financial Information

### For the period from January 1 to June 30, 2020

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To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Banque PSA Finance, for the period from January 1<sup>st</sup> to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. on July 27, 2020, based on the information available on that date under the changing context of the Covid-19 crisis and of difficulties in understanding its implications and future prospects. Our role is to express a conclusion on these financial statements based on our review

#### Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Based on our review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

#### 1. Specific verification

We have also verified the information presented in the half-yearly management report established on July 27, 2020 on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Paris-La Défense, July 27, 2020

The statutory auditors  
*French original signed by*

MAZARS

Matthew Brown

ERNST & YOUNG Audit

Vincent Roty

## Statement from the person responsible for the 2020 half-year report

### Person responsible for the half-year report

**Rémy Bayle**

Chief Executive Officer of Banque PSA Finance S.A.

### Certification of the person responsible for the half-year report

I hereby certify, after having taking all reasonable steps to this effect, that the information contained in this document is, to my knowledge, consistent with the truth and do not include any omission that could lead to a false interpretation.

I hereby certify, to my knowledge, that the financial statements for the first half of the year have been prepared in accordance with the applicable accounting standards and provide a true image of the company's assets, financial situation and earning and of all of the companies included in the consolidation, and that the management report of this document presents a true picture of the business, the earnings and of the financial situation of the company and of all of the companies included in the consolidation as well as a description of the main risks and uncertainties that they face.

I have obtained from the Statutory Auditors the Review Report in which they indicate that they have verified the information on the financial situation and the financial statements presented in this document and in an overall reading of this document.

**Rémy Bayle**

Chief Executive Officer of Banque PSA Finance S.A.



BANQUE PSA FINANCE

## **BANQUE PSA FINANCE**

Société anonyme. Share capital: €199,619,936  
Registered office: 68, avenue Gabriel Péri - 92230 Gennevilliers - France  
Registered in Nanterre under no. 325 952 224 - Siret 325 952 224 00021  
ORIAS registration number 07 008 501 available at [www.orias.fr](http://www.orias.fr)  
APE business identifier code: 6419Z  
Interbank code: 13168N  
Phone: +33 1 46 39 66 33  
[www.banquepsafinance.com](http://www.banquepsafinance.com)