PSA BANQUE FRANCE

2016 Half-year report

BOARD OF DIRECTORS

Ines Serrano-Gonzalez
Chairman
Chairman of the Audit and Risk Committee and of the Appointment and Remuneration Committee

Carlos Aparicio Manuel
Director

Andrea Bandinelli
Director

Rémy Bayle
Director
Member of the Audit and Risk Committee and of the Appointment and Remuneration Committee

Alain Martinez
Director
Member of the Audit and Risk Committee and of the Appointment and Remuneration Committee

Martin Thomas
Director
Member of the Audit and Risk Committee and of the Appointment and Remuneration Committee

EXECUTIVE COMMITTEE

Andrea Bandinelli
Chief Executive Officer

Carlos Aparicio Manuel
Deputy Chief Executive Officer

STATUTORY AUDITORS

Ernst & Young Audit
Mazars

SUBSTITUTE AUDITORS

PICARLE et associés
Guillaume Potel

Situation at June 30, 2016

PSA BANQUE FRANCE

Société anonyme (limited company). Share capital: €144,842,528

Registered office - 9, rue Henri Barbusse – 92230 GENNEVILLIERS
R.C.S. (Trade and Companies Register number): Nanterre 652 034 638 - Siret 652 034 638 00039
APE/NAF business identifier code: 6419Z
Interbank code: 14749

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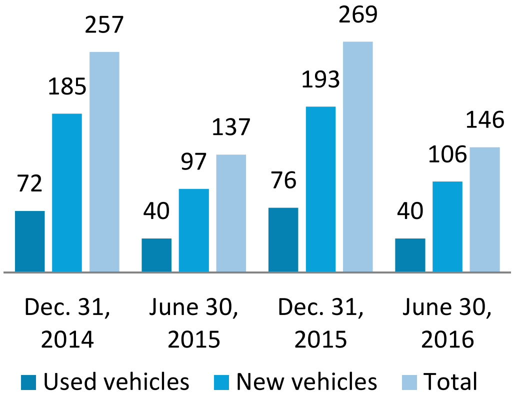
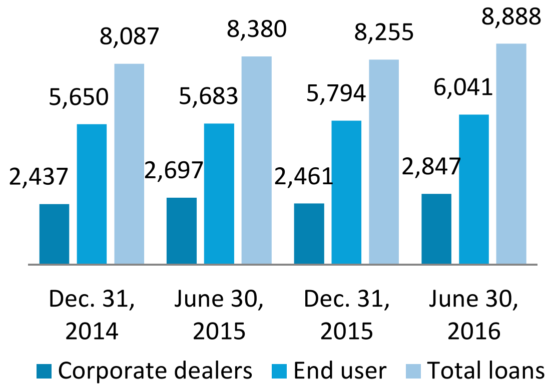
1.1 Key figures

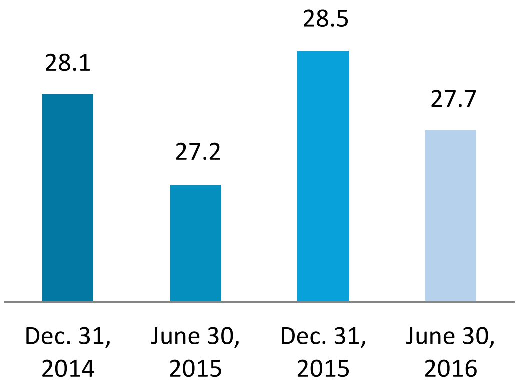
EVOLUTION OF VEHICULES FINANCED FOR END-USERS (in thousands)



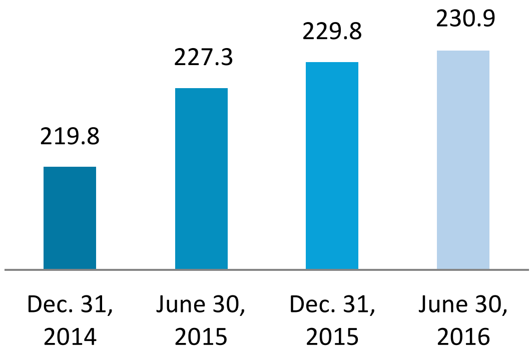
EVOLUTION OF END-USER AND DEALER LOANS OUTSTANDING (in million euros)



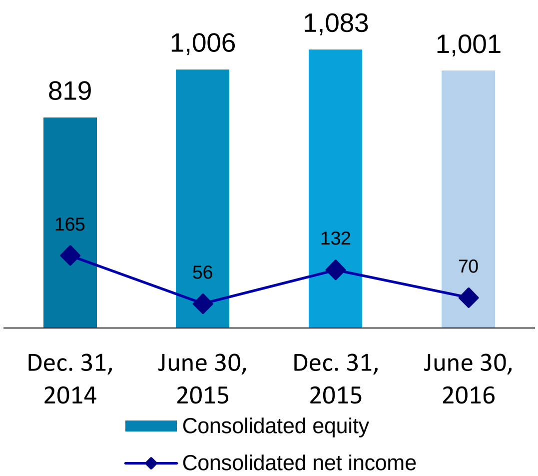
FINANCING PENETRATION RATE (in %)



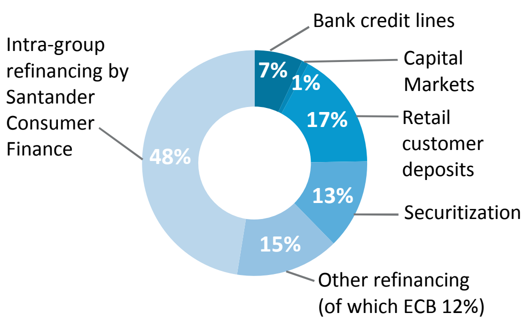
SERVICE PENETRATION RATE (in %)



EQUITY AND NET PROFIT
(in million euros)



SOURCES OF REFINANCING AT JUNE 30, 2016



1.2 Activities of the PSA Banque France Group and its development

1.2.1 Definition of concepts in the Management Report

The new PSA Banque France Group was founded in 2015, initially through the combination, under the SOFIB entity, of the financing activities of the PSA Group in France operated by SOFIB, CREDIPAR, CLV and SOFIRA. These operations took place following the 50% entry of Santander Consumer France in the equity of SOFIB on February 2, 2015, and according to the below schedule and terms:

- On January 30, 2015, SOFIB received, through a contribution in kind, the shares of CREDIPAR (company primarily in charge of vehicle financing for end-users) and the ones of SOFIRA (company primarily responsible for financing the stocks of the corporate dealers) held by Banque PSA Finance;
- On April 1, 2015, SOFIB took over the "PSA Banque" deposit activity originally operated in France by Banque PSA Finance through a partial transfer of business;
- On May 1, 2015, the absorption merger of SOFIRA by CREDIPAR was completed;
- On July 18, 2016, SOFIB Group changed its corporate name to PSA Banque France.

The comparative period relative to the 2015 financial year was presented by applying the “pooling of interests” method as described in 2.A.5 Note Business Combinations and in paragraph 1.4.1 Definitions of concepts of the management report of the 2015 annual report of PSA Banque France, as if these transactions had occurred since January 1, 2015. The 2015 financial year therefore presents the activities of the group by integrating the contribution of these entities from the opening, the capital of the new group reflecting, from the opening of 2015, the consequences of the combination operations carried out on February 2, 2015.

1.2.2 Summary of financial information

The financial information presented in the present annual report has been prepared in accordance with "IFRS" (International Financial Reporting Standards) adopted by the European Union countries. The consolidated financial statements were audited on June 30, 2016 by the Statutory auditors, Ernst & Young audit and Mazars.

CONSOLIDATED STATEMENT OF INCOME

(in million euros)	Jun. 30, 2016	Jun. 30, 2015	% change
Net banking revenue	205	206	(0.5)
General operating expenses and equivalent	(82)	(72)	+13.9
Cost of risk*	(4)	(46)	(91.3)
Operating income	**119**	**88**	**+35.2**
Other non-operating income	0	(6)	-
Pre-tax income	**119**	**81**	**+46.9**
Income taxes	(49)	(25)	+96.0
Net income for the year	**70**	**56**	**+25.0**

* The cost of risk as of end of June 2015 includes a depreciation of outstanding performing loans without past-due installments with an impact of -€28.7 million on pre-tax income for 2015 related to the standardization of accounting principles of the new shareholder Santander Consumer France (see paragraph C.6.4 of Note 2 of the 2015 annual report and Note 26.2 – Change in the cost of risk).

Consolidated Balance Sheet

(in million euros)

Assets	Jun. 30, 2016	Dec. 31, 2015	% change
Cash, central banks, post office banks	237	98	+141,8
Financial assets	4	136	(97.1)
Loans and advances to credit institutions	587	663	(11.5)
Customer loans and receivables	8,888	8,255	+7.7
Tax assets	3	3	+0.0
Other assets	198	170	+16.5
Property and equipment	5	5	+0.0
Total assets	**9,922**	**9,330**	**+6.3**

Equity and liabilities	Jun. 30, 2016	Dec. 31, 2015	% change
Financial liabilities	3	3	0
Deposits from credit institutions	5,433	4,773	+13.8
Amounts due to customers	1,631	1,370	+19.1
Debt securities	1,170	1,542	(24.1)
Tax liabilities	262	275	(4.7)
Other liabilities	422	285	+48.1
Equity	1,001	1,083	(7.6)
Total equity and liabilities	**9,922**	**9,330**	**+6.3**

Outstanding Loans by Customer Segment

(in million euros)	Jun. 30, 2016	Dec. 31, 2015	% change
Corporate dealers	2,847	2,461	+15.7
End-users	6,041	5,794	+4.3
Total customer loans and receivables	**8,888**	**8,255**	**+7.7**

1.2.3 Activities of the PSA Banque France Group

1.2.3.1 Presentation

Following their entry into exclusive negotiations on February 19, 2014, Banque PSA Finance, the captive finance company of PSA Group specialized in automotive financing, and Santander Consumer Finance, the division of Banco Santander specialized in consumer credit, signed a framework agreement on July 10, 2014 on setting up 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 for France, the United Kingdom, Spain and Switzerland, implemented in 2016 for Germany, Austria, Belgium, Italy and the Netherlands (and remaining to be implemented in Poland), and a commercial partnership in Portugal operational since August 1, 2015.

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

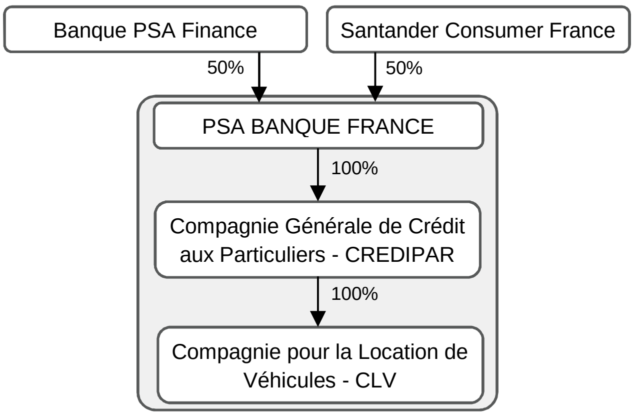
The cooperation with Santander Consumer Finance in particular enhances the activities of the PSA Banque France Group, as more competitive offers are reserved for Peugeot, Citroën and DS customers and networks. These offers are accompanied by a complete range of insurance products and services that enable customers to benefit from a global and coherent product range at the sales point. The PSA Banque France Group also provides to dealers of the three brands with financing of inventory (of new and used vehicles) and of spare parts as well as other financing solutions such as working capital.

A. Organization

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

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

STRUCTURE OF THE PSA BANQUE FRANCE GROUP



The PSA Banque France Group is established and pursues its activity in the French territory from its new registered office located at 9, rue Henri Barbusse, Gennevilliers (92230) and its 13 agencies spread over the national territory.

B. Organization of the cooperation with Santander Consumer France

The cooperation between Banque PSA Finance and Santander Consumer Finance is organized 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 (commerce, risk, finance, etc.,) is compatible with the CRD IV corporate governance regulatory framework (appointments, wages and salaries, audit and risk committees).

C. Business model and strategy

Backed by its economic model based on proximity with the three brands of the PSA Group and their dealership network, as well as by the financial support of the Santander Group, the PSA Banque France Group demonstrated its ability to adjust efficiently to the economic context and maintain a high level of performance.

As such, the main leverage factors used by the PSA Banque France Group are:

- ***An extended, structured and customized 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 relationship of proximity with the commercial networks allows the PSA Banque France Group to develop financing solutions and services packages specifically designed to address their needs.

- ***A privileged and close relationship with Peugeot, Citroën and DS and with the dealer networks.*** Financing, insurance and services solutions are marketed through the Peugeot, Citroën and DS distribution networks, with a global approach by packaging the financing proposal with the sale of the vehicle. Vehicle renewal rates are usually higher when customers finance their vehicles via the PSA Banque France Group.

- ***A first-rate integrated sales point IT system.*** The information systems infrastructure of the PSA Banque France Group is integrated with that of Peugeot, Citroën and DS, enabling the dealers of these brands to make a global commercial proposal that encompasses the vehicle, the financing solution as well as any ancillary services. Eligible customers can thus obtain a decision concerning their financing application directly from the dealer.

- ***Diversified insurance and service offerings with a high added value.*** End-users therefore 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" and immediate approach is to make the financing, insurance and services more attractive for customers. Insurance and services increasingly represent a significant part of PSA Banque France Group's revenues.

- ***A diversified refinancing policy.*** PSA Banque France Group benefited in 2015 from intra-group financing provided by Santander Consumer Finance, since the entry of Santander Consumer France in its equity in February 2015, from financing provided by debt securitization, retail savings activity with French customers, as well as bilateral bank credit lines and its participation in the refinancing operations of the European Central Bank (ECB). Refinancing diversification continued in the first half of 2016, with the launch of negotiable debt securities (short and medium-term) and medium-term notes (EMTN) programs. First negotiable debt securities (certificates of deposit or NEU CP) were issued in June 2016.

Although it fully benefits from its status as a dedicated commercial partner of the PSA Group, the PSA Banque France Group operates according to an independent management structure which aims for the success of its activities while ensuring a rigorous control of the risks inherent to its business. As for the PSA Banque France Group's commercial policy, it is closely aligned with the marketing strategy of the brands.

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

1.2.3.2 Products and services

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

- ***Financing for end-users (68% of outstanding loans to customers at June 30, 2016)***. Individuals and companies are offered a range of solutions including installment loans for the purchase of new and used vehicles, as well as leasing solutions with or without a purchase option.

- ***Financing for the corporate dealership network (32% of outstanding loans to customers at June 30, 2016)***. The Peugeot, Citroën and DS distribution networks have at their disposal solutions for financing their stock of new and used vehicles and spare parts as well as other types of financing such as working capital.

- ***Insurance products and services***. An extensive range of services and insurance products intended for end-users can be offered: insurance policies related to financing, such as death/invalidity insurance, unemployment insurance, or financial loss insurance which covers the total loss of the financed vehicle. In addition, the Group also provides insurance policies related to the vehicle, such as car insurance or extensions of guarantee for used vehicles: assistance services including mobility solutions and additional services related, for example, to the maintenance of vehicles and to the "connected vehicle" offer.

- ***Retail savings***. The "PSA Banque" retail savings business consists of savings accounts and term deposits. The first semester 2016 was marked by a consolidation of PSA Banque France Group's position. This commercial success also proves the confidence of savers in the growth outlook for the PSA Group and the PSA Banque France Group and demonstrates the ability of the Group to retain its customers.

1.3 Analysis of operational results

Most of PSA Banque France Group's business consists of providing financing solutions for the acquisition of new and used Peugeot, Citroën and DS vehicles, and inventory financing for Peugeot, Citroën and DS corporate dealers. The Group's net banking revenue is derived primarily from net interest income on customer loans and leases. Insurance products and other services offered to the three brands' customers also contribute significantly to its net banking revenue.

PSA Banque France Group's operating income in June 2016 stood at €119 million, compared to €88 million in June 2015.

1.3.1 Vehicle sales for Peugeot, Citroën and DS

In June 2016, the sales of PSA Group in France increased by 6.8% to 383 000 units compared to the first semester 2015.

Sales of the Peugeot brand increased by 7.6% to 222,000 units, thanks notably to the excellent performance of the Peugeot 308 (+8.8%), as well as the Peugeot 2008 (+5.5%, growing for the fourth consecutive year) and 208 (+15%), which is the second best-selling vehicle in France. 2008 and 308 models are on the podium of their respective segments in France.

Citroën had a total sales volume of 144,000 vehicles, up by 5.5% compared to June 30, 2015, with sales of vehicles to private individuals up by 4.7%. Sales volume of utility vehicles progressed by 8%. The C3 whose new model will be launched at the end of 2016 remains Citroën's best-selling vehicle.

Lastly, sales of the DS brand increased by 7.4% to 17.300 units by the end of June 2016.

1.3.2 Commercial activity of the PSA Banque France Group

1.3.2.1 End-users financing

During the first semester 2016, the PSA Banque France Group saw an increase of 6.6% in volume of financing new and used vehicles to end customers, rising from 137,090 to 146,078 contracts subscribed, for a total production of €1,694 million, up by more than 13.5% compared to first semester 2015.

New vehicle penetration increased to 27.7% in June 2016, up by +0.5 points compared to June 2015, thanks to the continuation of good sales momentum and the close cooperation with the brands of PSA Group, enabling the development of high-impact joint commercial operations.

The PSA Banque France Group financed 106,161 new PSA vehicles, through installment loans or leases, which represent an increase of 8.9% compared to June 2015.

Financing to individual customers led the growth, with a significant increase in performance on the B2C channel: +4.1 points at 40.5%. Better refinancing conditions combined with the dynamic policies of the brands as well as the strong interest of individual customers stimulated the leasing contracts offers on the individuals market.

Lastly, the used vehicle financing volumes were up by 0.8% compared to June 2015. The number of used vehicles financed during the first semester 2016 reached 39,917 units.

The tables below show the main activity indicators with regards to end customers financing for the PSA Banque France Group during the first semester 2016.

PRODUCTION OF NEW VEHICLE AND USED VEHICLE IN END-USER FINANCING

	Jun. 30, 2016	Jun. 30, 2015	% change
Number of new contracts	146,078	137,090	+6.6
Amount of production (in million euros)	1,694	1,493	+13.5

OUTSTANDING LOANS ON THE END-USER SEGMENT

(in million euros)	Jun. 30, 2016	Dec. 31, 2015	% change
Outstanding loans	6,041	5,794	+4.3

This favorable development is related to higher volumes of contracts subscribed as well as to a higher average amount financed (+5,1% for new vehicles), notably thanks to the enhancement of the mix and a move upmarket in vehicles.

1.3.2.2 Corporate dealer financing

Outstanding loans at the end of June 2016 increased by 15,7% compared to December 2015.

The table below shows the outstanding loans granted to dealers at the end of June 2016 and 2015.

OUTSTANDING CORPORATE DEALER LOANS

(in million euros)	Jun. 30, 2016	Dec. 31, 2015	% change
Outstanding loans	2,847	2,461	+15.7

1.3.2.3 Insurance and services

During the first semester 2016, volumes of insurance contracts and services increased by 7.8% compared to the first semester 2015, with 342,025 new contracts subscribed.

The PSA Banque France Group sold an average of 2.3 insurance or service contracts per client financed, up by +3.6 points of penetration compared to June 2015.

The increase is significant, both in insurance policies related to financing and car insurance and services.

The tables below show the main indicators for the PSA Banque France Group's insurance and services business at the end of June 2015 and 2016:

NEW INSURANCE AND SERVICE CONTRACTS

(in number of contracts)	Jun. 30, 2016	Jun. 30, 2015	% change
Financial services	169,029	155,762	+8.5
Car insurance and vehicle-related services	172,996	161,616	+7.0
Total	**342,025**	**317,378**	**+7.8**

PENETRATION RATE ON FINANCING

(in %)	Jun. 30, 2016	Jun. 30, 2015	Pts change
Financial services	114.1	111.5	+2.6
Car insurance and vehicle-related services	116.8	115.7	+1.1
Total	**230.9**	**227.3**	**+3.6**

1.3.2.4 Retail savings market

The "PSA Banque" online savings activity was transferred from Banque PSA Finance to the PSA Banque France Group on April 1, 2015, demonstrating the Group's intention to diversify its sources of funding.

It is characterized by a very strong propensity to gain the loyalty of its customers, particularly through the success of the term deposit account and its positioning in relation to the real economy (exclusive utilization of deposits to support an industrial actor via loans granted to end users and corporate dealers in France)

Indeed, outstanding amounts at June 30, 2016 were significantly higher than at December 31, 2015 (€1,381 million at 30 June 2016 of which €293 million of term accounts, against 1,112 million euros at the end of December 2015).

Deposit outstanding increased by 24.2% during the first semester 2016 compared to the end of 2015.

SAVINGS BUSINESS

(in million euros)	Jun. 30, 2016	Dec. 31, 2015	% change
Outstanding	1,381	1,112	+24.2

1.3.3 Results of operations

NET INCOME

(in million euros)	Jun. 30, 2016	Jun. 30, 2015	% change
Net banking revenue	**205**	**206**	**(0.5)**
of which end-users	142	140	+1.4
of which corporate dealers	23	25	(8.0)
of which insurance and services	42	40	+5.0
of which unallocated and other	(2)	1	(300.0)
General operating expenses and equivalent	**(82)**	**(72)**	**+13.9**
Cost of risk(*)	**(4)**	**(46)**	**(91.3)**
of which end-users	(5)	(44)	(88.6)
of which corporate dealers	1	(2)	(150.0)
Operating income	**119**	**88**	**+35.2**
Other non-operating income	0	(6)	-
Pre-tax income	**119**	**81**	**+46.9**
Income taxes	(49)	(25)	+96.0
Net income for the year	**70**	**56**	**+25.0**

(*): The cost of risk as of end of June 2015 includes a depreciation of outstanding performing loans without past-due installments, in application of the principle of losses incurred but not yet reported (see paragraph C.6.4 of Note 2 of the 2015 annual report). This change of estimation related to the homogenization of the accounting methods and principles of the new shareholder, namely Santander Consumer France, which entered the capital of the PSA Banque France Group on February 2, 2015, had an impact of -€28.7 million on PSA Banque France Group's end of June 2015 pre-tax earnings (see Note 26.2 – Change in the cost of risk) and -€17.8 million after tax.

1.3.3.1 Net banking revenue

Net banking revenues stood at €205 million at June 30, 2016 compared to €206 million at June 30, 2015.

1.3.3.2 General operating expenses

General operating expenses and equivalent reached €82 million at June 30, 2016, against €72 million at June 30, 2015.

This increase is mainly the result of costs related to the “PSA Banque” customer deposit activity transferred from Banque PSA Finance in April 2015 as well as the development of the partnership with Santander Consumer Finance.

1.3.3.3 Cost of risk

The cost of risk at June 30, 2016 stood at €4 million, representing 0.10% of average net outstanding loans, against €45.6 million at June 30, 2015, representing 1.15% of average net outstanding loans.

The cost of risk as of end of June 2015 includes a depreciation of outstanding performing loans without past-due installments, in application of the principle of losses incurred but not yet reported (see paragraph C.6.4 of Note 2 – Accounting principles of 2015 annual report) booked for an amount of €28.7 million, at the creation of the cooperation.

All of the performing and non-performing loans are the subject of provisions and a review of retail depreciation rates took place during the first semester, enabling the most accurate amounts to be determined for the various portfolios, and a reduction of provisions.

The cost of risk on the retail activity stood at €3.8 million for the first semester 2016. Collection activities continued at a sustained rate within the Group leading to an increase of the recovery levels throughout the collections' phases and to a decrease of unpaid inflows throughout the recovery process.

The cost of risk of the corporate activity is zero, with an increase for the corporate and equivalent (excluding dealers) portfolio compensated by a lower cost of risk for corporate dealers. On the one hand, the cost of risk for corporate and equivalent (excluding dealers) portfolio stood at €1 million for the first semester 2016. This increase was essentially due to a policy of increase of the levels of provisions on existing defaults. On the other hand, the cost of risk for the corporate dealers portfolio decreased by 0.9 million. This recovery was due to a sustained follow-up of existing defaults as well as to the recovery process and to the low number of new defaults.

1.3.3.4 Consolidated income

Operating income stood at €119 million at June 30, 2016 which represents a very significant increase compared to the €88 million of the end of June 2015 essentially due to the -€28.7 million of depreciation on performing loans without past-due installments booked in 2015 in application of the principle of losses incurred but not yet reported.

The net pre-tax income stood at €119 million during the first semester 2016, up by 46.9% compared to the first semester 2015.

The consolidated net income therefore stood at €70 million.

1.4 Financial situation

1.4.1 Assets

Assets at June 30, 2016 stand at a total of €9,922 million, up by 6,3% compared to December 31, 2015.

The outstanding loans (installment loans and lease contracts) stand at €8,888 million, up by 7.7% compared to December 31, 2015. End-user loans increased by 4.3% whereas corporate dealer financing increased by 15.7%.

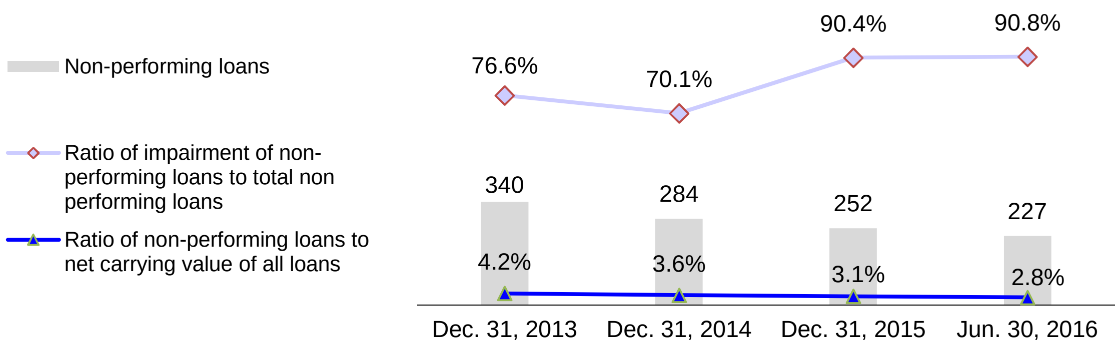
1.4.2 Provisions for non-performing loans

Impairment losses are deducted from the carrying value of loans and receivables as they are recorded. The procedures for the recognition of the impairment charges on the outstanding loans are described in Note 2.C.6.4 of 2015 annual report of PSA Banque France Group's consolidated financial statements. When a loan or receivable is deemed unrecoverable, it is written off through profit and loss. Any previously recognized impairment loss is also reversed through the income statement. Any subsequent recoveries are credited to the income statement. All of this is recorded under the cost of risk.

The table displayed in Note 26.1 of the group's consolidated financial statements sets forth performing loans with past-due installments (delinquent loans), non-performing loans and related impairment amounts, in each case as of June 30, 2016 and 2015. For retail financing to individuals and small and medium businesses, statistical impairment charges are recorded in respect of all debts (performing, delinquent and non-performing).

For corporate financing, each delinquent loan is analyzed to determine if it presents an aggravated risk. If so, the loan is classified as non-performing. Accordingly, impairment charges are recorded in respect of non-performing loans. Depreciation of performing loans is also carried out on all corporate portfolios.

NON-PERFORMING LOANS ON THE TOTAL PORTFOLIO (IN MILLIONS OF EUROS, EXCEPT PERCENTAGE)



The evolution of non-preforming loans in 2016 followed the same trend as in 2015, under the effect of the improvement of the risk profile of customers, resulting in a reduction of new compromised doubtful loans.

The coverage rate of non-performing loans by provisions exceeded 90% during the first semester 2016 (rates greater than 100% on retail portfolios, to individuals and small and medium-sized companies). This increase is the result of the joint effect of a reduced defaulted loans balance and an increase in corporate debt provisions.

1.4.3 Refinancing

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

The Group's refinancing strategy is based on diversifying its sources of liquidity, matching the maturities of its assets and liabilities. Since the beginning of 2015, the PSA Banque France Group had the opportunity to secure new different sources of financing:

- On February 2, 2015, the day of establishing the joint venture, the financing granted by Banque PSA Finance to the entities of the PSA Banque France Group has been substituted by the one provided by Santander Consumer Finance, in addition to the current financing provided by securitization transactions publically or privately placed among investors.
- On April 1, 2015, the "PSA Banque" deposit business (retail savings accounts and term accounts) covering French customers has been transferred by Banque PSA Finance to the PSA Banque France Group.
- Since June 2015, bilateral credit lines have been granted from several bank counterparties.
- Since September 2015, 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, negotiable debt securities (short and medium-term) and medium-term notes (EMTN) programs were launched. First certificates of deposit of PSA Banque France Group were issued at the end of the first half of 2016.

At June 30, 2016, 7% of the Group's refinancing came from drawn bank loans, 1% from the first emissions of certificates of deposits in financial markets, 17% from the bank deposit activity, 13% from securitization transactions publically or privately placed among investors, 15% from other refinancing sources (including 12% from the ECB), and 48% from intra-group loans granted by Santander Consumer Finance.

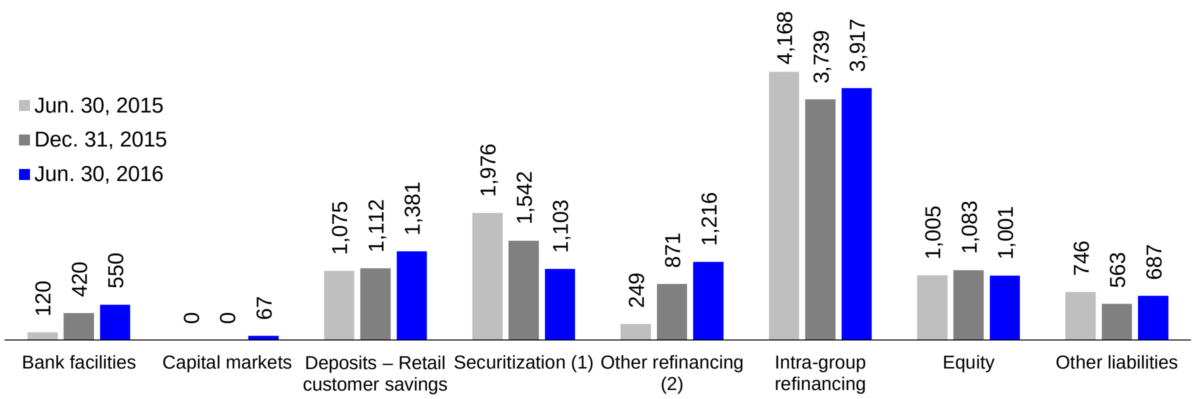
The following table and graphs display a breakdown of the refinancing sources, as of June 30, 2015, December 31, 2015 and June 30, 2016.

FINANCING BREAKDOWN BY SOURCE

(in million euros)	Jun. 30, 2016		Dec. 31, 2015		Jun. 30, 2015	
Bank facilities	550	*7%*	420	*5%*	120	*2%*
Capital markets	67	*1%*	-	-	-	-
Deposits – Retail customer savings	1 381	*17%*	1 112	*14%*	1 075	*14%*
Securitization(1)	1 103	*13%*	1 542	*20%*	1 976	*26%*
Other refinancing(2)	1 216	*15%*	871	*11%*	249	*3%*
External refinancing	**4 317**	***52%***	**3 945**	***51%***	**3 420**	***45%***
Intra-group refinancing	**3 917**	***48%***	**3 739**	***49%***	**4 168**	***55%***
Equity	**1 001**		**1 083**		**1 005**	
Other liabilities	**687**		**563**		**746**	
Balance sheet total	**9 922**		**9 330**		**9 340**	

(1) securitization includes all of the securitizations placed on the market.
(2) of which refinancing through the ECB (participation in TLTRO-I and TLTRO-II for a total of € 950 million) at June 30, 2016 and dealer deposits.

SOURCES OF FINANCING *(in million euros)*



Outstanding bank loans (as bilateral bank credit lines fully drawn when implemented) stood at €550 million on June 30, 2016.

Outstanding debt on capital markets stood at €67 million at June 30, 2016, following the first issuances of negotiable debt securities (certificates of deposit) under program approved by Banque de France.

The assets of the retail saving activity stand at €1,381 million.

The Group's refinancing by securitization was based on 6 transactions, with a total amount of €3,135 million of receivables sold to securitization vehicles, at June 30, 2016 (see Note 8.3 of the consolidated financial statements).

- Compartment 2012-1 of the Auto ABS Securitization Fund, in amortization phase since February 2015.
- Compartment 2013-2 of the Auto ABS Securitization Fund, in amortization phase since November 2014.
- Compartment 2013-A of the Auto ABS2 Securitization Fund, in amortization phase since November 2015.
- Compartment 2014-1 of the Auto ABS3 Securitization Fund.
- The Auto ABS French Loans Master monthly issue program for which the reload period (revolving period) was extended to four years at time of the annual renewal of the program in June 2015.
- The Auto ABS DFP Master Compartment France 2013 monthly issue program, for which the financing by a pool of investors of senior securities of class A was renewed following the extension for two years in the expected maturity of the senior securities of class A, at time of the annual renewal of this program in May 2015.

Outstanding securitization in the market represents €1,103 million at June 30, 2016. This outstanding amount has decreased, following the entry into amortization phase of certain transactions.

Furthermore, PSA Banque France Group benefits from collateralized financing obtained from the ECB refinancing operations under TLTRO I and the first series of TLTRO II of June 2016, for a total of €950 million (see Note 12 of the consolidated financial statements).

1.4.4 Security of liquidity

PSA Banque France Group is seeking a balanced compromise between security in terms of liquidity and optimization of its refinancing costs.

As of June 30, 2016, financing with an original maturity of 12 months or more represented 50% of the total.

The average maturity of medium and long-term financing raised during the first semester 2016 is approximately 2.6 years, after participating in June to the first series of TLTRO II operations (4 years maturity) announced by the ECB.

Bank credit lines, existing as of June 30, 2016, do not require specific obligations in terms of the constitution of sureties, default and similar terms, compared to standard market practices. Three factors can trigger the cancellation of these credit lines:

- if Banque PSA Finance and Santander Consumer Finance do not each directly or indirectly hold 50% of the shares of PSA Banque France;
- the loss by the PSA Banque France Group of its status as a bank;
- non compliance with the regulatory level for the Common Equity Tier One ratio.

In addition, the PSA Banque France Group has sound financial security which is based on the support of Santander Consumer Finance and a €220 million liquidity reserve at June 30, 2016, in the form of high-quality liquid assets, composed exclusively of reserves with the central bank and (thus of level 1), under the Liquidity Coverage Ratio (LCR) classification. The PSA Banque France Group's consolidated Liquidity Coverage Ratio is 111% at June 30, 2016.

At June 30, 2016, PSA Banque France Group granted to its customers financing commitments representing €429 million. In addition, the amount of guarantee commitments given in favor of customers is valued at €8 million (see Note 18 to the consolidated financial statements).

1.4.5 Credit ratings

After the establishment of the partnership between Banque PSA Finance and Santander Consumer Finance, Moody's Investors Service, at December 23, 2015, assigned to the PSA Banque France Group the rating Baa2/P2 with a positive outlook.

This rating was confirmed on April 15, 2016 by Moody's Investors Services.

The rating of the PSA Banque France Group takes into account the support of both Santander Consumer Finance and PSA Group as well as the level of activity and the financial structure of the bank.

Any update of this rating may affect the companies' ability to obtain financing in the short, medium and long term.

CREDIT RATINGS

	Active programs	Programs size at June 30, 2016	**Outstanding at June 30, 2016**
Moody's		*(in million euros)*	
	Short-term		
P2	CD/NEU CP	1 000	67
	Long term		
Baa2	BMTN/NEU MTN	500	0
Baa2	EMTN	4 000	0

1.4.6 Capital and Capital requirement

On April 6, 2009, the French banking supervisor, *Autorité de Contrôle Prudentiel et de Résolution* or ACPR (formerly called the *Commission Bancaire* and now named "ACPR") authorized Banque PSA Finance to use the Internal Rating Based Advanced approaches (IRBA) to calculate the minimum capital requirement for the retail portfolio and the Internal Rating Based Foundation approaches (IRBF) for the corporate portfolio. This measure has been effective since January 1, 2009 in France and also applies to the PSA Banque France Group.

In this context, the Regulation 575/2013/EU and Directive 2013/36/EU of the European Parliament and the Council introduced a new banking legislative package since January 1, 2014 for banks of EU countries, called "CRD IV package".

This reform called Basel III, which constitutes the Basel Committee's response to the financial crisis, aims mainly to:

- reinforce the level and quality of Tier 1 capital ("Core tier 1");
- reinforce regulatory requirements concerning counterparty risk;
- implement a leverage ratio;
- improve liquidity risk management by creating two liquidity ratios (one-month liquidity ratio, LCR, applicable since October 1, 2015 and one-year liquidity ratio "Net Stable Funding Ratio – NSFR", applicable from 2018);

The PSA Banque France Group's consolidated prudential equity is calculated in accordance with this new regulation. Therefore, the negative difference between the recognized impairment and expected impairment losses (calculated using statistical methods) is deducted from the Core Tier One Capital.

In the context of the implementation of the cooperation between Banque PSA Finance and Santander Consumer Finance, within the joint ventures, Banque PSA Finance and Santander Consumer Finance aim to reuse the internal ratings models developed by Banque PSA Finance, after validation by an independent validation unit (Santander Group's Internal Validation Team) and implementation of the governance principles decided jointly by both partners, and after agreement of the competent supervisory authorities.

Concerning the PSA Banque France Group, the ECB has temporarily authorized the continued use of internal methods for the calculation of weighted assets and an extensive action plan has been implemented in order to allow the integration of the PSA Banque France Group internal ratings system within Santander Consumer France's scope of consolidation whilst complying with Santander Group standards. Once this plan has been implemented, the PSA Banque France Group's internal ratings system will be reassessed by the ECB before any final authorization is granted.

At the same time as reusing existing internal models, the PSA Banque France Group started the process of approving its assessment methodology of corporate dealer exposure using the advanced IRB approach whereas foundation approach was used so far.

Under the application of this new Basel III regulation, the PSA Banque France Group has a strong financial position. At June 30, 2016, the Basel III CRD IV equity ratio in respect of pillar I thus amounted to 12.84%. The Basel III Tier 1 capital amounted to €889 million, taking into account the deduction of the difference between recognized impairment and expected actual losses on the IRB scope (-€43 million), and the minimum capital requirement stood at €554 million.

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

Moreover, according to the provisions of the aforementioned Regulation 575/2013/EU, as the Basel III equity requirements for the PSA Banque France Group are greater than the 80% floor of Basel I, there are no additional equity requirements for the Basel I floor.

CAPITAL REQUIREMENT

(in million euros)	June 30, 2016	Dec. 31, 2015
Credit risk		
Standard method	67	79
Foundation internal ratings-based approach (IRBF)	245	221
Advanced internal ratings-based approach (IRBA)	193	183
Subtotal	**505**	**483**
Operational risk - Capital Requirement (standard approach)	49	49
Currency risk - Capital Requirement (structural currency position)	0	0
Total "Basel" Capital Requirement (A)	**554**	**532**
Total Risk Weighted Assets: (A)/0.08=(B)	6,925	6,652
"Basel" Tier 1 capital (C)	**889**	**886**
Of which expected impairment loss vs. IFRS accounting impairment	**(43)**	**(47)**
Capital adequacy ratio ("Basel"): (C)/(B)	**12.84%**	**13.32%**

All of the data used to model and calculate credit risk is extracted from the management accounting systems. The latter feed into the common risk databases: BRC (the central risk database for retail) and BUIC (corporate database) that are used to homogeneously track all the risk parameters applicable to the PSA Banque France Group.

The information from these central risk management databases feed the central capital management tool. At the same time, some accounting data are also integrated to this central tool. After reconciling management and statutory accounting data, the minimum capital requirement is calculated and regulatory capital reports are produced.

1.5 Risk factors and risk management

Identification, measurement, control and monitoring of the risks of the PSA Banque France Group is managed by the new risk department, which was set up following the creation of the cooperation between Banque PSA Finance and Santander Consumer Finance. The risks director is a member of the Management Committee and also reports to the Audit and Risk Committee.

The governance of risks covers risk control, validation of methods or measurement models and setting the desirable risk level. This governance primarily takes into account the list of risks and the evaluation of their potential criticality, given the management policies adopted, as well as the economic context.

These various elements are presented, analyzed and decided within committees chaired by the risk department: the Risk Control and Management Committee, the Credit Committee and the committees with the brands.

The risk department also participates in the Asset and Liability Management Committees (ALCO) and specific collection and recovery committees. The members of the executive body either take part in these committees or are informed of their content.

A fundamental pillar of the risk management model is the risk policies defined by the risk department and validated by the PSA Banque France Group's Board of Directors in 2015. In this context, risk management is based on the following principles:

- integration of the culture of risk in the organization, so that all attitudes, values, competences, skills and instructions related to the activity are included in all processes;
- involvement of the executive committee in the management and control of risks;
- independence of the risk department from the other professions and separation between risk-generating services and services responsible for controlling and monitoring those risks. The latter having sufficient authority and direct access to the management and decision-making bodies responsible for defining the risks strategy;
- overall inclusion of risks to prepare a complete picture of the risk borne. Understand the relationships between the different types of risks and provide their overall evaluation;

- anticipation and predictability: the evaluation of risks is essentially a matter of anticipation;
- decisions by the collegial bodies including, in the decision process, a variety of methodological points of view in proportion to the potential impact of the decision and the complexity of the factors that come into play;
- limitation of the risks by establishing objective and verifiable limits with an infrastructure for management, control and reporting which guarantees their effectiveness.

The PSA Banque France Group is subject to several risk factors for which the identification and evaluation are crucial in the risk management model.

1.6 Internal control

In line with the order of November 3, 2014 related to internal control levels of credit institutions, PSA Banque France Group's internal control system is organized around the functions of permanent and periodic control, as well as a first level of responsibility inside the operating units.

The PSA Banque France Group's fundamental principles underpinning the organization and implementation of internal control are set out in an internal control charter. The internal control charter determines the organizations, resources, scopes of action and tasks, as well as the functioning procedures of the PSA Banque France Group's control system.

1.6.1 Permanent control system

1.6.1.1 First-level controls, the basis of the Internal Control System

These controls exist within the operating units. The controls are performed by all employees in the normal course of their work, in application of procedures that include various controls to carry out, or they are performed by dedicated employees within the operating units. The first-level controls are supervised by the units responsible for permanent control.

1.6.1.2 Permanent control

As a second level control, this function is responsible for the following tasks:

- compliance control;
- the permanent control of risks of the Group's entities including those of the outsourced services

The compliance function is responsible for preventing, controlling and overseeing compliance risks. It ensures compliance with obligations regarding data protection, prevention of money laundering and conformity of new or significantly modified products. It has the appropriate systems and training. It also provides regulatory surveillance and ensures regulatory compliance.

Operational risk control tasks cover:

- the recurrent evaluation of the level of control of operational risks achieved by the control systems used in the entities of the group, as well as at service providers;
- the exercise of specific second-level controls in the whole organization ;
- the application of a mechanism for certifying the self-assessment of first level controls, used by operations officers to certify the execution and outcome of key controls on major risks. This system covers the accounting, refinancing and treasury activities and security of access to the Group's main IT applications;
- issuance of written recommendations and follow-up of their implementation; and
- collecting, analyzing and monitoring operational losses and incidents identified in the risk mapping process.

In particular, these functions verify the regular execution, by operational staff, of key first-level checks carried out on the risks identified as major.

A risk map, maintained by the risk-management function, lists all of the risks to which the PSA Banque France Group is exposed. It contributes to checking the robustness of PSA Banque France Group's control system, by comparing the risks identified, the losses related to these risks as well as the result of second-level controls, and lastly the residual risk.

1.6.2 Periodic Controls

Periodic - or third-level - controls consist of periodically checking the compliance of transactions, the levels of risk, the compliance with procedures and the efficiency of permanent controls.

They are performed by the internal auditors, based on a three-year internal audit plan for all of PSA Banque France Group's units (including outsourced activities).

By reporting its activities to executive managers, to the Board of Directors and the Audit and Risk

Committee, it contributes to improving processes and controlling PSA Banque France Group's risks.

1.6.3 Oversight by Executive Management and the Board

The internal control system is overseen by Executive Management and the Board, supported by various committees.

The Board of Directors oversees the control of the main risks faced by the PSA Banque France Group and ensures that the internal control system is reliable. The Audit Committee reviews the lessons to be learned from risk monitoring activities and from permanent and periodic controls.

The PSA Banque France Group's Audit and risk Committee prioritizes its tasks according to the risks identified. Its duties include the planning, supervision and review of internal audits and the review of the audit plan of the Statutory Auditors. It is responsible for the remediation of any major weaknesses in internal controls identified by external auditors.

The Audit and Risk Committee also ensures the compliance of the Group with Basel III and other regulatory requirements as well as the implementation of measures to comply with these requirements. Finally, the Audit and Risk Committee reviews the consolidated financial statements as well as the individual financial statements of its subsidiaries in relation with the accounting methods used.

If necessary, it may consult with PSA Banque France Chairman, Managing Directors and Statutory Auditors and with any person required for its work. Several times a year, the Chairman of the Audit and Risk Committee meets with the representatives of the risk department and of the periodic and permanent control functions.

Executive Management is responsible for defining and implementing the internal control system. Through the intermediary of the control and compliance committees, meeting quarterly, it monitors proper functioning and ensures adequacy of missions and means.

1.6.4 Organization of internal control

The control process is built around a set of regular controls which are carried out through delegations of authority applicable to the operational entities. These delegations of authority determine the levels at which decisions must be made in the areas of banking and financial transactions, loan approvals, lending terms, new products and services and expenditure commitments.

The main policies of the bank are specified and implemented within the framework of the Audit and Risk Committee or of operational committees. These specific committees concern especially credit risks, during which the evolution of unpaids and credit losses are analyzed as well as the performance of the risk selection systems for retail and corporate (fleet and dealers) loan books.

These committees also review and make decisions concerning:

- developments in the Basel III system;
- lending margins;
- products and processes, including associated risks;
- financing applications for dealers and fleet are examined either at the level of a Santander Group Credit Committee or at the level of a PSA Banque France Group Credit Committee, according to the delegations of authority in force;
- review of results of refinancing, liquidity and interest and exchange rate risk management policies;
- review of IT security policy;
- compliance tasks.

1.7 General information concerning PSA Banque France and share ownership

1.7.1 General presentation

Corporate name:
PSA BANQUE FRANCE

Nationality: French

Registered office: 9 rue Henri Barbusse,
92230 Genevilliers, France
Tel: + 33 (0) 1 46 39 65 55

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

Register and identification number: PSA Banque France is registered at the Nanterre trade and companies register under number 652 034 638.

- SIREN No.: 652 034 638
- SIRET No.: 652 034 638 00039
- APE/NAF business identifier code: 6419Z

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

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

Corporate purpose: the corporate purpose of the company is the one of a bank of full exercise.

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

1.7.2 Capital

Shareholders: at June 30, 2016, 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, and
- Santander Consumer France, which holds 4,526,329 shares and the same number of voting rights.

Changes occurred in the distribution of capital during the last 3 years: Santander Consumer France entered into the capital (50 per cent) of PSA Banque France on February 2, 2015.

1.7.3 Board of Directors and management bodies

PSA Banque France Board of Directors is composed of six members, consisting of three chosen by each of the two shareholders. For the first three years of the cooperation between Banque PSA Finance and Santander Consumer France, the Chairman of the Board is a director designated by Santander Consumer France, as is the appointment of the Deputy CEO. For its part, Banque PSA Finance has designated the Chief Executive Officer of the Bank. Following the first period of three years of cooperation, this principle will be reversed. The latter functions will rotate in this way every three years between the partners. Five board meetings were held during the first half 2016. The governance of the PSA Banque France Group results from the application of agreements concluded between both shareholders, which comply strictly with the legal and regulatory obligations in force. Thus, the Chairman with her Board and specialized committees monitor the activity of PSA Banque France controlled by the Chief Executive Officer, the Deputy CEO, the Executive Committee and the operational committees. 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.

1.7.4 Persons responsible for auditing the accounts

Ernst & Young Audit

1/2, place des Saisons,
92400 Courbevoie – Paris La Défense 1,
company with variable capital registered at the Trade and Companies Register of Nanterre No. 344 366 315

Statutory Auditors member of the Compagnie régionale de Versailles

Duration of mandate: six years

Date of end of mandate: 2016 financial year

Represented at June 30, 2016 by Luc Valverde

Mazars

61 rue Henri Régnault,
92400 Courbevoie,
limited liability corporation (*société anonyme*) with capital of €8,320,000 registered at the Nanterre Trade and Companies Register No. 784 824 153

Statutory Auditors member of the Compagnie régionale de Versailles

Duration of mandate: six years

Date of end of mandate: 2019 financial year

Represented at June 30, 2016 by Anne Veaute

2

CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2016

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2.1 Consolidated Balance Sheet

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Assets		
Cash, central banks, post office banks (Note 3)	237,132	98,378
Financial assets at fair value through profit or loss (Note 4)	4,477	3,188
Hedging instruments (Note 5)	122	3,969
Available-for-sale financial assets (Note 6)	3	132,922
Loans and advances to credit institutions (Note 7)	587,442	662,878
Customer loans and receivables (Notes 8 and 26)	8,887,893	8,254,557
Fair value adjustments to finance receivables portfolios hedged against interest rate risks (Note 16.1)	(638)	3,520
Held-to-maturity investments	-	-
Current tax assets (Note 27.1)	1,354	893
Deferred tax assets (Note 27.1)	1,168	1,834
Accruals and other assets (Note 9)	198,304	162,586
Investments in associates and joint ventures accounted for using the equity method	-	-
Property and equipment	5,207	5,331
Intangible assets	-	-
Goodwill	-	-
Total assets	**9,922,464**	**9,330,056**

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Equity and liabilities		
Central banks, post office banks	73	-
Financial liabilities at fair value through profit or loss (Note 10)	3,189	3,196
Hedging instruments (Note 11)	4,099	1,496
Deposits from credit institutions (Note 12)	5,432,866	4,772,750
Due to customers (Note 13)	1,631,126	1,369,609
Debt securities (Note 14)	1,170,223	1,541,761
Fair value adjustments to debt portfolios hedged against interest rate risks (Note 16.1)	1,020	(56)
Current tax liabilities (Note 27.1)	1,347	17,472
Deferred tax liabilities (Note 27.1)	260,662	257,372
Accruals and other liabilities (Note 15)	399,993	267,726
Provisions	16,421	15,936
Subordinated debt	-	-
Equity	1,001,445	1,082,794
- Equity attributable to equity holders of the parent	1,001,445	1,082,794
- Share capital and other reserves	743,617	892,103
- Consolidated reserves	259,381	191,433
- Of which Net income - equity holders of the parent	*69,555*	*132,458*
- Income and expenses recognized directly in Equity	(1,553)	(742)
- Minority interests	-	-
Total equity and liabilities	**9,922,464**	**9,330,056**

2.2 Consolidated Income Statement

(in thousand euros)	**June 30, 2016**	**June 30, 2015**	**Dec. 31, 2015**
Net interest revenue on customer transactions	**194,879**	**216,556**	**411,566**
- Interest and other revenue on assets at amortized cost (Note 19)	197,360	219,739	423,636
- Fair value adjustments to finance receivables hedged against interest rate risks	(4,158)	(10,527)	(8,282)
- Interest on hedging instruments	(4,249)	(6,420)	(12,555)
- Fair value adjustments to hedging instruments	41	3,646	1,271
- Interest expense on customer transactions	(199)	(678)	(1,151)
- Other revenue and expense	6,084	10,796	8,647
Net investment revenue	**3**	**(340)**	**(233)**
- Interest and dividends on marketable securities	-	(344)	(237)
- Fair value adjustments to assets valued using the fair value option	-	-	-
- Gains and losses on sales of marketable securities	3	4	4
- Investment acquisition costs	-	-	-
Net refinancing cost	**(32,268)**	**(50,554)**	**(83,306)**
- Interest and other revenue from loans and advances to credit institutions (Note 20)	7	5,745	5,746
- Interest on deposits from credit institutions (Note 21)	(10,641)	(31,721)	(44,596)
- Interest on debt securities (Note 22)	(4,771)	(13,839)	(22,131)
- Interest on savings accounts (Note 23)	(14,505)	(6,930)	(15,832)
- Expenses related to financing commitments received	(550)	1	(1)
- Fair value adjustments to financing liabilities hedged against interest rate risks	(1,076)	-	56
- Interest on hedging instruments	92	(11)	(17)
- Fair value adjustments to hedging instruments	1,081	(2)	(61)
- Fair value adjustments to financing liabilities valued using the fair value option	-	-	-
- Debt issuing costs	(1,905)	(3,797)	(6,470)
Net gains and losses on trading transactions	**-**	**23**	**27**
- Interest rate instruments	-	3	-
- Currency instruments	-	20	27
Net gains and losses on available-for-sale financial assets	**(73)**	**1**	**(137)**
Margin on sales of services (Note 24)	**42,056**	**39,865**	**81,458**
- Revenues	43,325	41,213	84,310
- Expenses	(1,269)	(1,348)	(2,852)
Net banking revenue	**204,597**	**205,551**	**409,375**
General operating expenses (Note 25)	**(80,883)**	**(71,553)**	**(148,289)**
- Personnel costs	(29,778)	(28,160)	(57,125)
- Other general operating expenses	(51,105)	(43,393)	(91,164)
Depreciation and amortization of intangible and tangible assets	**(871)**	**(750)**	**(1,671)**
Gains and losses on investments in companies that can be consolidated and other disposals of fixed assets	**(132)**	**(132)**	**(191)**
Gross operating income	**122,711**	**133,116**	**259,224**
Cost of risk (Note 26)	**(3,977)**	**(45,559)**	**(61,230)**
Operating income	**118,734**	**87,557**	**197,994**
Share in net income of associates and joint ventures accounted for using the equity method	-	-	-
Impairment on goodwill	-	-	-
Pension obligation - expense	(105)	(98)	(186)
Pension obligation - income	-	1	1
Other non-operating items	-	(6,107)	(6,419)
Pre-tax income	**118,629**	**81,353**	**191,390**
Income taxes (Note 27)	(49,074)	(24,925)	(58,932)
Net income for the year	**69,555**	**56,428**	**132,458**
- of which minority interests	-	-	-
- of which attributable to equity holders of the parent	69,555	56,428	132,458
Earnings per share (in euros)	*7.68 €*	*6.23 €*	*14.63 €*

2.3 Net Income and Income and Expenses Recognized Directly in Equity

(in thousand euros)	June 30, 2016 Before tax	June 30, 2016 Tax	June 30, 2016 After tax	June 30, 2015 Before tax	June 30, 2015 Tax	June 30, 2015 After tax	Dec. 31, 2015 Before tax	Dec. 31, 2015 Tax	Dec. 31, 2015 After tax
Net income	118,629	(49,074)	**69,555**	81,353	(24,925)	**56,428**	191,390	(58,932)	**132,458**
- of which minority interest			-			-			-
Recyclable in profit and loss elements									
Financial assets at fair value through profit or loss: revaluation	20	-	**20**	(20)	-	**(20)**	(20)	-	**(20)**
- of which revaluation reversed in net income	-	-	-	-	-	-	-	-	-
- of which revaluation directly in equity	*20*	-	***20***	*(20)*	-	***(20)***	*(20)*	-	***(20)***
Not recyclable in profit and loss elements									
Actuarial gains and losses on pension obligations	(1,267)	436	**(831)**	1,515	(522)	**993**	1,515	(522)	**993**
Total income and expenses recognized directly in Equity	(1,247)	436	**(811)**	1,495	(522)	**973**	1,495	(522)	**973**
- of which minority interest			-			-			-
Total net income and income and expenses recognized directly in Equity	117,382	(48,638)	**68,744**	82,848	(25,447)	**57,401**	192,885	(59,454)	**133,431**
- of which minority interest			-			-			-
- of which attributable to equity holders of the parent			*68,744*			*57,401*			*133,431*

2.4 Consolidated Statement of Changes in Equity

(in thousand euros)	Share capital and other reserves: Share capital	Share capital and other reserves: Issue, share and merger premiums	Share capital and other reserves: Legal reserve and other reserves	Consoli-dated reserves	Fair value adjustments - equity holders of the: Financial assets at fair value through profit or loss: revaluation	Fair value adjustments - equity holders of the: Actuarial gains and losses on pension obligations	Equity attributable to equity holders of the parent	Minority interests	Total equity
At December 31, 2014	**71,354**	**684,940**	**5,108**	**59,212**	**-**	**(1,715)**	**818,899**	**-**	**818,899**
Appropriation of profit from the previous financial year	-	-	237	(237)	-	-	-	-	-
Net Income and Income and Expenses Recognized Directly in Equity	-	-	-	56,428	-	-	56,428	-	56,428
Capital increase in cash (SOFIRA)	69,874	37,142	-	-	-	-	107,016	-	107,016
Capital increase in cash (PSA Banque France)	3,615	19,833	-	-	-	-	23,448	-	23,448
At June 30, 2015	**144,843**	**741,915**	**5,345**	**115,403**	**-**	**(1,715)**	**1,005,791**	**-**	**1,005,791**
Net Income and Income and Expenses Recognized Directly in Equity	-	-	-	76,030	(20)	993	77,003	-	77,003
Capital increase in cash (SOFIRA)	-	-	-	-	-	-	-	-	-
Capital increase in cash (PSA Banque France)	-	-	-	-	-	-	-	-	-
At December 31, 2015	**144,843**	**741,915**	**5,345**	**191,433**	**(20)**	**(722)**	**1,082,794**	**-**	**1,082,794**
Appropriation of profit from the previous financial year	-		82	(82)	-	-	-	-	-
Net Income and Income and Expenses Recognized Directly in Equity	-	-	-	69,555	20	(831)	68,744	-	68,744
Dividend paid to Santander Consumer Finance		(74,284)	-	(763)	-	-	(75,047)	-	(75,047)
Dividend paid to Banque PSA Finance		(74,284)	-	(763)	-	-	(75,047)	-	(75,047)
At June 30, 2016	**144,843**	**593,347**	**5,427**	**259,381**	**-**	**(1,553)**	**1,001,445**	**-**	**1,001,445**

In application of the "pooling of interest" method (see Note 2, paragraph A.5 in 2015 annual report)

The above table contains the Group's activities by integrating, from 2014 onwards, the contributions of the entities that comprise it and the capital and reserves related to the new group, reflecting from 2014 onwards the consequences of the legal combination operations performed in 2015 and described below.

On legal terms:

On December 31, 2014, PSA Banque France's share capital was €9,600,000, fully paid-up; it was divided into 600,000 shares.

On December 31, 2015, PSA Banque France's share capital was €144,842,528 fully paid-up; it was divided into 9,052,658 shares.

It is the same on June 30, 2016, no movement having taken place over the period.

As a reminder, on January 30, 2015, the following operations were recognized 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);
- share premium of an amount of €722,082,615.23 corresponding to the difference between the value of the contributions, namely €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 maintening of preferential right to subscribe, of 225,957 shares of €16 nominal value each associated with a total premium of €19,832,904.52.

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

2.5 Consolidated Statement of Cash Flows

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Income attributable to equity holders of the PSA Banque France Group	**69,555**	**56,428**	**132,458**
Adjustments for:			
- Change in depreciation, amortization and other provisions	867	2,652	6,098
- Change in deferred taxes	4,392	(19,016)	(23,974)
- (Profit)/loss on disposals of assets	132	132	191
Funds from operations	**74,946**	**40,196**	**114,773**
Increase/decrease in:			
- loans and advances to credit institutions	(1)	3,934,161	3,934,158
- deposits from credit institutions	661,141	(3,373,669)	(2,903,878)
Change in customer loans and receivables	(629,388)	(290,892)	(159,868)
Increase/decrease in:			
- amounts due to customers	261,516	1,101,188	1,161,838
- financial assets at fair value through profit or loss	(1,290)	12,888	12,373
- financial liabilities at fair value through profit or loss	(9)	(12,895)	(12,357)
- hedging instruments	6,451	(10,486)	(7,974)
- debt securities	(371,537)	(1,735,424)	(2,169,940)
Change in working capital: assets	(90,814)	90,087	113,144
Change in working capital: liabilities	170,335	85,999	(91,226)
Net cash provided by operating activities	**81,350**	**(158,847)**	**(8,957)**
Acquisitions of shares in subsidiaries	-	-	-
Proceeds from disposals of shares in subsidiaries	-	-	-
Investments in fixed assets	(1,866)	(1,676)	(3,636)
Proceeds from disposals of fixed assets	987	761	1,663
Effect of changes in scope of consolidation	-	-	-
Net cash used by investing activities	**(879)**	**(915)**	**(1,973)**
Dividends paid to Santander Consumer France	(75,047)		
Dividends paid to Banque PSA Finance	(75,047)	-	-
Capital increase	-	128,334	128,750
Net cash used by financing activities	**(150,093)**	**128,334**	**128,750**
Effect of changes in exchange rates	-	-	-
Net change in cash and cash equivalents	**(69,622)**	**(31,428)**	**117,820**
Cash and cash equivalents at the beginning of the period	**894,194**	**776,375**	**776,375**
Cash, central banks, post office banks	98,378	10	10
Treasury Bonds (Note 6)	132,939	-	-
Current account advances and loans and advances at overnight rates	662,877	776,365	776,365
Cash and cash equivalents at the end of the period	**824,572**	**744,947**	**894,195**
Cash, central banks, post office banks (Note 3)	237,132	433	98,378
Treasury Bonds (Note 6)	-	-	132,939
Current account advances and loans and advances at overnight rates (Note 7)	587,440	744,514	662,878

2.6 Notes to the Consolidated Financial Statements

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Notes 1 Main Events of the period and Group Structure

A. Main events

Partnership between Banque PSA Finance and Santander Consumer Finance

Banque PSA Finance and Santander Consumer Finance, the division of Banco Santander specialized in consumer credit, signed a framework agreement on July 10, 2014 on setting up a partnership covering 11 countries in Europe.

This partnership between Banque PSA Finance and Santander Consumer Finance takes the form of joint ventures already created in 2015 for France, the United Kingdom, Spain, Switzerland, implemented in 2016 for Germany, Austria, Belgium, Italy and the Netherlands (and remaining to be implemented in Poland), and a commercial partnership in Portugal operational since August 1, 2015. The partnership enhances commercial capabilities for PSA Group's brands enabling them to increase their penetration of the automotive financing market.

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

The cooperation with Santander Consumer Finance will enhance the activities of PSA Banque France Group, as more competitive offers are reserved for Peugeot, Citroën and DS customers and networks.

Change in share ownership

On February 2, 2015, Santander Consumer France acquired 50% of the shares comprising the share capital of PSA Banque France (originally SOFIB), the latter having previously acquired all of the shares comprising the share capital of CREDIPAR and SOFIRA on January 30, 2015.

Thus, PSA Banque France is 50/50 controlled by Banque PSA Finance and Santander Consumer France, the French subsidiary of Santander Consumer Finance since February 2, 2015.

PSA Banque France is fully consolidated by the Santander Group.

This change in share ownership was accompanied by the implementation of shared governance of the company.

Refinancing strategy

PSA Banque France Group benefited in 2015 from intra-group financing provided by Santander Consumer Finance, since the entry of Santander Consumer France in its equity in February 2015, from financing provided by debt securitization, from the retail savings activity with French customers, from bilateral bank credit lines and its participation in the refinancing operations of the European Central Bank (ECB). Refinancing diversification continued in the first half of 2016, with the launch of negotiable debt securities (short and medium-term) and medium-term notes (EMTN) programs. First negotiable short-term debt securities (certificates of deposit or NEU CP) were issued in June 2016.

Impairment losses on performing loans without past-due installments

From 2015, impairment of performing loans without past-due installments is recognized, in application of the principle of losses incurred but not yet reported (see paragraph C.6.4 of Note 2 – Accounting principles of PSA Banque France 2015 annual report). This change of estimation related to the homogenization of the accounting methods and principles of the new shareholder, namely Santander Consumer France, which entered the capital of the PSA Banque France Group on February 2, 2015, had an impact of -€28.7 million on the end of June 2015 pre-tax earnings of the PSA Banque France Group (see Note 26.2 – Change in the cost of risk) and -€17.8 million after tax.

Method of preparing the consolidated financial statements

The comparative period relative to the 2015 financial year was presented by applying the "pooling of interests" method as described in 2.A.5 Note Business Combinations and in paragraph 1.4.1 Definitions of concepts of the management report of the 2015 annual report of PSA Banque France, as if these transactions had occurred since January 1, 2015. The 2015 financial year therefore presents the activities of the group by integrating the contribution of these entities from the opening, the capital of the new group reflecting, from the opening of 2015, the consequences of the combination operations carried out on February 2, 2015.

B. Changes in Group structure

No change of scope occurred during the first semester 2016.

Note 2 Accounting Policies

The interim consolidated financial statements for the six months ended June 30, 2016 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows to present a selection of explanatory notes. The condensed interim consolidated financial statements should be red and understood in conjunction with the 2015 consolidated financial statements.

The accounting principles applied to prepare the interim consolidated financial statements for the six months ended June 30, 2016, are identical to those used to prepare the 2015 consolidated financial statements, with the exception of the application of new compulsory standards and interpretations, see section: "New compulsory standards and interpretations applicable on January 1, 2016".

In accordance with European Council Regulation 1606/2002/EC dated July 19, 2002 on the application of international accounting standards from January 1, 2005, PSA Banque Finance's consolidated financial statements for the year ended December 31, 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable and adopted by the European Union as of that date.

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

New IFRSs and IFRIC Interpretations applicable compulsorily in the fiscal year commencing on January 1, 2016

The new texts, which application is compulsory in the fiscal year commencing January 1, 2016 and applied by PSA Banque Finance Group are the following:

- Annual Improvements to IFRSs 2010-2012 Cycle.

The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2010 on areas of inconsistency in IFRSs or where clarification of wording is required.

Amendments to IFRS 8 and to IAS 16, 24 and 38 are clarifications or corrections to the respective standards.

Amendments to IFRS 2 and IFRS 3, involve changes to the existing requirements or additional guidance on the implementation of those requirements.

- Amendments to IAS 19 – Employee Benefits entitled Defined Benefit Plans: Employee Contributions. The amendments aim to simplify and clarify the accounting for employee or third party contributions linked to defined benefit plans.

- Amendments to IFRS 11 – Joint Arrangements entitled Accounting for Acquisitions of Interests in Joint Operations. The amendments provide new guidance on the accounting treatment of an acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business according to the IFRS 3 – Business Combinations.

- Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets entitled "Clarification of Acceptable Methods of Depreciation and Amortisation". The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

- Amendments to IAS 1 – Presentation of Financial Statements entitled Disclosure Initiative. The amendments to IAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements.

- Annual Improvements to IFRSs 2012-2014 Cycle.

The objective of the annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle on areas of inconsistency in IFRSs and IASs or where clarification of wording is required.

The improvements concern:
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations;
- IFRS 7 – Financial Instruments: Disclosures;
- IAS 19 – Employee Benefits;
- IAS 34 – Interim Financial Reporting.

These texts do not impact significantly PSA Banque Finance Group.

New IFRSs and IFRIC Interpretations non applicable compulsorily in the European Union in the fiscal year commencing on January 1, 2016

Potential impact of texts or projects published by IASB and IFRIC with compulsory application in the European Union from the period after January 1st, 2016, or not yet adopted by the European Union is currently being analyzed; such is especially the case for:

- IFRS 15 – Revenue from Contracts with Customers. The final version of this standard was published by the IASB in May 2014. This standard is effective for annual periods beginning on or after January 1, 2018 subject to the adoption by the European Union. IFRS 15 concerns requirements for the recognition of revenue from Contracts with Customers. Contracts that are within the scope of other standards are excluded of the scope of IFRS 15 : Contracts on Leases, Insurance Contracts and Financial Instruments. As a consequence, the major part of PSA Banque Finance's revenues is excluded from the scope of this new standard. Concerning other cases, no significant modifications concerning accounting methods are expected (fees of new business providers) for PSA Banque Finance.

- IFRS 9 – Financial Instruments which is intended to replace IAS 39 - Financial Instruments. The final version of this standard was published by the IASB in July 2014.

The final version of IFRS 9 groups together 3 phases:
- Classification and Measurement of financial instruments;
- Impairment of financial assets;
- Hedge accounting.

The package of improvements introduced by IFRS 9 includes:
- a logical and single approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held;
- a single, forward-looking 'expected loss' impairment model and
- a substantially-reformed approach to hedge accounting.

Informations to be disclosed in the notes to the financial statements were also reinforced. The global objective is to improve the information of investors.
IFRS 9 comes into effect on 1 January 2018 subject to the adoption by the European Union. Early application will be permitted.

The impacts of IFRS 9 on PSA Banque Finance are currently being analysed.

- IFRS 16 – **Leases.** During more than 10 years the IASB worked, jointly with the FASB, on the revision of IAS 17 which objective is to prescribe, to lessees and lessors, the appropriate accounting policies and disclosures to apply in relation to leases. On January 13, 2016, the IASB published the IFRS 16 definitive text. This standard is not supposed to have a significant impact on PSA Banque Finance for the lessor accounting model, as the measures required by the standard on this issue are convergent with IAS 17. However, impacts are expected for the financial statements of some clients of PSA Banque Finance, as lessees will need to disclose new information.

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

Note 3 Cash, Central Banks, Post Office Banks

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Cash and post office banks	1	-
Central bank (1)	237,131	98,378
- of which compulsory reserves deposited with the Banque de France	*17,018*	*10,716*
Total	**237,132**	**98,378**

(1) *Apart from compulsory reserves, the supplementary deposits on the Banque de France account correspond to a HQLA 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 thousand euros)	June 30, 2016	Dec. 31, 2015
Accrued interest on trading derivatives	**113**	**58**
- of which related companies with Santander Consumer Finance Group	*30*	*27*
Fair value of trading derivatives	**7,064**	**3,130**
- of which related companies with Santander Consumer Finance Group	*2,715*	*2,316*
Offsetting positive fair value and received margin calls	**(2,700)**	**-**
Total	**4,477**	**3,188**

The swaps classified as held for trading are related to securitization activities for which reverse swaps are systematically neutralized, with no impact on income (see Note 10).

4.2 Offsetting swaps with margin call designated as trading - Assets

For 2016

(in thousand euros) Positive valued swaps	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			
Accrued income	**113**	**-**	**113**	**-**	**113**
- Swaps with margin call	113	-	113	-	113
- Swaps without margin call	-	-	-	-	**-**
Positive fair value	**7,104**	**(40)**	**7,064**	**-**	**7,064**
- Swaps with margin call	3,123	(40)	3,083	-	3,083
- Swaps without margin call	3,981	-	3,981	-	3,981
Offsetting	-	-	-	(2,700)	**(2,700)**
Total assets	**7,217**	**(40)**	**7,177**	**(2,700)**	**4,477**
Margin calls received on swaps designated as trading (deferred income - see Note 15)	-	-	5,920	(2,700)	**3,220**
Total liabilities	**-**	**-**	**5,920**	**(2,700)**	**3,220**

Note 5 Hedging Instruments - Assets

5.1 Analysis by Nature

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Adjustment accounts - commitments in foreign currencies	**-**	**-**
Accrued income on swaps designated as hedges	**2**	**95**
Positive fair value of instruments designated as hedges of:	**1,020**	**4,903**
- Bonds (1)	-	4,892
- Borrowings	1,020	11
- Customer loans (Installment contracts, Leasing with a purchase option and Long-term leases)	-	-
Offsetting positive fair value and received margin calls (see Note 5.2)	**(900)**	**(1,029)**
Total	**122**	**3,969**

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

Fair Value Hedge effectiveness is analysed in Note 16.1.

(1) In 2015 these swaps were related to certain securitization activities for which reverse swaps are systematically neutralized, with no impact on income (see Note 11). From 2016, these transactions have been reclassified as trading for the purpose of a homogeneous accounting treatment applied to all securitization activities over the period (see Note 4).

5.2 Offsetting swaps with margin call designated as hedges - Assets

For 2016

(in thousand euros) **Positive valued swaps**	**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			
Accrued income	**9**	**(7)**	**2**	**-**	**2**
- Swaps with margin call	9	(7)	2	-	2
- Swaps without margin call	-	-	-	-	**-**
Positive fair value	**3,481**	**(2,461)**	**1,020**	**-**	**1,020**
- Swaps with margin call	3,481	(2,461)	1,020	-	1,020
- Swaps without margin call	-	-	-	-	-
Offsetting	-	-	-	(900)	**(900)**
Total assets	**3,490**	**(2,468)**	**1,022**	**(900)**	**122**
Margin calls received on swaps designated as hedges (deferred income - see Note 15)	-	-	900	(900)	**-**
Total liabilities	**-**	**-**	**900**	**(900)**	**-**

For 2015

(in thousand euros) **Positive valued swaps**	**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			
Accrued income	**100**	**(5)**	**95**	**-**	**95**
- Swaps with margin call	100	(5)	95	-	**95**
- Swaps without margin call	-	-	-	-	-
Positive fair value	**6,476**	**(1,573)**	**4,903**	**-**	**4,903**
- Swaps with margin call	2,519	(1,573)	946	-	**946**
- Swaps without margin call	3,957	-	3,957	-	3,957
Offsetting	-	-	-	(1,029)	**(1,029)**
Total assets	**6,576**	**(1,578)**	**4,998**	**(1,029)**	**3,969**
Margin calls received on swaps designated as hedges (deferred income - see Note 15)	-	-	2,730	(1,029)	**1,701**
Total liabilities	**-**	**-**	**2,730**	**(1,029)**	**1,701**

Note 6 Available-for-sale Financial Assets

(in thousand euros)	June 30, 2016	Dec. 31, 2015
- Equity securities		
- BPIFrance (ex SOFARIS)	3	3
- Treasury bonds (1)	-	132,919
- of which fair value adjustment recognized directly in equity	-	*(20)*
Gross value	**3**	**132,922**
Impairment	-	-
Net value	**3**	**132,922**

(1) In 2015, Treasury Bonds corresponded to a HQLA type investment in order to comply with the Liquidiy Coverage Ratio (LCR). At end of June 2016, these investments have been replaced by additionnal deposits on the Banque de France account (see Note 3).

Note 7 Loans and Advances to Credit Institutions

Analysis of Demand and Time Accounts

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Demand accounts	**587,442**	**662,878**
- Ordinary accounts in debit	568,440	628,878
- of which held by securitization funds	*280,946*	*324,822*
- Current accounts and overnight loans	19,000	34,000
- of which related companies with Santander Consumer Finance Group	*19,000*	*34,000*
Time accounts	**-**	**-**
Accrued interest	**-**	**-**
Total	**587,442**	**662,878**

Note 8 Customer Loans and Receivables

8.1 Analysis by Type of Financing

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Installment contracts	**1,983,070**	**1,974,917**
- of which securitized (1)	*1,307,076*	*1,307,023*
Leasing with a purchase option (2)	**1,764,478**	**1,519,026**
Principal and interest	2,017,298	1,748,685
- of which securitized (1)	*470,221*	*687,809*
Unaccrued interest on leasing with a purchase option	(252,820)	(229,659)
- of which securitized (1)	*(49,519)*	*(81,698)*
Long-term leases (2)	**2,236,513**	**2,213,562**
Principal and interest	2,456,665	2,442,089
- of which securitized (1)	*531,495*	*727,961*
Unaccrued interest on long-term leases	(220,102)	(228,474)
- of which securitized (1)	*(48,252)*	*(76,094)*
Leasing deposits	(50)	(53)
- of which securitized (1)	-	-
Trade receivables	**2,011,031**	**1,657,486**
- Related companies with PSA Group	*35,484*	*22,487*
- Non-group companies	*1,975,547*	*1,634,999*
- of which securitized (1)	*924,146*	*1,134,704*
Other finance receivables (including equipment loans, revolving credit)	**644,429**	**668,805**
Ordinary accounts in debit	**119,593**	**96,816**
- Related companies with PSA Group	487	6,813
- Non-group companies	119,106	(668,805)
Deferred items included in amortized cost - Customers loans and receivables	**128,779**	**123,945**
- Deferred acquisition costs	183,846	170,965
- Deferred loan set-up costs	(25,600)	(25,962)
- Deferred manufacturer and dealer contributions	(29,467)	(21,058)
Total Loans and Receivables at Amortized Cost (3)	**8,887,893**	**8,254,557**
- of which securitized (1)	*3,135,167*	*3,699,705*

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

(2) Lease financing transactions (leasing with a purchase option and long-term leases) are included in loans and receivables because they fulfill the criteria for classification as finance leases, since the risks and rewards of ownership of the vehicle do not lie with PSA Banque France.

(3) All of the Customers Loans and Receivables are denominated in Euro.

8.2 Customer Loans and Receivables by Segment

IFRS 8 Segment / Type of financing	Corporate Dealers (A - see B Note 26.1)		End user: Retail (B - see A Note 26.1)		End user: Corporate and equivalent (C - see C Note 26.1)		Total	
(in thousand euros)	June 30, 2016	Dec. 31, 2015	June 30, 2016	Dec. 31, 2015	June 30, 2016	Dec. 31, 2015	June 30, 2016	Dec. 31, 2015
Installment contracts	4,433	3,641	1,977,225	1,969,635	1,412	1,641	1,983,070	1,974,917
Leasing with a purchase option	10,424	11,551	1,734,283	1,488,263	19,771	19,212	1,764,478	1,519,026
Long-term leases	109,924	84,230	1,170,192	1,156,087	956,397	973,245	2,236,513	2,213,562
Trade Receivables	2,011,031	1,657,486	-	-	-	-	2,011,031	1,657,486
Other finance receivables	596,223	606,803	45,808	59,604	2,398	2,398	644,429	668,805
Ordinary accounts in debit	119,551	96,813	-	-	42	3	119,593	96,816
Deferred items included in amortized cost	(4,847)	-	98,801	87,309	34,825	36,636	128,779	123,945
Total customer loans by segment (based on IFRS 8)	**2,846,739**	**2,460,524**	**5,026,309**	**4,760,898**	**1,014,845**	**1,033,135**	**8,887,893**	**8,254,557**

8.3 Securitization programs

Fund	Date of Sale	Type of Financing	Sold receivables (1) at June 30, 2016	Sold receivables (1) at Dec. 31, 2015	Sold receivables (1) at the origin
Auto ABS 2012-1	July 12, 2012	Buyback contracts (2)	420,702	606,111	1,080,000
Auto ABS French Loans Master	First sale on Nov. 29, 2012 (3)	Installment contracts	743,721	667,821	N/A
Auto ABS DFP Master Compartment France 2013	First sale on Apr. 09, 2013 (3)	Trade receivables	924,146	1,134,704	N/A
Auto ABS 2013-2	June 7, 2013	Installment contracts	154,146	228,552	494,550
Auto ABS2 2013-A	Oct. 31, 2013	Long-term leases (4)	483,243	651,867	735,000
Auto ABS3 2011-01	Dec. 04, 2014	Installment contracts	409,209	410,650	430,000
Total			**3,135,167**	**3,699,705**	

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 income) generated by the special entities.

The credit enhancement techniques used by the PSA Banque France Group as part of its securitization transactions retain on its books the financial risks inherent in these transactions. The Group also finances all the 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 where the remuneration received in consideration for the placing of the senior and mezzanine tranches on the majority of the transactions is concerned.

The group does not carry out any securitization transactions which transfer all or part of its financial risk (such as synthetic securitization transactions).

(1) The receivables were transferred by CREDIPAR and SOFIRA before the PSA Banque France Group was constituted. SOFIRA was taken over by the subsidiary CREDIPAR in May 2015.

(2) Sold receivables correspond to future lease payment of leases with a purchase option or finance leases.

(3) The monthly issuances of these funds enable the adjustment of the liabilities of the funds towards the portfolio to be refinanced (portfolio that can grow up or decrease) up to the maximum programme size.

(4) Sold receivables correspond to future long-term lease revenues and residual value.

Note 9 Accruals and Other Assets

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Other receivables	**88,180**	**104,983**
- of which related companies with PSA Group	*53,908*	*68,404*
Prepaid and recoverable taxes	**34,303**	**28,276**
Accrued income	**8,976**	**7,433**
- of which related companies with PSA Group	*8,139*	*6,622*
Prepaid expenses	**7,536**	**4,691**
- of which margin calls paid on swaps (1)	*3,865*	*2,385*
- of which related companies with Santander Consumer Finance Group	*-*	*145*
Other	**59,309**	**17,203**
- of which related companies with PSA Group	*-*	*1*
Total	**198,304**	**162,586**

(1) At June, 30, 2016, margin calls paid on swaps were offset with the negative fair value for an amount of €10.6 million, compared to €15.9 million at December, 31, 2015 (see Notes 10.2 and 11.2).

Note 10 Financial Liabilities at Fair Value Through Profit or Loss

10.1 Analysis by Nature

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Accrued expense on trading derivatives	**113**	66
- of which related companies with Santander Consumer Finance Group	*32*	*27*
Fair value of trading derivatives	**7,064**	3,130
- of which related companies with Santander Consumer Finance Group	*2,715*	*2,316*
Offsetting negative fair value and paid margin calls	**(3,988)**	**-**
Total	**3,189**	**3,196**

Swaps classified as held for trading are related to securitization activities for which reverse swaps are systematically neutralized, with no impact on income (see Note 4).

10.2 Offsetting swaps with margin call designated as trading - Liabilities

For 2016

(in thousand euros) **Negative valued swaps**	**Liability gross amount** Swap's winning leg	 Swap's losing leg	**Liability net amount before offsetting**	**Offsetting with paid margin calls**	**Balance sheet amount after offsetting**
Accrued expense	**-**	**113**	**113**	**-**	**113**
- Swaps with margin call	-	-	-	-	-
- Swaps without margin call	-	113	113	-	113
Negative fair value	**(26)**	**7,090**	**7,064**	**-**	**7,064**
- Swaps with margin call	-	3,981	3,981	-	3,981
- Swaps without margin call	(26)	3,109	3,083	-	3,083
Offsetting	-	-	-	(3,988)	**(3,988)**
Total liabilities	**(26)**	**7,203**	**7,177**	**(3,988)**	**3,189**
Margin calls paid on swaps designated as trading (prepaid expenses - see Note 9)	-	-	3,996	(3,988)	**8**
Total assets	**-**	**-**	**3,996**	**(3,988)**	**8**

Note 11 Hedging Instruments - Liabilities

11.1 Analysis by Nature

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Adjustment accounts - commitments in foreign currencies	**-**	**-**
Accrued expenses on swaps designated as hedges	**2,441**	**4,176**
- of which related companies with Santander Consumer Finance Group	*80*	*78*
Negative fair value of instruments designated as hedges of:	**8,220**	**13,225**
- Borrowings	-	72
- EMTNs/BMTNs	-	-
- Bonds (1)	-	4,892
- Certificates of deposit	-	-
- Customer loans (Installment contracts, Leasing with a purchase option and Long-term leases)	8,220	8,261
- of which related companies with Santander Consumer Finance Group	*881*	*415*
Offsetting negative fair value and paid margin calls (see Note 11.2)	**(6,562)**	**(15,905)**
Total	**4,099**	**1,496**

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

Fair Value Hedge effectiveness is analysed in Note 16.1.

(1) In 2015, these swaps were related to certain securitization activities for which reverse swaps are systematically neutralized, with no impact on income (see Note 5). From 2016, these transactions have been reclassified as trading for the purpose of a homogeneous accounting treatment applied to all securitization activities over the period (see Note 10).

11.2 Offsetting swaps with margin call designated as hedges - Liabilities

For 2016

(in thousand euros)

Negative valued swaps	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			
Accrued expense	**-**	**2,441**	**2,441**	**-**	**2,441**
- Swaps with margin call	-	2,441	2,441	-	2,441
- Swaps without margin call	-	-	-	-	-
Negative fair value	**-**	**8,220**	**8,220**	**-**	**8,220**
- Swaps with margin call	-	8,220	8,220	-	8,220
- Swaps without margin call	-	-	-	-	-
Offsetting	-	-	-	(6,562)	**(6,562)**
Total liabilities	**-**	**10,661**	**10,661**	**(6,562)**	**4,099**
Margin calls paid on swaps designated as hedges (prepaid expenses - see Note 9)	-	-	10,419	(6,562)	**3,857**
Total assets	**-**	**-**	**10,419**	**(6,562)**	**3,857**

For 2015

(in thousand euros)

Negative valued swaps	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			
Accrued expense	**-**	**4,176**	**4,176**	**-**	**4,176**
- Swaps with margin call	-	4,081	4,081	-	4,081
- Swaps without margin call	-	95	95	-	95
Negative fair value	**(2,799)**	**16,024**	**13,225**	**-**	**13,225**
- Swaps with margin call	(2,786)	15,076	12,290	-	12,290
- Swaps without margin call	(13)	948	935	-	935
Offsetting	-	-	-	(15,905)	**(15,905)**
Total liabilities	**(2,799)**	**20,200**	**17,401**	**(15,905)**	**1,496**
Margin calls paid on swaps designated as hedges (prepaid expenses - see Note 9)	-	-	18,290	(15,905)	**2,385**
Total assets	**-**	**-**	**18,290**	**(15,905)**	**2,385**

Note 12 Deposits from Credit Institutions

Analysis of Demand and Time Accounts

(in thousand euros)	**June 30, 2016**	**Dec. 31, 2015**
Demand deposits	**15,822**	**13,808**
- Ordinary accounts in credit	14,940	13,005
- of which related companies with PSA Group	*-*	*302*
- Other amounts due to credit institutions	882	803
Accrued interest	**10**	**-**
Time deposits (non-group institutions)	**5,415,440**	**4,756,721**
- Conventional bank deposits	4,465,440	4,156,721
- of which related companies with Santander Consumer Finance Group	*3,915,440*	*3,736,720*
- Deposits from the ECB (see Note 18)	950,000	600,000
Deferred items included in amortized cost of deposits from credit institutions	**(248)**	**(249)**
- Debt issuing costs (deferred charges)	(248)	(249)
Accrued interest	**1,842**	**2,470**
- of which related companies with Santander Consumer Finance Group	*1,773*	*2,347*
Total deposits from credit institutions at amortized cost (1)	**5,432,866**	**4,772,750**

(1) *Total debt is denominated in Euro.*

Note 13 Due to Customers

(in thousand euros)	**June 30, 2016**	**Dec. 31, 2015**
Demand accounts	**1,301,785**	**1,097,832**
- ordinary accounts in credit		
- Related companies with PSA Group	125,779	87,836
- Non-group companies	77,728	89,449
- Passbook savings accounts (1)	1,076,737	879,118
- Other amounts due to Customers		
- Related companies with PSA Group	-	19,550
- Non-group companies	21,541	21,879
Accrued interest	**10,978**	**-**
- of which passbook savings accounts	*10,978*	-
Time deposits	**311,349**	**265,171**
- Term deposit accounts (1)	285,959	227,131
- Other		
- Related companies	-	-
- Non-group companies	25,390	38,040
Accrued interest	**7,014**	**6,606**
- of which time deposits	*6,883*	*6,212*
Total (2)	**1,631,126**	**1,369,609**

(1) *In April 2015, PSA Banque France acquired, from Banque PSA Finance, the passbook savings account business in France, known under the commercial name of DISTINGO.*

(2) *All debt is denominated in Euro.*

Note 14 Debt Securities

14.1 Analysis by Nature

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Interbank instruments and money-market securities (non-group institutions)	**67,000**	**-**
- EMTNs and BMTNs	-	-
- of which paper in the process of being delivered	-	-
- Certificates of deposit	67,000	-
- of which paper in the process of being delivered	-	-
Bonds	**1,103,551**	**1,542,682**
- Issued by securitization funds (see Note 14.2)	1,103,551	1,542,682
Accrued interest	**65**	**125**
- Securitization	65	125
Deferred items included in amortized cost of debt securities	**(393)**	**(1,046)**
- Debt issuing costs and premiums (deferred charges)	(393)	(1,046)
Total debt securities at amortized cost (1)	**1,170,223**	**1,541,761**

(1) *All of the debt is denominated in Euro.*

14.2 Securitization programs

Bonds (Except Accrued interest)

(in thousand euros)			Issued Bonds		
Fund	**Bonds**	**Rating**	**June 30, 2016**	**at Dec. 31, 2015**	**at the origin**
		Fitch/S&P			
Auto ABS 2012-1	A Bonds	AAA/AAA	84,697	273,712	723,600
	B Bonds	-	356,400	356,400	356,400
		Fitch/Moody's			
Auto ABS French Loans Master	A Bonds	AAA/Aaa	694,300	618,817	N/A
	B Bonds	-	84,100	75,000	N/A
		Fitch/Moody's			
Auto ABS 2013-2	A Bonds	AAA/Aaa	120,426	197,875	450,000
	B Bonds	A+/A2	19,700	19,700	19,700
	C Bonds	-	24,850	24,850	24,850
		Moody's/S&P			
Auto ABS DFP Master Compartment France 2013	A Bonds	Aaa/AAA	550,000	550,000	N/A
	S Bonds	Aaa/AAA	86,300	172,900	N/A
	B Bonds	-	228,900	295,400	N/A
		DBRS/Moody's			
Auto ABS2 2013-A	A Bonds	AAA/Aaa	289,928	462,596	522,000
	B Bonds	A/A2	51,500	51,500	51,500
	C Bonds	-	161,500	161,500	161,500
		Fitch/DBRS			
Auto ABS3 2014-1	Classe A	AAA/AAA	397,300	397,300	397,300
	Classe B	A/A(high)	22,800	22,800	22,800
	Classe C	-	9,900	9,900	9,900
Elimination of intercompany transactions (1)			(2,079,050)	(2,147,568)	
Total			**1,103,551**	**1,542,682**	

(1) *Some transactions were purchased by CREDIPAR, including A or S Bonds, which are accepted as collateral by the ECB.*

Note 15 Accruals and Other Liabilities

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Trade payables	**231,661**	**79,763**
- Related companies	201,695	50,474
- of which related companies with PSA Group	*201,695*	*50,056*
- of which related companies with Santander Consumer Finance Group	*-*	*418*
- Non-group companies	29,966	29,289
Accrued payroll and other taxes	**21,466**	**34,192**
Accrued charges	**86,320**	**105,403**
- Related companies	11,961	10,363
- of which related companies with PSA Group	*10,137*	*8,766*
- of which related companies with Santander Consumer Finance Group	*1,824*	*1,597*
- Non-group companies	74,359	95,040
Other payables	**12,727**	**14,558**
- Related companies	9,972	9,533
- of which related companies with PSA Group	*9,972*	*9,533*
- Non-group companies	2,755	5,025
Deferred income	**10,071**	**7,342**
- of which margin calls received on swaps (1)	*3,220*	*1,701*
- Related companies	6,552	6,437
- of which related companies with PSA Group	*6,594*	*5,117*
- of which related companies with Santander Consumer Finance Group	*(42)*	*1,320*
- Non-group companies	3,519	905
Other	**37,748**	**26,468**
- Non-group companies	37,748	26,468
Total	**399,993**	**267,726**

(1) At June, 30, 2016, margin calls paid on swaps were offset with the positive fair value for an amount of €3.6 millions, compared to €1 million at December, 31, 2015 (see Notes 4.2 & 5.2).

Note 16 Derivatives

PSA Banque France Group Interest Rate Management Policy

(See the "Financial Risks and Market Risk" section of the Management Report) at December 31,2015

Interest rate risk:

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

Currency risk:

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

Counterparty risk:

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. Almost all swaps are subject to contracts with weekly margin calls. Customer credit risk is discussed in Note 26.

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

16.1 Analysis of Interest Rate Risk Hedging Effectiveness (Fair Value Hedge)

(in thousand euros)	June 30, 2016	Dec 31, 2015	Fair value adjustments	Ineffective portion recognized in profit or loss
Fair value adjustments to customer loans (Installment contracts, Leasing with purchase option and Long-term leases)				
- Installment contracts	(314)	1,577		
- Leasing with purchase option	(134)	1,057		
- Long-term leases	(190)	886		
Total valuation, net	**(638)**	**3,520**	**(4,158)**	
Derivatives designated as hedges of customer loans				
- Assets (Note 5)	-	-		
- Liabilities (Note 11)	(8,220)	(8,261)		
Total valuation, net	**(8,220)**	**(8,261)**	**41**	**(4,117)**
Ineffective portion of gain and losses on outstanding hedging	**(8,858)**	**(4,741)**		**(4,117)**
Fair value adjustments to hedged debt				
- Valuation, net	(1,020)	56		
Total valuation, net	**(1,020)**	**56**	**(1,076)**	
Derivatives designated as hedges of debt				
- Assets (Note 5)	1,020	11		
- Liabilities (Note 11)	-	(72)		
Total valuation, net	**1,020**	**(61)**	**1,081**	**5**
Ineffective portion of gain and losses on outstanding hedging	**0**	**(5)**		**5**
Fair value adjustments to hedged bonds				
- Valuation, net	-	-		
Total valuation, net	**-**	**-**	**-**	
Derivatives designated as hedges of bonds (1)				
- Assets (Note 5)	-	4,892		
- Liabilities (Note 11)	-	(4,892)		
Total valuation, net	**-**	**-**	**-**	**0**
Ineffective portion of gain and losses on outstanding hedging	**0**	**0**		**0**

(1) *Symetric position swaps (set up by CREDIPAR and the securitization funds) designated in 2015 as hedges of the securitization funds' bond debt have been reclassified as trading for the purpose of a homogeneous accounting treatment applied to all securitization activities over the period (see Note 16.2).*

16.2 Impact in Profit and Loss of Fair Value Adjustements to Financial Assets and Liabilities at Fair Value

(in thousand euros)	June 30, 2016	Dec. 31, 2015	Fair value adjustments
Financial assets at fair value (Note 4)			
- Fair value of trading derivatives	7,064	3,130	**3,934**
Total valuation, net	**7,064**	**3,130**	**3,934**
Financial liabilities at fair value (Note 10)			
- Fair value of trading derivatives	(7,064)	(3,130)	**(3,934)**
Total valuation, net	**(7,064)**	**(3,130)**	**(3,934)**
Impact in profit or loss			**0**

Note 17 Fair Value of Financial Assets and Liabilities

(in thousand euros)	Fair value June 30, 2016	Fair value Dec. 31, 2015	Book value June 30, 2016	Book value Dec. 31, 2015	Difference June 30, 2016	Difference Dec. 31, 2015
Assets						
Cash, central banks, post office banks	237,132	98,378	237,132	98,378	-	-
Financial assets at fair value through profit or loss (1)	4,477	3,188	4,477	3,188	-	-
Hedging instruments (1)	122	3,969	122	3,969	-	-
Available-for-sale financial assets (2)	3	132,922	3	132,922	-	-
Loans and advances to credit institutions (3)	587,442	662,878	587,442	662,878	-	-
Customer loans and receivables (4)	8,949,886	8,337,877	8,887,255	8,258,077	62,631	79,800
Equity and liabilities						
Central banks, post office banks	73	-	73	-	-	-
Financial liabilities at fair value through profit or loss (1)	3,187	3,196	3,187	3,196	-	-
Hedging instruments (1)	4,098	1,496	4,098	1,496	-	-
Deposits from credit institutions (5)	5,435,197	4,779,495	5,433,886	4,772,693	(1,311)	(6,802)
Due to customers (3)	1,631,126	1,369,609	1,631,126	1,369,609	-	-
Debt securities (5)	1,170,587	1,542,651	1,170,223	1,541,762	(364)	(889)

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

(1) The fair values of financial assets at fair value through profit or loss and hedging instruments are measured based on Euribor or other interbank market rates and on the daily exchange rates set by the European Central Bank.

(2) The fair value of investments in companies, which are included in "Available-for-sale financial assets", is considered as being equal to the most recent transaction price, corresponding to the purchase of the shares.

(3) The fair value of Loans and advances to credit institutions and of Customer loans and receivables, mainly short-term operations at adjustable rate, are accordingly close to their amortized cost.

In accordance with IFRS 13, the calculation of the fair value is presented below:
- for Customer loans and receivables see footnote (4),
- for Debts see footnote (5).

(4) Customer loans and receivables are stated at amortized cost. They are generally hedged against interest rate risks (fair value hedge) and are therefore remeasured at the hedging rate (swap rate), in accordance with hedge accounting principles. Cumulative gains and losses arising from remeasurement are added to or deducted from their amortized cost.

The fair value presented above has been estimated by discounting future cash flows at the average customer rate of the three last months. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).

(5) Financing liabilities are stated at amortized cost. Hedge accounting is applied to liabilities hedged by interest rate swaps (fair value hedge), leading to their remeasurement at the discounted financing cost. Cumulative gains and losses arising from remeasurement are added to or deducted from their amortized cost.

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

- For Debt securities, by applying valuation based on market available quotations (level 1).

- For Deposits from credit institutions, by applying valuation based on data from our financial partners. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).

Note 18 Other Commitments

(in thousand euros)	June 30, 2016	Dec. 31, 2015
Financing commitments		
Commitments received from credit institutions	-	-
Commitments given to credit institutions	-	-
Commitments given to customers (1)	429,072	561,686
Guarantee commitments		
Commitments received from credit institutions	50,096	48,833
- guarantees received in respect of customer loans	49,358	48,095
- guarantees received in respect of securities held	-	-
- other guarantees received from credit institutions	738	738
Guarantees given to credit institutions	115	115
- of which related companies with PSA Group	*115*	*115*
Commitments given to customers	7,588	43,048
- of which related companies with PSA Group (2)	*3,268*	*37,985*
Other commitments received		
Securities received as collateral	-	-
Other commitments given		
Assets given as collateral for proprietary transactions, mobilisable rest (3)	45,886	465,437
- to the ECB	45,886	465,437
- Other	-	-

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

(2) Guarantee commitments granted to companies within PSA Group amount to €3.3 million at June 30, 2016 compared to €38 million at December 31,2015 due to the takeover of guarantee commitments granted to customers from PSA Banque France to Banque PSA Finance .

(3) It corresponds to the amount that remains available at the European Central Bank, bearing in mind that €1,158 million was used to obtain €950 million in financing (see note 12).

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 Other Revenue on Assets at Amortized Cost

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Installment contracts	**83,805**	**88,541**	**175,115**
- of which related companies with PSA Group	*1,924*	*1,604*	*3,482*
- of which securitized	*48,547*	*53,655*	*103,795*
Leasing with a purchase option	**68,698**	**62,677**	**125,631**
- of which related companies with PSA Group	*4,592*	*727*	*2,900*
- of which securitized	*23,895*	*45,050*	*78,697*
Long-term leases	**83,401**	**90,294**	**177,151**
- of which related companies with PSA Group	-	*(352)*	-
- of which securitized	*21,586*	*29,648*	*58,195*
Trade receivables	**21,486**	**29,765**	**49,565**
- of which related companies with PSA Group	*16,662*	*26,150*	*48,697*
Other finance receivables (including equipment loans, revolving credit)	**8,473**	**13,037**	**24,413**
- of which related companies with PSA Group	*100*	*382*	*647*
Commissions paid to referral agents	**(60,849)**	**(57,147)**	**(115,124)**
- Installment contracts	(22,246)	(20,270)	(41,250)
- Leasing with a purchase option	(15,167)	(11,743)	(24,823)
- Long-term leases	(23,436)	(25,176)	(49,093)
- Other financing	-	42	42
- of which related companies with PSA Group	*(16,780)*	(13,295)	*(27,072)*
Other business acquisition costs	**(7,696)**	**(7,593)**	**(13,418)**
Interest on ordinary accounts	**-**	**-**	**-**
Interest on guarantee commitments	**42**	**165**	**303**
Total	**197,360**	**219,739**	**423,636**

Note 20 Interest and Other Revenue from Loans and Advances to Credit

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Interest on treasury and interbank transactions	7	5,745	5,746
- of which related companies with PSA Group (1)	*-*	*5,713*	*5,713*
Total	**7**	**5,745**	**5,746**

(1) Until January 2015, the refinancing obtained via the securitization funds (see Note 22) was systematically passed on to the parent company Banque PSA Finance. Since February 2015, following the acquisition of 50% of the shares by Santander Consumer Finance, intercompany transactions with PSA Group have been reimbursed.

Note 21 Interest on Deposits from Credit Institutions

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Interest on treasury and interbank transactions	(10,641)	(31,721)	(44,596)
- of which related companies with PSA Group (1)	*-*	*(21,508)*	*(21,508)*
- of which related companies with Santander Consumer Finance Group	*(8,352)*	*(8,374)*	*(20,718)*
Total	**(10,641)**	**(31,721)**	**(44,596)**

(1) Until January 2015, the refinancing obtained via the securitization funds (see Note 22) was systematically passed on to the parent company Banque PSA Finance, which re-lent it in return in the form of conventional term debt. Since February 2015, following the acquisition of 50% of the shares by Santander Consumer Finance, intercompany transactions with PSA Group have been reimbursed.

Note 22 Interest on Debt Securities

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Interest expense on debt securities	-	-	-
Interest expense on bonds and other fixed income securities	(4,771)	(13,839)	(22,131)
- of which securitization: preferred bonds (1)	*(4,769)*	*(13,839)*	*(22,131)*
- of which related companies with PSA Group (2)	*-*	*(1,531)*	*(1,637)*
Total	**(4,771)**	**(13,839)**	**(22,131)**

(1) With the exception of the effect described below in footnote (2), the decrease of interest expenses is due to both lower interest rates as well as the amortization of bonds issued by the securitization funds and not subscribed by CREDIPAR(€1,104 million at June 30, 2016, €1,542 million at December 31, 2015 and €2,439 million at December 31, 2014) (see Note 14.2).

(2) The part of the bonds issued by securitization funds that was formely subscribed by Banque PSA Finance is subscribed by CREDIPAR since February 2015. The related cost is eliminated in the consolidation process from this date.

Note 23 Interest on Savings Accounts

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Interest on savings accounts (1)	(14,505)	(6,930)	(15,832)
- on passbook savings accounts	(11,048)	(5,639)	(11,620)
- on term deposits	(3,457)	(1,291)	(4,212)
Total	**(14,505)**	**(6,930)**	**(15,832)**

(1) Increase of passbook savings accounts and term deposits (see Note 13), on the one hand, and the takeover of Distingo activity by PSA Banque France since April 2015, on the other hand, explain the increase of interest expense over the period.

Note 24 Margin on Sales of Services

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Revenue on sales of services	43,325	41,213	84,310
Expense on sales of services	(1,269)	(1,348)	(2,852)
Total	**42,056**	**39,865**	**81,458**

Note 25 General Operating Expenses

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Personnel costs	**(29,778)**	**(28,160)**	**(57,125)**
- Wages and salaries	(18,465)	(17,595)	(35,819)
- Payroll taxes	(8,792)	(8,049)	(16,405)
- Employee profit sharing and profit-related bonuses	(2,521)	(2,516)	(4,901)
Other general operating expenses	**(51,105)**	**(43,393)**	**(91,164)**
- of which related companies with PSA Group	*(19,802)*	*(19,193)*	*(37,521)*
- of which related companies with Santander Consumer Finance Group	*(770)*	*-*	*(985)*
Total	**(80,883)**	**(71,553)**	**(148,289)**

Note 26 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.

26.1 Changes in Loans

(in thousand euros)	Balance at Dec 31, 2015	Net new loans	Cost of risk: Charges	Cost of risk: Reversals	Cost of risk: Credit losses	Cost of risk: Recoveries on loans written off in prior periods	Cost of risk for the period at June 30, 2016	Balance at June 30, 2016
Retail								
Sound loans with no past-due installments	4,614,322	256,910	-	-	-	-	-	4,871,232
Sound loans with past-due installments	61,997	(2,556)	-	-	-	-	-	59,441
Guarantee deposits (lease financing)	(53)	3	-	-	-	-	-	(50)
Non-performing loans	193,737	8,032	-	-	(29,890)	-	(29,890)	171,879
Total	**4,870,003**	**262,389**	**-**	**-**	**(29,890)**	**-**	**(29,890)**	**5,102,502**
Impairment of sound loans	(29,367)	(7)	(3,569)	3,494	-	-	(75)	(29,449)
Impairment of sound loans with past-due installments	(10,099)	-	(355)	1,028	-	-	673	(9,426)
Impairment of non-performing loans	(156,948)	(2)	(11,710)	32,541	-	-	20,831	(136,119)
Total impairment	**(196,414)**	**(9)**	**(15,634)**	**37,063**	**-**	**-**	**21,429**	**(174,994)**
Deferred items included in amortized cost	**87,309**	**11,492**			**-**	**-**	**-**	**98,801**
Net book value (A - see B Note 8.2)	**4,760,898**	**273,872**	**(15,634)**	**37,063**	**(29,890)**	**-**	**(8,461)**	**5,026,309**
Recoveries on loans written off in prior periods						4,618	4,618	
Impairment of doubtful commitments			-	-	-	-	-	
Retail cost of risk			**(15,634)**	**37,063**	**(29,890)**	**4,618**	**(3,843)**	
Corporate dealers								
Sound loans with no past-due installments	2,433,336	391,383	-	-	-	-	-	2,824,719
Guarantee deposits	-	-	-	-	-	-	-	-
Non-performing loans	50,205	24	-	-	(608)		(608)	49,621
Total	**2,483,541**	**391,407**	**-**	**-**	**(608)**	**-**	**(608)**	**2,874,340**
Impairment of sound loans with with no past-due installments	(2,886)	(20)	(1,058)	579	-	-	(479)	(3,385)
Impairment of non-performing loans	(20,131)	(516)	(898)	2,176	-	-	1,278	(19,369)
Total impairment	**(23,017)**	**(536)**	**(1,956)**	**2,755**	**-**	**-**	**799**	**(22,754)**
Deferred items included in amortized cost	**-**	**(4,847)**	**-**	**-**	**-**	**-**	**-**	**(4,847)**
Net book value (B - see A Note 8.2)	**2,460,524**	**386,024**	**(1,956)**	**2,755**	**(608)**	**-**	**191**	**2,846,739**
Recoveries on loans written off in prior periods		-	-	-	-	482	482	
Impairment of doubtful commitments			(28)	238	-	-	210	
Corporate dealers cost of risk			**(1,984)**	**2,993**	**(608)**	**482**	**883**	
Corporate and equivalent								
Sound loans with no past-due installments	993,219	(13,695)	-	-	-	-	-	979,524
Guarantee deposits	-	-	-	-	-	-	-	-
Non-performing loans	7,281	(1,753)	-	-	(228)	-	(228)	5,300
Total	**1,000,500**	**(15,448)**	**-**	**-**	**(228)**	**-**	**(228)**	**984,824**
Impairment of sound loans with with no past-due installments	(1,691)	4	(41)	55	-	-	14	(1,673)
Impairment of non-performing loans	(2,310)	(16)	(914)	109	-	-	(805)	(3,131)
Total impairment	**(4,001)**	**(12)**	**(955)**	**164**	**-**	**-**	**(791)**	**(4,804)**
Deferred items included in amortized cost	**36,636**	**(1,811)**	**-**	**-**	**-**	**-**	**-**	**34,825**
Net book value (C - see C Note 8.2)	**1,033,135**	**(17,271)**	**(955)**	**164**	**(228)**	**-**	**(1,019)**	**1,014,845**
Recoveries on loans written off in prior periods			-	-	-	2	2	
Impairment of doubtful commitments			-	-	-	-	-	
Corporate and equivalent cost of risk			**(955)**	**164**	**(228)**	**2**	**(1,017)**	
Total loans								
Sound loans with no past-due installments	8,040,877	634,598	-	-	-	-	-	8,675,475
Sound loans with past-due installments	61,997	(2,556)	-	-	-	-	-	59,441
Guarantee deposits	(53)	3	-	-	-	-	-	(50)
Non-performing loans	251,223	6,303	-	-	(30,726)	-	(30,726)	226,800
Total	**8,354,044**	**638,348**	**-**	**-**	**(30,726)**	**-**	**(30,726)**	**8,961,666**
Impairment of sound loans with or without any past-due	(44,043)	(23)	(5,023)	5,156	-	-	133	(43,933)
Impairment of non-performing loans	(179,389)	(534)	(13,522)	34,826	-	-	21,304	(158,619)
Total impairment	**(223,432)**	**(557)**	**(18,545)**	**39,982**	**-**	**-**	**21,437**	**(202,552)**
Deferred items included in amortized cost	**123,945**	**4,834**	**-**	**-**	**-**	**-**	**-**	**128,779**
Net book value	**8,254,557**	**642,625**	**(18,545)**	**39,982**	**(30,726)**	**-**	**(9,289)**	**8,887,893**
Recoveries on loans written off in prior periods						5,102	5,102	
Impairment of doubtful commitments			(28)	238	-	-	210	
Total cost of risk			**(18,573)**	**40,220**	**(30,726)**	**5,102**	**(3,977)**	

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

26.2 Change in Cost of Risk

(in thousand euros)	Retail	Corporate dealers	Corporate and equivalent	June 30, 2016	June 30, 2015	Dec. 31, 2015
Sound loans with or without any past-due installmen						
Charges (2)	(3,924)	(1,058)	(41)	(5,023)	(34,469)	(37,914)
Reversals	4,522	579	55	5,156	5,016	9,447
Non-performing loans						
Charges	(11,710)	(898)	(914)	(13,522)	(22,233)	(28,128)
Reversals	32,541	2,176	109	34,826	29,964	35,943
Doubtful commitments						
Charges	-	(28)	-	(28)	-	(152)
Reversals	-	238	-	238	702	716
Credit losses	(29,890)	(608)	(228)	(30,726)	(25,825)	(44,938)
Recoveries on loans written off in prior periods	4,618	482	2	5,102	1,286	3,796
Cost of risk	**(3,843)**	**883**	**(1,017)**	**(3,977)**	**(45,559)**	**(61,230)**

The Bank's credit management policy is described in the "Credit Risk" section of the Management Report at December 31, 2015.

(1) *Regarding Corporate, this refers only to sound loans without any past-due, all impaired statistically.*

(2) *For the Retail business, in 2015, a depreciation of outstanding sound loans without past-due installments was recorded in application of the principle of losses incurred but not yet reported (see paragraph C.6.4 of Note 2 in the 2015 annual report). This change of estimation, related to the homogenization of the accounting methods and principles of the Santander Consumer Finance Group, which entered PSA Banque France's share capital on February 2, 2015, had an impact of -€28.7 million on the cost of risk.*

26.3 Information about Defaults with no Impairment

As regards Retail, sound loans in default are systematically impaired.

As regards Corporate, given the statistical impairment applied to Corporate sound receivables (see footnote (1) of Note 26.2) there is no receivable in default not impaired.

Note 27 Income Taxes

27.1 Evolution of Balance Sheet Items

(in thousand euros)	Balance at Dec 31, 2015	Income	Equity	Payment	Exchange difference and other	June 30, 2016
Current tax						
Assets	893					1,354
Liabilities	(17,472)					(1,347)
Total	**(16,579)**	**(44,682)**	**-**	**61,268**	**-**	**7**
Deferred tax						
Assets	1,834					1,168
Liabilities	(257,372)					(260,662)
Total	**(255,538)**	**(4,392)**	**-**	**-**	**436**	**(259,494)**

27.2 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, and impairment of non-performing loans.
Deferred taxes are determined as described in Note 2.A, last paragraph dedicated to deferred taxes.

The French statutory income tax rate is 33.33%.
The Social Security Financing Act (no. 99-1140) dated December 29, 1999 provided for the introduction of a surtax equal to 3.3% of the corporate income tax liability of French companies. This surtax had the effect of raising the French corporate income tax rate by 1.1%.
France's 4th amended Finance Act dated December 21, 2011 introduced an exceptional 5% surtax for 2011 and 2012, lifting the tax rate for those years to 36.10% and limited the use of tax loss carryforwards to 60% of taxable profit of the year.

France's Finance Act 2013 (published in Official Gazette December 30, 2012) introduced an exceptional 5% surtax for 2013 and 2014, lifting the tax rate for those years to 36.10% and limited the use of tax loss carryforwards to 50% of taxable profit of the year.

The article 16 of France's Finance Act 2014 (published in Official Gazette December 27, 2013) raised the exceptional contribution to corporate income tax from 5% to 10.7% for 2013 and 2014 (Article 235 ter ZAA of the French General Tax Code), lifting the tax rate for those years to 38% and maintained the use of tax loss carryforwards to 50% of taxable profit of the year for the part exceeding €1 million.

Article 15 of France's amended Finance Act 2014 no. 2014-891 dated August 8, 2014 provides for the extension of the 10.7% exceptional surtax for 2015 (Article 235 b ZAA of the French General Tax Code), thus maintaining the tax rate for this year at 38%. The exceptional contribution is not due after reporting periods ending December 31, 2016, meaning that the rate drops to 34.43%.

At December 31, 2015, the stock of deferred tax liabilities, recognized directly in equity when the joint venture was established (-€11.2 million), was entirely reversed for utilisation.

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Current tax			
Income taxes	(44,682)	(43,941)	(82,906)
Deferred tax			
Deferred taxes arising in the period	(4,392)	19,016	23,974
Unrecognized deferred tax assets and impairment losses	-	-	-
Total	**(49,074)**	**(24,925)**	**(58,932)**

27.3 PSA Banque France Group tax proof

(in thousand euros)	June 30, 2016	June 30, 2015	Dec. 31, 2015
Pre-tax income	118,629	81,353	191,390
Permanent differences	948	1,205	(276)
Taxable Income	**119,577**	**82,558**	**191,114**
Theoretical tax	(41,174)	(31,372)	(72,624)
Theoretical rate	*34.43%*	*38.0%*	*38.0%*
Impact of provisional surtax in France	-	7,109	11,878
Allowances on deferred tax assets:			
- Charges	-	-	-
- Reversals	-	-	-
Adjustment related to the previous year		(662)	1,814
Special tax contribution on dividend distributed	(4,503)		-
Reclassification of the contribution on added value of incomes taxes (CVAE) as current tax (IAS12)	(3,964)	-	-
Other	567	-	-
Income taxes	**(49,074)**	**(24,925)**	**(58,932)**
Group effective tax rate	*41.0%*	*30.2%*	*30.8%*

27.4 Deferred Tax Assets on Tax Loss Carryforwards

In the absence of tax loss carryforwards, there is no deferred assets on tax loss carryforwards.

Note 28 Segment Information

28.1 Key Balance Sheet Items

For 2016

(in thousand euros)	Financing activities: Corporate dealers	Financing activities: End user: Retail	Financing activities: End user: Corporate and equivalent	Unallocated	Insurance and services	Total at June 30, 2016
Assets						
Customers loans and receivables	2,846,739	5,026,309	1,014,845	-		8,887,893
Securities				4,477		4,477
Loans and advances to credit institutions			587,442	-		587,442
Other assets				442,652		442,652
Total Assets						**9,922,464**
Liabilities						
Refinancing (1)	2,551,313	4,736,980	924,289	-		8,212,582
Due to customers (1)	2,717	14,509	4,355	-		21,581
Other liabilities				686,856		686,856
Equity				1,001,445		1,001,445
Total Liabilities						**9,922,464**

For 2015

(in thousand euros)	Financing activities: Corporate dealers	Financing activities: End user: Retail	Financing activities: End user: Corporate and equivalent	Unallocated	Insurance and services	Total at December 31, 2015
Assets						
Customers loans and receivables	2,460,524	4,760,898	1,033,135	-		8,254,557
Securities				3,188		3,188
Loans and advances to credit institutions			662,878	-		662,878
Other assets				409,433		409,433
Total Assets						**9,330,056**
Liabilities						
Refinancing (1)	2,001,010	4,635,680	1,005,962	-		7,642,652
Due to customers (1)	22,028	14,014	5,426	-		41,468
Other liabilities				563,142		563,142
Equity				1,082,794		1,082,794
Total Liabilities						**9,330,056**

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

28.2 Key Income Statement Items

At June 30, 2016

(in thousand euros)	Financing activities: Corporate dealers	Financing activities: End user: Retail	Financing activities: End user: Corporate and equivalent	Financing activities: Unallocated	Financial derivative instruments (3)	Insurance and services	Total at June 30, 2016
Net interest revenue on customer transactions (at amortized cost) (1)	30,046	157,153	20,371	(8,442)	(4,249)		194,879
Net investment revenue	-	-	-	3			3
Net refinancing cost (2) (3)	(7,628)	(29,272)	(5,872)	6,255	4,249		(32,268)
Net gains or losses on trading transactions				-			-
Net gains or losses on available-for-sale financial assets				(73)			(73)
Margin on sales of other services						42,056	42,056
Net banking revenue	**22,418**	**127,881**	**14,499**	**(2,257)**	**-**	**42,056**	**204,597**
Cost of risk	883	(3,843)	(1,017)				(3,977)
Net income after cost of risk	**23,301**	**124,038**	**13,482**	**(2,257)**	**-**	**42,056**	**200,620**
General operating expenses and equivalent				(81,886)			(81,886)
Operating Income	**23,301**	**124,038**	**13,482**	**(84,143)**	**-**	**42,056**	**118,734**

At June 30, 2015

(in thousand euros)	Financing activities: Corporate dealers	Financing activities: End user: Retail	Financing activities: End user: Corporate and equivalent	Financing activities: Unallocated	Financial derivative instruments (3)	Insurance and services	Total at June 30, 2015
Net interest revenue on customer transactions (at amortized cost) (1)	40,349	164,615	25,310	(7,298)	(6,420)		216,556
Net investment revenue	-	-	-	(340)			(340)
Net refinancing cost (2) (3)	(14,913)	(40,636)	(9,556)	8,131	6,420		(50,554)
Net gains or losses on trading transactions				23			23
Net gains or losses on available-for-sale financial assets				1			1
Margin on sales of other services						39,865	39,865
Net banking revenue	**25,436**	**123,979**	**15,754**	**517**	**-**	**39,865**	**205,551**
Cost of risk	(1,425)	(43,906)	(228)				(45,559)
Net income after cost of risk	**24,011**	**80,073**	**15,526**	**517**	**-**	**39,865**	**159,992**
General operating expenses and equivalent				(72,435)			(72,435)
Operating Income	**24,011**	**80,073**	**15,526**	**(71,918)**	**-**	**39,865**	**87,557**

(1) *Unallocated interest revenue on customer transactions for the part corresponds to the ineffective portion of gains or losses on hedging instruments recognized in the income statement in accordance with IAS 39 for a negative €4.1 million at June 30, 2016 (compared to a negative €6.9 million at June 30, 2015). The other part corresponds to other revenue and expense on customer transactions.*

(2) *Unallocated net refinancing costs correspond to the difference between a) the "Net refinancing cost" recorded in the accounts, and b) the theorical refinancing cost used by the management controllers, corresponding to the cost of refinancing the total loans and receivables, without taking into account possible liabilities (Equity and other net liabilities) in order to show, for each segment, a comparative analysis of margins between the different companies of the perimeter.*

(3) *The interest differential on hedging swaps on fixed rate customer loans is reported in the income statement under "Net interest revenue from hedging instruments" in "Net interest revenue on customer transactions" and is not analyzed by segment. However the interest differential on these swaps is included by the management controllers in the net refinancing cost split by segment. This explains the €4.2 million reclassification at June 30, 2016 (€6.4 million at June 30, 2015) between "Net refinancing cost" and "Net interest revenue on customer transactions" in the "Financial derivatives instruments" column.*

Note 29 Subsequent Events

No event occurred between June 30, 2016 and the Board of Directors' meeting to review the financial statement on September 23, 2016 that could have a material impact on economic decisions made on the basis of these financial statements.

2.7 Statutory auditors' review report on the first half-year financial information

For the period from January 1st to June 30th, 2016

This is a free translation into English of the statutory auditors' review report on the "financial statements" issued in the French language and is provided solely for the convenience of English speaking readers. The report must be read in conjunction and construed in accordance with French law, professional standards applicable in France and the guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes).

To the CEO,

In our capacity as Statutory Auditors of PSA Banque France and pursuant to your request, we have conducted a review on the accompanying condensed half-year consolidated financial statements of PSA Banque France for the six-month period ended June 30th, 2016.

These condensed half-year consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements, based on our review.

We conducted our review in accordance with professional standards applicable in France and the guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes). A review 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.

Based on our review, we did not identify any material misstatements that would cause us to believe that the accompanying condensed half-year consolidated financial statements do not present fairly, in all material respects, the results of operations for the six-month period ended June 30th, 2016 and the financial position of PSA Banque France and its assets at that date, in accordance with IFRS as adopted by the European Union.

We disclaim any liability in the use of this report by any third party receiving it.

This report is governed by French law. French courts have exclusive authority to decide on any litigation, claim or dispute as may arise from our engagement letter or this report, or any question relating to them. Each party irrevocably renounces its rights to oppose an action being brought to these courts, to claim that the action was brought before a court which did not have the authority to decide on it, or to claim that these courts do not have authority.

Courbevoie and Paris-La Défense, September 30th, 2016

The statutory auditors
French original signed by

ERNST & YOUNG Audit	MAZARS
Luc VALVERDE	Anne VEAUTE

Statement by the person responsible for the 2016 half-year report

Person responsible for the half-year report

Andrea Bandinelli
Chief Executive Officer of PSA Banque France

Certification of the person responsible for the Half Year Report

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

I hereby certify, to my knowledge, that the financial statements for the first half of the year have been prepared in accordance with the applicable accounting standards and give a true and fair view of PSA Banque France assets, earnings and financial situation and of all of the companies included in the consolidation, and that the management report hereof presents a true picture of the business, the earnings and the financial situation of the company and of all of the companies included in the consolidation as well as a description of the main risks and uncertainties for the remaining six months of the year.

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

Andrea Bandinelli
Chief Executive Officer of PSA Banque France

PSA BANQUE FRANCE

Société anonyme (limited company). Share capital: € 144,842,528
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R.C.S. (Trade and Companies Register number) : Nanterre 652 034 638
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Interbank code : 14749

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