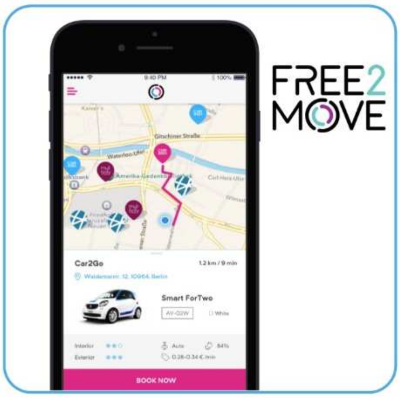
2020
ANNUAL RESULTS



"LIFETIME MOBILITY FINANCE & SERVICES PROVIDER"

STELLANTIS

BANQUE PSA FINANCE
A STELLANTIS COMPANY

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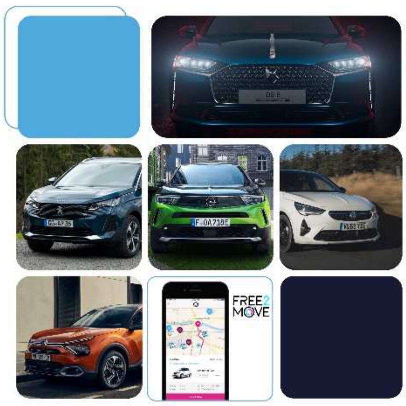

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1.1 MESSAGE FROM REMY BAYLE

CHIEF EXECUTIVE OFFICER OF BANQUE PSA FINANCE

The year 2020 will remain marked in everyone's minds, no one could have predicted that Covid-19 would impact the entire world. The priority of Groupe PSA, but also that of Banque PSA Finance (BPF), was to protect all its employees: the organization of work was completely redesigned throughout the company from the first lockdown, making teleworking a reality for all. It has also made it possible to ensure continuity of service wherever we operate in the world, and to keep our customers and all distribution networks at the heart of our systems, offering them personalized support from the first days of lockdown.

In an economic context that is even more complex than in previous years and totally unprecedented, Banque PSA Finance and all the teams have, together and thanks to the implementation of our values, demonstrated remarkable resilience and have obtained good results despite these difficulties.

Online financing and digital acceleration

In 2020, Banque PSA Finance continued the digital transformation of all its processes. For example, it provided customers at home with complete online solutions allowing them to configure their vehicle, financing and services, complete their financing file, e-sign their contract and submit receipts. This is the case, for example, with the Citroën brand AMI, where delivery of the vehicle can even be done directly at home.

Banque PSA Finance also enriched the personal web spaces of its customers, thus allowing everyone to find a wide range of information and to carry out most of their requests online at any time.

BPF has also strengthened its digital distance training platform, "EFFIGAME," to train sales advisers through video simulators using artificial intelligence, now extended to electric vehicles of the Peugeot, Citroën and DS brands. At the end of 2020, more than 10,000 sellers were using this highly innovative tool.

A shift to electric solutions

In 2020, to support the PSA Group in its energy transition Banque PSA Finance has been involved in all the launches of new vehicle models with financing solutions adapted to the best level of services (insurance, a wallbox package, additional solutions with the Mobility Pass product).

This ongoing support to develop sales of Low Emission Vehicles (LEV) contributed to Groupe PSA achieving its sales targets and meeting its carbon emissions targets from 2020.

Strong performance

In this particular context, thanks to our strong resilience, 2020 remains a year of performance for Banque PSA Finance, with 32.1% of new vehicle sales for all brands, up by 2.4 points compared to 2019.

In total, 932,600 new and used vehicle financing contracts were awarded, a decrease of 18.9% compared to 2019 for all of Groupe PSA's brands, which showed strong resistance compared to automotive sales.

All these performances were possible because of the confirmed success of a partnership-based business model. Our partnership with Santander Consumer Finance for Peugeot, Citroën and DS is going into its seventh year, and the one with BNP Paribas Personal Finance for Opel and Vauxhall is now in its fourth year.

Banque PSA Finance draws its strength from its ability and agility to respond to changes in customer behaviour, markets and the environment. BPF has rebounded by offering all its customers innovative financing solutions using the potential of digitization and the professionalism of its teams.

2020 was also the year of the announcement of a merger between the PSA and FCA groups, which gave the birth to Stellantis on January 16, 2021.

RÉMY BAYLE

CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS

Chairman
Member of the Appointments Committee
Member of the Wages and Salaries Committee
OLIVIER BOURGES

Director
Chief Executive Officer
RÉMY BAYLE

Director
BRIGITTE COURTEHOUX

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

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

Director
PEUGEOT S.A.

Permanent Representative Member of the Audit & Risk Committee
PHILIPPE de ROVIRA

Director
AUTOMOBILES PEUGEOT
Permanent Representative
JEAN-PHILIPPE IMPARATO

EXECUTIVE COMMITEE

Director
Chief Executive Officer
RÉMY BAYLE

Executive Managing Officer
ARNAUD de LAMOTHE

AUDITORS

Statutory auditors

ERNST & YOUNG AUDIT

MAZARS

Substitute auditors

PICARLE & ASSOCIES

GUILLAUME POTEL

As of end of 31.12.2020

BANQUE PSA FINANCE

Société anonyme (limited company). Share capital: €199,619,936. Registered office – 2-10 avenue de l'Europe – 78 300 POISSY - France
R.C.S. (Trade and Companies Register Number) Versailles 325 952 224 - Siret 325 952 224 00021 – APE business identifier code: 6419Z – Interbank code: 13168N

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

1.3. MAIN EVENTS

Year 2020…

COVID-19 :

Responsiveness and success to support all our customers: more than 270,000 contracts adjustments made, more than 1.7 million telephone calls handled

QUALITY & CUSTOMER RELATIONS :

Quality surveys made systematically after each customer contact; the Net Promotor Score (NPS) used overall as a measure of quality
Customer call center supports the client online and in chat during the life of the contract

ENERGY TRANSITION : LOW EMISSION VEHICLE

Success of the financing & service offers on hybrid and electric vehicles : nearly 70% penetration on (vehicle) sales to private customers from the 1st year

DIGITAL : ONLINE SELLING

A 100% online customer journey with uploading of documents and electronic signature in the main European countries

INSURANCE :

Enrichment of the insurance product ranges for our customers: pandemic insurance cover in Italy, free unemployment offer in the United Kingdom and Germany, etc.

MOBILITY :

Flex & Free, a non-binding LLD rolled out in the G5 countries for our different brands

DIGITAL : EFFIGAME

More than 10,000 users on EFFIGAME (Digital Training + Interactive videos for sellers)

1.4. KEY DATES

The current structure of BPF is the result of the grouping of the financing activities of Citroën launched in 1919 and of those of Peugeot launched ten years later. Both automobile manufacturers included financing in their growth strategy early on, making the acquisition of a vehicle accessible to the largest number of buyers.

PSA Finance Holding becomes Banque PSA Finance (BPF), a credit institution accredited by the Banque de France. It now works in 17 countries.

BPF creates PSA Insurance, bringing together the necessary expertise for the growth and proper management of the insurance and services activity.

BPF and the Santander Group sign an agreement in Europe and Brazil for Peugeot, Citroën and DS Automobiles.

The Opel and Vauxhall Brands join Groupe PSA, which has now become the second largest automobile manufacturer in Europe.

With the acquisition of the financing activities of Opel Vauxhall, BPF strengthens its cooperative business-model, creating a new organization: Opel Vauxhall Finance, in cooperation with BNPP PF.

1.5 KEY FIGURES

17

COUNTRIES

3500

EMPLOYEES IN THE WORLD

932 600

FINANCED VEHICLES

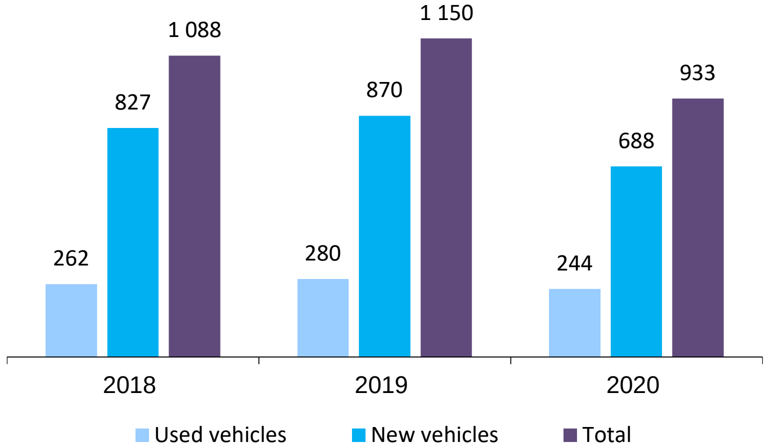
1 604 100

INSURANCE AND SERVICES CONTRACTS SOLD

KEY FIGURES BPF (OUT OF CHINA)

End-user financed vehicles*,

(In thousands of vehicles)



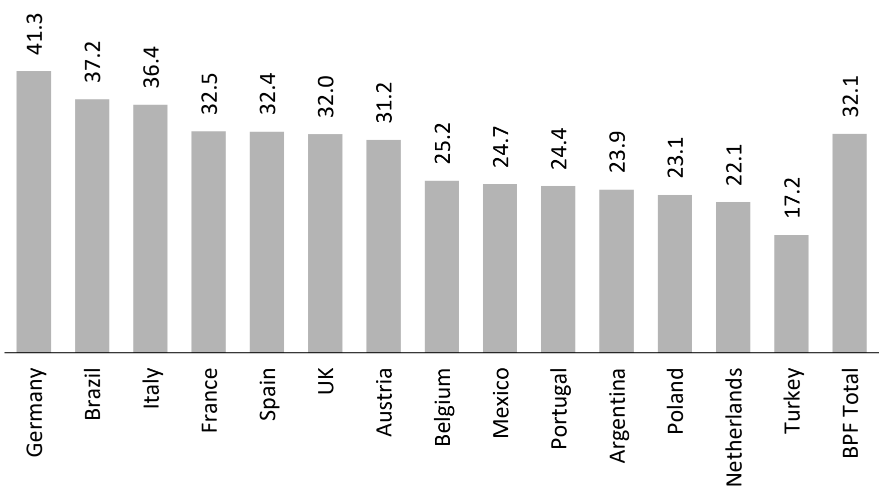
(*) integration of Retail financing (sale on credit/operational lease and financial lease) to dealers' network; impact on volumes is +13 374 loans in 2018, +15 286 loans in 2019 and 12 929 in 2020

1.5 KEY FIGURES

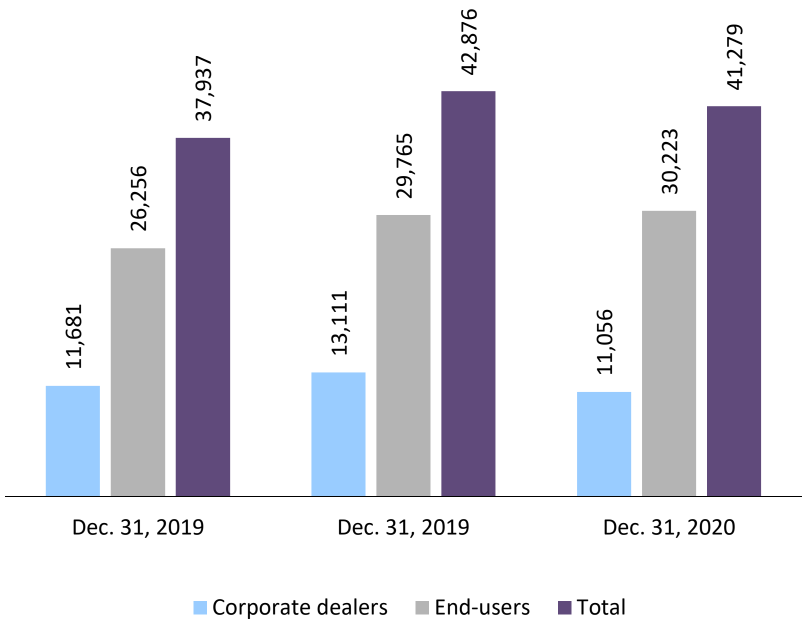
BPF KEY FIGURES (OUT OF CHINA)

Penetration rates by country (in %) at December 31, 2020

(Financed new vehicle BPF/Registered new vehicles for PSA brands)



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

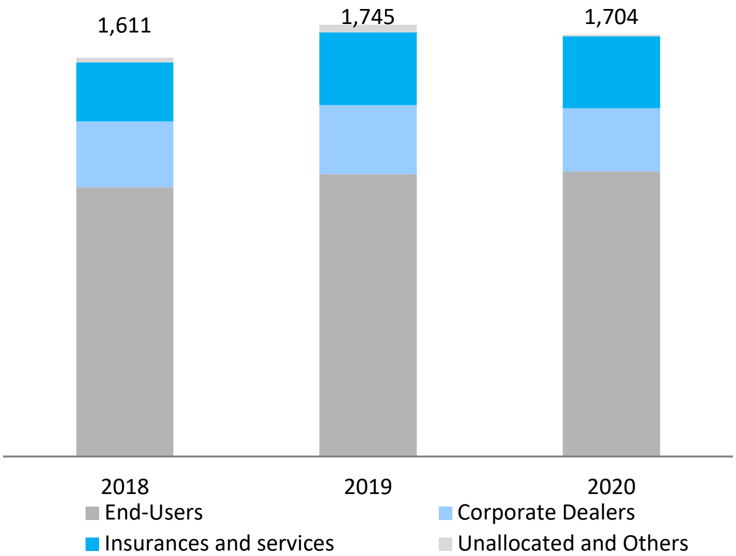


1.5 KEY FIGURES

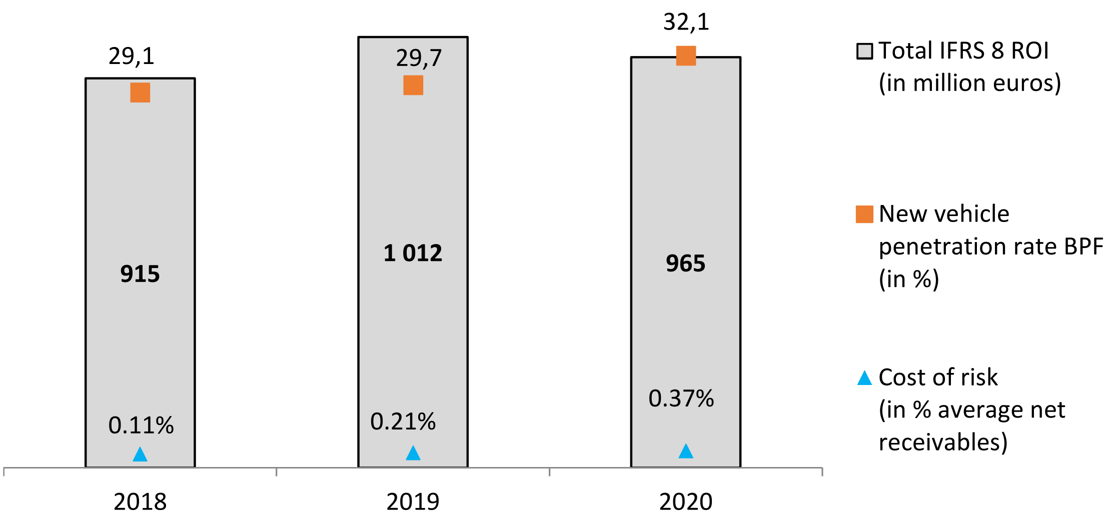
BPF KEY FIGURES (OUT OF CHINA)

Evolution of Net Banking Revenue, in IFRS 8

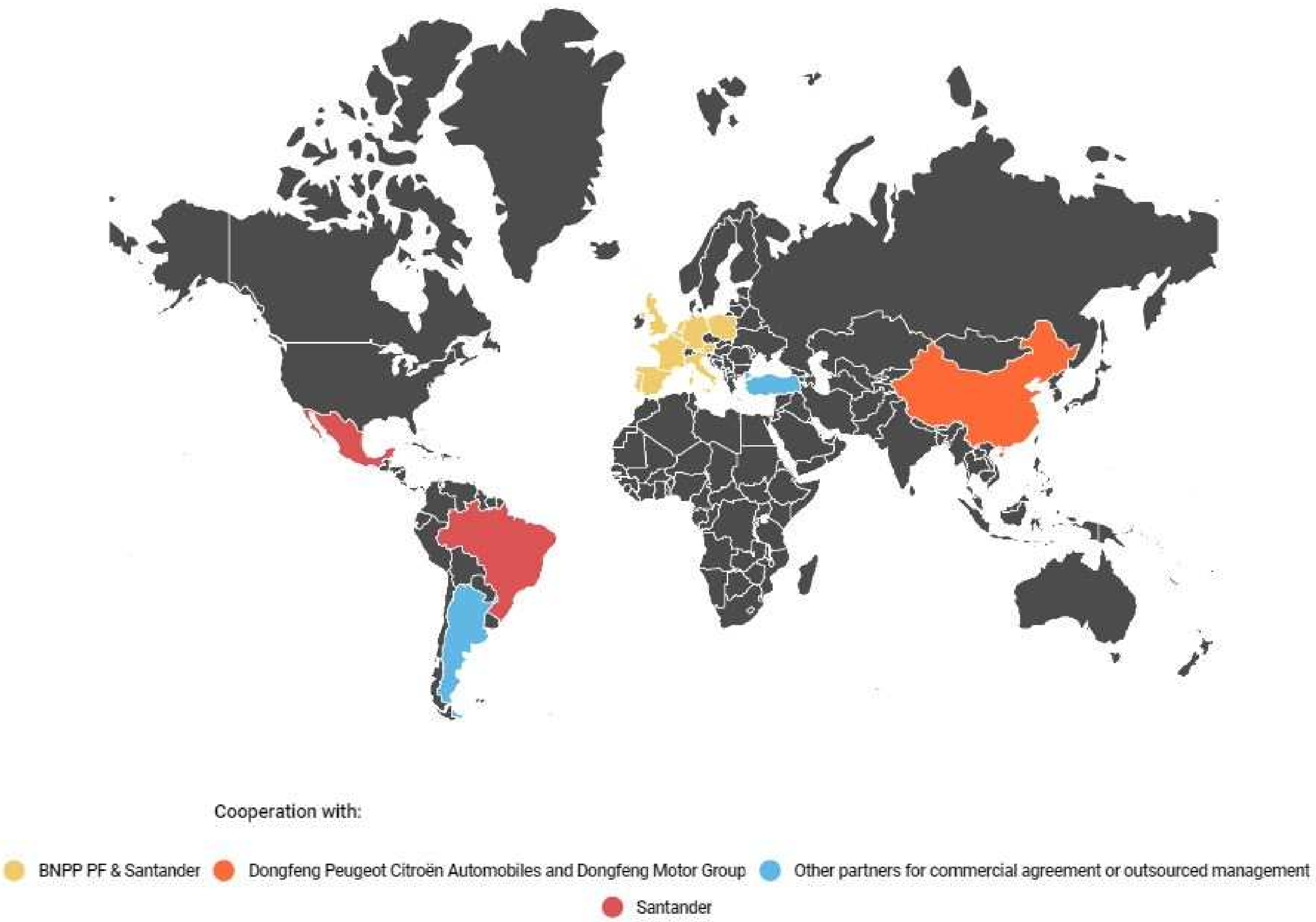
(In millions euros)



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



1.6 LOCATIONS & PARTNERSHIPS



BPF: A partnership strategy

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

1.7 STRATEGY & VISION

The strategy of Banque PSA Finance (BPF) is to support Groupe PSA in implementing and rolling out its "Push to Pass" and "PACE!" strategic growth plans. It is a strategy with four dimensions:

1. A business model based on cooperation

In 2015, BPF set up a business model based on cooperation so as to provide financing at the lowest cost. An initial joint-venture started in 2015 with the Santander Group, in 11 European countries and Brazil in support of the sales activities of the Peugeot, Citroën and DS Automobiles Brands. A second agreement signed in 2017 to acquire the financing activities of Opel Vauxhall in a joint venture with BNP Paribas Group, forming Opel Vauxhall Finance (OVF). Other financial and service agreements are in place in Argentina, China, and Mexico.

2. A mobility player and payment facilitator

BPF supports Groupe PSA so that it can become a major global player in new mobility services for consumers, by joining services, insurance and mobility solutions to all projects and products for B2B, and later B2C, customers. BPF offers e-payment solutions through an operational partnership with leading companies to allow quick, easy payments for the services and products marketed by Groupe PSA.

3. New frontiers

BPF supports the international expansion of Groupe PSA, particularly into the fastest-growing emerging markets. In this way BPF takes its place in new markets, in partnership with a local bank or manufacturer, so as to be up and running quickly while limiting costs.

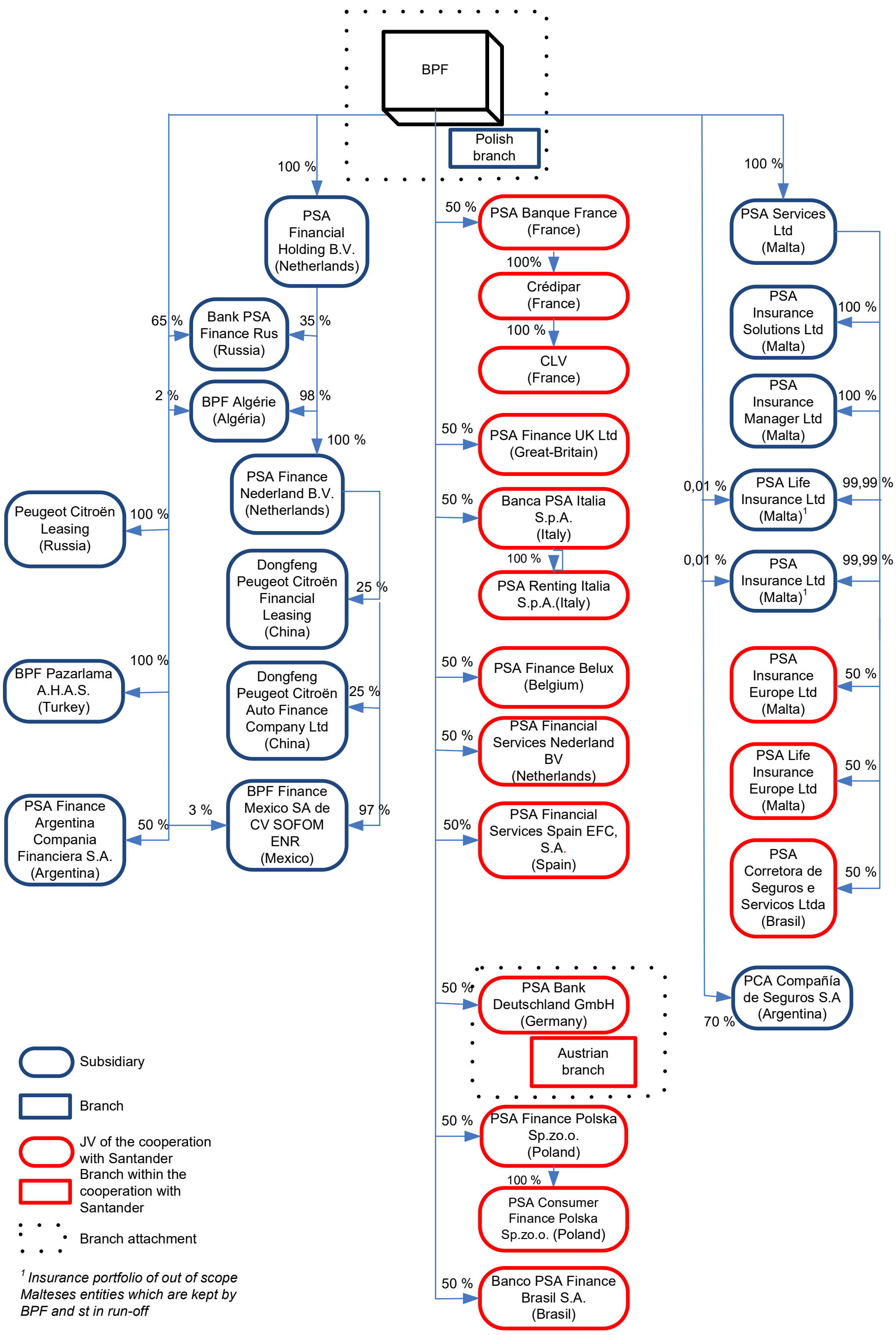
4. Digital transformation

BPF is part of the digital strategy of the Group's growth plan, the goal of which is to place customers at the heart of its activities. BPF is redesigning the pathway of online customers so that they can perform their own financing and insurance simulations and explore the "contract life cycle" on personal pages. Lastly, the e-signature of financing agreements has become reality for the majority of customers. In addition, BPF supports brands in the development of “on selling on line” by integrating financing, service and insurance solutions into the digital journeys of countries.

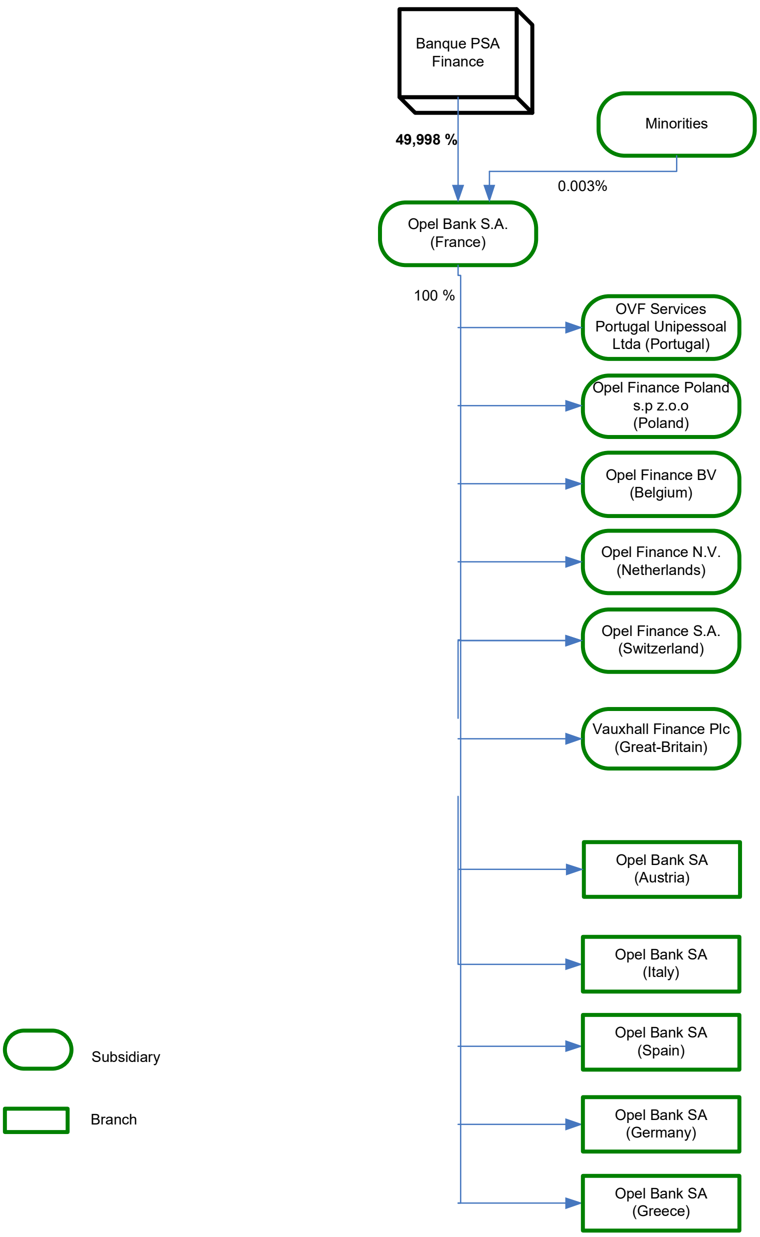
1.8 ORGANIZATIONAL CHARTS

The following organizational charts only show the BPF entities with significant operations.

Organizational chart for Peugeot Citroën DS Finance perimeter



Organizational chart for Opel Vauxhall Finance perimeter



1.9 BUSINESS ANALYSIS OF BANQUE PSA FINANCE

1.9.1 COMMERCIAL RESULTS OF GROUPE PSA

Worldwide sales at 2.5 Million units, in a year impacted by the health crisis

- 17 electrified models on sale
- Three awards from automotive experts: Car of the Year, Autobest and IVOTY
- Leadership in CO_2 emissions and compliant from day one with 2020 European targets
- Increase of Group's market shares in the fourth quarter in its core regions, with significant progress in Middle East and Africa

An electrified leadership, with a smooth and performant transition from ICE to electric

The Group's electric offensive continued throughout the year with all brands now offering either electric plug-in hybrid or full electric models. Today, Groupe PSA offers to customers a choice of 17 electrified models (either on the road or available to order).

By the end of 2021, Groupe PSA's electrified range will consist of 23 models, with six new electrified vehicles coming during the year.

In parallel, Groupe PSA continued to improve significantly the CO_2 efficiency of ICE engines and vehicles.

Meet customer expectations, from experts' awards to ongoing e-selling

In 2020, seven of our last launches were recognized by automotive experts with three global awards, demonstrating that our products match with customer expectations.

This year of crisis was also an opportunity to develop e-selling. With an average of 4,000 sales per month during the second part of the year, the Group has sold 40,000 vehicles, including all cars sold to employees and all Citroën Ami, in three countries in Europe. The Group's target is to reach 100,000 digital sales in Europe by the end of 2021.

Europe: back to growth in the last quarter and focused on CO_2 performance

In 2020, the Group's sales volumes recovered strongly in the second half of the year (+40% vs H1) and the Group returned to growth in the last quarter with an increase of its market share (+0.5pt vs Q3) with an increase of Peugeot (+ 0.1 pt year-on-year) and DS Automobiles (+0.1 pt year-on-year on the premium market), and a rebound of Opel-Vauxhall in Q4 (+0.3 pt compared to Q4 2019). The Group also managed to keep a strong position in its main market with France increasing slightly its market share in 2020 (+0.14 point).

The Group remained focused on CO2 performance and met European targets in 2020, as committed. It complied with its CO2 objectives both on the optimization of ranges in terms of ICE emissions and on the growth of LEV sales volumes (clear take off with 120,000 registrations in 2020).

Middle East and Africa: strong commercial offensive

Groupe PSA's market share in Middle East and Africa gained 2.1 pts at 7.2%. In a market that has declined by -14%, the regional deliveries have increased by 21% vs 2019 and reached more than 201 000 units. Breakthroughs were made in several countries from which Egypt (+3.8 pts), Turkey (+1.4 pt) and Morocco (+0.7 pt).

2020 witnessed a significant industrial evolution in Groupe PSA's footprint in the region with the Kenitra plant production capacity doubled and the production launch of the Citroën Ami.

China: month-on-month sales growth since September after a challenging H1

After a challenging first half, sales have been growing month-on-month from September onwards and reached in December 2020 the level of December 2019.

The new business model of DS in China is in place with a fully owned subsidiary focused on execution with cars either imported or locally manufactured. DS 9 is planned to be launched in the first half of 2021.

Latin America: facing the crisis with resilience

Latin American markets were badly hit by the coronavirus crisis along the year (with decreases ranging from -27% to -31% versus 2019) but Groupe PSA achieved a strong sales recovery process and was able to reach a higher market share in the fourth quarter 2020 than in the same period in 2019: 2.5% versus 2.3%.

In Argentina, its market share increased from 10.1% in 2019 to 10.5% in 2020, supported by launches such as the New Peugeot 208, locally produced (Palomar) on the state-of-the-art CMP platform, and the Citroën C5 Aircross. The New Peugeot Landtrek 1-tonne pickup truck was launched in the second half of 2020 in Mexico, where the Group's market share is now above 1% for the first time.

India & Asia Pacific: increase in Group market share

Groupe PSA market share improved for the region in 2020, in spite of a decrease of the consolidated sales by 6.6%, beating a market in decline of 18.3% compared to 2019.

In India, the introduction of the Citroën Brand is expected for the first semester of 2021 with Citroën C5 Aircross SUV, and will be followed by new and disruptive models designed locally.

1.9.2 COMMERCIAL PERFORMANCE FOR BANQUE PSA FINANCE

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

The figures for China are presented separately.

PENETRATION RATE BY COUNTRY

Countries	New Vehicle Financing BPF (passenger and utility vehicles)[1] 2020	New Vehicle Financing BPF (passenger and utility vehicles)[1] 2019	Penetration rate BPF (in %) 2020	Penetration rate BPF (in %) 2019
France	217,576	252,182	32.5	28.8
United Kingdom	84,660	110,092	32.0	27.9
Germany	119,045	148,852	41.3	38.3
Italy	85,094	106,208	36.4	31.7
Spain	66,630	98,842	32.4	31.1
Belgium	26,483	30,966	25.2	22.7
Netherlands	15,306	19,567	22.1	20.7
Austria	9,667	11,745	31.2	26.9
Switzerland [2]	3,148	9,413	28.8	30.4
Poland	10,464	14,371	23.1	22.7
Portugal	10,000	16,809	24.4	26.6
Europe	**648,073**	**819,047**	**33.0**	**29.9**
Brazil	9,970	17,717	37.2	37.1
Argentina	8,118	7,952	23.9	17.9
Mexico	2,381	2,825	24.7	26.2
Latin America	**20,469**	**28,494**	**29.1**	**27.6**
Russia		1,520		27.1
Turkey	18,272	14,161	17.2	26.6
Rest of the World	**18,272**	**15,681**	**17.2**	**26.7**
Total without China	**686,814**	**863,222**	**32.1**	**29.7**
China [3]	**21,520**	**57,036**	**44.1**	**44.2**

[1] Passenger cars and light commercial vehicles loans,
[2] PSA Finance Switzerland is in the perimeter until 30.06.2020
[3] Change of perimeter with integration of DS; impact 2019 on penetration -9 points and on contracts +55 units.

Over the full year in 2020, 686,814 new vehicle (NV) contracts were signed for the Peugeot, Citroën, DS, Opel and Vauxhall brands, down by 20.4% given the impact of Covid-19.

The development of loyalty products (balloon installment contracts, buyback contracts, long-term leases) continued and represented over 70% of new vehicle financing in the B2C segment (individuals and employees) for European countries. These products bolster renewal rates for the Group's Brands.

A. MARKETING POLICY AND PERFORMANCE

In 2020, Banque PSA Finance (BPF) financed 32.1% of Groupe PSA's new vehicle sales. Groupe PSA comprises Peugeot, Citroën, DS Automobiles ("PCD") scope and the Opel, Vauxhall ("OV") scope. Penetration increased by 2.4 points compared to 2019.

In a context heavily impacted by the health crisis, new vehicle registrations were down by 43% in the European markets in the first half of the year. In the second half of the year, the market rebound and the success of the measures implemented helped to limit the decline in registrations over the year as a whole to 28.4%. In terms of markets outside of Europe (PCD only), volumes declined by 43.8% in Brazil and by 23.8% in Argentina.

In this context, total new and used vehicle financing fell by 19%.

Significant recovery plans were put in place in the second half of the year and led to an increase in vehicle penetration (+3.1 points in Europe) and in used vehicle volumes. Several types of actions have been put in place: specific financing campaigns, development of the digital channel, new services such as unemployment insurance or Covid insurance and finally an optimized organization for customer relations in order to respond to the many requests for restructuring of contracts. Overall, this system has resulted in a volume of 932 603 units.

It should be noted that the development of sales of electric and hybrid vehicles and the significant weight of loyalty-building offers have led to a significant increase in the average BPF unit financed amount, which reached almost €16,700 in 2020 in terms of new vehicles. In used vehicles, the average amount financed is €11,300.

B. NEW VEHICLE FINANCING

In 2020, BPF financed 686,814 new vehicles distributed by Groupe PSA's dealerships.

Europe

In Europe, the number of new vehicle financing contracts for the Peugeot, Citroën, DS, Opel and Vauxhall brands was directly impacted by the reduction in registrations related to the current public health context. In terms of volumes, the number of contracts fell by 20.9% to stand at 648,073 for the five brands.

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

In France: 217,576 contracts representing a penetration of 32.5% i.e. an increase of 3.7 points. The main reason for this increase is a strengthening of B2B performance. At the same time, the high level of B2C performance was maintained

In Germany, performance improved significantly with 41.3% penetration, i.e. +3 points compared with last year. Improved synergies between the brands, an innovative marketing action plan and sound B2B performance were the principal drivers of these good results;

In Spain, performance was up thanks to the renewal of PCD campaigns. Regarding OVF, stable penetration in a disrupted sales environment. Overall, penetration stood at 32.4%, i.e. 1.4 points more than last year.

In the United Kingdom, in a context disrupted by both the health crisis and Brexit, the situation remains tense for PCD due to a decline in performance in the B2B segment. With regard to used vehicles, performance is up thanks to a B2C penetration of over 75% combined with an increase in the B2B performance. Overall, penetration reached 32%;

In Italy, performance improved with a larger eligible market enabling a penetration of 36.4% (i.e. 4.7 additional points) to beachieved. Note that the proportion of loyalty products continues to grow;

In Belgium and Luxembourg, in a highly competitive market, performances improved with a penetration of 25.2%, i.e. +2.5 points. Significant marketing initiatives for new and used vehicles have been introduced to support the recovery in business activity;

In Poland, continued growth with penetration up by 0.4 point. Renewed efforts with the Brands and strengthened positions in B2B were the keys to improved performance.

Latin America (PCD only)

In Argentina the auto market was impacted by the economic situation involving high inflation and very high interest rates. Against this background, financing penetration improved by 6 points to 23.9%.

In Brazil, despite the significant impact of the health crisis, penetration remained at a high level of 37.2% thanks in particular to a larger eligible market.

In Mexico, given the significant risk related to some market segments (small businesses, craft and tradespeople), overall performance declined by 1.4 points. In the second half of the year, significant efforts were made to strengthen actions with the Brands and a new commercial strategy was defined to improve performance. The first results should be visible in early 2021.

Other countries

Turkey: In a growing market, performance in financing was down due to strong competition from banking and a less service-oriented commercial policy in the first half of 2020. A new sales system with the brands was launched in the second half of the year, resulting in an increase in performance at the end of the year.

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

In China (PCD only)

After a sharp fall related to the impact of Covid-19, the Chinese automobile market has recovered considerably since May. At the end of December, the retail market was estimated at a total of 18.7 million units, down by 1.4 million vehicles, i.e. -7.1%. Registrations of the Peugeot and Citroën and DS brands amounted to 48,759 units at end-December 2020 versus 129,144 in 2019 (-62%).

The volumes of new DPCAFC and DPCFLC contracts were naturally impacted by this decrease in DPCA volumes, especially as the refocusing of DPCA towards more high-end models reduced the B2B activity, which was also transferred to the leasing company DPCFLC, as of August 2020. The penetration rate of financing granted by DPCAFC and DPCFLC for DPCA and DS vehicles was maintained at 41.4% total compared with 42.4% in 2019 with 21,520 financing agreements compared with 57,036 in 2019.

DPCAFC actively pursued the development of its business in terms of used vehicles and the financing of other brands, with a total of 49,338 loans granted against 31,952 in 2019, an increase of more than 54%, which partially offset the decline in volume-related activity. In this context marked by the Covid-19 crisis, DPCAFC has succeeded in maintaining strict control of the cost of risk and at the same time is continuously improving its risk selection systems to adapt them to its new clienteles. At the end of 2020 after an increase in relation to the Covid crisis the levels of arrears had returned to their level at the end of 2019.

The leasing company DPCFLC granted 9,374 new contracts against 2,388 the year of its launch in 2019 (April), including 1,331 for our brands, and 8,043 for new vehicles of other brands and used vehicles. A new range of products for end-customers, with Ballon, was launched and convinced 180 customers.

The total outstandings of the two entities thus reached €1,176m at end of period versus €1,375m at the end of December 2019, i.e. a limited decrease of 14.5% thanks to used vehicles and other brands, and the launch of the FLC.

C. USED VEHICLE FINANCING

On the overall scope, 244,103 used vehicle financing contracts were completed in 2020, i.e. -12.7% compared to last year due to the impact of the health crisis. Nevertheless, the penetration of the label (for PCD) increased and reached 27.2% in 2020 compared to 26.4% in 2019. It should be noted that the European scope represents 96% of production.

Following the example of the new vehicle activity, specific offers have been put in place to support the recovery of activity: reinforcement of loyalty offers, deferred payment, promotional campaigns with the brands. A significant mechanism will be maintained in the first half of 2021 to maintain momentum. In terms of production, G5 volumes represent 88% of all contracts completed. It is worth highlighting the increase in loyalty-building offers, also in used vehicles, which represented 33.4% in 2020 (for PCD).

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

D. FREE2MOVE LEASE

Free2Move Lease (F2ML), a business unit with BPF and PSA entity created in 2016, aims to develop the Group’s B2B Long-Term Leasing activity.

This organization covers the main European countries and supports subsidiaries of the five brands (Peugeot, Citroën, DS, Opel and Vauxhall) and certain importers. It offers an extended range of services to companies, with connected services (Connect Fleet, Car Sharing, etc.) and the sale of new services, in particular related to the electrification of fleets. This allows it to meet the needs of all companies, from small SMEs to large accounts, including the public sector.

In 2020, in the G10 scope comprising France, Great Britain, Germany, Spain, Italy, Belux, the Netherlands, Portugal, Poland and Austria, despite the difficulties related to an unfavorable economic activity, F2ML saw its volumes increase:

Concerning the Peugeot, Citroën and DS brands, volumes decreased by 8.3% in number of vehicles registered, with 109,079 units financed, but with a market share in the B2B sale of the Brands at 16.5%, an increase compared to the previous year of 2.3 points;

For Opel and Vauxhall, the number of units financed was 27,218 (+17.3% compared to 2019, for a penetration of 13%, i.e. 5 points more than in 2019).

The pro-active management of contracts, the efficiency gains in the process of returning vehicles at the end of the contract, as well as the good performance of the used vehicle markets have enabled F2ML to become the second largest player in the French market.

Already the leader in three countries in terms of service quality (benchmark Statmetrics Dec. 2020), Free2Move Lease aims to be number one in quality in all of its countries in 2021. It also aims to continue to grow both in penetration and volume, benefiting from the expected market recovery.

1.9.3 END-USER FINANCING AND SAVINGS PRODUCTS

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

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

A. NEW VEHICULE FINANCING AND USED VEHICULE FINANCING

Excluding China, the total production of financing for end-customers amounted to 919,674 projects, down by 19% compared to the same period the previous year.

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

(in number of contracts)	2020	2 019	% change
Installment contracts	509,951	668,221	- 23.7
Leasing activity and other financing	409,723	466,625	- 12.2
TOTAL	**919,674**	**1,134,846**	**- 19.0**

(in million euros, excluding accrued interests)	2020	2 019	% change
Installment contracts	6,320	8,169	- 22.6
Leasing activity and other financing	7,099	7,415	- 4.3
TOTAL	**13,419**	**15,584**	**- 13.9**

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

(in number of contracts)	2020	2 019	% change
End-user financing	**919,674**	**1,134,846**	**- 19.0**
of which new vehicles	675,571	855,296	- 21.0
of which used vehicles	244,103	279,550	- 12.7

(in million euros)	2020	2 019	% change
End-user financing	**13,419**	**15,584**	**- 13.9**
of which new vehicles	10,694	12,599	- 15.1
of which used vehicles	2,725	2,985	- 8.7

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

(in number of contracts)	2020	2 019	% change
France	294,190	339,351	- 13.3
United Kingdom	150,650	189,190	- 20.4
Germany	160,110	194,760	- 17.8
Italy	96,129	117,224	- 18.0
Spain	76,831	111,484	- 31.1
Belux	30,367	35,675	- 14.9
Portugal	11,234	18,827	- 40.3
Netherlands	19,348	23,587	- 18.0
Switzerland	7,096	16,358	- 56.6
Austria	16,290	19,222	- 15.3
Poland	12,670	16,145	- 21.5
Europe	**874,915**	**1,081,823**	**- 19.1**
Brazil	13,790	23,982	- 42.5
Argentina	8,624	8,695	- 0.8
Mexico	2,410	2,859	- 15.7
Latin America	**24,824**	**35,536**	**- 30.1**
Russia		1,765	- 100.0
Turkey	19,935	15,722	+ 26.8
Rest of the World	**19,935**	**17,487**	**+ 14.0**
Total	**919,674**	**1,134,846**	**- 19.0**

END-USER FINANCING ACTIVITY IN CHINA AND OUTSTANDING IN CHINA

	2020	2 019	% change
End-user loans *(including leases)*			
Number of vehicles financed (new and used)	78,901	89,098	- 11.4
Amount of financing *(in million euros, excluding interests)*	745	826	- 9.8

Outstanding loans *(in million euros)*	Dec. 31, 2020	Dec. 31, 2019	% change
End-user loans *(including leases)*	1,050	1,249	- 15.9
Corporate dealers loans	125	126	- 0.8
Total loans	**1,176**	**1,375**	**- 14.5**

B. RETAIL SAVING BUSINESS

Retail savings is a business for BPF in France and Germany, owned 50/50 by Banque PSA Finance and Santander Consumer Finance. The retail savings product in France and Germany consists of savings products and term deposits. The proportion of outstanding amounts is 88% for savings accounts and 12% for term deposit accounts.

In France, results were very satisfactory, with an increase in the volume of deposits from €2,585 million at December 31, 2019 to €2,828 million at December 31, 2020. Despite the health crisis, the Distingo offer remained attractive to customers and prospects, and collection was in line with targets.

In Germany, individual savings were slightly up compared with December 31, 2019. Outstanding loans represented €1,633 million at December 31, 2020 (of which €157 million in term deposit accounts).

With regards to OVF, the German subsidiary of Opel Bank S.A. (France) is offering deposit accounts through an online platform to its customers in Germany. The bank is offering overnight deposits and term deposits (1, 2, 3 years). Total volume of deposits at December 31st, 2020 increased slightly to €1,574 million. Deposit funding continued to be a very stable funding source.

SAVINGS BUSINESS

	IFRS8		
	Dec. 31, 2020	**Dec. 31, 2019**	**% change**
Outstanding (customers deposits) *(in million euros)*	**6,035**	**5,684**	+ 6.2
Of which France ("Distingo", PCDF perimeter)	2,828	2,585	+ 9.4
Of which Germany (PCDF perimeter)	1,633	1,572	+ 3.8
Of which Germany ("Opel Bank Deposits", OVF perimeter)	1,574	1,527	+ 3.1

1.9.4 CORPORATE DEALER LOANS

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

	2020	2 019	% change
Number of vehicles	**1,996,755**	**2,598,002**	**- 23.1**
Amount *(in million euros)*	**51,020**	**62,413**	**- 18.3**
of which vehicles	48,521	59,573	- 18.6
of which spare parts and other financing	2,499	2,840	- 12.0

PRODUCTION OF NEW FINANCING FOR CORPORATE DEALERS CUSTOMERS IN CHINA

Corporate dealer loans	2020	2 019	% change
Number of vehicles financed	37,164	69,756	- 46.7
Amount of financing *(in million euros, including spare parts)*	580	948	- 38.8

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

In 2020, excluding China, 1,996,755 vehicles were financed within the Groupe PSA dealership network. This represents a Covid-19-related reduction of 23% compared with 2019 which led to the temporary closure of sales outlets for three to four months in almost all of the countries in which BPF operates. The amount of new financing offered declined by 18.3%, which was directly related to the impact of Covid-19 on volumes.

In China, thanks to the increased penetration of dealer financing which went from 65.4% to 81.2%, DPCAFC was able to slightly offset the marked reduction in dealer invoicing by DPCA. As a result, 37,164 vehicles were financed compared with 69,756 in the same period of the previous year (-46.7%). Outstandings at the end of the period were stable at €125m (-0.8%) thanks to the stronger sales pace in the last quarter.

1.9.5 INSURANCE AND SERVICES

PRODUCTION OF NEW INSURANCE AND SERVICE CONTRACTS

(in number of contracts)	2020	2 019	% change
Financial services	644,737	810,887	- 20,5
Car insurance	227,642	268,826	- 15,3
Vehicle-related services	731,734	901,428	- 18,8
Total	**1,604,113**	**1,981,141**	**- 19,0**

PENETRATION RATE ON FINANCING

(In %)	2020	2 019	% change
Financial services	69.1	70.5	- 1.4
Car insurance	24.4	23.4	+ 1.0
Vehicle-related services and other Services	78.5	78.4	- 0.1
Total	**172.0**	**172.3**	**- 0.3**

Very early on, PSA anticipated the need to build high value-added mobility products for the end-user, insurance and services guaranteeing extensive protection and mobility. In this perspective, the Insurance Business Unit was created, with the mission of overseeing insurance matters, monitoring commercial performance and managing insurance companies, brokers owned by PSA or intermediation activities in Europe, Turkey, China, Argentina, Mexico and Brazil.

BPF and the Peugeot, Citroën, DS, Opel, Vauxhall and Free2Move Brands offer the retail customer a line of insurance and services — personal, automotive, financial and mobility — that may or may not be marketed along with the loan (credit protection insurance, gap insurance, cosmetic warranty, car insurance, extended warranty, maintenance and service contracts, etc.).

For the entire BPF scope, the overall penetration was almost two contracts per client financed, very close to the results of 2019 despite an unfavorable overall environment in 2020. This context necessitated the adaptation of the product range in order to meet the new customer needs and more than 50 service and insurance products were launched accordingly in 2020 for all the Group's brands.

Lastly, as a major component of an automotive or mobility line, Car Insurance continues to be the service with great growth potential. In 2020, almost 11% of Groupe PSA's registrations were sold with car insurance and the offer was present in all markets where BPF is present – an increase of 1.3 points compared to 2019. The electric vehicles, the connected cars and the car-sharing present changes that should have a significant impact on this product, such as the usage-based insurance. The experience garnered from several years of putting this product into the Brands gives PSA and BPF a definitive advantage in keeping up with changes in this product.

The levels of commercial performance achieved each year demonstrate the relevance of the Insurance and Services strategy developed in all the markets in which BPF is present. In 2020, it continued to make a significant contribution to Groupe PSA's production margin, amounting to €291 million.

1.9.6 OTHER INFORMATION

1.9.6.1 EMPLOYEES

At December 31, 2020, the number of employees of BPF subsidiaries and branches on a full time equivalent basis was 108.

Additionally, there were 376 employees in the automotive activity, on site or seconded throughout BPF, whose employees are managed through the Group's Human Resources policy, the details of which are provided in Groupe PSA's Registration Document.

The 2,994 employees of the Companies under joint ventures as part of our cooperation agreements are also accounted for by the joint ventures.

1.9.6.2 REAL ESTATE HOLDINGS

BPF does not own any real estate and our registered office is located in premises rented by Groupe PSA. The premises used by BPF offices in France and overseas are also under lease-finance or rental contracts.

1.9.6.3 LEGAL PROCEEDINGS AND INVESTIGATIONS

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

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

Following an investigation conducted in May 2017 against various financial captives located in Italy, including Banca PSA Italia S.p.A. (and extended to BPF in its capacity as parent company) and Opel Finance S.p.A, aiming for possible exchanges of sensitive information between these captives, notably through professional associations, the Italian competition authority, in early 2019, sentenced all captives, as well as their parent companies, and professional associations for a cumulative amount exceeding €678m.

BPF, Banca PSA Italia S.p.A. and Opel Finance S.p.A., which were fined approximately €38.5m, €6m and €10m respectively (it being specified that Opel Finance S.p.A. was jointly and severally convicted with General Motors, which was, at the beginning of the proceedings, its parent company), had appealed against this decision.

On November 24, 2020, the court (TAR Lazio in Rome) overturned the Italian competition authority's decision in its entirety. At the end of December 2020, the Italian competition authority decided to appeal this decision before the Council of State.

1.9.7 OUTLOOK

BPF will continue to affirm its vocation to fulfill with the highest level of operational excellence its role as “Captive Finance Institution” in the new environment of the Stellantis group, for the Peugeot, Citroen, DS, Opel and Vauxhall brands. Existing partnerships and our commercial agreements are governed by agreements that existed before the merger, which has no immediate effect on them. The objective remains to support the sales of the brands and support them in their strategic plans as suppliers of mobility solutions and of energy transformation with innovative and digitized financing and service offers.

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1.10 ANALYSIS OF FINANCIAL RESULTS

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

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

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

Note 25.2 of the consolidated financial statements shows the transition between consolidated data and IFRS 8 data

STATEMENT OF INCOME

(in million euros)	*Consolidated*[1]			*IFRS 8*[1]		
	2020	**2019**	**% change**	**2020**	**2019**	**% change**
Net banking revenue without OVF PPA[2]	*23*	*50*	*- 54,0*	*1 661*	*1 663*	*- 0,1*
Net banking revenue including OVF PPA[2]	23	50	- 54,0	1 704	1 745	- 2,3
General operating expenses and equivalent[3]	-20	-27	- 25,9	-589	-651	- 9,5
Cost of risk	1	1	+ 0,0	-150	-82	+ 82,9
Recurring Operating income	**4**	**24**	**- 83,3**	**965**	**1 012**	**- 4,6**
Share in net income of associates and joint ventures accounted for using the equity method[4]	351	372	- 5,6	11	16	- 31,3
Other Non operating income[5]	-27	2	- 1 450,0	-36	-18	+ 100,0
Pre-tax net income	**328**	**398**	**- 17,6**	**940**	**1 010**	**- 6,9**
Income taxes	7	-1	- 800,0	-263	-255	+ 2,7
Net income	**335**	**397**	**- 15,6**	**677**	**755**	**- 10,3**

1 - The items on the income statement transitioning from IFRS 8 to Consolidated format can be found in note 25.2 of the consolidated financial statements.

2 - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had a positive impact on the Net Banking Revenue of €43 million at the end of December 2020, vs €82 million at the end of December 2019, in IFRS 8 format. This effect is mainly allocated to End-user activities.

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

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

5 In October 2020, Economy Drive Cars Limited and Vernon Wholesale Investment Company Ltd were liquidated, with a significant impact (-€22 million) in the consolidated financial statements of the Banque PSA Finance group.

1.10.1 NET BANKING REVENUE

NET BANKING REVENUE (« NBR ») BY PORTFOLIO

(in million euros)	*Consolidated*			*IFRS 8*		
	2020	**2019**	**% change**	**2020**	**2019**	**% change**
End-users	0	5	- 100,0	1 152	1 141	+ 1,0
Corporate dealers	0	3	- 100,0	255	279	- 8,6
Insurances and Services (including net refinancing costs)	17	41	- 58,5	291	294	- 1,0
Unallocated and other[1]	6	1	+ 500,0	6	31	- 80,6
Total NBR including OVF PPA[2]	**23**	**50**	**- 54,0**	**1 704**	**1 745**	**- 2,3**
Total NBR without OVF PPA[2]	***23***	***50***	***- 54,0***	***1 661***	***1 663***	***- 0,1***

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

[2] - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had a positive impact on the Net Banking Revenue of €43million at the end of December 2020, vs €82 million at the end of December 2019, in IFRS 8 format. This effect is mainly allocated to End-user activities.

Consolidated net banking revenue was €23 million at December 31, 2020, with a hyperinflation accounting impact in Argentina of -€5.2 million on the NBR compared with -€9.8 million in 2019.

Net banking revenue in IFRS 8 format held up well and remained slightly below the level of 2019 at €1,704 million at December 31, 2020, compared with €1,745 million at December 31, 2019. Net banking revenue is derived primarily from net interest income on customer loans and leases, income from insurance and other services offered to the brands' customers.

At December 31, 2020 the NBR per IFRS 8 also included a €43 million reversal of the Purchase Price Allocation from the Opel Vauxhall Finance acquisition and was mainly allocated to the "End-User" business. Net of this effect, the NBR of operating activities was stable at €1,661 million.

1.10.2 GENERAL OPERATING EXPENSES AND EQUIVALENT

At end-December 2020, general operating expenses and equivalents amounted to -€20 million in consolidated format.

Per IFRS 8, general operating expenses decreased to -€589 million at the end of December 2020 compared with -€651 million at end-December 2019. The level of operating expenses was tailored to the situation and to the reduced business activity. Some expenses were canceled (such as business travel costs, marketing costs, etc.) and others deferred (such as IT projects, etc.).

1.10.3 COST OF RISK

The cost of risk in consolidated format was €1 million at December 31, 2020.

Per IFRS 8, the cost of risk was -€150 million, or -0.37% of average net outstanding loans, as compared to -€82 million and -0.21% of net outstanding loans in 2019.

The cost of risk for the End-User business per IFRS8 (individuals and businesses) was -€140 million or -0.47% of average net outstanding loans.

The cost of risk, which remains under control despite Covid-19, includes an additional provision of €29 million to the provisions arising from the IFRS 9 models used, in order to take account of the exceptional situation created by the Covid-19 crisis. In addition, the cost of risk includes two positive items in the amount of €4 million, namely the income from a disposal of receivables in Great Britain and Germany and a change to the accounting standard for treating defaults in Brazil.

The cost of risk for the Corporate Dealer business per IFRS 8 was reflected in an expense of -€10 million or -0.09% of average net outstanding loans. The cost of risk includes an additional provision of €8 million to the provisions arising from the IFRS 9 models used, in order to take account of the exceptional situation created by the Covid-19 crisis.

1.10.4 RECURRING OPERATING INCOME

Consolidated recurring operating income came to €4 million, down by €20 million compared with 2019 because of a change to the scope of consolidation.

Recurring operating income per IFRS 8 came to €965 million, down 4.6% compared to €1,012 million in 2019. This change is basically the result of an adjustment to the cost of risk. Despite the crisis period, net banking revenue was resilient, amounting to €1,704 million (-2.3% compared to the end of December 2019) and operating expenses were adjusted to reflect the situation and the decline in activity, falling from -€651 million to -€589 million at end-December 2020. OVF operating earnings were €172 million, including a positive €43 million effect linked to the reversal of the PPA (purchase price allocation). Net of this effect, OVF operating income was €126 million at the end of December 2020.

1.10.5 CONSOLIDATED NET INCOME

Net income in consolidated format amounted to €335 million, down by 15.6%.

1.11 FINANCIAL POSITION

1.11.1 BALANCE SHEET

Assets at December 31, 2020 totaled €47,182 million in IFRS 8 format, down 3.6%, primarily because of the -15.7% reduction in customer loans and receivables (down -€2.1 billion).

BALANCE SHEET

(in million euros)	*Consolidated*[1]			*IFRS8*[1]		
Assets	**Dec. 31, 2020**	**Dec. 31, 2019**	**% change**	**Dec. 31, 2020**	**Dec. 31, 2019**	**% change**
Financial assets at fair value through profit or loss	304	328	- 7.3	318	348	- 8.6
Loans and advances to credit institutions, at amortized costs	459	366	+ 25.4	2,712	2,876	- 5.7
Customer loans and receivables, at amortized costs	31	85	- 63.5	41,279	42,876	- 3.7
Deferred tax assets	2	3	- 33.3	114	108	+ 5.6
Investments in associates and joint ventures accounted for using the equity method	2,632	2,604	+ 1.1	125	127	- 1.6
Other assets	377	226	+ 66.8	2,634	2,615	+ 0.7
Total assets	**3,805**	**3,612**	**+ 5.3**	**47,182**	**48,950**	**- 3.6**

Equity and liabilities	**Dec. 31, 2020**	**Dec. 31, 2019**	**% change**	**Dec. 31, 2020**	**Dec. 31, 2019**	**% change**
Deposits from credit institutions	26	40	- 35.0	22,084	22,438	- 1.6
Due to customers	2	1	+ 100.0	6,546	6,089	+ 7.5
Debt securities	207	226	- 8.4	10,110	12,010	- 15.8
Deferred tax liabilities	0	4	- 100.0	485	396	+ 22.5
Other liabilities	178	152	+ 17.1	2,059	2,351	- 12.4
Equity	3,392	3,189	+ 6.4	5,899	5,666	+ 4.1
Total equity and liabilities	**3,805**	**3,612**	**+ 5.3**	**47,182**	**48,950**	**- 3.6**

[1] The items on the balance sheet transitioning from IFRS 8 to Consolidated accounts can be found in note 25.1 of the consolidated financial statements.

1.11.2 OUTSTANDING LOANS

OUTSTANDING LOANS BY CUSTOMER SEGMENT

(in million euros)	*Consolidated*			*IFRS 8*		
	Dec. 31, 2020	Dec. 31, 2019	% change	Dec. 31, 2020	Dec. 31, 2019	% change
Corporate dealers	30	75	- 60.4	11,056	13,111	- 15.7
End-users	1	10	- 92.7	30,223	29,765	+ 1.5
Total Customer Loans and Receivables	**31**	**85**	**- 64.1**	**41,279**	**42,876**	**- 3.7**

OUTSTANDING LOANS BY REGION

(in million euros)	*Consolidated*			*IFRS 8*		
	Dec. 31, 2020	Dec. 31, 2019	% change	Dec. 31, 2020	Dec. 31, 2019	% change
G5 countries[1]	0		- 95.4	37,471	38,142	- 1.8
Rest of Europe	1	3	- 75.2	3,500	4,230	- 17.3
Latin America	30	32	- 6.2	309	453	- 31.9
Rest of the world	0	50	- 99.8	0	50	- 99.8
Total	**31**	**85**	**- 64.1**	**41,279**	**42,876**	**- 3.7**

[1] G5 countries: France, United-Kingdown, Germany, Italy, Spain.

1.11.3 IMPAIRMENT OF OUTSTANDING LOANS

END-USER NON PERFORMING LOANS	Dec 31, 2020	Dec. 31, 2019
S3 oustanding loans (in million euros)	333	294
Ratio of impairment of S3 loans	62,0%	64,9%
S3 loans / total outstanding of all loans	1,1%	1,0%

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

The ratio of impairment of non-performing loans to total non-performing loans per IFRS 9 was 62% across the IFRS 8 scope, and was slightly lower than in 2019 (64.9%).

Application of the IFRS 9 norm

Provisioning models compliant with the IFRS9 norm have been developed in coordination with BNPP PF and SCF partners. Provisioning is now based on a forward-looking expected credit losses model (ECL) and all exposures are provisioned from the start, without a “defaulting event” having necessarily taken place.

Exposures are now segmented in 3 "stages", with a declassification to stage 2 when a significant credit risk degradation is detected from origination.

The statistical risk models were reviewed by an independent validation entity and the entire process was audited with the implementation of the new norm. The models are back-tested on a regular basis to ensure their stability and performance.

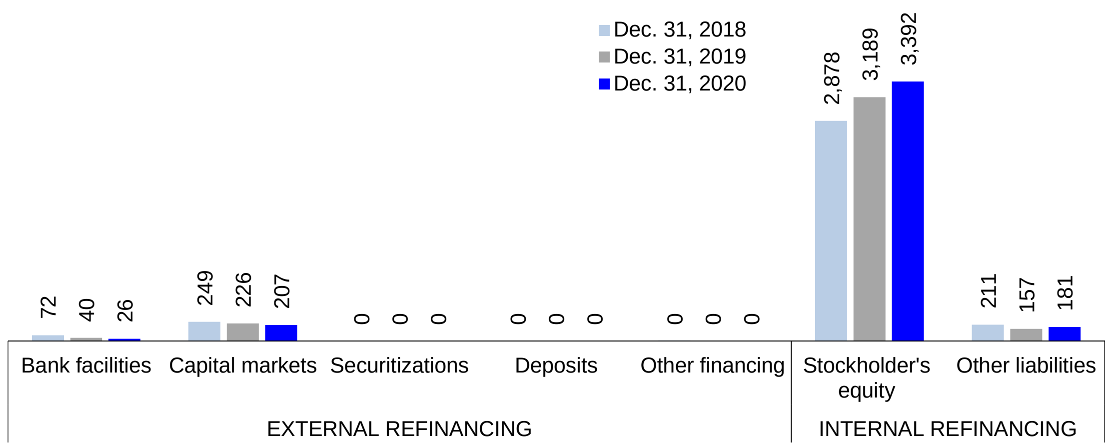
1.11.4 REFINANCING

FINANCING ARRANGEMENTS BY SOURCE

(in million euros)	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Bank facilities	**26**	**40**	**72**
Bonds + BMTN	*0*	*0*	*26*
EMTN	*204*	*223*	*218*
Other	*3*	*3*	*5*
Long-Term	***207***	***226***	***249***
CD	*0*	*0*	*0*
CP	*0*	*0*	*0*
Other	*0*	*0*	*0*
Short-Term	***0***	***0***	***0***
Capital markets	**207**	**226**	**249**
Securitizations	**0**	**0**	**0**
Deposits	**0**	**0**	**0**
Other financing	**0**	**0**	**0**
Total external refinancing	**233**	**266**	**321**
Stockholder's equity	3,392	3,189	2,878
Other liabilities	181	157	211
Total assets	**3,805**	**3,612**	**3,411**

SOURCES OF FINANCING (IN MILLIONS EUROS)

(EXCLUDING UNDRAWN AND CONFIRMED BANK CREDIT LINES)



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

For the financing of activities not in the scope of these partnerships, BPF relies on a capital structure and an equity ratio that is in compliance with regulatory requirements.

1.11.5 SECURITY OF LIQUIDITY

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

At December 31, 2020, the liquidity reserve (available invested cash) represented €591 million (see Note 20 to the consolidated financial statements) including €80 million of high-quality liquid assets, before weighting for the calculation of the liquidity coverage ratio (LCR). BPF's consolidated LCR was 784% at December 31, 2020.

Moreover, at December 31, 2020, BPF had undrawn committed credit facilities totaling €141 million (see Note 20 to the consolidated financial statements).

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

- the loss of direct or indirect ownership by Groupe PSA of the majority of BPF shares, other than as a result of the merger-absorption of Peugeot S.A. by FCA NV;
- BPF's loss of its status as a bank;

the failure to have maintained a minimum 11% ratio of Common Equity Tier One equity.

1.11.6 CREDIT RATINGS

Given the gradual establishment of joint ventures with Santander Consumer Finance and the increased financing of businesses, BPF decided at the beginning of 2016 to stop seeking ratings from credit rating agencies.

1.12 EQUITY, RISKS, PILAR 3

1.12.1 CAPITAL MANAGEMENT

At December 31, 2020, consolidated equity totaled €3,392 million, up €203 million compared to €3,189 million at December 31, 2019. The difference of €203 million is mainly due to consolidation of the 2020 earnings in the amount of €335 million, a dividend distribution of €112 million and the income and expenses recognized directly in equity for -€23 million in 2020 (see part 2.4 of the consolidated financial statements "Consolidated Statement of Changes in Equity Attributable to Equity Holders of the Parent and Minority Interests").

1.12.1.1 THE BANK'S EQUITY

The regulatory scope used to calculate the solvency ratio is identical to the scope of consolidation as described in Note 1.C to the consolidated financial statements, with the exception of the insurance companies. These are wholly-owned by BPF, accounted for using the equity method in the regulatory scope, and fully consolidated in the accounting scope (PSA services Ltd, PSA Insurance Ltd, PSA Life Insurance Ltd, PSA Insurance Manager Ltd, PSA Insurance Solutions Ltd and PCA Compañía de Seguros S.A.).

TRANSITION TABLE FROM THE CONSOLIDATED BALANCE SHEET TO THE REGULATORY BALANCE SHEET

(in million euros)	Consolidated Balance Sheet	Regulatory Restatements[1]	Regulatory Balance Sheet
Assets at Dec. 31, 2020	**3,805**	**-127**	**3,678**
Cash, central banks, post office banks	174	0	174
Financial assets at fair value through profit or loss	304	-69	235
Hedging instruments	1	0	1
Available-for-sale financial assets			
Loans and advances to credit institutions	459	-67	392
Customer loans and receivables	31	0	31
Tax assets	14	-2	12
Accruals and other assets	118	-61	57
Investments in associates and joint ventures accounted for using the equity method	2 632	88	2 720
Fixed assets	72	-16	56
Goodwill	0	0	0
Liabilities at Dec. 31, 2020	**3,805**	**-127**	**3,678**
Hedging instruments	1	0	1
Deposits from credit institutions	26	-1	25
Due to customers	2	3	5
Debt Securities	207	0	207
Fair value adjustments to debt portfolios hedged against interest rate risks	2	0	2
Tax liabilities	12	-11	1
Accruals and other liabilities	80	-37	43
Liabilities related to insurance contracts	78	-78	0
Provisions	5	-2	3
Equity	3,392	-1	3,391

[1] Restatement of the subsidiaries excluded from the regulatory scope (insurance companies accounted for using the equity method).

In principle, the concerned entities must be subjected to a two-fold monitoring process, on a consolidated basis and on an individual basis. Nevertheless, Article 7 of the CRR provides for exemptions to monitoring on an individual basis and the shift to CRD4 has not placed in question the individual exemptions granted by the Autorité de Contrôle Prudentiel et de Résolution prior to January 1, 2014. Banque PSA Finance, which already benefited from an exemption to monitoring on an individual basis, is therefore only subject to a monitoring of the solvency ratio at the consolidated group level.

It should also be noted that there are no obstacles to the transfer of equity between subsidiaries that are fully owned by Banque PSA Finance. In the case of the joint ventures set up with the Santander and with BNP Paribas groups, the agreement of both shareholders is required.

The regulatory capital of a bank is broken down into three categories (basic capital in tier 1, additional capital in tier 1, and tier 2 capital) composed of capital or debt instruments. They are calculated using equity after applying regulatory filters. Banque PSA Finance only has tier 1 capital instruments, consisting of the following components:

- amount of the share capital and the associated issue premiums;
- audited results;
- retained earnings;
- components of income recognized directly as equity;
- other reserves.

Regulatory deductions and adjustments made to this equity involve the following items:

- minority interests;
- profit not eligible that is to say the full 2020 second semester result and the estimated amount of dividends on 2020 first semester result;
- intangible assets. Since December 2020, pursuant to delegated regulation 2020/2176 published in December 2020, a share of intangible assets, more precisely of software already in the process of being depreciated, may be used in the capital requirements calculation in RWA, but the remainder will be deducted from the regulatory capital.
- gains and losses generated by cash flow hedging;
- subordinate loans issued;
- deferred tax assets dependent on future profits and that are not the result of timing differences subsequently to the deduction of the associated tax liabilities;
- additional value adjustments on assets and liabilities measured at fair value;
- investments in associates and joint ventures accounted for using the equity method or not consolidated. A share of these investments, up to certain regulatory thresholds, may be used in the capital requirements calculation in RWA, but the remainder will be deducted from the regulatory capital.

The regulatory capital of BPF reached €234 million at the end of 2020, compared to €232 million at the end of 2019.

TRANSITION TABLE FROM ACCOUNTING EQUITY TO REGULATORY CAPITAL

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Accounting equity	**3,392**	**3,189**
Adjustment related to the difference between the consolidated regulatory and accounting scopes	-1	-1
Regulatory equity	**3,391**	**3,188**
Minority interests	0	0
Profit not eligible[1]	-223	-112
Investments in associates and joint ventures accounted for using the equity method or not consolidated	-2,642	-2,594
Intangible assets	-40	-53
Deferred tax assets on tax loss carryforwards	0	-1
Cash flow hedge reserve	-1	0
Subordinated loans to entities using the equity method	-251	-196
Other regulatory deductions	0	0
Tier 1 regulatory capital	**234**	**232**

[1] In 2019, profit not eligible is made of the estimated amount of dividends on 2019 result. In 2020, profit not eligible amounts to the full 2020 second semester result (-€176 million) and the estimated amount of dividends on 2020 first semester result (-€47 million).

1.12.1.2 CAPITAL REQUIREMENTS

Since December 2016, following the implementation of the cooperation with the Santander Group and thus the reduction of its prudential scope, Banque PSA Finance no longer uses the internal rating approach to calculate its capital requirements, but only uses the standardized approach. In addition, the amount of BPF's investment in joint ventures accounted for under the equity method is deducted from regulatory capital in accordance with the CRR and the capital adequacy ratio.

As a result of Banque PSA Finance's partnership with the Santander Group, the entities included in this scope, with the exception of those in France, had to switch to a standard processing approach to calculate capital requirements. In 2017, only the French joint venture received the permanent authorization from the ECB to use the internal rating approach for its Retail portfolios (advanced method) and its Corporate portfolios (foundation method).

BPF and Santander Consumer Finance aim to reuse some of the internal rating models developed by BPF in order to apply them to the entities within the scope of the cooperation. Work will first be carried out on these models to integrate the methodological standards of the Santander Group and an independent validation will be carried out.

The tools used to gather and archive the data necessary for modeling and calculating credit risk in place at the time the joint ventures were launched have been retained, thus enabling homogenous monitoring of all of the bank's risk parameters.

As part of the application of the new Basel III regulation, BPF confirms a strong financial position. At December 31, 2020, the Basel III solvency ratio in respect of pillar I thereby amounted to 27.1%, compared with 24.6% at December 31, 2019. Basel III regulatory capital amounted to €234 million and capital requirements stood at €69 million.

CAPITAL REQUIREMENTS AND RISK WEIGHTED ASSETS

	December 31, 2020		December 31, 2019	
(in million euros)	Weighted assets	Capital requirements	Weighted assets	Capital requirements
Credit risk	**628**	**50**	**677**	**54**
Standard approach	**628**	**50**	**677**	**54**
Sovereign	1	0	2	0
Credit institutions	81	6	66	5
Companies	307	25	368	29
Retail customers	0	0	7	1
Other Assets	239	19	235	19
Operational risk (standard method)	**25**	**2**	**36**	**3**
Market risk	**209**	**17**	**231**	**18**
Total	**862**	**69**	**944**	**76**
Total regulatory capital		**234**		**232**
Solvency ratio		**27,1%**		**24,6%**

Leverage ratio

The leverage ratio, corresponding to the unweighted ratio of gross exposures (net of deductions made to determine Prudential Equity) on hard capital (Tier1), aims in particular to limit the excessive use of off-balance sheet instruments in the banking activity. The European Union recommends a minimum requirement of 3% which will become official with the implementation of the CRR2/CRD5 next June. A monitoring, control and warning system was established in order to manage any excessive risk-taking.

The leverage ratio is calculated according to the terms of Article 429 of CRR No. 575/2013 and its update in Regulation (EU) 2019/876 CRR2, and remains stable between December 2019 and December 2020 for Banque PSA Finance since it amounted to 31% at December 31, 2020 compared to 33% at December 31, 2019.

In the context of the COVID-19 pandemic, the European Union, through the publication of Decision (EU) 2020/1306, authorizes a temporary exclusion of certain exposures to the Eurosystem's central banks for the calculation of the ratio until June 28, 2021. The leverage ratio calculated with this exclusion of €174 million amounts to 40% at December 31, 2020.

It should be noted that the exemption for monitoring on an individual basis received for the solvency ratio is extended to the leverage ratio under CRD IV. Requirements relating to the leverage ratio are therefore met solely on the consolidated basis.

LEVERAGE RATIO AND DETAILS OF LEVERAGE EXPOSURE

LEVERAGE RATIO AND DETAILS OF LEVERAGE EXPOSURE *(in million euros)*	Dec. 31, 2020	Dec. 31, 2019
Tier 1 regulatory capital	**234**	**232**
Total assets according to the consolidated financial statements	**3 805**	**3 612**
Adjustment related to the difference between the consolidated regulatory and accounting scopes	-127	-96
Regulatory deductions on CET1 equity	-2 934	-2845
Exclusion of hedging derivatives non taken into account in the balance sheet exposure	-1	-1
Total exposure on balance sheet	**743**	**670**
Application of mark-to-market derivatives increase	2	11
Replacement cost of derivatives transactions after clearing on margin calls	0	0
Total exposure on derivatives	**2**	**11**
Exposure related to commitments given	33	57
Application of regulatory conversion factors	-16	-36
Total exposure to off-balance sheet items	**18**	**21**
Total leverage exposure	**763**	**702**
LEVERAGE RATIO	**31%**	**33%**
Temporary exclusion	-174	
LEVERAGE RATIO with temporary exclusion	**40%**	

1.12.2 OVERVIEW OF ENCUMBERED ASSETS

BPF had no encumbered assets at December 31, 2020.

1.12.3 RISK FACTORS AND RISK MANAGEMENT

The identification, measurement, management and surveillance on BPF's risks are an integral part of Risk Management, the director of which is a member of the Bank's Executive Committee. This manager also reports regularly to the Audit and Risk Committee and the Risk Management Committee and, when required, to other ad hoc Operative Committees within the Bank.

Risk governance notably includes:

- identifying the risks related to the activity deployed by the bank and the assessment of their criticality, taking into account the control and monitoring systems put in place at the first level by the operational entities and at the second level by permanent control and oversight;
- determining acceptable risk levels and managing these risks by way of BPF's risk appetite dashboard, validated by the Risk Management Committee and the Audit and Risk Committee and then approved by the Board of Directors;
- validating risk measurement methods or models;
- implementing stress tests and/or risk mitigation tools such as those requested or recommended by regulations (ICAAP, ILAAP, PUL, Prevention & Recovery Plan, etc.) which, as the case may be, are approved by or submitted to the Board of Directors of the Bank.

These different elements are presented, analyzed and decided upon within the Committees: the Risk Management Committee (once every two months), the ALM Committee (once a month), the Model Committee (once every two months) and the Audit and Risk Committee (three times a month). The executive management and the members of the Board either sit on these Committees or are informed of their work.

Risk monitoring within the SCF and BNPP PF JVs is carried out by joint committees of BPF and its partners, and deployed in each JV or local entity by local Risk Committees.

1.12.3.1 CREDIT RISK

Risk factors

Credit risk refers to the inability of a customer to pay his, her or its obligations, including when BPF repossesses the property financed.

Regarding operations on PCDF activities, BPF does not contractually assume residual value risk, except in the UK where regulations offer individual customers (installment contracts) the possibility of asking for the repurchase of a vehicle by the lender under certain conditions.

In the case of operations on OVF activities, BPF's residual value risk is very limited in all countries, including the UK and Germany. This risk is closely monitored.

Apart from a prudent acceptance policy, the level of credit risk is influenced by the economic climate in the various countries in which BPF operates, both for the level of defaults and for the market value of the vehicles taken back.

Risk measurement, control and monitoring

Risks are assessed on approval of the loan and monthly for all loans in the portfolio.

When granting financing, risk measurement is based on internal ratings or, in a very limited number of cases, external ratings. Customer selection is done based on grading models (Corporate) or decision-making tools (Retail).

Under the partnership with Santander Consumer Finance (SCF) in Europe for financing the activities of the Peugeot, Citroën and DS brands, the internal models are reviewed on a regular basis by the various SCF risk teams to ensure their stability and performance over time.

As part of the partnership with BNPP Personal Finance (BNPP PF) in Europe for financing the activities of the Opel and Vauxhall brands, the internal models are reviewed and adjusted in consultation with BNPP PF staff, notably with regard to Corporate.

Loan acceptance systems are tailored to the specific characteristics of each local market to optimize their efficacy.

For Retail credit, loan applications are either automatically authorized or require additional assessment procedures, requested in the framework of expert risk assessment systems or on the analyst's own initiative.

As to the Corporate portfolios, the decisions to lend rely on the decision of the local or central Credit Committees, and for the highest loan amounts, on that of either the Santander Group with respect to PCDF subsidiaries or BNPP PF with respect to OVF subsidiaries.

Pursuant to IFRS standards, for the accounting measurement of credit risk, impairments for retail delinquent loans and sound loans with past-due installments are calculated based on impairment rates. These impairment rates are calculated twice a year according to an estimated discounted future collections model.

Impairments for Corporate dealer and Corporate and equivalent loans in default are determined through an individual analysis taking the value of any security package underlying the loan into account.

Risk management is based on a product range offered by the subsidiaries and approved by various ad hoc committees that specify the legal framework for the product, its maximum term, minimum down-payment, potential step-up amounts and any conditional guarantees for approval.

The Corporate Dealers and the Corporate and Equivalent portfolios also include:

- setting credit lines and their associated periods of validity;
- collective security packages or securities taken when the relationship is established, on renewal of credit lines or if creditworthiness is downgraded between renewal dates. Securities may be personal guarantees, related to identified assets, be provided by loan protection insurers or take the form of bank guarantees;
- daily monitoring of payment incidents;
- a progressive alert system, from placing on watch to declaring a delinquent loan, including conditional delinquency, i.e. even if the loan is not delinquent according to the Basel definition;
- stock audits, scheduled based on the dealer's risk profile, retention of vehicle registration documents, and financing contracts providing for the pledging of the financed vehicles at any time, in accordance with national legislation.

Monthly risk monitoring in the retail segment mainly concerns:

- trends in the quality of demand for finance and the quality of new financing;
- indicators in relation to payment habits in terms of method, customer segment, year of loan, etc.;
- Basel risk measurement indicators for the loan portfolio.

The Risk Management Committee, the Model Committee and the Audit and Risk Committee are the principle bodies responsible for monitoring BPF's credit risk. The Model Committee also approves our risk measurement models.

BPF's credit risk exposures, which have been fully accounted for using the standardized method since July 1, 2016, are derived from the carrying amount of assets, off-balance sheet items and credit lines authorized but not yet drawn on car dealerships. These assets are restated for impairments, items already deducted from regulatory capital and financial instruments measured at market cost after deducting margin calls received from bank counterparties.

BY PORTFOLIO GEOGRAPHIC BREAKDOWN OF THE GROUP'S GROSS EXPOSURE AT DECEMBER 31, 2020

(in million euros)	Banks and Administra-tions	Companies	*Of which SME*	Retail	*Of which SME*	Other categories	Total gross exposure	Distribution in %
France	303	268	0	0	0	120	**691**	85%
Europe (excl. France)	32	10	0	0	0	0	**42**	5%
Latin America	3	47	0	0	0	2	**52**	6%
Rest of the World	26	0	0	0	0	0	**26**	3%
Overall total	**364**	**325**	**0**	**0**	**0**	**122**	**811**	100%
Distribution in %	45%	40%	0%	0%	0%	15%	100%	

BREAKDOWN BY RESIDUAL MATURITY OF THE GROUP'S BALANCE SHEET EXPOSURE AT DECEMBER 31, 2020

(in million euros)	Banks and Administrations	Companies	Retail	Other categories	Total balance sheet exposure
Residual value lower than 3 months	315	256	0	2 837	**3 408**
3 months to 1 year	0	9	0	10	**19**
1 to 5 years	0	0	0	0	**0**
More than 5 years	0	0	0	251	**251**
Overall total	**315**	**265**	**0**	**3 098**	**3 678**

BREAKDOWN BY PORTFOLIO OF THE GROUP'S NET EXPOSURE AT DECEMBER 31, 2020

(in million euros)	Gross exposure	*Of which Exposure in default*	General risk adjustments	Specific risk adjustments	Exposure net of provisions
Banks and Administrations	364	0	0	0	**364**
Companies	325	1	0	1	**324**
Retail	0	0	0	0	**0**
Other categories	122	0	0	0	**122**
Overall total	**811**	**1**	**0**	**1**	**810**

GEOGRAPHIC BREAKDOWN OF THE GROUP'S NET EXPOSURE AT DECEMBER 31, 2020

(in million euros)	Gross exposure	*Of which Exposure in default*	General risk adjustments	Specific risk adjustments	Exposure net of provisions
France	691	0	0	0	691
Europe (excluding France)	42	1	0	1	41
Latin America	52	0	0	0	52
Rest of the World	26	0	0	0	26
Overall total	**811**	**1**	**0**	**1**	**810**

DETAILS OF ADJUSTMENTS FOR CREDIT RISK AT DECEMBER 31, 2020

(in million euros)	Banks and Administrations	Companies	Retail	Other categories	Overall total
Gross exposure	364	325	0	122	**811**
Balance sheet exposure	363	293	0	122	**778**
Off-balance sheet exposure	1	32	0	0	**33**
Provisions	0	-1	0	0	**-1**
Collateral	-30	0	0	0	**-30**
Off-balance sheet average CCF	100%	47%	-	-	**48%**
Value exposed to risk	364	308	0	122	**794**
RWA	82	307	0	239	**628**
Average RW	22%	100%	68%	196%	**79%**

BPF having a non-material exposure to counterparty risk on derivative instruments, no CVA (Credit Value Adjustment) calculation is made.

1.12.3.2 FINANCIAL AND MARKET RISKS

All the principles explained below apply to BPF fully controlled entities. Risk management of BPF/Santander and BPF/BNP PF joint ventures is done country by country by each JV under the supervision of shareholders, following the governance set forth when the partnerships with Santander and BNPP were created.

Liquidity

Risk factors

The liquidity risk to which BPF is exposed depends on:

- the situation of the financial markets (market risk);
- the ability of its partner banks (in Europe, Santander Consumer Finance for Peugeot, Citroën and DS and BNPP PF for Opel and Vauxhall, in Brazil Santander, in Argentina BBVA, etc.) to honor the commitment to refinance the respective joint ventures.

Risk measurement, control and monitoring

There are two aspects to measuring liquidity risk:

- matching most Banque PSA Finance subsidiaries or joint ventures with a first-rate partner who will guarantee refinancing: Santander Consumer Finance for Peugeot, Citroën and DS in Europe, BNPP PF for Opel and Vauxhall in Europe, BBVA in Argentina, etc.;
- a policy worked out individually with each partner bank but generally based on an appropriate equity structure and diversified external sources of financing (which depending on the JV may be collateralizations, collections of deposits, bonds, etc.). The definition of liquidity risk indicators and related limits, along with regulatory ratios proper to each jurisdiction (LCR or local equivalents outside of Europe), enabling characterization of BPF's exposure to liquidity risk in a given moment and in the near future.

Risk monitoring is based on the daily or monthly calculation, depending on the case, of risk indicators as well as on ALM Committees within each JV and at the BPF level that meet monthly to monitor the implementation of the defined general policy, the current and forecast risk levels, the compliance with limits and the potential measures to be taken to better assess, control and monitor the liquidity risk, and on the Risk Management Committee of BPF.

Interest rate risk

Risk factors

BPF's policies aims to measure and control, through limits within stress scenarios, and, if necessary, reduce the effect of fluctuations in interest rates through the use of appropriate financial instruments that make it possible to ensure the adequacy of the rate structure to the assets and liabilities on its balance sheet. Control of this risk consists of complying with this policy with very regular monitoring.

Risk measurement, control and monitoring

At least once a month, residual rate positions and sensitivity to stress scenarios are calculated.

At December 31, 2020, sensitivity to a 2% increase across the rate curve would amount to a negative result of -€3.9 million. During the full year, in 2020, the result from this simulation fluctuated between -€3.1 million and -€4.0 million.

There are several aspects to rate risk control:

- our general rate risk policy;
- rate risk indicators and related limits to characterize the level of risk;
- simulation of stress scenarios and the definition of acceptable financial impact thresholds;
- the use of derivatives.

Risk monitoring is based on monthly indicators and reporting focusing on policy implementation and the cost of a distortion of the interest rate curve, including in stress situations. The monthly ALM Committee (Asset Liability Management) and the Risk Management Committee of BPF monitor the implementation of the general policy, the current and forecast risk levels, the compliance with limits and the potential measures to be taken to better measure, control or monitor the interest rate risk.

Counterparty risk

Risk factors

BPF is exposed to counterparty risk primarily in connection with its investment transactions.

Risk measurement, control and monitoring

Investment transactions are made in the form of mutual funds (French OPCVM) or in the form of bank deposits with top-tier banks.

BPF’s exposure limits are measured and checked daily, and any overruns are communicated daily. A summary of any limits exceeded is presented monthly during the BPF ALM Committee and Risk Management Committee meetings.

Currency risk

Risk factors

BPF is exposed to two types of currency risk:

- structural currency risk (the Bank's structural currency position amounted to €209 million at December 31, 2020);
- operational currency risk (the bank's operational currency position amounted to -€0.2 million at December 31, 2020).

Risk measurement, control and monitoring

Structural currency positions and future profits and losses are not hedged. As the businesses of subsidiaries and branches will, by definition, continue for an indefinite period, any such hedges would represent long-term open positions.

BPF's policy is to minimize operational currency positions to protect the Bank's profit/loss against fluctuations in currency rates. In practice, only limited residual positions, duly restricted, may not be hedged.

Currency risk is monitored through monthly reporting which highlights the Bank's structural and operational currency positions. In addition, the Bank's operational currency risk is reviewed at the monthly ALM Committee meeting, and by BPF's Audit and Risk Committee and Risk Management Committee.

Market risk

BPF's policy is not to be exposed to market risk, as it is defined in the banking regulation. Interest rate or currency derivative transactions are undertaken to hedge balance sheet items not intended for sale in the short term. BPF consistently ensures compliance with this rule and that the hedging instrument and hedged item are correctly matched.

1.12.3.3 CONCENTRATION RISK

Risk factors

BPF is exposed to several types of concentration risk, primarily:

- concentration risk related to the granting of credit to individuals;
- concentration risk related to bank refinancing.

Risk measurement, control and monitoring

The Bank has set limits for concentration risks related to individuals and to investment transactions.

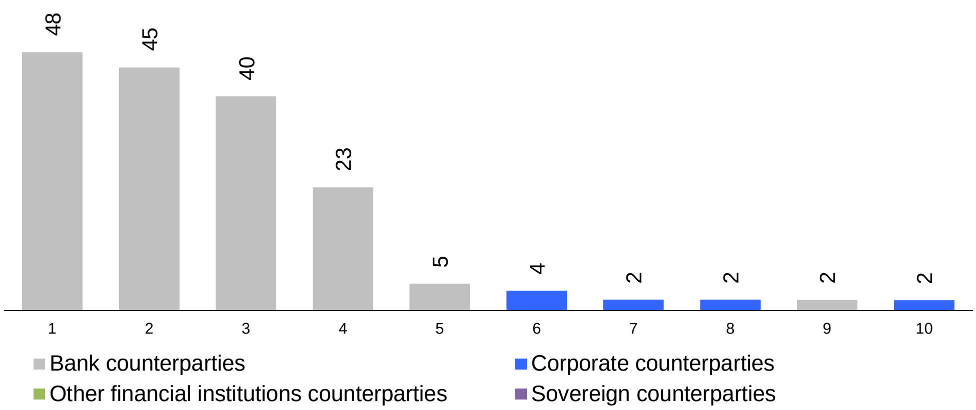
Oversight of these limits is presented twice a month to the Risk Management Committee of Banque PSA Finance.

At December 31, 2020, BPF's commitments to Groupe PSA stood at €15 million or 6.4% of the regulatory capital.

On the same date, the Bank's top ten commitments, excluding those to Groupe PSA, amounted to €173 million or 74.2% of the regulatory capital. By counterparty category, the top ten commitments break down as follows:

- Banks: €164 million/70.3% of the regulatory capital;
- Corporate dealers (excl. PSA): €10 million/4.3% of the regulatory capital;
- Other counterparty institutions: €0 million;
- Sovereign counterparties: €0 million

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



1.12.3.4 OPERATIONAL RISK

Definition of risk and risk factors

BPF defines operational risk as "the risk resulting from a maladaptation or failure attributable to procedures, Bank's personnel, internal systems, or to external events, including events with a low probability of occurrence but with substantial risk of loss".

Risk identification, assessment, control and monitoring

BPF and the joint ventures are exposed to all seven Basel event type categories of operational risk:

- Internal fraud;
- External fraud;
- Employment practices and workplace safety;
- Customers, products and business practices;
- Damage to physical assets;
- Business disruption and systems failures;
- Execution, delivery and process management.

BPF is mainly exposed to operational risks of external fraud related to credit risk, system failures and, to a lesser extent, the execution and management of processes.

The identification of operational risks is based on the processes of each of the bank's activities and is formalized by a mapping of operational risks applied to all of the bank's activities, in which each risk is associated with one or more control systems.

Risk control and mitigation mechanisms are an integral part of working procedures or instructions and are subject to tier-one controls within the bank's operating units, and tier-two controls by the bank's permanent risk control departments.

The operational risk management system is largely shared by BPF and the joint ventures held in partnership with SCF. However, it is managed in places on an individual basis, specifically through a Risk Management Committee and an Audit Committee on the part of BPF and by a Global Risk Committee in cooperation with SCF. OVF's operational risk system is basically the same, but it employs methods (risk-mapping and information systems) specific to their scope of operations. In terms of operational risks in the OVF scope, governance is ensured by the Risk and Collection Committee.

1.12.3.5 MODEL RISK

Risk factors

BPF is exposed to model risk mainly on acceptance and provisioning models, resulting from errors in the development, implementation or use of models, as well as insufficient data quality.

Risk measurement, control and monitoring

Model performance is verified as part of regular backtesting, the results of which are presented to the Model Committee, which is held every two months, and as part of audits.

1.12.3.6 NON-COMPLIANCE RISK

Definition of risk and risk factors

Non-compliance risk is defined as the risk of legal, administrative or disciplinary sanction, significant financial loss, or damage to reputation arising from failure to comply with the provisions governing banking and financial services, including regulatory and statutory provisions, professional standards, ethical standards, or instructions from the executive body pursuant to guidelines issued by the Board.

Risk factors are related to incorrect interpretation of texts or failure to adequately reflect these texts in operating methods, procedures or internal instructions.

Risk measurement, control and monitoring

Risk is measured in advance through a system of regulatory surveillance that surveys and analyzes changes in law or regulations and the guidelines and sanctions of the authorities. Once these analyses are done, the impacts on the bank's operations, processes, organization, information systems and, more broadly, its business model are assessed and action plans implemented.

Non-compliance risk is primarily managed by means of procedures, instructions and operating methods, employee training and the circulation of specific computer applications, particularly to detect individuals with political exposure or whose assets have been frozen.

Non-compliance risk is primarily monitored locally. Every quarter each BPF subsidiary and each entity of the Santander JV assesses the effectiveness of its prevention and control measures as well as its level of residual risk using a certificate of compliance presented to unit management and forwarded to headquarters. Cross-analyses carried out at headquarters confirm the level of risk, and a consolidated picture is presented at the quarterly meetings of the BPF Compliance Committee. Furthermore, in the framework of the partnership with Santander, the risk of on-compliance of joint entities is monitored once a month by the BPF/SCF Partnership Committees.

A special procedure for keeping track of non-compliance risk for activities in partnership with BNPP PF is reviewed every three months by the OVF Compliance Committee, whose members include the senior management of those activities and each of the partners. Monthly Compliance meetings during the quarterly committee meetings provide further close oversight of the actions agreed upon.

1.12.3.7 REPUTATIONAL RISK

Definition of risk and risk factors

The reputational risk to which BPF is exposed can be broken down into:

- a specific "risk of damage to the Bank's reputation and image with end customers, dealer customers, third-party banks and supervisory authorities (excluding internal image risk)";
- possible repercussions of an operational incident.

Reputational risk measurement, control and monitoring

Image and reputational risk is, to a large extent, related to risks already identified and covered by the internal control systems. This is notably the case for risks of internal and external fraud and non-compliance risk.

A number of systems are implemented to prevent the risk of reputational damage, including compliance with banking secrecy and professional reserve;

- observance of the regulation for the protection of personal data (RPPD);
- approval of standard letters to customers and advertising messages by the legal department;
- monitoring of the quality of customer relations;
- approval of new products by the legal, fiscal and compliance departments;
- the whistleblowing system.

The quarterly compliance control certificates include a section dedicated to the reputational risk.

1.12.3.8 INSURANCE AND SERVICES BUSINESS RISK

PSA Insurance operates an insurance business through four insurance companies, two for the “life” business and the other two for the “non-life” business, both offering insurance policies sold with finance contracts.

Risk factors

The PSA Insurance companies are exposed to four types of risk:

- operational and regulatory risks, for example risks related to investments related to acts of offering and selling insurance;
- subscription and under-provisioning risk;
- market financial risks including in particular counterparty risk;
- strategic risks.

Measurement, control and monitoring of risks associated with the insurance companies

Risk limits apply to subscription, insurance product sale and claims management policies. Limits are monitored using the reports presented quarterly to the Technical Committee. Stress testing is conducted and a range of statistical control methods are applied. The provisioning methods adopted are those recommended by the insurance regulations and are reviewed by an external actuary. This review is materialized by a certification report on the technical provisions.

The Technical Committee meeting, held quarterly, reviews and approves the net cost of claims and all measures (change in guarantee, subscription rules) on the entire product range, which could impact the cost of claims. For products carrying a certain weight in the production, portfolio tracking is also carried out and the conclusions thereof are shared and discussed during the Technical Committee meeting.

Insurance distribution rules in each country are verified and their implementation is mandatory before any new product is launched. The compliance officer checks each entity regularly. The Insurance Division, assisted by a network of local lawyers, keeps a legal watch, so as to further tighten the monitoring and enhance vigilance in this regard.

Finally, risks related to the regulation, the methods of presenting the offer and the subscriptions are reviewed during the Insurance Marketing & Commercial Committee (IMCC) meetings held every month and also discussed with the Insurance Managers of each subsidiary and branch of BPF.

The conclusions of all these checks are presented, analyzed and discussed systematically during each meeting of the Board of Directors of the entities constituting the Insurance Division.

An investment policy, respectful of CSR criteria is implemented to limit market financial risks. The policy addresses specific risks and establishes limits on the level of risk in the investment portfolio. The policy includes:

- rules for the allocation of assets held (asset types, geographical areas, sectors of activity, maximum weighting relative to total financial assets held) and for the management of currency risk;
- short and medium-term investments mainly in the form of UCITS governed by French, Spanish and Lux law and securitization;
- a maximum investment horizon of five years;
- limitation of counterparties to a selection of "investment grade" counterparties;
- stress scenarios.

Solvency 2 rules came into force in 2016. The regulatory solvency ratios are monitored monthly to ensure compliance with the companies' capital adequacy ratios. The companies' local procedures are more stringent than the requirements of the MFSA (Malta Financial Services Authority), which provides for quarterly monitoring and reporting. The ratios are presented and analyzed at each Investment Committee meeting and Solvency II Committee meeting (responsible for monitoring capital adequacy), and in the Board of Directors.

Strategic risks are presented during the meetings of the various committees mentioned above, who discuss the macro and micro factors impacting the companies' strategic risks.

Operational and regulatory risks are discussed by the Compliance and Control Committee. Finally, all risks are reviewed by the Risk Management Committee and then reported to the Board of Directors.

1.12.3.9 STRATEGIC RISK

Definition of correlation risk and risk factors

The risk factors that may affect BPF's ability to implement its development strategy are related to its captive automotive business model as well as the economic, regulatory and competitive environment:

- Groupe PSA's brands' sales volume and their marketing policy;
- Regulatory or tax changes on the level of emissions as well as traffic restrictions in urban areas;
- BPF's competitive positioning in terms of products and services.

Measurement, control and monitoring of the correlation between BPF and its shareholder

The various risk factors and their impacts are included in the budget and the medium-term plan. They are also subject to stress scenarios including strict assumptions about the manufacturer and the economic environment in the preventive recovery plan updated each year and communicated to the regulator.

1.13 INTERNAL CONTROL

In line with the order dated November 3, 2014 on internal control levels of credit institutions, BPF's internal control system is organized around the periodic control function, the permanent control functions and a first tier control performed by the operating units.

1.13.1 PERMANENT CONTROLS

1.13.1.1 FIRST-TIER CONTROLS, THE LYNCHPIN OF THE INTERNAL CONTROL SYSTEM

These controls exist within the operating units. The controls are performed by all employees in the normal course of their work, in application of procedures that include various controls to carry out, or by agents performing supervisory tasks within the operating units.
First-tier controls are themselves monitored by the special-purpose units responsible for permanent controls (second-tier controls).

1.13.1.2 PERMANENT CONTROL

Regarding the scope controlled by BPF (essentially companies in which BPF holds, either directly or indirectly, a majority control)

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

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

- Compliance control;
- Financial and accounting control;
- Operational and IT activities control.

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

The other two divisions are grouped together in a second-level internal control department whose role is to control financial and accounting risks on the one hand, and risks related to operational and IT activities on the other. These controls consist of:

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

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

On the scope of the Santander partnership

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

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

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

Given that these risk control functions are related to financial and accounting activities on the one hand, and operating and IT activities on the other, a document entitled "Internal control and operational risk functions reference model" has been drawn up and approved by the Global Risk Committee (GRC) of the partnership. This document notably defines:

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

On the scope of the BNPP PF partnership

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

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

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

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

1.13.2 PERIODIC CONTROLS

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

It is carried out by the audit teams in the form of ad hoc assignments conducted every four years, according to a plan covering all of the Bank's organizations and entities, including subcontractors.

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

1.13.3 OVERSIGHT BY EXECUTIVE MANAGEMENT AND THE BOARD

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

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

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

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

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

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

1.13.4 ORGANIZATION OF INTERNAL CONTROL

The internal control system is built around regular first-tier controls through delegations of authority applicable to all operating units and corporate departments. 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.

As part of the quarterly Audit and Risk Committee meeting or at Group level, committees have been set up to determine and implement our policies in the areas of internal control and decision-making processes during regular meetings. The Credit Risks Committee, which monitors changes in troubled loans and credit losses, and analyzes the performance of the risk selection systems for Retail and Corporate (fleet and dealer) loan books.

The committee also reviews and makes decisions concerning:

- lending margins;
- products and processes, including the associated risks;
- the financing applications from the Corporate dealer and the business fleets are examined at the level of a group credit committee or at the level of the local credit committee, depending on the delegations of authority in effect;
- the monitoring and review of the results of the policy implemented as part of the refinancing, and management of the Bank’s liquidity, interest rate and currency risks;
- monitoring of the IT security policy;
- compliance work.

1.14 SHARE OWNERSHIP

1.14.1 SHARE CAPITAL

BPF is a limited liability corporation (*Société Anonyme*) organized under the laws of France. Its registered office is located at 2-10 Boulevard de L'Europe, 78300 Poissy, in France. BPF is a regulated credit institution overseen by European and French banking regulators, the European Central Bank and the *Autorité de Contrôle Prudentiel et de Résolution*; the Group operates through licensed branches and subsidiaries around the world. These branches and affiliates also hold licenses for their specific activities when needed.

BPF share capital amounts to €199,619,936. It is divided into 12,476,246 fully paid shares having a nominal value of €16 each.

Since the absorption of Peugeot S.A. on January 16, 2021 as part of the creation of STELLANTIS, the share capital of BPF has been majority owned by Stellantis N.V. (9,348,180 shares, representing 74.93% of equity) and by two wholly-owned subsidiaries of Stellantis N.V., namely Automobiles Peugeot SA (which owns 2,002,862 shares or 16.05% of BPF's equity) and by Automobiles Citroën SA (which owns 1,125,203 shares or 9.02% of BPF's equity). One share is also personally owned by one member of the Board of Directors.

1.14.2 INTRA-GROUP AGREEMENTS

BPF has contractual relationships with Groupe PSA companies, which became STELLANTIS, for the performance of support services to the BPF Group by virtue of a services contract for, among other things, refinancing, cash management, as well as liquidity, interest rate, counter-party and exchange risks. These companies provide assistance in terms of the provision of staff in its central functions, as well as IT services and management services for external purchases. In addition, BPF and its affiliated companies have trademark use licenses that allow them to offer their products and services to customers under Groupe PSA brands.

Groupe PSA companies are remunerated via a service fee, to which are added fees for specific transactions or operations. The total amount paid by the BPF Group to Groupe PSA in 2020 was €90,986,259.99 million.

1.14.3 PROPOSED APPROPRIATION OF INCOME TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING OF APRIL 13, 2021

A proposal will be made to the General Meeting to allocate the distributable profit of €1,420,855,970.41 (consisting of the 2020 profit of €247,582,436.82 plus the retained profit from the previous year of €1,173,273,533.59) as follows:

- To the legal reserve: €2,221,193.60;
- To shares: €100 309 017.84 hence a dividend of 8.04€ per share;
- To retained profit: €1,320,546,952.57.

The dividend shall be paid after the General Meeting of April 13, 2021.

1.14.4 INFORMATION ABOUT THE ADMINISTRATIVE AND MANAGEMENT BODIES

1.14.4.1 BOARD OF DIRECTORS

Banque PSA is a *Société Anonyme* (a French limited liability corporation). Pursuant to our by-laws, our Board of Directors must be made up of not less than three or more than 12 directors, and no more than one-third of whom may be older than 65 years old (and none may be older than 71 years old). The Board of Directors is currently made up of seven directors appointed by the general meeting of shareholders. In compliance with French law, our directors may be removed at any time. Each director is appointed for a term of six years. Only two non-employee directors of Groupe PSA receive compensation for their duties as directors (formerly attendance fees), while the other directors perform their duties without charge.

The Board of Directors determines the strategy of BPF and supervises our management with respect to its implementation. The Board of Director's internal rules specify that it must regularly evaluate the BPF strategy and deliberate on changes to our refinancing, management structure and transactions, in particular, partnerships, acquisitions and dispositions likely to have significant impact on our earnings, the structure of our balance sheet, or our risk profile.

List of the corporate positions held during the 2020 financial year and list of the corporate positions expired during the 2020 financial year, by the Directors of Banque PSA Finance and the permanent representatives of Directors

Olivier BOURGES

Chairman of the Board of Directors and Director

Since September 29, 2016

Current term expires in 2026

Born on December 24, 1966

Other positions held during FY 2020

Member of the Managing Board

• Peugeot S.A.

Member of the Supervisory Board

• PSA (Wuhan) Management Company Co. Ltd. (China)

Director

• PCMA Holding B.V. (Netherlands)

• Dongfeng Peugeot Citroën Automobiles Company Ltd

• Automotive Cells Company SE

Member of the Supervisory Board and Director

• Dongfeng Peugeot Citroën Automobiles Sales Company Ltd (Chine)

Rémy BAYLE

Chief Executive Officer and Director

First appointed to the Board on April 23, 2015

Current term expires in 2021

Born on December 26, 1961

Other positions held during the year 2020

Chairman of the Board of Directors and Director

• Compagnie pour la location de véhicules - CLV

Vice-Chairmant and Director

• Opel Bank S.A. (France)

Director

• PSA Banque France (formerly SOFIB)

Positions that ended during FY 2020

• Chairman of the Board of Directors of PSA Finance France

Brigitte COURTEHOUX

Director

First appointed to the Board on February 22, 2019

Current term expires in 2021

Born July 10, 1971

Other positions held during FY 2020

Chairman and Director

• Free2move Iberia S.A.U

Chairman

• Free2move SAS (former Mhiri Innovation Travelcar)

Member of the Supervisory Board

•Opel Automobile GmbH

Director of mobility services

• Peugeot S.A.

Director

• PSA North America Car Sharing Solution, Inc.

Positions that ended during FY 2020

• Communauto Inc. S.A.

• Fengbiao Carsharing Service Co

• GHM Mobile Development GmbH

Catherine PARISET

Director - Chairman of the Appointments and Compensation Committees - Member of the Audit and Risk Committee

First appointed to the Board on February 22, 2019

Current term expires in 2024

Born August 22, 1953

Other positions held during FY 2020

Independent Director

- **Natixis**
- **Generali IA**
- **Generali Vie**

Laurent GARIN

Director - Chairman of the Audit and Risk Committee - Member of the Appointments and Compensation Committees

First appointed to the Board on April 17, 2018

Current term expires in 2024

Born on April 7, 1955

Other positions held during FY 2020

No other position.

Peugeot S.A.

Director

First appointed to the Board on December 15, 1982

Current term expires in 2024

Other positions held during FY 2020

Director

- Automobiles Citroën
- Automobiles Peugeot
- GIE PSA Trésorerie
- ANSA

Founding member

- GIE PSA Peugeot Citroën

Philippe DE ROVIRA

Permanent Representative of Peugeot S.A. and member of the Audit and Risk Committee

First appointed to the Board on July 16, 2018

Current term expires in 2024

Born on June 08, 1973

Other positions held during FY 2020

Director

- Automobiles Citroën
- Faurecia
- PSA International S.A. (Switzerland)
- Automotive Cells Company SE

Member of Strategic Committee

- Celor

Permanent Representative of Peugeot S.A.

- Board of Directors of Automobiles Peugeot
- Board of Directors of Banque PSA Finance

Chairman and Member of the Supervisory Board

- Autobiz

Member of the Supervisory Board

- Opel Automobile GmbH (Germany)

Automobiles Peugeot	**Other positions held during FY 2020**
Director First appointed to the Board on December 15, 1982 Current term expires in 2022	***Director*** • GLM1 • SOPRIAM (Morocco) • Société Tunisienne Automobile Financière Immobilière et Maritime • Peugeot Citroën Production Algérie SPA • Peugeot Algeria ***Associate Manager*** • Peugeot Média Production SNC

Jean-Philippe IMPARATO	**Other positions held during FY 2020**
Permanent Representative of Automobiles Peugeot Since September 29, 2016 Born on August 27, 1966	***Chief Executive Officer, Chairman of the Board*** • Automobiles Peugeot ***Chairman and Director*** • Peugeot Distribution Service – PDS • PSA Retail Italia S.P.A. ***Member of the Supervisory Board*** • Citroën Nederland B.V. ***Director*** • PSAG Automoviles Comercial Espana S.A. • PSA Retail UK Limited • Dongfeng Peugeot Citroën Automobile Sales Company Ltd • Dongfeng Peugeot Citroën Automobiles Company Ltd • Peugeot Motor Company PLC • PSAR Portugal S.A. **Positions that ended during FY 2020** ***Chairman and Director*** • Peugeot Automobili Italia S.P.A.

List of the corporate positions held in 2020 by the Deputy Chief Executive Officer, non Director of Banque PSA Finance

Arnaud de LAMOTHE	Other positions held during FY 2020
Executive Managing Deputy Director First appointed to the Board on February 1st, 2017 Current term expires in 2021 Duration of term of office aligned with that of the Chief Executive Officer Born on September 24, 1966	***Chairman and Director*** • Bank PSA Finance Rus (Russia) • PSA Financial Services Spain EFC SA ***Member of the Supervisory Board*** • PSA Bank Deutschland GmbH (Germany) ***Director*** • Opel Bank S.A. • PSA Banque France (formerly SOFIB) • PSA Finance UK Ltd (United Kingdom) • Compagnie Générale de Crédit aux Particuliers - CREDIPAR
	Positions that ended during FY 2020
	• Peugeot Citroën Leasing (Russia) • Banca PSA Italia S.p.A. • Chairman of Compagnie Générale de Crédit aux Particuliers - CREDIPAR

1.14.4.2 COMMITTEES

A. THE AUDIT AND RISK COMMITTEE

At **January, 1st 2021**, the Audit and Risk Committee is comprised of the following members:

Name	Position within Groupe PSA
Laurent GARIN, Chairman	Board Member of Banque PSA Finance
Catherine Pariset	Board Member of Banque PSA Finance
Philippe DE ROVIRA	Permanent Representative of PEUGEOT SA on the Board of Directors of Banque PSA Finance and Chief Financial Officer of Groupe PSA

B. THE APPOINTMENTS COMMITTEE

Name	Position within Groupe PSA
Catherine PARISET, Chairman	Board Member of Banque PSA Finance
Laurent GARIN	Board Member of Banque PSA Finance
Olivier BOURGES	Chairman of the Board of Directors of Banque PSA Finance and Director of Programs and Strategy of Groupe PSA

C. WAGES AND SALARIES COMMITTEE

Name	Position within Groupe PSA
Catherine PARISET, Chairman	Board Member of Banque PSA Finance
LAURENT GARIN	Board Member of Banque PSA Finance
Olivier BOURGES	Chairman of the Board of Directors of Banque PSA Finance and Director of Programs and Strategy of Groupe PSA

D. THE EXECUTIVE COMMITTEE

At **January, 1st 2021**, the executive committee consists of the following members:

Name	Position
Rémy BAYLE	Chief Executive Officer
Arnaud de LAMOTHE	Executive Managing Officer and Regional Director for Europe, China, Eurasia, Middle-East Africa, Commerce and marketing
Laurent AUBINEAU	Chief Executive Officer of PSA BANQUE France
Guillaume LAUBRY	General Secretary and Permanent Control Officer
Hans OSTLING	Audit Officer
Nathalie BLAIZE	Human Resources Officer
Frédéric LEGRAND	Digital Projects Officer
Alexandre SOREL	Chief Executive Officer Opel Bank S.A.
Steven POURRAT	Chief Financial Officer
Philippe TERDJMAN	Marketing & Innovation Officer, India, Asean and Pacific Officer
Patrice VOLOVIK	Risk Management Officer
Edouard de LAMARZELLE	Insurances Officer
Emmanuel LEVRAT	Bank and services information system Officer

1.14.4.3 EQUALITY AND DIVERSITY POLICY

For BPF, the diversity of all its employees is a source of added value and performance, based on equal opportunities. By promoting equal opportunities and basing its practices on skills and performance criteria, BPF fosters employee engagement and motivation and develops a culture of performance and economic efficiency.

Groupe PSA and BPF involve their social partners in this commitment through the signing of the Global Framework Agreement on Corporate Social Responsibility, which defines the rules of non-discrimination and equal opportunities. As such all stakeholders are involved in the implementation of inclusive management based on skills for access to employment and professional development, recognizing merit and preventing all forms of discrimination and intolerance. This agreement affirms the Group's commitment to the fight against racism, xenophobia, sexism and homophobia.

1. Gender equality

BPF has adopted a proactive policy to promote gender balance and gender equality in the workplace. BPF considers gender balance in its key positions as a fundamental objective of its responsible and sustainable development and of the quality of life at work of its employees.

Groupe PSA joined the United Nations and UN Women initiative on Women's Empowerment Principles, which encourage companies to promote the integration of women in the workplace and gender equality. This commitment reflects the Group's desire to expand its policy of diversity and gender equality in the workplace on a global scale.

2. Promotion of diversity for social cohesion and performance

Groupe PSA & BPF have voluntarily formalized their actions in favor of diversity in its social dialog. At the international level, the Group's Global Framework Agreement on Social Responsibility is committed to going beyond local legal requirements in the application and promotion of the fight against racism, sexism, xenophobia and homophobia and, more generally, against intolerance of differences and the promotion of respect for private life.

In France, a new agreement on motivation and well-being at work, signed on January 20, 2020, reaffirms the Group's commitment to guaranteeing equal treatment on the basis of direct and indirect criteria, combating prejudice, and avoiding any conscious or unconscious discrimination, in particular as regards the real or supposed origins of people.

Prevention of harassment, discrimination and violence at work

BPF condemns any breach of the rights and dignity of the individual, verbal or physical abuse, harassment, violence and discrimination in the workplace. These behaviors are subject to sanctions and measures have been put in place in each country to prevent any form of misconduct. Employees are regularly informed of these policies and a large number of managers have taken part in awareness-raising initiatives.

Employees who are victims or witnesses of harassment, discrimination or intimidation in the workplace are informed of the existing reporting procedures. This information specifies that the alert makes it possible to carry out an investigation, to protect the victims, to put an end to the prohibited behaviors as well as to conduct mediation or to impose sanctions. Employees can use different alert channels. HR managers have a duty to deal with any situation that appears to be harassment or discrimination. A standard processing and monitoring procedure is applicable in all countries.

Two email addresses can be used to report harassment or discrimination. In addition, Speak4Compliance, rolled out in 2018, is a whistleblowing system for receiving, processing and managing in a secure and confidential manner reports of violations of compliance rules at Groupe PSA & BPF. One category of report concerns non-compliance with and the violation of the rights and dignity of individuals, as well as verbal or physical violence and harassment.

Each report triggers an internal investigation conducted in the best conditions of neutrality and respect for people in order to verify and qualify the facts.

Intergenerational management

Keeping seniors at work and motivated is one of the Group's corporate social responsibility commitments. The aim is to ensure equal opportunities and fair treatment for all, including older employees. These measures aim to consolidate the place of seniors in the Company, and to better consider coexistence and the transfer of knowledge as an asset for social cohesion and company performance.

In addition, the program for integrating young people into the labor market is enriched by the transfer of knowledge and training for the younger generations.

3. Employment of people with disabilities

Groupe PSA's policy, applied within BPF, in terms of social and professional integration of people with disabilities is implemented with the aim of maintaining the employment of people with disabilities and carrying out actions to improve their quality of life, conduct prevention actions and promote their professional integration. Adopting such an approach benefits everyone as well as the bank's performance.

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CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020

2.1 Consolidated Balance Sheet

(in million euros)	*Notes*	**Dec. 31, 2020**	**Dec. 31, 2019**
Assets			
Cash, central banks	*3*	174	50
Financial assets at fair value through profit or loss	*4*	304	328
Hedging instruments	*5*	1	1
Financial assets at fair value through Equity		-	-
Debt securities at amortized cost		-	-
Loans and advances to credit institutions, at amortized cost	*6*	459	366
Customer loans and receivables, at amortized cost	*7, 23*	31	85
Fair value adjustments to finance receivables portfolios hedged against interest rate risks		-	-
Current tax assets	*24.1*	12	12
Deferred tax assets	*24.1*	2	3
Accruals and other assets	*8*	118	94
Investments in associates and joint ventures accounted for using the equity method	*9*	2 632	2 604
Property and equipment	*10*	3	3
Intangible assets	*10*	69	66
Goodwill		-	-
Total assets		**3 805**	**3 612**

(in million euros)	*Notes*	**Dec. 31, 2020**	**Dec. 31, 2019**
Equity and liabilities			
Central banks		-	-
Financial liabilities at fair value through profit or loss		-	-
Hedging instruments		1	1
Deposits from credit institutions	*11*	26	40
Due to customers	*12*	2	1
Debt securities	*13*	207	226
Fair value adjustments to debt portfolios hedged against interest rate risks		2	5
Current tax liabilities	*24.1*	12	9
Deferred tax liabilities	*24.1*	-	4
Accruals and other liabilities	*14*	80	54
Liabilities related to insurance contracts	*15.1*	78	68
Provisions	*16*	5	15
Subordinated debt		-	-
Equity		**3 392**	**3 189**
- Equity attributable to equity holders of the parent		3 391	3 188
- Share capital and other reserves		1 160	1 160
- Consolidated reserves		2 417	2 203
- *Of which Net income - equity holders of the parent*		335	*398*
- Gains and losses recognized directly in Equity		(186)	(175)
- *Of which Net income - equity holders of the parent (share of items recycled in profit or loss)*		-	-
- Minority interests		1	1
Total equity and liabilities		**3 805**	**3 612**

2.2 Consolidated Statement of Income

(in million euros)	*Notes*	**Dec. 31, 2020**	**Dec. 31, 2019**
Net interest revenue on customer transactions		**9**	**28**
- Interest and other revenue on assets at amortized cost	*21*	4	26
- Fair value adjustments to finance receivables hedged against interest rate risks		-	-
- Interest on hedging instruments		-	-
- Fair value adjustments to hedging instruments		-	-
- Interest expense on customer transactions		-	(1)
- Other revenue and expense		5	3
Net gains or losses on financial assets at fair value through profit or loss		**-**	**-**
- Interest and dividends on marketable securities		-	-
- Fair value adjustments to assets valued using the fair value option		-	-
- Gains and losses on sales of marketable securities		-	-
- Investment acquisition costs		-	-
- Dividends and net income on Equities		-	-
Net gains or losses on financial assets at fair value through Equity		-	-
Net gains or losses on securities valued at amortized cost		-	-
Net refinancing cost		**(2)**	**(14)**
- Interest and other revenue from loans and advances to credit institutions		1	1
- Interest on deposits from credit institutions		(2)	(8)
- Interest on debt securities		(8)	(16)
- Interest on passbook savings accounts		-	-
- Expenses related to financing commitments received		-	(1)
- Fair value adjustments to financing liabilities hedged against interest rate risks		3	(1)
- Interest on hedging instruments		9	12
- Fair value adjustments to hedging instruments		(5)	(1)
- Fair value adjustments to financing liabilities valued using the fair value option		-	-
- Debt issuing costs		-	-
Net gains and losses on trading transactions		**-**	**-**
- Interest rate instruments		-	-
- Currency instruments		-	-
Net gains and losses related to hyperinflation		**(1)**	**(6)**
Margin on sales of Insurance services	*15.2*	**16**	**41**
- Earned premiums		18	30
- Paid claims and change in liabilities related to insurance contracts		(2)	11
Margin on sales of services		**1**	**1**
- Revenues		1	1
- Expenses		-	-
Net banking revenue		**23**	**50**
General operating expenses	*22*	**(6)**	**(14)**
- Personnel costs		(5)	(7)
- Other general operating expenses		(1)	(7)
Depreciation and amortization of intangible and tangible assets	*10*	**(14)**	**(13)**
Gains and losses on investments in companies and other disposals of fixed		**-**	**-**
Gross operating income		**3**	**23**
Cost of risk	*23*	1	1
Operating income		**4**	**24**
Share in net income of associates and joint ventures accounted for	*9*	351	372
Impairment on goodwill		-	
Pension obligation - expense		-	-
Pension obligation - income		-	-
Other non-operating items		(27)	2
Pre-tax income		**328**	**398**
Income taxes	*24.2*	7	(1)
Net income for the year		**335**	**397**
- of which attributable to equity holders of the parent		335	*398*
- of which minority interests		-	*(1)*
Net income - Earnings per share (in €)		*26,8*	*31,9*

2.3 Net Income and Gains and Losses Recognized Directly in Equity

	Dec. 31, 2020			Dec. 31, 2019		
(in million euros)	**Before tax**	**Tax**	**After tax**	**Before tax**	**Tax**	**After tax**
Net income	328	7	***335***	398	(1)	**397**
- of which minority interests			*-*			*(1)*
Recyclable in profit and loss items						
Fair value adjustments to hedging instruments	1	-	**1**	-	-	**-**
- of which revaluation reversed in net income	*-*	*-*	***-***	*-*	*-*	***-***
- of which revaluation directly by equity	*1*		***1***	*-*	*-*	***-***
Exchange difference	(7)	-	**(7)**	14	-	**14**
OCI of joint ventures	-	-	**-**	(1)	-	**(1)**
Total recyclable in profit and loss items	(6)	-	**(6)**	13	-	**13**
- of which minority interests			*-*			*(2)*
Not recyclable in profit and loss items						
Actuarial gains and losses on pension obligations	-	-	**-**	-	-	**-**
OCI of joint ventures	(7)	2	**(5)**	(1)	1	**-**
Total gains and losses recognized directly in Equity	(13)	2	**(11)**	12	1	**13**
- of which minority interests			*-*			*(2)*
Total net income and gains and losses recognized directly in Equity	315	9	**324**	410	-	**410**
- of which attributable to equity holders of the parent			*324*			*413*
- of which minority interests			*-*			*(3)*

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

	Share capital and other reserves (1)				Fair value adjustments - equity holders of the parent						
(in million euros)	**Share capital**	**Issue, share and merger premiums and liquidation surplus**	**Legal reserve and other reserves**	**Consoli-dated reserves**	**Fair value adjustments to hedging instruments**	**Actuarial gains and losses on pension obligations**	**Exchange difference**	**OCI of joint ventures**	**Equity attributable to equity holders of the parent**	**Minority interests**	**Total equity**
At December 31, 2018	**199**	**643**	**318**	**1 898**	**(1)**	**-**	**(142)**	**(48)**	**2 867**	**11**	**2 878**
Distribution of dividends by:											
- Banque PSA Finance				(97)					**(97)**		**(97)**
- Other companies				-					**-**	-	**-**
Net Income (2)				347	-	-	51	-	**398**	(1)	**397**
Gains and Losses Recognized Directly in Equity				-	-	-	6	8	**14**	(1)	**13**
Hyperinflation effects (2)				5	-	-	-	-	**5**	2	**7**
Other				50	-	-	-	(49)	**1**	(10)	**(9)**
At December 31, 2019	**199**	**643**	**318**	**2 203**	**(1)**	**-**	**(85)**	**(89)**	**3 188**	**1**	**3 189**
Distribution of dividends by:											
- Banque PSA Finance				(112)					**(112)**		**(112)**
- Other companies				-					**-**	-	**-**
Net Income (2)				335	-	-	-	-	**335**	-	**335**
Gains and Losses Recognized Directly in Equity				(12)	-	-	22	(33)	**(23)**	-	**(23)**
Hyperinflation effects (2)				3	-	-	-	-	**3**	-	**3**
Other					-	-	-	-	**-**	-	**-**
At December 31, 2020	**199**	**643**	**318**	**2 417**	**(1)**	**-**	**(63)**	**(122)**	**3 391**	**1**	**3 392**

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

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

(2) *The implementation of IAS 29 led to a negative impact of €-3 millions in Net Income fully covered by a positive change in Equity (Equity attributable to equity holders of the parent: €3 millions) in 2020. In 2019, the implementation of IAS 29 led to a negative impact of €-7 million in Net Income fully covered by a positive change in Equity (Equity attributable to equity holders of the parent: €5 million and Minority interests: €2 million).*

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

2.5 Consolidated Statement of Cash Flows

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Pre-tax income	**328**	**398**
Net depreciation of tangible and intangible assets	13	17
Net provisions and impairment	(3)	(60)
Share in net income of equity-accounted companies	(351)	(372)
Net loss/(net gain) on investing activities	20	(3)
(Income)/Charges of financing activities	-	-
Other movements	15	7
Total of non-monetary items included in pre-tax income and other adjustments	**(306)**	**(411)**
Change in credit institutions items	(87)	(92)
Change in customer items	44	32
Change in financial assets and liabilities	20	14
Change in non-financial assets and liabilities	(9)	(14)
Dividends received from equity-accounted entities	270	211
Tax paid	7	9
Net increase/(decrease) of assets and liabilities provided by operating activities	**245**	**160**
Net cash provided by operating activities (A)	**267**	**147**
Change in equity investments	**6**	**(43)**
- Outflows for the acquisitions of shares in subsidiaries, net of cash transferred	-	(47)
- Inflows from disposals of shares in subsidiaries, net of cash transferred	4	4
- Outflows for the acquisitions of shares in equity-accounted companies	-	-
- Inflows from disposals of shares in equity-accounted companies	-	-
- Other change in equity investments	2	-
Change in property and equipment and intangible assets	**(17)**	**(25)**
- Outflows for the acquisitions of property and equipment and intangible assets	(17)	(25)
- Inflows from disposals of property and equipment and intangible assets	-	-
Effect of changes in scope of consolidation	**-**	**5**
Net cash provided by investing activities (B)	**(11)**	**(63)**
Cash flows from or to shareholders	**(112)**	**(97)**
- Outflows for the dividends paid to:		
- PSA Group	(112)	(97)
- Minority shareholders	-	-
- Inflows from issuance of equity instruments	-	-
Other net cash from financing activities	**-**	**-**
Net cash provided by financing activities (C)	**(112)**	**(97)**
Effect of changes in exchange rates (D)	**(1)**	**-**
Net increase/(decrease) of cash and cash equivalents (A+B+C+D)	**143**	**(13)**
Cash and cash equivalents at the beginning of the period	**449**	**462**
Cash, central banks (assets and liabilities)	50	56
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	399	406
Cash and cash equivalents at the end of the period	**592**	**449**
Cash, central banks (assets and liabilities)	174	50
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	418	399

2.6 Notes to the Consolidated Financial Statements

Notes

Note 1 Main Events of the period and Group Structure

A. Main Events of the period

Economic context and health crisis COVID-19

The emergence and expansion of the coronavirus from the beginning of 2020 affect economic and commercial activities worldwide. This situation doesn't impact the continuity of operations of Banque PSA Finance and has no significant impact on the financial statements for the year of 2020.
Payment holiday have been put in place for customers in entities as a result of the COVID-19 crisis. The contracts concerned have not been derecognized. These changes do not generate substantial changes in cash flows (IFRS 9 paragraph 5.4.3). These postponements are carried out within the framework set by the EBA to neutralize the downgrading into forbearance of these so-called "COVID-19" postponement operations.
The most tangible impact identified at this stage affects the cost of risk (see note 9.2.1 and note 9.2.2). At December 31, 2020 additional provisions have been prudently recorded in addition to the existing model of IFRS 9 for an amount of €37 million for entities in partnership with Santander Consumer Finance in Europe, and €4 million for entities partnership with BNP Paribas Personal Finance in Europe in order to take the deterioration of the macroeconomic environment. Given the consolidation under equity method for joint ventures, the impact of the complementary provision booked as share in net income of associates and joint ventures amounts to €20 million.

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

On December 18, 2019, Peugeot S.A. ("Groupe PSA" – as Banque PSA Finance parent company), and Fiat Chrysler Automobiles N.V. ("FCA") signed a binding Combination Agreement providing for a 50/50 merger of their businesses to create the 4th largest global automotive OEM by volume and 3rd largest by revenue.

The merger has been done at January 16, 2021. This operation has no impact on Banque PSA Finance consolidated financial statement at December 31, 2020.

The new group's Dutch-domiciled parent company, Stellantis N.V, is listed on Euronext (Paris), the Borsa Italiana (Milan) and the New York Stock Exchange.

B. Changes in Group Structure

In July 2020, PSA Finance PLC non consolidated entity has been liquidated.

In October 2020, Economy Drive Cars Ltd and Vernon Wholesale Investment Company Ltd were liquidated, with a significant impact -€22 million related to the reclass of translation reserves to consolidated statement of income in other non-operating items of the Banque PSA Finance group, in accordance with IAS 21. PSA Recupero S.R.L. has been liquidated without significant impact.

Partnership with Santander Consumer Finance

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

In July 2020, the joint venture Banca Italia S.p.A sold €490 million worth of automobile loans to the fund Auto ABS Italian Rainbow Loans 2020-1 S.r.l. The fund issued €433.6 million worth of A bonds and €56.4 million worth of Z bonds. The joint venture is entitled to the bulk of the operating income generated by the receivables after payment of interest on the bonds. As a consequence, the associated fund Auto ABS Italian Rainbow Loans 2020-1 S.r.l has been accounted by the equity method since July 2020.

In October 2020, the joint venture PSA Financial Services Spain E.F.C. S.A. sold € 605.1 million worth of automobile loans to the Auto ABS Spanish Loans 2020-1. The fund issued €484 million worth of A bonds, €45.2 million worth of B bonds, €37.5 million worth of C bonds, €24.6 million worth of D bonds, €8.7 million worth of E bonds and €5.1 million worth of F bonds. The joint venture is entitled to the bulk of the operating income generated by the receivables after payment of interest on the bonds. As a consequence, the associated fund Auto ABS Spanish Loans 2020-1 has been accounted by the equity method since October 2020.

Partnership with BNP Paribas Personal Finance

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

In August 2020, Opel Finance N.V. absorbed the entity Opel Finance International B.V.

In November 2020, Opel Bank S.A, branch in Germany absorbed the German subsidiary Opel Leasing GmbH. The Austrian branch of Opel Leasing GmbH is now a branch of Opel Bank S.A.

C. List of Consolidated Companies

Companies	Country ISO code	% Direct	Indirect %	Indirect Held by	Dec. 31, 2020 Consolidation method	Dec. 31, 2020 % interest	Dec. 31, 2019 Consolidation method	Dec. 31, 2019 % interest
Branches								
Polish branch	PL	-	-		FC	100	FC	100
Subsidiaries								
Sales financing in Europe								
Sales financing outside Europe								
BPF Algérie	DZ	2	98	PSA Financial Holding B.V.	FC	100	IG	100
Banque PSA Finance Mexico SA de CV SOFOM ENR	MX	3,00	97,00	PSA Finance Nederland B.V.	FC	100	IG	100
Bank PSA Finance Rus	RU	65	35	PSA Financial Holding B.V.	FC	100	IG	100
BPF Pazarlama A.H.A.S.	TR	100	-		FC	100	IG	100
Peugeot Citroën Leasing Russie	RU	100	-		FC	100	IG	100
Insurance								
PSA Services Ltd	MT	100	-		FC	100	IG	100
PSA Insurance Ltd	MT	0,01	99,99	PSA Services Ltd	FC	100	IG	100
PSA Life Insurance Ltd	MT	0,01	99,99	PSA Services Ltd	FC	100	IG	100
PSA Insurance Manager Ltd	MT	-	100	PSA Services Ltd	FC	100	IG	100
PSA Insurance Solutions Ltd	MT	-	100	PSA Services Ltd	FC	100	IG	100
PCA Compañía de Seguros S.A	AR	70	-		FC	70	IG	70
Other companies								
Economy Drive Cars Ltd	GB	-	-		-	-	IG	100
Vernon Wholesale Investments Company Ltd	GB	-	-		-	-	IG	100
PSA Recupero S.R.L.	IT	-	-		-	-	IG	94,54
PSA Finance Nederland B.V.	NL	-	100	PSA Financial Holding B.V.	FC	100	IG	100
PSA Financial Holding B.V.	NL	100	-		FC	100	IG	100
Joint ventures (1)								
Joint ventures in Europe :								
- with Santander Consumer Finance								
PSA Finance Belux	BE	50			EM	50	MEE	50
PSA Finance Suisse S.A.	CH	-	-		-	-	MEE	50
PSA Bank Deutschland GmbH	DE	50	-		EM	50	MEE	50
PSA Bank Österreich GmbH, Austria Branch	*AT*	-	-		*EM*	50	*MEE*	*50*
PSA Financial Services Spain E.F.C. S.A.	ES	50	-		EM	50	MEE	50
PSA Banque France	FR	50	-		EM	50	MEE	50
Crédipar	FR	-	50	PSA Banque France	EM	50	MEE	50
CLV	FR	-	50	Crédipar	EM	50	MEE	50
PSA Finance UK Ltd	GB	50	-		EM	50	MEE	50
Banca PSA Italia S.p.A.	IT	50	-		EM	50	MEE	50
PSA Renting Italia S.p.A.	IT	-	50	Banca PSA Italia S.p.A.	EM	50	MEE	50
PSA Insurance Europe Ltd	MT	-	50	PSA Services Ltd	EM	50	MEE	50
PSA Life Insurance Europe Ltd	MT	-	50	PSA Services Ltd	EM	50	MEE	50
PSA Financial Services Nederland B.V.	NL	50	-		EM	50	MEE	50
PSA Finance Polska Sp.zo.o.	PL	50	-		EM	50	MEE	50
PSA Consumer Finance Polska Sp. z o.o	PL	-	50	PSA Finance Polska Sp.zo.o.	EM	50	MEE	50
- with BNP Paribas Personal Finance								
Opel Finance BVBA	BE	-	50	Opel Bank S.A	EM	50	MEE	50
Opel Finance S.A.	CH	-	50	Opel Bank S.A	EM	50	MEE	50
Opel Leasing GmbH	DE	-	-		-	-	MEE	50
Opel Leasing GmbH, Austria Branch	*AT*	-	-		-	-	*MEE*	*50*
Opel Bank S.A	FR	50	-		EM	50	MEE	50
Opel Bank S.A., Germany Branch (2)	*DE*	-	-		EM	50	MEE	50
Opel Bank S.A., Spain Branch	*ES*	-	-		EM	50	MEE	50
Opel Bank S.A., Greece Branch	*GR*	-	-		EM	50	MEE	50
Opel Bank S.A., Italy Branch	*IT*	-	-		EM	50	MEE	50
Opel Bank S.A., Austria Branch	*AT*	-	-		EM	50	-	-
Vauxhall Finance plc (3)	GB	-	50	Opel Bank S.A	EM	50	MEE	50
Opel Finance International B.V.	NL	-	-	Opel Bank S.A	-	-	MEE	50
Opel Finance N.V.	NL	-	50	Opel Bank S.A	EM	50	MEE	50
Joint ventures in Brazil, with Santander								
Banco PSA Finance Brasil S.A.	BR	50	-		EM	50	MEE	50
PSA Corretora de Seguros e Serviços Ltda	BR	-	50	PSA Services Ltd	EM	50	MEE	50
Joint venture in China, with Dongfeng Peugeot Citroën								
Dongfeng Peugeot Citroën Auto Finance Company Ltd	CN	-	25	PSA Finance Nederland B.V.	EM	25	MEE	25
Dongfeng Peugeot Citroën Financial Leasing Co.	CN	-	25	PSA Finance Nederland B.V.	EM	25	MEE	25
Joint venture in Argnetina, with Banco Bilbao Vizcaya Argentaria								
PSA Finance Argentina Compania Financiera S.A.	AR	50	-		EM	50	MEE	50
Special purpose entities (1)								
- with Santander Consumer Finance								
Auto ABS Belgium Loans 2019 SA	BE	-	-		EM	50	MEE	50
Auto ABS German Lease Master 2019	DE	-	-		EM	50	MEE	50
Auto ABS Spanish Loans 2016	ES	-	-		EM	50	MEE	50
Auto ABS Spanish Loans 2018	ES	-	-		EM	50	MEE	50
Auto ABS Spanish Loans 2020-1	ES	-	-		EM	50	-	-
Auto ABS DFP Master Compartment France 2013	FR	-	-		EM	50	MEE	50
Auto ABS French Loans Master	FR	-	-		EM	50	MEE	50
Auto ABS French Leases Master	FR	-	-		EM	50	MEE	50
FCT Auto ABS LT Leases Master	FR	-	-		EM	50	MEE	50
Auto ABS German Loans Master	FR	-	-		EM	50	MEE	50
Auto ABS French Leases 2018 - Fonds E	FR	-	-		EM	50	MEE	50
Auto ABS UK Loans plc	GB	-	-		EM	50	MEE	50
Auto ABS UK Loans 2017 plc	GB	-	-		EM	50	MEE	50
Auto ABS UK Loans 2019 - Fonds 4	GB	-	-		EM	50	MEE	50
Auto ABS Italian 2018.1 S.r.l.	IT	-	-		EM	50	MEE	50
Auto ABS Italian Loans 2019	IT	-	-		EM	50	MEE	50
Auto ABS Italian Rainbow Loan 2020-1 S.r.l.	IT	-	-		EM	50	-	-
- with BNP Paribas Personal Finance								
Ecarat 10 Germany	FR	-	-		EM	50	MEE	50
Ecarat 10 plc	GB	-	-		EM	50	MEE	50
Ecarat 11 plc	GB	-	-		EM	50	-	-

(1) see Note 9.2 Detailed information about Associates - Joint ventures.
(2) Including the ad hoc entity Ecarat 9 SA.
(3) Including the ad hoc entities Ecarat 6 plc, Ecarat 7 plc, Ecarat 8 plc and Ecarat 9 plc.

Note 2 Accounting Policies

In accordance with European Council Regulation 1606/2002/EC dated July 19, 2002 on the application of international accounting standards from January 1, 2005, Banque PSA Finance's consolidated financial statements for the year ended December 31, 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable and adopted by the European Union as of that date. No significant difference can be observed within Banque PSA Finance between the IFRS as published by the IASB and as endorsed by the European Union, including regarding the application 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).

The presentation of Banque PSA Finance's consolidated financial statements for the year ended December 31, 2020 are prepared according to the recommendation of the French accounting standards setter, in particular the recommendation N°2017-02 of June 2, 2017 related to the presentation of the consolidated financial statements of banking institutions since January 1, 2019.

The standards and interpretations applied at December 31, 2019 were unchanged compared with December 31, 2020 except for the adoption of standards and interpretations whose application was compulsory for the first time in 2020.

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

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

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

The amendment takes effect on June 1, 2020. The IASB has decided to extend the relief period until June 2021 so that the measures also apply to relief granted now for a period of up to 12 months.

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

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

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and
- require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

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

Other texts do not impact significantly Banque PSA Finance group.

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

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

IFRS 17 - Insurance Contracts

After about twenty years of work, on May 18, 2017 the IASB published IFRS 17 – Insurance Contracts. IFRS 17 will replace the interim standard IFRS 4. To support implementation of the new standard, the IASB has decided to form a Transition Resource Group (TRG). The IASB has launched a call for nominations for the Group.

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

The IASB published on June 25, 2020 the main changes following the Exposure Draft containing a number of amendments to IFRS 17 "Insurance Contracts". The modifications made intend to facilitate the implementation of the standard. In particular, it is published to delay the first date of application by two years, thus postponed to financial years beginning on or after January 1, 2023.

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

The other projects and standards do not have significant impacts on Banque PSA Finance.

Format of the Financial Statements:

As no template is provided in IFRS, the consolidated financial statements are presented largely in accordance with Autorité des Normes Comptables (ANC), recommendation N°2017-02 of June 2, 2017 related to the presentation of the consolidated financial statements of banking institutions since January 1, 2018.
The consolidated financial statements include the financial statements of Banque PSA Finance and the French and foreign companies in the Banque PSA Finance group, based on the consolidation methods described in section A below.

The individual statutory financial statements of Banque PSA Finance S.A. and its subsidiaries are prepared in accordance with the accounting principles in force in the countries where they do business. These statements are adjusted to comply with group accounting policies for inclusion in the consolidated financial statements.

Accounting policies applied by the group are described in sections B to I below.

"Related companies" consist of entities linked as follow: exclusive control, joint control and significant influence, determined in accordance with IAS 24 R.

The annual consolidated financial statements and notes for Banque PSA Finance group were approved by the Board of Directors on February 22th, 2021.

A. Basis of Consolidation

A.1 Consolidation Methods

Companies in which Banque PSA Finance directly or indirectly holds a majority interest are fully consolidated. The same method is applied to companies owned jointly with a partner on a 50:50 basis, when Banque PSA Finance is in a position to control strategic financial and operating decisions relating to the business.

All material intragroup transactions and balances between the entities of the group are eliminated in consolidation.

Companies that are between 20% and 50% owned, directly or indirectly, over which Banque PSA Finance has significant influence are accounted for by the equity method.

A.2 Translation of Financial Statements of Foreign Subsidiaries

Balance sheets of foreign companies are translated at the year-end exchange rate published by the European Central Bank (ECB). Income statement items of foreign companies are translated on a month-by-month basis at the average monthly rate, except for Argentina. For this country which economy is considered hyperinflationary (see paragraph I - Financial reporting in hyper-inflationary economies), income statement items are changed at the year-end exchange rate.

Gains and losses resulting from translation of the financial statements of foreign subsidiaries are recorded in equity under "Exchange difference".

A.3 Foreign Currency Transactions

Transactions in foreign currencies are measured and recognized in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates. In compliance with this standard and also with banking regulations, transactions denominated in foreign currencies are recorded in the original currency. At each period-end, balance sheet items in foreign currencies are revalued at fair value at the ECB closing exchange rate. The corresponding revaluation differences are recognized in the income statement under “Currency instruments”.

Foreign currency transactions are systematically hedged using currency derivatives which are recognized in the balance sheet and measured at fair value. Gains and losses arising from remeasurement of currency derivatives at fair value at each period-end are recognized in the income statement under “Currency instruments” and offset the gains and losses on the underlying transactions. Consequently, net exchange gains or losses are by definition not material.

A.4 Use of Estimates

The preparation of financial statements in accordance with IAS/IFRS requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Management believes that, in preparing the financial statements, it has applied the most appropriate and reasonable estimates and assumptions considering the group’s business environment and past experience.

Due to the uncertainty of these valuations, actual results may differ from these estimates.

To limit this uncertainty, estimates and assumptions are reviewed periodically and any changes to reported amounts are recognized immediately, in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Estimates and assumptions are used in particular to measure the following:
- measurement of the investments in equity method consolidated entities, usually based on the value in use resulting from the Medium Term Plans prepared in the framework of partnership governance,
- fair value of financial assets and liabilities at fair value through profit or loss,
- recoverable amount of customer loans and receivables,
- fair value adjustments to finance receivables and debt portfolios hedged against interest rate risks,
- deferred tax assets,
- value in use and useful lives of intangible assets and property and equipment,
- provisions,
- pension obligations.

A.5 Main Consolidation Adjustments

Recognition and Measurement of Derivative Instruments, Hedge Accounting IFRS 9

Measurement at fair value of derivative instruments, financial assets and certain financial liabilities at fair value through profit or loss, and application of hedge accounting in accordance with IFRS 9 therefore give rise to certain consolidation adjustments. The underlying principles are described in section C “Financial assets and liabilities”, below. The principles of valuation at fair value are applied in accordance with the IFRS 13 standard.

Deferred Taxes

Certain adjustments to the accounts of subsidiaries to comply with group accounting policies, and timing differences between the recognition of certain items of income and expense for statutory financial reporting and tax purposes or arising from consolidation adjustments, can generate temporary differences between the tax base and adjusted income. In accordance with IAS 12 – Income Taxes, deferred taxes are recognized in the consolidated financial statements for these differences using the liability method, where they can reasonably be expected to be recovered. Similarly, deferred tax assets are recognized for tax loss carry forwards when sufficient taxable profit can reasonably be expected to be generated to permit their utilization.

No provision is recognized for deferred taxes on the undistributed earnings of subsidiaries, associates or joint-ventures as the group could not be forced to materialize any temporary difference on unremitted earnings and as such reversal is not foreseen to happen in a foreseeable future.

In addition, current taxation is recognized when dividends to be received from these are certain and voted by the general shareholders meeting.

B. Fixed Assets

B.1. Property and Equipment

In accordance with IAS 16 – Property, Plant and Equipment, property and equipment are stated at cost. Property and equipment other than land are depreciated by the straight-line method over the following estimated useful lives:

- Buildings	10 to 60 years
- Vehicles	4 years
- Other	3 to 10 years

The basis for depreciation is determined by deducting the assets' residual value, if any. The group's assets are generally considered as having no residual value.

Estimated useful lives are reviewed at each year-end and adjusted where necessary.

Following the entry into force of IFRS 16 – Leases - as of January 1, 2019, any lease agreement is analyzed by the lessee as the acquisition of a right to use an asset, during the duration of the contract, in return for the obligation to pay the rents.

As a result, from the outset, Banque PSA Finance as lessee recognizes this right of use, which is amortized over the term of the contract. In return, a lease debt is recognized in other financial liabilities. The rents paid are presented as repayment dates, incorporating a share of capital and a share of interest in the income statement. Thus, the annual rental charge (depreciation and interest for the period) is decreasing over the duration of the contract.

B.2. Intangible Assets

In accordance with IAS 38 – Intangible Assets, the portion of the cost of developing software for internal use that corresponds to internal or external costs directly attributable to creating the software or improving its performance, is recognized as an intangible asset when it is probable that the costs will generate future economic benefits. The by the way created intangible assets are amortized over their estimated useful life, not to exceed 12 years. Other software purchases and development costs are recognized as an expense.

B.3. Goodwill

Goodwill is the excess of the cost of shares in a consolidated company over the group's equity in the fair value at the acquisition date of the identifiable assets and liabilities acquired.

In accordance with IFRS 3 – Business Combinations, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

B.4. Impairment of Long-lived Assets

In accordance with IAS 36 – Impairment of Assets, property and equipment and intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets with indefinite useful lives must be tested for impairment at least once a year. Goodwill is the only indefinite-lived asset carried in the group accounts and only if the concerned asset is significant.

Impairment tests are performed at the level of cash generating units (CGUs), which are defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to the CGU to which it relates. The value in use of a CGU is measured as the net present value of estimated future cash flows. If this value is less than the CGU's net book value, an impairment loss is recognized in operating income. The impairment loss is first recorded as an adjustment to the carrying amount of any goodwill.

C. Financial Assets and Liabilities

Financial assets and liabilities are recognized and measured in accordance with IFRS 9 adopted by the European Commission in November 2016 via the Regulation 2016/2067/EC.

As allowed under IFRS 9, the group has elected to apply transaction date accounting to financial assets and liabilities. Consequently, when the transaction date (corresponding to the date when the commitment is entered into) is different from the settlement date, the purchase or sale of securities is recognized in the balance sheet on the transaction date (see end of sections C2 and C.7.2 below).

Since 2013, Banque PSA Finance has booked passbook savings accounts in « Due to customers ».

C.1 Derivatives – Application of Hedge Accounting

C.1.1 Recognition and Measurement

All derivatives are recognized in the balance sheet at fair value. Except for instruments designated as cash flow hedges (see below), gains and losses arising from remeasurement at fair value are recognized in profit or loss.

Derivatives may be designated as hedging instruments in one of two types of hedging relationships:
- fair value hedge, corresponding to a hedge of the exposure to changes in fair value of an asset or liability due to changes in exchange rates or interest rates;
- cash flow hedge, corresponding to a hedge of the exposure to variability in cash flows from existing or future assets or liabilities.

Derivatives qualify for hedge accounting when:
- at the inception of the hedge there is formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship is demonstrated at its inception;
- the actual effectiveness of the hedging relationship is also demonstrated at each period end.

The effects of hedge accounting are as follows:
- for fair value hedges of existing assets and liabilities, the hedged portion of the asset or liability is recognized in the balance sheet and measured at fair value. Gains and losses arising from remeasurement at fair value are recognized in profit or loss, and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument. Fair value adjustments to hedged financial assets and liabilities are reported under "Fair value adjustments to portfolios hedged against interest rate risks", in assets for hedged finance receivables and in liabilities for hedged debt;
- for cash flow hedges, the effective portion of the gain or loss arising from remeasurement at fair value of the

hedging instrument is recognized in equity. The cumulative gains and losses recognized in equity are included in profit or loss when the hedged item affects profit or loss.

The ineffective portion of the gain or loss arising from remeasurement at fair value of both fair value and cash flow hedges is recognized in profit or loss.

C.1.2 Derivatives – Financial Statement Presentation

Balance sheet:
- derivatives are stated in the balance sheet at fair value net of accrued interest;
- fair values of derivatives used as hedges are recognized under "Hedging instruments", in assets when the fair value is positive and in liabilities when it is negative;
- derivatives that do not qualify for hedge accounting are included in "Financial assets at fair value through profit or loss" when the fair value is positive, and in "Financial liabilities at fair value through profit or loss" when it is negative.

Income statement:
- gains and losses arising from remeasurement at fair value of fair value hedges are recognized under the same caption as the losses and gains on the hedged items;
- the ineffective portion of gains and losses arising from remeasurement at fair value of cash flow hedges is reported under "Hedging gains and losses";
- gains and losses arising from remeasurement at fair value of derivatives not designated as hedges are recognized under "Net gains (losses) on trading transactions", with the exception of:
  - derivatives used to hedge short-term cash investments: gains or losses are recognized under "Fair value adjustments to assets valued using the fair value option";
  - derivatives used to hedge certain liabilities valued using the fair value option: gains and losses are recognized under "Fair value adjustments to financing liabilities valued using the fair value option".

IFRS 13 requires to present the valuation methods of the financial assets and liabilities at fair value as well as their hierarchy (level 1, 2 or 3).
The valuation methods have to maximize the use of observable market data. These methods are classified according to the same three levels hierarchy (in descending order of priority) as IFRS 7 for financial instruments:
- level 1: quoted price (without adjustment) for similar instruments on an active market;
An active market is a market in which there are sufficiently frequent and large volumes on assets or liabilities to provide price information in a continuous way.
- level 2: valuation using only observable data for a similar instrument on an active market;
- level 3: valuation making significant use of at least one non-observable item of data.
In the balance sheet, the valuations are of level 1 or 2, presented in the related notes. Only the specific note "Fair Value of Financial Assets and Liabilities" uses valuation methods of level 3, detailed in note 17.

C.2 Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss correspond, in particular, to liquidity reserves invested as securities.

These fixed income securities are accounted for using the fair value option, whereby changes in the fair value of the hedged securities are recognized directly in profit or loss, together with the offsetting change in fair value of the economic hedges. Liquidity reserves are also partly invested in mutual funds, whose units are not consolidated because they do not meet the criteria regarding control or rights in the majority of the benefits and corresponding risks (see IFRS 10 – Consolidated Financial Statements, and the amendment to IAS 27 – Separate Financial Statements).

This caption also includes:
- the positive fair value of other derivatives that do not qualify for hedge accounting under IFRS 9;
- securities receivable, which are recognized as from the transaction date.

C.3 Financial Liabilities at Fair Value through Profit or Loss

This item comprises liabilities valued using the fair value option. The group has elected to use this option in certain instances to improve the presentation of its financial statements by recognizing fair value adjustments to the liabilities symmetrically with the fair value adjustments made to the derivatives used to hedge the interest rate risk on those liabilities. Accordingly, the fair value adjustments include any changes in Banque PSA Finance's issuer spread. At December 31, 2020, no liabilities were measured using the fair value option.

This caption also includes the negative fair value of other derivatives that do not qualify for hedge accounting under IFRS 9, including interest rate derivatives intended to hedge financial assets or liabilities at fair value through profit or loss.

C.4 Loans and Receivables

The different customer categories are presented in section "F. Segment information" (see below).

Customer loans and receivables are analysed by type of financing:

- **Financing in the following categories**, as defined by French banking regulation:
  - Installment contracts,
  - Buyback contracts,
  - Long-term leases.

These types of financing are mainly intended for the following final customer segments:
- **Retail** (individuals, small to medium sized companies and larger companies not meeting the criteria for classification as Corporates, Sovereigns, Banks or Local Administrations),
- **Corporate and equivalent** (including Corporates other than dealers, Sovereigns, Banks and Local Administrations),

and, in rare cases, for **Corporate dealers**.

- **Wholesale financing (i.e. financing of vehicle and spare part inventories)**, as defined by French banking regulations.
  Wholesale financing is primarily intended for **Corporate dealers**.

- **Other customer loans and receivables**, including equipment loans and revolving credit, and ordinary accounts in debit.

C.4.1 Loans and Receivables Measured at Amortized Cost

Loans and receivables recognized in the balance sheet correspond to Banque PSA Finance's net commitment in respect of these receivables. Therefore, as well as the outstanding principal and accrued interest, the carrying value of finance receivables also includes:
- commissions paid to referral agents as well as external direct administrative expenses, which are added to the outstanding principal;
- contributions received from the brands and transaction fees to be spread out, which are deducted from the outstanding principal;
- guarantee deposits received at the inception of finance leases, which are deducted from the amount financed.

Measurement at amortized cost reflects the best estimate of the maximum credit risk exposure on loans and receivables.

Interest income is allocated by the effective interest method, with the effective interest rate being the rate that exactly discounts estimated future cash receipts through the expected life of the loan.

C.4.2 Lease Financing

In accordance with IFRS 16 – Leases and IFRS 9, vehicles leased to customers are treated as in-substance loans because the risks and rewards of ownership of the vehicle do not lie with Banque PSA Finance.

Consequently, rental revenues and depreciation expenses on the vehicles are adjusted in order to present all of these transactions as loans outstanding.

C.4.3 Hedges of Interest Rate Risks on Outstanding Loans and Receivables

Outstanding loans are generally hedged against interest rate risks, using fair value hedges that qualify for hedge accounting. Accordingly, gains and losses arising from remeasurement at fair value of the hedged portion of the loans are recognized in profit or loss (see section C.1.1 "Derivatives – recognition and measurement").

C.4.4 Impairment Losses

Impairment losses are identified separately under specific line items.

According to IFRS 9, all exposures are concerned by allowances based on expected credit losses since their initial recognition.

The financial instruments are classified in three stages depending on the evolution of the credit risk since their initial recognition.

For each financial instrument and at each closing Banque PSA Finance estimates the increase of the credit risk since the date of their initial recognition according to the methodology described in the first part of this note. The analysis of the credit risk evolution determines the classification of the financial instruments on the appropriate level of risk by Banque PSA Finance.

Impairment is recognized in accordance with the following three categories basing on the elements presented hereinbelow:

Stage 1:
Sound loans without significant deterioration in credit risk since initial recognition. The impairment for credit risk is recorded in the amount of 12-month expected credit losses. Interest income is recognized through profit or loss using the effective interest rate method applied to the gross carrying amount of the asset before impairment.

Stage 2:
In the event of a significant increase in credit risk since initial recognition, the sound loans are transferred from stage 1 to stage 2. The impairment for credit risk is determined based on the instrument's expected credit losses at maturity. The interest income is recognized through profit or loss using the effective interest rate method applied to the gross carrying amount of the asset before impairment.

Stage 3:
The financial receivables called "impaired" under IFRS 9 are classified in stage 3. There is objective evidence of impairment arising from one or more events occurring after initial recognition of these loans. Stage 3 concerns financial receivables for which a default event was identified as determined in article 178 of the regulation of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The impairment for credit risk continues is calculated based on the instrument's expected credit losses at maturity. The interest income is recognized through profit or loss based on the effective interest method applied to the net carrying amount of the asset after impairment.

Classification in loss / Write off

The standards of Banque PSA Finance for the classification in loss / write off concern of Retail financing with past-due instalments of more than 48, 36, or 24 months, depending on the type of financing and country concerned as well as Corporate financing when a finance receivable is considered as irrecoverable. The written off is recognised through profit or loss as of the individual financial statements. The previously-recognized impairment loss is also reversed through profit or loss. Any subsequent recoveries are credited to the income statement under "Cost of risk".

C.5 Financing Liabilities

Upon initial recognition, financing liabilities are measured at the amount of the net proceeds received. Their carrying amount therefore comprises the outstanding principal and accrued interest, plus:
- debt issuance and set-up costs,
- issue or redemption premiums, if any.

Interest expense is allocated by the effective interest method, with the effective interest rate being the rate that exactly discounts estimated future cash outflows through the expected life of the debt.

C.5.1 Hedges of Interest Rate Risks on Financing Liabilities

Financing liabilities hedged by interest rate swaps are remeasured at fair value in accordance with hedge accounting principles applicable to fair value hedges. Gains and losses arising from remeasurement at fair value of the hedged portion of the liability are recognized in profit or loss and are offset by the effective portion of changes in the fair value of the swaps (see section C.1.1 "Derivatives – recognition and measurement").

C.5.2 Debt Securities

Debt securities include certificates of deposit, bonds, interbank instruments and money market securities, other than subordinated securities which are reported under "Subordinated debt".

This caption also includes securities to be delivered, which are recognized as from the transaction date.

D. Liabilities Related to Insurance Contracts

Liabilities related to insurance contracts correspond to the technical reserves set aside by the insurance companies to cover their obligations towards insureds and beneficiaries. In accordance with IFRS 4 – Insurance Contracts, liabilities related to insurance contracts for life and non-life business are calculated by the methods prescribed by local insurance regulations.

Life and non-life liabilities related to insurance contracts consist mainly of unearned premium reserves (UPR), corresponding to the portion of written premiums relating to future periods, and claims reserves, corresponding to incurred claims and claims incurred but not reported ("IBNRs"). IBNR reserves are calculated on a statistical basis.

E. Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when the group has a present obligation towards a third party as a result of a past event, it is probable or certain that an outflow of resources embodying economic benefits will be required to settle the obligation, and no inflow of resources representing an equivalent amount is expected. Restructuring provisions are recorded only when the restructuring has been announced and the group has drawn up or started to implement a detailed formal plan.

Provisions are discounted only when the impact is material.

F. Segment Information

In application of IFRS 8, Banque PSA Finance group has identified the following four operating segments meeting Basel II guidelines (portfolios):

Final customer:

- **Retail**, mainly corresponding to individuals and to small or medium-sized companies.

- **Corporate and equivalent**, referring to:
  - company belonging to a multi-national group or for which aggregate loans exceed a fixed ceiling per country (Corporates other than dealers),
  - national governments and government-backed agencies (Sovereigns),
  - banking company or investment firms regulated and supervised by the banking authorities (Banks),
  - local or regional governments and government-backed agencies (Local Administrations).

Corporate dealers, corresponding to captive and independent Peugeot, Citroën, DS and Opel/Vauxhall dealers, importers of new Peugeot, Citroën DS and Opel/Vauxhall vehicles in certain countries, and certain used vehicle dealers.

Insurance and services, referring to:
- sales of insurance services made by captive insurance companies and holding in Malta, and self-insurance activity in Belgium and the Netherlands;
- sales of other services made by financing companies.

An analysis of balance sheet and income statement items by segment is provided in the Segment Information note.

G. Pension Obligations

In addition to standard pensions payable under local legislation, group employees receive supplementary pension benefits and retirement bonuses. These benefits are paid under defined contribution and defined benefit plans.

The contributions paid under defined contribution plans are in full discharge of the group's liability and are recognized as an expense.

In accordance with IAS 19 – Employee Benefits, obligations under defined benefit plans are measured by independent actuaries using the projected unit credit method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, which is then discounted to present value. The calculations mainly take into account:
- an assumed retirement date;
- a discount rate;
- an inflation rate;
- assumptions concerning future salary levels and staff turnover rates.

Actuarial valuations are performed twice a year at each half year and annual closing for the main plans, and once every three years for the other plans, with more frequent valuations conducted if necessary to take account of changes in actuarial assumptions or significant changes in demographic data.

Changes in actuarial assumptions and experience adjustments - corresponding to the effects of differences between the previous actuarial assumptions and what has actually occurred - give rise to actuarial gains and losses on the benefit obligation or on the plan assets. These gains and losses are recorded in the "Income and expenses recognized directly in equity" statement, and will not be recycled in the income statement.

In the event of modification of the benefits defined in a plan, the impact of changes to pension plans after January 1, 2012 is fully recognized under "Operating income" in the income statement for the period in which they occurred.

As a result, for each defined benefit plan, the group records a provision in an amount equal to the projected benefit obligation less the fair value of the plan assets.

The purpose of external funds is to cover the total projected benefit obligation. In some cases the amount of these external funds may exceed the recognized portion of the projected benefit obligation, leading to the recognition of an "Other assets".

In the case of plans that are subject to a minimum funding requirement under the law or the plan rules, if the group does not have an unconditional right to refund of a surplus within the meaning of IFRIC 14, this affects the asset ceiling. Regardless of whether the plan has a deficit or a surplus, a liability is recognized for the portion of the present value of the minimum funding in respect of services already received that, once paid and after covering the shortfall resulting from applying IAS 19, would generate a surplus in excess of the asset ceiling determined in accordance with IAS 19.

The net cost of defined benefit pension plans for the period therefore corresponds to the sum of the following:
- The service cost (recognized in "Operating income" in "Other general operating expenses");

- The finance cost less the expected yield on plan assets (recognized in “Non-operating income” in “Pension obligation expense or income”). These two items (finance cost and expected yield on assets) are measured based on the rate used to discount the obligations.
- Any adjustment to the IFRIC 14 minimum funding requirement liability (recognized in “Non-operating income in “Pension obligation expense or income”).

Other employee benefits covered by provisions mainly concern long-service awards payable by French subsidiaries and some foreign subsidiaries.

Employee benefits relate to joint ventures.

H. Signature Commitments

Irrevocable commitments given or received by group companies (irrevocable customer financing commitments, corresponding to the period between the loan offer and the date when the funds are released, guarantees; other commitments received or given…) are recognized in the balance sheet at fair value in accordance with IFRS 9. As these commitments are made on market terms, they have a zero fair value.

Provisions are taken for impairment of financing or guarantee commitments in accordance with IAS 37. These signature commitments are reported at their nominal amount in note 20 – Other commitments.

Derivative financial instrument commitments (rate or currency instruments) are described in note C.1 above and are reported at their nominal amount in note 17 – Derivatives.

Note 3 Cash, Central Banks

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Cash	-	-
Central banks (1)	174	50
- *of which compulsory reserves deposited with the Banque de France*	-	-
Total	**174**	**50**

(1) *The reserves deposited with the central banks are included in Banque PSA Finance Group's liquidity reserve (see Note 20.2).*

Note 4 Financial Assets at Fair Value Through Profit or Loss

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Marketable securities booked at fair value through profit or loss	**304**	**325**
- Marketable securities	304	325
- Mutual funds	297	302
- Mutual funds qualified as cash equivalents (1)	235	235
- Units held by insurance companies	62	67
- *of which accrued interest*	(2)	(1)
- Certificates of deposit and Treasury bills	-	-
- Bonds issued by the securitization funds in the Santander joint venture	7	23
- *of which held by insurance companies*	7	23
- Fair value adjustments	-	-
Foreign exchange hedging instruments	**-**	**-**
Accrued interest on trading derivatives	**-**	**-**
Fair value of trading derivatives	**-**	**-**
Equity securities booked at fair value through profit or loss	**-**	**3**
- Equity Securities, gross value	28	30
- PSA UK Number 1 P.L.C. (2)	-	2
- PSA Financial d.o.o. (3)	3	3
- PSA Finance Hungaria Zrt (4)	25	25
- Equity Securities Impairment (3)(4)	(28)	(27)
Total	**304**	**328**

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

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

(1) *The mutual funds qualified as cash equivalents are included in Banque PSA Finance Group's liquidity reserve (see Note 20.2).*

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

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

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

Note 5 Hedging Instruments - Assets

5.1 Analysis by Nature

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Adjustment accounts - commitments in foreign currencies (1)	**26**	**45**
- of which related companies	-	-
Accrued income on swaps designated as hedges	**3**	**3**
- of which related companies	-	-
Positive fair value of instruments designated as hedges of:	**2**	**6**
- Borrowings	-	-
- EMTNs/BMTNs	2	6
- of which due to hedging cross currency swaps' basis spread	-	*(1)*
- Bonds	-	-
- Customer loans (Installment contracts, Buyback contracts and Long-term leases)	-	-
- Variable rate EMTN (Cash Flow Hedge)	-	-
Offsetting positive fair value and received margin calls	**(30)**	**(53)**
Total	**1**	**1**

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

(1) *Adjustment accounts are used to record fair value adjustments to currency swaps designated as hedges of foreign currency customer loans refinanced in euros and foreign currency financing liabilities. These fair value adjustments are offset by adjustments arising from the remeasurement of the underlying foreign currency customer loans and financing liabilities at period-end exchange rates (see "A. Operational Positions in Foreign Currencies" in Note 17).*

5.2 Offsetting swaps with margin call designated as hedges - Assets

For 2020

(in million euros)	Asset gross amount		Asset net amount before offsetting	Offsetting with received margin calls	Balance Sheet amount after offsetting
Positive valued swaps	Swap's winning leg	Swap's losing leg			
Adjustment accounts - commitments in foreign currencies	**204**	**(178)**	**26**	**-**	**26**
- Cross currency swap with margin call	204	(178)	26	-	26
- Other instruments			-	-	-
Accrued income	**3**	**-**	**3**	**-**	**3**
- Swaps with margin call	3	-	3	-	3
- Swaps without margin call	-	-	-	-	-
Positive fair value	**181**	**(179)**	**2**	**-**	**2**
- Swaps with margin call	181	(179)	2	-	2
- Swaps without margin call	-	-	-	-	-
Offsetting	-	-		(30)	**(30)**
Total assets	**388**	**(357)**	**31**	**(30)**	**1**
Margin calls received on swaps designated as hedges	-	-	30	(30)	-
Total liabilities	**-**	**-**	**30**	**(30)**	**-**

For 2019

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

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

Analysis of Demand and Time Accounts

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Demand accounts	**182**	**168**
- Ordinary accounts in debit	180	168
- of which allocated to the liquidity reserve (1)	*180*	*168*
- of which held by insurance companies	*64*	*49*
- of which related companies	*38*	*8*
- Loans and advances at overnight rates (1)	2	-
Time accounts	**277**	**198**
- Time accounts qualified as cash equivalents (1)	-	-
- Subordinated loans (2)	251	196
- of which related companies	*251*	*196*
- Other	26	2
- of which held by insurance companies	*3*	*2*
Accrued interest	**-**	**-**
- of which related companies	*-*	*-*
Total	**459**	**366**

(1) The part of ordinary accounts and Loans and advances at overnight rates allocated to the liquidity reserve and time accounts qualified as cash equivalents are included in Banque PSA Finance Group's liquidity reserve (see Note 20.2).

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

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

- In December 2020, to the Spanish joint venture in partnership with Santander Consumer Finance for €20 million.

Note 7 Customer Loans and Receivables, at amortized cost

7.1 Analysis by Type of Financing

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

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

(2) Under the cash pooling agreement with PSA International, the asset and liability amounts are offset in accordance with IAS 32 (see Note 12).

7.2 Customer Loans and Receivables by Segment

For 2020

(in million euros) IFRS 8 Segment	Corporate Dealers (A - see B Note 23.1)	End user: Retail (B - see A Note 23.1)	End user: Corporate and equivalent (C - see C Note 23.1)	Total at Dec. 31, 2020
Type of financing				
Installment contracts	-	1	-	1
Buyback contracts	-	-	-	-
Long-term leases	-	-	-	-
Wholesale financing	30	-	-	30
Other finance receivables		-	-	-
Ordinary accounts in debit	-	-	-	-
Deferred items included in amortized cost	-	-	-	-
Total customer loans by segment (based on IFRS 8)	**30**	**1**	**-**	**31**

For 2019

(in million euros) IFRS 8 Segment	Corporate Dealers (A - see B Note 23.1)	End user: Retail (B - see A Note 23.1)	End user: Corporate and equivalent (C - see C Note 23.1)	Total at Dec. 31, 2019
Type of financing				
Installment contracts	-	3	-	3
Buyback contracts	-	7	-	7
Long-term leases	-	-	-	-
Wholesale financing	75	-	-	75
Other finance receivables		-	-	-
Ordinary accounts in debit	-	-	-	-
Deferred items included in amortized cost	-	-	-	-
Total customer loans by segment (based on IFRS 8)	**75**	**10**	**-**	**85**

7.3 Analysis by Currency

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Net loans and receivables		
ARS	-	-
EUR	-	-
GBP	-	-
MXN	30	32
PLN	1	3
RUB	-	50
Total	**31**	**85**

The adjustments arising from the remeasurement of foreign currency customer loans refinanced in euros at period-end exchange rates are offset by the fair value adjustments to currency swaps hedging these loans (see Note 5)

7.4 Analysis by Maturity

For 2020

(in million euros)	Not broken down	0 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total at Dec. 31, 2020
Installment contracts	**-**	**-**	**-**	**1**	**-**	**-**	**1**
Gross	-	-	-	1	-	-	1
Impairment	-	-	-	-	-	-	-
Buyback contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Long-term leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-	-	-	-	-	-
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Wholesale financing	**-**	**21**	**4**	**5**	**-**	**-**	**30**
Gross	-	21	4	5	-	-	30
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Other finance receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-		-	-	-	-
Impairment	-	-	-	-	-	-	-
Ordinary accounts in debit	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total net loans and receivables	**-**	**21**	**4**	**6**	**-**	**-**	**31**
Gross	-	21	4	6	-	-	31
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	-	-	-	-	-	-	-

For 2019

(in million euros)	Not broken down	0 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total at Dec. 31, 2019
Installment contracts	**-**	**1**	**-**	**1**	**1**	**-**	**3**
Gross	-	1	-	1	1	-	3
Impairment	-	-	-	-	-	-	-
Buyback contracts	**-**	**-**	**-**	**2**	**5**	**-**	**7**
Gross	-	-	-	2	5	-	7
Impairment	-	-	-	-	-	-	-
Long-term leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-	-	-	-	-	-
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Wholesale financing	**-**	**61**	**13**	**1**	**-**	**-**	**75**
Gross	-	61	13	1	-	-	75
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Other finance receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-		-	-	-	-
Impairment	-	-	-	-	-	-	-
Ordinary accounts in debit	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total net loans and receivables	**-**	**62**	**13**	**4**	**6**	**-**	**85**
Gross	-	62	13	4	6	-	85
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	-	-	-	-	-	-	-

Note 8 Accruals and Other Assets

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Other receivables	**32**	**38**
- Related companies	22	35
- of which insurance activities	*6*	*6*
- Non-group companies	10	3
- of which insurance activities	*7*	*1*
Dividends receivable from Joint Ventures	**29**	**9**
- of which insurance activities	*20*	*9*
Prepaid and recoverable taxes	**30**	**22**
- of which insurance activities	*26*	*15*
Accrued income	**25**	**23**
- Related companies	6	9
- Non-group companies	19	14
- of which insurance activities (1)	*18*	*13*
Prepaid expenses	**1**	**2**
Other	**1**	**-**
- Related companies	-	-
- Non-group companies	1	-
- of which insurance activities	*-*	*-*
Total	**118**	**94**

(1) Accrued income for insurance activities includes a movement related to provisions of note 15.1, column 'Other'.

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

9.1 Investments

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
At the beginning of the period	**2 604**	**2 372**
Change in consolidation scope	-	9
Capital increase/(decrease) and contributions to reserves	(2)	47
Share in net income	351	372
Distribution of dividends	(290)	(210)
Gains and Losses Recognized Directly in Equity	(33)	12
Hyperinflation effects (1)	2	2
At the end of the period	**2 632**	**2 604**
- of which goodwill (2)	*3*	*3*

The valuation of investments in associates and joint ventures (consolidated under equity method) is not subject to impairment as of December 31, 2020.
The impairment test was done based on Mid Term Plan (MTP) forecasts as prepared in the framework of partnership governance.
The net cash generated by the 2021-2023 MTP and the terminal value are discounted at an after-tax rate of 9% (the same as of December 31, 2019 and 2018).
The terminal value takes into account a growth rate to infinity of 0% (the same as of December 31, 2019 and 2018).

Table of Changes by Geographical Area

	Europe		Brazil	China		Argentina	
(in million euros) Partnership with	Santander Consumer Finance	BNP Paribas Personnal Finance	Santander	Dongfeng Peugeot Citroën	*of which goodwill (2)*	Banco Bilbao Vizcaya Argentaria (3)	Total
At december 31, 2018	**1 645**	**588**	**37**	**102**	*3*	**-**	**2 372**
Change in consolidation scope				9			9
Capital increase/(decrease) and contributions to reserves	41					6	47
Share in net income	276	76	4	16	-	-	372
Distribution of dividends	(128)	(74)	(8)	-	-	-	(210)
Gains and Losses Recognized Directly in Equity	12	-	(1)	1	-	-	12
Hyperinflation effects (1)	-	-	-	-	-	2	2
At December 31, 2019	**1 846**	**590**	**32**	**128**	**3**	**8**	**2 604**
Change in consolidation scope							-
Capital increase/(decrease) and contributions to reserves	(2)						(2)
Share in net income	274	64	2	11	-	-	351
Distribution of dividends	(206)	(72)	(2)	(10)	-	-	(290)
Gains and Losses Recognized Directly in Equity	(15)	(3)	(9)	(3)	-	(3)	(33)
Hyperinflation effects (1)	-	-	-	-	-	2	2
At December 31, 2020	**1 897**	**579**	**23**	**126**	*3*	**7**	**2 632**

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

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

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

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

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

9.2 Detailed information about Associates - Joint ventures

The following information is given according to IFRS 12:

9.2.1 Partnership with Santander Consumer Finance in Europe
9.2.2 Partnership with BNP Paribas Personal Finance in Europe
9.2.3 Partnership with Santander in Brazil
9.2.4 Partnership with Dongfeng in China
9.2.5 Partnership with Banco Bilbao Vizcaya Argentaria in Argentina

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

9.2.1 Partnership with Santander Consumer Finance in Europe

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

Equity accounted percentage: 50%

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

Key Balance Sheet Items

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Customer loans and receivables	30 468	31 305
Other assets	3 513	3 652
Total assets	**33 981**	**34 957**
Refinancing	23 021	24 421
Other liabilities	7 166	6 844
Equity	3 794	3 692
Total equity and liabilities	**33 981**	**34 957**

Key Income Statement Items

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	2 213	2 122
Expenses of banking activities, insurance activities and other services	(961)	(921)
Net banking revenue	**1 252**	**1 201**
General operating expenses and equivalent	(361)	(382)
Gross operating income	**891**	**819**
Cost of risk (1)	(112)	(62)
Operating income	**779**	**757**
Non-operating items	(8)	(6)
Pre-tax income	**771**	**751**
Income taxes	(223)	(198)
Net income for the year	**548**	**553**

(1) *The cost of risk include an additional provision of €37 million cf. note 1*

Statement of changes from 100% Equity to equity method

(in million euros)	**Equity before equity method**	**Percentage of equity method**	**Share of profit of equity method**	**Elimination of shareholder's equity (1)**	**Goodwill**	**Equity after equity method**	***of which exchange difference***
At December 31, 2018	**3 290**	**50%**	**1 645**	**(1 273)**	**-**	**372**	***(35)***
Capital increase/(decrease) and contributions to reserves	81		41	(41)		-	
Net income of the period	553		276			276	
Distribution of dividends	(255)		(128)			(128)	
Gains and Losses Recognized Directly in Equity	23		12			12	*10*
At December 31, 2019	**3 692**	**50%**	**1 846**	**(1 314)**	**-**	**532**	**(25)**
Capital increase/(decrease) and contributions to reserves	(5)		(2)	2		-	
Net income of the period	548		274			274	
Distribution of dividends	(412)		(206)			(206)	
Gains and Losses Recognized Directly in Equity	(29)		(15)			(15)	*(12)*
At December 31, 2020	**3 794**	**50%**	**1 897**	**(1 312)**	**-**	**585**	**(37)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Investments in associates and joint ventures accounted for using the equity method	1 897	1 846
Total assets	**1 897**	**1 846**
Equity		
- Historical value of the shares owned (1)	1 312	1 314
- Consolidated reserves - equity holders of the parent	585	532
- of which share in net income accounted for using the equity method	*274*	*276*
Total equity and liabilities	**1 897**	**1 846**

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

9.2.2 Partnership with BNP Paribas Personal Finance in Europe

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

Equity accounted percentage: 50%

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

Key Balance Sheet Items

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Customer loans and receivables	10 501	11 064
Other assets	1 422	1 593
Total assets	**11 923**	**12 657**
Refinancing	8 726	9 444
Other liabilities	2 040	2 033
Equity	1 157	1 180
Total equity and liabilities	**11 923**	**12 657**

Key Income Statement Items

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	704	743
Expenses of banking activities, insurance activities and other services	(298)	(277)
Net banking revenue (1)	**406**	**466**
General operating expenses and equivalent	(196)	(225)
Gross operating income	**210**	**241**
Cost of risk (2)	(37)	(19)
Operating income	**173**	**222**
Non-operating items	(1)	(13)
Pre-tax income	**172**	**209**
Income taxes	(44)	(57)
Net income for the year	**128**	**152**

(1) *Of which a positive impact of €43 million euros at December 31, 2020 (€82 million euros at December 31, 2019) related to the Price Purchase Allocation: see Note 25.2.*

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

Statement of changes from 100% Equity to equity method

(in million euros)	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	*of which exchange difference*
At December 31, 2018	**1 178**	**50%**	**588**	**(489)**	**-**	**99**	**(3)**
Net income of the period	152		76			76	
Distribution of dividends	(150)		(74)			(74)	
Gains and Losses Recognized Directly in Equity	-		-			-	*2*
At Decmber 31, 2019	**1 180**	**50%**	**590**	**(489)**	**-**	**101**	**(1)**
Net income of the period	128		64			64	
Distribution of dividends	(144)		(72)			(72)	
Gains and Losses Recognized Directly in Equity	(7)		(3)			(3)	*(1)*
At December 31, 2020	**1 157**	**50%**	**579**	**(489)**	**-**	**90**	**(2)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Investments in associates and joint ventures accounted for using the equity method	579	590
Total assets	**579**	**590**
Equity		
- Historical value of the shares owned (1)	489	489
- Consolidated reserves - equity holders of the parent	90	101
- *of which share in net income accounted for using the equity method*	*64*	*76*
Total equity and liabilities	**579**	**590**

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

9.2.3 Partnership with Santander in Brazil

The partnership in Brazil began in August 2016.

Equity accounted percentage: 50%

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

Key Balance Sheet Items

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Customer loans and receivables	217	383
Other assets	21	36
Total assets	**238**	**419**
Refinancing	186	344
Other liabilities	5	11
Equity	47	64
Total equity and liabilities	**238**	**419**

Key Income Statement Items

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Gross revenues of banking activities, insurance activities and other services	36	56
Expenses of banking activities, insurance activities and other services	(18)	(30)
Net banking revenue	**18**	**26**
General operating expenses and equivalent	(9)	(15)
Gross operating income	**9**	**11**
Cost of risk	(1)	(2)
Operating income	**8**	**9**
Income taxes	(3)	(1)
Net income for the year	**5**	**8**

Statement of changes from 100% Equity to equity method

(in million euros)	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	*of which exchange difference*
At December 31, 2018	**74**	**50%**	**37**	**(27)**	**-**	**10**	**(8)**
Net income of the period	8		4			4	
Distribution of dividends	(15)		(8)			(8)	
Gains and Losses Recognized Directly in Equity	(1)		(1)			(1)	*(1)*
At Decmber 31, 2019	**66**	**50%**	**32**	**(27)**	**-**	**5**	**(9)**
Net income of the period	5		2			2	
Distribution of dividends	(5)		(2)			(2)	
Gains and Losses Recognized Directly in Equity	(19)		(9)			(9)	*(9)*
At december 31, 2020	**47**	**50%**	**23**	**(27)**	**-**	**(4)**	**(18)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Investments in associates and joint ventures accounted for using the equity method	23	32
Total assets	**23**	**32**
Equity		
- Historical value of the shares owned (1)	27	27
- Consolidated reserves - equity holders of the parent	(4)	5
- of which share in net income accounted for using the equity method	*2*	*4*
Total equity and liabilities	**23**	**32**

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

9.2.4 Partnership with Dongfeng in China

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

Equity accounted percentage: 25%

Fully financial information

Key Balance Sheet Items

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Customer loans and receivables	1 176	1 376
Other assets	130	144
Total assets	**1 306**	**1 520**
Refinancing	687	926
Other liabilities	126	94
Equity	493	500
Total equity and liabilities	**1 306**	**1 520**

Key Income Statement Items

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Gross revenues of banking activities, insurance activities and other services	128	172
Expenses of banking activities, insurance activities and other services	(47)	(64)
Net banking revenue	**81**	**108**
General operating expenses and equivalent	(19)	(24)
Gross operating income	**62**	**84**
Cost of risk	(4)	-
Operating income	**58**	**84**
Non-operating items	-	(1)
Pre-tax income	**58**	**83**
Income taxes	(15)	(21)
Net income for the year	**43**	**62**

Statement of changes from 100% Equity to equity method

(in million euros)	**Equity before equity method**	**Percentage of equity method**	**Share of profit of equity method**	**Elimination of shareholder's equity (1)**	**Goodwill (2)**	**Equity after equity method**	***of which exchange difference***
At December 31, 2018	**397**	**25%**	**99**	**(33)**	**3**	**69**	**1**
Change in consolidation scope	38		9	(9)	-	-	
Net income of the period	62		16	-	-	16	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	1		1		-	1	*1*
At December 31, 2019	**498**	**25%**	**125**	**(42)**	**3**	**86**	**2**
Net income of the period	43		11	-	-	11	
Distribution of dividends	(38)		(10)	-	-	(10)	
Gains and Losses Recognized Directly in Equity	(10)		(3)		-	(3)	*(3)*
At December 31, 2020	**493**	**25%**	**123**	**(42)**	**3**	**84**	**(1)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Investments in associates and joint ventures accounted for using the equity method (2)	126	128
Total assets	**126**	**128**
Equity		
- Historical value of the shares owned (1)	42	42
- Consolidated reserves - equity holders of the parent	84	86
- of which share in net income accounted for using the equity method	*11*	*16*
Total equity and liabilities	**126**	**128**

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

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

9.2.5 Partnership with Banco Bilbao Vizcaya Argentaria in Argentina

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

Equity accounted percentage: 50%

Fully financial information

Key Balance Sheet Items

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Customer loans and receivables	62	39
Other assets	7	16
Total assets	**69**	**55**
Refinancing	30	25
Other liabilities	24	13
Equity	15	17
Total equity and liabilities	**69**	**55**

Key Income Statement Items

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Gross revenues of banking activities, insurance activities and other services	14	28
Expenses of banking activities, insurance activities and other services	(11)	(27)
Net banking revenue	**3**	**1**
General operating expenses and equivalent	(2)	(4)
Gross operating income	**1**	**(3)**
Cost of risk	-	-
Operating income	**1**	**(3)**
Non-operating items	-	-
Pre-tax income	**1**	**(3)**
Income taxes	(1)	1
Net income for the year	**-**	**(2)**

Statement of changes from 100% Equity to equity method

(in million euros)	**Equity before equity method**	**Percentage of equity method**	**Share of profit of equity method**	**Elimination of shareholder's equity (2)**	**Goodwill**	**Equity after equity method**	***of which exchange difference***
At December 31, 2018	**-**	**50%**	**-**	**-**	**-**	**-**	**-**
Capital increase/(decrease) and contributions to reserves	13		6	(13)	-	(7)	*(3)*
Net income of the period (1)	-		-	-	-	-	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	-		-	-	-	-	-
Hyperinflation effects (2)	4		2	-	-	2	-
At Decmber 31, 2019	**17**	**50%**	**8**	**(13)**	**-**	**(5)**	**(3)**
Capital increase/(decrease) and contributions to reserves	-		-	-	-	-	-
Net income of the period	-		-	-	-	-	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(6)		(3)	-	-	(3)	*(3)*
Hyperinflation effects (1)	4		2	-	-	2	
At December 31, 2020	**15**	**50%**	**7**	**(13)**	**-**	**(6)**	**(6)**

(1) The implementation of IAS 29 led a negative impact of €-4 millions in Net Income, of which €-4 millions fully covered by a positive change in Equity (Minority interests: €2 millions).

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

Consolidated Balance Sheet items after equity method

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Investments in associates and joint ventures accounted for using the equity method	7	8
Total assets	**7**	**8**
Equity		
- Historical value of the shares owned (1)	13	13
- Consolidated reserves - equity holders of the parent	(6)	(5)
- *of which share in net income accounted for using the equity method*	-	-
Total equity and liabilities	**7**	**8**

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

Note 10 Property and equipment and intangible assets

Property and equipment and intangible assets can be analyzed as follows:

(in million euros)	Dec. 31, 2020 Cost	Dec. 31, 2020 Depreciation/	Dec. 31, 2020 Net	Dec. 31, 2019 Cost	Dec. 31, 2019 Depreciation/	Dec. 31, 2019 Net
Property and equipment	**5**	**(2)**	**3**	**6**	**(3)**	**3**
- Buildings - Right of use (1)	2	(1)	1	3	(1)	2
- Vehicules	-	-	-	-	-	-
- Other	3	(1)	2	3	(2)	1
Intangible assets	**262**	**(193)**	**69**	**271**	**(205)**	**66**
- Softwares	258	(189)	69	267	(201)	66
- Other	4	(4)	-	4	(4)	-
Total	**267**	**(195)**	**72**	**277**	**(208)**	**69**

Table of changes in gross values

(in million euros)	Dec. 31, 2019 Gross value Fixed Assets	Additions	Disposals	Other movements	Dec. 31, 2020 Gross value Fixed Assets
Property and equipment	**6**	**1**	**(1)**	**(1)**	**5**
- Buildings - Right of use (1)	3	-	-	(1)	2
- Vehicules	-	-	-	-	-
- Other	3	1	(1)	-	3
Intangible assets	**271**	**16**	**(25)**	**-**	**262**
- Softwares	267	16	(25)	-	258
- Other	4	-	-	-	4
Total	**277**	**17**	**(26)**	**(1)**	**267**

Table of changes in amortization

(in million euros)	Dec. 31, 2019 Amortization Fixed Assets	Charges	Reversals	Other movements	Dec. 31, 2020 Amortization Fixed Assets
Property and equipment	**(3)**	**(1)**	**1**	**1**	**(2)**
- Buildings - Right of use (1)	(1)	(1)	-	1	(1)
- Vehicules	-	-	-	-	-
- Other	(2)	-	1	-	(1)
Intangible assets	**(205)**	**(13)**	**25**	**-**	**(193)**
- Softwares	(201)	(13)	25	-	(189)
- Other	(4)	-	-	-	(4)
Total	**(208)**	**(14)**	**26**	**1**	**(195)**

(1) *Buildings are assessed in accordance with IFRS 16 standard and are only including right of use.*

Note 11 Deposits from Credit Institutions

11.1 Analysis of Demand and Time Accounts

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Demand deposits (non-group institutions)	**-**	**4**
- Ordinary accounts in credit	-	2
- Accounts and deposits at overnight rates	-	2
- Other amounts due to credit institutions	-	-
Accrued interest	**-**	**-**
Time deposits (non-group institutions)	**26**	**36**
- Conventional bank deposits	26	36
Accrued interest	**-**	**-**
Total deposits from credit institutions at amortized cost	**26**	**40**

11.2 Analysis by Currency

(Excluding Accrued interest and Deferred items included in amortized cost)

	Dec. 31, 2020		Dec. 31, 2019	
(in million euros)	Demand deposits	Time deposits	Demand deposits	Time deposits
ARS	-	-	-	-
EUR	-	-	-	-
GBP	-	-	2	-
MXN	-	26	-	27
PLN	-	-	2	-
RUB	-	-	-	9
Total	**-**	**26**	**4**	**36**

11.3 Analysis by Maturity of Deposits from Credit Institutions

(Excluding Accrued interest and Deferred items included in amortized cost)

	Dec. 31, 2020	31.12.2019
(in million euros)	Time deposits	Time deposits
0 to 3 months	26	35
3 to 6 months	-	1
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
Total	**26**	**36**

Note 12 Due to Customers

12.1 Analysis of Demand and Time Accounts

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

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

12.2 Analysis by Currency

(Excluding Accrued interest and Deferred items included in amortized cost)

	Dec. 31, 2020		Dec. 31, 2019	
(in million euros)	Demand deposits	Time deposits	Demand deposits	Time deposits
ARS	-	-	-	-
EUR	2	-	-	-
GBP	-	-	-	-
MXN	-	-	-	-
PLN	-	-	-	-
RUB	-	-	-	1
Total	**2**	**-**	**-**	**1**

Note 13 Debt Securities

13.1 Analysis by Nature

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Interbank instruments and money-market securities (non-group institutions)	**204**	**223**
- EMTNs and BMTNs	204	223
- Certificates of deposit and "billets de trésorerie"	-	-
Accrued interest	**3**	**3**
Other debt securities	**-**	**-**
Total debt securities at amortized cost	**207**	**226**

13.2 Analysis by Repayment Currency (1)

(Excluding Accrued interest and Deferred items included in amortized cost)

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
ARS	-	-
EUR	-	-
USD (1)	204	223
Total	**204**	**223**

(1) *Adjustments arising from the remeasurement of hedged foreign currency financing liabilities (-€19 million due to USD issued debt at December 31, 2020) at period-end exchange rates are offset by fair value adjustments to the corresponding currency swaps (see Note 5).*

Banque PSA Finance's residual currency position is presented in Note 17.

13.3 Analysis by Maturity of Debt Securities

(Excluding Accrued interest and Deferred items included in amortized cost)

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
0 to 3 months	-	-
3 to 6 months	204	-
6 months to 1 year	-	-
1 to 5 years	-	223
Over 5 years	-	-
Total	**204**	**223**

Note 14 Accruals and Other Liabilities

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Trade payables	**31**	**28**
- Related companies (1)	27	24
- of which insurance activities	*-*	*-*
- Non-group companies	4	4
- of which insurance activities	*-*	*-*
Financial Debts (2)	**1**	**2**
- of which insurance activities	*1*	*2*
Accrued payroll and other taxes	**2**	**1**
Accrued charges	**8**	**17**
- Related companies	(1)	4
- of which insurance activities	*(2)*	*1*
- Non-group companies	9	13
- of which insurance activities	*-*	*6*
Other payables	**10**	**3**
- Related companies	5	1
- of which insurance activities	*5*	*1*
- Non-group companies	5	2
- of which insurance activities	*5*	*1*
Deferred income	**28**	**3**
- Related companies	2	-
- of which insurance activities	*2*	*-*
- Non-group companies	26	3
- of which insurance activities (3)	*26*	*-*
- of which margin calls received on swaps designated as hedges (4)	*-*	*3*
Other	**-**	**-**
- Non-group companies	-	-
Total	**80**	**54**

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

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

(3) *Deferred income related to insurance activity for €26 million at December 31, 2020.*

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

Note 15 Insurance Activities

15.1 Liabilities Related to Insurance Contracts

(in million euros)	Dec. 31, 2019	Written premiums	Earned premiums	Claims paid	Claims incurred	Other (1)	Dec. 31, 2020
Unearned premium reserve (UPR)	15	34	(18)			1	**32**
Claims reserve							
- Claims reserve - reported claims	14			(2)	2		**14**
- Claims reserve - claims incurred but not reported (IBNR)	39				(7)		**32**
Total liabilities related to insurance contracts	**68**	**34**	**(18)**	**(2)**	**(5)**	**1**	**78**

(1) *'Other' movement reflects the provision adjustment, in correspondence with 'Accrued income' (see Note 8 'Accruals and other assets').*

15.2 Income from Activities

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
+ Earned premiums	**18**	**30**
Written premiums	34	41
Change in insurance liabilities (UPR)	(16)	(11)
- Cost	**(2)**	**11**
Claims expenses	(4)	(4)
Change in insurance liabilities (except for UPR)	8	25
Other income (expense)	(6)	(10)
- of which related companies	*(5)*	*(9)*
Margin on sales of Insurance activities	**16**	**41**

Note 16 Provisions

(in million euros)	Dec. 31, 2019	Changes	Exchange difference	Dec. 31, 2020
Provisions for pensions and other post-retirement benefits	-	-	-	-
Provisions for doubtful commitments:				
- Corporate dealers	-	-	-	-
- Corporate and equivalent	-	-	-	-
Provisions for fiscal risks	1	-	-	1
Provisions for commercial and tax disputes	10	(8)	-	2
Other	4	(2)	-	2
Total	15	**(10)**	-	**5**

Note 17 Derivatives

Group Interest Rate Management Policy

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

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

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

Currency risk:
Banque PSA Finance only allowed limited operational currency positions. The assets and liabilities of each entity are matched through the use of appropriate financial instruments.

Counterparty risk:
Banque PSA Finance's exposure to counterparty risk is limited to its use of derivatives governed by standard FBF or ISDA agreements and very short term cash investments with leading counterparties. The cross currency swap is stated with weekly margin call. Customer credit risk is discussed in Note 23.

The bank limits the exposure at the minimum from the implementation of its investment policy. Available cash other than bank deposit and reserves deposited with central banks is invested solely in in mutual funds.

Banque PSA Finance Residual Positions in Foreign Currencies

A. Operational Positions in Foreign Currencies

These positions are hedged using currency swaps, cross currency swaps and forward foreign exchange contracts. The residual position at the end of December 2020 is not significant (-€0.2 million at December 31, 2020 versus -€0.5 million at the end of 2019).

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

B. Structural Positions in Foreign Currencies

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

(in million euros)	ARS	CNY	GBP	MXN	PLN	RUB	BRL	TOTAL
Position at December 31, 2020	1	51	123	2	13	12	7	**209**
Position at December 31, 2019	*2*	*43*	*130*	*2*	*15*	*27*	*13*	***232***

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

Note 18 Analysis by Maturity and Liquidity Risks

The Liquidity Risk Management is described in the "Security of Liquidity" section of the Management Report.
The scheduled maturities of the three items involved are given in Note 7.4 with respect to Customer Loans and Receivables, in Note 11.3 with respect to Deposits from Credit Institutions and in Note 13.3 with respect to Debt Securities.

Covenants

The agreements of bilateral revolving credit facilities (for a €140 million commitment) signed by Banque PSA Finance include the customary acceleration clauses requiring the Group to give certain covenants to lenders. They include:

- negative pledge clauses whereby the borrower undertakes not to grant any collateral to any third parties. In the case of Banque PSA Finance, these clauses nevertheless comprise exceptions allowing the Group to carry out securitization programs or to give assets as collateral;
- material adverse change clauses in the case of a significant negative change in the economic and financial conditions;
- pari passu clauses which ensure that lenders enjoy at least the same treatment as the borrower's other creditors;
- cross default clauses whereby if one loan goes into default, all other loans from the same lender automatically become repayable immediately;
- clauses whereby the borrower undertakes to provide regular information to the lenders;
- clauses whereby the borrower undertakes to comply with the applicable legislation;
- change of control clauses.

In addition to these covenants consistent with market standards, such agreements maintain the statute of bank, and consequently the need to retain a Common Equity Tier One ratio of at least 11%.

All applicable clauses were complied with in 2020.

Note 19 Fair Value of Financial Assets and Liabilities

	Fair value		Book value		Difference	
(in million euros)	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2019
Assets						
Cash, central banks	174	50	174	50	-	-
Financial assets at fair value through profit or loss (1)(2)	304	328	304	328	-	-
Hedging instruments (1)	1	1	1	1	-	-
Financial assets at fair value through Equity	-	-	-	-	-	-
Debt securities at amortized cost	-	-	-	-	-	-
Loans and advances to credit institutions, at amortized cost (3)(4)	445	364	459	366	(14)	(2)
Customer loans and receivables, at amortized cost (5)	31	85	31	85	-	-
Equity and liabilities						
Central banks		-	-	-	-	-
Financial liabilities at fair value through profit or loss (1)	-	-	-	-	-	-
Hedging instruments (1)	1	1	1	1	-	-
Deposits from credit institutions (6)	26	40	26	40	-	-
Due to customers (3)	2	1	2	1	-	-
Debt securities (6)	210	235	209	231	(1)	(4)

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

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

(2) *The fair value of investments in companies, which are included in ""Financial assets at fair value through Equity"" since January 1st, 2018, is considered as being equal to the most recent transaction price, corresponding to the purchase of the shares. An impairment is recognized in the rare cases when long-term losses are anticipated.*

(3) *With the exception of Subordinated loans, the Loans and advances to credit institutions and Customer loans and receivables are short-term operations at adjustable rate, are accordingly close to their amortized cost.*

In accordance with IFRS 13, the calculation of the fair value is presented below:
- For Subordinated loans see footnote (4),
- For Customer loans and receivables see footnote (5),
- For Debts see footnote (6).

(4) *Subordinated loans are stated at amortized cost and are not hedged.*
The fair value presented above therefore corresponds mainly to the change in the spread (premium over the risk-free rate) paid by Banque PSA Finance on its financial market borrowings. It is determined by applying valuation based on data from our financial partners. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).

(5) *Customer loans and receivables are stated at amortized cost. They are generally hedged against interest rate risks (fair value hedge) and are therefore remeasured at the hedging rate (swap rate), in accordance with hedge accounting principles. Cumulative gains and losses arising from remeasurement are added to or deducted from their amortized cost.*
The fair value presented above has been estimated by discounting future cash flows at the average customer rate of the three last months. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).

(6) *Financing liabilities are stated at amortized cost. Hedge accounting is applied to liabilities hedged by interest rate swaps (fair value hedge), leading to their remeasurement at the discounted financing cost. Cumulative gains and losses arising from remeasurement are added to or deducted from their amortized cost.*
The fair value presented above therefore corresponds mainly to the change in the spread (premium over the risk-free rate) paid by Banque PSA Finance on its financial market borrowings. It is determined according to two following cases:
- For Debt securities, by applying valuation based on market available quotations (level 1).
- For Deposits from credit institutions, by applying valuation based on data from our financial partners. In this case, the fair value is determined by applying valuation making significant use of at least one non-observable item of data (level 3).

Note 20 Other Commitments

20.1 Other Commitments

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Financing commitments		
Commitments received from credit institutions (1)	141	150
Commitments given to credit institutions	-	-
Commitments given to customers	-	-
Guarantee commitments		
Commitments received from credit institutions	2	3
- guarantees received in respect of customer loans	2	3
- guarantees received in respect of securities held	-	-
- other guarantees received from credit institutions	-	-
Guarantees given to credit institutions	1	1
Commitments given to customers	15	15
- Banque PSA Finance	15	15
Other commitments received		
Securities received as collateral	-	-

(1) *This refers to undrawn bank facilities (see Note 20.2)*

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

20.2 Financial Security

Financial security refers to liquidity reserve and undrawn bank facilities

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Liquidity Reserve	**591**	**453**
- Reserves deposited with the central banks (see Note 3)	174	50
- Mutual funds qualified as cash equivalents (see Note 4)	235	235
- Ordinary accounts in debit (see Note 6)	180	168
- Loans and advances at overnight rates (see Note 6)	2	-
Undrawn bank facilities	**141**	**150**
- Revolving bilateral bank facilities (1)	140	150
- Other bank facilities	1	-
Total	**732**	**603**

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

Note 21 Interest and Other Revenue on Assets at Amortized Cost

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

Note 22 General Operating Expenses

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Personnel costs	**(5)**	**(7)**
- Wages and salaries	(4)	(6)
- Payroll taxes	(1)	(1)
- Employee profit sharing and profit-related bonuses	-	-
Other general operating expenses	**(1)**	**(7)**
- External expenses	(102)	(119)
- *of which related companies*	*(96)*	*(102)*
- Re-invoicing	101	112
- *of which related companies*	*98*	*111*
Total	**(6)**	**(14)**

General Operating Expenses by Geographical Area

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Country ISO code:		
AR	(1)	(3)
FR	2	1
GB	-	-
IT	-	-
MT	(3)	(4)
MX	(1)	(1)
NL	-	-
PL	(1)	-
RU	(2)	(6)
TR	-	(1)
Total	**(6)**	**(14)**

Note 23 Cost of risk

23.1 Cost of risk and changes in Loans

(in million euros)	Dec. 31, 2019	Net new loans and exchange difference (1)	Effect of changes in scope of consolidation	Cost of risk for the period at Dec. 31, 2020	Balance at Dec. 31, 2020
Retail					
Stage 1 loans	9	(8)	-	-	1
Stage 2 loans	-	-	-	-	-
Stage 3 loans	1	(1)	-	-	-
Guarantee deposits (lease financing)	-	-	-	-	-
Total	**10**	**(9)**	**-**	**-**	**1**
Impairment of stage 1 loans	-	-	-	-	-
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**	**-**
Net book value (A - see B Note 7.2)	**10**	**(9)**	**-**	**-**	**1**
Recoveries on loans written off in prior periods				-	
Retail cost of risk				**-**	
Corporate dealers					
Stage 1 loans	74	(45)	-	-	29
Stage 2 loans	2	(1)	-	-	1
Stage 3 loans	1	(1)	-	-	-
Total	**77**	**(47)**	**-**	**-**	**30**
Impairment of stage 1 loans	(1)	-	-	1	-
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	(1)	1	-	-	-
Total impairment	**(2)**	**1**	**-**	**1**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**	**-**
Net book value (B - see A Note 7.2)	**75**	**(46)**	**-**	**1**	**30**
Recoveries on loans written off in prior periods				-	
Corporate dealers cost of risk				**1**	
Corporate and equivalent					
Stage 1 loans	-	-	-	-	-
Stage 2 loans	-	-	-	-	-
Stage 3 loans	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**
Impairment of stage 1 loans	-	-	-	-	-
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**	**-**
Net book value (C - see C Note 7.2)	**-**	**-**	**-**	**-**	**-**
Recoveries on loans written off in prior periods				-	
Corporate and equivalent cost of risk				**-**	
Total loans					
Stage 1 loans	83	(53)	-	-	30
Stage 2 loans	2	(1)	-	-	1
Stage 3 loans	2	(2)	-	-	-
Guarantee deposits	-	-	-	-	-
Total	**87**	**(56)**	**-**	**-**	**31**
Impairment of stage 1 loans	(1)	-	-	1	-
Impairment of stage 2 loans	-	-	-	-	-
Impairment of stage 3 loans	(1)	1	-	-	-
Total impairment	**(2)**	**1**	**-**	**1**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**	**-**
Net book value (Note 7.2)	**85**	**(55)**	**-**	**1**	**31**
Recoveries on loans written off in prior periods				-	
Total cost of risk				**1**	

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

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

23.2 Change in cost of risk

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

Note 24 Income Taxes

24.1 Evolution of Balance Sheet Items

(in million euros)	Dec. 31, 2019	Income	Equity	Payment	Exchange difference and other (1)	Dec. 31, 2020
Current tax						
Assets	12					12
Liabilities	(9)					(12)
Total	**3**	**4**	**-**	**(7)**	**-**	**-**
Deferred tax						
Assets	3					2
Liabilities	(4)					-
Total	**(1)**	**3**	**-**	**-**	**-**	**2**

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

24.2 Income taxes of fully-consolidated companies

Income taxes currently payable represent the amounts paid or currently due to the tax authorities for the period, calculated in accordance with the tax rules and rates in effect in the various countries.
Deferred income taxes relate to timing differences between the recognition of certain items of income and expense for consolidated financial reporting and tax purposes. These differences relate principally to the accounting treatment of leasing and long-term rental transactions, and impairment of non-performing loans.
Deferred taxes are determined as described in the 2020 Annual Report, Note 2 Accounting Policies, last paragraph of chapter 2.A.

From January 1st, 2022, following the application of the 2018 finance law, the tax rate applied by Banque PSA Finance S.A in France is to decrease from 32,023%, in force since 2019, to 25,83%.
Time horizon expected for the utilization of deferred tax assets on tax losses justifies the application of this rate already in 2020 for the calculation of deferred tax assets in question.

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Current tax	4	**1**
Deferred tax	3	**(2)**
Deferred taxes arising in the year	(1)	(2)
Unrecognized deferred tax assets and impairment losses	4	-
Total	**7**	**(1)**

24.3 Banque PSA Finance tax proof

(in million euros)	Dec. 31, 2020	Dec. 31, 2019
Pre-tax income	328	398
Neutralization of the share in net income of associates and joint ventures accounted for using the equity method	(351)	(372)
Permanent differences	33	14
Taxable Income	**10**	**40**
Legal tax rate in France for the period	*25,8%*	*32,0%*
Theoretical tax	**(3)**	**(13)**
Impact of differences in foreign tax rates	(1)	-
Impact of changes in foreign tax rates	-	-
Impact of changes in France tax rates	(5)	(2)
Impact of provisional surtax in France	-	-
Adjustment related to the previous year	1	-
Tax disputes and adjustments	-	-
Other	11	12
Income taxes before impairment of assets on tax loss carry forwards	**3**	**(3)**
Group effective tax rate	*0,0%*	*9.2%*
Deferred tax assets on tax loss carry forwards:		
- Allowances	-	-
- Reversals	4	2
Income taxes	**7**	**(1)**

24.4 Deferred Tax Assets on Tax Loss Carry Forwards

(in million euros)	Dec. 31, 2019	New tax losses	Tax losses utilized in the year	Charges / Reversals	Exchange difference and other (2)	Dec. 31, 2020
Deferred tax assets on tax loss carry forwards	28	-	-		(5)	23
Allowances (1)	(27)			4	-	(23)
Total	**1**	**-**	**-**	**4**	**(5)**	**-**

(1) Banque PSA Finance's deferred tax asset on the tax loss carry forward has been fully written down, for an amount of €20.9 million at end of December 2020.

Note 25 Segment Information

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

25.1 Key Balance Sheet Items

At December 31, 2020

(in million euros)	IFRS 8 segment information Balance Sheet as at Dec. 31, 2020	Equity-method accounting of equity attributable to Group in JV	Consolidated Balance Sheet at Dec. 31, 2020
Assets			
Customer loans and receivables, at amortized cost	41 279	(41 248)	31
- *Corporate dealers*	*11 056*	*(11 026)*	*30*
- *End user*	*30 223*	*(30 222)*	*1*
Financial assets at fair value through profit or loss	318	(14)	304
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	204	(204)	-
Loans and advances to credit institutions, at amortized cost	2 712	(2 253)	459
Deferred tax assets	114	(112)	2
Investments in associates and joint ventures accounted for using the equity method (1)	125	2 507	2 632
Other assets	2 430	(2 053)	377
Total Assets	**47 182**	**(43 377)**	**3 805**
Liabilities			
Deposits from credit institutions	22 084	(22 058)	26
Due to customers	6 546	(6 544)	2
Debt securities	10 110	(9 903)	207
Liabilities related to insurance contracts	209	(131)	78
Deferred tax liabilities	485	(485)	-
Other liabilities	1 849	(1 749)	100
Equity	5 899	(2 507)	3 392
Total Liabilities	**47 182**	**(43 377)**	**3 805**

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

At December 31, 2019

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

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

25.2 Key Income Statement Items

At December 31, 2020

(in million euros)	IFRS 8 Income statement excl. PPA at Dec. 31, 2020	OVF PPA impact at Dec. 31, 2020	IFRS 8 Income statement at Dec. 31, 2020	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to Group in JV	Publishable Income Statement at Dec. 31, 2020
Net banking revenue	**1 661**	**43**	**1 704**	**(1)**	**(1 680)**	**23**
- Financing activities	***1 370***	***43***	***1 413***	***(1)***	***(1 406)***	***6***
- Corporate dealers	*254*	*1*	*255*	*-*	*(255)*	*-*
- End user	*1 112*	*40*	*1 152*	*-*	*(1 152)*	*-*
- Unallocated	*4*	*2*	*6*	*(1)*	*1*	*6*
- Insurance and services	***291***	***-***	***291***	***-***	***(274)***	***17***
Cost of risk	**(154)**	**4**	**(150)**	**-**	**151**	**1**
- Financing activities	***(154)***	***4***	***(150)***	***-***	***151***	***1***
- Corporate dealers	*(14)*	*4*	*(10)*	*-*	*11*	*1*
- End user	*(140)*	*-*	*(140)*	*-*	*140*	*-*
Net income after cost of risk	**1 507**	**47**	**1 554**	**(1)**	**(1 529)**	**24**
- Financing activities	***1 216***	***47***	***1 263***	***(1)***	***(1 255)***	***7***
- Corporate dealers	*240*	*5*	*245*	*-*	*(244)*	*1*
- End user	*972*	*40*	*1 012*	*-*	*(1 012)*	*-*
- Unallocated	*4*	*2*	*6*	*(1)*	*1*	*6*
- Insurance and services	***291***	***-***	***291***	***-***	***(274)***	***17***
General operating expenses and equivalent	**(588)**	**(1)**	**(589)**		**569**	**(20)**
Operating income	**919**	**46**	**965**	**(1)**	**(960)**	**4**
Share in net income of associates and joint ventures accounted for using the equity method (1)	*11*	-	11	-	340	351
Other items	*(36)*	-	(36)	-	9	(27)
Pre-tax income	**894**	**46**	**940**	**(1)**	**(611)**	**328**
Income taxes	(252)	(11)	(263)	-	270	7
Net income	**642**	**35**	**677**	**(1)**	**(341)**	**335**

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

A December 30, 2019

(in million euros)	IFRS 8 Income statement excl. PPA at Dec. 31, 2019	OVF PPA impact at Dec. 31, 2019	IFRS 8 Income statement at Dec. 31, 2019	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to Group in JV	Publishable Income Statement at Dec. 31, 2019
Net banking revenue	**1 663**	**82**	**1 745**	**(1)**	**(1 694)**	**50**
- Financing activities	***1 369***	***82***	***1 451***	***(1)***	***(1 441)***	***9***
- Corporate dealers	*277*	*2*	*279*	*-*	*(276)*	*3*
- End user	*1 073*	*68*	*1 141*	*-*	*(1 136)*	*5*
- Unallocated	*19*	*12*	*31*	*(1)*	*(29)*	*1*
- Insurance and services	***294***	***-***	***294***	***-***	***(253)***	***41***
Cost of risk	**(86)**	**4**	**(82)**	**-**	**83**	**1**
- Financing activities	***(86)***	***4***	***(82)***	***-***	***83***	***1***
- Corporate dealers	*(3)*	*4*	*1*	*-*	*(1)*	*-*
- End user	*(83)*	*-*	*(83)*	*-*	*84*	*1*
Net income after cost of risk	**1 577**	**86**	**1 663**	**(1)**	**(1 611)**	**51**
- Financing activities	***1 283***	***86***	***1 369***	***(1)***	***(1 358)***	***10***
- Corporate dealers	*274*	*6*	*280*	*-*	*(277)*	*3*
- End user	*990*	*68*	*1 058*	*-*	*(1 052)*	*6*
- Unallocated	*19*	*12*	*31*	*(1)*	*(29)*	*1*
- Insurance and services	***294***	***-***	***294***	***-***	***(253)***	***41***
General operating expenses and equivalent	**(651)**	**-**	**(651)**		**624**	**(27)**
Operating income	**926**	**86**	**1 012**	**(1)**	**(987)**	**24**
Share in net income of associates and joint ventures accounted for using the equity method (1)	*16*	-	16	-	356	372
Other items	*(18)*	-	(18)	-	20	2
Pre-tax income	**924**	**86**	**1 010**	**(1)**	**(611)**	**398**
Income taxes	(235)	(20)	(255)	-	254	(1)
Net income	**689**	**66**	**755**	**(1)**	**(357)**	**397**

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

Note 26 Information on establishments

This information is given to meet the requirement described in Article L. 511-45 of the French Monetary and Financial Code.

Note 26.1 Locations by country

Country ISO code	Entity	Consolidation method Dec. 2020	Consolidation method Dec. 2019	Localization	Type of activity (NACE code)
AR	PSA Finance Argentina Compania Financiera S.A.	EM	EM	Buenos Aires	K64
	PCA Compañía de Seguros S.A	FC	FC	Buenos Aires	K65
AT	PSA Bank Österreich GmbH, Austria Branch	EM	EM	Vienna	K64
	Opel Bank S.A., Austria Branch	EM	EM	Vienna	K64
BE	PSA Finance Belux	EM	EM	Brussels	K64
	Auto ABS Belgium Loans 2019 SA	EM	EM	Bruxelles	K64
	Opel Finance BVBA	EM	EM	Kontich	K64
BR	Banco PSA Finance Brasil S.A.	EM	EM	Sao Paulo	K64
	PSA Corretora de Seguros e Serviços Ltda	EM	EM	Sao Paulo	K65
CH	PSA Finance Suisse S.A.	-	EM	Schlieren	K64
	Opel Finance S.A.	EM	EM	Studen	K64
CN	Dongfeng Peugeot Citroën Auto Finance Company Ltd	EM	EM	Beijing	K64
	Dongfeng Peugeot Citroën Financial Leasing Co.	EM	EM	Beijing	N77
DE	PSA Bank Deutschland GmbH	EM	EM	Neu-Isenburg	K64
	Auto ABS German Lease Master 2019	EM	EM	Luxembourg	K64
	Opel Bank S.A., Germany Branch	EM	EM	Russelsheim	K64
	Opel Leasing Gmbh	-	EM	Russelsheim	K64
DZ	BPF Algérie	FC	FC	Algiers	K64
ES	PSA Financial Services Spain E.F.C. S.A.	EM	EM	Madrid	K64
	Auto ABS Spanish Loans 2016	EM	EM	Madrid	K64
	Auto ABS Spanish Loans 2018	EM	EM	Madrid	K64
	Auto ABS Spanish Loans 2020-1	EM	-	Madrid	K64
	Opel Bank S.A., Spain Branch	EM	EM	Madrid	K64
FR	Banque PSA Finance	FC	FC	Poissy	K64
	Crédipar	EM	EM	Poissy	K64
	CLV	EM	EM	Poissy	N77
	PSA Banque France	EM	EM	Poissy	K64
	Auto ABS French Loans Master	EM	EM	Paris	K64
	Auto ABS DFP Master Compartment France 2013	EM	EM	Paris	K64
	Auto ABS French Leases Master	EM	EM	Paris	K64
	FCT Auto ABS LT Leases Master	EM	EM	Paris	K64
	Opel Bank S.A	EM	EM	Poissy	K64
	Auto ABS German Loans Master	EM	EM	Paris	K64
	Auto ABS French Leases 2018 - Fonds E	EM	EM	Paris	K64
	Ecarat 10 Germany	EM	EM	Paris	K64
GB	PSA Finance UK Ltd	EM	EM	Redhill	K64
	Vernon Wholesale Investments Company Ltd	-	FC	Redhill	K64
	Auto ABS UK Loans plc	EM	EM	London	K64
	Economy Drive Cars Ltd	-	FC	West Midland	G45
	FCT Auto ABS UK Loans 2017 plc	EM	EM	London	K64
	Auto ABS UK Loans 2019 - Fonds 4	EM	EM	London	K64
	Vauxhall Finance plc	EM	EM	Cardiff	K64
	Ecarat 10 PLC	EM	EM	London	K64
	Ecarat 11 PLC	EM	-	London	K64
GR	Opel Bank S.A., Greece Branch	EM	EM	Maroussi - Athens	K64
IT	PSA Renting Italia S.p.A.	EM	EM	Milan	N77
	PSA Recupero S.R.L.	-	FC	Milan	K64
	Banca PSA Italia S.p.A.	EM	EM	Milan	K64
	Opel Bank S.A., Italy Branch	EM	EM	Rome	K64
	Auto ABS Italian 2018.1 S.r.l.	EM	EM	Conegliano	K64
	Auto ABS Italian Loans 2019	EM	EM	Conegliano	K64
	Auto ABS Italian Rainbow Loan 2020-1 S.r.l.	EM	-	Conegliano	K64
MT	PSA Services Ltd	FC	FC	Ta' Xbiex	K64
	PSA Insurance Ltd	FC	FC	Ta' Xbiex	K65
	PSA Life Insurance Ltd	FC	FC	Ta' Xbiex	K65
	PSA Insurance Manager Ltd	FC	FC	Ta' Xbiex	K65
	PSA Insurance Solutions Ltd	FC	FC	Ta' Xbiex	K65
	PSA Insurance Europe Ltd	EM	EM	Ta' Xbiex	K65
	PSA Life Insurance Europe Ltd	EM	EM	Ta' Xbiex	K65
MX	Banque PSA Finance Mexico SA de CV SOFOM ENR	FC	FC	Mexico	K64
NL	PSA Finance Nederland B.V.	FC	FC	Amsterdam	K64
	PSA Financial Holding B.V.	FC	FC	Amsterdam	K64
	PSA Financial Services Nederland B.V.	EM	EM	Amsterdam	K64
	Opel Finance International B.V.	-	EM	The Hague	K64
	Opel Finance N.V.	EM	EM	Breda	K64
PL	Banque PSA Finance, Polish branch	FC	FC	Warsaw	K64
	PSA Consumer Finance Polska Sp. z o.o	EM	EM	Warsaw	K64
	PSA Finance Polska Sp.zo.o.	EM	EM	Warsaw	K64
RU	Bank PSA Finance Rus	FC	FC	Moscow	K64
	Peugeot Citroën Leasing Russie	FC	FC	Moscow	K64
TR	BPF Pazarlama A.H.A.S.	FC	FC	Atasehir - Istanbul	K64

The types of activity are presented according to the NACE codes:

- K section: Financial and insurance activities
  - K64 - Financial service activities, except insurance and pension funding
  - K65 - Insurance, reinsurance and pension funding, except compulsory social security
- N section: Administrative and support service activities
  - N77 - Rental and leasing activities
- G section: Cars and motor vehicles trade
  - G45 - Trade and repair of automobiles and motorcycles

Note 26.2 Income statement items and employees by country

At December 31, 2020

Country	Public investment subsidies received	Sales and revenue (1)	Net banking revenue	Total	*o/w share in net income of associates and joint ventures accounted for using the equity method*	Current tax	Deferred tax	Number of employees (2)
(in million euros)	Income statement items			Pre-tax income				
AR	-	4	2	2	-	(1)	1	5
AT	-			5	*5*			
BE	-			9	*9*			
BR	-			2	*2*			
CH	-			4	*4*			
CN	-			11	*11*			
DE	-			41	*41*			
DZ	-	-	-	-		-	-	1
ES	-			28	*28*			
FR	-	64	2	74	*139*	(1)	1	-
GB	-	-	-	45	*41*	-	-	-
GR	-			-	-			
IT	-	-	-	39	*39*	-	-	-
MT	-	14	14	30	*20*	9	-	61
MX	-	4	2	-		-	-	-
NL	-	2	1	9	*9*	(1)	-	-
PL	-	-	-	3	*3*	-	-	10
RU	-	2	1	26		(2)	1	20
SE	-			-	-			
TR	-	1	1	-		-	-	11
Total	**-**	**91**	**23**	**328**	***351***	**4**	**3**	**108**

(1) In accordance with the "Autorité de Contrôle Prudentiel et de Résolution" instruction, the reported sales and revenue correspond to the total of banking operating income.

(2) Corresponds to full-time legal staff directly employed by the Banque PSA Finance's subsidiaries and branches which are fully consolidated at December 31, 2020.

Income statement items are disclosed before elimination of inter and intra company transactions.
The "Revenues", "Net Banking Revenue", "Current Tax" and "Deferred Tax" items only relate to the fully consolidated entities.

Note 27 Information on subsidiaries held by significant minority interests

This information is given according to IFRS 12 and relates to the subsidiary PCA Compania de Seguros S.A.
Minority interests in the other subsidiaries are not significant.

PCA Compania de Seguros S.A. *70% owned by Banque PSA Finance*

Minority interest: 30%

Key Balance Sheet Items

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Customer loans and receivables	-	-
Other assets	6	6
Total assets	**6**	**6**
Refinancing	-	-
Other liabilities	2	3
Equity		
- Elimination (1)	1	-
- Consolidated reserves - equity holders of the parent	2	2
- Minority interests	1	1
Total equity and liabilities	**6**	**6**

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

Key Income Statement Items

(in million euros)	**Dec. 31, 2020**	**Dec. 31, 2019**
Net banking revenue	**2**	**2**
General operating expenses	-	(1)
Gross operating income	**2**	**1**
Cost of risk	-	-
Operating income	**2**	**1**
Income taxes	(1)	(1)
Net income for the year	**1**	**-**
- of which minority interests	-	-
- of which attributable to equity holders of the parent	1	-

PCA Compañía de Seguros S.A.

(in million euros)	**Total net equity**	**Minority interest percentage**	**Minority interests**	***of which exchange difference***
At December 31, 2018	**2**	**30%**	**1**	***(1)***
Net income of the period	-		-	
Dividends	(1)		-	
Gains and Losses Recognized Directly in Equity	-		-	
	1			
At December 31, 2019	2	**30%**	**1**	***(1)***
Net income of the period (1)	1		-	-
Dividends	-		-	-
Gains and Losses Recognized Directly in Equity	-		-	-
Hyperinflation effects (1)	1		-	-
At Decmber 31, 2020	**4**	**30%**	**1**	***(1)***

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

Note 28 Auditors fees

(in million euros)	Ernst & Young Dec. 31, 2020	Ernst & Young Dec. 31, 2019	Mazars Dec. 31, 2020	Mazars Dec. 31, 2019
Audit				
- Statutory and contractual audit services				
- Banque PSA Finance	0,1	0,1	0,2	0,2
- Fully-consolidated companies	0,2	0,2	-	-
- *of which France*	-	-	-	-
- Audit-related services				
- Banque PSA Finance (1)	1,8	-	2,1	-
- Fully-consolidated companies	-	-	-	-
- *of which France*	-	-	-	-
Other services provided to fully-consolidated subsidiaries				
- Legal and tax services	-	-	-	-
- Other	-	-	-	-
Total	**2,1**	**0,3**	**2,3**	**0,2**

(1) Amounts in "Audit related services" refer to PCAOB and USGAAS fees for the merger of PSA and FCA groups.

Note 29 Subsequent Events

No other event occurred between December 31, 2020 and the Board of Directors' meeting to review the financial statement on February 22, 2021 that could have a material impact on business decisions made on the basis of these financial statements.

The merger between both groups PSA and FCA has been done at January 16, 2021. This operation has no impact on the financial statement at December 31, 2020.

2.7 Statutory auditors' report on the consolidated financial statements

For the year ended December, 31 2020

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Banque PSA Finance,

1. Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Banque PSA Finance for the year ended 31/12/2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

2. Basis for opinion

- Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

- Independence

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1st, 2020 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

3. Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

- Valuation and share carried in net income of investments in associates and joint ventures accounted for using the equity method

Risk identified	Our response
As presented in Note 9 "Investments in associates and joint ventures accounted for using the equity method" of the consolidated financial statements, the partnerships of Banque PSA Finance Group with Santander Consumer Finance and BNP Paribas Personal Finance lead to the consolidation under the equity method of joint ventures (and entities controlled by them) held jointly with the partners. These joint ventures are located in nineteen countries, as disclosed in note 26 "Information relating to locations" of the consolidated financial statements. Banque PSA Finance's management performs impairment tests based on cash flow assumptions. Investments in associates and joint ventures at December 31, 2020 amounted to €2,632 million, for a balance sheet total of €3,805 million and a share of profit of €351 million, for a net profit group share of €335 million.As part of the preparation of Banque PSA Finance's consolidated financial statements, subsidiaries prepare consolidation packages in accordance with IFRS and the Group accounting principles. These reporting statements are subject to limited review or audit by the auditors of the entities concerned. In this context, we considered that the valuation and the share of result of investments in associates and joint ventures are a key audit matter due to their importance in the consolidated financial statements, the multiplicity of entities and their specific governance through partnerships not controlled by Banque PSA Finance, and the high level of management judgment required to determine the value in use of these investments.	Our work consisted primarily in: • examining the process of preparing the consolidated financial statements and related control procedures; • preparing and sending audit instructions to the local auditors of the Group entities; these instructions are adapted to entities of each partnerships; • coordinating and close monitoring of the work performed by the local auditors, and reviewing their conclusions and their work in areas of significant risks; • performing procedures centrally, including (i) analyzing equity method accounting entries for investments, (ii) performing a detailed analytical review of the results as monitored by the bank's management, and (iii) obtaining an understanding of the work of the entity's internal audit and permanent control; • Reviewing and assessing the methodology used to identify indications of impairment of investments in associates, and the assumptions made by management when performing impairment tests, particularly in the context of the Covid-19 health crisis.

4. Specific verification

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

5. Report on Other Legal and Regulatory Requirements

- Appointment of the Statutory Auditors

We were appointed as statutory auditors of the company Banque PSA Finance by the General Assembly held on April 18th, 2005 for the Audit Firm MAZARS and the General Assembly held on April 19th, 2011 for the Audit Firm ERNST & YOUNG Audit.

As at 31 December 2020 Audit Firm MAZARS and Audit Firm ERNST & YOUNG Audit were in the 16th year and 10th year of total uninterrupted engagement respectively.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

7. Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

- Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

- Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, March 2d, 2021

The Statutory Auditors
French original signed by

MAZARS	ERNST & YOUNG Audit
Matthew Brown	Luc Valverde

Statement from the person responsible for the 2020 annual report

Person responsible for the annual report

Rémy Bayle
Chief Executive Officer of Banque PSA Finance S.A.

Certification of the person responsible for the annual report

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

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

I have obtained an end of mission report from the statutory auditors in which they indicate that they have verified the information on the financial situation and the financial statements provided in this document and in an overall reading of this document.

Rémy Bayle
Chief Executive Officer of Banque PSA Finance S.A.

BANQUE PSA FINANCE
A STELLANTIS COMPANY

BANQUE PSA FINANCE
Société anonyme. Share capital: €199,619,936
Registered office: 2-10 Boulevard de l'Europe – 78 300 POISSY- France
Registered in Nanterre under no. 325 952 224 - Siret 325 952 224 00021
ORIAS registration number 07 008 501 available at www.orias.fr
APE business identifier code: 6419Z
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