PSA BANQUE FRANCE

STELLANTIS

2022
HALF-YEAR REPORT

CONTENTS

30 June 2022 Key figures 1

1 HALF-YEAR MANAGEMENT REPORT 3

1.1 Activities of the PSA Banque France Group 4
1.2 Analysis of operational results 12
1.3 Financial situation 16
1.4 Regulatory capital adequacy – Pillar III information 20
1.5 Corporate governance – General information concerning PSA Banque France 43

2 CONDENSED 2022 HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS 49

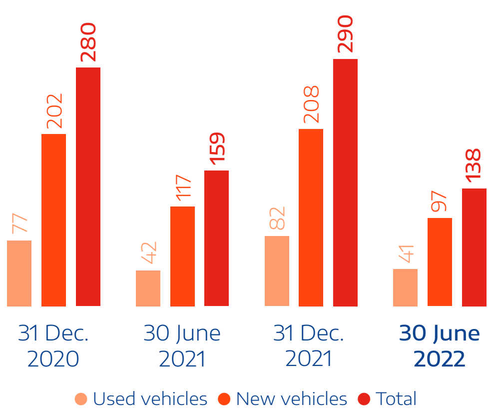
2.1 Consolidated balance sheet 50
2.2 Consolidated income statement 51
2.3 Net income and gains and losses recognised directly in equity 52
2.4 Consolidated statement of changes in equity 53
2.5 Consolidated statement of cash flows 54
2.6 Notes to the consolidated financial statements 55
2.7 Statutory Auditors' review report on the half-year financial information 85

Statement by the person responsible for the 2022 Half-Year Report 86

30 JUNE 2022 KEY FIGURES

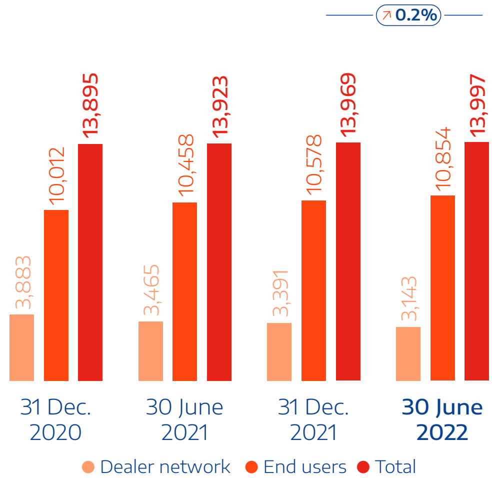
EVOLUTION OF VEHICLES FINANCED FOR END USERS

(in thousands of vehicles)



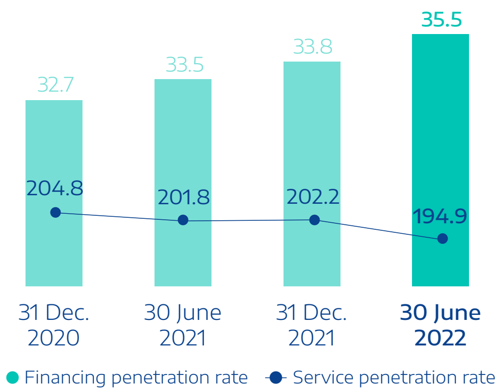
EVOLUTION OF OUTSTANDING LOANS TO END USERS AND DEALER NETWORK

(in million euros)

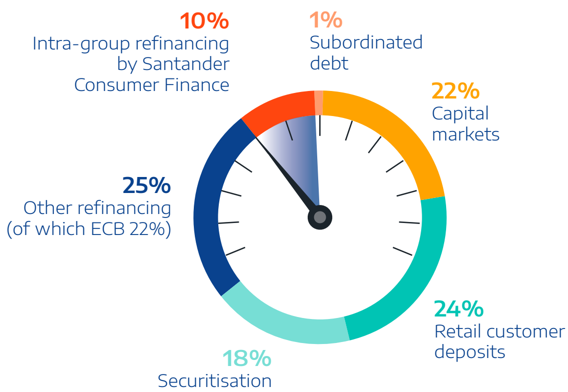


FINANCING AND SERVICE PENETRATION RATES

(in % of new vehicle sales for Peugeot, Citroën and DS / in % of financing contracts)

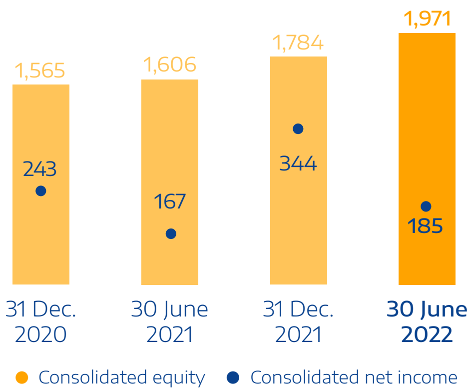


FUNDING SOURCES AS AT 30 JUNE 2022



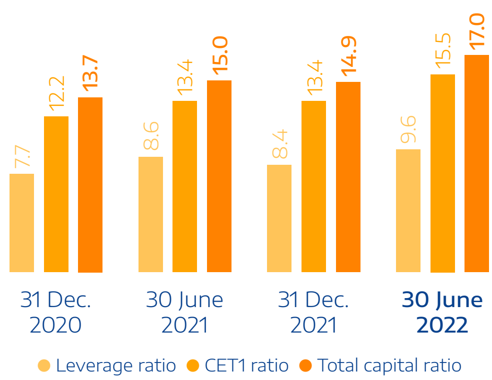
EQUITY AND NET PROFIT

(in million euros)



CAPITAL RATIOS

(in %)



1 HALF-YEAR MANAGEMENT REPORT

1.1 ACTIVITIES OF THE PSA BANQUE FRANCE GROUP 4
1.1.1 Summary of financial information 4
1.1.2 Activities of the PSA Banque France Group 5

1.2 ANALYSIS OF OPERATIONAL RESULTS 12
1.2.1 Vehicle sales of Peugeot, Citroën and DS 12
1.2.2 Commercial activity of the PSA Banque France Group 12
1.2.3 Results of operations 14

1.3 FINANCIAL SITUATION 16
1.3.1 Assets 16
1.3.2 Provisions for non-performing loans 16
1.3.3 Refinancing policy 17
1.3.4 Liquidity security 19
1.3.5 Credit ratings 19

1.4 REGULATORY CAPITAL ADEQUACY – PILLAR III INFORMATION 20
1.4.1 Capital management and regulatory capital adequacy 23
1.4.2 Leverage ratio 31
1.4.3 Credit risk 36
1.4.4 Information relating to liquidity risk 39
1.4.5 Information relating to interest rate risk 42

1.5 CORPORATE GOVERNANCE – GENERAL INFORMATION CONCERNING PSA BANQUE FRANCE 43
1.5.1 PSA Banque France overview 43
1.5.2 Shareholders – Structure of share capital 43
1.5.3 Board of Directors and Management Bodies 44
1.5.4 Information about the Administrative and Management Bodies 45
1.5.5 Persons responsible for auditing the accounts 48

1.1 ACTIVITIES OF THE PSA BANQUE FRANCE GROUP

1.1.1 SUMMARY OF FINANCIAL INFORMATION

The financial information presented in this half-year report has been prepared in accordance with "IFRS" (International Financial Reporting Standards) adopted by the European Union member countries. The consolidated financial statements were reviewed as at 30 June 2022 by the Statutory Auditors of the PSA Banque France Group, PricewaterhouseCoopers Audit and Mazars.

CONSOLIDATED INCOME STATEMENT

(in million euros)	**H1 2022**	**H1 2021**	**Change in %**
Net banking revenue	325	294	10.5%
General operating expenses and equivalent	(86)	(83)	3.6%
Cost of risk	4	(6)	(166.7%)
Operating income	**243**	**205**	**18.5%**
Other non-operating income	(0)	-	-
Pre-tax income	**242**	**205**	**18.0%**
Income taxes	(57)	(38)	50.0%
NET INCOME	**185**	**167**	**10.8%**

CONSOLIDATED BALANCE SHEET

(in million euros)

ASSETS	**30 June 2022**	**31 December 2021**	**Change in %**
Cash, central banks, post office banks	906	818	10.8%
Financial assets	311	78	298.7%
Loans and advances to credit institutions	590	628	(6.1%)
Customer loans and receivables	13,997	13,969	0.2%
Tax assets	13	12	8.3%
Other assets	235	212	10.8%
Property and equipment	16	17	(5.9%)
TOTAL ASSETS	**16,068**	**15,734**	**2.1%**

LIABILITIES	**30 June 2022**	**31 December 2021**	**Change in %**
Financial liabilities	2	0	-
Deposits from credit institutions	4,176	3,945	5.9%
Due to customers	3,464	3,356	3.2%
Debt securities	5,198	5,438	(4.4%)
Tax liabilities	516	472	9.3%
Other liabilities	586	584	0.3%
Subordinated debt	155	155	-
Equity	1,971	1,784	10.5%
TOTAL LIABILITIES	**16,068**	**15,734**	**2.1%**

OUTSTANDING LOANS BY CUSTOMER SEGMENT

(in million euros)	**30 June 2022**	**31 December 2021**	**Change in %**
Dealer network	3,143	3,391	(7.3%)
End users	10,854	10,578	2.6%
TOTAL CUSTOMER LOANS AND RECEIVABLES	**13,997**	**13,969**	**0.2%**

1.1.2 ACTIVITIES OF THE PSA BANQUE FRANCE GROUP

1.1.2.1 PRESENTATION

Banque PSA Finance, a finance company of STELLANTIS (formed through the merger of the PSA and FCA groups in January 2021), specialising in automotive financing, and Santander Consumer Finance, the subsidiary of Banco Santander, specialising in consumer finance, signed, on 10 July 2014, a framework agreement on the creation of a banking partnership covering 11 countries in Europe.

This partnership between Banque PSA Finance and Santander Consumer Finance takes the form of joint ventures constituted in 2015 in France, the United Kingdom, Spain and Switzerland, then in 2016 in Germany, Austria, Belgium, Italy, the Netherlands, and Poland, and a commercial partnership in Portugal since August 2015. Since 2020, the joint venture created in Switzerland has been fully taken over by Santander Consumer Finance, and the banking partnership now covers ten countries in Europe.

On 2 February 2015, Banque PSA Finance and Santander Consumer Finance, after having received the authorisation of the European Central Bank on 28 January 2015, formalised their cooperation to jointly perform banking operations in France through the SOFIB Group whose legal name changed to PSA Banque France on 18 July 2016.

The PSA Banque France Group was founded in 2015 through the combination of the financing activities from the PSA Group in France operated by CREDIPAR, CLV, SOFIRA, and SOFIB. In May 2015, the subsidiary CREDIPAR absorbed SOFIRA.

The cooperation with Santander Consumer Finance enhances the activities of the PSA Banque France Group, thanks to more competitive financial offers dedicated to Peugeot, Citroën and DS customers and dealer networks. A full range of insurance products and services enables customers to benefit from a global and coherent offer at the sales point. The PSA Banque France Group also provides the dealer networks of the three brands, with financing for their stock of vehicles (new and used) and spare parts, as well as other financing solutions such as working capital.

On 17 December 2021, STELLANTIS announced the entry into exclusive negotiations with its European financial partners, aimed at reorganising the European configuration of its financing activities, thus making it possible to offer consistent and attractive financing offers to all customers, dealers and distributors of STELLANTIS brands. The “framework agreements” were signed on 31 March 2022 and Santander Consumer Finance should carry out, through joint ventures co-owned with STELLANTIS, the financing activities (excluding B2B Operational Leasing) in France, Italy, Spain, Belgium, Poland, the Netherlands and through a commercial agreement in Portugal, in order to become the exclusive partner of STELLANTIS for this segment in these countries from the first half of 2023 after obtaining the required authorisations from competition authorities and relevant regulators.

A. Organisation

PSA Banque France is 50/50 controlled by Banque PSA Finance and by Santander Consumer Banque, the French subsidiary of Santander Consumer Finance, and is fully consolidated into the Santander Group.

PSA Banque France is a credit institution and 100% parent company of CREDIPAR, which itself holds 100% of CLV. All financing activities are therefore carried out by PSA Banque France and its CREDIPAR and CLV subsidiaries.

STRUCTURE OF THE PSA BANQUE FRANCE GROUP

The PSA Banque France Group is established and operates across the French territory from its registered office at 2-10, boulevard de l’Europe, Poissy (78300), and its three agencies (Grand Paris, Lyon and Rennes).

B. Organisation of the cooperation between Banque PSA Finance and Santander Consumer Finance

The cooperation between Banque PSA Finance and Santander Consumer Finance is organised within the PSA Banque France Group through a shared governance.

The governance rule of the committees implemented in the context of the cooperation in all areas (sales, risk, finance, etc.) is compatible with the corporate governance regulatory framework.

C. Business model and strategy

Backed by its economic model based on its proximity with the three brands, Peugeot, Citroën and DS, and their dealer network, and by the financial support of the Santander Group, the PSA Banque France Group has demonstrated its ability to respond efficiently in a complex context (Covid-19 pandemic, semiconductor shortage, geopolitical tensions, etc.).

The main levers implemented by the PSA Banque France Group are:

- **an extended, structured and customised selection of financing solutions.** A comprehensive offering has been developed to meet the needs of the Peugeot, Citroën and DS dealer networks and their customers. A close relationship with the commercial networks helps the PSA Banque France Group developing financing solutions and services packages specifically designed to address their needs. Since 2017, the PSA Banque France offer has been proposed in the Aramis network specialised in the purchase of new vehicles (all brands) or refurbished used vehicles, either online, by phone, or from its own network. Aramis is a company of STELLANTIS;
- **a privileged relationship with Peugeot, Citroën and DS and their dealer networks.** Financing, insurance and services solutions are marketed through the Peugeot, Citroën and DS dealer networks, with a global approach by packaging the financing proposal with the sale of the vehicle. Vehicle renewal rates for these brands are usually higher when customers finance their vehicles via the PSA Banque France Group. PSA Banque France is tailoring its solutions for new electrified models of brands;
- **a cutting-edge information system integrated into the point of sale which evolves enabling it to be as close as possible to ongoing business in the networks.** The PSA Banque France Group's information systems are integrated with those of the Peugeot, Citroën and DS brands, enabling the dealers of these brands to make a global commercial proposal that encompasses the vehicle, its financing solution as well as any ancillary services. Eligible customers can thus obtain a decision concerning their financing application directly from the vehicle's dealer;
- **diversified insurance and service offerings with a high added value.** End users have various insurance options and services, related to the vehicle or ancillary to its financing, proposed either at the same time as the financing offers or during the period of vehicle detention. The idea of a One-stop Shopping approach is to make financing, insurance, and services overall more attractive for customers. This offering factors in the changing nature of customer behaviour in terms of greater mobility;
- **an optimal use of digital tools for the benefit of the customer experience and the relationship with the point of sale.** In order to support changes in customer habits when choosing a vehicle, the PSA Banque France Group proposes online solutions such as calculators on the websites of the brands and of the dealer networks. The three brands have been benefiting from this digital distribution channel launched jointly with PSA Banque France Group in the context of the Covid-19 pandemic since 2020. It proposes a complete 100%-online solution for selling and financing new vehicles;
- **a diversified refinancing policy.** The PSA Banque France Group benefits from funding raised on capital markets (negotiable debt securities and bond issues under EMTN programme), provided by debt securitisation transactions, retail savings inflow from French customers and access to the refinancing operations of the European Central Bank (ECB), in addition to intra-group financing provided directly by Santander Consumer Finance. This model has demonstrated its resilience in the context of the Covid-19 pandemic by continuing to provide optimised refinancing conditions for the PSA Banque France Group.

Although it fully benefits from its status as a dedicated financial partner of STELLANTIS, the PSA Banque France Group operates according to an independent management structure focused on the success of its activities while ensuring a rigorous control of its own risks. As for commercial policy, it is closely aligned with the marketing and business strategy of the Peugeot, Citroën, and DS brands.

The asset management system relies on a robust retail credit acceptance policy based on an internally-developed credit scoring method, and high standards of credit analysis for corporate financing.

1.1.2.2 PRODUCT AND SERVICE OFFERINGS

In France, the PSA Banque France Group offers financing, insurance and services, as well as savings for retail customers:

- **financing for end users represents 78% of outstanding loans as at 30 June 2022.** Individuals are offered a range of solutions including instalment loans for the purchase of new and used vehicles, as well as leasing solutions with or without a purchase option. This offer continues to be enhanced with a view to adapting to the new behaviour of individual customers who want comprehensive mobility solutions. Cars are at the heart of their mobility, but it must be part of their ecosystem which encompasses all means of transport at their disposal. Furthermore, the PSA Banque France Group develops offers providing solutions for this new behaviour, in particular through long-term lease offers (LLD) without time commitment on combustion-powered and electric vehicles.

  The implemented solutions are also available for companies of all sizes via a very wide range of long-term leasing and finance lease formulas, combined with services that make life easier for drivers and fleet managers. In addition, the PSA Banque France Group is responsible for structuring the services and insurance offers provided by Free2Move Lease (F2ML) as well as for the local coordination and the customer management;
- **financing for the dealer network represents 22% of outstanding loans as at 30 June 2022.** Financing solutions are available to the Peugeot, Citroën and DS dealer networks for financing their stock of new and used vehicles, spare parts, as well as other solutions for financing their working capital and their investments. The flexibility of the solutions enabled the network to weather the health crisis under the best conditions;
- **insurance products and services.** An extensive range of services and insurance products designed for end users is offered:
  - insurance related to the financing such as death and disability insurance, hospitalisation or unemployment insurance, or financial loss insurance covering the total loss of the financed vehicle (theft or accident). The PSA Banque France Group continues to extend its flexibility strategy with LOCAVIE, which celebrated its first anniversary in mid-2022. This service, that enables to relieve the customer in the event of family events (marriage, death, etc.) or temporary events affecting its budget (hospitalisation, loss of employment, etc.), is very popular. In addition, the death/disability insurance offer was extended to corporate customers with long-term lease (LLD) at the end of 2021 and continued to grow,
  - insurance policies and services relating to the vehicle, such as car insurance or guarantee extensions for new and used vehicles: assistance services including mobility solutions and additional services relating, for example, to the maintenance of vehicles and to the “connected vehicle” offer. Specific packages for connected vehicles are also offered and are very popular with customers.

  Since the end of 2021, the PSA Banque France Group has also been supporting the roll-out of STELLANTIS’s new VO SPOTICAR label by offering a range of dedicated warranty and maintenance extension products as well as an innovative connected car insurance offer: “Drive & Connect”, developed and distributed by its insurance and broker partners, now also available on new vehicles for individuals.

  At the same time and to support corporate customers, specific insurance products have been put in place in recent years to protect their business activities, such as the guarantee on transported equipment or business interruption loss related to vehicle immobilisation. At the end of 2021, a connected insurance solution for small fleets (below nine vehicles) based on the connected insurance model available for individuals enhanced the product and service range available for corporate customers.

  Finally, to support the growth in the sales of electric vehicles, the Mobility pass solution as a financing contract option allows the customer to earn days of car hire topped up by the group. It enables a customer with an electric vehicle to rent a combustion-powered vehicle for long trips and for a defined period.

  The entire range of products and services is thus evolving to support STELLANTIS’s desire to expand its range of electrified vehicles, both for individuals and companies of all sizes;
- **retail savings.** The “Distingo par PSA Banque” retail savings business consists of savings accounts and term deposits. The first half of 2022 was marked by a consolidation of PSA Banque France’s position on the online savings market. The commercial success achieved also underscores the confidence of investors in the development prospects of both STELLANTIS and PSA Banque France and its ability to retain customers.

A. Loan portfolios

Financing activities and outstanding loans by portfolio are based on the following customer segments:

- end-user loans primarily consist of financing for the acquisition of vehicles by individuals, small and medium-sized companies and corporate customers, either through instalment loans or leasing contracts;
- dealer loans granted to the Peugeot, Citroën and DS brand dealer network consist of financing of the stock of new vehicles, used vehicles and spare parts. This segment also includes loans and leases provided to dealers to finance vehicles and equipment used in their everyday activity, financing of working capital requirement, treasury loans, property loans to finance their premises and other types of products, including current accounts.

B. End-user financing

The PSA Banque France Group finances the purchase and leasing, with or without a purchase option, of new and used vehicles by individual customers and companies through Peugeot, Citroën and DS dealer networks. Financing solutions include insurance and services that protect the customer and/or its vehicle.

The PSA Banque France Group is also the exclusive financial partner of the Citroën AMI quadricycle and the partner of Aramis, a STELLANTIS network specialising in the sale of new and used vehicles.

The majority of financing is provided for new vehicles. Financing is also proposed for purchasing or leasing used vehicles of any brand.

In the first half of 2022, the PSA Banque France Group supported the launch of the new Peugeot, Citroën and DS models by providing dedicated loyalty offers including financing, insurance, and service packages, in particular through leasing solutions. Free2Move Lease (F2ML) has enabled PSA Banque France to perfect its comprehensive offer through a specialised structure dedicated to long-term leasing of vehicles for companies of all sizes.

Interest rates proposed to customers are generally fixed.

Promotional offers supported by the Peugeot, Citroën and DS brands may also be proposed to customers in order to boost vehicle sales or encourage the marketing of certain models. The usual credit-scoring and pricing procedures are applied to this type of financing.

Marketing policy and penetration rate

The PSA Banque France Group works closely in a privileged partnership with the Peugeot, Citroën and DS dealer networks. It financed 35.5% of new vehicles registered in France by the three brands in the first half of 2022.

Financing solutions are marketed through these dealer networks, with a comprehensive approach in order to propose to end users, at the time of sale of a vehicle, a financing, insurance and service package. These solutions are evolving according to customers' needs for simple and easy mobility.

To support customers during the health crisis, in collaboration with the brands, solutions for payment deferral and the renewal of new or used vehicles, without overloading their monthly budget, have been put in place.

The PSA Banque France Group's information systems are integrated with that of the brands, allowing the dealer network to conduct the negotiation and customer contracting processes with strong responsiveness. This One-stop Shopping ability is definitely an advantage that is valued by customers. Eligible customers can thus obtain a decision on their financing application directly from the dealer. About 80% of requests from individuals and over 60% of requests from companies are handled in less than one hour. This integrated information management system is also a key factor in driving down costs and application processing time. Electronic signature is possible for individuals and corporate customers whose signatory is also an executive. This approach designed to ease the customer experience and the interface with the point of sale shows the desire of the PSA Banque France Group to be the preferred partner for its customers.

To support the communication and offers of Peugeot, Citroën and DS on their websites, the PSA Banque France Group has developed tools for simulating financing available on brands and dealer network websites. Initiated in 2017, when an online financing solution was put in place, then in 2019 through integrated decisions for orders of STELLANTIS vehicles available in stock, digital solution services continued to evolve to meet customer needs during the Covid-19 pandemic. Individual customers are offered the possibility of configuring, ordering and financing their new vehicle online while also promoting relations with a point of sale in the brands' networks.

A diversified range of offers has been developed to meet the needs of the Peugeot, Citroën and DS networks and their customers. Its privileged partnership with these brands' commercial networks enables the PSA Banque France Group to develop financing solutions that also include insurance and services, to meet the expectations of end users as much as possible. The PSA Banque France Group supports Peugeot, Citroën and DS in identifying and designing solutions fulfilling the expectations of the different targeted market segments, ahead of market trends. STELLANTIS will become its customers' main mobility partner.

The penetration rate is measured by dividing the number of new financing contracts for new Peugeot, Citroën and DS vehicles by the number of passenger vehicles and utility vehicles registered in France by STELLANTIS for these three brands. The number of new registered vehicles includes vehicles purchased with cash, therefore without financing. The PSA Banque France Group's share in the total of financed Peugeot, Citroën and DS vehicles is significantly higher than the share financed by its competitors (full-service banks or banks specialised in consumer credit).

End-user instalment loans for new and used vehicles

End-user instalment loans mainly consist of fixed monthly payments covering the amortisation of principal and accrued interest. In some cases, customers may also be offered balloon loans, which feature a last instalment that is larger than the previous ones. In such cases, the owner of the vehicle financed by the loan has the option to sell his vehicle back to the dealer at the end of the contract for an amount equal to the last payment (balloon payment) in accordance with the commitment to buy back the vehicle signed by the dealer when the vehicle was sold.

The vehicle may be totally or partially financed. The borrower can opt to make a personal contribution covering a portion of the vehicle price and using financing for the remaining amount. In all cases, the amount of financing cannot exceed 100% of the price of the vehicle, including options and accessories. Many customers (mainly individuals) choose to partially finance the purchase price of their vehicle.

Loan terms typically range from one to six years. Instalments are generally monthly. In some cases it is however possible to postpone the first instalment for 60 to 90 days. The borrower may early prepay at any time. The customer may be charged a fee in such case.

Vehicle financing granted by the PSA Banque France Group may come with guarantees, depending on the type of vehicle financed and/or the risk profile of the customer, whether an individual or a company.

The PSA Banque France Group may request a third-party surety. For corporate customers, a pledge on the company or business assets may also be required.

Lease activities to end users

Lease activities include long-term leasing promoted to corporate customers by Free2Move Lease since 2017, leasing with a purchase option for individuals and finance leases for corporates. All of these different types of leases are recorded as financial leases in the PSA Banque France Group's consolidated financial statements and are included in customer loans and receivables. Leased vehicles are not recorded as fixed assets in the consolidated financial statements prepared according to international accounting standards.

The PSA Banque France Group purchases vehicles from Peugeot, Citroën and DS dealers and leases them to end-user customers. Leases are mainly granted for one to five years. The PSA Banque France Group remains the owner of the vehicle throughout the term of the lease. At the end of a lease with a purchase option or finance lease, the customer has the choice of exercising its purchase option or returning the vehicle. As for long-term lease, the dealer or in some cases the manufacturer itself is committed to repurchase the vehicle from the PSA Banque France Group when it is returned by the customer at the end of the contract, at a price determined at the inception of the contract. This repurchase value of the vehicle corresponds to the estimated residual value of the vehicle at the end of the rental period. As a result of the vehicle buy-back commitment, the PSA Banque France Group does not bear risk linked to the return and any change in its value at the end of the lease (the dealer or manufacturer complying with their buy-back obligation). The amount that the dealer or manufacturer pays to the PSA Banque France Group is not affected by any fees the customer may incur if the vehicle is not in a satisfactory condition or has exceeded the contractual mileage. However, the PSA Banque France Group will generally bear the risk on the resale value of the vehicle if during the rental period of the vehicle, the customer stops the payment of his rents. The vehicle's buy-back price set in advance by the dealer or manufacturer may not be enough to offset the loss of future payments not made by the customer. The long-term lease contracts therefore include a compensation clause for the financial loss in case of early termination of the contract.

Underwriting, payments and collection

The PSA Banque France Group has established differentiated credit scores for:

- financing on new vehicles or used vehicles;
- financing granted to individual or corporate customers;
- different types of financing solutions: loans or leasing.

The data used to assess borrowers' counterparty risk are taken from information and/or documents provided directly by customers and, as applicable, enhanced with data from internal databases set up from detailed profiles of customers and their payment histories. Information on customers is verified using various databases made available by public organisations (such as Banque de France). For corporate customers, the PSA Banque France Group uses various sources of public and commercial information to verify their creditworthiness. When the PSA Banque France Group refuses financing applications, it maintains records for six months that will result in automatic alerts if the same customer reapplies for financing during this period.

Instalments and lease payments are generally settled by direct debit. In cases of non-payment, a second debit order is initiated in order to automatically deal with as many arrears as possible. For residual non-payments, reminder notices are issued or the customer is called within few days after the payment incident, and this process is routinely repeated until the incident is resolved. The PSA Banque France Group uses both in-house amicable collection teams to attempt to resolve such incidents, and an external service provider who supports the in-house team by managing the first steps of the process.

If any unpaid amounts remain outstanding after 65 days, the pre-litigation collection teams take over the management of these payment incidents. Letters are sent to customers, and backed up by phone calls. According to the elements of the case and the information provided by the customer, the collection teams determine the most appropriate solution for the customer's situation in order to collect the unpaid amounts. They may request a specialist in home collection to intervene with the client or establish consolidated debt arrangements, and if no other solution is possible, to repossess the financed vehicle requiring or not a court order, thereby terminating the contract.

After recovering the vehicle, the PSA Banque France Group follows existing legal procedures (e.g. auctions) to sell the vehicle.

For any past-dues exceeding 150 days, the contract is accelerated and the litigation teams will attempt to recover the total financing balance by first attempting an ultimate amicable arrangement with the customers, before launching more binding procedures or seizing the vehicle if that could not be done previously.

When past-dues remain beyond 48 months, (in case of credit loans), or 24 months, (in case of leasing) after the acceleration of the contract, the collection and litigation teams request for the intervention of specialised external suppliers to recover the past-dues or, as applicable, proceed with the assignment of the receivables.

C. Financing for the dealer network

The PSA Banque France Group provides financing solutions for stocks of new, demonstration and used vehicles, as well as spare parts, held by dealers in the Peugeot, Citroën and DS networks. In addition to this main activity, other types of financing are also offered to dealers of these brands, to meet their operating (working capital, current accounts, etc.) or investment requirements.

Credit lines may also be granted to dealers to finance their vehicle buy-back obligations in the case of leases and balloon loans. The financing covers the full buy-back price of the vehicle for the dealers, within the global limit set for each dealer. Regular and at least annual reviews of the solvency and overall financial position of the dealers are carried out by the PSA Banque France Group so that credit limits can be adjusted if necessary.

D. Insurance products and services

Over the years, the PSA Banque France Group has expanded its product range by offering insurance products and services developed with:

- "PSA Insurance", the insurance business line that has been 50/50 held by Banque PSA Finance and Santander Consumer Finance since 2015. PSA Insurance markets in particular loan and financial loss insurance products. These products are adapting to the changing needs of customers and support PSA Banque France Group's mobility and flexibility strategies. Since the beginning of 2022, extended warranty programmes for used vehicles have also been provided by this business line;
- "PSA Assurance", the car insurance programme for the Peugeot, Citroën and DS brands of STELLANTIS distributed by the PSA Banque France Group's partner brokers and assumed mostly by AXA France for individuals, supports, for example, the launches of vehicles such as the Citroën AMI quadricycle, the first STELLANTIS's vehicle sold 100% online but also all the vehicles of the three brands or the development of the SPOTICAR label. "PSA Assurance", together with its partners, was awarded the *Argus d'Or* of the "Best Affinity/Collaborative Insurance" for "Drive & Connect" in June 2022;
- insurance partners who market assistance and for "DS Certified" used vehicle warranty extension;
- Peugeot, Citroën and DS for vehicle-related services developed and distributed by STELLANTIS, such as maintenance contracts and connected services.

Thus, the PSA Banque France Group offers to its end users, whether packaged or not with the financing, a full range of personal and vehicle-related insurance products and services.

The integrated approach to the vehicle's sale, financing, and additional services that are proposed during a single visit at the vehicle's point of sale makes the automobile offer more appealing to customers. Sales offers that can be bundled, in addition to the services being offered individually, allow for even more competitive terms while providing the customer and the vehicle with optimal protection and adapting to ever more intense needs of flexibility and freedom.

Highly targeted offers have been developed that include financing, insurance, and additional services, such as "Pack Perspectives" at Peugeot. Dedicated products have also been designed for used vehicles, such as "Trust & Go" including financing, warranty extension, or a maintenance contract, to best meet the customer's need for an "all-in-one" product with the option of subscribing to each of the items individually.

As regards the automobile insurance, PSA Banque France Group also expands its offer in accordance with the multi-channel distribution strategy by allowing its customers to acquire a wide range of products and services for the vehicle, its maintenance or its automobile insurance at the vehicle's point of sale or online.

Since 2019, the connected car insurance offer has been developed to become an additional real advantage for the sales forces on connected vehicles sold. The "Drive & Connect" offer, an innovative auto insurance programme, now allows the buyers of vehicles equipped with STELLANTIS telematics boxes to be immediately insured for free and without obligation for a first period of two months, after which a rate that may be reduced down to -25% compared to the initial rate may be offered to the customer thanks to the analysis of the driving data. These offers are available for all three brands, new and used vehicles. The offer has also adapted to electric vehicles with specific guarantees to meet the new needs of customers.

In the first half of 2022, the PSA Banque France Group celebrated the first anniversary of its new loan insurance, LOCAVIE, which is an innovative service following market trend, that allows the customer, on impacting life change event, to return his vehicle from the third month without penalty and notice, therefore terminating his financing contract. With the aim of easing the daily life, LOCAVIE provides, for example, the possibility of terminating his leases in certain cases (change of work, marriage, civil partnership (*PActe Civil de Solidarité, PACS*), birth, adoption, as well as in divorce or dissolution of a *PACS*)), and thanks to these conditions among the largest in the market, is the ideal service to change his vehicle according to his new needs but without obligation. The success of LOCAVIE proves that this need for flexibility is becoming stronger and over one third of individual customers of a lease with a purchase option have now taken out LOCAVIE.

In 2022, on the strength of its different lines of insurance products and services, the PSA Banque France Group therefore continued to build on its offer of ancillary products, which play a big part in customer satisfaction and retention as well as its overall profitability.

The PSA Banque France Group's insurance products and services are also included in the Free2Move Lease offer, the dedicated long-term lease solution for company vehicles. The PSA Banque France Group adapts its insurance and services offer to the mobility needs of STELLANTIS customers. Said customers are looking for reassuring solutions when purchasing an electrified vehicle.

E. Retail savings market

In 2015, the "PSA Banque" retail savings activity targeted to French customers was transferred to the PSA Banque France Group by Banque PSA Finance. Managing the retail savings business enables PSA Banque France to compete in the online savings market while at the same time diversifying its sources of financing. Passbooks and fixed-rate term deposits are intended only for individuals and tax residents of France.

1.1.2.3 POSITIONING

The status of the PSA Banque France Group, the financial partner of the Peugeot, Citroën and DS brands in France, allows for a close relationship with their dealer networks and naturally gives it a privileged positioning therein. Consequently, the Group is able to meet the financing needs of customers at points of sale, in close connection with the marketing policy of the three brands. Furthermore, the PSA Banque France Group stands apart from its competitors by virtue of the specific nature of the products and services it offers to end users through its One-stop Shopping solutions. With these products and services co-designed with Peugeot, Citroën and DS, each customer's needs can instantly be met at the point of sale. This close relationship with the brands enables the PSA Banque France Group to support STELLANTIS in deploying its policy as a major player in its customers' mobility.

Peugeot, Citroën and DS dealers are not contractually bounded to use the PSA Banque France Group for their own needs or customer financing. This means that the PSA Banque France Group must compete with its main competitors, being commercial banks, consumer credit institutions and professional hire companies, in these two business segments. Moreover, the option given to end-user customers to purchase their vehicle in cash or with an unsecured loan (such as a personal loan) is another form of competition.

1.2 ANALYSIS OF OPERATIONAL RESULTS

Main PSA Banque France Group's business consists in providing financing solutions for the acquisition of new and used vehicles of Peugeot, Citroën and DS brands by individual and corporate customers, and financing vehicles and spare parts stocks for Peugeot, Citroën and DS dealers. The PSA Banque France Group's net banking revenue is derived primarily from net interest income on customer loans and leases. The sale of insurance products and other services offered to customers of the three automotive brands also contributes to its net banking revenue.

The operating income of the PSA Banque France Group for the first half of 2022 amounted to €243 million, compared to the €205 million obtained in the first half of 2021.

1.2.1 VEHICLE SALES OF PEUGEOT, CITROËN AND DS

In the first half of 2022, sales in France of Peugeot, Citroën and DS passenger and light utility vehicles fell by 21.4% to 273,600 units, notably due to the semiconductor shortage, representing a market share of 28.6% (STELLANTIS overall market share of 34.9%).

Peugeot was down on last year with passenger car sales by 21.8% for a total of 128,210 units, despite four models placed among the ten best-selling models in France: the 208 (6.0% of market share) is the best-selling vehicle in France in the first half of the year, the 2008 (3.2%) ranked in the sixth position, the 308 got the seventh position (3.0%) while the 3008 (2.6%) was in the eighth place. Sales of light utility vehicles represented 33,050 units, down 24.2% compared to the first half of 2021.

Citroën, for its part, saw 100,950 vehicle registrations in France, representing a decrease of 21.0% compared to the previous year. This figure breaks down to 67,640 passenger cars and 33,310 light utility vehicles. In the passenger car category, the C3 moved up to fourth place among the best-selling cars in France with a market share of 3.8% and won one rank compared to 2021.

Lastly, with 11,320 passenger vehicle registrations at the end of June 2022, the DS brand recorded the smallest decrease, with 11.3% while its passenger vehicle market share was up slightly compared to 2021, to 1.5%.

1.2.2 COMMERCIAL ACTIVITY OF THE PSA BANQUE FRANCE GROUP

1.2.2.1 END-USER FINANCING

At the end of June 2022, the PSA Banque France Group saw a decrease of 13.1% in financing volumes for new and used vehicles to end users, from 158,544 to 137,720 financing contracts subscribed, for a total production of €2,359 million, down by 8.5% compared to the end of June 2021.

New vehicle penetration was 35.5% at the end of June 2022, up by 2 points compared to the end of June 2021.

The PSA Banque France Group financed 97,187 new vehicles from the Peugeot, Citroën and DS brands of STELLANTIS at the end of June 2022, through loans and lease contracts, down 16.6% compared to the end of June 2021.

New financing to individuals penetration rate reached 62.1% at the end of June 2022 compared to 57.1% at the end of June 2021.

Used vehicle financing volumes fell by 3.6% compared to the end of June 2021, with 40,533 financing contracts.

The tables below show the main indicators of the PSA Banque France Group's end-user financing activity as at 30 June 2022.

PRODUCTION OF NEW END-USER FINANCING FOR NEW AND USED VEHICLES

	H1 2022	H1 2021	Change in %
Number of new financing contracts	137,720	158,544	(13.1%)
Amount of production *(in million euros)*	2,359	2,578	(8.5%)

OUTSTANDING LOANS TO END USERS

(in million euros)	30 June 2022	31 December 2021	Change in %
Outstanding loans	10,854	10,578	2.6%

1.2.2.2 DEALER NETWORK FINANCING

At the end of June 2022, outstanding loans to the dealer network of the Peugeot, Citroën and DS brands decreased by 7.3% compared to December 2021, in particular due to the semiconductor shortage.

The table below shows the outstanding loans granted to dealers.

Furthermore, in order to strengthen its distribution model in Europe, STELLANTIS announced the termination of the sales and service distribution agreements of all STELLANTIS brands in June 2021, with two years' notice. The new dealer network will be selected and should lead to a new stage of dealer concentration.

TOTAL OUTSTANDING LOANS TO DEALER NETWORK

(in million euros)	30 June 2022	31 December 2021	Change in %
Outstanding loans	3,143	3,391	(7.3%)

1.2.2.3 INSURANCE AND SERVICES

At the end of June 2022, the number of insurance and service contracts decreased by 16.1% compared to the end of June 2021 with 268,374 new contracts subscribed compared to 319,892 in the first half of 2021.

The PSA Banque France Group sold an average of 1.9 insurance or service contract to each customer having taken out financing.

The decrease in the number of policies sold by financing continued for financing-related insurance.

The tables below show the main indicators for the PSA Banque France Group's insurance and services activities.

PRODUCTION OF NEW INSURANCE AND SERVICE CONTRACTS

(in number of contracts)	H1 2022	H1 2021	Change in %
Financing-related insurances	125,921	145,345	(13.4%)
Car insurance and vehicle-related services	142,453	174,547	(18.4%)
TOTAL	**268,374**	**319,892**	**(16.1%)**

PENETRATION RATE ON FINANCING

(in %)	H1 2022	H1 2021	Change in pts
Financing-related insurances	91.4	91.7	(0.2 pts)
Car insurance and vehicle-related services	103.4	110.1	(6.7 pts)
TOTAL	**194.9**	**201.8**	**(6.9 PTS)**

1.2.2. RETAIL SAVINGS MARKET

The "Distingo par PSA Banque" online savings activity was acquired by the PSA Banque France Group on 1 April 2015, demonstrating the Group's intention to diversify its sources of funding. This activity used to be managed directly by Banque PSA Finance (50% shareholder of PSA Banque France). It is characterised by a high propensity to win new customers and retain existing ones.

Savings outstanding increased by 3.9% since the end of 2021 to reach €3,070 million as at 30 June 2022 compared to €2,956 million as at 31 December 2021.

Despite the context of the inflation, the organisation set up made it possible to meet the target for savings outstanding, notably through acquisition and retention offers and by maintaining a quality customer service.

Customer satisfaction surveys continue to show excellent results.

RETAIL SAVINGS BUSINESS

(in million euros)	**30 June 2022**	**31 December 2021**	**Change in %**
Savings outstanding	3,070	2,956	3.9%

1.2.3 RESULTS OF OPERATIONS

NET INCOME

(in million euros)	**H1 2022**	**H1 2021**	**Change in %**
Net banking revenue	**325**	**294**	**10.5%**
of which end users	*242*	*216*	*12.0%*
of which dealer network	*23*	*30*	*(23.3%)*
of which insurance and services	*63*	*64*	*(1.6%)*
of which unallocated and other	*(3)*	*(16)*	*(82.4%)*
General operating expenses and equivalent	**(86)**	**(83)**	**3.6%**
Cost of risk	**4**	**(6)**	**(166.7%)**
of which end users	*3*	*(8)*	*(137.5%)*
of which dealer network	*1*	*2*	*(50.0%)*
Operating income	**243**	**205**	**18.5%**
Other non-operating income	(0)	-	-
Pre-tax income	**242**	**205**	**18.0%**
Income taxes	(57)	(38)	50.0%
NET INCOME	**185**	**167**	**10.8%**

1.2.3.1 NET BANKING REVENUE

Net banking revenue increased by 10.5% to €325 million in the first half of 2022 compared to €294 million in the first half of 2021.

This growth is mainly due to end-user customers.

The margin obtained on insurance and services was down very slightly by 1.6% to €63 million generated in the first half of 2022.

1.2.3.2 GENERAL OPERATING EXPENSES

General operating expenses and equivalent amounted to €86 million in the first half of 2022 compared to €83 million in the first half of 2021. This increase of €3 million is a satisfactory result for the first half 2022 given a higher increase in net banking revenue and the level of overall outstanding loans. Indeed, the cost-to-income ratio improved from 28.3% to 26.6%.

1.2.3.3 COST OF RISK

The cost of risk in the first half of 2022 was positive with €4 million (i.e. 0.06% of average net outstanding loans), compared to a negative impact of €6 million in the first half of 2021 (i.e. 0.09% of average net outstanding loans). All of the performing and non-performing loans were provisioned.

The increase in the cost of risk between the first two half-years is due to:

- in January 2022, the favourable impact of the implementation of new IFRS 9 models aligned with the new default definition, leading to a decrease in provisions of €22 million;
- in June 2022, the update of these IFRS 9 models, generating an additional provision of €4 million. However, there was no update of future macroeconomic assumptions in the first half of 2022.

The additional post-model adjustment provision of €1.6 million recognised in November 2021 is maintained as at 30 June 2022. Its purpose was to cover future non-performing loans arising from the possible unability of some companies to deal with the repayment of loans guaranteed by the State at their due date in the Covid-19 post-crisis context.

In addition, following the termination of the sales and service distribution contracts of all STELLANTIS brands in June 2021, with two years' notice, in order to strengthen the distribution model in Europe, a generic provision of €13.5 million was recognised at the end of 2021 for the possible negative impacts of this reorganisation where the new dealer network will be selected. It is maintained as at 30 June 2022.

The cost of risk on end-user financing activities was favourable by €3 million in the first half of 2022 compared to €8 million of provisions in the first half of 2021 for the reasons referred to above. For the financing activity of the dealer network, the cost of risk was also positive by €1 million in the first half of 2022 compared to €2 million as well in the first half of 2021.

1.2.3.4 CONSOLIDATED INCOME

In the first half of 2022, the PSA Banque France Group's pre-tax income stood at €242 million, an increase of 18.0% compared to the first half of 2021. Consolidated net income for the first half of 2022 amounted to €185 million.

The effective corporate tax rate stood at 22.8% of taxable earnings, compared to 17.9% for the first half of 2021. The corporate income tax rate in 2022 was 25.8% with the tax charge being reduced by the reassessment of the deferred tax liabilities inventory (impact of €9 million in 2022) following the reduction in the tax rate as per the 2020 French Finance Act (see Note 26.3 – PSA Banque France Group tax proof). The tax burden for the first half of 2022 was €57 million.

1.3 FINANCIAL SITUATION

1.3.1 ASSETS

Total assets of the PSA Banque France Group as at 30 June 2022 stood at €16,068 million, up by 2.1% compared to 31 December 2021.

Total outstanding financing amounted to €13,997 million, a 0.2% compared to 31 December 2021. End-user loans were up by 2.6% while dealer network financing decreased by 7.3%.

1.3.2 PROVISIONS FOR NON-PERFORMING LOANS

Impairment losses are deducted from the carrying value of loans and receivables as they are recorded, as soon as there is a revealing index of risk. The procedures for the recognition of impairment charges on outstanding loans are described in Note 2.C.4.4 of the 2021 Annual Report. When a loan or receivable is considered definitively unrecoverable, it is written off as a loss on the income statement. Any provision for previously-recognised impairment loss is then also reversed through the income statement. If collections are made on receivables after their write-off, these will also be entered as revenue on the income statement. All of these transactions are recognised in the income statement under the cost of risk heading.

The table shown in Note 25.1 details all loans, including sound loans with past-due instalments (delinquent loans) and non-performing loans with their related impairment amounts, as at 30 June 2022 and 31 December 2021.

IFRS 9

On 1 January 2018, the PSA Banque France Group adopted IFRS 9, which changed its financial asset impairment method.

Since 1 January 2021, the PSA Banque France Group has been applying the new European rules related to default ("new default definition"), introduced by the European Banking Authority (EBA) under Article 178 of Regulation (EU) No. 575/2013, in order to standardise the approaches of credit institutions among the countries of the European Union. Since the application of the new default definition, the PSA Banque France Group is pursuing a project to align this prudential approach and IFRS 9, for implementation on 1 January 2022.

The current impairment model is based on an estimate of "expected credit losses". This model is based on the risk parameters such as probability of default (PD) and loss given default (LGD). Impairments are classified into three levels or "stages" in accordance with the principles of the IFRS 9 standard:

- "stage 1" contains assets without risk deterioration or with an insignificant risk deterioration since origination. Impairment of receivables in stage 1 is the amount of one-year expected losses;
- "stage 2" contains assets with a significant risk deterioration since origination. Therefore, the amount of allocated provisions will be the amount of expected losses over the remaining term of the assets;
- "stage 3" contains assets with an objective evidence of loss as for example non-performing loans. Impairment of these assets will aim at covering expected losses over the remaining term.

In accordance with IFRS 9, the PSA Banque France Group exercises:

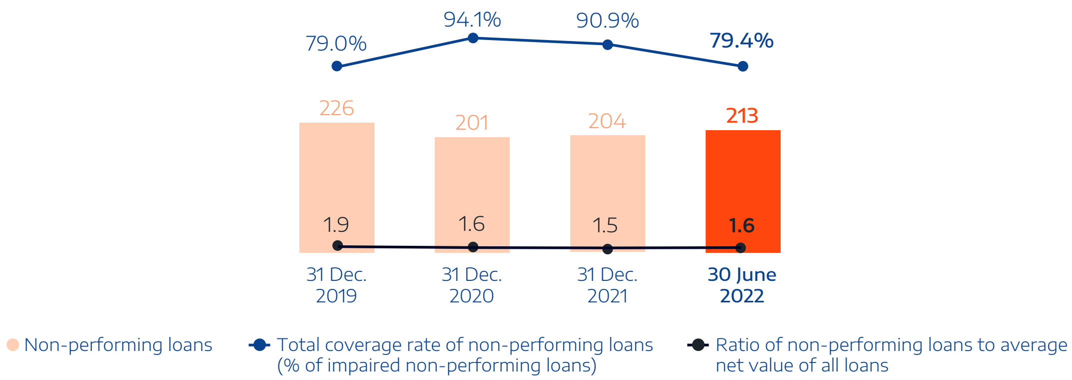
- provisioning of assets throughout their residual life, once there is a significant risk deterioration;
- creation of a "stage 2" assessing outstanding for corporate loans, with the aim to define specific provision for assets whose credit risk was significantly downgraded. It should be noted that there was already a similar approach, though based exclusively on the age of the past-due items, to the retail and SME loan portfolio;
- the use of a forward-looking approach, for estimating the expected loss.

For financing to individuals and small and medium-sized companies, impairment charges are calculated based on the classification of receivables by "stage" and the associated risk parameters. Following the implementation of the new default definition, the steps of the collection process on the basis of the number of days of the past-due items are taken into account in the classification of receivables by "stage".

In addition, for dealer network financing and corporate financing, each delinquent loan is analysed to determine if it presents an aggravated risk situation. If so, the loan is classified as non-performing (stage 3) and impairment charges are recorded on the income statement. Statistical impairment of sound or delinquent loans is also carried out on all corporate portfolios in order to cover the expected losses as per the risk assessment model.

NON-PERFORMING LOANS ON THE TOTAL PORTFOLIO

(in million euros, except percentage)



The risk profile remains stable with a ratio of non-performing loans to average value of loans of 1.6% as at 30 June 2022 compared to 1.5% as at 31 December 2021.

Non-performing loans increased by €9 million for end users. On the other hand, non-performing loans for dealer customers remain stable, with no default reported by the PSA Banque France Group in the first half of 2022.

The total coverage rate of non-performing loans fell from 90.9% in 2021 to 79.4% at the end of June 2022. This decrease arose from the reduction of provisions due to the implementation of new IFRS 9 models aligned with the new default definition since January 2022.

The coverage rate of total non-performing loans in "stage 3" also decreased, from 57% to 48% at the end of June 2022.

1.3.3 REFINANCING POLICY

The PSA Banque France Group has an adequate capital structure which results in a solid capital ratio strengthened by the quality of its assets.

The refinancing strategy of the PSA Banque France Group is based on diversifying its sources of liquidity, while ensuring that the maturities of its assets and liabilities are consistent. Since the creation of the partnership between Banque PSA Finance and Santander Consumer Finance in early 2015, the PSA Banque France Group had the opportunity to secure different sources of funding:

- on 2 February 2015, the day the joint venture was created in France, the financing granted by Banque PSA Finance to the entities of the PSA Banque France Group was substituted by refinancing provided by Santander Consumer Finance, in addition to the existing funding provided by securitisation transactions publicly placed among investors;
- on 1 April 2015, the "Distingo par PSA Banque" deposit business (retail savings accounts and term deposit accounts) covering French customers has been transferred by Banque PSA Finance to PSA Banque France;
- from June 2015, bilateral credit lines were established with various banks;
- since September 2015, the PSA Banque France Group as an approved credit institution has access (through the remittance of assets as collateral by its subsidiary CREDIPAR) to the refinancing operations of the European Central Bank (ECB);
- in June 2016, issuance programmes of negotiable debt securities (short and medium-term) and medium-term notes (EMTN) were launched to allow access to the capital markets. The first negotiable debt securities of the PSA Banque France Group were issued as at end of the first half of 2016 and the first EMTN bond issue was launched in January 2017. Six bonds issued in an amount of €500 million each were placed, four of which are still outstanding at the end of June 2022 after the redemption of the first issue in January 2020 and fourth in April 2022;
- in July 2016, a securitisation programme of leases with a purchase option was set up, followed in July 2017 by a securitisation programme of long-term leases. A public securitisation transaction of leases with a purchase option was placed on the markets in November 2018, followed by a second one in June 2021.

As at 30 June 2022, the refinancing of the PSA Banque France Group was split as follows:

- 22% from negotiable debt security and EMTN bond issuances on the capital markets;
- 24% from repayable funds from the public in relation to deposit activity;
- 18% from securitisation transactions placed;
- 25% from other external refinancing, of which 22% from the European Central Bank (participation in the TLTRO-III operations);
- 10% from intra-group credit lines granted by Santander Consumer Finance;
- 1% of subordinated debt subscribed in equal parts by each of the two shareholders.

The following table and graphs show a breakdown of the funding sources as at 30 June 2022 compared to 31 December 2021 and 30 June 2021.

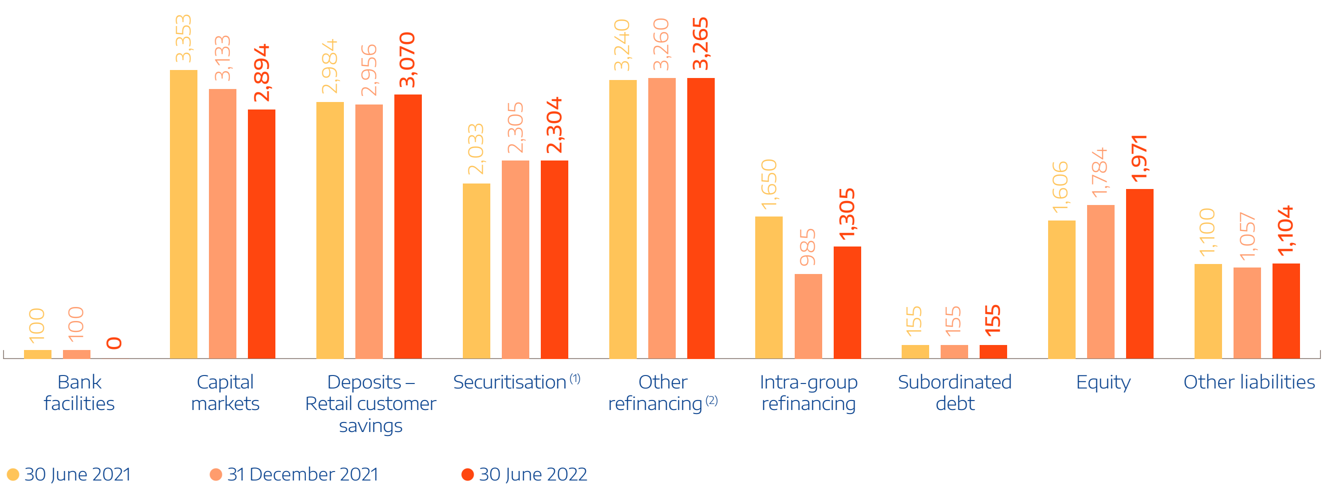
FUNDING SOURCES

(in million euros)	30 June 2022		31 December 2021		30 June 2021	
Bank facilities	-	-	100	1%	100	1%
Capital markets	2,894	22%	3,133	24%	3,353	25%
Deposits – Retail customer savings	3,070	24%	2,956	23%	2,984	22%
Securitisation (1)	2,304	18%	2,305	18%	2,033	15%
Other refinancing (2)	3,265	25%	3,260	25%	3,240	24%
External funding	**11,533**	**89%**	**11,754**	**91%**	**11,710**	**87%**
Intra-group refinancing	**1,305**	**10%**	**985**	**8%**	**1,650**	**12%**
Subordinated debt	**155**	**1%**	**155**	**1%**	**155**	**1%**
Equity	**1,971**		**1,784**		**1,606**	
Other liabilities	**1,104**		**1,057**		**1,100**	
BALANCE SHEET TOTAL	**16,068**		**15,734**		**16,221**	

(1) Securitisation only includes the securitisations placed.
(2) Of which refinancing through the ECB (participation in TLTRO-III operations) for a total of €2,825 million as at 30 June 2022 and dealer deposits.

FUNDING SOURCES

(in million euros)



Outstanding bank financing fell to zero after the non-renewal of the last loan that matured in the first half of 2022.

Outstanding capital market financing was down, notably following the redemption in April 2022 of the fourth EMTN issued in April 2019, and representing €2,894 million as at 30 June 2022.

Outstandings in the retail savings segment increased to €3,070 million.

As at 30 June 2022, the PSA Banque France Group's refinancing through securitisation was based on five transactions with receivables sold to securitisation vehicles totalling €5,871 million (see Note 8.3 of the consolidated financial statements):

- the Auto ABS French Loans Master monthly issuance programme, restructured in June 2019 with an AAsf/Aa2sf rating target for an additional four-year revolving period. Senior notes are used as collateral at the European Central Bank;
- the Auto ABS DFP Master Compartment France 2013 monthly issuance programme restructured in September 2020 with an AAsf/Aa2sf rating target for an additional five-year revolving period. Senior notes are used as collateral at the European Central Bank;
- the Auto ABS French LT Leases Master monthly issuance programme (STS notified), restructured in November 2021 for an additional two-year revolving period and a financing commitment of €600 million;
- the Auto ABS French Leases Master Compartment 2016 monthly issuance programme (STS notified), restructured in December 2021 for an additional two-year revolving period and a financing commitment of €900 million;
- the Auto ABS French Leases 2021, second public transaction (notified STS) with a one-year revolving period having issued €800 million of senior notes rated AAAsf/AAAsf in June 2021, of which €500 million were placed in June then €300 million in October.

Financing from securitisation transactions in the market remained stable at €2,304 million as at 30 June 2022.

Furthermore, the PSA Banque France Group benefits from collateralised financing obtained from the European Central Bank under the TLTRO-III refinancing operations, for a total participation of €2,825 million (see Note 12 of the consolidated financial statements).

1.3.4 LIQUIDITY SECURITY

The PSA Banque France Group is seeking the most relevant balance between security in terms of liquidity and optimisation of its refinancing costs. It borrows the resources required for its business continuity and balances assets and liabilities by managing exposure to interest rate risk through the use of interest rate swaps.

Over 70% of financing as at 30 June 2022 had an initial maturity of 12 months or more.

In addition, the PSA Banque France Group has:

- sound financial security, which is based on the support of Santander Consumer Finance;
- a €870 million liquidity reserve as at 30 June 2022, in the form of high-quality liquid assets, composed exclusively of reserves with the European Central Bank, and thus qualified as Level 1, under the Liquidity Coverage Ratio (LCR) classification;
- the possibility of additional drawing from the European Central Bank of €51 million based on assets deposited as collateral (composed of senior notes from securitisation, self-retained by CREDIPAR and of eligible credit claims remitted through TRICP channel, see Note 18 of the consolidated financial statements).

As at 30 June 2022, the PSA Banque France Group had €911 million in financing commitments granted to customers and €4 million in guarantee commitments to customers (see Note 18 of the consolidated financial statements).

1.3.5 CREDIT RATINGS

After having changed the credit rating outlook of PSA Banque France to negative in April 2020 in the context of the Covid-19 pandemic, Standard & Poor's Global Ratings revised it to stable on 24 June 2021 and affirmed the BBB+ rating.

On 29 May 2019, Moody's Investors Service upgraded PSA Banque France's long-term credit rating to A3, with a stable outlook.

The PSA Banque France Group's rating is linked to the rating of:

- Santander Consumer Finance and its support;
- STELLANTIS and its level of activity and profitability as well as its own financial structure.

Any rating update, whether positive or negative, may affect the bank's ability to obtain financing on the market in the short, medium, and long-term.

CREDIT RATINGS AS AT 30 JUNE 2022

(in million euros)		Active programmes	Programme sizes as at 30 June 2022	Total amount outstanding of debt securities as at 30 June 2022
Moody's	**S&P**	**Short term**		
P2	A-2	CD/NEU CP	2,000	484
		Long term		
A3	BBB+	BMTN/NEU MTN	1,000	410
A3	BBB+	EMTN	4,000	2,000

1.4 REGULATORY CAPITAL ADEQUACY – PILLAR III INFORMATION

The Pillar III information is published annually, but key indicators are to be reported half-yearly. No significant, sensitive or confidential information is omitted in this respect.

REGULATORY CAPITAL REQUIREMENT BY TYPE OF RISK

(as a % of total RWA as at 30 June 2022: €10,544 million)

CREDIT RISK EXPOSURES BY TYPE OF COUNTERPARTY

(as a % total net exposures as at 30 June 2022: €18,136 million)

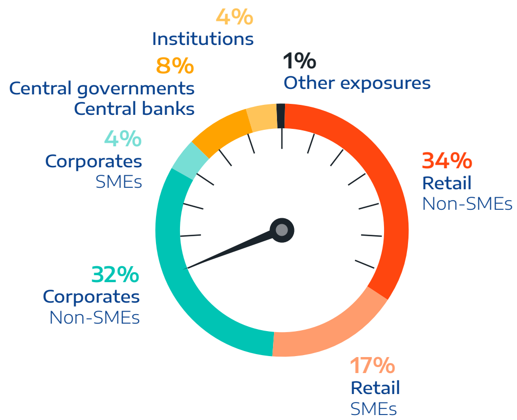


TABLE EU KM1 – KEY METRICS

This table provides an overview of key prudential regulatory metrics under Regulation (EU) 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR), amended by Regulation (EU) 2019/876, in application of points (a) to (g) of Article 447 CRR "Disclosure of key metrics" and in application of point (b) of Article 438 CRR "Disclosure of own funds requirements and risk-weighted exposure amounts".
It also includes certain information on the requirements of Pillar II (in particular P2R).

(in million euros and %)		30/06/2022	31/12/2021	30/06/2021
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	1,637	1,355	1,351
2	Tier 1 capital	1,637	1,355	1,351
3	Total capital	1,792	1,510	1,506
	Risk-weighted exposure amounts			
4	Total risk exposure amount	10,544	10,123	10,062
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	15.5%	13.4%	13.4%
6	Tier 1 ratio (%)	15.5%	13.4%	13.4%
7	Total capital ratio (%)	17.0%	14.9%	15.0%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU-7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.5%	1.5%	1.5%
EU-7b	*of which: to be made up of CET1 capital (percentage points)*	*0.8%*	*0.8%*	*0.8%*
EU-7c	*of which: to be made up of Tier 1 capital (percentage points)*	*1.1%*	*1.1%*	*1.1%*
EU-7d	Total SREP own funds requirements (%)	9.5%	9.5%	9.5%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%
EU-8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	0.0%	0.0%	0.0%
EU-9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%
EU-10a	Other Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	2.5%	2.5%	2.5%
EU-11a	Overall capital requirements (%)	12.0%	12.0%	12.0%
12	CET1 available after meeting the total SREP own funds requirements (%)	4.6%	4.6%	4.6%
	Leverage ratio			
13	Total exposure measure	17,009	16,062	15,695
14	Leverage ratio (%)	9.6%	8.4%	8.6%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.2%	0.1%	0.1%
EU-14b	*of which: to be made up of CET1 capital (percentage points)*	*0.1%*	*0.1%*	*0.1%*
EU-14c	Total SREP leverage ratio requirements (%)	3.2%	3.2%	3.4%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU-14d	Leverage ratio buffer requirement (%)	0.0%	0.1%	0.0%
EU-14e	Overall leverage ratio requirement (%)	3.2%	3.4%	3.4%

(in million euros and %)		30/06/2022	31/12/2021	30/06/2021
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (weighted value – average)	760	760	559
EU-16a	Cash outflows – Total weighted value	1,081	1,080	1,087
EU-16b	Cash inflows – Total weighted value	982	1,019	1,109
16	Total net cash outflows (adjusted value)	276	270	272
17	Liquidity coverage ratio (%)	283%	284%	210%
	Net Stable Funding Ratio			
18	Total available stable funding	12,391	13,013	12,998
19	Total required stable funding	11,746	11,966	11,948
20	NSFR ratio (%)	105%	109%	109%

1.4.1 CAPITAL MANAGEMENT AND REGULATORY CAPITAL ADEQUACY

1.4.1.1 SCOPE AND APPLICATION

The prudential scope used to calculate the solvency ratio is identical to the scope of consolidation described in the notes to the IFRS Financial Statements (Note 1.C) of the 2021 Annual Report.

Since 1 January 2014, the PSA Banque France Group has been subject to compliance with the prudential regulations defined by the Basel III agreements: Regulation (EU) 575/2013 of the European Parliament and of the Council (CRR), as amended by Regulation (EU) 2019/876 (CRR II), and Directive 2013/36/EU (CRD IV), as amended by Directive (EU) 2019/878 (CRD V).

Note that, in principle, banking institutions must be subjected to a two-fold monitoring process, on a consolidated basis and on an individual basis. However, on 29 January 2015, the French Prudential Supervisory Authority (*Autorité de Contrôle Prudentiel et de Résolution*, *ACPR*) endorsed the application for exemption that was submitted to it for prudential supervision on an exclusively consolidated basis, as per Regulation CRR Article 7. There are no obstructions to the transfer of regulatory capital between PSA Banque France and its subsidiaries.

TRANSITION TABLE FROM ACCOUNTING EQUITY TO REGULATORY CAPITAL

(in million euros)	30 June 2022	31 December 2021
Accounting Equity (1)	**1,971**	**1,784**
Share of net income for the year yet to be allocated (2)	185	344
Distributable income (2)	-	-
Negative amounts resulting from the calculation of the expected loss	139	77
Other prudential deductions	10	8
Tier 1 regulatory capital	**1,637**	**1,355**
Tier 2 subordinated loans	155	155
Tier 1 and Tier 2 regulatory capital	**1,792**	**1,510**

(1) Accounting and prudential equity are equal.
(2) The result for the first half of 2022 of €185 million, pending allocation, was excluded from the calculation of equity.

1.4.1.2 REGULATORY CAPITAL AND REGULATORY CAPITAL REQUIREMENTS

The information in this section is not covered by the Statutory Auditors' opinion on the consolidated financial statements.

The regulatory capital is broken down into three tiers (core Tier 1 capital, additional Tier 1 capital, and Tier 2 capital) composed of equity or debt instruments, which are subjected to regulatory adjustments. The PSA Banque France Group has Tier 1 and 2 capital instruments.

Tier 1 capital instruments are composed of the following:

- share capital and the corresponding issuance premiums;
- retained earnings and other reserves;
- components of income recognised directly in equity.

Regulatory deductions made to this regulatory capital include the following items:

- share of income for the financial year yet to be allocated;
- estimated amounts of projected dividend distributions;
- negative difference between recognised impairment and the expected losses statistically calculated for Risk Weighted Assets (RWA) stated using the Internal Rating Based (IRB) method;
- other prudential deductions corresponding to the contributions of the PSA Banque France Group to the *Fonds de Garantie des Dépôts et de Résolution* (*FGDR*) and the *Fonds de Résolution Unique* (*FRU*) deducted from Tier 1 regulatory capital.

Tier 2 capital instruments are composed exclusively of subordinated debt.

A total of three levels of solvency ratio are calculated:

- the core Tier 1 capital ratio or CET1 ratio;
- the Tier 1 capital ratio or T1 ratio;
- the total capital ratio.

These ratios are calculated by dividing each category of the Group's regulatory capital by the sum of risk-weighted assets.

TABLE EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

This table provides a breakdown of the constituent elements of regulatory own funds, in application of points (a), (d), (e) and (f) of Article 437 CRR "Disclosure of own funds".

(in million euros and %)		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	738	
	of which: instrument type 1	*738*	
	of which: instrument type 2	-	
	of which: instrument type 3	-	
2	Retained earnings	385	
3	Accumulated other comprehensive income (and other reserves)	663	
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484(3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,786**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	0	
8	Intangible assets (net of related tax liability) (negative amount)	-	
9	Not applicable	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38(3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(1)	
12	Negative amounts resulting from the calculation of expected loss amounts	(139)	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	-	
EU-20b	*of which: qualifying holdings outside the financial sector (negative amount)*	-	
EU-20c	*of which: securitisation positions (negative amount)*	-	
EU-20d	*of which: free deliveries (negative amount)*	-	

(in million euros and %)		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17.65% threshold (negative amount)	-	
23	*of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*	-	
24	Not applicable	-	
25	*of which: deferred tax assets arising from temporary differences*	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(9)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(149)**	
29	**Common Equity Tier 1 (CET1) capital**	**1,637**	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	-	
31	*of which: classified as equity under applicable accounting standards*	-	
32	*of which: classified as liabilities under applicable accounting standards*	-	
33	Amount of qualifying items referred to in Article 484(4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	*of which: instruments issued by subsidiaries subject to phase out*	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable	-	

	(in million euros and %)	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	
44	**Additional Tier 1 (AT1) capital**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,637**	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	155	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	*of which: instruments issued by subsidiaries subject to phase out*	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**155**	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a.	Not applicable	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	
58	**Tier 2 (T2) capital**	**155**	
59	**Total capital (TC = T1 + T2)**	**1,792**	
60	**Total risk exposure amount**	**10,544**	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	15.5%	
62	Tier 1 capital	15.5%	
63	Total capital	17.0%	

(in million euros and %)		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
64	Institution CET1 overall capital requirements	7.8%	
65	*of which: capital conservation buffer requirement*	*2.5%*	
66	*of which: countercyclical capital buffer requirement*	*0.0%*	
67	*of which: systemic risk buffer requirement*	*0.0%*	
EU-67a	*of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*	*0.0%*	
EU-67b	*of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	*0.8%*	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**4.6%**	
	National minima (if different from Basel III)		
69	Not applicable	-	
70	Not applicable	-	
71	Not applicable	-	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable	-	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38(3) CRR are met)	4	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

1.4.1.2.1 Regulatory capital

As at 30 June 2022, the Basel III (CRD IV) Tier 1 capital ratio in respect of Pillar I stood at 15.5%, and the total capital ratio was 17.0%. Basel III Tier 1 regulatory capital amounted to €1,637 million at the end of June 2022, taking into account the deduction of the difference between recognised impairment and expected losses of -€139 million on IRB scope. The regulatory capital requirement stood at €844 million as at 30 June 2022.

GROUP CAPITAL REQUIREMENT AND RISK-WEIGHTED ASSETS

(in million euros)	RWA 30/06/2022	Capital requirements 30/06/2022	RWA 31/12/2021	Capital requirements 31/12/2021	RWA 30/06/2021	Capital requirements 30/06/2021
Credit risk	**9,561**	**765**	**9,108**	**729**	**9,072**	**726**
Standard method	**1,102**	**88**	**989**	**79**	**1,052**	**85**
Sovereigns, central banks and administrations	16	1	16	1	17	1
Institutions	134	11	130	10	148	12
Corporate	330	26	328	26	319	26
Retail	335	27	306	25	287	23
Other assets	287	23	209	17	281	23
Foundation Internal Ratings-Based approach (F-IRB)	**4,049**	**324**	**3,858**	**309**	**3,917**	**313**
Corporate	4,049	324	3,858	309	3,917	313
Advanced Internal Ratings-Based approach (A-IRB)	**4,410**	**353**	**4,261**	**341**	**4,103**	**328**
Retail	4,410	353	4,261	341	4,103	328
Securitisation exposures in the banking book (after cap)	**84**	**7**	**116**	**9**	**155**	**12**
Operational risk (standard method)	**899**	**72**	**899**	**72**	**835**	**67**
Market risk	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL RISKS	**10,544**	**844**	**10,123**	**810**	**10,062**	**805**
Tier 1 regulatory capital	**1,637**		**1,355**		**1,351**	
Tier 1 capital ratio	**15.5%**		**13.4%**		**13.4%**	
Total regulatory capital	**1,792**		**1,510**		**1,506**	
Total capital ratio	**17.0%**		**14.9%**		**15.0%**	

Core CET1 capital

Core capital corresponds to the share capital and associated issue premiums, reserves, income net of taxes before allocation and other items of accumulated comprehensive income and minority interests after application of the transitional provisions for the prudential filters.

The core CET1 capital of the PSA Banque France Group accounted for 91% of total regulatory capital at the end of June 2022 and totalled €1,637 million.

AT1 capital

AT1 regulatory capital consists of equity instruments net of any repayment incentives or obligations in accordance with Articles 51 and 52 of the CRR. The PSA Banque France Group does not hold any such instruments.

T2 capital

T2 regulatory capital consists of subordinated debt instruments with a minimum duration of five years with no early repayment during the first five years, in accordance with Articles 62 and 63 of the CRR. They amounted to €155 million as at 30 June 2022 in the subordinated loan category, after two loans whose treatment must be identical and simultaneous (impairment and/or conversion).

1.4.1.2.2 Regulatory capital requirements

Regulatory requirements are determined in accordance with the laws and transitional provisions applicable as of 1 January 2014 to credit institutions and investment companies as published in the Official Journal of the European Union on 26 June 2013: Regulation (EU) No. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

On 6 April 2009, the ACPR authorised Banque PSA Finance to use the Advanced Internal Ratings-Based Approach (A-IRB) to calculate the regulatory capital requirement for the Retail portfolio, and the Foundation Internal Ratings-Based Approach (F-IRB) for the Corporate portfolio. This measure has been applied to the entities of the PSA Banque France Group since 1 January 2009.

In the context of the implementation of the cooperation between Banque PSA Finance and Santander Consumer Finance in 2015, the two partners aimed to keep using the internal ratings models developed by Banque PSA Finance, after review and validation of these models by Santander Group's Internal Validation Team, and after approval by the competent supervisory authorities.

As such, the PSA Banque France Group's internal rating system was inspected by the European Central Bank, further to which the PSA Banque France Group received authorisation in 2017 to maintain the internal rating methods originally developed by Banque PSA Finance for calculating risk-weighted assets (RWA). Since 2019, following the implementation of a synthetic risk transfer transaction, the senior securities held by CREDIPAR have been assessed using the SEC IRB approach.

All of the data used to model and calculate credit risk are extracted from the management accounting systems. The latter feed into the common risk databases: BRC (the central risk database for Retail customers) and BUIC (the Corporate customer database) that are used to uniformly track all risk parameters applicable to the PSA Banque France Group. The information from the risk management databases feeds the central regulatory capital management tool (Risk Authority).

At the same time, some accounting data are also integrated with this central tool. After reconciling management and statutory accounting data, the minimum capital requirement is calculated using the aforementioned tools, and regulatory capital reports are produced.

Operational risk is measured using the standard approach. Thus, the minimum capital requirement is calculated by applying a 12% ratio to retail net banking income and a 15% ratio to non-retail net banking income from other asset segments.

TABLE EU OV1 – OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS

This table provides an overview of total RWA forming the denominator of the risk-based capital requirements, in application of point (d) of Article 438 CRR "Disclosure of own funds requirements and risk-weighted exposure amounts".

		Total risk exposure amounts (TREA)		Total own funds requirements
(in million euros)		**30/06/2022**	**31/12/2021**	**30/06/2022**
1	**Credit risk (excluding CCR)**	**9,535**	**9,092**	**763**
2	*of which the standardised approach*	*1,076*	*973*	*86*
3	*of which the Foundation IRB (F-IRB) approach*	*4,049*	*3,858*	*324*
4	*of which slotting approach*	-	-	-
EU-4a	*of which equities under the simple risk-weighted approach*	-	-	-
5	*of which the Advanced IRB (A-IRB) approach*	*4,410*	*4,261*	*353*
6	**Counterparty credit risk - CCR**	**26**	**16**	**2**
7	*of which the standardised approach*	*24*	*15*	*2*
8	*of which internal model method (IMM)*	-	-	-
EU-8a	*of which exposures to a CCP*	*2*	*1*	*0*
EU-8b	*of which credit valuation adjustment - CVA*	-	-	-
9	*of which other CCR*	-	-	-
10	Not applicable	-	-	-
11	Not applicable	-	-	-
12	Not applicable	-	-	-
13	Not applicable	-	-	-
14	Not applicable	-	-	-
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**84**	**116**	**7**
17	*of which SEC-IRBA approach*	*84*	*116*	*7*
18	*of which SEC-ERBA (including IAA)*	-	-	-
19	*of which SEC-SA approach*	-	-	-
EU-19a	*of which 1,250%/deduction*	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**-**	**-**	**-**
21	*of which the standardised approach*	-	-	-
22	*of which IMA*	-	-	-
EU-22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**899**	**899**	**72**
EU-23a	*of which basic indicator approach*	-	-	-
EU-23b	*of which standardised approach*	*899*	*899*	*72*
EU-23c	*of which advanced measurement approach*	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (1)**	**10**	**9**	**1**
25	Not applicable	-	-	-
26	Not applicable	-	-	-
27	Not applicable	-	-	-
28	Not applicable	-	-	-
29	**TOTAL**	**10,544**	**10,123**	**844**

(1) The information in this row is disclosed for information purposes only as the amount included here is also included in row 1, where institutions are asked to disclose information on credit risk (OJEU of 21 April 2021).

Risk Weighted Assets (RWA) for credit risk, market risk and operational risk were €10,544 million as at 30 June 2022 compared to €10,123 million as at 31 December 2021.

1.4.1.2.3 Management of internal capital

The capital policy, approved by the Group's two shareholders, determines the criteria to be applied to define the internal capital objectives of the PSA Banque France Group and identify the share capital required to comply with regulatory ratios (Pillar I and Pillar II) and the Return On Equity (ROE).

The internal capital requirement corresponds to the minimum capital threshold the management of the PSA Banque France Group believes it needs to manage its risk profile and strategy.

The dividend distribution policy defines the criteria to establish the profit which can be distributed by the PSA Banque France Group to its two shareholders: Banque PSA Finance and Santander Consumer Finance.

It is proposed and approved by the ALCO Committee as part of internal capital management. It is consistent with the risk profile of the Group and is intended to meet regulatory requirements.

1.4.2 LEVERAGE RATIO

The leverage ratio compares Tier 1 regulatory capital (the numerator) to an exposure consisting of the balance sheet items and off-balance sheet items which are not risk-weighted (denominator).

The leverage ratio is not sensitive to risk factors and, as such, is considered to be a measure that complements the solvency and liquidity management system already making it possible to control balance sheet growth.

The risk of excessive leverage may lead to the taking of corrective measures not provided for by the financial and capital trajectory, including the sale of assets. The leverage ratio is part of the risk management system. This ratio is included in a dashboard presented to the Board on a monthly basis. Monthly monitoring ensures that the leverage ratio is in line with the target set by the PSA Banque France Group.

As at 30 June 2022, the leverage ratio stood at 9.6% (compared to 8.4% as at 31 December 2021).

Compared to 31 December 2021, the Tier 1 capital (in the numerator) increased by €282 million for the first half of 2022 due to:

- changes in equity of €347 million;
- a decrease of €65 million in other CET1 adjustments.

The leverage exposure (in the denominator) showed an overall increase of €947 million 2022:

- €53 million for exposures relating to derivatives and SFTs and gross amount of guarantees on derivatives provided, following the application of the SA-CCR calculation in accordance with CCR2, on forward financial instruments which increased from €4,842 million as at 31 December 2021 to €6,282 million as at 30 June 2022;
- €398 million related to central bank exposures following the end of the exemption on these exposures in the calculation of the leverage ratio;
- -€63 million for regulatory adjustments;
- €138 million for off-balance sheet exposures;
- €421 million for balance sheet exposures excluding derivatives and securities financing, related to the current activities of the PSA Banque France Group.

This ratio is included in the risk dashboard sent quarterly to the Audit and Risk Committee and the Board of Directors. Even if this ratio is higher than the regulatory requirements, the internal limit aims for a level higher than 6%.

TABLE EU LR1 – LRSUM – SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

This table reconciles the total assets in the published financial statements to the leverage ratio exposure measure, in application of point (b) Article 451(1) CRR "Disclosure of the leverage ratio".

(in million euros)		**Applicable amount**
1	**Total assets as per published financial statements**	**16,068**
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	60
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	883
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(2)
13	**TOTAL EXPOSURE MEASURE**	**17,009**

TABLE EU LR2 – LRCOM – LEVERAGE RATIO COMMON DISCLOSURE

This table provides a detailed breakdown of the components of the leverage ratio denominator, as well as a information on the actual leverage ratio, minimum requirements and buffers, in application of points (a) and (b) Article 451(1) CRR and Article 451(3) CRR "Disclosure of the leverage ratio", taking into account, where applicable, point (c) Article 451(1) and Article 451(2) CRR.

		CRR leverage ratio exposures	
(in million euros and %)		**30/06/2022**	**31/12/2021**
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	16,141	15,720
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	63	16
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(140)	(77)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**16,064**	**15,659**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	22	17
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	40	39
EU-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**62**	**56**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**-**	**-**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	2,486	944
20	(Adjustments for conversion to credit equivalent amounts)	(1,603)	(199)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**883**	**745**

(in million euros and %)		CRR leverage ratio exposures 30/06/2022	CRR leverage ratio exposures 31/12/2021
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	(398)
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**-**	**(398)**
	Capital and total exposure measure		
23	**Tier 1 capital**	**1,637**	**1,355**
24	**Total exposure measure**	**17,009**	**16,062**
	Leverage ratio		
25	**Leverage ratio (%)**	**9.6%**	**8.4%**
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9.6%	8.4%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	9.6%	8.2%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.1%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.1%	0.1%
EU-26b	*of which: to be made up of CET1 capital*	*0.1%*	*0.1%*
27	Leverage ratio buffer requirement (%)	0.0%	0.1%
EU-27a	**Overall leverage ratio requirement (%)**	**3.2%**	**3.4%**
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-

(in million euros and %)		CRR leverage ratio exposures 30/06/2022	CRR leverage ratio exposures 31/12/2021
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	17,009	16,062
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	17,009	16,460
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.6%	8.4%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.6%	8.2%

TABLE EU LR3 – LRSPL – SPLIT-UP OF ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)

This table provides a breakdown of the leverage ratio on-balance total exposure measure in application of point (b) Article 451(1) CRR "Disclosure of the leverage ratio".

(in million euros)		CRR leverage ratio exposures
EU-1	**TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS, AND EXEMPTED EXPOSURES), OF WHICH:**	**16,141**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	16,141
EU-4	*Covered bonds*	-
EU-5	*Exposures treated as sovereigns*	*1,299*
EU-6	*Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns*	*64*
EU-7	*Institutions*	*176*
EU-8	*Secured by mortgages of immovable properties*	-
EU-9	*Retail exposures*	*8,692*
EU-10	*Corporates*	*4,524*
EU-11	*Exposures in default*	*125*
EU-12	*Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)*	*1,261*

1.4.3 CREDIT RISK

1.4.3.1 CREDIT RISK EXPOSURE

Exposure in the event of default (EAD) includes credit exposures as recorded in the balance sheet and off-balance sheet.

The PSA Banque France Group uses three levels of classification of receivables (stages) and determines impairments on an individual or collective basis as described in Section 1.3.2 “Provisions for non-performing loans”.

The segmentation of the PSA Banque France Group’s business portfolios follows the Basel classification: the two business units, Fleet (financing of corporate and government vehicle fleets) and Wholesale (financing of STELLANTIS dealer networks) are exclusively dedicated to the Basel Corporate – Banks – Local authorities – Sovereigns portfolios, while the Retail financing business (Individuals, SMEs) makes up the Basel Retail portfolio.

The rating systems in this framework are also split into Retail and Corporate. The resulting parameters (PD, LGD, EAD) are those used to calculate the regulatory capital requirements for credit risk.

TOTAL NET AMOUNT OF EXPOSURES

The table below presents the total amounts of net exposures as at 30 June 2022 by exposure class.

(in million euros)	Net value of exposures as at 30/06/2022
Central governments or central banks	-
Institutions	-
Corporates	4,502
of which: Specialised lending	-
of which: SMEs	*547*
Retail	8,720
Secured by real estate property	-
SMEs	-
Non-SMEs	-
Qualifying revolving	-
Other retail	*8,720*
SMEs	*2,786*
Non-SMEs	*5,934*
Equity	-
Total IRB approach	**13,222**
Central governments or central banks	1,299
Regional governments or local authorities	71
Public sector entities	-
Multilateral development banks	-
International organisations	-
Institutions	297
Corporates	2,073
of which: SMEs	*172*
Retail	513
of which: SMEs	*307*
Secured by mortgages on immovable property	-
of which: SMEs	-
Exposures in default	11
Items associated with particularly high risk	-
Covered bonds	-
Claims on institutions and corporates with a short-term credit assessment	369
Collective investments undertakings	-
Equity exposures	-
Other exposures	281
Total standardised approach	**4,914**
TOTAL	**18,136**

1.4.3.2 DIVERSIFICATION OF CREDIT/CONCENTRATION RISK

As at 30 June 2022, the outstanding loans of the PSA Banque France Group to STELLANTIS stood at €208 million, representing 12.7% of Tier 1 regulatory capital.

On the same date, the PSA Banque France Group's ten main outstanding loans, other than those to STELLANTIS, totalled €1,716 million.

These ten main outstanding loans break down into the following counterparty categories:

- banks: €125 million;
- insurers: €219 million;
- dealer network (with no financial ties to STELLANTIS): €928 million;
- corporates (excluding dealer network): €444 million.

As at 30 June 2022, there was no net exposure on a single counterparty in excess of 25% of Tier 1 regulatory capital. This is partly made possible by the implementation of two credit insurance policies with two leading insurers to partially cover the risk related to the financing of vehicle inventories and spare parts financed by the PSA Banque France Group.

1.4.3.3 CREDIT RISK MITIGATION TECHNIQUES

Guarantees intended solely to mitigate credit risk

These guarantees can take the form of:

- personal collateral provided by a natural person or legal entity, notably a joint and several guarantee, first demand guarantee, letter of intent or commitment for a third party, etc.;
- a security right, notably lenders' liens, mortgages, pledging of business assets, pledging of securities, pledging of mortgages, etc.;
- various commitments, notably commitments to continue leases, commitments to take back vehicles at any time, etc.

These guarantees can also make it possible to consolidate a file and reverse an initial refusal.

Guarantees are never taken into account in the calculation of the grading of the customer and are not used to reduce the RWA of the underlying loans.

The guarantees must have a financial value, if possible quantified or at least quantifiable, and be legally valid. However, these guarantees are not exercised by the PSA Banque France Group.

Guarantees for credit mitigation and associated RWA reduction

As part of the application of Article 453 point (b) of the Capital Requirement Regulation (CRR) and since 2019, the PSA Banque France Group has set up diversified credit insurance policies with leading insurers to partially hedge the risk related to vehicle and spare parts inventory financing transactions for the main dealers financed by the PSA Banque France Group. These insurance policies enable the PSA Banque France Group to reduce its exposure to concentration risk in the context of major risks for the customers concerned while reducing the associated RWA by substituting those of credit insurers for the amount of net cover obtained and according to their credit rating assigned by ECAIs (substitution principle in force since June 2021 with the application of CRR II):

- the first policy, which was signed with an insurer rated respectively A2/AA by Moody's and Fitch, hedges the risks of new, demonstration and used vehicles inventory financing of the two largest dealers in the Peugeot, Citroën and DS networks in the gross amount of €79 million and €75 million net as at 30 June 2022, with an associated RWA gain of €45 million;
- the second policy, signed with another insurer, rated AA by Standard & Poor's, hedges the risks:
  - of financing the spare parts inventories of 27 dealers financed by the PSA Banque France Group, in the total gross amount of €230 million and €204 million net as at 30 June 2022, with an associated RWA gain of €130 million,
  - of new, demonstration and used vehicle stock financing of a dealer of the Peugeot, Citroën and DS networks in the gross amount of €30 million and €15 million net as at 30 June 2022, with an associated RWA gain of €11 million.

In order to mitigate the exposure to risk and save on the capital resources consumed, the PSA Banque France Group carried out a synthetic SRT (Significant Risk Transfer) transaction during the 2019 financial year. The transaction enabled the transfer of part of the risk on a specific portfolio to investors. The portfolio consists of loans in instalment contracts granted to consumers in France for the purchase of new and used vehicles which have a relatively high RWA level, primarily as a result of the high proportion of used vehicles. Thanks to this transaction, RWA were reduced by €251 million as at 30 June 2022.

These guarantees, intended to mitigate the PSA Banque France Group's credit risk, have been subject to a legal opinion as to their validity and enforce ability.

TABLE EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

This table provides information on the extent of use of credit risk mitigation (CRM) techniques by an institution in application of point (f) of Article 453 CRR "Disclosure of the use of credit risk mitigation techniques".

(in million euros)	**Unsecured carrying amount**	**Secured carrying amount**			
			Of which secured by collateral	**Of which secured by financial guarantees**	**Of which secured by credit derivatives**
Loans and advances	15,368	294	-	294	-
Debt securities	291	-	-	-	
TOTAL	**15,659**	**294**	**-**	**294**	**-**
of which: non-performing exposures	*236*	-	-	-	-
of which: defaulted	*213*	-			

1.4.3.4 COUNTERPARTY RISK

The calculated counterparty risk is not material for the PSA Banque France Group at €26 million out of a total RWA of €10,544 million as at 30 June 2022:

- €24 million under the SA-CCR approach (see table EU CCR1); and
- €2 million on eligible central counterparties.

TABLE EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH

This table provides a comprehensive view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used for each method, in application of points (f), (g) and (k) of Article 439 CRR "Disclosure of exposures to counterparty credit risk".
This table excludes exposures to a central counterparty (Section 9 of Chapter 6 of Title II of Part Three CRR).

	(in million euros)	**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWA**
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1,4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1,4	-	-	-	-
1	SA-CCR (for derivatives)	18	17		1,4	52	49	49	24
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*of which: securities financing transactions netting sets*			-		-	-	-	-
2b	*of which: derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*of which: from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**TOTAL**					**52**	**49**	**49**	**24**

1.4.4 INFORMATION RELATING TO LIQUIDITY RISK

The ILAAP (Internal Liquidity Adequacy Assessment Process) report on 2021 was approved by the Board of Directors in June 2022.

1.4.4.1 Average maturity of balance-sheet items

(in month)	**30 June 2022**	**31 December 2021**
Assets	13.3	13.2
Liabilities	19.7	21.9

1.4.4.2 Liquidity reserve

(in million euros)	**30 June 2022**	**31 December 2021**
Central bank deposits (excluding mandatory reserves)	870	785
HQLA securities available (after haircut)	0	0
Other available central bank-eligible assets (after haircut)	51	125
TOTAL LIQUIDITY RESERVE	**921**	**910**

1.4.4.3 Liquidity ratios

The average LCR ratio stood at 283% for the 12-month period until 30 June 2022.

The NSFR (Net Stable Funding Ratio) stood at 105% as at 30 June 2022.

TABLE EU LIQ1 – QUANTITATIVE INFORMATION OF LCR)

This table presents the breakdown of cash outflows and cash inflows, as well as the available high-quality liquid assets (HQLA), as measured and defined according to the LCR standard (simple averages of month-end observations over the 12 months preceding the end of each quarter), in application of Article 451a(2) CRR “Disclosure of liquidity requirements”.

Scope of consolidation: consolidated *(in million euros)*	**Total unweighted value (average)**				**Total weighted value (average)**			
Quarter ending on	**09/2021**	**12/2021**	**03/2022**	**06/2022**	**09/2021**	**12/2021**	**03/2022**	**06/2022**
Number of data points used in the calculation of averages	**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					**681**	**760**	**758**	**760**
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	**2,943**	**2,981**	**3,010**	**3,022**	**358**	**362**	**358**	**351**
Stable deposits								
Less stable deposits	*2,943*	*2,981*	*3,010*	*3,022*	*358*	*362*	*358*	*351*
Unsecured wholesale funding	**548**	**512**	**530**	**510**	**338**	**303**	**326**	**305**
Operational deposits (all counterparties) and deposits in networks of cooperative banks	*281*	*278*	*269*	*268*	*70*	*70*	*67*	*67*
Non-operational deposits (all counterparties)	*180*	*153*	*152*	*159*	*180*	*153*	*150*	*155*
Unsecured debt	*87*	*81*	*109*	*83*	*87*	*81*	*109*	*83*
Secured wholesale funding					**0**	**0**	**0**	**0**
Additional requirements	**863**	**893**	**906**	**949**	**159**	**169**	**172**	**177**
Outflows related to derivative exposures and other collateral requirements	*88*	*94*	*95*	*96*	*88*	*94*	*95*	*96*
Outflows related to loss of funding on debt products	*4*	*7*	*7*	*9*	*4*	*7*	*7*	*9*
Credit and liquidity facilities	*771*	*793*	*804*	*844*	*67*	*69*	*69*	*72*
Other contractual funding obligations	**282**	**285**	**277**	**286**	**240**	**246**	**239**	**248**
Other contingent funding obligations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL CASH OUTFLOWS					**1,095**	**1,080**	**1,096**	**1,081**
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inflows from fully performing exposures	**2,261**	**2,173**	**2,073**	**1,932**	**784**	**774**	**779**	**761**
Other cash inflows	**352**	**329**	**316**	**296**	**269**	**245**	**235**	**221**
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					**-**	**-**	**-**	**-**
(Excess inflows from a related specialised credit institution)					**-**	**-**	**-**	**-**
TOTAL CASH INFLOWS	**2,613**	**2,502**	**2,389**	**2,229**	**1,053**	**1,019**	**1,013**	**982**
Fully exempt inflows	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Inflows subject to 90% cap	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Inflows subject to 75% cap	*2,613*	*2,502*	*2,389*	*2,229*	*1,053*	*1,019*	*1,013*	*982*
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					**681**	**760**	**758**	**760**
TOTAL NET CASH OUTFLOWS					**274**	**270**	**280**	**276**
LIQUIDITY COVERAGE RATIO (%)					**252%**	**284%**	**277%**	**283%**

TABLE EU LIQ2 – NET STABLE FUNDING RATIO

This table provides quantitative information about Net Stable Funding Ratio (NSFR), in application of Article 451a(3) CRR "Disclosure of liquidity requirements".

		Unweighted value by residual maturity				
	(in million euros)	**No maturity**	**< 6 months**	**6 months to < 1 year**	**≥ 1 year**	**Weighted value**
AVAILABLE STABLE FUNDING (ASF) ITEMS						
1	**Capital items and instruments**	**1,971**	**0**	**0**	**155**	**2,126**
2	*Own funds*	*1,971*	*0*	*0*	*155*	*2,126*
3	*Other capital instruments*		*0*	*0*	*0*	*0*
4	**Retail deposits**		**2,848**	**115**	**160**	**2,826**
5	*Stable deposits*		*0*	*0*	*0*	*0*
6	*Less stable deposits*		*2,848*	*115*	*160*	*2,826*
7	**Wholesale funding**		**1,621**	**1,917**	**5,882**	**6,934**
8	*Operational deposits*		*276*	*0*	*0*	*65*
9	*Other wholesale funding*		*1,345*	*1,917*	*5,882*	*6,869*
10	**Interdependent liabilities**		**0**	**0**	**0**	**0**
11	**Other liabilities**		**629**	**109**	**385**	**439**
12	*NSFR derivative liabilities*					
13	*All other liabilities and capital instruments not included in the above categories*		*629*	*109*	*385*	*439*
14	**TOTAL AVAILABLE STABLE FUNDING (ASF)**					**12,391**
REQUIRED STABLE FUNDING (RSF) ITEMS						
15	**Total high-quality liquid assets (HQLA)**					**0**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		**0**	**0**	**0**	**0**
16	**Deposits held at other financial institutions for operational purposes**		**176**	**0**	**0**	**88**
17	**Performing loans and securities**		**5,295**	**1,820**	**7,542**	**11,410**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*0*	*0*	*0*	*0*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*377*	*14*	*24*	*69*
20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*4,627*	*1,807*	*7,518*	*11,051*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*23*	*12*	*38*	*42*
22	*Performing residential mortgages, of which:*		*0*	*0*	*0*	*0*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*0*	*0*	*0*	*0*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*290*	*0*	*0*	*290*
25	**Interdependent assets**		**0**	**0**	**0**	**0**
26	**Other assets**		**320**	**2**	**61**	**203**
27	*Physical traded commodities*				*0*	*0*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*0*	*0*	*0*	*0*
29	*NSFR derivative assets*		*17*	*0*	*0*	*16*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*17*			*1*
31	*All other assets not included in the above categories*		*286*	*2*	*61*	*187*
32	**Off-balance sheet items**		**911**	**0**	**0**	**46**
33	**TOTAL RSF**					**11,746**
34	**NET STABLE FUNDING RATIO (%)**					**105%**

1.4.5 INFORMATION RELATING TO INTEREST RATE RISK

The policy in terms of interest rate risk tends to be conservative and avoids any speculation. Its purpose is to control and supervise interest rate risk positions within sensitivity limits in accordance with the defined risk appetite. The management of interest rate risk consists of complying with this policy and ensuring it with regular controls and hedging measures.

The interest rate swap portfolio is the key element used to hedge exposure to the balance sheet rate risk. As at 30 June 2022, the nominal amount of hedging swaps on customer loans was €4,502 million.

The interest rate risk monitoring indicators are based on the following assumptions:

- parallel scenarios at +/-25 bps;
- non-parallel scenarios with steepening, flattening or inversion of the rate curve.

At the end of June 2022, compared to the worst-case scenario of a rise or fall of parallel rates of +/- 25 bps:

- the NIM sensitivity stood at -€1 million;
- the MVE sensitivity stood at -€7 million.

TABLE EU IRRBB – INTEREST RATE RISK IN THE BANKING BOOK (SOT FOR MVE/NIM)

The table provides information on the bank's changes in economic value of equity and net interest income under each of the prescribed interest rate shock scenarios.

	Changes of the market value of equity (MVE)		Changes of the net interest margin (NIM)	
(in million euros)	**30 June 2022**	**31 December 2021**	**30 June 2022**	**31 December 2021**
Supervisory shock scenarios	**Current period**	**Last period**	**Current period**	**Last period**
Parallel shock up	(57)	(43)	(12)	(5)
Parallel shock down	48	10	(5)	(5)
Steepener shock	24	19	(14)	(19)
Steepener shock	(38)	(34)	6	18
Short rates shock up	(52)	(45)	12	25
Short rates shock down	42	14	(32)	(17)

1.5 CORPORATE GOVERNANCE – GENERAL INFORMATION CONCERNING PSA BANQUE FRANCE

1.5.1 PSA BANQUE FRANCE OVERVIEW

Company name: PSA Banque France

Nationality: French

Registered office: 2-10, boulevard de l'Europe,
78300 Poissy, France
Tel.: +33 (0) 1 46 39 65 55

Legal form: limited liability company (société anonyme) with a Board of Directors whose shares are not tradable on a regulated market.

Registry and identification number: PSA Banque France is registered in the Trade and Companies Register of Versailles.

> **Siren No.: 652 034 638**

> **Siret No.: 652 034 638 00047**

> **APE/NAF business identifier code: 6419Z**

> **LEI: 969500JK1O192KI3E882**

Date of incorporation and duration: PSA Banque France (originally SOFIB) was incorporated on 24 June 1965 and has been registered since 20 July 1965. The expiry date of the Company is 31 December 2064.

The corporate purpose of the Company is the one of a fully-fledged bank.

Financial year: the corporate financial year begins on 1 January and closes as at 31 December of each year.

PSA Banque France is a credit institution approved under the supervision of the European bank regulator, the European Central Bank since 2015, while continuing to send the required information to the French regulator, the *Autorité de Contrôle Prudentiel et de Résolution*.

As an Investment Service Provider (*Prestataire de Services d'Investissements*), PSA Banque France is subject to the General Regulation of the French Financial Market Authority (*Autorité des Marchés Financiers, AMF*). The Deputy Chief Executive Officer of PSA Banque France, who is accredited by the AMF and holds the required license, serves as Investment Service Compliance Officer (RCSI) pursuant to Articles 313 et seq. of the AMF's General Regulation.

1.5.2 SHAREHOLDERS – STRUCTURE OF SHARE CAPITAL

Shareholders

As at 30 June 2022, the share capital of PSA Banque France stood at €144,842,528 divided into 9,052,658 shares with a value of €16 each, fully paid-up, with equal distribution between:

- Banque PSA Finance, which holds 4,526,329 shares and the same number of voting rights;
- Santander Consumer Banque, which holds 4,526,329 shares and the same number of voting rights.

Banque PSA Finance is a directly and indirectly held, wholly-owned subsidiary of STELLANTIS (after the merger of the PSA and FCA groups in January 2021) while Santander Consumer Banque is an indirectly held, wholly-owned subsidiary of Banco Santander. STELLANTIS and Banco Santander are companies whose shares are traded on a regulated market in one or more countries of the European Union.

Changes in the distribution of capital during the last three years

There have been no changes in the composition of the share capital of PSA Banque France since 2 February 2015.

The shareholders' agreement entered into on that date, when the joint venture of PSA Banque France was created, sets out restrictions on the exercise of the transfer of shares by both shareholders. Such exercise is not free but is subject to a lock-up period for the duration of the cooperation period.

Listing of securities

PSA Banque France's equity securities are not listed on the stock exchange. Nonetheless, certain debt securities (EMTN) are listed on Euronext Paris.

1.5.3 BOARD OF DIRECTORS AND MANAGEMENT BODIES

The Board of Directors of PSA Banque France has six members appointed for a renewable term of six years. Three members are chosen by each of the two shareholders. Every three years the office of Chair of the Board of Directors held by a non-executive director rotates between the two shareholders in PSA Banque France, i.e. Banque PSA Finance and Santander Consumer Banque. The same applies to the positions of Chief Executive Officer and Deputy Chief Executive Officer:

- a first rotation occurred on 28 August 2017 which expired on 31 August 2020. Accordingly, during that period the office of Non-Executive Chairman was held by a director appointed by Banque PSA Finance, in this case Mr Rémy BAYLE. The position of Chief Executive Officer was held by a director appointed by Santander Consumer Banque, in this case Mr Jean-Paul DUPARC and the position of Deputy Chief Executive Officer was held by a director appointed by Banque PSA Finance, namely Mr Laurent AUBINEAU;
- a second rotation became effective on 1 September 2020 with the office of Non-Executive Chairman held for a three-year period by a director appointed by Santander Consumer Banque, Mr David TURIEL LOPEZ, replaced by Mr Rafael MORAL SALARICH on 11 December 2020. Since 1 September 2020, the position of Chief Executive Officer is held for a three-year period by a director appointed by Banque PSA Finance, Mr Laurent AUBINEAU and the position of Deputy Chief Executive Officer by a director appointed by Santander Consumer Banque, Mr Jean-Paul DUPARC.

Mr Rafael MORAL SALARICH's terms of office as director and Chairman of the Board of Directors, like those of the other PSA Banque France directors, do not give rise to the payment of directors' fees.

The Chairman, with the Board of Directors and its specialised committees, monitor the activity of PSA Banque France, run by the Chief Executive Officer, the Deputy Chief Executive Officer, the Executive Committee, and the operational committees.

Two meetings of the Board of Directors were held in the first half of 2022.

Currently, there is no conflict of interest between the obligations of the members of the management bodies and their private interests with regard to the PSA Banque France Group. No agreements have been entered into, either directly or via a third party, between any of the Company officers or any of the directors or shareholders of PSA Banque France, with the exception of agreements about usual transactions and entered into under normal conditions.

There is no delegation currently valid or used during the first half of 2022, granted by the General Meeting to the Board of Directors, for any capital increase, capital issuance, or redemption of shares.

PSA Banque France does not use a corporate governance code. However, PSA Banque France voluntarily applies some of the recommendations of the AFEP-MEDEF Code on the corporate governance of listed companies.

Pursuant to Article L. 225-37-4.1 of the French Commercial Code, the following is a list of all mandates or positions held during the first half of 2022 by each of the members of the Board of Directors of PSA Banque France.

1.5.4 INFORMATION ABOUT THE ADMINISTRATIVE AND MANAGEMENT BODIES

1.5.4.1 BOARD OF DIRECTORS

LIST OF POSITIONS HELD DURING THE FIRST HALF OF 2022 BY THE DIRECTORS OF PSA BANQUE FRANCE AND THE PERMANENT REPRESENTATIVES OF DIRECTORS, AND POSITIONS THAT EXPIRED DURING THE FIRST HALF YEAR

RAFAEL MORAL SALARICH

Born on
18 October 1981

Chairman of the Board of Directors
First appointed to the Board on 11 December 2020
Current term expires in 2023

Director
First appointed to the Board on 11 December 2020
Current term expires in 2027

Committees
- Audit and Risk
- Appointment
- Remuneration

Other positions held in the first half of 2022

Business Development Director (executive)
- Santander Consumer Finance S.A. (Spain)

Director
- Compagnie Générale de Crédit aux Particuliers – CREDIPAR (France)
- Banca PSA Italia S.p.A. (Italy)
- Santander Consumer Bank S.p.A. (Italy)
- TimFIN S.p.A. (Italy)

Member of the Supervisory Board
- PSA Bank Deutschland GmbH (Germany)
- Santander Consumer Holding GmbH (Germany)
- Santander Consumer Bank AG (Germany)

LAURENT AUBINEAU

Born on
29 December 1962

Chief Executive Officer
First appointed on 1 September 2020
Current term expires in 2023

Director
First appointed to the Board on 28 August 2017
Current term expires in 2027

Committees
- Executive

Other positions held in the first half of 2022

Chief Executive and Director
- Compagnie Générale de Crédit aux Particuliers – CREDIPAR (France)

JEAN-PAUL DUPARC

Born on
16 May 1968

Deputy Chief Executive Officer
First appointed on 1 September 2020
Current term expires in 2023

Director
First appointed to the Board on 28 August 2017
Current term expires in 2024

Committees
- Executive

Other positions held in the first half of 2022

Deputy Chief Executive Officer and Director
- Compagnie Générale de Crédit aux Particuliers – CREDIPAR (France)

Permanent Representative of the Compagnie Générale de Crédit aux Particuliers – CREDIPAR (France)
- Board of Directors of the Compagnie pour la Location de Véhicules – CLV (France)

RÉMY BAYLE

Born on
26 December 1961

Director
First appointed to the Board on 23 April 2015
Current term expires in 2027

Committees
> Audit and Risk
> Appointment
> Remuneration

Other positions held in the first half of 2022
Chief Executive Officer and Director
> Banque PSA Finance (France)
Vice-Chairman of the Board of Directors and Director
> Opel Bank S.A. (France)
Chairman of the Board of Directors
> Compagnie pour la Location de Véhicules – CLV (France)
Vice-Chairman and Member of the Board
> Association Française des Sociétés Financières (France)
Director
> Compagnie pour la Location de Véhicules – CLV (France)

MARTIN THOMAS

Born on
22 February 1974

Director
First appointed to the Board on 2 February 2015
Current term expires in 2027

Committees
> Audit and Risk
> Appointment
> Remuneration

Other positions held in the first half of 2022
Chairman of the Board of Directors and Director
> Compagnie Générale de Crédit aux Particuliers – CREDIPAR (France)
Chairman of the Management Board
> Santander Consumer Banque S.A. (France)

HÉLÈNE BOUTELEAU

Born on
22 July 1975

Director
First appointed to the Board on 27 July 2021
Current term expires in 2027

Committees
> Audit and Risk
> Appointment
> Remuneration

Other positions held in the first half of 2022
Deputy Chief Executive Office
> Banque PSA Finance (France)
Director
> Compagnie Générale de Crédit aux Particuliers – CREDIPAR (France)
> Opel Bank S.A. (France)
> PSA Finance UK Limited (United Kingdom)
> PSA Finance Services Spain EFC, SA (Spain)
> Banca PSA Italia S.p.A (Italy)
Member of the Supervisory Board
> PSA Bank Deutschland GmbH (Germany)

1.5.4.2 REGULATORY AND EXECUTIVE COMMITTEES OF THE PSA BANQUE FRANCE GROUP

A. Audit and Risk Committee

As at 30 June 2022, the Audit and Risk Committee had the following members:

Name	Position within the PSA Banque France Group
Rafael MORAL SALARICH, Chairman	Director and Chairman of the Board of Directors of PSA Banque France
Rémy BAYLE	Director of PSA Banque France
Martin THOMAS	Director of PSA Banque France
Hélène BOUTELEAU	Director of PSA Banque France

B. Appointment Committee

As at 30 June 2022, the Appointment Committee had the following members:

Name	Position within the PSA Banque France Group
Martin THOMAS, Chairman	Director of PSA Banque France
Rafael MORAL SALARICH	Director and Chairman of the Board of Directors of PSA Banque France
Rémy BAYLE	Director of PSA Banque France
Hélène BOUTELEAU	Director of PSA Banque France

C. Remuneration Committee

As at 30 June 2022, the Remuneration Committee had the following members:

Name	Position within the PSA Banque France Group
Martin THOMAS, Chairman	Director of PSA Banque France
Rafael MORAL SALARICH	Director and Chairman of the Board of Directors of PSA Banque France
Rémy BAYLE	Director of PSA Banque France
Hélène BOUTELEAU	Director of PSA Banque France

D. Executive Committee

As at 30 June 2022, the Executive Committee had the following members:

Name	Position
Laurent AUBINEAU	Chief Executive Officer
Jean-Paul DUPARC	Deputy Chief Executive Officer
Jean-Charles BATTAGLIA	Chief Risk Officer
Grégory BONNIN	Chief Human Resources Officer
Philippe CHAILLOUT	Chief Sales Officer
Charles DUMAS ALONSO	Audit Director
Laure DURAND	Chief Operations Officer
Fayssal JOUINI	Chief Marketing and Digital Officer
Catherine NOGUIER	Secretary General and responsible for the compliance function
Gilles PEREZ	Chief Collection Officer
Stéphane RIEHL	Chief Financial Officer
Corinne YONNET	Responsible Person for I.T. Systems

1.5.5 PERSONS RESPONSIBLE FOR AUDITING THE ACCOUNTS

PricewaterhouseCoopers Audit

Crystal Park, 63, rue de Villiers,

92200 Neuilly-sur-Seine,

A simplified joint stock company (*société par actions simplifiée*) with capital of €2,510,460, entered in the R.C.S. (Trade and Companies Register number) of Nanterre under No. 672 006 483.

Statutory Auditors and member of the *Compagnie régionale de Versailles.*

Term of mandate: six years.

Date of end of mandate: 2022 financial year.

Represented as at 30 June 2022 by Gaël COLABELLA.

Mazars

61, rue Henri Régnault,

92400 Courbevoie,

A limited liability company (*société anonyme*) with capital of €8,320,000, entered in the Trade and Companies Register of Nanterre under No. 784 824 153.

Statutory Auditors and member of the *Compagnie régionale de Versailles.*

Term of mandate: six years.

Date of end of mandate: 2026 financial year.

Represented as at 30 June 2022 by Matthew BROWN and Olivier GATARD.

2 CONDENSED 2022 HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

2.1	CONSOLIDATED BALANCE SHEET	50
2.2	CONSOLIDATED INCOME STATEMENT	51
2.3	NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	52
2.4	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	53
2.5	CONSOLIDATED STATEMENT OF CASH FLOWS	54
2.6	NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	55
2.7	STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION	85

2.1 CONSOLIDATED BALANCE SHEET

(in million euros)	***Notes***	**30/06/2022**	**31/12/2021**
ASSETS			
Cash, central banks	*3*	906	818
Financial assets at fair value through profit or loss	*4*	21	7
Hedging instruments	*5*	1	1
Financial assets at fair value through other comprehensive income	*6*	290	70
Loans and advances to credit institutions at amortised cost	*7*	590	628
Customer loans and receivables at amortised cost	*8*	13,997	13,969
Fair value adjustments to finance receivables portfolios hedged against interest rate risk	*22.2*	(106)	(12)
Current tax assets	*26.1*	9	8
Deferred tax assets	*26.1*	4	4
Accruals and other assets	*9*	340	224
Property and equipment		16	17
TOTAL ASSETS		**16,068**	**15,734**

(in million euros)	***Notes***	**30/06/2022**	**31/12/2021**
EQUITY AND LIABILITIES			
Central banks		0	0
Financial liabilities at fair value through profit or loss	*10*	0	0
Hedging instruments	*11*	2	0
Deposits from credit institutions	*12*	4,176	3,945
Due to customers	*13*	3,464	3,356
Debt securities	*14*	5,198	5,438
Current tax liabilities	*26.1*	1	2
Deferred tax liabilities	*26.1*	515	470
Accruals and other liabilities	*15*	565	561
Provisions		21	23
Subordinated debt	*16*	155	155
Equity		1,971	1,784
Equity attributable to equity holders of the parent		1,971	1,784
Share capital and other reserves		757	757
Consolidated reserves		1,214	1,029
of which Net income - equity holders of the parent		*185*	*344*
Gains and losses recognised directly in equity		0	(2)
TOTAL EQUITY AND LIABILITIES		**16,068**	**15,734**

2.2 CONSOLIDATED INCOME STATEMENT

(in million euros)	***Notes***	**H1 2022**	**H1 2021**	**2021**
Interest and similar income	*19*	272	266	536
Interest and similar expenses	*20*	(39)	(42)	(79)
Fees and commissions income	*21*	75	75	152
Fees and commissions expenses	*21*	(3)	(2)	(4)
Net gains or losses on financial instruments at fair value through profit or loss	*22*	13	1	5
Net gains or losses on financial instruments at fair value through other comprehensive income		(0)	-	(1)
Income on other activities	*23*	36	12	30
Expenses on other activities	*23*	(28)	(16)	(36)
Net banking revenue		**325**	**294**	**603**
General operating expenses	***24***	**(83)**	**(81)**	**(157)**
Personnel costs		(34)	(34)	(66)
Other general operating expenses		(49)	(47)	(91)
Depreciation and amortisation of intangible and tangible assets		**(3)**	**(2)**	**(6)**
Gross operating income		**239**	**211**	**440**
Cost of risk	***25***	**4**	**(6)**	**(24)**
Operating income		**243**	**205**	**416**
Pension obligation - expenses		(0)	0	(0)
Pension obligation - income		-	-	-
Other non-operating items		-	-	0
Pre-tax income		**242**	**205**	**417**
Income taxes	*26.2 and 26.3*	(57)	(38)	(73)
Net income		**185**	**167**	**344**
of which attributable to equity holders of the parent		*185*	*167*	*344*

2.3 NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY

	H1 2022			H1 2021			2021		
(in million euros)	**Before tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Net income	**242**	**(57)**	**185**	**205**	**(38)**	**167**	**417**	**(73)**	**344**
of which minority interest			-			-			-
Recyclable in profit and loss elements				**-**	**-**	**-**	**-**	**-**	**-**
Fair value adjustments to hedging instruments	2	(1)	1	-	-	-	-	-	-
of which revaluation reversed in net income	-	-	-	-	-	-	-	-	-
of which revaluation directly in equity	*2*	*(1)*	*1*	-	-	-	-	-	-
Not recyclable in profit and loss elements				**-**	**-**	**-**	**-**	**-**	**-**
Actuarial gains and losses on pension obligations	2	(1)	1	-	-	-	-	-	-
Others				-	-	-	-	-	-
Total gains and losses recognised directly in equity	**4**	**(2)**	**2**	**-**	**-**	**-**	**-**	**-**	**-**
of which minority interest			-			-			-
Total net income and gains and losses recognised directly in equity	**246**	**(59)**	**187**	**205**	**(38)**	**167**	**417**	**(73)**	**344**
of which minority interest						-			-
of which attributable to equity holders of the parent			*187*			*167*			*344*

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and other reserves				Fair value adjustments - Equity holders of the parent				
(in million euros)	Share capital	Issue, share and merger premiums	Legal reserve and other reserves	Consolidated reserves	Actuarial gains and losses on pension obligations	Financial assets at fair value through other comprehensive income: revaluation	Equity attributable to equity holders of the parent	Minority interests	Total equity
As at 31 December 2020	**145**	**593**	**19**	**810**	**(2)**	**-**	**1,565**	**-**	**1,565**
Appropriation of profit from the previous financial year	-	-	-	-	-	-	-	-	-
Net income and gains and losses recognised directly in equity	-	-	-	167	-	-	167	-	167
Dividend paid to Santander Consumer Finance	-	-	-	(63)	-	-	(63)	-	(63)
Dividend paid to Banque PSA Finance	-	-	-	(63)	-	-	(63)	-	(63)
As at 30 June 2021	**145**	**593**	**19**	**851**	**(2)**	**-**	**1,606**	**-**	**1,606**
Appropriation of profit from the previous financial year	-	-	-	-	-	-	-	-	-
Net income and gains and losses recognised directly in equity	-	-	-	178	-	-	178	-	178
Dividend paid to Santander Consumer Finance	-	-	-	-	-	-	-	-	-
Dividend paid to Banque PSA Finance	-	-	-	-	-	-	-	-	-
As at 31 December 2021	**145**	**593**	**19**	**1,029**	**(2)**	**-**	**1,784**	**-**	**1,784**
Appropriation of profit from the previous financial year	-	-	-	-	-	-	-	-	-
Net income and gains and losses recognised directly in equity	-	-	-	185	1	1	187	-	187
Dividend paid to Santander Consumer Finance	-	-	-	-	-	-	-	-	-
Dividend paid to Banque PSA Finance	-	-	-	-	-	-	-	-	-
As at 30 June 2022	**145**	**593**	**19**	**1,214**	**(1)**	**1**	**1,971**	**-**	**1,971**

On legal terms:

On 31 December 2014, PSA Banque France's share capital was €9,600,000, fully paid-up; it was divided into 600,000 shares.
On 31 December 2015, PSA Banque France's share capital was €144,842,528 fully paid-up; it was divided into 9,052,658 shares.
As a reminder, on 30 January 2015, the following operations were recognised at PSA Banque France:

- *a capital increase for an amount of €131,627,216, through the issue of 8,226,701 new ordinary shares with a value of €16 each in payment for contributions in kind (contribution of SOFIRA and CREDIPAR shares by Banque PSA Finance);*
- *a share premium of an amount of €722,082,615.23 corresponding to the difference between the value of the contributions, representing €853,709,831.23, and the nominal value of the shares issued in payment for the contributions, representing €131,627,216;*
- *a cash capital increase of a nominal amount of €3,615,312 through the issue, with maintaining of preferential right to subscribe, of 225,957 shares of €16 nominal value each associated with a total premium of €19,832,904.52.*

Since 31 December 2016, PSA Banque France's share capital is €144,842,528 fully paid-up; it is divided into 9,052,658 shares.

In accordance with the Amendment to IAS 1 - Presentation of Financial Statements - Capital Disclosures, the necessary information is given in the "Regulatory capital and regulatory capital requirements" section of the Yalf-Year Management Report.

2

2.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in million euros)	H1 2022	H1 2021	2021
Pre-tax income	**242**	**205**	**417**
Non-cash items			
Net depreciation and impairment of property and equipment and intangible assets	3	1	6
Net depreciation and provisions	(2)	9	33
Net gain/loss of investing activities	-	-	(0)
Income/expenses of financing activities	-	1	2
Other movements	22	(58)	(20)
Total of non-monetary items included in the pre-tax income and other adjustments	**23**	**(47)**	**21**
Change in credit institutions items	335	(210)	(975)
Change in customer items	83	122	72
Change in financial assets and liabilities	(457)	659	676
Change in non-financial assets and liabilities	(67)	(7)	(8)
Tax paid	(16)	(19)	(65)
Net decrease/increase of assets and liabilities provided by operating activities	**(122)**	**545**	**(300)**
Net cash provided by operating activities (A)	**143**	**703**	**138**
Change in equity investments	**-**	**-**	**(1)**
Inflows from disposals of shares in subsidiaries, net of cash transferred	-	-	-
Outflows linked to acquisitions of shares in subsidiaries, net of cash transferred	-	-	(1)
Change in property and equipment and intangible assets	**(1)**	**(1)**	**(2)**
Outflows from acquisitions of property and equipment and intangible assets	(1)	(2)	(3)
Inflows from disposals of property and equipment and intangible assets	-	1	1
Effect of changes in scope of consolidation	**-**	**-**	**-**
Net cash used by investing activities (B)	**(1)**	**(1)**	**(3)**
Cash flows from or to shareholders			
Outflows for the dividends paid to:	-	(126)	(126)
> Santander Consumer Finance	-	(63)	(63)
> Banque PSA Finance	-	(63)	(63)
Inflows from issuance of equity instruments	-	-	-
Other net cash from financing activities	**(2)**	**(2)**	
Inflow/(outflow) linked to subordinated debt/lease liability	(2)	(2)	(7)
Net cash used by financing activities (C)	**(2)**	**(128)**	**(133)**
Effect of changes in exchange rates (D)		**-**	**-**
Net increase/(decrease) of cash and cash equivalents (A+B+C+D)	**140**	**574**	**2**
Cash and cash equivalents at the beginning of the period	**1,288**	**1,286**	**1,286**
Cash, central banks (assets and liabilities)	818	487	487
Demand accounts (assets and liabilities) and loans/borrowing with credit institutions	470	799	799
Cash and cash equivalents at the end of the period	**1,428**	**1,860**	**1,288**
Cash, central banks (assets and liabilities)	906	1,200	818
Demand accounts (assets and liabilities) and loans/borrowing with credit institutions	522	660	470

2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF NOTES

NOTE 1	Main events of the period and Group structure	56
NOTE 2	Accounting policies	58
NOTE 3	Cash, central banks	59
NOTE 4	Financial assets at fair value through profit or loss	59
NOTE 5	Hedging Instruments – Assets	60
NOTE 6	Financial assets at fair value through other comprehensive income	62
NOTE 7	Loans and advances to credit institutions at amortised cost	62
NOTE 8	Customer loans and receivables at amortised cost	63
NOTE 9	Accruals and other assets	65
NOTE 10	Financial liabilities at fair value through profit or loss	65
NOTE 11	Hedging instruments – Liabilities	67
NOTE 12	Deposits from credit institutions	68
NOTE 13	Due to customers	69
NOTE 14	Debt securities	69
NOTE 15	Accruals and other liabilities	71
NOTE 16	Subordinated debts	72
NOTE 17	Fair value of financial assets and liabilities	73
NOTE 18	Other commitments	74
NOTE 19	Interest and similar income	75
NOTE 20	Interest and similar expenses	76
NOTE 21	Fees and commissions	77
NOTE 22	Net gains or losses on financial instruments at fair value through profit or loss	77
NOTE 23	Net income or expense of other activities	79
NOTE 24	General operating expenses	79
NOTE 25	Cost of risk	79
NOTE 26	Income taxes	81
NOTE 27	Segment information	83
NOTE 28	Subsequent events	84

NOTE 1 Main events of the period and Group structure

A. MAIN EVENTS OF THE PERIOD

Macro-economic and health context

In the first half of 2022, the macroeconomic environment deteriorated sharply, marked by the return of inflation, the rise of interest rates, the continuing semiconductor shortage and the tensions caused by the war in Ukraine. The Covid-19 pandemic also continued, but restrictions related to the health crisis were gradually lifted.

Reorganisation of the European configuration of STELLANTIS's financing activities

On 17 December 2021, STELLANTIS announced the entry into exclusive negotiations with its European financial partners, aimed at reorganising the European configuration of its financing activities, thus making it possible to offer consistent and attractive financing offers to all customers, dealers and distributors of STELLANTIS brands. The "framework agreements" were signed on 31 March 2022 and Santander Consumer Finance should carry out, through joint ventures co-owned with STELLANTIS, the financing activities (excluding B2B Operational Leasing) in France, Italy, Spain, Belgium, Poland, the Netherlands and through a commercial agreement in Portugal, in order to become the exclusive partner of STELLANTIS for this segment in these countries from the first half of 2023 after obtaining the required authorisations from competition authorities and relevant regulators. This announcement has no impact on the condensed 2022 half-year consolidated financial statements.

B. CHANGES IN GROUP STRUCTURE

There was no change in the PSA Banque France Group structure in the first half of 2022.

C. LIST OF CONSOLIDATED COMPANIES

		PSA Banque France interest			30/06/2022		31/12/2021	
			Indirect					
Companies	Country ISO code	% Direct	%	Held by	Consolidation method	% interest	Consolidation method	% interest
Subsidiaries								
Sales financing								
CREDIPAR	FR	100	-		FC	100	FC	100
CLV	FR	-	100	CREDIPAR	FC	100	FC	100
Special purpose entities								
FCT Auto ABS French Loans Master	FR	-	-		FC	100	FC	100
FCT Auto ABS DFP Master – Compartment France 2013	FR	-	-		FC	100	FC	100
FCT Auto ABS French Leases Master – Compartment 2016	FR	-	-		FC	100	FC	100
FCT Auto ABS French LT Leases Master	FR	-	-		FC	100	FC	100
FCT Auto ABS French Leases 2021	FR	-	-		FC	100	FC	100

2

NOTE 2 Accounting policies

The half-year consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows to present a selection of explanatory notes. These condensed half-year consolidated financial statements should be read in conjunction with the 2021 consolidated financial statements.

The accounting principles applied to prepare the half-year consolidated financial statements for the six months ended 30 June 2022 are identical to those used for the financial year ended 31 December 2021, with the exception of the application of new compulsory standards and interpretations, see the section below: "New IFRS and IFRIC Interpretations compulsorily applicable to the financial year commencing on 1 January 2022".

In accordance with European Council Regulation 1606/2002/EC dated 19 July 2002 on the application of international accounting standards from 1 January 2005, PSA Banque France's consolidated financial statements for the year ended 31 December 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable and adopted by the European Union as of that date. There is currently no material difference within PSA Banque France between IFRS as published by IASB and as adopted in the European Union, including in terms of date of mandatory application.

As at 30 June 2022, the presentation of PSA Banque France Group's consolidated financial statements are prepared according to the recommendation of the French accounting standards (ANC) setter, in particular the recommendation ANC No. 2017-02 of 2 June 2017 related to the presentation of the consolidated financial statements of banking institutions as at 1 January 2018.

On 8 April 2022, the ANC College adopted Recommendation No. 2022-01 on the format of the consolidated financial statements of banking institutions in accordance with international accounting standards to meet the reporting requirements of IFRS 17 – Insurance Contracts. This recommendation replaces Recommendation No. 2017-02, dated 2 June 2017. It will apply from the date of first application of IFRS 17, i.e. 1 January 2023. This text has no impact on PSA Banque France, since the presentation changes are related to the insurance business.

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

New IFRS and IFRIC Interpretations compulsorily applicable to the financial year commencing on 1 January 2022

There are no new mandatory texts on 1 January 2022, to be applied by PSA Banque France Group.

NOTE 3 Cash, central banks

(in million euros)	30/06/2022	31/12/2021
Cash and post office banks		
Central bank*	906	818
of which compulsory reserves deposited with the Banque de France	*36*	*33*
TOTAL	**906**	**818**

* *Apart from compulsory reserves, the supplementary deposits on the Banque de France account correspond to a high-quality liquidity asset type investment in order to comply with the Liquidity Coverage Ratio (LCR).*

NOTE 4 Financial assets at fair value through profit or loss

4.1 ANALYSIS BY NATURE

(in million euros)	30/06/2022	31/12/2021
Fair value of trading derivatives (1)	**16**	**2**
of which related companies with Santander Consumer Finance Group	*16*	*2*
Offsetting positive fair value and received margin calls	**-**	**-**
Accrued interest on trading derivatives	**0**	**0**
of which related companies with Santander Consumer Finance Group	*0*	*0*
Contributions to the guarantee of deposits (2)	**5**	**5**
of which "certificat d'associés" (FGDR)	*4*	*4*
of which "certificat d'association" (FGDR)	*1*	*1*
TOTAL	**21**	**7**

(1) The swaps classified as held for trading are related to securitisation activities. With the exception of intermediation fees, changes in the fair value of these swaps are offset by changes in the fair value of swaps in the opposite direction before offsetting margin calls at CREDIPAR. In fact, the rate of the swap set up in the securitising entity (CREDIPAR) since 2018 includes intermediation costs, whereas this is not the case for the swap set up in the opposite direction in the securitisation vehicle (FCT) (see Notes 10.1 and 22.1).

(2) Reclassification of "certificat d'associés" and "certificat d'association" from other assets to financial assets at fair value through profit or loss.

4.2 OFFSETTING SWAPS WITH MARGIN CALL DESIGNATED AS TRADING - ASSETS

FOR 2022

	Asset gross amount				
Positive valued swaps *(in million euros)*	**Swap's winning leg**	**Swap's losing leg**	**Asset net amount before offsetting**	**Offsetting with received margin calls**	**Balance sheet amount after offsetting**
Positive fair value	**15.6**	**-**	**15.6**	**-**	**15.6**
Swaps with margin call	-	-	-	-	-
*Swaps without margin call**	*15.6*	-	*15.6*	-	*15.6*
Offsetting	**-**	**-**	**-**	**-**	**-**
Accrued income	**-**	**-**	**-**	**-**	**-**
Swaps with margin call	-	-	-	-	-
Swaps without margin call	-	-	-	-	-
TOTAL ASSETS	**15.6**	**-**	**15.6**	**-**	**15.6**
Margin calls received on swaps designated as trading (deferred income - see Note 15)	-	-	-	-	-
TOTAL LIABILITIES	**-**	**-**	**-**	**-**	**-**

* *The front swap of the Auto ABS French Leases 2021 securitisation fund is not subject to a margin call.*

FOR 2021

Positive valued swaps *(in million euros)*	**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**			
Positive fair value	**2.0**	**(0.0)**	**2.0**	**-**	**2.0**
Swaps with margin call	*-*	*-*	*-*	*-*	*-*
*Swaps without margin call**	*2.0*	*(0.0)*	*2.0*	*-*	*2.0*
Offsetting	**-**	**-**	**-**	**-**	**-**
Accrued income	**(0.0)**	**(0.0)**	**(0.0)**	**-**	**(0.0)**
Swaps with margin call	*(0.0)*	*(0.0)*	*(0.0)*	*-*	*(0.0)*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
TOTAL ASSETS	**2.0**	**(0.0)**	**2.0**	**-**	**2.0**
Margin calls received on swaps designated as trading (deferred income - see Note 15)	-	-	-	-	-
TOTAL LIABILITIES	**-**	**-**	**-**	**-**	**-**

* *The front swap of the Auto ABS French Leases 2021 securitisation fund is not subject to a margin call.*

NOTE 5 Hedging Instruments – Assets

5.1 ANALYSIS BY NATURE

(in million euros)	**30/06/2022**	**31/12/2021**
Positive fair value of instruments designated as hedges of:	**122**	**13**
Bonds	-	-
of which related companies with STELLANTIS	-	-
Borrowings	-	-
EMTN/BMTN	2	0
Customer loans (instalment contracts, leasing with a purchase option and long-term leases)	120	13
of which related companies with STELLANTIS	-	-
Offsetting positive fair value and received margin calls (see Note 5.2)	**(121)**	**(12)**
Accrued income on swaps designated as hedges	**-**	**-**
TOTAL	**1**	**1**

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

Fair Value Hedge effectiveness is analysed in Note 22.2.

5.2 OFFSETTING SWAPS WITH MARGIN CALL DESIGNATED AS HEDGES - ASSETS

FOR 2022

	Asset gross amount				
Positive valued swaps *(in million euros)*	**Swap's winning leg**	**Swap's losing leg**	**Asset net amount before offsetting**	**Offsetting with received margin calls**	**Balance sheet amount after offsetting**
Positive fair value	**139.3**	**(17.0)**	**122.3**	**-**	**122.3**
Swaps with margin call	*139.3*	*(17.0)*	*122.3*	*-*	*122.3*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
Offsetting	**-**	**-**	**-**	**(120.8)**	**(120.8)**
Accrued income	**0.6**	**(0.5)**	**0.1**	**-**	**0.1**
Swaps with margin call	*0.6*	*(0.5)*	*0.1*	*-*	*0.1*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
TOTAL ASSETS	**139.9**	**(17.5)**	**122.4**	**(120.8)**	**1.6**
Margin calls received on swaps designated as trading (deferred income - see Note 15)	-	-	123.2	(120.8)	2.4
TOTAL LIABILITIES	**-**	**-**	**123.2**	**(120.8)**	**2.4**

FOR 2021

	Asset gross amount				
Positive valued swaps *(in million euros)*	**Swap's winning leg**	**Swap's losing leg**	**Asset net amount before offsetting**	**Offsetting with received margin calls**	**Balance sheet amount after offsetting**
Positive fair value	**29.0**	**(16.0)**	**13.0**	**-**	**13.0**
Swaps with margin call	*29.0*	*(16.0)*	*13.0*	*-*	*13.0*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
Offsetting	**-**	**-**	**-**	**(12.4)**	**(12.4)**
Accrued income	**-**	**-**	**-**	**-**	**-**
Swaps with margin call	*-*	*-*	*-*	*-*	*-*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
TOTAL ASSETS	**29.0**	**(16.0)**	**13.0**	**(12.4)**	**0.6**
Margin calls received on swaps designated as trading (deferred income - see Note 15)	-	-	12.4	(12.4)	-
TOTAL LIABILITIES	**-**	**-**	**12.4**	**(12.4)**	**-**

NOTE 6 Financial assets at fair value through other comprehensive income

	30/06/2022		31/12/2021	
(in million euros)	**Market value**	**of which change in value directly recognised in equity**	**Market value**	**of which change in value directly recognised in equity**
Debt instruments*	290	-	70	-
of which bonds and other debt securities	*290*	-	*70*	-
TOTAL	**290**	**-**	**70**	**-**

* *The purchase of French government debt securities has been made since 2021 in order to obtain additional European Central Bank eligible collateral. The change in the market value of these securities is recognised in equity since they are not intended to be held until maturity.*

NOTE 7 Loans and advances to credit institutions at amortised cost

ANALYSIS OF DEMAND AND TIME ACCOUNTS

(in million euros)	30/06/2022	31/12/2021
Demand accounts	**590**	**628**
Ordinary accounts in debit	590	628
of which held by securitisation funds	*107*	*102*
of which pledged for the SRT transaction (1)	*52*	*72*
of which specific dedicated accounts (SDA) (2)	*206*	*312*
Amounts to receive on bank accounts	-	-
Current accounts and overnight loans	-	-
of which related companies with Santander Consumer Finance Group	-	-
Time accounts	**-**	**-**
Accrued interest	**-**	**-**
TOTAL	**590**	**628**

(1) For the benefit of the Auto ABS Synthetic French Loans 2019 securitisation mutual fund.
(2) Accounts opened by CREDIPAR in favour of securitisation funds.

NOTE 8 Customer loans and receivables at amortised cost

8.1 ANALYSIS BY TYPE OF FINANCING

(in million euros)	30/06/2022	31/12/2021
Loans	**2,150**	**2,279**
of which securitised (1)	*1,782*	*1,893*
Leasing with a purchase option (2)	**4,833**	**4,635**
Principal and interest	5,434	5,206
of which securitised (1)	*2,763*	*3,054*
Unaccrued interest on leasing with a purchase option	(601)	(571)
of which securitised (1)	*(296)*	*(341)*
Long-term leases (2)	**3,922**	**3,710**
Principal and interest	4,260	4,033
of which securitised (1)	*971*	*965*
Unaccrued interest on leasing with a purchase option	(338)	(323)
of which securitised (1)	*(101)*	*(99)*
Leasing deposits	-	-
of which securitised (1)	-	-
Trade receivables	**2,247**	**2,494**
Related companies with STELLANTIS	41	32
Non-group companies	2,206	2,462
of which securitised (1)	*752*	*766*
Other finance receivables (including equipment loans, revolving credit)	**514**	**500**
Ordinary accounts in debit	**77**	**106**
Related companies with STELLANTIS	12	14
Non-group companies	65	92
Deferred items included in amortised cost - Customers loans and receivables	**254**	**245**
Deferred acquisition costs	335	326
Deferred loan set-up costs	(4)	(6)
Deferred manufacturer and dealer contributions	(77)	(75)
Total Loans and Receivables at Amortised Cost (3)	**13,997**	**13,969**
of which securitised (1)	*5,871*	*6,238*

(1) The PSA Banque France Group has set up several securitisation programmes (see Note 8.3).

(2) The PSA Banque France Group purchases vehicles from Peugeot, Citroën and DS dealers and leases them to end-user customers. Leases are mainly offered for one to five years. The PSA Banque France Group remains owner of the vehicle documents throughout the rental period. At the end of a lease with a purchase option, the customer has the choice of returning the vehicle or exercising his purchase option. For long-term lease contracts, the dealer or, in certain cases, the manufacturer himself undertakes to buy the vehicle from the PSA Banque France Group when it is returned by the lessee at the end of the contract at a price determined at the time of the establishment of the lease. This repurchase value of the vehicle corresponds to the estimated residual value of the vehicle at the end of the rental period. This commitment to take back the vehicle allows the PSA Banque France Group to avoid being exposed to the risk associated with the vehicle's recovery and any change in its value at the end of the lease. The amount that the dealer or manufacturer pays to the PSA Banque France Group is not affected by any fees the customer may incur if the vehicle is not in a satisfactory condition or has exceeded its agreed mileage. On the other hand, PSA Banque France Group will generally bear the risk on the resale value of the vehicle if during the rental period of the vehicle, the customer interrupts the payment of his rents. In fact, the predetermined amount of recovery of the vehicle by the dealer or manufacturer may not be sufficient to compensate for the loss of rents not paid by the customer in the event of an early termination, which the PSA Banque France Group analyses as an integral part of the credit risk on the customer. The long-term lease contracts therefore include a clause to compensate for the damage caused by the early termination of the contract.

Consequently, given the commitments received from the dealers or the manufacturer, on the recovery and the residual values of the vehicles at the end of the contract, and these commitments being considered enforceable although the manufacturer is a related party in the sense of IAS 24, PSA Banque France Group considers that it does not bear the risks and advantages related to the value and the ownership of the vehicle. For this reason, lease transactions (lease with purchase option and long-term lease) are considered and accounted for as finance leases and are presented in the accounts as outstanding loans.

(3) All of the Customer Loans and Receivables are denominated in euros.

8.2 CUSTOMER LOANS AND RECEIVABLES BY SEGMENT

			End user					
IFRS 8 Segment	**Corporate Dealers**		**Retail**		**Corporate and equivalent**			
Type of financing	**(A - see B Note 25.1)**		**(B - see A Note 25.1)**		**(C - see C Note 25.1)**		**Total**	
(in million euros)	**30/06/2022**	**31/12/2021**	**30/06/2022**	**31/12/2021**	**30/06/2022**	**31/12/2021**	**30/06/2022**	**31/12/2021**
Loans	11	9	2,137	2,269	2	1	2,150	2,279
Leasing with a purchase option	7	7	4,778	4,585	48	43	4,833	4,635
Long-term leases	281	273	2,303	2,220	1,338	1,217	3,922	3,710
Trade Receivables	2,247	2,494	-	-	-	-	2,247	2,494
Other finance receivables	510	494	1	2	3	4	514	500
Ordinary accounts in debit	77	106	-	-	-	-	77	106
Deferred items included in amortised cost	9	8	204	199	41	38	254	245
TOTAL CUSTOMER LOANS BY SEGMENT (BASED ON IFRS 8)	**3,142**	**3,391**	**9,423**	**9,275**	**1,432**	**1,303**	**13,997**	**13,969**

8.3 REFINANCING PROGRAMMES BY SECURITISATION

			Sold net receivables	
Fund	**Closing, i.e. first date of sale**	**Type of financing**	**As at 30/06/2022**	**As at 31/12/2021**
FCT Auto ABS French Loans Master	13/12/2012 (2)	Loans	1,782	1,893
FCT Auto ABS DFP Master – Compartment France 2013	03/05/2013 (2)	Trade receivables	752	766
FCT Auto ABS French Leases Master – Compartment 2016	28/07/2016 (2)	Leasing with a purchase option (1)	1,483	1,729
FCT Auto ABS French LT Leases Master	27/07/2017 (2)	Long-term leases (3)	870	866
FCT Auto ABS French Leases 2021	28/06/2021	Leasing with a purchase option (1)	984	984
TOTAL			**5,871**	**6,238**

(1) Sold receivables correspond to future lease payments and receivables of the vehicle sale or purchase option (leases with a purchase option or finance leases).
(2) The monthly issuances of these funds enable the adjustment of the liabilities of the fund towards the portfolio to be refinanced (portfolio that can increase or decrease) up to the maximum programme size.
(3) Sold receivables correspond to future long-term lease revenues and residual value.

When CREDIPAR is refinanced through securitisation, CREDIPAR uses Special Purpose Vehicles (SPV) to which it assigns its receivables. The funds are special purpose entities that are fully consolidated by the PSA Banque France Group as its CREDIPAR subsidiary retains the majority of the risks (mainly credit risk) and rewards (net banking revenue) generated by those special entities.

The credit enhancement techniques used by the PSA Banque France Group as part of its securitisation transactions retain on its books the financial risks inherent in these transactions. The Group also finances all liquidity reserves which enable it to manage specific risks. Lastly, the Group remains the exclusive beneficiary of the benefits which derive from these transactions, particularly the funding received against the sale of the portfolio to the fund, financed by the proceeds of the placement of the senior tranches on the majority of the transactions.

NOTE 9 Accruals and other assets

(in million euros)	30/06/2022	31/12/2021
Other receivables	**134**	**127**
of which related companies with STELLANTIS	*81*	*78*
Prepaid and recoverable taxes	**85**	**45**
Accrued income	**7**	**7**
of which related companies with STELLANTIS	*6*	*6*
Prepaid expenses	**8**	**3**
*of which margin calls paid on swaps**	*3*	*0*
of which related companies with Santander Consumer Finance Group	*3*	*0*
of which non-group companies	*-*	*-*
Other	**106**	**42**
of which related companies with Santander Consumer Finance Group	*45*	*26*
TOTAL	**340**	**224**

* *As at 30 June 2022, Margin calls paid on swaps were offset with the negative fair value for an amount of €15.7 million, compared to €2.2 million as at 31 December 2021 (see Notes 10.2 and 11.2).*

NOTE 10 Financial liabilities at fair value through profit or loss

10.1 ANALYSIS BY NATURE

(in million euros)	30/06/2022	31/12/2021
Fair value of trading derivatives	**16**	**2**
of which related companies with Santander Consumer Finance Group	*16*	*2*
Offsetting negative fair value and paid margin calls	**(16)**	**(2)**
Accrued expense on trading derivatives	**0**	**0**
of which related companies with Santander Consumer Finance Group	*0*	*0*
TOTAL	**0**	**0**

The swaps classified as held for trading are related to securitisation activities. With the exception of intermediation fees, changes in the fair value of these swaps are offset by changes in the fair value of swaps in the opposite direction before offsetting margin calls at CREDIPAR.

In fact, the rate of the swap set up in the securitising entity (CREDIPAR) since 2018 includes intermediation costs of the swap counterparty, whereas this is not the case for the swap set up in the opposite direction in the securitisation vehicle (FCT) (see Notes 4.1 and 22.1).

10.2 OFFSETTING SWAPS WITH MARGIN CALL DESIGNATED AS TRADING - LIABILITIES

FOR 2022

Negative valued swaps *(in million euros)*	Liability gross amount		Liability net amount before offsetting	Offsetting with paid margin calls	Balance sheet amount after offsetting
	Swap's winning leg	Swap's losing leg			
Negative fair value	**-**	**15.7**	**15.7**	**-**	**15.7**
Swaps with margin call	*-*	*15.7*	*15.7*	*-*	*15.7*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
Offsetting	**-**	**-**	**-**	**(15.7)**	**(15.7)**
Accrued expense	**-**	**-**	**-**	**-**	**-**
Swaps with margin call	*-*	*-*	*-*	*-*	*-*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
TOTAL LIABILITIES	**-**	**15.7**	**15.7**	**(15.7)**	**-**
Margin calls paid on swaps designated as trading (prepaid expenses – see Note 9)	-	-	18.4	(15.7)	2.7
TOTAL ASSETS	**-**	**-**	**18.4**	**(15.7)**	**2.7**

FOR 2021

Negative valued swaps *(in million euros)*	Liability gross amount		Liability net amount before offsetting	Offsetting with paid margin calls	Balance sheet amount after offsetting
	Swap's winning leg	Swap's losing leg			
Negative fair value	**(0.0)**	**2.2**	**2.2**	**-**	**2.2**
Swaps with margin call	*(0.0)*	*2.2*	*2.2*	*-*	*2.2*
Swaps without margin call	*-*	*-*	*-*	*-*	*-*
Offsetting	**-**	**-**	**-**	**(2.2)**	**(2.2)**
Accrued expense	**(0.0)**	**-**	**(0.0)**	**-**	**(0.0)**
Swaps with margin call	*-*	*-*	*-*	*-*	*-*
Swaps without margin call	*(0.0)*	*-*	*(0.0)*	*-*	*(0.0)*
TOTAL LIABILITIES	**(0.0)**	**2.2**	**2.2**	**(2.2)**	**(0.0)**
Margin calls paid on swaps designated as trading (prepaid expenses – see Note 9)	-	-	2.3	(2.2)	0.1
TOTAL ASSETS	**-**	**-**	**2.3**	**(2.2)**	**0.1**

NOTE 11 Hedging instruments – Liabilities

11.1 ANALYSIS BY NATURE

(in million euros)	30/06/2022	31/12/2021
Negative fair value of instruments designated as hedges of:	**1**	**0**
Borrowings	-	-
EMTNs/NEU MTNs	-	-
Bonds	-	-
NEU CP - Other debts securities	-	-
Customer loans (loans, leasing with a purchase option and long-term leases)	1	0
of which related companies with Santander Consumer Finance Group	-	-
Offsetting negative fair value and paid margin calls (see Note 11.2)	**-**	**-**
Accrued expenses on swaps designated as hedges	**1**	**0**
of which related companies with Santander Consumer Finance Group	-	-
TOTAL	**2**	**0**

Fair value is determined by applying valuation techniques based on observable market data (level 2). Fair Value Hedge effectiveness is analysed in Note 22.2.

11.2 OFFSETTING SWAPS WITH MARGIN CALL DESIGNATED AS HEDGES – LIABILITIES

FOR 2022

	Liability gross amount				
Negative valued swaps *(in million euros)*	**Swap's winning leg**	**Swap's losing leg**	**Liability net amount before offsetting**	**Offsetting with paid margin calls**	**Balance sheet amount after offsetting**
Negative fair value	**(10.2)**	**10.7**	**0.5**	**-**	**0.5**
Swaps with margin call	*(10.2)*	*10.7*	*0.5*	-	*0.5*
Swaps without margin call	-	-	-	-	-
Offsetting	**-**	**-**	**-**	**-**	**-**
Accrued expense	**(0.5)**	**1.5**	**1.0**	**-**	**1.0**
Swaps with margin call	*(0.5)*	*1.5*	*1.0*	-	*1.0*
Swaps without margin call	-	-	-	-	-
TOTAL LIABILITIES	**(10.7)**	**12.2**	**1.5**	**-**	**1.5**
Margin calls paid on swaps designated as hedges (prepaid expenses – see Note 9)	-	-	-	-	-
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**

FOR 2021

Negative valued swaps *(in million euros)*	Liability gross amount		Liability net amount before offsetting	Offsetting with paid margin calls	Balance sheet amount after offsetting
	Swap's winning leg	Swap's losing leg			
Negative fair value	**(0.0)**	**0.1**	**0.1**	**-**	**0.1**
Swaps with margin call	*(0.0)*	*0.1*	*0.1*	*-*	*0.1*
Swaps without margin call	-	-	-	-	-
Offsetting	**-**	**-**	**-**	**-**	**-**
Accrued expense	**(1.0)**	**1.4**	**0.4**	**-**	**0.4**
Swaps with margin call	*(1.0)*	*1.4*	*0.4*	*-*	*0.4*
Swaps without margin call	-	-	-	-	-
TOTAL LIABILITIES	**(1.0)**	**1.5**	**0.5**	**-**	**0.5**
Margin calls paid on swaps designated as hedges (prepaid expenses – see Note 9)	-	-	-	-	-
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**

NOTE 12 Deposits from credit institutions

ANALYSIS OF DEMAND AND TIME ACCOUNTS

(in million euros)	30/06/2022	31/12/2021
Demand deposits	**68**	**157**
Ordinary accounts in credit	54	57
of which related companies with STELLANTIS	-	-
Accounts and deposits at overnight rates	13	100
of which related companies with Santander Consumer Finance Group	*13*	*100*
Other amounts due to credit institutions	1	1
Accrued interest	**-**	**-**
Time deposits (non-group institutions)	**4,145**	**3,810**
Conventional bank deposits	1,320	985
of which related companies with Santander Consumer Finance Group	*1,305*	*885*
Deposits from the ECB (see Note 18)	2,825	2,825
Deferred items included in amortised cost of deposits from credit institutions	**-**	**-**
Debt issuing costs (deferred charges)	-	-
Accrued interest	**(37)**	**(23)**
of which related companies with Santander Consumer Finance Group	-	-
TOTAL DEPOSITS FROM CREDIT INSTITUTIONS AT AMORTISED COST*	**4,176**	**3,945**

* *Total debt is denominated in euros.*

NOTE 13 Due to customers

(in million euros)	30/06/2022	31/12/2021
Demand accounts	**3,081**	**2,935**
Ordinary accounts in credit	297	307
Related companies with STELLANTIS	154	183
Non-group companies	143	124
Passbook savings accounts	2,698	2,547
Other amounts due to customers	86	81
Related companies with STELLANTIS	-	-
Non-group companies	86	81
Accrued interest	**7**	**-**
of which passbook savings accounts	*7*	*-*
Time deposits	**370**	**415**
Term deposit accounts	358	403
Other	12	12
Related companies	-	-
Non-group companies	12	12
Accrued interest	**6**	**6**
of which time deposits	*6*	*6*
TOTAL*	**3,464**	**3,356**

* *Total debt is denominated in euros.*

NOTE 14 Debt securities

14.1 ANALYSIS BY NATURE

(in million euros)	30/06/2022	31/12/2021
Interbank instruments and money-market securities (non-group institutions)	**2,894**	**3,131**
EMTNs and NEU MTNs (1)	2,410	3,002
of which paper in the process of being delivered	-	-
NEU CP	484	129
of which paper in the process of being delivered	-	-
Securities issued by securitisation funds (see Note 14.3)	**2,300**	**2,300**
Accrued interest	**3**	**7**
Securitisation	-	-
Deferred items included in amortised cost of debt securities	**1**	**1**
Debt issuing costs and premiums (deferred charges)	1	1
TOTAL DEBT SECURITIES AT AMORTISED COST (2)	**5,198**	**5,438**

(1) In April 2022, the PSA Banque France Group repaid its fourth EMTN issued in 2019 with a three-year maturity.
(2) Total debt is denominated in euros.

14.2 ANALYSIS BY MATURITY OF DEBT SECURITIES EXCLUDING ACCRUED INTEREST

	30/06/2022			31/12/2021		
(in million euros)	**Securitisations**	**Money-market securities**	**Other**	**Securitisations**	**Money-market securities**	**Other**
Not broken down	-	-	1	-	-	7
0 to 3 months	62	360	-	-	92	-
3 to 6 months	60	609	-	-	520	-
6 months to 1 year	116	790	-	122	699	-
1 to 5 years	1,954	1,135	-	2,178	1,820	-
Over 5 years	108	-	-	-	-	-
TOTAL	**2,300**	**2,894**	**1**	**2,300**	**3,131**	**7**

14.3 SECURITISATION PROGRAMMES

SECURITIES ISSUED BY SECURITISATION FUNDS

(in million euros)			Issued bonds		
Funds	**Bonds**	**Rating** (1)	**As at 30/06/2022**	**As at 31/12/2021**	**At the origin**
FCT Auto ABS French Loans Master		*Fitch/Moody's*			
	Class A	AA/Aa2	1,697	1,808	N/A
	Class B	-	155	164	N/A
FCT Auto ABS DFP Master – Compartment France 2013		*S&P/Moodys*			
	Class S	AA/Aa2	670	670	N/A
	Class B	-	109	109	N/A
FCT Auto ABS French Leases Master – Compartment 2016		*Not Rated*			
	Class A	-	947	947	N/A
	Class B	-	583	832	N/A
FCT Auto ABS French LT Leases Master		*Not Rated*			
	Class A	-	600	600	N/A
	Class B	-	297	302	N/A
FCT Auto ABS French Leases 2021		*S&P/DBRS*			
	Class A	AAA/AAA	800	800	
	Class B	AA+/AA	65	65	
	Class C	-	141	141	
Elimination of intra-group transactions (2)			(3,764)	(4,138)	
TOTAL			**2,300**	**2,300**	

(1) Rating obtained at closing or at last restructuring date of the transaction.

(2) CREDIPAR purchases subordinated securities and can also purchase senior securities, in order to use them as collateral at the European Central Bank.

NOTE 15 Accruals and other liabilities

(in million euros)	30/06/2022	31/12/2021
Trade payables	**162**	**110**
Related companies	118	63
of which related companies with STELLANTIS	*118*	*63*
of which related companies with Santander Consumer Finance Group	-	-
Non-group companies	44	47
Financial debt	**8**	**10**
Non-group companies	8	10
Accrued payroll and other taxes	**36**	**41**
Accrued charges	**197**	**235**
Related companies	24	30
of which related companies with STELLANTIS	*20*	*25*
of which related companies with Santander Consumer Finance Group	*4*	*5*
Non-group companies	173	205
Other payables	**91**	**100**
Related companies	17	16
of which related companies with STELLANTIS	*17*	*16*
Non-group companies	74	84
Deferred income	**18**	**17**
*of which margin calls received on swaps**	*2*	-
Related companies	133	23
of which related companies with STELLANTIS	*10*	*10*
of which related companies with Santander Consumer Finance Group	*123*	*13*
Non-group companies	(115)	(6)
Other	**53**	**48**
Non-group companies	53	48
TOTAL	**565**	**561**

* *As at 30 June 2022, margin calls received on swaps were offset with the positive fair value for an amount of €120.8 million, compared to €12.4 million as at 31 December 2021 (see Note 5.2).*

NOTE 16 Subordinated debts

(in million euros)	30/06/2022	31/12/2021
Subordinated debts	155	155
of which related companies with STELLANTIS	*77.5*	*77.5*
of which related companies with Santander Consumer Finance Group	*77.5*	*77.5*
Accrued interest	-	-
of which related companies with STELLANTIS	-	-
of which related companies with Santander Consumer Finance Group	-	-
TOTAL	**155**	**155**

CHANGES IN SUBORDINATED DEBTS

		Cash flows			
(in million euros)	**Opening**	**Inflows**	**Outflows**	**Through profit or loss**	**30/06/2022**
Subordinated debts	155	-	-	-	155
Accrued interest	-	-	(1)	1	-
TOTAL	**155**	**-**	**(1)**	**1**	**155**

		Cash flows			
(in million euros)	**Opening**	**Inflows**	**Outflows**	**Through profit or loss**	**31/12/2021**
Subordinated debts	155	-	-	-	155
Accrued interest	-	-	(2)	2	-
TOTAL	**155**	**-**	**(2)**	**2**	**155**

NOTE 17 Fair value of financial assets and liabilities

	Carrying amount	Fair value	Fair value hierarchy		
(in million euros)	**30/06/2022**	**30/06/2022**	**Level 1**	**Level 2**	**Level 3**
ASSETS					
Financial assets at fair value through profit or loss (1)	21	21	-	16	5
Hedging instruments (1)	1	1	-	1	-
Financial assets at fair value through other comprehensive income (2)	290	290	290	-	-
Loans and advances to credit institutions at amortised cost (3)	590	590	-	-	590
Customer loans and receivables at amortised cost (4)	13,891	14,053	-	-	14,053
EQUITY AND LIABILITIES					
Financial liabilities at fair value through profit or loss (1)	0	0	-	0	-
Hedging instruments (1)	2	2	-	2	-
Deposits from credit institutions (5)	4,176	4,149	-	4,149	-
Debt securities (5)	5,198	5,152	2,752	2,400	-
Due to customers (3)	3,464	3,464	-	-	3,464
Subordinated debt (5)	155	152	-	152	-

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

(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. Their fair value is determined based on valuation techniques using observable market data (level 2).

(2) Financial assets at fair value through other comprehensive income are measured based on available market quotations (level 1).

(3) The fair value of loans and advances to credit institutions and of debts due to customers, mainly short-term operations at adjustable rate, are accordingly close to their amortised cost. Their fair value is determined by applying a valuation that uses, significantly, at least one non-observable item of data (level 3).

(4) Customer loans and receivables are stated at amortised cost. If necessary, they are hedged against interest rate risk (fair value hedge) in order to frame interest rate risk positions within the sensitivity limits defined by the PSA Banque France Group. They are therefore measured 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 amortised 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).

(5) Financing liabilities are stated at amortised 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 amortised cost.

The fair value presented above corresponds mainly to the change in the spread (premium over the risk-free rate) paid by the PSA Banque France Group on its financial market borrowings. It is determined according to three following cases:

- *for debt securities, by applying valuation based on available market quotations (level 1) and by applying a valuation based on information collected from our financial partners, in which case the fair value is determined based on valuation techniques using observable market data (level 2);*
- *for debt to credit institutions by applying an assessment based on information collected from our financial partners. In this case, the fair value is determined based on valuation techniques using observable market data (level 2) when they are available, and by applying a valuation using at least one non-observable item of data (level 3);*
- *for subordinated debt, through a valuation based on information collected from our financial partners. In this case, the fair value is determined based on valuation techniques using observable market data (level 2).*

2

NOTE 18 Other commitments

(in million euros)	**30/06/2022**	**31/12/2021**
Financing commitments		
Commitments received from credit institutions	-	-
Commitments given to credit institutions	-	-
Commitments given to customers (1)	911	936
Guarantee commitments		
Commitments received from credit institutions (2)	324	291
Guarantees received in respect of customer loans	294	291
Guarantees received in respect of securities held	-	-
Other guarantees received from credit institutions	30	-
Guarantees given to credit institutions	-	-
Commitments given to customers	4	4
of which related companies with STELLANTIS	-	-
Other commitments received		
Securities received as collateral	-	-
Others (3)	52	72
Other commitments given		
Assets given as collateral for own account, remains available (4)	57	140
of which to the European Central Bank	*57*	*140*

(1) Commitments on preliminary credit offers made to customers are taken into account. Approved wholesale lines of credit that can be cancelled at any time are not taken into account, except for specific contracts.

(2) As at 30 June 2022, CHUBB guarantees amounted to €219 million compared to €216 million as at 31 December 2021.

As at 30 June 2022, COFACE guarantees amounted to €75 million compared to €75 million as at 31 December 2021.

(3) Financial guarantee received in respect of the SRT transaction.

(4) This is the remaining amount of collateral available at the ECB. CREDIPAR has remitted €2,249 million as ABS securities, €290 million as French Treasury Bills and €553 million as credit claims on its collateral account, that Banque de France has evaluated for a total amount of €2,839 million.

The PSA Banque France Group has drawn €2,825 million (see Note 12), valued at €2,787 million by the Banque de France (of which €37 million in negative accrued interest on TLTRO-III), therefore €57 million remain available, given a non-used authorised financing of €51 million.

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

NOTE 19 Interest and similar income

(in million euros)	H1 2022	H1 2021	2021
On financial assets at amortised cost	**272**	**266**	**536**
Customer transactions	**255**	**253**	**508**
Loans	**59**	**68**	**134**
of which related companies with STELLANTIS	-	-	-
of which securitised	*48*	*53*	*104*
Leasing with a purchase option	**166**	**159**	**322**
of which related companies with STELLANTIS	*21*	*20*	*40*
of which securitised	*79*	*64*	*153*
Long-term leases	**116**	**104**	**216**
of which related companies with STELLANTIS	-	-	-
of which securitised	*29*	*29*	*57*
Trade receivables	**25**	**29**	**52**
of which related companies with STELLANTIS	*20*	*21*	*39*
Other finance receivables (including equipment loans, revolving credit)	**3**	**3**	**6**
of which related companies with STELLANTIS	-	-	-
Ordinary accounts	**-**	**-**	**-**
Guarantee commitments	**-**	**-**	**-**
Commissions paid to referral agents	**(107)**	**(103)**	**(206)**
Loans	(42)	(40)	(76)
Leasing with a purchase option/long-term leases	(65)	(63)	(130)
Other financing	-	-	-
of which related companies with STELLANTIS	*(20)*	*(17)*	*(30)*
Other business acquisition costs	**(7)**	**(7)**	**(16)**
Interbank transactions*	**17**	**13**	**28**
Debt securities	**-**	**-**	**-**
On financial assets recognised at fair value through other comprehensive income	**-**	**-**	**-**
Accrued interest receivable on hedging instruments	**-**	**-**	**-**
Other interest income	**-**	**-**	**-**
TOTAL	**272**	**266**	**536**

* *Corresponds to interest income on TLTRO operations.*

Eight TLTRO-III drawdowns have been carried out since September 2019 as well as an early repayment of €1.1 billion in September 2021. The rate applied takes into account the subsidised rates over the different periods on the basis of the new loan production (deposit facility rate at -0.50% until 23 June 2020 and from 24 June 2020 deposit facility rate reduced by -0.50% until 23 June 2021 and until 23 June 2022).

The PSA Banque France Group thus considers that the TLTRO drawdowns are at market conditions; IFRS 9 applies de facto.

NOTE 20 Interest and similar expenses

20.1 ANALYSIS BY NATURE

(in million euros)	*Notes*	H1 2022	H1 2021	2021
On financial liabilities at amortised cost		**(30)**	**(37)**	**(70)**
Customer transactions		**(17)**	**(21)**	**(38)**
Loans		-	-	-
Leasing with a purchase option		-	-	-
Long-term leases		-	-	-
Trade receivables		(2)	(3)	(4)
Other finance receivables (including equipment loans, revolving credit)		-	-	-
Ordinary accounts			-	(0)
Savings accounts	*20.2*	(10)	(11)	(21)
Expenses related to financing commitments received		(5)	(7)	(12)
Interbank transactions	***20.3***	**(4)**	**(5)**	**(10)**
Debt securities	***20.4***	**(9)**	**(11)**	**(22)**
Accrued interest receivable on hedging instruments	***20.5***	**(4)**	**(2)**	**(3)**
Other interest expenses		**(5)**	**(3)**	**(6)**
TOTAL		**(39)**	**(42)**	**(79)**

20.2 INTEREST ON SAVINGS ACCOUNTS

(in million euros)	H1 2022	H1 2021	2021
Interest on savings accounts	(10)	(11)	(21)
On passbook savings accounts	(8)	(9)	(16)
On term deposits	(2)	(2)	(5)
TOTAL	**(10)**	**(11)**	**(21)**

20.3 INTEREST ON DEPOSITS FROM CREDIT INSTITUTIONS

(in million euros)	H1 2022	H1 2021	2021
Interest on treasury and interbank transactions	(1)	(2)	(4)
of which related companies with STELLANTIS	-	-	-
of which related companies with Santander Consumer Finance Group	-	-	-
Interest expenses of assets	(2)	(1)	(3)
Interest expenses comparable to debt issuing costs	(1)	(2)	(3)
TOTAL	**(4)**	**(5)**	**(10)**

20.4 INTEREST ON DEBT SECURITIES

(in million euros)	H1 2022	H1 2021	2021
Interest expenses on debt securities	(6)	(9)	(17)
of which securitisation: placed bonds	*(0)*	*(2)*	*(3)*
Interest on subordinated debts	(1)	(1)	(2)
Interest expenses comparable to debt issuing costs	(2)	(1)	(3)
TOTAL	**(9)**	**(11)**	**(22)**

20.5 INTEREST ON HEDGING INSTRUMENTS

(in million euros)	H1 2022	H1 2021	2021
Swaps hedging (Fair Value Hedge)	(4)	(2)	(3)
of which related companies with STELLANTIS	-	-	-
of which related companies with Santander Consumer Finance Group	-	-	-
TOTAL	**(4)**	**(2)**	**(3)**

NOTE 21 Fees and commissions

(in million euros)	H1 2022	H1 2021	2021
Income	**75**	**75**	**152**
Incidental commissions from finance contracts	9	9	18
Commissions on sales of service activities	66	66	134
Other	-	-	-
Expenses	**(3)**	**(2)**	**(4)**
Commissions on sales of service activities	(2)	(2)	(4)
Other	(1)	-	-
TOTAL	**72**	**73**	**148**

NOTE 22 Net gains or losses on financial instruments at fair value through profit or loss

22.1 ANALYSIS BY NATURE

(in million euros)	*Notes*	H1 2022	H1 2021	2021
Dividends and net income on equity investments		-	-	-
Interest and dividends on marketable securities designated at fair value through profit or loss		-	-	-
Gains/losses on sales of marketable securities		-	-	-
Gains/losses on derivatives classified in trading securities*		-	-	-
Gains/losses from hedge accounting	***22.2***	**13**	**1**	**5**
Fair value hedges: change in value of hedging instruments of customer loans		107	4	16
Fair value hedges: change in value of hedged customer loans		(94)	(3)	(12)
Fair value hedges: change in value of hedging instruments of debt		-	-	0
Fair value hedges: change in value of hedged debt		-	-	-
TOTAL		**13**	**1**	**5**

* *The swaps classified as held for trading are related to securitisation activities. With the exception of intermediation fees, changes in the fair value of these swaps are offset by changes in the fair value of swaps in the opposite direction before offsetting margin calls at CREDIPAR. In fact, the rate of the swap set up in the securitising entity (CREDIPAR) since 2018 includes intermediation costs, whereas this is not the case for the swap set up in the opposite direction in the securitisation vehicle (FCT) (see Notes 4.1 and 10.1).*

2

22.2 GAINS AND LOSSES FROM HEDGE ACCOUNTING

PSA Banque France Group interest rate management policy

(See the "Credit risk" and "Currency and Interest rate risk" sections of the Annual Management Report).

Interest rate risk

The policy in terms of interest rate risk tends to be conservative and avoids any speculation. Its purpose is to control and supervise interest rate risk positions within sensitivity limits in accordance with the defined risk appetite. The management of interest rate risk consists of compliance with this policy and subjecting it to regular controls and hedging measures.

As at 30 June 2022, the nominal amount of hedging swaps for customer loans was €4,502 million.

Currency risk

The PSA Banque France Group does not take currency positions. The currency risk is nonexistent.

Counterparty risk

The PSA Banque France Group'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. Following EMIR regulation, new CDEA framework agreements (Cleared Derivatives Execution Agreement) have been set up. Customer credit risk is discussed in Note 25.

The PSA Banque France Group limits the exposure at the minimum from the implementation of its investment policy. Available cash other than interbank accounts and reserves deposited with central banks is invested solely in HQLA type investments.

ANALYSIS OF INTEREST RATE RISK HEDGING EFFECTIVENESS (FAIR VALUE HEDGE)

(in million euros)	30/06/2022	31/12/2021	Fair value adjustments	Ineffective portion recognised in profit or loss
Fair value adjustments to customer loans (loans, leasing with purchase option and long-term leases)				
Loans	(23.7)	(3.0)	-	-
Leasing with purchase option	(47.6)	(5.3)	-	-
Long-term leases	(34.8)	(3.7)	-	-
Total valuation, net	**(106.1)**	**(12.0)**	**(94.1)**	**-**
Derivatives designated as hedges of customer loans				
Assets	120.0	12.7	-	-
Liabilities (see Note 11)	(0.5)	(0.1)	-	-
Total valuation, net	**119.5**	**12.6**	**106.9**	**12.8**
INEFFECTIVE PORTION OF GAIN AND LOSSES ON OUTSTANDING HEDGING TRANSACTIONS	**13.4**	**0.6**	**-**	**12.8**
Fair value adjustments to hedged debt				
Valuation, net	-	-	-	-
Total valuation, net	**-**	**-**	**-**	**-**
Derivatives designated as hedges of debt				
Assets	-	-	-	-
Liabilities (see Note 11)	-	-	-	-
Total valuation, net	**-**	**-**	**-**	**-**
INEFFECTIVE PORTION OF GAIN AND LOSSES ON OUTSTANDING HEDGING TRANSACTIONS	**-**	**-**	**-**	**-**
Fair value adjustments to hedged bonds				
Valuation, net	-	-	-	-
Total valuation, net	**-**	**-**	**-**	**-**
Derivatives designated as hedges of bonds				
Assets	-	-	-	-
Liabilities (see Note 11)	-	-	-	-
Total valuation, net	**-**	**-**	**-**	**-**
INEFFECTIVE PORTION OF GAIN AND LOSSES ON OUTSTANDING HEDGING TRANSACTIONS	**-**	**-**	**-**	**-**

NOTE 23 Net income or expense of other activities

	H1 2022			H1 2021			2021		
(in million euros)	Income	Expenses	Net	Income	Expenses	Net	Income	Expenses	Net
Gains/losses on sales of used vehicles	24	-	24	11	-	11	19	-	19
Share of joint venture operations	-	(8)	(8)	-	(8)	(8)	-	(16)	(16)
Other banking operating income/expenses	-	(9)	(9)	-	(7)	(7)	-	(7)	(7)
Other operating income/expenses	12	(11)	1	1	(1)	-	11	(13)	(2)
TOTAL	**36**	**(28)**	**8**	**12**	**(16)**	**(4)**	**30**	**(36)**	**(6)**

NOTE 24 General operating expenses

(in million euros)	H1 2022	H1 2021	2021
Personnel costs	**(34)**	**(34)**	**(66)**
Remunerations	(21)	(21)	(40)
Payroll taxes	(10)	(9)	(19)
Employee profit sharing and profit-related bonuses	(3)	(4)	(7)
Other general operating expenses	**(49)**	**(47)**	**(91)**
of which related companies with STELLANTIS	*(18)*	*(19)*	*(37)*
of which related companies with Santander Consumer Finance Group	*(1)*	-	*(1)*
TOTAL	**(83)**	**(81)**	**(157)**

NOTE 25 Cost of risk

The tables below present the cost of risk by customer category, as no significant loss has been incurred on other financial assets.

25.1 CHANGES IN LOANS

			Cost of risk					
(in million euros)	Balance as at 31/12/2021	Net new loans	Charges	Reversals	Credit losses	Recoveries on loans written off in prior periods	Cost of risk in H1 2022	Balance as at 30/06/2022
RETAIL								
Stage 1 loans	8,845	42	-	-	-	-	-	8,887
Stage 2 loans	243	78	-	-	-	-	-	321
Guarantee deposits (lease financing)	-	-	-	-	-	-	-	-
Stage 3 loans	124	19	-	-	(16)	-	(16)	127
Total	**9,212**	**139**	**-**	**-**	**(16)**	**-**	**(16)**	**9,335**
Impairment of stage 1 loans	(27)	-	(3)	7	-	-	4	23
Impairment of stage 2 loans	(19)	-	(3)	5	-	-	2	17
Impairment of stage 3 loans	(89)	-	(4)	17	-	-	13	76
Total impairment	**(136)**	**-**	**(10)**	**29**	**-**	**-**	**19**	**116**
Deferred items included in amortised cost	**199**	**5**	**-**	**-**	**-**	**-**	**-**	**204**
Carrying amount (A – see B Note 8.2)	**9,275**	**144**	**(10)**	**29**	**(16)**	**-**	**3**	**9,423**
Impairment on commitments	-	-	-	1	-	-	1	-
Recoveries on loans written off in prior periods	-	-	-	-	-	3	3	-
Impairment of other customer transactions	-	-	-	-	-	-	-	-
RETAIL COST OF RISK	**-**	**-**	**(10)**	**30**	**(16)**	**3**	**7**	**-**

(in million euros)	Balance as at 31/12/2021	Net new loans	Cost of risk				Cost of risk in H1 2022	Balance as at 30/06/2022
			Charges	Reversals	Credit losses	Recoveries on loans written off in prior periods		
CORPORATE DEALERS								
Stage 1 loans	3,021	(292)	-	-	-	-	-	2,729
Stage 2 loans	332	43	-	-	-	-	-	375
Guarantee deposits	-	-	-	-	-	-	-	-
Stage 3 loans [(1)]	70	-	-	-	-	-	-	70
Total	**3,423**	**(249)**	**-**	**-**	**-**	**-**	**-**	**3,174**
Impairment of stage 1 loans	(12)	-	(2)	1	-	-	(1)	(13)
Impairment of stage 2 loans	(8)	-	(1)	1	-	-	-	(8)
Impairment of stage 3 loans	(21)	-	-	1	-	-	1	(20)
Total impairment	**(41)**	**-**	**(3)**	**3**	**-**	**-**	**-**	**(41)**
Deferred items included in amortised cost	**9**	**-**	**-**	**-**	**-**	**-**	**-**	**9**
Carrying amount (B – see A Note 8.2)	**3,391**	**(249)**	**(3)**	**3**	**-**	**-**	**-**	**3,142**
Impairment on commitments	-	-	-	-	-	-	-	-
Recoveries on loans written off in prior periods	-	-	-	-	-	-	-	-
Impairment of other customer transactions	-	-	-	1	-	-	1	-
CORPORATE DEALERS COST OF RISK	**-**	**-**	**(3)**	**4**	**-**	**-**	**1**	
CORPORATE AND EQUIVALENT								
Stage 1 loans	1,069	167	-	-	-	-	-	1,236
Stage 2 loans	194	(44)	-	-	-	-	-	150
Guarantee deposits	-	-	-	-	-	-	-	-
Stage 3 loans	11	6	-	-	-	-	-	17
Total	**1,274**	**129**	**-**	**-**	**-**	**-**	**-**	**1,403**
Impairment of stage 1 loans	(1)	-	(1)	-	-	-	(1)	(2)
Impairment of stage 2 loans	(1)	-	(2)	-	-	-	(2)	(3)
Impairment of stage 3 loans	(7)	-	(1)	1	-	-	-	(7)
Total impairment	**(9)**	**-**	**(4)**	**1**	**-**	**-**	**(3)**	**(12)**
Deferred items included in amortised cost	**38**	**3**	**-**	**-**	**-**	**-**	**-**	**41**
Carrying amount (C – see C Note 8.2)	**1,303**	**132**	**(4)**	**1**	**-**	**-**	**(3)**	**1,432**
Impairment on commitments	-	-	(1)	-	-	-	(1)	-
Recoveries on loans written off in prior periods	-	-	-	-	-	-	-	-
Impairment of other customer transactions	-	-	-	-	-	-	-	-
CORPORATE AND EQUIVALENT COST OF RISK		**-**	**(5)**	**1**	**-**	**-**	**(4)**	**-**
TOTAL LOANS								
Stage 1 loans	12,935	(83)	-	-	-	-	-	12,852
Stage 2 loans	770	77	-	-	-	-	-	847
Guarantee deposits	-	-	-	-	-	-	-	-
Stage 3 loans	204	25	-	-	(16)	-	(16)	213
Total	**13,909**	**19**	**-**	**-**	**(16)**	**-**	**(16)**	**13,912**
Impairment of stage 1 loans	(40)	-	(6)	8	-	-	2	(38)
Impairment of stage 2 loans	(28)	-	(6)	6	-	-	-	(28)
Impairment of stage 3 loans	(117)	-	(5)	19	-	-	14	(103)
Total impairment	**(185)**	**-**	**(17)**	**33**	**-**	**-**	**16**	**(169)**
Deferred items included in amortised cost	**245**	**8**	**-**	**-**	**-**	**-**	**-**	**254**
Carrying amount (A+B+C)	**13,969**	**27**	**(17)**	**33**	**(16)**	**-**	**-**	**13,997**
Impairment on commitments	-	-	(1)	1	-	-	-	-
Recoveries on loans written off in prior periods	-	-	-	-	-	3	3	-
Impairment of other customer transactions	-	-	-	1	-	-	1	-
TOTAL COST OF RISK	**-**	**-**	**(18)**	**35**	**(16)**	**3**	**4**	**-**

(1) In certain cases, the PSA Banque France Group can finance vehicles bought by dealers in stage 3 so that they are not forced to stop their activities. Under IFRS 9, these receivables are considered as Purchased or Originated Credit Impaired (POCI) for €61 million as at the end of June 2022 (€55 million as at the end of December 2021). It has to be noted that while a financing line had been originally granted, these dealers were not in default. Furthermore, these financing are done in a dedicated limit depending on the risk associated to each dealer and under a close monitoring of Risk Department. Risk exposure is not increasing for these dealers as a new financing can only be granted in the disposal limit (thus after the refund of another financing).

25.2 CHANGE IN COST OF RISK

(in million euros)	*Retail*	Corporate dealers	Corporate and equivalent	H1 2022	H1 2021	2021
Stage 1 loans						
Allowances	(3)	(2)	(1)	(6)	(10)	(54)
Reversals	7	1	-	8	9	44
Stage 2 loans						
Allowances	(3)	(1)	(2)	(6)	(4)	(26)
Reversals	5	1	-	6	9	34
Stage 3 loans						
Allowances	(4)	-	(1)	(5)	(8)	(85)
Reversals	17	1	1	19	10	91
Impairment on commitments						
Allowances	-	-	(1)	(1)	-	-
Reversals	1	-	-	1	-	-
Stage 3 other customer transactions						
Allowances	-	-	-	-	-	(3)
Reversals	-	1	-	1	-	-
Credit losses	**(16)**	**-**	**-**	**(16)**	**(14)**	**(31)**
Recoveries on loans written off in prior periods	**3**	**-**	**-**	**3**	**2**	**6**
COST OF RISK	**7**	**1**	**(4)**	**4**	**(6)**	**(24)**

The Bank's credit management policy is described in the "Credit Risk" section of the Management Report as at 31 December 2021.

NOTE 26 Income taxes

26.1 EVOLUTION OF BALANCE SHEET ITEMS

(in million euros)	Balance as at 31/12/2021	Income	Equity	Payment	Balance as at 30/06/2022
Current tax					
Assets	8				9
Liabilities	(2)				(1)
TOTAL	**6**	**(14)**		**16**	**8**
Deferred tax					
Assets	4				4
Liabilities	(470)				(515)
TOTAL	**(466)**	**(43)**	**(2)**		**(511)**

26.2 INCOME TAXES OF FULLY-CONSOLIDATED COMPANIES

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.

Deferred taxes are determined as described in the last paragraph of Note 2.A in the 2021 Annual Report dealing with deferred taxes.

In France, the standard corporate income tax rate is 25%.

The Social Security Financing Act (No. 99-1140) dated 29 December 1999, introduced a surtax equal to 3.3% of the corporate income tax liability of French companies raising the theoretical legal rate to 25.8%.

For the first half of 2022, deferred taxes are evaluated based on the rates of the 2021 French Finance Act, and the 2022 finance law published on 31 December 2021.

(in million euros)	H1 2022	H1 2021	2021
Current tax			
Income taxes	(14)	(35)	(52)
Deferred tax			
Deferred taxes arising in the period	(43)	(3)	(21)
Unrecognised deferred tax assets and impairment losses	-	-	-
TOTAL	**(57)**	**(38)**	**(73)**

26.3 PSA BANQUE FRANCE GROUP TAX PROOF

(in million euros)	H1 2022	H1 2021	2021
Pre-tax income	242	205	417
Permanent differences	9	8	6
Taxable Income	**251**	**213**	**423**
Theoretical tax	(65)	(60)	(120)
Theoretical rate	*25.83%*	*28.41%*	*28.41%*
Deferred Taxes evaluation without exceptional contribution of 15%	9	23	49
of which effect of revaluation of deferred taxes assets and liabilities	*9*	*23*	*49*
Special tax contribution on dividend distributed	-	-	-
Reclassification of the contribution on added value of incomes taxes (CVAE) as current tax (IAS12)	(1)	(1)	(3)
Other	-	-	1
Income taxes	**(57)**	**(38)**	**(73)**
Group effective tax rate	*22.8%*	*17.9%*	*17.4%*

26.4 DEFERRED TAX ASSETS ON TAX LOSS CARRYFORWARDS

(in million euros)	31/12/2021	New tax losses	Tax losses used	Allowances/ Reversals	Deferred tax assets derecognised	Exchange difference and other	30/06/2022
Deferred tax assets on tax loss carryforwards	-	3	-		-	-	3
Impairment	-			-			-
TOTAL	**-**	**3**	**-**	**-**	**-**	**-**	**3**

NOTE 27 Segment information

27.1 KEY BALANCE SHEET ITEMS

FOR 2022

(in million euros)	Financing activities				
		End user			
	Corporate dealers	Retail	Corporate and equivalent	Unallocated	Total as at 30/06/2022
ASSETS					
Customer loans and receivables	3,142	9,423	1,432	-	13,997
Cash, central banks	195	586	125	-	906
Financial assets at fair value through profit or loss	-	-	21	-	21
Loans and advances to credit institutions	21	75	494	-	590
Other assets				554	554
TOTAL ASSETS					**16,068**
LIABILITIES					
Refinancing*	2,141	9,223	1,388		12,752
Due to customers*	10	71	5		86
Other liabilities				1,259	1,259
Equity				1,971	1,971
TOTAL LIABILITIES					**16,068**

* *In the segment information, "Customer ordinary accounts in credit", "Passbook savings accounts" and "Term deposit accounts" are classified in "Refinancing".*

FOR 2021

(in million euros)	Financing activities				
		End user			
	Corporate dealers	Retail	Corporate and equivalent	Unallocated	Total as at 31/12/2021
ASSETS					
Customer loans and receivables	3,391	9,275	1,303	-	13,969
Cash, central banks	190	521	107	-	818
Financial assets at fair value through profit or loss	-	-	7	-	7
Loans and advances to credit institutions	16	75	537	-	628
Other assets				312	312
TOTAL ASSETS					**15,734**
LIABILITIES					
Refinancing*	1,634	9,678	1,346	-	12,658
Due to customers*	11	64	6	-	81
Other liabilities				1,211	1,211
Equity				1,784	1,784
TOTAL LIABILITIES					**15,734**

* *In the segment information, "Customer ordinary accounts in credit", "Passbook savings accounts" and "Term deposit accounts" are classified in "Refinancing".*

27.2 KEY INCOME STATEMENT ITEMS

H1 2022

(in million euros)	Financing activities				Insurance and services	Total H1 2022
		End user				
	Corporate dealers	Retail	Corporate and equivalents	Unallocated		
Interest and similar income	33	195	27	17		272
Interest and similar expenses	(12)	(9)	(3)	(15)		(39)
Fees and commissions income	2	5	3	-	65	75
Fees and commissions expenses	-	-	-	(1)	(2)	(3)
Net gains or losses on financial instruments at fair value through other comprehensive income	-	-	-	13		13
Net gains or losses on financial instruments at fair value through equity	-	-	-	(1)		(1)
Income on other activities	-	16	8	12		36
Expenses on other activities	-	-	-	(28)		(28)
Net banking revenue	**23**	**207**	**35**	**(3)**	**63**	**325**
Cost of credit risk	1	7	(4)			4
Net income after cost of risk	**24**	**214**	**31**	**(3)**	**63**	**329**
General operating expenses and equivalent				(86)		(86)
OPERATING INCOME	**24**	**214**	**31**	**(89)**	**63**	**243**

H1 2021

(in million euros)	Financing activities				Insurance and services	Total H1 2021
		End user				
	Corporate dealers	Retail	Corporate and equivalents	Unallocated		
Interest and similar income	36	194	23	13		266
Interest and similar expenses	(8)	(16)	(3)	(15)		(42)
Fees and commissions income	2	4	3	-	66	75
Fees and commissions expenses	-	-	-	-	(2)	(2)
Net gains or losses on financial instruments at fair value through profit or loss	-	-	1	-		1
Income on other activities	1	12	(1)	-		12
Expenses on other activities	(1)	-	-	(15)		(16)
Net banking revenue	**30**	**194**	**23**	**(17)**	**64**	**294**
Cost of credit risk	2	(8)	-			(6)
Net income after cost of risk	**32**	**186**	**23**	**(17)**	**64**	**288**
General operating expenses and equivalent				(83)		(83)
OPERATING INCOME	**32**	**186**	**23**	**(100)**	**64**	**205**

NOTE 28 Subsequent events

Between 30 June 2022 and 14 September 2022, the date of the Board of Directors' review of the financial statements, no events have occurred that could have a material impact on the economic decisions made on the basis of these financial statements.

2.7 STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

PERIOD FROM 1 JANUARY TO 30 JUNE 2022

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General meetings 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 PSA Banque France, for the period from 1 January 2022 to 30 June 2022;
- the verification of the information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. 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.

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

Specific verification

We have also verified the information presented in the half-yearly management report 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.

Neuilly-sur-Seine and Courbevoie, 13 September 2022

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	Mazars
Gaël Colabella	Matthew Brown Olivier Gatard

STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2022 HALF-YEAR REPORT

PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

Laurent AUBINEAU

Chief Executive Officer of PSA Banque France

STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR REPORT

I hereby certify that, to my knowledge, the half-year financial statements have been prepared in accordance with the applicable accounting standards and give a fair view of the assets, financial situation and results of PSA Banque France and all companies included in the consolidation and that the half-year management report of this document also presents a fair review of the significant events of the first six months of the year, their impact on the financial statements, and that it provides a description of the main risks and uncertainties for the remaining six months of the year.

Drawn up in Poissy, 13 September 2022

Laurent AUBINEAU

Chief Executive Officer of PSA Banque France

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P S A   B A N Q U E   F R A N C E

STELLANTIS

Société anonyme (limited company). Share capital: €144,842,528
Registered office: 2-10, boulevard de l'Europe - 78300 POISSY
R.C.S. (Trade and Companies Register number): Versailles 652 034 638
Siret 652 034 638 00047

APE business identifier code: 6419Z

Interbank code: 14749

LEI: 969500JK1O192KI3E882

www.psa-banque-france.com
tel.: + 33 (0) 1 46 39 65 55